

Appraisal Report

State of Montana DNRC Inholdings

within the

Blackleaf & Sun River

Wildlife Management Areas



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APPRAISAL REPORT

of

MULTIPLE STATE OF MONTANA DNRC PARCELS
LYING WITHIN THE SUN RIVER & BLACKLEAF
WILDLIFE MANAGEMENT AREAS

Encompassing a Total of 4,049.83 Acres
-3,410.35 Acres in the Sun River WMA
-639.48 Acres in the Blackleaf WMA

Located in Teton & Lewis and Clark Counties

Effective Date: September 8, 2015

Prepared for:

State of Montana, Board of Land Commissioners
c/o Ms. Amy Randall, DNRC
c/o Ms. Darlene Edge, FWP
PO Box 200701
Helena, MT 59620-0701

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January 13, 2016

State of Montana, Board of Land Commissioners
c/o Ms. Amy Randall, DNRC
c/o Ms. Darlene Edge, FWP
PO Box 200701
Helena, MT 59620-0701

*RE: Valuation of the DNRC Inholdings that lie within the Sun River and Blackleaf
Wildlife Management Areas*

Dear Ms. Randall and Ms. Edge:

Pursuant to the authorization provided by Ms. Darlene Edge of the State of Montana Fish, Wildlife and Parks (FWP) and on behalf of the State of Montana, Board of Land Commissioners and the Department of Natural Resources and Conservation (DNRC) I have personally inspected and prepared an appraisal of the State of Montana DNRC lands that lie within the boundaries of the Sun River and Blackleaf Wildlife Management Areas (WMA) along the Rocky Mountain Front. The project area entails the evaluation of multiple parcels that encompass a total of 4,049.83 acres. There are 3,410.35 acres lying within the Sun River WMA and 639.48 acres within the Blackleaf WMA.

This appraisal report was prepared in accordance with the 2014-2015 Uniform Standards of Professional Appraisal Practice (USPAP), the Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA) and the Scope of Work prepared by FWP.

The purpose of this appraisal is to provide an opinion of market value for the property, as described. The value is established with an effective date of September 8, 2015 and coincides with the most recent date of inspection.

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Although representatives of the State of Montana DNRC (owners) were offered the opportunity to accompany me on the inspections, they were unable to do so. I did however inspect the Sun River property with Mr. Brent Lonner as the representative of FWP. A self-inspection of the lands within the Blackleaf WMA was conducted.

The appraisal is intended to be used in the decision making process concerning the potential acquisition of said subject property

The appraised property is owned by the State of Montana DNRC in Lewis and Clark and Teton Counties in west-central Montana. The property identified to be appraised consists of multiple parcels covering 4,049.83 acres that are located on the east slopes of the Rocky Mountain Front near Augusta and Bynum.

While variable, the appraised property consists predominately of open grasslands, areas of limber pine, timber, and riparian areas. Interspersed are other wetlands and groves of aspen.

As inholdings within a WMA, these are recreationally oriented properties with scenic views of the Rocky Mountain Front. They provide habitat for multiple species of wildlife; especially for winter elk range. And while variable, portions of the appraised property include smaller creeks and wetlands.

Access varies throughout the appraised property. Portions are accessible year-round via county roads with other isolated lands accessible by a non-motorized means across State FWP lands. Other portions are accessible by a network of roads that are open on a seasonal basis in accordance with the administration of the WMA's by FWP.

For purposes of this assignment, I have been instructed and authorized to utilize the following hypothetical conditions:

1) Properties that have leases or licenses on them are to be appraised as if the leases/licenses do not exist. Use of this hypothetical condition may have affected the assignment results and conclusions.



2) The DNRC will grant a 20' wide access easement to FWP for administration purposes and for seasonal public access consistent with the administration of the Sun River WMA across the existing roads in Sections 16 and 21 in Township 21 North, Range 8 West. Use of this hypothetical condition may have affected the assignment results and conclusions.

3) The admin cabin/buildings on the Sun River WMA located in S36 are owned by FWP and are to be excluded from the valuation. Use of this hypothetical condition may have affected the assignment results and conclusions.

As set forth in the appraisal, the subject property consists of multiple tracts of land that are independent of each other and have varying highest and best uses. Thus, in accordance with the criterion set forth in the UASFLA and the appraisal specifications, I have determined that the property to be appraised consists of nine larger parcels. Six of the larger parcels are located within the Sun River WMA with three larger parcels associated with the Blackleaf WMA.

Based on the characteristics of the subject property, market conditions, and analysis of the data, I conclude the following values as of September 8, 2015:

Summary of Larger Parcel

| Larger Parcel | Reference | Tract number(s) | Acres | Concluded Value |
|---------------|---------------------------|-----------------------------|----------|-----------------|
| 1 | Sun River Barr Creek | 737, 738, 739, 740, & 741 | 1,290.62 | \$2,225,000 |
| 2 | Sun River Canyon Road | 724, 728, 729, 730, and 731 | 799.73 | \$1,000,000 |
| 3 | Sun River Central WMA | 732, 733, 735, and 736 | 1,040 | \$2,625,000 |
| 4 | Sun River Buttolph Creek | 725 | 40 | \$140,000 |
| 5 | Sun River Sections 9 & 10 | 726 and 727 | 80 | \$112,000 |
| 6 | Sun River Section 17 | 734 | 160 | \$150,000 |
| 7 | Blackleaf Section 16 | 754 | 519.48 | \$675,000 |
| 8 | Blackleaf Section 10 | 756 | 40 | \$60,000 |
| 9 | Blackleaf Section 17 | 755 | 80 | \$120,000 |

This represents my opinion of the market value for the identified rights associated with the property described and is subject to the conditions and comments appearing in this report. Value conclusions are based on an analysis of appropriate sale properties.



If you have any questions or would like to discuss this appraisal report further, please contact me. Thank you for the opportunity to work with the both of you and on behalf of the State of Montana.

Respectfully Submitted,



Paraic David Neibergs, MA, ARA

Accredited Rural Appraiser #1098

General Certified Appraiser, Montana (#248)



Summary of Salient Facts
DNRC Inholdings within the Sun River & Blackleaf Wildlife Management Areas

| | |
|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| OWNER: | The State of Montana DNRC |
| TOTAL ACRES: | 4,049.83 acres |
| INTENDED USERS: | State of Montana, Board of Land Commissioners, Montana Department of Fish, Wildlife and Parks, the U.S. Fish and Wildlife Service, and the State of Montana DNRC |
| CLIENT: | State of Montana, Board of Land Commissioners, the Department of Natural Resources and Conservation and Fish, Wildlife and Parks |
| LEGAL DESCRIPTION: | See report |
| COUNTY: | Lewis and Clark and Teton |
| PURPOSE: | The purpose of the appraisal is to provide the client with a credible opinion of market value of the appraised subject property. |
| INTENDED USE: | The appraisal is intended to be used in the decision making process concerning the potential sale and acquisition of said subject property. |
| LARGER PARCEL(S): | Nine larger parcels. See report |
| LOCATION: | Along the Rocky Mountain Front west of Bynum and northwest of Augusta, Montana |
| AREA DESCRIPTION: | The property appraised lies in a transitional setting along the Rocky Mountain Front in an area noted for high wildlife and aesthetic amenities. The property lies east of the Lewis and Clark National Forest as well as the Great Bear and Bob Marshall Wilderness Areas. The properties lie within the Blackleaf and Sun River Wildlife Management Areas. The general region of the subject property can be described as a sweeping area of Great Plains with transitional foothills lying adjacent to the Rocky Mountains. |

PROPERTY DESCRIPTION:

There are two primary areas of consideration within this assignment that encompasses multiple non-contiguous tracts of land within the Blackleaf and Sun River Wildlife Management Areas.

Blackleaf: This portion of the appraised property encompasses **639.48 acres**. It includes a block of land inclusive of 519.48 acres that have seasonal access when the WMA is open and then three 40 acre parcels; two of which share a common corner. While there is physical access to each of the 40's, neither of these roads or trails are open year-round and therefore are accessible by a non-motorized means only. The property as a whole consist predominately of open grasslands with limber pine and groves of aspen. Within the western portions, there are some scattered wetlands. For the most part, topography is level to gently rolling.

The aestheteics and amenities of the porperty emphasize scencie views of the Rocky Mountain Front, on site habitat for wildlife, and recognition as inholdings within a WMA and surrounded by State FWP lands.

Sun River: This landscape covers multiple blocks of land that lie below the Sawtooth Range. Covering **3,410.35 acres**, these lands vary in terms of accessibility, physical characteristics, and intensity of use. It includes lands with year-round access via county roads, lands with seasonal road access when the WMA is open, and other lands where access is via a non-motorized means across State FWP lands. On a physical basis, these properties consist predominately of open native grasslands with some lands including riparian corridors and wetlands, groves of aspen, and/or timber. Topography varies from gentle slopes to steeper hillsides within drainages and transitional areas.

While variable throughout the whole, the aesthetic and amenities of the property include scenic views of the Front, multiple sources of surface water, on-site habitat for wildlife, and being inholdings within a State WMA.

BUILDING IMPROVEMENTS:

None. Note that the administrative cabin on the Sun River WMA in Section 36 is owned by FWP.

UTILITIES:

On-site on the Sun River WMA in the vicinity of the Barr Creek County Road.

| | |
|---------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ACCESS: | The legal and physical access varies. Access to some lands is dependent on rules as administered by FWP, which includes seasonal closures. For lands not accessible from a county road, there is no access when the WMA is closed, which is basically from December 1 st to May 15 th with some minor variations. During periods when the WMA is open, the access varies from open roads/trails across FWP lands or by a non-motorized means. See report for further discussion. |
| ESTATE APPRAISED: | Fee simple estate of the surface rights subject to reservations, outstanding rights, and encumbrances of record. Included are timber rights and water rights. Identification of the specific rights is discussed further in the report. |
| EFFECTIVE DATE: | September 8, 2015 |
| DATE OF REPORT: | January 13, 2016 |
| ZONING: | Unzoned |
| PRESENT USE: | Wildlife habitat and public recreation. |
| HIGHEST AND BEST USE: | The highest and best use is as multiple separate larger parcels as identified herein. See appraisal report for detailed discussion. |
| EXTRAORDINARY ASSUMPTION: | None |
| HYPOTHETICAL CONDITIONS: | <p>1) Properties that have leases or licenses on them are to be appraised with the hypothetical condition that the leases/licenses do not exist. Use of this hypothetical condition may have affected the assignment results and conclusions.</p> <p>2) The DNRC will grant a 20' wide access easement to FWP for administration purposes and for seasonal public access consistent with the administration of the Sun River WMA across the existing roads in Sections 16 and 21 in Township 21 North, Range 8 West. Use of this hypothetical condition may have affected the assignment results and conclusions.</p> |

HYPOTHETICAL CONDITIONS
CONTINUED:

3) The admin cabin/buildings on the Sun River WMA located in S36 are owned by FWP and are to be excluded from the valuation. Use of this hypothetical condition may have affected the assignment results and conclusions.

ESTIMATES OF VALUE:

| Larger Parcel | Reference | Tract number(s) | Acres | Concluded Value |
|---------------|---------------------------|-----------------------------|----------|-----------------|
| 1 | Sun River Barr Creek | 737, 738, 739, 740, & 741 | 1,290.62 | \$2,225,000 |
| 2 | Sun River Canyon Road | 724, 728, 729, 730, and 731 | 799.73 | \$1,000,000 |
| 3 | Sun River Central WMA | 732, 733, 735, and 736 | 1,040 | \$2,625,000 |
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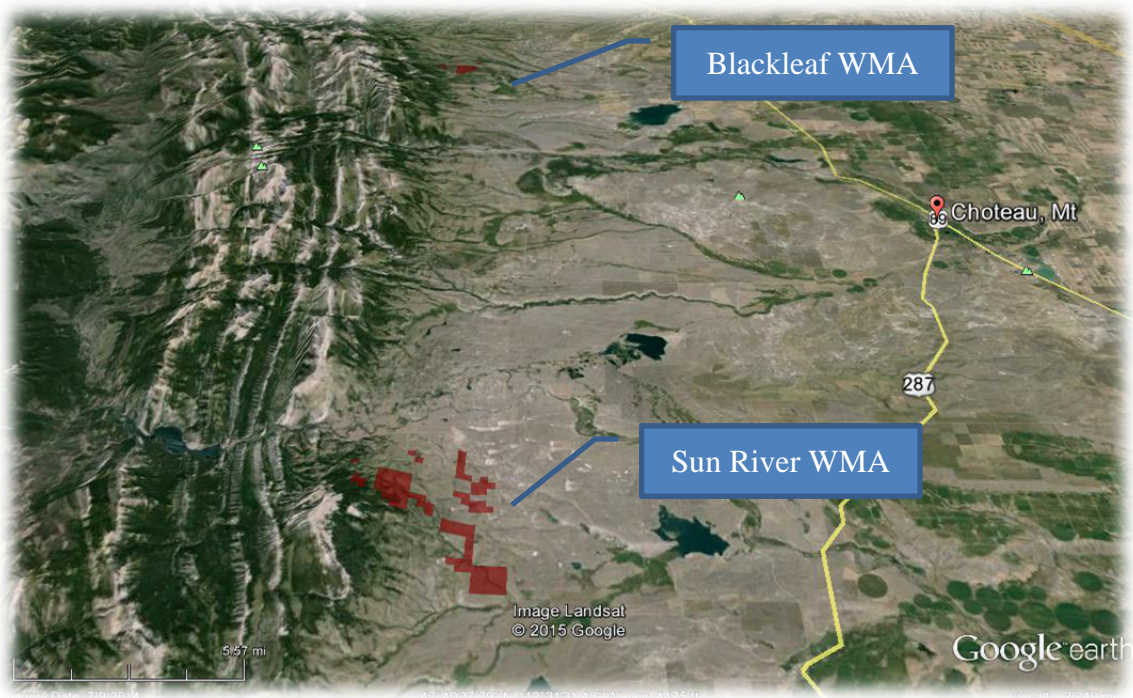
A. Identification, Authorization, and Scope of the Appraisal

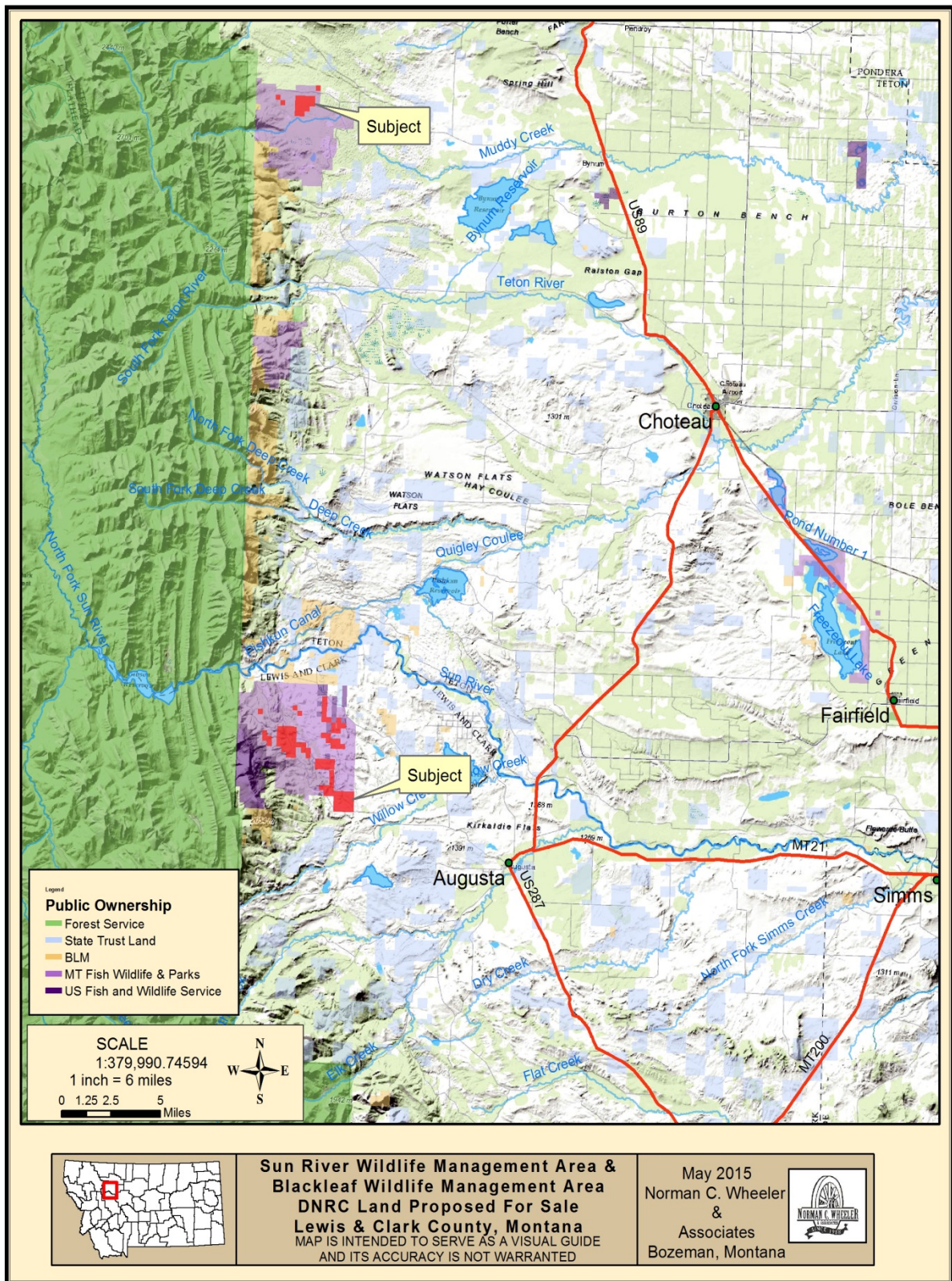
1. Property Identification/Project Area: The property identified to be appraised consists of multiple parcels covering 4,049.83 acres that are located on the east slopes of the Rocky Mountain Front near Augusta and Bynum. The lands are inholdings that lie within the Blackleaf (639.48 acres) and Sun River (3,410.35) Wildlife Management Areas. A map depicting the appraised property and its proximity to area towns is included on the following page.

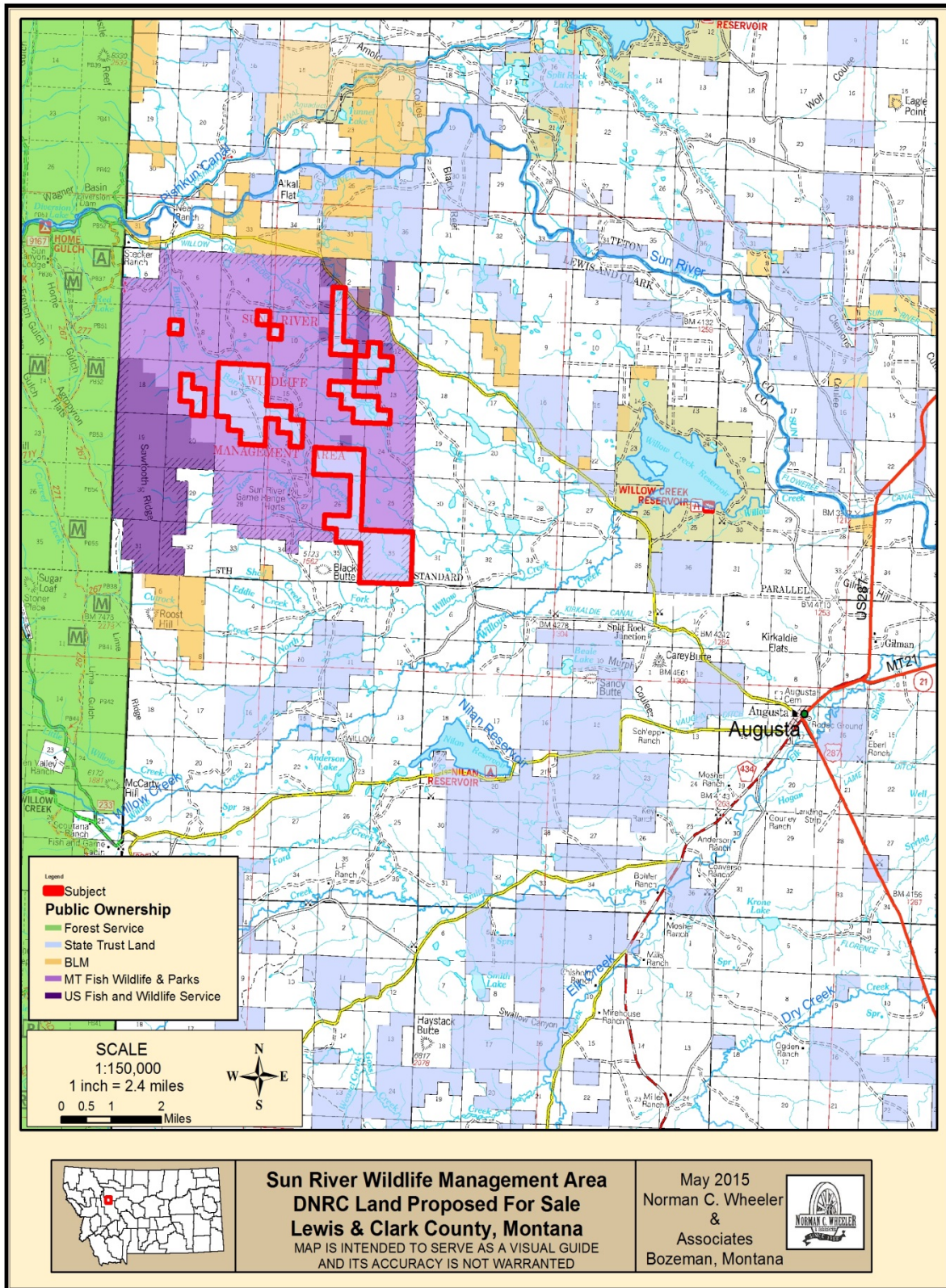
While variable, the appraised property consists predominately of open grasslands, areas of limber pine, timber, and riparian areas. Interspersed are other wetlands and groves of aspen.

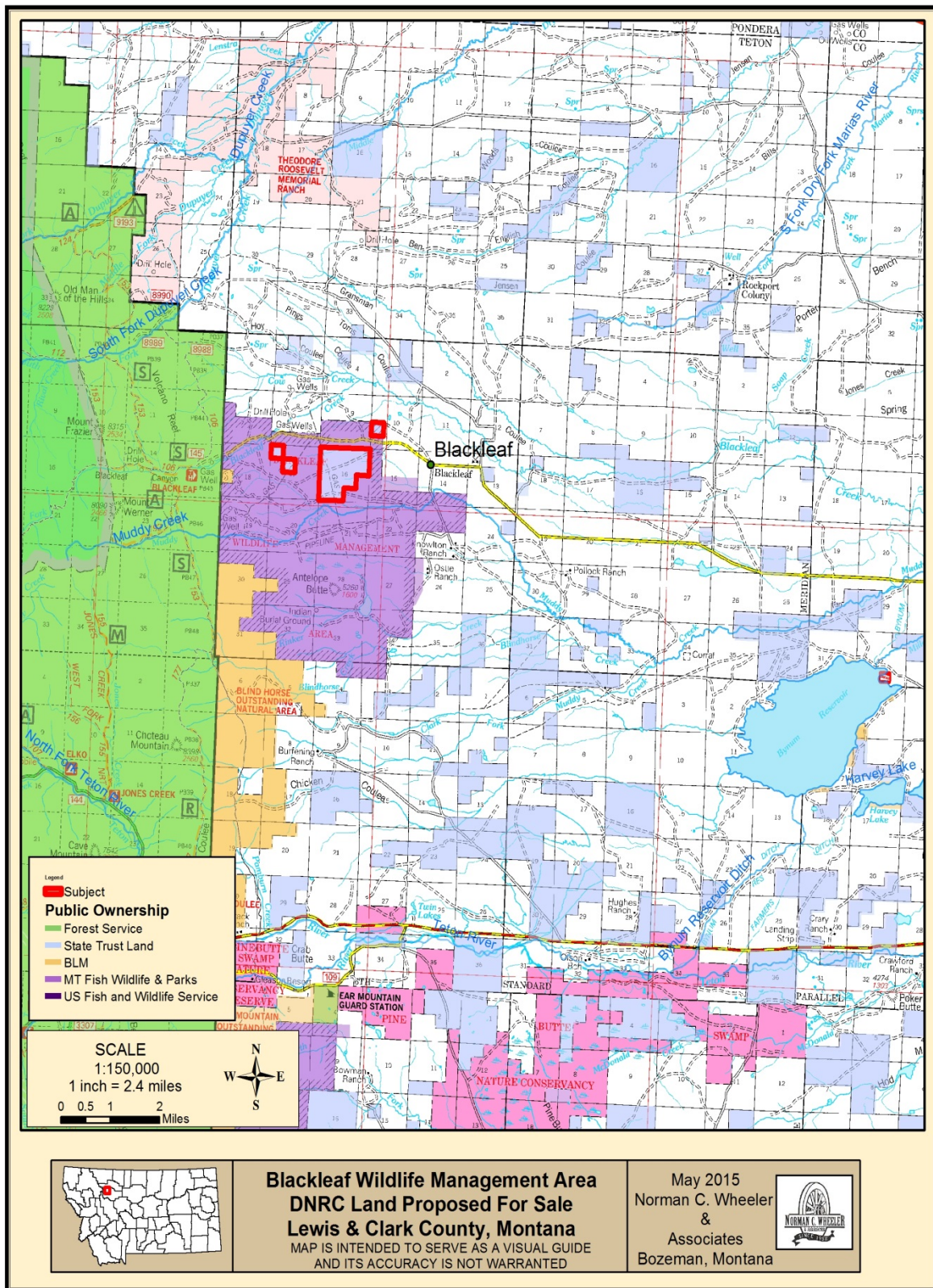
As inholdings within a WMA, these are recreationally oriented properties with scenic views of the Rocky Mountain Front. They provide habitat for multiple species of wildlife; especially for winter elk range. And while variable, portions of the appraised property include smaller creeks and wetlands.

Access varies throughout the appraised property. Portions are accessible year-round via county roads with other isolated lands accessible by a non-motorized means across State FWP lands. Other portions are accessible by a network of roads that are open on a seasonal basis in accordance with the administration of the WMA's by FWP.









2. Authorization: Through Ms. Darlene Edge of the State of Montana Fish, Wildlife and Parks, I was authorized to prepare an appraisal of the subject property on behalf of the State of Montana. The purpose of the appraisal is to provide an opinion of market value for 4,049.83 deeded acres located along the Rocky Mountain Front in west central Montana.

The appraisal is intended to be used by the State of Montana FWP for the potential acquisition of the identified real property interests.

The appraisal is being completed to comply with the 2014-2015 Uniform Standards of Professional Appraisal Practice (USPAP) and the Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA). This appraisal is also being completed in conjunction with the Scope of Work prepared by the State of Montana FWP.

3. Scope: The subject property was inspected during various periods. An initial inspection of the Sun River MWA was completed on June 9, 2015. The property inspection was completed with Mr. Brent Lonner with the State of Montana FWP and review appraiser Mr. Dave Heine. Although representatives of the State DNRC were offered the opportunity to accompany us on the inspection, they declined to do so. Another cursory self-inspection of the project area was completed on September 8, 2015.

A self-inspection of the subject lands lying within the Blackleaf WMA were completed on September 8, 2015. Although representatives of the State FWP and DNRC were offered the opportunity to accompany me on the inspection, they were unable to do so.

For purposes of the inspection, the property was viewed from public county roads and other various roads and trails within the WMA. Portions of the subject were viewed from strategic locations that afforded a more encompassing view of the area and subject lands.

In conjunction with the inspection, I have relied upon aerial photographs, GPS readings, satellite imagery, topography maps, parcel maps, and discussions with parties familiar with each of the properties. It's noted that many of the subject parcels were seamless from the standpoint they were not fenced off separately from adjacent ownerships which made it challenging to distinguish property boundaries throughout the entire landscape.

This appraisal is completed in accordance with USPAP, the UASFLA, and the Scope of Work provided by MTFWP.

When appropriate, public agencies (FSA, NRCS, Montana Fish, Wildlife and Parks, U.S. Fish and Wildlife Service, Department of Natural Resources and Conservation, in addition to the Lewis and Clark and Teton County Courthouses) were contacted for specific information concerning the subject property. Information on soil types, water rights, potential land uses, and wildlife/natural resources, were obtained from these agencies. The total acres for the subject is as per information provided from the DNRC.

I have also referenced a Phase I Environmental Assessment and Minerals Remoteness Evaluation prepared by Griffith Environmental Consulting of Helena, Montana.

In addition to the above referenced resources, I have personal knowledge of the local and surrounding areas and have conducted numerous interviews with various professionals involved in the area real estate market and area landowners of rural and recreational property.

As a supplement to data on file, a research for comparable sales was completed. The most comparable and representative sales were used for valuation purposes. County records were perused, Multiple Listing Services (MLS) were researched, and active Realtors and appraisers were contacted for market data. All sales were verified with the buyer, seller, agents, or other parties having knowledge of the transaction.

Some of the referenced sales may have involved public agencies or NGO's and required extra-ordinary verification as per the UASFLA, which will be discussed further in the analysis. As verified through these agencies or non-profits, all sales met the criterion for use in accordance with UAFSLA. All transactions did involve an appraisal that was based on market value with an *economic* highest and best use.

Comparable sales were inspected to the extent possible. Trespass was avoided and owner permission was obtained when feasible. When a property was not accessible and/or was not inspected, aerial photos, maps, and discussions with parties familiar with the property were relied on.

Montana is a nondisclosure State; thus, aside from sale notices or deeds, no sales data is of record. No sale values are reported and sale values must be personally confirmed. 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 or real estate professionals. Due to the confidentiality of the sales data, details of the sales as disclosed within this report will be limited.

All subject photographs within this appraisal were taken on the various dates of inspection by Paraic David Neibergs, ARA. These are digital photographs and were not changed or manipulated in any manner.

Included within this appraisal report are multiple maps. These maps are meant to be a visual aid only as a representation of the property. The maps were prepared by a GIS specialist with Norman C. Wheeler and Associates.

B. Client, Intended Users, and Intended Use of the Report

1. Client: The client for purposes of this appraisal is the State of Montana, Board of Land Commissioners, the Department of Natural Resources and Conservation and Fish, Wildlife and Parks.

2. Intended Users: The State of Montana, Board of Land Commissioners, Montana Department of Fish, Wildlife and Parks, the U.S. Fish and Wildlife Service, and the State of Montana DNRC.

3. Intended Use: The appraisal is intended to be used in the decision making process concerning the potential sale and acquisition of said subject property.

C. Value Defined

The definition of “market value” as utilized in the report is defined by the Uniform Appraisal Standards for Federal Land Acquisitions, December 2000, Section A-9, Page 13.

Market value is the amount in cash, or on terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of the appraisal, after a reasonable exposure time on the open competitive market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the property at the time of the appraisal.

Value, in this report, applies to the described real estate. This analysis does not consider the value of personal property. As noted herein and discussed further, a separate contributory value analysis of any timber rights or water rights was not made. These rights are considered part of the value identified for the land in general and they are concluded to be inherent in the land values assigned as part of the whole. This is consistent with the unit rule under the UASFLA. Inherent in the land values assigned are basic land improvements such as roadways, trails, gates, fences, wetlands, and drainage structures.

In applying the market value definition, a reasonable exposure time has not been estimated. Exposure time is the estimated length of time the property interest being appraised would have been offered on the market *prior* to the hypothetical consummation of a sale at market value on the effective date of the appraisal. Exposure time is always presumed to precede the effective date of the appraisal.

Contrary to USPAP Standard Rule 1-2(c), which requires the appraiser to develop an opinion of reasonable exposure time linked to the value opinion, the Uniform Appraisal Standards for Federal Acquisitions (UASFLA) definition of market value does not call for the estimate of value to be linked to a specific *exposure time* estimate, but merely that the property is exposed on the open market for a *reasonable length of time*.

Therefore, the estimate of market value shall not be linked to a specific exposure time when conducting appraisals for federal land acquisition. To remain compliant with both USPAP and UASFLA concerning this issue, I have invoked the USPAP Jurisdictional Exception Rule.”

D. Effective Date of the Appraisal and Date of the Report

The effective date coincides with the most recent date of inspection of the subject which is September 8, 2015. This report was completed on January 13, 2016.

E. Type of Report

In accordance with Standard 2 of the Uniform Standards of Professional Appraisal Practice (USPAP), an Appraisal Report has been prepared.

The depth of discussion included in the report is specific to the intended use of the report and the needs of the client. Additional documentation that was used to support the appraiser's conclusion may be retained in the appraiser's file.

F. Legal Description and Acreages

The legal description for this assignment coincides with the legal in the title commitments and is described below. I've also included information provided from the DNRC that is in accordance with their parcel identification and corresponding legal description with acreages. Although described differently, the legal from the title commitment and the DNRC covers the same property.

Sun River WMA – As per Title Commitment

Township 21 North, Range 8 West, M.P.M., Lewis and Clark County, Montana

Section 2: E2SW4
 Section 9: NE4NE4
 Section 11: E2NW4, NE4SW4, NW4SE4, SE4SE4
 Section 12: S2SW4, NW4SW4
 Section 13: NW4NW4, W2SW4, SE4SW4
 Section 14: NE4NE4, SW4NE4, SE4NW4, N2SE4, SE4SE4
 Section 15: S2SW4
 Section 22: NE4NW4, NW4NE4

Township 21 North, Range 8 West, M.P.M., Lewis and Clark County, Montana

Section 22: SW4NE4

Township 21 North, Range 8 West, M.P.M., Lewis and Clark County, Montana

Section 8: SW4NW4
 Section 17: SE4NW4, W2SE4, NE4SW4
 Section 21: NE4NW4, NE4

Township 21 North, Range 8 West, M.P.M., Lewis and Clark County, Montana

Section 23: SW4, SE4
 Section 26: E2NE4, E2SE4, SW4SE4, SE4SW4
 Section 35: N2NE4

Township 21 North, Range 8 West, M.P.M., Lewis and Clark County, Montana

Section 16: All
 Section 36: Govt Lots 1, 2, 3, 4, 5, 6, and 7, NW4SE4, NW4, N2SW4, W2NE4

Township 21 North, Range 8 West, M.P.M., Lewis and Clark County, Montana

Section 10: SW4NW4

Blackleaf WMA – As per Title Commitment

Township 26 North, Range 8 West, M.P.M., Teton County, Montana

Section 10: NW4SW4
 Section 16: Lots 1, 2, 4 and 5, W2NE4, NW4, N2SW4, NW4SE4 (All)
 Section 17: NW4NW4, SE4NW4

The DNRC information is included as follows. See maps on the following page showing the corresponding identification number.

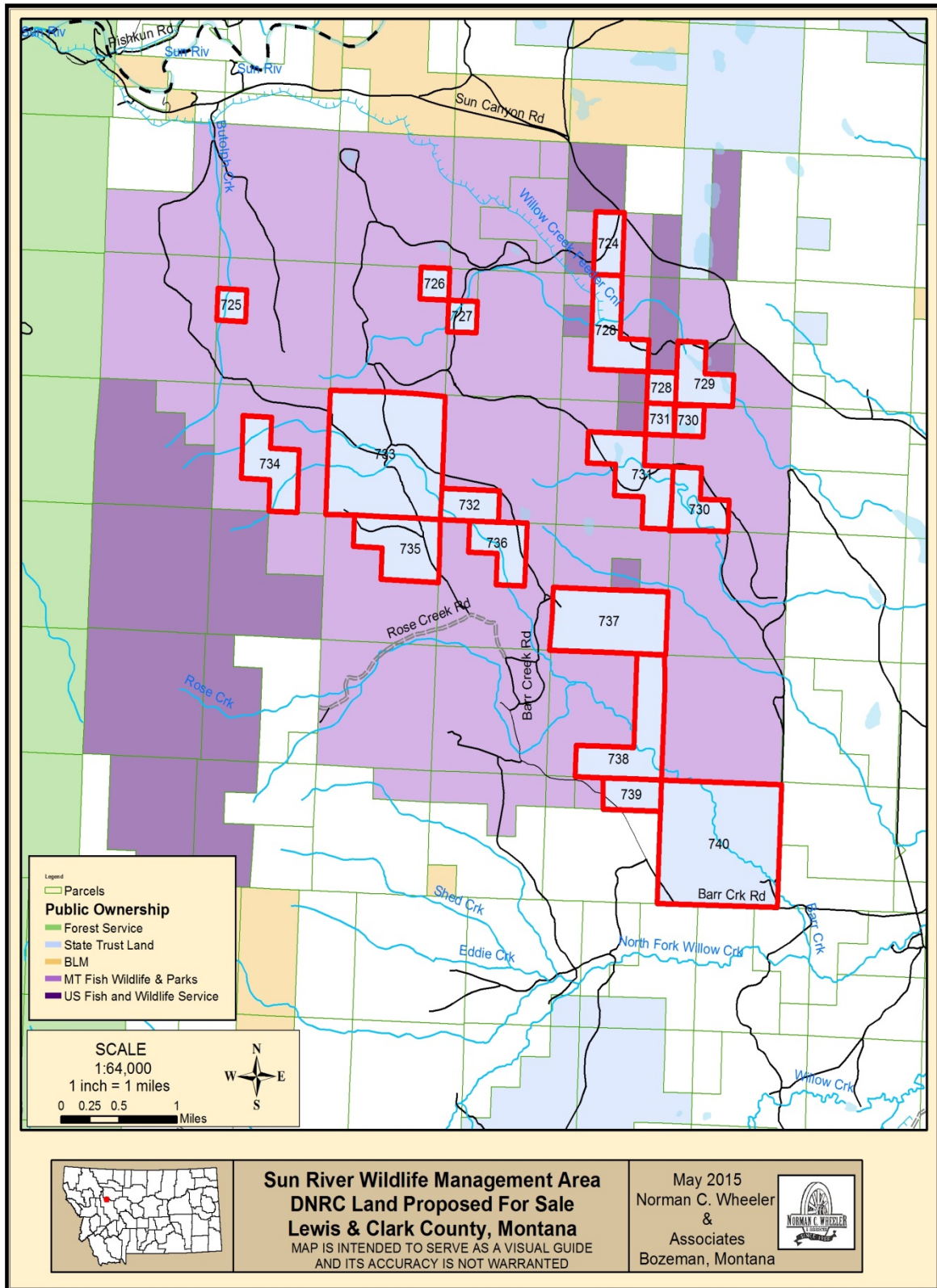
Sun River Wildlife Management Area

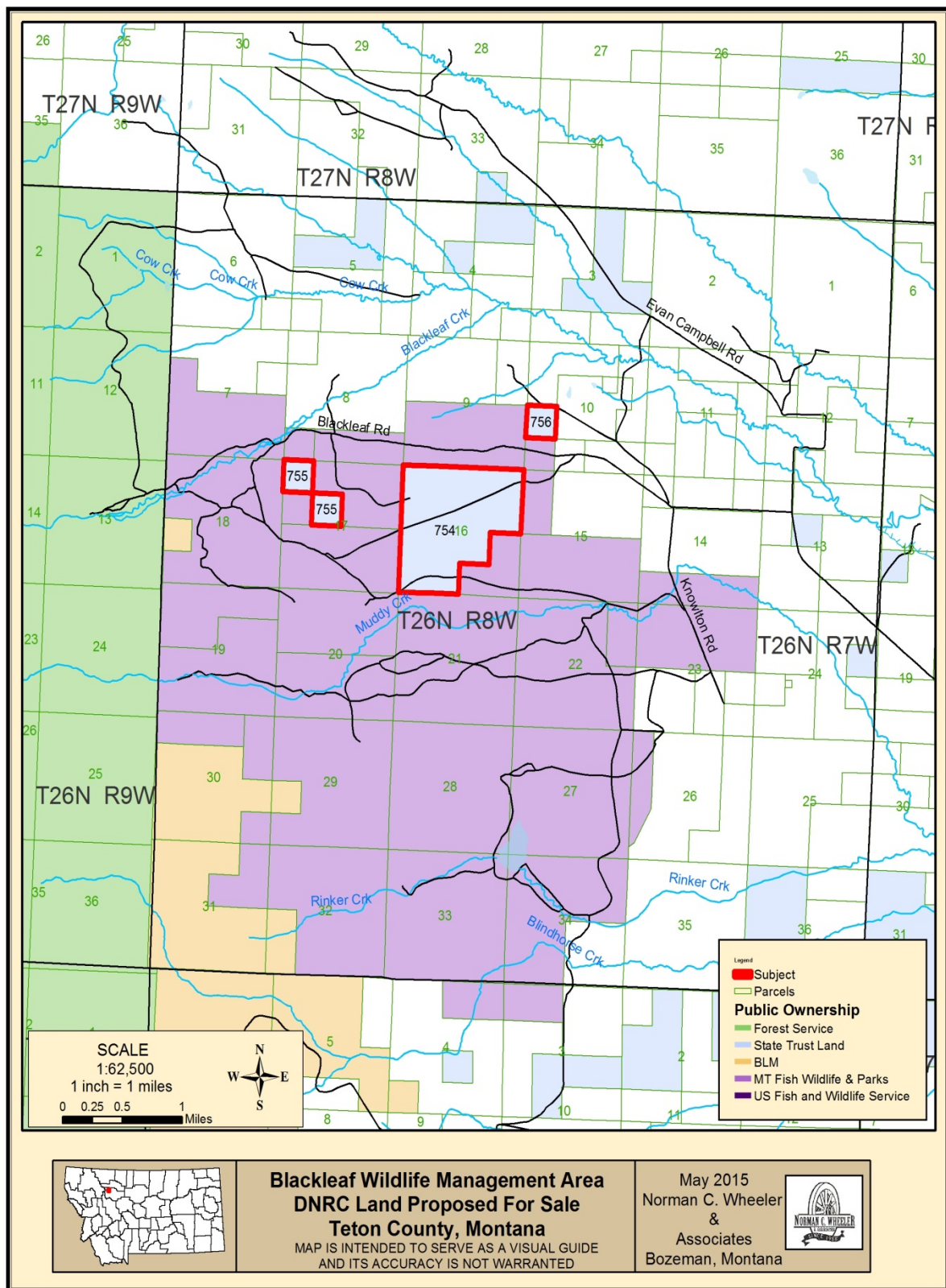
| ID | TWN | RNG | Sec | Description | Acres |
|-----|-----|-----|-----|---------------------------------------------------------|----------------|
| 725 | 21N | 8W | 8 | SW4NW4 | 40 |
| 726 | 21N | 8W | 9 | NE4NE4 | 40 |
| 728 | 21N | 8W | 11 | E2NW4, NE4SW4, NW4SE4, SE4SE4 | 200 |
| 729 | 21N | 8W | 12 | S2SW4, NW4SW4 | 120 |
| 731 | 21N | 8W | 14 | NE4NE4, SW4NE4, SE4NW4, N2SE4, SE4SE4 | 240 |
| 724 | 21N | 8W | 2 | E2SW4 | 79.73 |
| 737 | 21N | 8W | 23 | S2 | 320 |
| 739 | 21N | 8W | 35 | N2NE4 | 80 |
| 741 | 21N | 8W | 36 | 5.00 AC IN GOVT LOT 7 (SE4SE4) | 5 ¹ |
| 740 | 21N | 8W | 36 | LOTS 1-7, NW4SE4, N2SW4, W2NE4, NW4, LESS 5 AC IN LOT 7 | 645.62 |
| 727 | 21N | 8W | 10 | SW4NW4 | 40 |
| 730 | 21N | 8W | 13 | NW4NW4, NW4SW4, S2SW4 | 160 |
| 732 | 21N | 8W | 15 | S2SW4 | 80 |
| 733 | 21N | 8W | 16 | ALL | 640 |
| 734 | 21N | 8W | 17 | SE4NW4, W2SE4, NE4SW4 | 160 |
| 735 | 21N | 8W | 21 | NE4NW4, NE4 | 200 |
| 736 | 21N | 8W | 22 | NE4NW4, W2NE4 | 120 |
| 738 | 21N | 8W | 26 | E2E2, SW4SE4, SE4SW4 | 240 |
| | | | | TOTAL | 3,410.35 |

Blackleaf Wildlife Management Area

| ID | TWN | RNG | Sec | Description | Acres |
|-----|-----|-----|-----|-----------------------------------------------|--------|
| 754 | 26N | 8W | 16 | LOTS 1, 2, 4 and 5, NW4, W2NE4, NW4SE4, N2SW4 | 519.48 |
| 756 | 26N | 8W | 10 | NW4SW4 | 40 |
| 755 | 26N | 8W | 17 | SE4NW4, NW4NW4 | 80 |
| | | | | TOTAL | 639.48 |

¹ This is not recognized as a legally separate parcel in the title report. It coincides with an administrative site/cabin.





G. Property Interest Appraised

The property interest being appraised is a fee simple estate of the surface rights subject to the reservations, outstanding rights, and encumbrances of record as disclosed in title commitments.

Included in the rights appraised are timber and water rights associated with the property – which will be further discussed in the property description.

A discussion of interests and exceptions, as identified within the Title Commitment will be completed within the property description section of the report.

H. Ownership and 10 Year Sales History

1. Ownership: The subject property is owned by the State of Montana DNRC.

2. Sales History: It's my understanding that the subject lands were assembled from various patents issued by the General Land Office through the United States of America. This information has been noted in the Statement of Land Status reports as provided from the DNRC. Given the patents are not relevant to this appraisal assignment, they are not included within the contents of this appraisal.

The State of Montana is considering selling the appraised lands through the Land Banking program.

I. Use History and Present Use

The subject lands have historically been integrated in to the use and operation of the two identified Wildlife Management Areas. This use is under multiple land use licenses granted by the State.

J. Competency Statement

The Uniform Standards of Professional Appraisal Practice (USPAP) requires 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 to complete the assignment competently or:

- i. disclose the lack of knowledge and/or experience to the client before accepting the assignment; and
- ii. take all steps necessary or appropriate to complete the assignment competently; and
- iii. describe the lack of knowledge and/or experience and the steps taken to complete the assignment competently in the report.

I have been appraising rural, recreational and investment properties in the States of Montana, Washington, and Idaho since 1987. I am familiar with the geographical area in which the appraised property is located. Properties, which are physically and economically similar to the subject, have been common appraisal assignments. Appraisal assignments have been completed in accordance with USPAP as well as UASFLA.

The appropriate steps have been taken to comply with the competency provision as required by USPAP. Requirements have been satisfied based on my experience, applicable education, knowledge of theory and appropriate techniques in appraising rural, transitional, and recreational real estate and familiarity with the area.

I am a State Certified General Appraiser in the state of Montana with continued education requirements being current. I hold the Accredited Rural Appraiser (ARA) designation which is awarded by the American Society of Farm Managers and Rural Appraisers to those members who have had years of experience, are technically trained, have passed an examination, and subscribe to a high code of ethics. This professional designation is awarded on the basis of demonstrated competency in valuing the type of property considered herein.

I possess the knowledge and experience to complete this assignment competently.

K. Summary of the Appraisal Problem

The appraisal problem consists of providing an opinion of market value for the subject property as identified. The opinion of value is prepared in conformance with the *Uniform Standards of Professional Appraisal Practice*, the *Uniform Appraisal Standards for Federal Land Acquisitions, 2000* and the Appraisal Scope of Work.

Relative to the valuation of the subject and with consideration of the appraisal problem, the following issues are noted:

1 – Conformity of Subject Property: As inholdings within a State WMA, the subject is a non-conforming property as a whole and in part. Properties such as the subject are atypical and there is a limited supply to draw value relationships.

Other unique attributes associated with the subject are access rights – which are as per the administration of FWP.

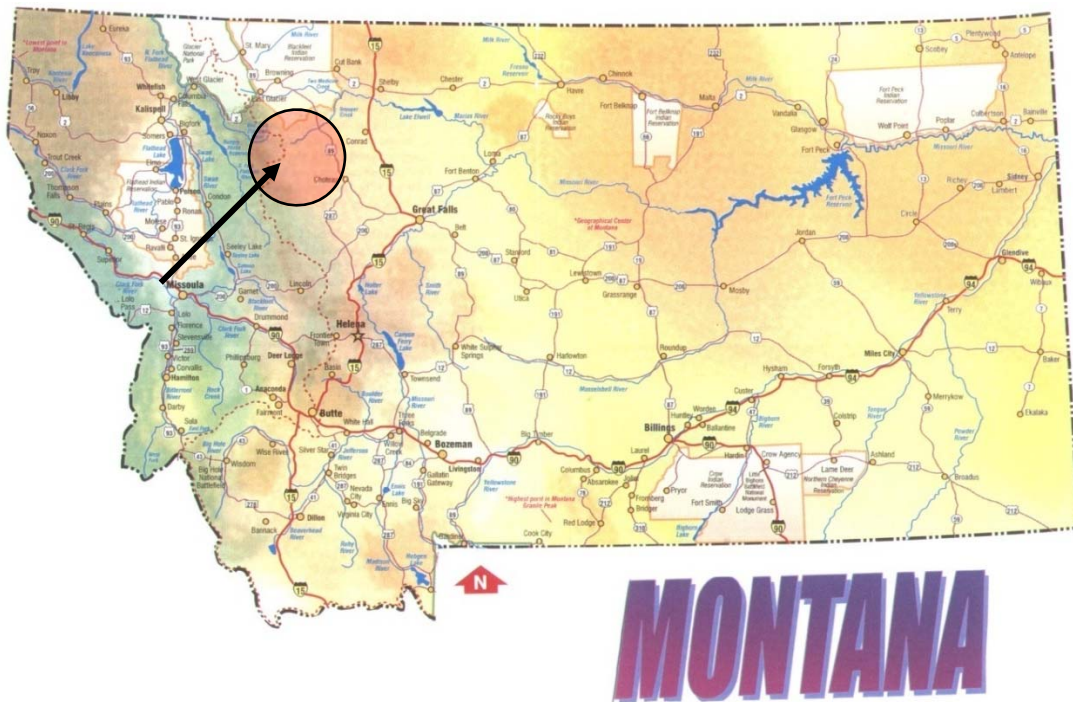
L. Area – Regional Analysis

Real property values are influenced by four basis factors consisting of social, economic, governmental, and environmental factors. Every parcel of real estate is influenced by the interaction of these forces.

The subject's Blackleaf landscape is located west of the small rural community of Bynum, southwest of Pendroy, and northwest of Choteau. The Sun River WMA is located outside of Augusta. Augusta and Choteau (the county seat of Teton County) are rural/recreational communities that provide basic community needs for the residents of the Rocky Mountain Front. Great Falls is the primary service center for communities located along the Rocky Mountain Front.



For purposes of this valuation, the regional data will focus on Pondera, Teton, in addition to Lewis and Clark County with an emphasis on the Rocky Mountain Front.



Physical Characteristics: The Rocky Mountain Front encompasses the north end of Lewis and Clark, Teton, and Pondera Counties, and the western end of the Blackfeet Indian Reservation.

The western boundary of the area gives way to the very scenic Sawtooth Mountain Range of the Rocky Mountains. Many of these mountains exceed elevations of 7,000 to 8,000 feet and are gateways into the Bob Marshall Wilderness area with Glacier National Park near the northwest corner of the region. Just east of the Rocky Mountains, the terrain and land use drastically changes to open grassland prairie with meadows and some irrigated hayland along riparian areas. Closer to Choteau, soils are more suitable for dryland cropping of cereal grains. The area east of Choteau and Augusta is predominately dry farmland with the exception of the irrigated lands on the Farmington Bench and the Fairfield Bench.



The primary transportation routes serving the area are U.S. Highway 287, 89, 200, and 434. County roads and other highways travel east from the Front to Interstate 15 which runs through Great Falls. Outlying rural areas are accessed primarily by county graveled and paved roadways with a few forest service roads providing access into the National Forests.

A non-commercial airport is located near Choteau. Great Falls International is the primary airport and provides services to the west central part of the State. An additional commercial airport is located in Helena. The majority of merchandise into and out of the area is transported by truck and/or railroad. Additional sources of transportation include Amtrak, with the closest station at East Glacier, and various bus lines.

A distinct four-season climate is experienced. Summers are warm with cool nights. Due to Chinook winds, winters are not as cold as expected and snow does not tend to accumulate on the prairies. Precipitation levels average 12 to 14 inches on the prairie and are much higher towards the mountains. Being located east of the Rocky Mountains, windy conditions persist as evidenced by a 15 mph average annual wind.

Spring run-off from the mountainous region along the Front is the primary source of irrigation for private water users and reclamation projects. Diversion Dam on the Sun River diverts water in to the Pishkin Reservoir for end users. The Teton River drainage includes Willow and Deep Creeks flowing from the south, and Blackleaf and Muddy Creeks from the north. Water is diverted from the Teton River to feed the Bynum, Harvey, and Eureka Reservoirs. Swift Dam near the Blackfeet Indian Reservation was constructed on Birch Creek. Water is then diverted from Birch and Dupuyer Creeks to form Lake Francis.

Social Considerations: Social forces are exerted primarily through population characteristics. The Rocky Mountain Front is sparsely populated and has remained at a stable level over the last 5 to 10 years. The area is rural and recreational in nature and agriculturally oriented. Without any growth in industry or new job opportunities to attract new residents, the population has not

experienced any significant growth. The exception being is near Fairfield which is becoming a bedroom community due to its proximity to Great Falls and the recreational investment that is more seasonally oriented.



With a population of 1,741 Choteau is the main hub for the Front. Choteau serves as the county seat for Teton County which has a population of 6,371. Conrad serves as the county seat for Pondera County and is similar in relation to Choteau. Other smaller towns and communities along the Front include Augusta, Bynum, and Dupuyer. Great Falls and Helena serves as the business, cultural, and trade center for the central part of the State.

Educational opportunities are available in many of the smaller towns. Choteau, Conrad, Augusta, and Valier support education facilities through the high school level. The University of Montana in Missoula and Montana State University are just some of the colleges providing a post high school education in the State. Full medical services are located in Choteau as well as churches of numerous denominations.

Recreational opportunities are abundant in the area. The aesthetic Rocky Mountains are the gateway to many opportunities. Summer and fall seasons are the busiest with outdoor activities in the Lewis and Clark National Forest, the Bob Marshall Wilderness, in addition to the foothills of the mountains. Activities include fishing, hiking, hunting, camping, snowmobiling, river floating, and skiing. Big game hunting for elk, deer, black bear, antelope, mountain goats, and bighorn sheep as well as hunting for upland birds and waterfowl attract many sportspersons to the area.

Three major wildlife areas along the Front are managed by the State of Montana Fish Wildlife and Parks. In addition, the Pine Butte Swamp Preserve, owned by the Nature Conservancy, and the Theodore Roosevelt Boone and Crocket Ranch provides habitat to area wildlife. The U.S. Fish and Wildlife Service have Waterfowl Production Areas near Bynum and at Arod Lake. The State's Freezeout Lake Waterfowl Management Area between Choteau and Fairfield is used extensively by migrating waterfowl.

Various reservoirs, streams, ponds as well as lakes are used to fish for trout as well as walleye and pike. Gibson Reservoir, located within the Sawtooth Mountain Range, is an aesthetic body of water and collects water flowing from the North and South Forks of the Sun River. The Teton and Sun Rivers flow in an easterly direction through the plains and are becoming more popular to recreationists; especially the Sun River.

The area is rich in history as the land was used extensively by the Blackfeet Indians. Some of the lands show evidence of past use with tipi rings and buffalo jumps. Another unique characteristic along the Front is evidence of dinosaurs and extensive fossils within a geological zone called the Two Medicine formation. The formation covers about 3,600 square miles and is a 2,000 foot deep layer of sandstone, mudstone, and shale that contains fossils from a period of about 12 million years. Pine Butte Swamp Preserve includes Egg Mountain which has the largest single concentration of dinosaur bones in the world. The Preserve continues to be used by paleontologists and geologists for research purposes.

Glacier National Park lies northwest of the subject adjacent to the Blackfeet Indian Reservation. The Glacier Park Ecosystem runs south from Canada into the Bob Marshall and Scapegoat Wilderness Areas, which form the basic boundary of the Rocky Mountain Front as it runs between Glacier National Park and Helena, Montana. The area contains a substantial amount of state and federal lands, as well as other private preservation lands including ownerships by the Nature Conservancy and the Theodore Roosevelt Boone and Crocket Club. This region of the Rocky Mountains is heavily impacted by tourism, seasonal use and day users such as fisherman, hikers, campers and other sports enthusiasts

Economic Considerations: Agriculture is the primary contributor to the local economy. Cereal grains, consisting of wheat and barley, are the primary crops with livestock (cattle) being the primary agricultural industry along the Front.

The rural areas near the Front are predominately agricultural oriented with small grains, pasture, and livestock being the major commodities. Small grains, consisting of wheat and malt barley are raised on both dry and irrigated lands found mostly in the eastern part of the area. A summer fallow-crop rotation is commonly practiced within the dryland crop areas. Most wheat is marketed through local elevators located along the railway. Barley, that meets malting standards, is usually contracted out to companies such as Anhauser Busch. Other crops raised in the area include hay, oats, and some canola.

Livestock entities consist mainly of cow-calf operations and are concentrated west of Highway 89. Carrying capacities vary throughout the area and depend mainly on the amount of precipitation and soils. Marketing facilities are available in Great Falls with many producers contracting out their calves.

As evidence of a transitional use, complementing the agriculture industry has been a trend of property being purchased for their recreational and aesthetic attributes. This type of property is exploiting the recreational features of the area and characteristics of a specific property. The aesthetics, investment opportunities, and a rural style of living motivate this segment of the market. Agriculture is typically a complementary use and not a primary factor of value for this segment of the market. The transitional market from agriculture to rural recreational investment has occurred over the last 15 years; especially for property located along the Front.

Many of the area ranches are multi-generation family operations. Over the years, some of these ranches have sold to people from outside the area with David Letterman being an active market participant along the Front. Features exploited by the market are the amenities of the area, resident wildlife that include grizzly bears, historical features, and geological sites. Some factors considered as drawbacks to the area by a segment of the market include its remoteness, distance to major towns and a commercial airport, limited services, and the windy conditions.

Besides agriculture, tourism and small retail services are other contributors to the local economy as well as government enterprises. The tourism industry is supported by a variety of guest ranches that provides their visitors with fishing and/or hunting activities. Glacier National Park is located within a 1.5 hours drive which attracts additional tourists through the area.

Federal, State, and County government offices are located in Choteau (seat for Teton County) and Augusta as well as Conrad. Branches of the BLM, Forest Service, and/or FSA, have offices in these locations.

Governmental Influences: Government forces are a result of federal, local, and state governments. Typically, local zoning is the main force that can affect a property's present or future use.

The rural areas along the Front are unzoned and there are no definite comprehensive plans in place that would potentially restrict usage under 160 acres. The comprehensive plan for Lewis and Clark County has an objective along the Front for the continuation and preservation of agricultural practices.

The most restrictive means of land use that controls haphazard development is the Montana Subdivision and Platting Act that was passed during the 1993 Montana Legislature. Any parcel that is not already subdivided and is smaller than 160 acres must comply with subdivision regulations. Depending on the number of tracts to be developed and their size, the subdivision must be reviewed and approved at the County and/or State levels. It is noted that up to this year, there have been no significant subdivisions of rural property in northern Lewis and Clark County or western Teton and Pondera Counties. The exception is some development of inholdings along the Front for recreational cabin sites and the development of the T-6 Ranch which occurred over the last say 5 years.

The United State Fish and Wildlife Service, the Nature Conservancy, and the NRCS are active in the purchase of Conservation Easements along the Front. These conservation easements protect and preserve wetlands in addition to waterfowl and wildlife habitat. The Nature Conservancy and the Conservation Fund have also been active in the protection of rural lands along the Front through outright acquisitions.

The State of Montana Fish, Wildlife, and Parks department has protected some lands in the area by purchasing Conservation Easements to protect big game and upland bird habitat. In addition to the State's Block Management Program, these Conservation Easements allows the public to access these lands primarily during the fall hunting season.

Non-profit organizations consisting of the Nature Conservancy and the Montana Land Reliance are also active in the field of Conservation Easements and preservation. The River Network has purchased and sold recreational tracts along the Sun River close to the Rocky Mountain Front.

Environmental Factors: Environmental forces that influence real property values can be both natural and man-made. Environmental forces include climatic conditions, wet lands, soil quality, topography, contamination (hazardous wastes) and primary transportation systems. With the exception of wind and seasonal flooding along small streams and rivers, environmental considerations are considered minimal along the Rocky Mountain Front.

Over the last few years, there has been an increase in activity and interest with respect to the leasing of mineral rights in addition to exploration for oil and gas within and close to the reaches of the Rocky Mountain Front. Based on conversations with parties in the area and as evidenced on the ground the exploration throughout the Front has waned and is for the most part quiet. Traditionally, mineral rights have not been a measurable factor of value in the market and appurtenant rights varies with each transaction and between each property.

In today's market, a specific value is not typically allocated to mineral rights and it is not considered to be a motivating factor among market participants as part of the whole. This may change depending on the outcome of the exploration currently occurring on the Front and as things develop. For the most part, sub-surface interests are negotiated separately from the surface rights.

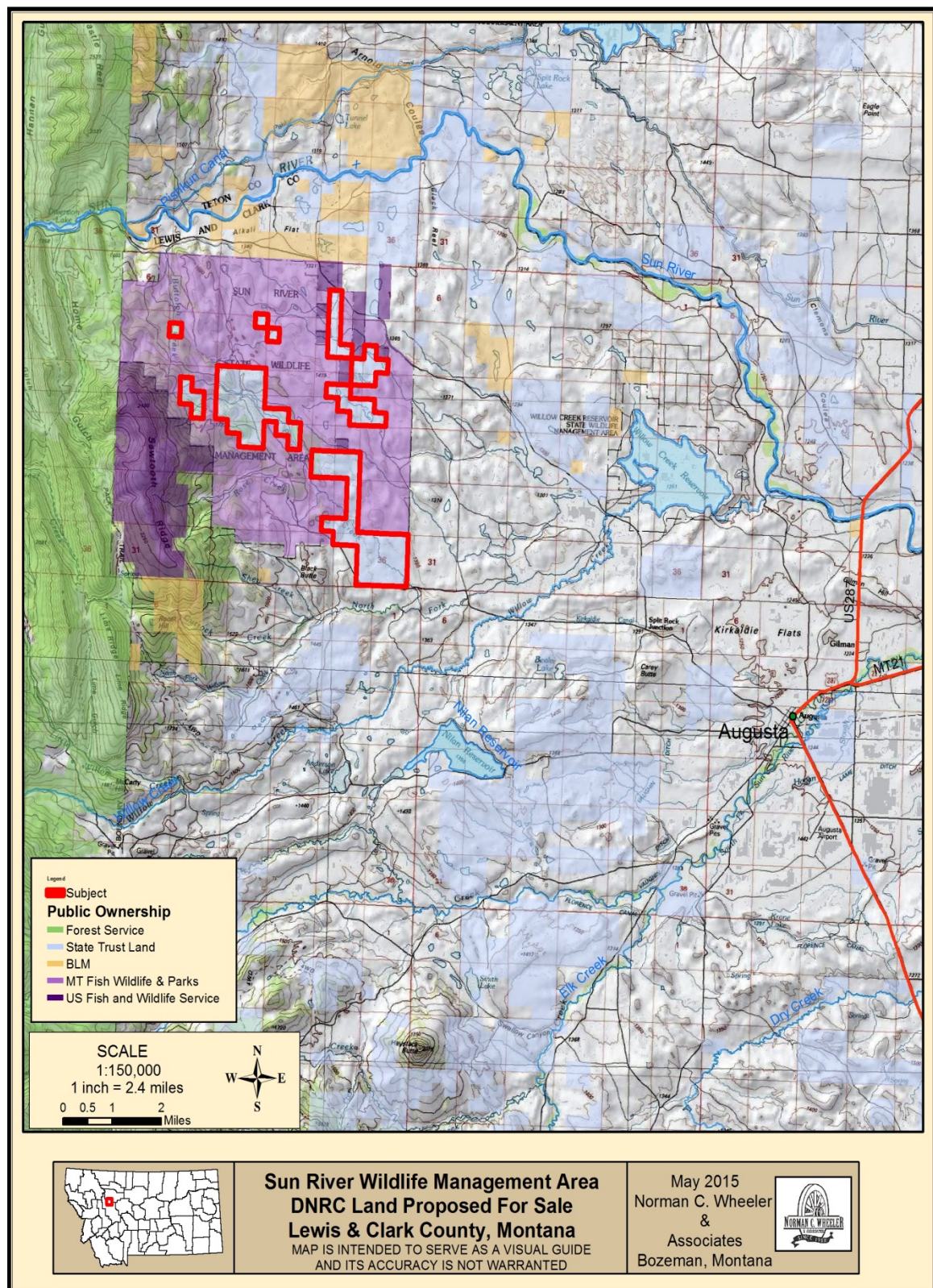
Natural Resources: The subject is located within the greater Glacier Park Ecosystem, in an area containing hundreds of thousands of acres of federal wilderness, state wildlife refuge lands and national forest, with high aesthetic and recreational appeal. In general, the area is a dynamic of rural and wild environments inhabited by large populations of wildlife. The overall land ownership pattern is a mosaic of federal forest, wilderness, timber lands, and state land interspersed to a much lesser degree by deeded lands.

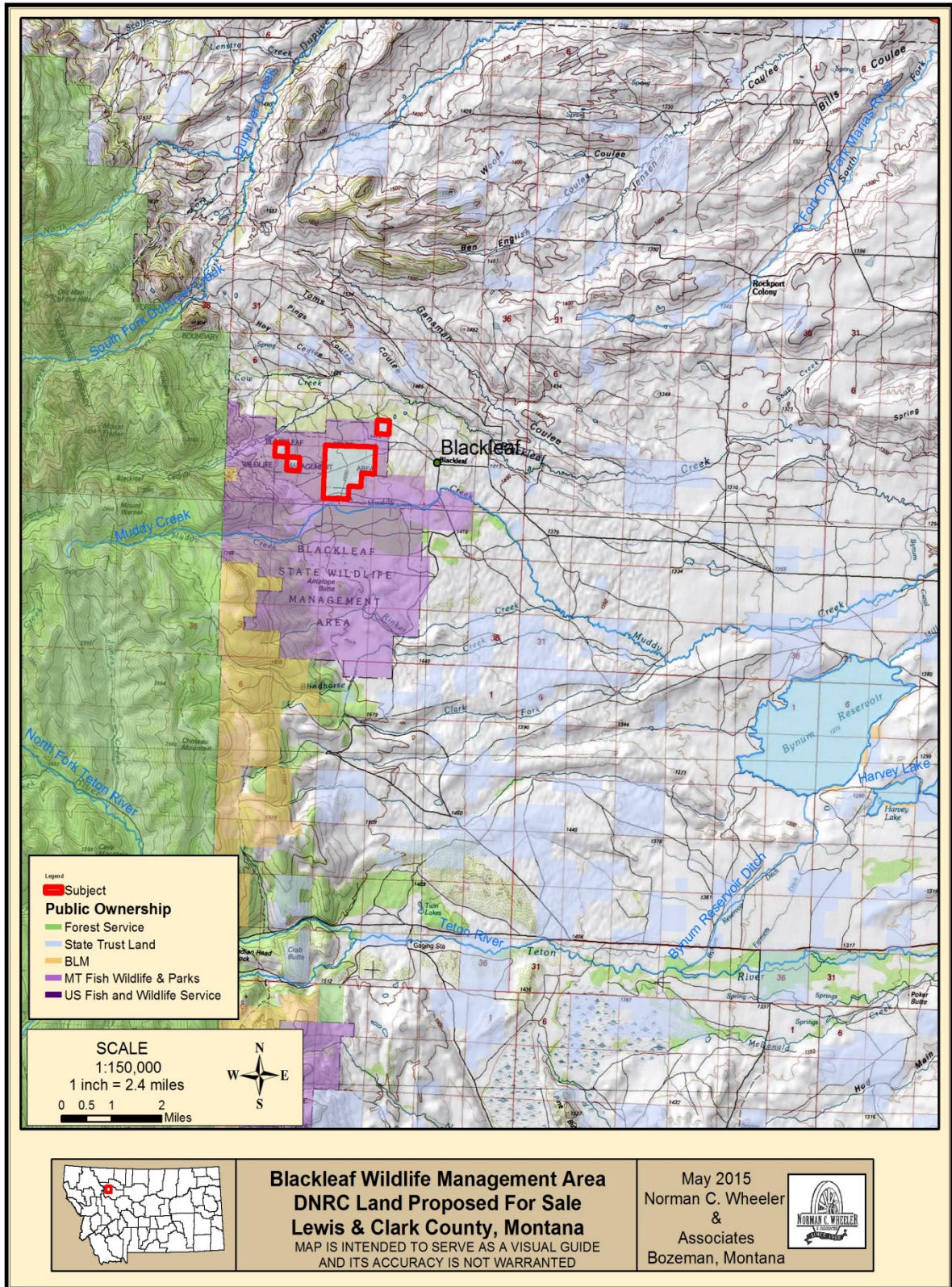


The surrounding ecosystem supports a wide variety of wild game and nongame animals including elk, bighorn sheep, black and grizzly bear, mule and whitetail deer, antelope, moose, mountain lion, bobcat, coyote, and fox. Indigenous birds include bald and golden eagles; numerous falcon, hawk, and owl species; and migratory waterfowl, including Canadian geese, trumpeter swans, blue herons, sandhill cranes, mallards, teal, and innumerable other species.

The subject lies near the Rocky Mountain Front, a saw-toothed profile of the Rocky Mountains looming up to 9,000 feet above sea level along the bunchgrass-mantled foothills of the Great Plains. Beyond the Rocky Mountain Front lie the Scapegoat and Great Bear Wilderness Areas, which are part of the Glacier National Park Ecosystem. From the mountain Front, the plains sweep out in a vast setting. Within this area are located numerous types of wildlife habitat. Several species of big game animals abound along the mountain Front. These include elk, mule deer, bighorn sheep and grizzly bears, as well as mountain goats, white tailed deer, antelope and black bear. Numerous upland game birds, waterfowl and other birds of prey also inhabit the Front area.

One of the most unique features associated with wildlife along the Front is the fact that grizzly bears continue to live on the Great Plains along the mountain front, particularly in areas such as the Pine Butte Swamp Preserve maintained by the Nature Conservancy. The Front area provides primary winter habitat for wildlife, and chinook winds keep ridgetops bare. The area primarily consists of a scattered mosaic of timbered and open meadows which provide security cover and bedding grounds near food supplies.





M. Subject Property Description

Overview: The subject properties are identified as being multiple parcels of land that are inholdings within the Sun River and Blackleaf Wildlife Management Areas. For purposes of the property description, each WMA will be described separately with any further discussion that may be relevant to this assignment. The Sun River WMA covers a total of 3,410.35 acres with the Blackleaf WMA being 639.48 acres in size.

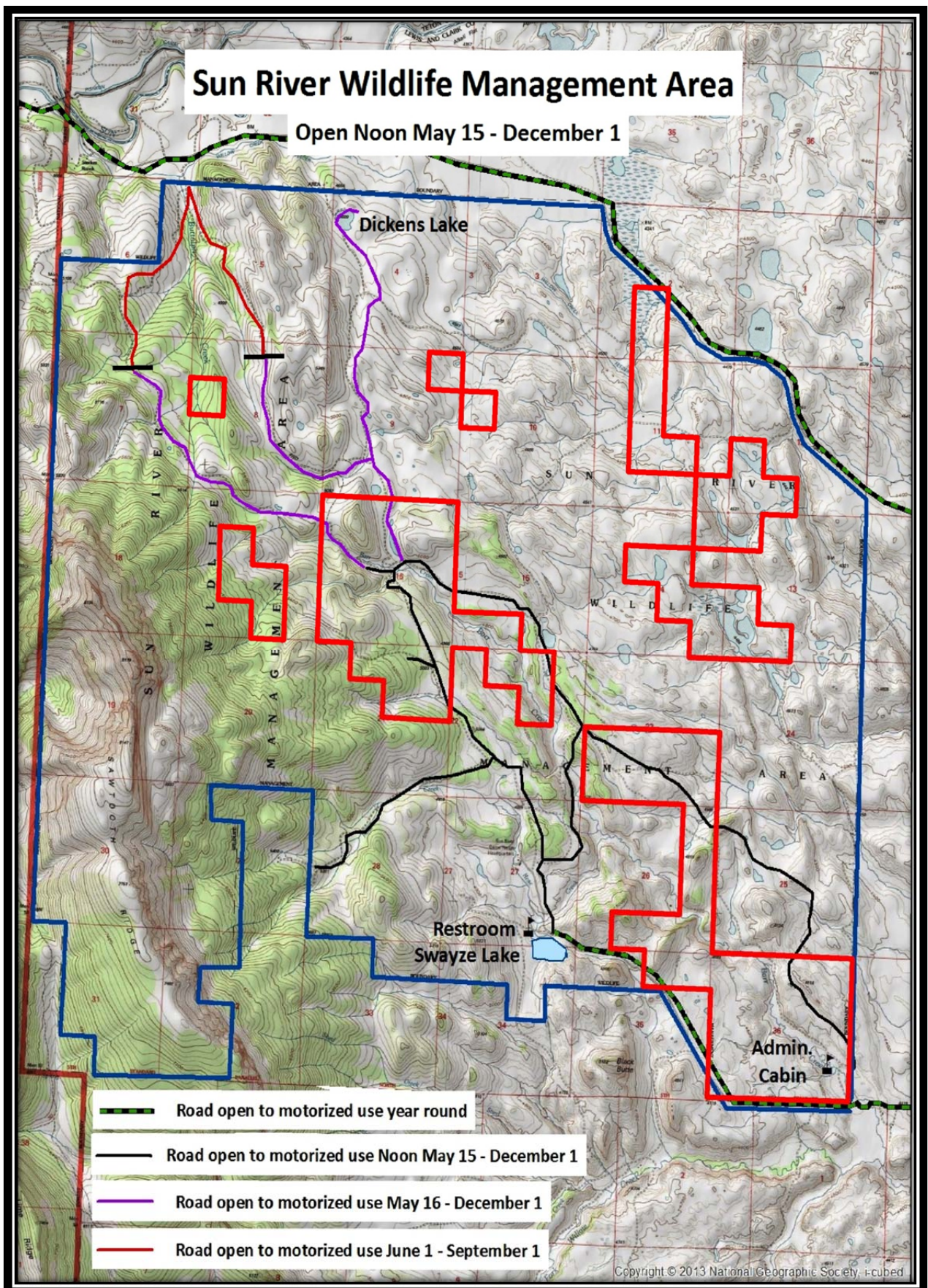
Access Introduction: The access to the appraised property varies and warrants a separate discussion. With the exception of any block of lands that are accessible from a county road, the access to other parcels must be in accordance with the administration of the Wildlife Management Areas and their rules and regulations as access is dependent on crossing lands owned by FWP. Any property accessible from the county roads would not be subject to any restrictions.

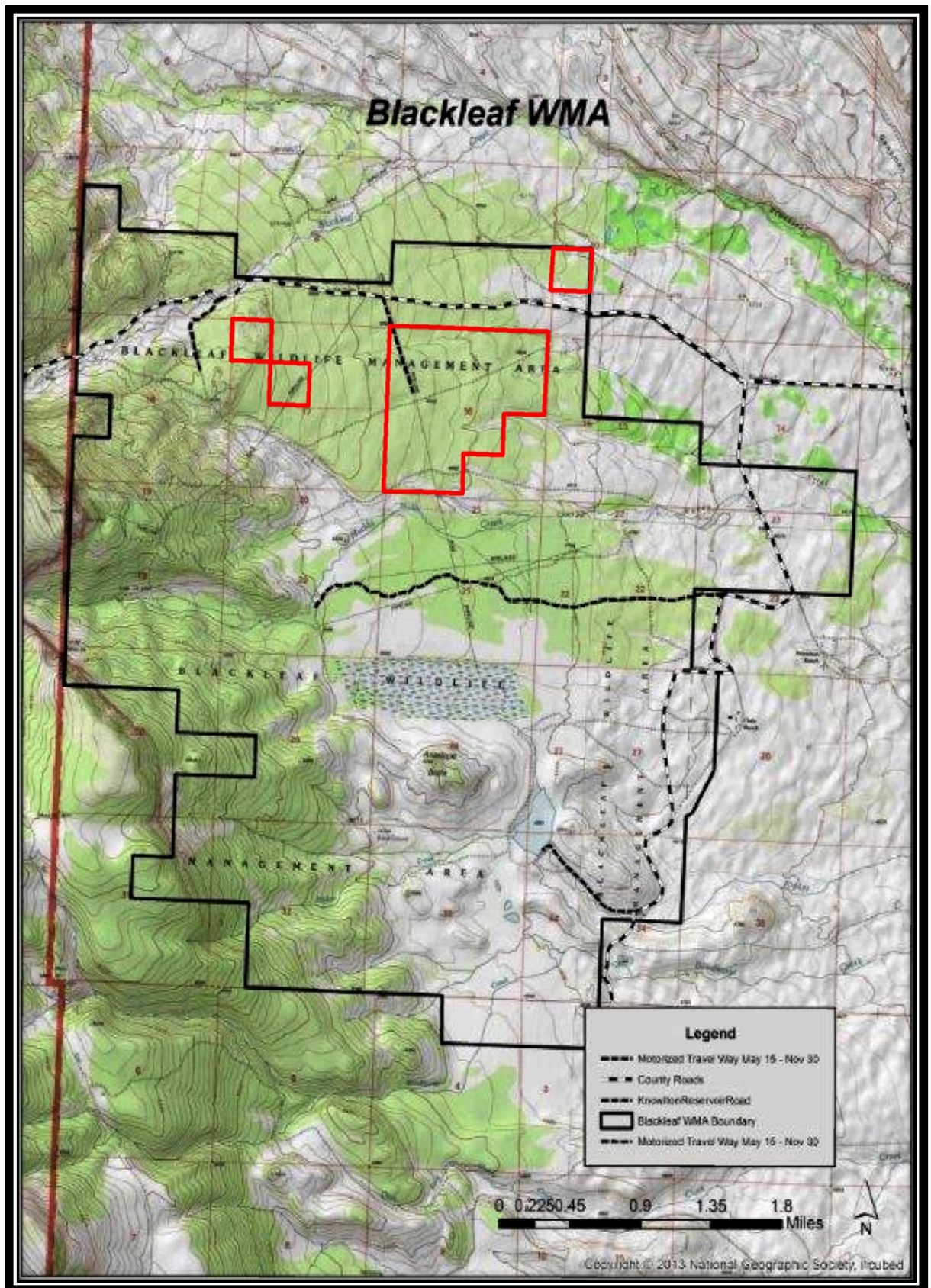
Both the Sun River and Blackleaf WMAs are open for public use from noon on May 15 to December 1. Any motorized vehicles must stay on authorized roads and off road travel with any motor/engine powered wheeled vehicle is prohibited. Horses and mule are allowed on the WMAs.

Within the Sun River WMA, there is a road-use plan where the network of roads are open during different periods. For the Blackleaf WMA, it is also subject to seasonal road closures. Road use maps are included following this discussion.

Recognizing the administration rules of the WMAs, this means that any roads across FWP lands and subject to seasonal road use periods are accessible during these periods only. Access could be by a vehicle (although atypical, this wouldn't preclude air). For any other lands not accessible from an open road, ground access would be by a non-motorized means and only when the WMA is open.

As per information provided and referenced under MCA 87-1-303, trailing of domestic livestock across the WMA may not be regulated by the commission. Thus, trailing livestock across the WMA is deemed a legally permissible use. Thus, for parcels with common corners as identified in this appraisal, this provision allows for an integrated use.





Location and Access: Consisting of 4,049.83 acres, the subject is located on the east slopes of the Rocky Mountain Front within the Sun River and Blackleaf WMAs – which are about 30 air miles from each other. Access for property in each WMA will be addressed separately.



Sun River WMA: This portion of the appraised property is located ~10 miles northwest of Augusta between the Sun Canyon and Barr Creek County Roads. Due to the administrative rules and regulations of the WMA, the subject has varying means of access, which is further described as follows:

Year round access from Barr Creek County Road (Tracts 737, 738, 739, 740, & 741): Barr Creek Road is a county road that provides access to the southeastern most portion of the WMA or to the current administration cabin. The county road coincides with the southern boundary of the property (tract 740) and partially bisects tract 739. The county road provides access to a block of contiguous land consisting of 1,290.62 acres.

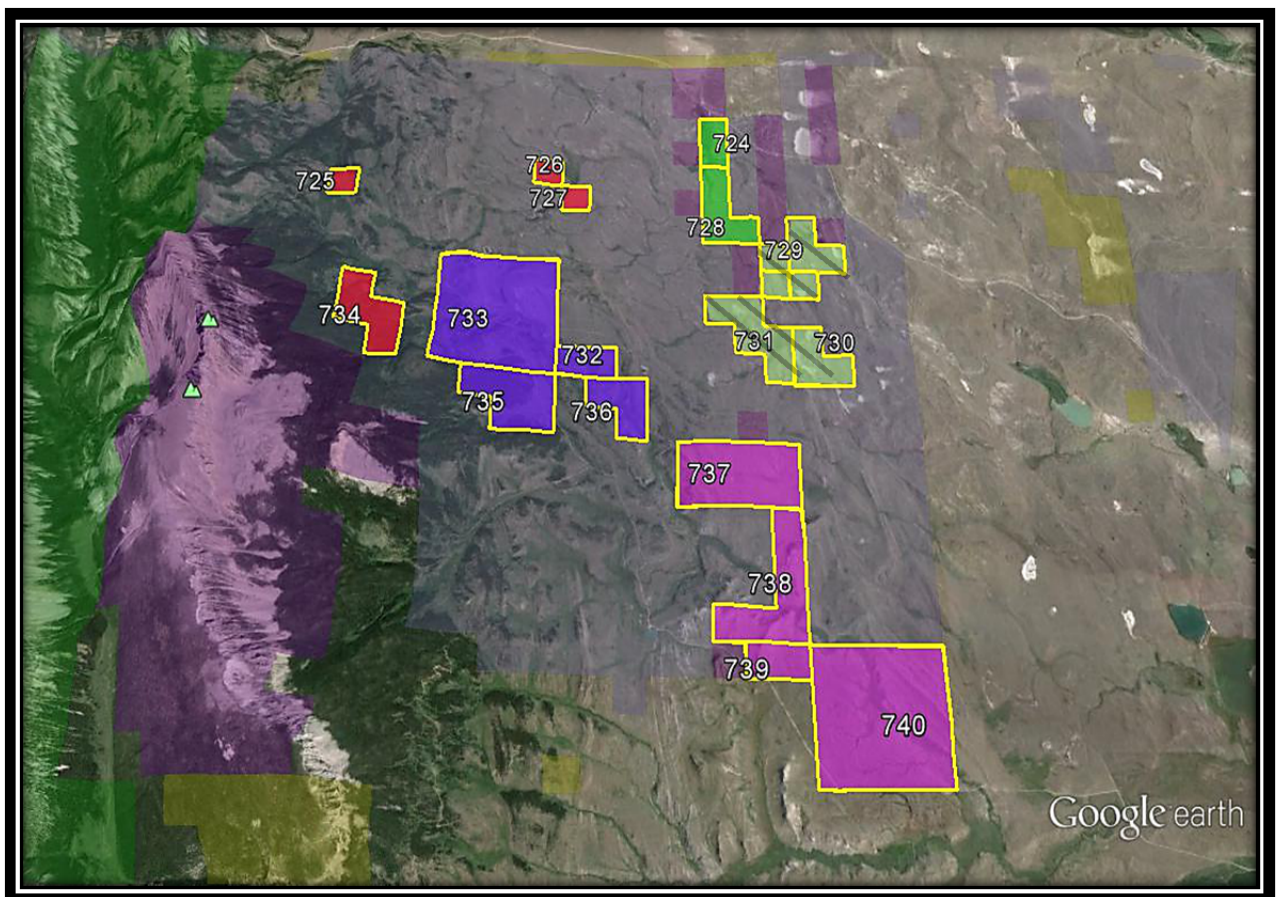
Seasonal motorized road access from May 15 to December 1 (Tracts 732, 733, 735, and 736): Access to this 1,040 acre block of land located in the central portions of the WMA is via a seasonal road that is an extension of the Barr Creek County Road. The road enters the southeastern corner of tract 735 and bisects tract 733 and switch backs to touch parcel 732 and then through the northeastern corner of tract 736.

Year round access from the Sun Canyon Road (Tracts 724 and part of 728 with continuous common corners access to tracts part of 728, 729, 730, and 731): The Sun Canyon Road touches the northeastern corner of tract 724 and provides access to a 239.73 acre contiguous block of land with some portions bisected by the Willow Creek feeder canal (maintained by the Greenfields Irrigation District). From this contiguous block, there are other tracts that share common corners and can be accessed by a non-motorized means across public lands. This includes tracts 729, 730, 731 and part of 728 or 560 acres. While variable in terms of the type of access, these identified tracts total 799.73 acres and are associated with a base property with year-round county road access.

Non-motorized access across public lands (Tracts 725, 726, 727, and 734): These are isolated tracts from the standpoint they have no means of motorized access. They are however located within a ¼ to ½ mile of seasonally open roads. This accounts for 280 acres of the appraised property.

With the subject outlined in yellow, the varying type of access with an accompanying map is summarized below.

| Color | Type of Access | Acres |
|-------|-------------------------------------------------------------------|----------|
| | Year Round from Barr Creek County Road | 1,290.62 |
| | | |
| | Seasonal motorized road access from May 15 to December 1 | 1,040 |
| | | |
| | Year round access from the Sun Canyon Road | 239.73 |
| | with non-motorized access across public land along common corners | 560 |
| | | |
| | Non-motorized access across public lands when the WMA is open | 280 |



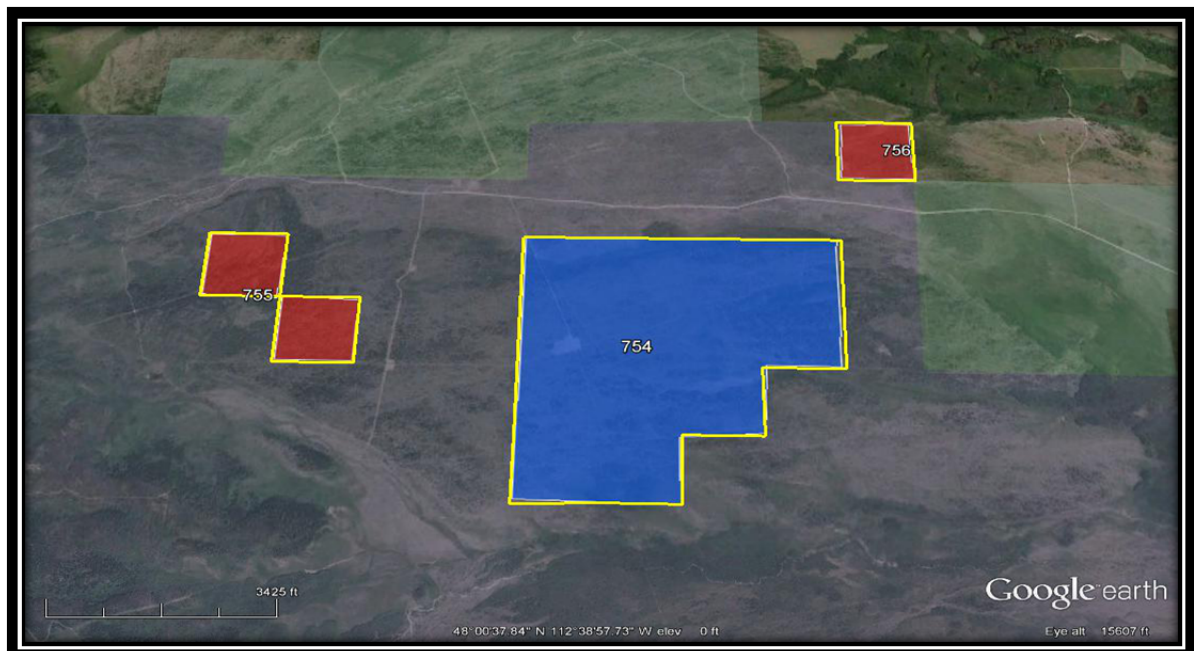
Blackleaf WMA: This portion of the appraised property is located ~15 miles west of Bynum where the Blackleaf Road is followed to the WMA. Due to the administrative rules and regulations of the WMA, the subject has varying means of access, which is further described as follows:

Seasonal motorized road access from May 15 to November 30 (Tract 754): Access to this 519.48 acre block of land is located in the north central tiers of the WMA. Access is along a seasonal road that is located .18 miles south of the Blackleaf Road to the northwestern corner of tract 754 and extends southeasterly.

Non-motorized access across public lands (Tracts 755 and 756): These 120 acres, which include 3-40 acre tracts; two of which share a common corner are isolated tracts. Although there are two-track trails to these lands, they are not open season roads as per the administration of the WMA. Thus, the access is by a non-motorized means only from other public roads. These roads are located less than a ¼ mile from each of these tracts.

With the subject outline in yellow, the varying type of access with an accompanying map is summarized below.

| Color | Type of Access | Acres |
|-------|---------------------------------------------------------------|--------|
| Blue | Seasonal motorized road access from May 15 to November 30 | 519.48 |
| Red | Non-motorized access across public lands when the WMA is open | 120 |



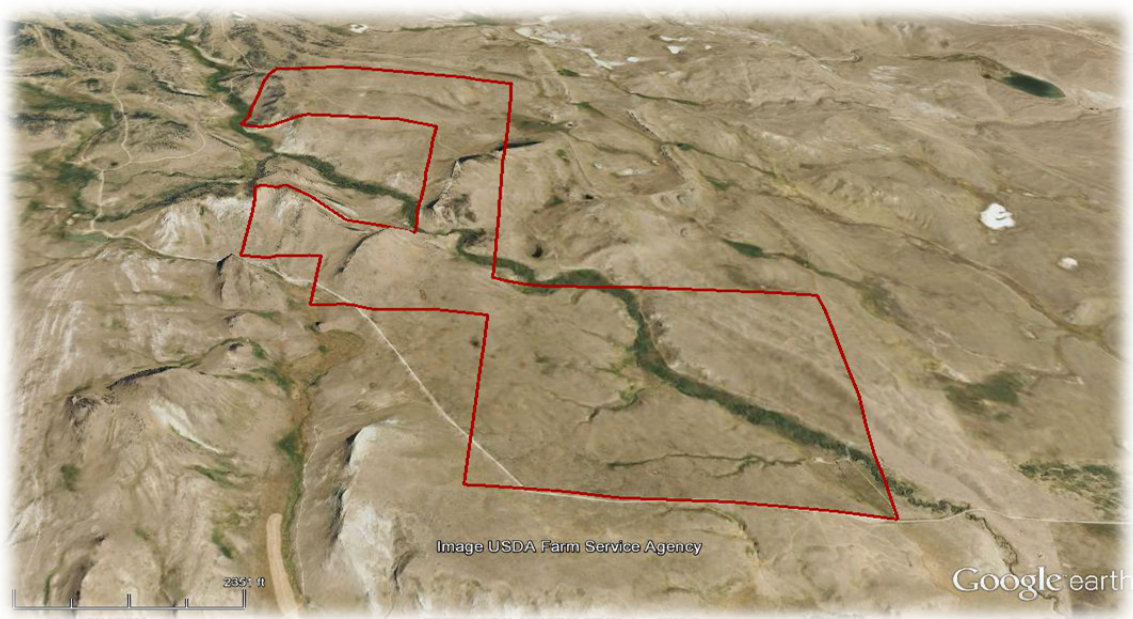
Land Description: The appraised property encompasses 4,049.83 acres. This includes 3,410.35 acre within the Sun River WMA and 639.48 acres within the Blackleaf WMA. The lands within each WMA will be described separately.

Sun River WMA: The lands lying within the Sun River WMA is a mixture of native grasslands, riparian corridors, and timber with areas inclusive of aspen. For purposes of this property description, it will be consistent with those lands identified in the access discussion.

Tracts 737, 738, 739, 740, & 741 – 1,290.62 acres: This is a contiguous block of land lying within the southeastern corner of the WMA. It is an irregular shaped parcel ranging from a width of $\frac{1}{4}$ to a mile running east-to-west and 2.5 miles north-to-south. It lies adjacent to FWP and private lands. It includes the current FWP administrative site.

This portion of the subject consists predominately of open native grasslands that are bisected by a riparian corridor along Barr Creek which runs southeasterly through the property in more of a canyon-like setting that transitions to a broader meadow near the southeastern portions of the property. Within some of the upstream ridges, there are pockets of timber on the hillsides.

Topography is diverse with gently rolling and undulating slope with elevated areas above Barr Creek. A razor-back ridge with a gap along Barr Creek runs north-to-south and is a unique feature of the property.



Tracts 732, 733, 735, and 736 – 1,040 acres: This is a contiguous block of land lying within the central portions of the WMA and is surrounded by State FWP lands. It coincides with the most diverse portions of the appraised property; both in terms of land uses and topography. Although contiguous, the property is bisected by multiple public roads that are open on a seasonal basis.



The diversity of this property runs the gamut for properties along the Front. From a topography standpoint, the property has multiple bluffs, broad timbered and grassland ridges which transitions to steep hillsides then gentle slopes including elevated benches that overlook the Barr Creek drainage. From a land use and habitat standpoint, the property includes forestland, native grasslands, multiple riparian corridors and wetlands, open parks and groves of aspen. It encompasses the entire Barr Creek drainage which meanders about 2.5 miles through the property.

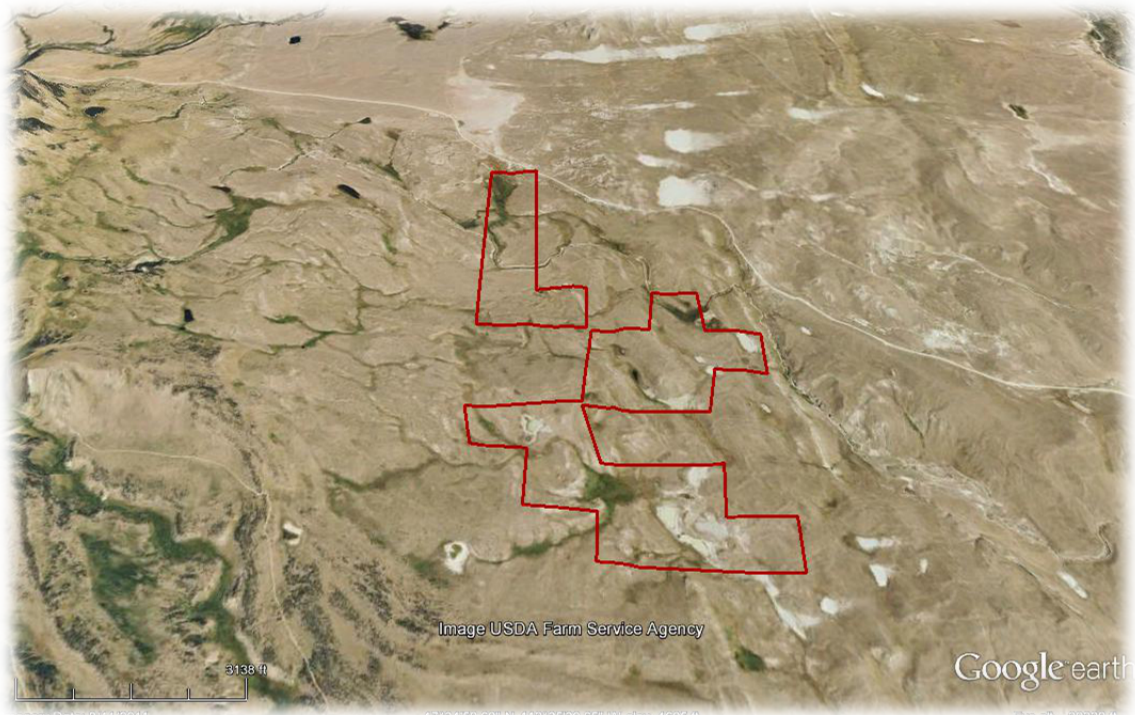
The forested areas of the subject varies from denser stands of timber within the western/southwestern portions of the subject in S21 to scattered timber throughout. Bisecting the timbered areas in S21 is an easterly running drainage running through a broader basin; this is an appealing area given its diversity and viewshed on to Sawtooth Ridge. Tucked within the southwestern corner of S16 is an open park that lays southeast of a sharper timbered ridge.

Near the center of Section 16 is an intersection of multiple roads. The roadway leading northwesterly follows Barr Creek and is bordered by steeper hillsides. The roadway leaves the drainage and then enters a wide saddle with more gentle slopes with nice views.

Travelling north of the road intersection is a north-south basin that's about 100 yards wide flanked by two steeper hillside of open grass. Within the basin are wetlands and two ponds.

Going easterly from the intersection, the property essentially follows the Barr Creek drainage. Outside the riparian corridor the property is a mixture of open grassland with intermixed timber.

Tracts 724, 728, 729, 730, and 731 – 799.73 acres: This is an irregular shaped portion of the subject with stairstep blocks of land that share common corners. It stretches from the Sun Canyon road south for about 2.5 miles. It varies in width from a $\frac{1}{4}$ to $\frac{3}{4}$ miles. It is partially bisected by the Willow Creek feeder canal.



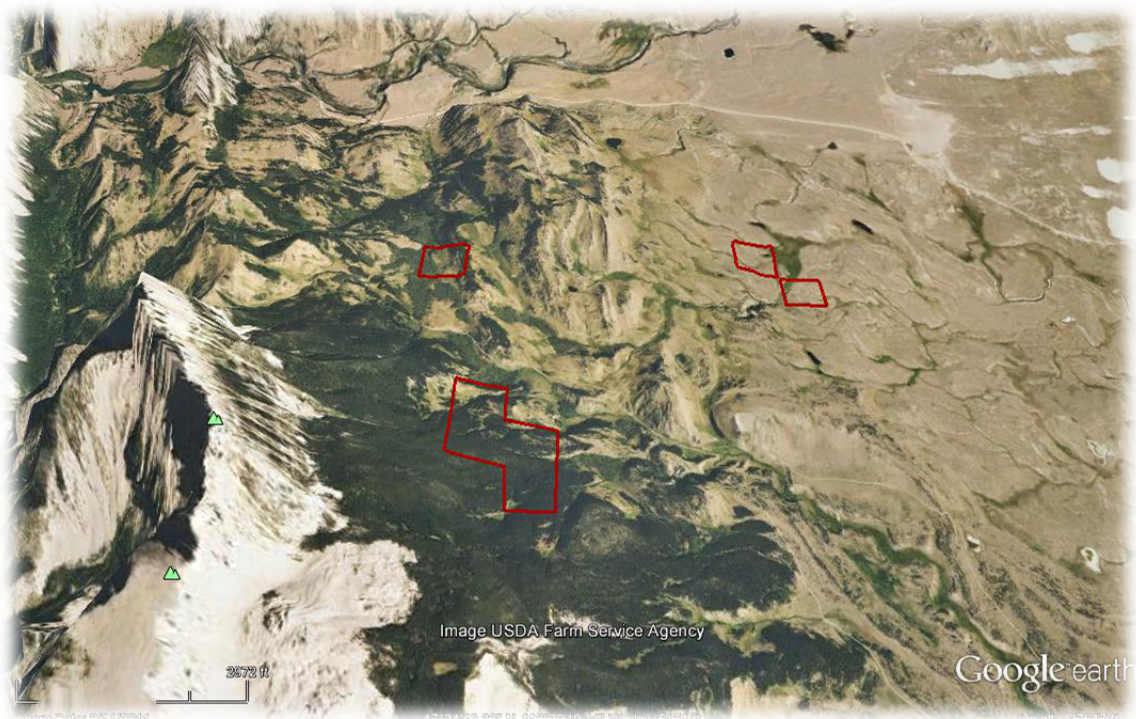
These lands are dominated by open native grasslands that are intermixed with multiple wetlands and ponds scattered throughout the property. Topography is mostly rolling hills, benches, and coulees with some transitional steeper hillsides.

Tracts 725, 726, 727, and 734): These tracts coincide with various scattered parcels intermixed within the WMA.

-Tract 725 is 40 acres in size that is bisected by Buttolph Creek. The portions west of the creek are mostly wetlands with aspen. East of the creek, the land is a mixture of open grassland with timber on the upper ridge on the eastern portions of the property.

-Tracts 726/727 are two 40's that share a common section corner. They are mostly open grasslands with wetlands with a spring fed drainage. Topography is gentle.

-Tract 734 is 160 acres in size. It is dominated by forestland with some areas of open grassland and parks. Topography is steeper with some level lands on the ridges. It lies just below Sawtooth Ridge.

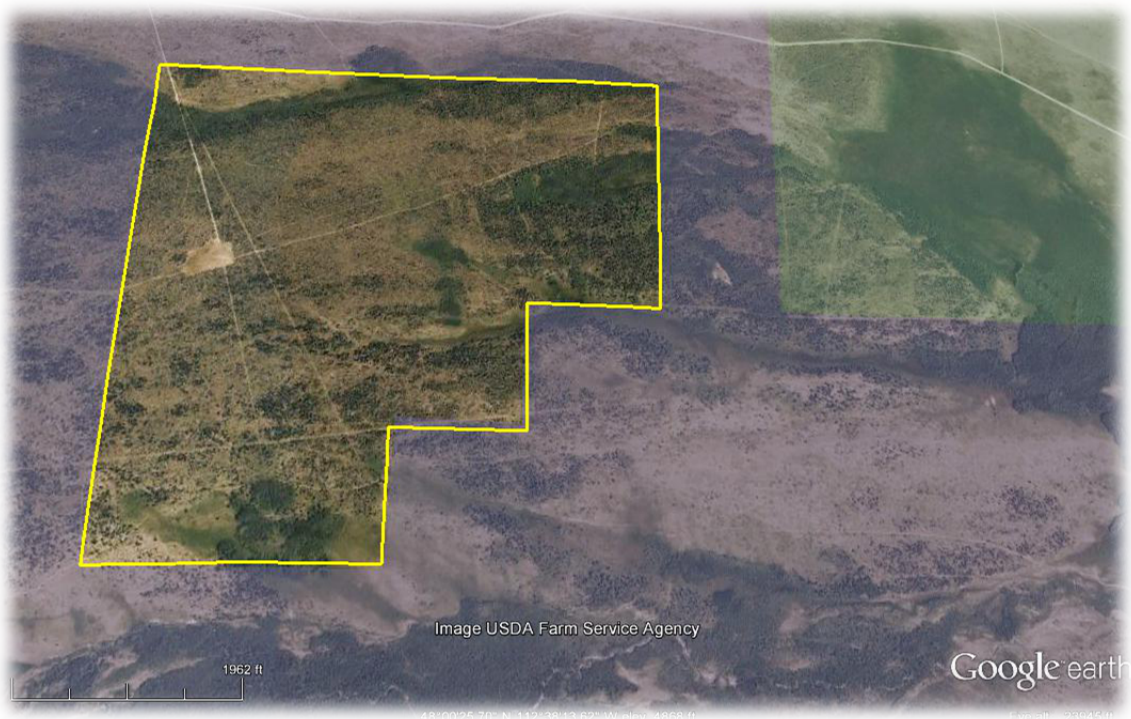


Blackleaf WMA: The lands lying within the Blackleaf WMA is a mixture of native grasslands, forbs, limber pine, and groves of aspen on mostly shallow soils. It consists of three non-contiguous tracts. For purposes of this property description, it will be consistent with those lands identified in the access discussion.

Tract 754: This is a 519.48 acre inholding surrounded by FWP lands. With a slight east facing slope, this property consists of a mixture of limber pine, timber, aspen and areas of open grassland. It includes a distinct open area near the northwestern fringes that is about 2.5 acres in size that is a reclaimed well site. It is intersected with multiple trails that correspond with seismic lines that were cut by oil and gas exploration crews.

There are multiple wet swales within the subject where aspen groves are concentrated. The scattered limber pine and timber accounts for the bulk of the property.

It's noted that portions of the property are fenced but the fencing does not coincide with any perimeter boundaries.

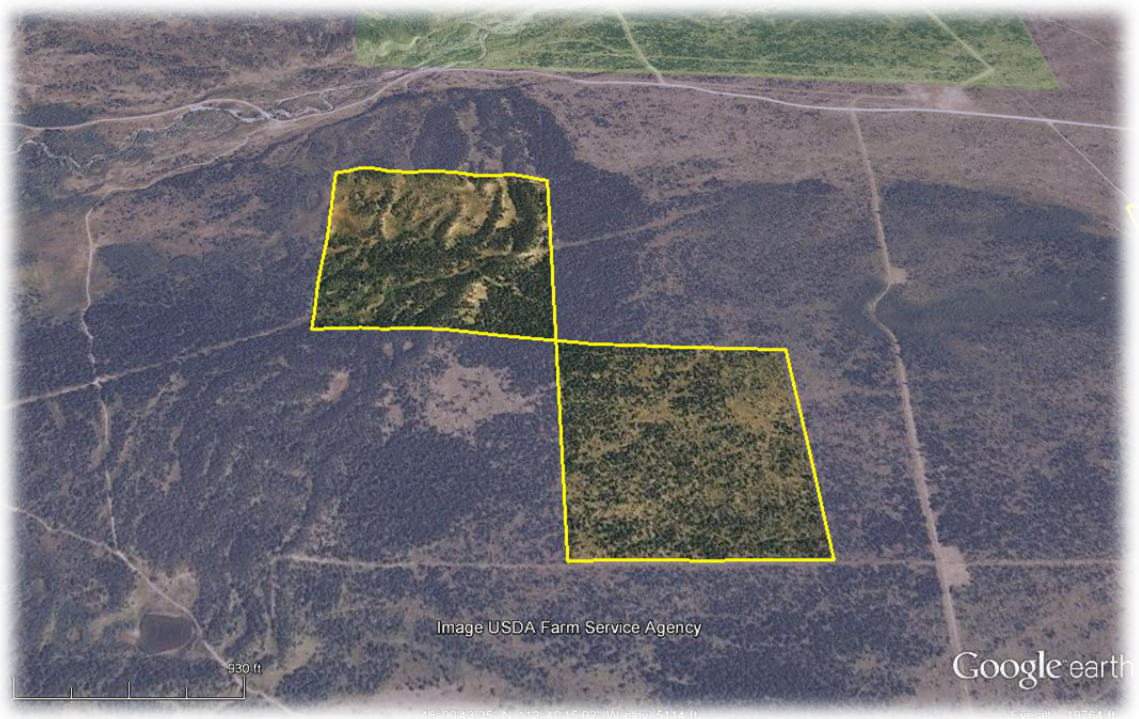


Tract 756: This is a square 40 acre tract on level slopes. This property consists of a mixture of limber pine and grassland on shallow soils. Intermixed is creeping juniper and other shrubs such as potentilla. The extreme northeastern boundary lies at a peripheral edge of a swamp.



Tract 755: This portion of the subject consists of two 40 acre parcels that share a common section corner. They are inholdings that are surrounded by FWP land. Both these parcels are dominated by timber with pockets of open grass and groves of aspen. The northwestern 40 acres has multiple small wetlands.

While mostly having a gentle east facing slope, the northwestern 40 acres has more rolling topography. Portions of the property do have some perimeter fencing.



Aesthetic and Recreational

Resources: Associated with two Wildlife Management Areas, the appraised property has aesthetic attributes and recreational resources. As gateways to vast public lands, the appraised property lies east of the Lewis and Clark National Forest, which extends westerly to the Bob Marshall Wilderness Area.



The subject lands lie easterly of the Sawtooth Range of the Rocky Mountain Front. Associated with the Rocky Mountain Front, this is a world renowned area that is sought after for its vast recreational opportunities and its aesthetic scenery – which is some of the most scenic along the Rocky Mountains. Complementing multiple Wildlife Management Areas, other resource areas along the Front include the Nature Conservancy Pine Butte Preserve, the Theodor Roosevelt Memorial Ranch owned by the Boone and Crocket Club Boone and multiple Outstanding Natural Areas administered by the BLM.

While variable throughout the project area, the aesthetics and recreational characteristics of the subject are dominated by sweeping views of the Rocky Mountain Front, on-site habitat for multiple species of wildlife, adjacent public lands, diversity in terms of land uses and habitats, and numerous sources of surface water.

Throughout the subject are sweeping and unobstructed views of the Rocky Mountain Front. The Front starts near the south end of Glacier Park and stretches for over 100 miles to the Dearborn River. The Front Range is a series of jagged limestone peaks, walls, reefs, and deeply cut canyons. The Front is the gateway to the Bob Marshall, Scapegoat, and Great Bear Wilderness Areas.

Dominant landmarks from the Sun River lands include Sawtooth Ridge to the west with Castle Reef to the northwest. For the Blackleaf, there are prominent views of Volcano Reef with Mount Frazier and Mount Werner in the distance.

Concentrated mostly on those lands lying within the Sun River WMA, there are multiple sources of surface water. Barr Creek is the primary stream that flows through various portions of the appraised property. Barr Creek is a smaller stream lined with willows and alders that does support a trout fishery. Other water attributes include numerous ponds, springs, and glaciated potholes. Springs and wetlands are scattered within those portions lying within the Blackleaf.

Complemented by area public and private land, the subject provides habitat essentially for all species of wildlife, waterfowl, and upland game birds that occupy the Rocky Mountains. Primary wildlife species that utilize the property include elk, white tail and mule deer, cougar, wolf, antelope, moose in addition to grizzly and black bears. Portions of the subject may also be frequented by big horn sheep. These lands are also utilized by a variety of waterfowl, raptors, and other song birds.

As inholdings, the subject lands are integral components of the Blackleaf and Sun River WMA's and provides critical winter range. A representative photo of winter elk use on the Sun River WMA is included below. It's reported that 2,500 elk winter on the Sun River WMA. As a result of the elk winter range, the WMAs are also popular for those seeking shed antlers.



The subject lies adjacent to FWP lands that are subject to seasonal closures; which would not apply to the use of the appraised property upon being on-site. Subject to administrative regulations, the adjacent public lands provide an extension of the deeded land for recreational activities including hunting, fishing, primitive camping, hiking, wildlife viewing and horseback riding.

The appraised property lies within hunting districts 425 (Sun River WMA) and 441 (North Fork Birch Creek – Teton). These HD's cover 92,081 acres and 379,729 acres, respectively. Both these districts allow for the hunting of big game with valid permits and licenses.

Within HD 425, there is no antlerless elk hunting during general rifle season within the WMA but there are a number of licenses (20 to 35) issued for use on the WMA during weekly periods.² It's noted that with only 5 permits issued for either sex elk on HD 425 and 35 for HD 441, the opportunity to harvest a bull is limited.

Timber Resources: Portions of the appraised property consist of forestland with timber. The timber is dominated by a mixture of limber pine, fir, and lodgepole. With consideration to the different parcels, the bulk of parcel 734 consists of forestland – but there is no access.



For properties located along the Rocky Mountain Front and for units like the subject, timber is viewed moreso as contributing on the basis of an amenity/recreational resource versus one that is economic or say for the harvesting of timber. Consistent with the market, any value for the timber is inherent with the land or the property as a whole.

²Upon any sale, the appraised property would not be part of the WMA.

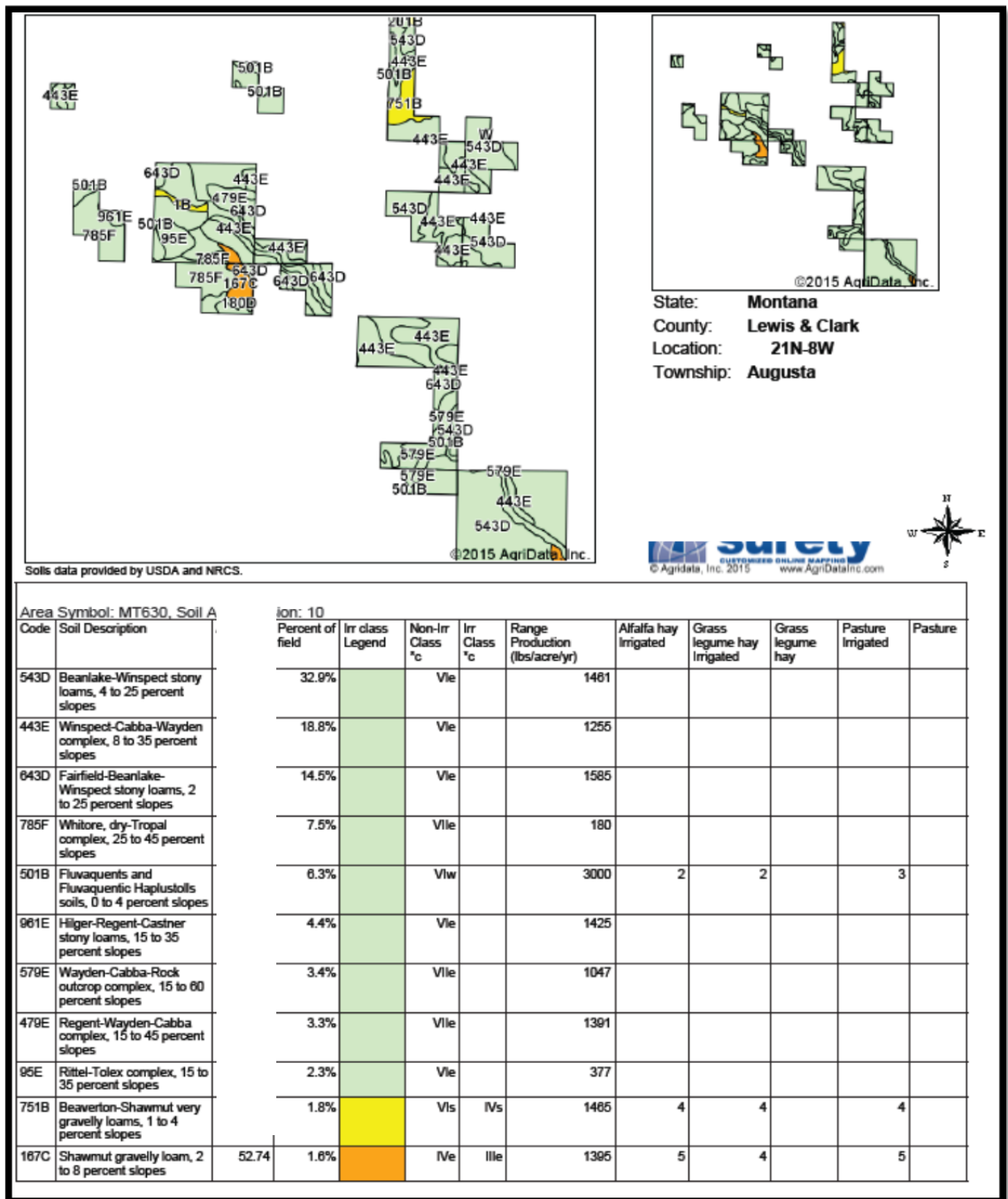
Hazards/Condition/Environmental Concerns: Based upon my inspection and conversations with representatives of the State, there are no known hazards or environmental concerns that would impact the property. This finding is consistent with the conclusions set forth in the Phase I Environmental Assessment prepared for the State.

Although there may be seasonal flooding and/or high water within riparian corridors, this doesn't impact the overall use(s). Due to portions of the subject consisting of forestland with transitional grasslands, fire is an inherent risk within the market.

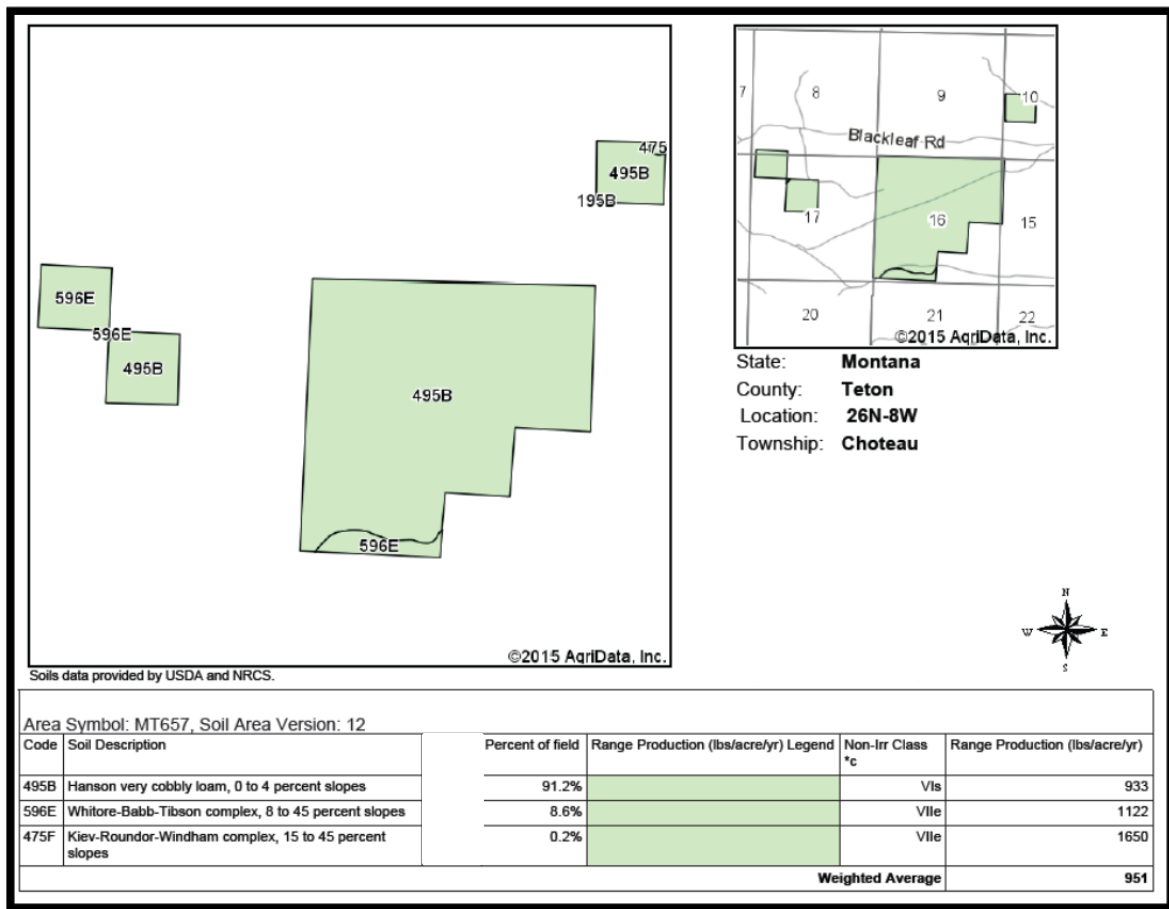
Within section 16 in the Blackleaf, there was a natural gas well that was drilled in 1981 and abandoned in 1998. The site was reclaimed and seeded to grass. It affords an area with unobstructed views.

Soils Description: The soils are a variety of loams. Although the market is not sensitive to specific soil types, the following soils maps are provided. The soils on the Blackleaf are shallower soils with more gravel.

Sun River Parcels



Blackleaf Soils



Building Improvements: There are no structural improvements on the appraised property.³ For the lands on the Sun River WMA, the only fencing is along the boundaries of the WMA. There is also some fencing on the Blackleaf but it is limited and only portions are on the perimeter.

There are no structural improvements associated with the appraised property. In terms of utilities, they are on-site to where the admin cabin is on the Sun River WMA or the southeastern most parcel. There are no utilities on site within those lands on the Blackleaf.

³ The admin cabin on the Sun River parcel is owned by FWP and is not part of this valuation.

Assessments and Taxes: While not directly relevant to the appraisal assignment, the subject is assessed with other FWP holdings. For those lands in the Sun River, the lands are assessed at \$405,255. Those on the Blackleaf are assessed at \$26,940. Although exempt from real estate taxes, a probable amount would be approximately \$3,750 for the lands on the Sun River WMA and \$775 for those on the Blackleaf.

Water Rights: As per a search of the DNRC records by place of use, the following water rights are reported. These rights are all located with lands within the Sun River WMA.

| Water Right | Source | Enforceable Priority Date | Purpose | TR | Section | Qtr Section |
|---------------|--------------------------------|---------------------------|-------------------|-------|---------|-------------|
| 41K 167415 00 | UNNAMED TRIBUTARY OF SUN RIVER | 1/1/1948 | FISH AND WILDLIFE | 21N8W | 11 | NWNENW |
| 41K 92701 00 | GROUNDWATER WELL | 12/1/1994 | INSTITUTIONAL | 21N8W | 36 | SESE |
| 41K 92701 00 | GROUNDWATER | 12/1/1994 | INSTITUTIONAL | 21N8W | 36 | SESE |

Mineral Rights: There has been past activity and interest with respect to the leasing of mineral rights in addition to exploration for oil and gas within and close to the reaches of the Rocky Mountain Front including the vicinity of the subject.

Historically, the interest had been for exploration with no real active development to speak of. Exploration for the most part along the Front has evaporated with most parties indicating that the resources are not *worth* developing at this time. It's noted that there was a reclaimed well site within the Blackleaf WMA.

Traditionally, mineral rights have not been a measurable factor of value in the market and appurtenant rights varies with each transaction and between each property. In today's market, a specific value is not typically allocated to mineral rights and it is not considered to be a motivating factor among market participants as it contributes to the whole (ie land and mineral rights). There have been individual transactions where minerals were transferred independently of the surface rights and mineral rights in and by themselves may have value.

The status of the mineral rights is unknown. For purposes of this valuation, only the surface rights are evaluated.

It's noted that the mineral remoteness evaluation indicated that the ability to develop natural is questionable due to political constraints and the low price of natural gas.

Zoning: The appraised property lies within unzoned areas of Lewis and Clark and Teton Counties.

Easements and Encroachment: Title commitments are referenced. The commitments indicate the following exceptions, which are specific to the appraised property and not considered typical exceptions. The exception number corresponds with that as referenced in the title commitment.

First American – Teton County Lands in the Blackleaf WMA

11) For: Fenceline
 In Favor of:
 Recording: Doc 341070

Discussion: The recording instrument is a certified land corner recordation. It has no impact to value.

- 12) For: Roadway
In Favor of: Preiwert
Recording: Book 96 Page 497

Discussion: This is an easement across the southern reaches of the property in S16. It is for an access road. The lands serviced by the easement were at one time privately owned but have since been acquired by FWP. Thus, the lands are part of the WMA and the road is not open to the public. Thus, the easement has minimal impact to the subject lands and there is no measurable impact on value (which implies additional impact beyond what is inherent in the data itself).

- 13) For: State land lease
In Favor of:
Recording: Book 34 Page 301 and 304.

Discussion: These are instruments where property was sold under C4D with reference to State leases held by a private party. These leases are now held by the State and the land referenced in the contract is owned by the State FWP. As referenced in these documents, there is no impact on value.

- Other) For: Lack of Access
In Favor of:
Recording:

Discussion: The title commitment makes reference to not insuring for lack of access. Any affect on value for access will be discussed further in the report. See discussion relative to the type of access across public lands and subject to the administration of the WMA.

- Other) For: State leases and licenses
In Favor of:
Recording:

Discussion: As instructed, a hypothetical condition is used that there are no license and leases as granted by the State and they are to be excluded from consideration for purposes of the appraisal.

Helena Abstract & Title Company – Lands in the Sun River WMA

- 11) For: Resolution 2003-57
In Favor of:
Recording: M Book 28 of Records, page 4908
- Discussion: This is a resolution to name roads in the Augusta area. There is no impact on value.
- 12) For: Right of Way
In Favor of: 3 Rivers Communications
Recording: M Book 38 of Records, page 9035
- Discussion: This is an easement 10' wide for a buried telephone distribution line. This is not atypical of the market and there is no measurable impact on value. There is the potential of being an enhancement given it provides telephone service.
- 13) Intentionally Deleted
- 14) For: Denial of petition to close county roads in S27, 35, and 36, T21N, R8W
In Favor of:
Recording: M Book 20 of Records, page 3550
- Discussion: There was a petition to seasonally close the Augusta-Willow Road within the said sections and it was denied. This has no measurable affect on value for the subject. The county road provides year-round access to the subject and is situated for the most part along the peripheral edge of the property.
- 15) For: Right of Way
In Favor of: 3 Rivers Communication
Recording: M Book 42 of Records, page 4710
- Discussion: This is a 10' wide easement for a buried telecommunications line in the N2NE of S35. This is a typical easement and there is no measurable impact on value.

- 16) For: Right of Way
In Favor of: 3 Rivers Communication
Recording: M Book 17 of Records, page 9405

Discussion: This is a 20' wide easement for a buried telecommunications line in S36. This is a typical easement and there is no measurable impact on value.

- 17) For: Agreement
In Favor of: Cobb
Recording: Book 53 of Records, page 347

Discussion: This is a trades-use agreement that extends to other lands. It impacts a nominal amount of the property and would not have a measurable impact on value. Support by sale of property in the Blackfoot to Jewett by the Whitetail.

- 18) For: Right of Way
In Favor of: 3 Rivers Communication
Recording: M Book 46 of Records, page 6213

Discussion: This is a 20' wide easement for a buried telephone line in S36 to the admin cabin. This is a typical easement and there is no measurable impact on value. It does enhance the utility of the subject on the basis it provides telephone service.

- 19) For: Right of Way
In Favor of: 3 Rivers Communication
Recording: M Book 17 of Records, page 9406

Discussion: This is a 20' wide easement for a buried telephone cable in S16. This is a typical easement and there is no measurable impact on value.

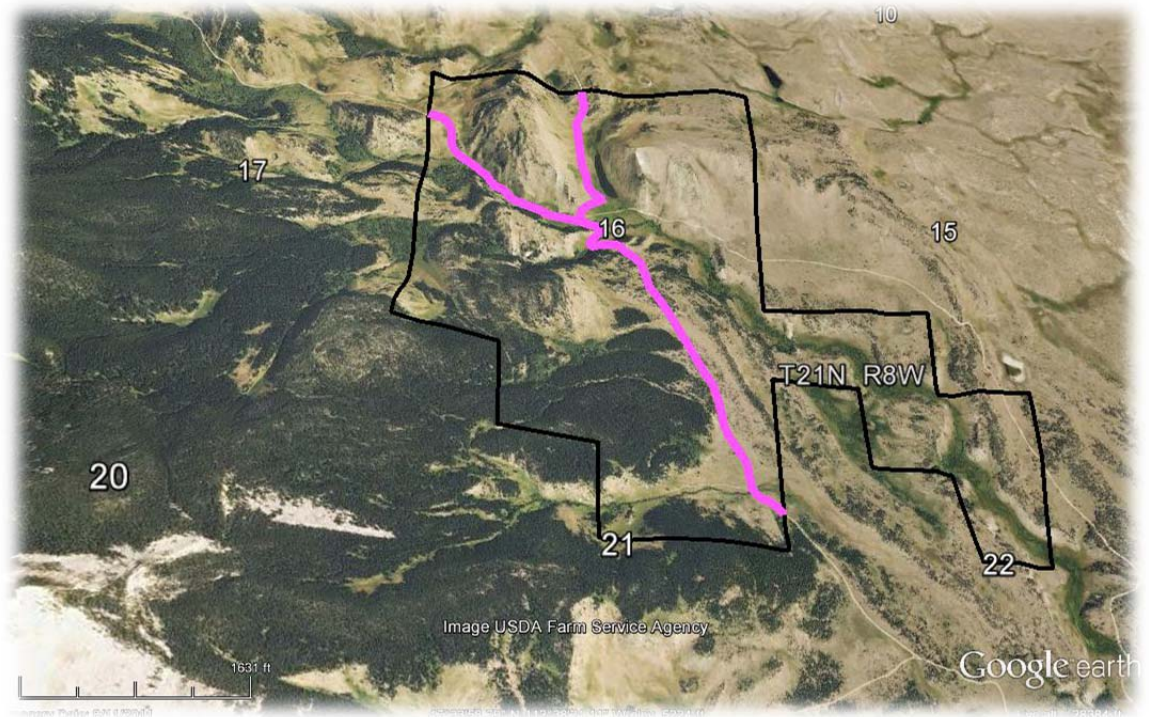
20) For: Lack of Access
In Favor of:
Recording:

Discussion: There is a lack of insurable access to portions of the subject. The access to these parcels is subject to the administration of the WMA. Any affect on value for access will be discussed further in the report. See discussion relative to the type of access across public lands and subject to the administration of the WMA.

Other) For: State leases and licenses
In Favor of:
Recording:

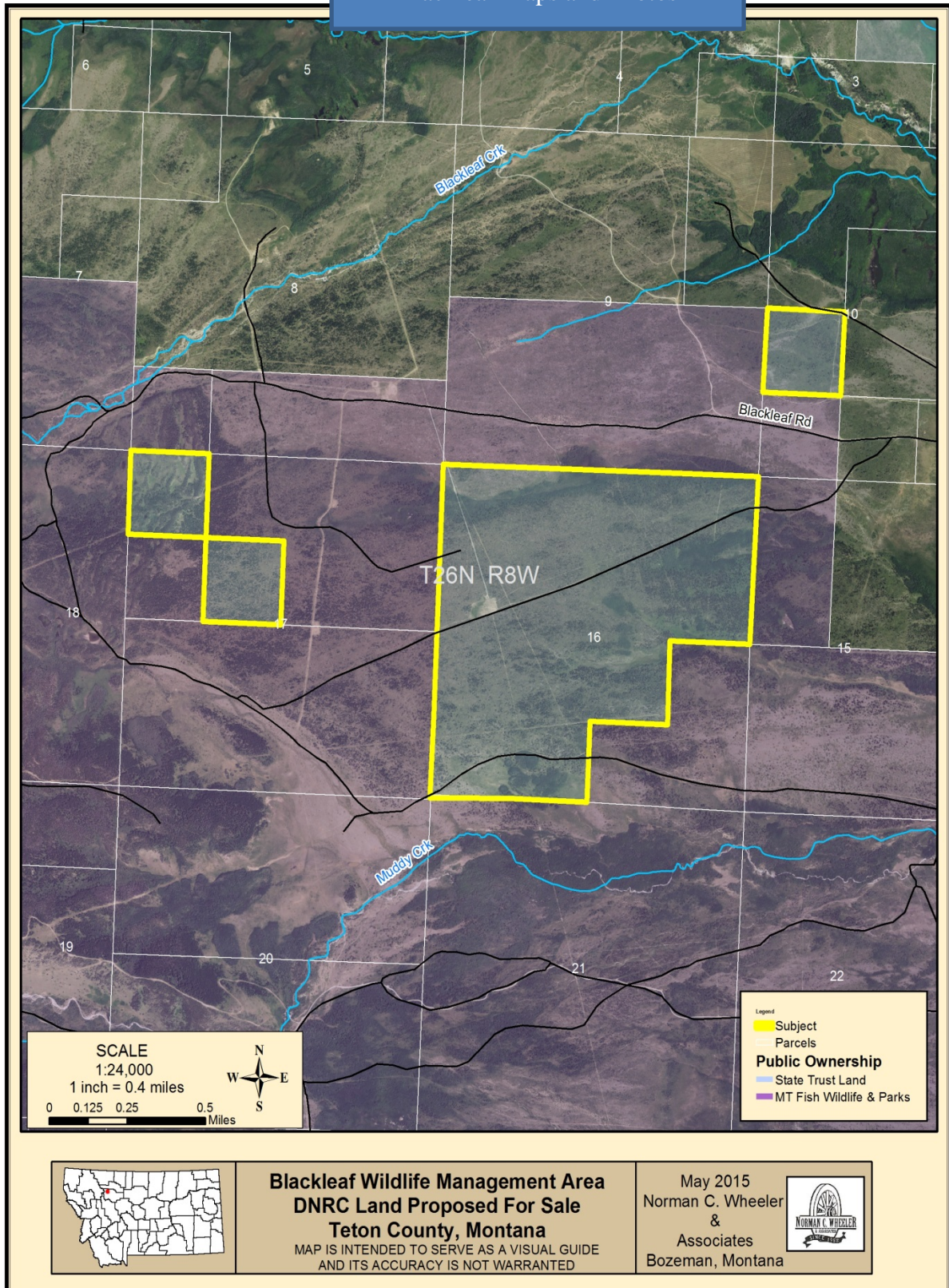
Discussion: As instructed, a hypothetical condition is used that there are no license and leases as granted by the State and they are to be excluded from consideration for purposes of the appraisal.

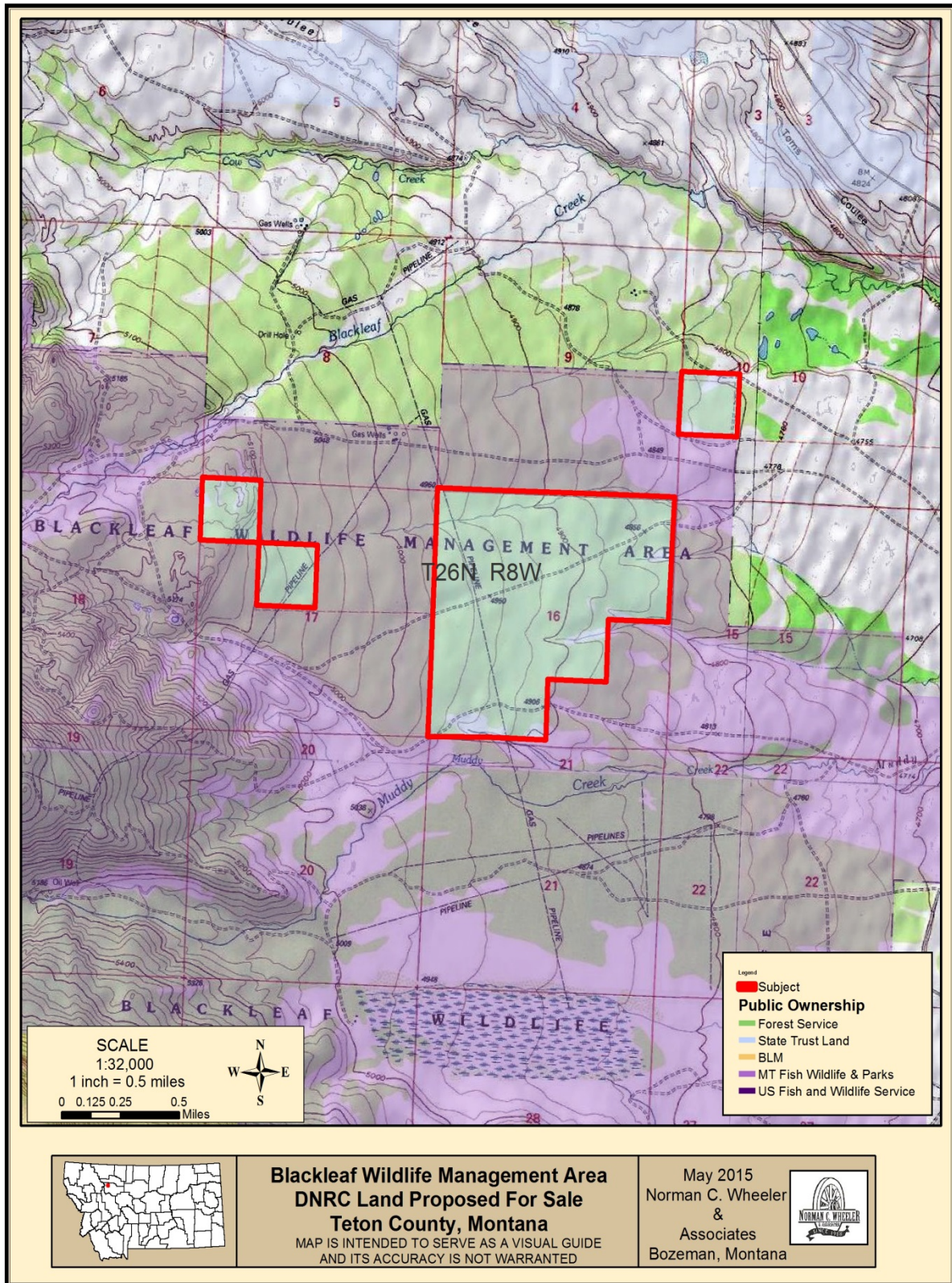
Other) As a hypothetical condition, an access easement is granted to FWP for administration purposes and for public access across existing roads in the following designated area within the Sun River WMA.



The access easement does compromise the exclusivity of the subject and such an easement is rejected to varying degrees by market participants.

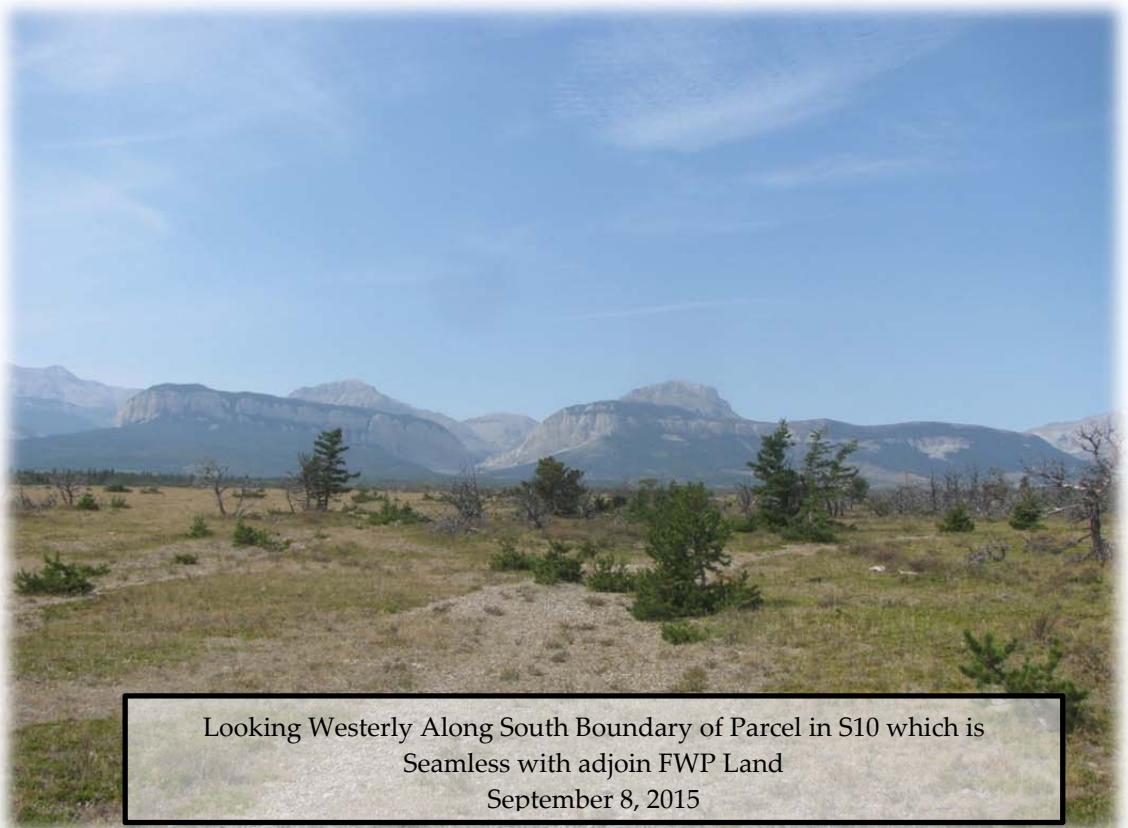
Blackleaf Maps and Photos



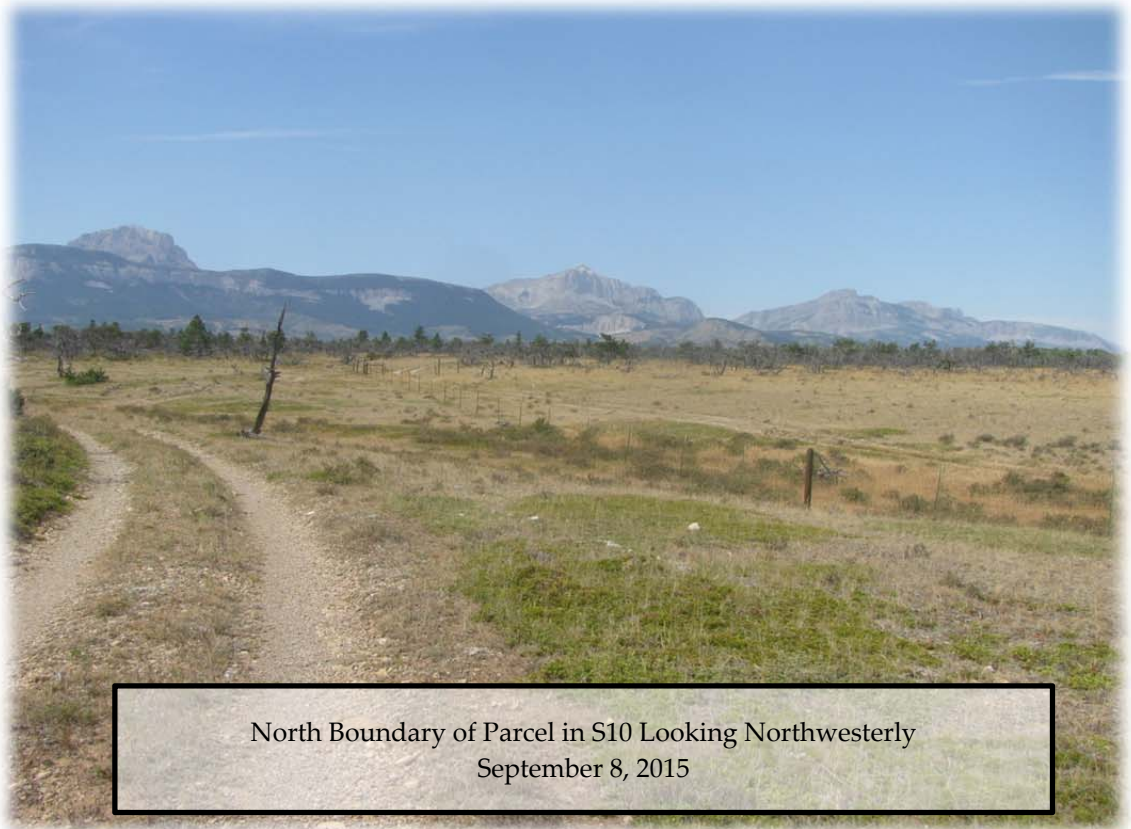




SE Corner of Tract in S10 Looking North Along East Boundary
September 8, 2015



Looking Westerly Along South Boundary of Parcel in S10 which is
Seamless with adjoin FWP Land
September 8, 2015



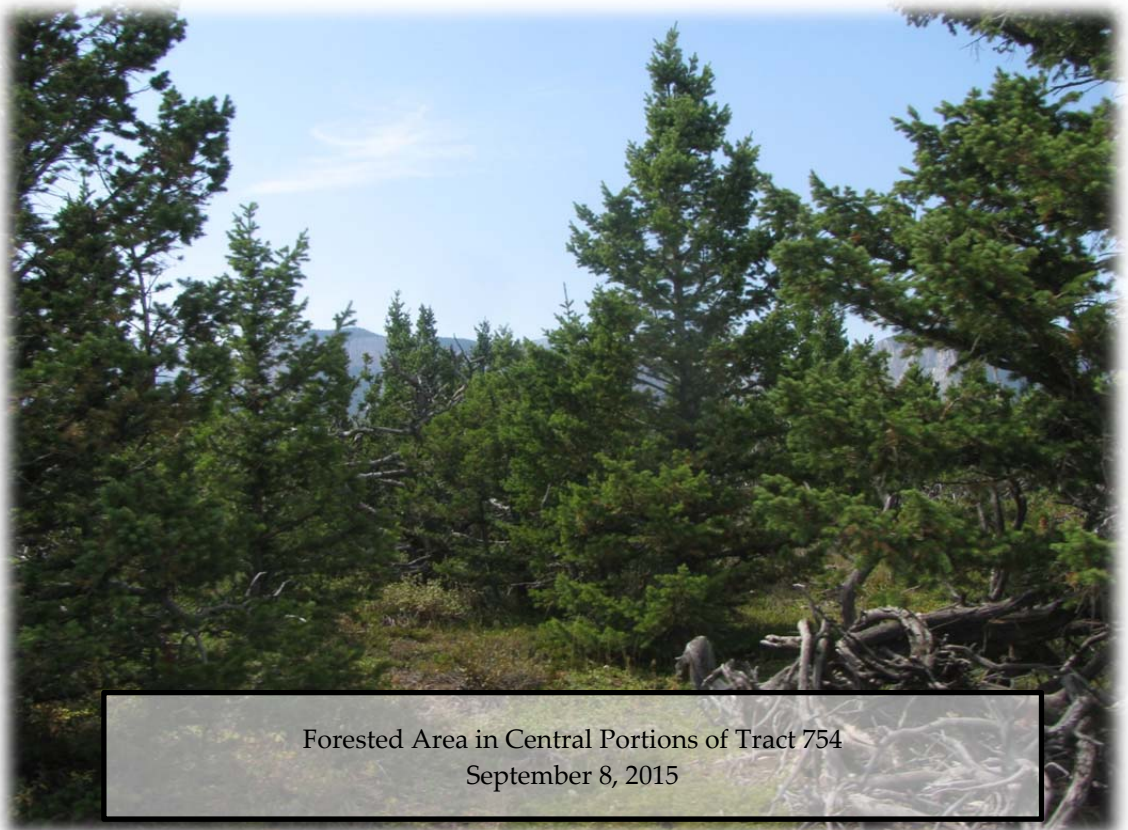
North Boundary of Parcel in S10 Looking Northwesternly
September 8, 2015



Within the Central Portions of Property in S10 Looking Westerly
September 8, 2015

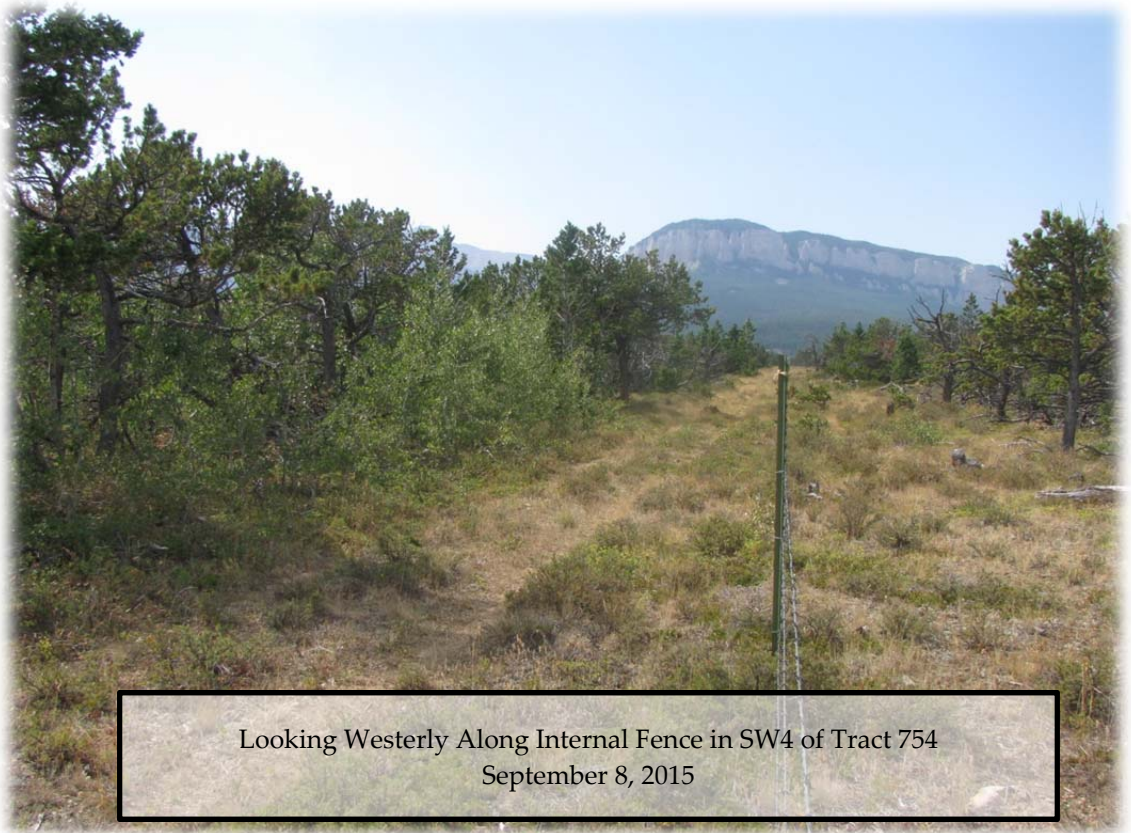


East Boundary of DNRC Tract 754 along Eastern Boundary Looking West
September 8, 2015



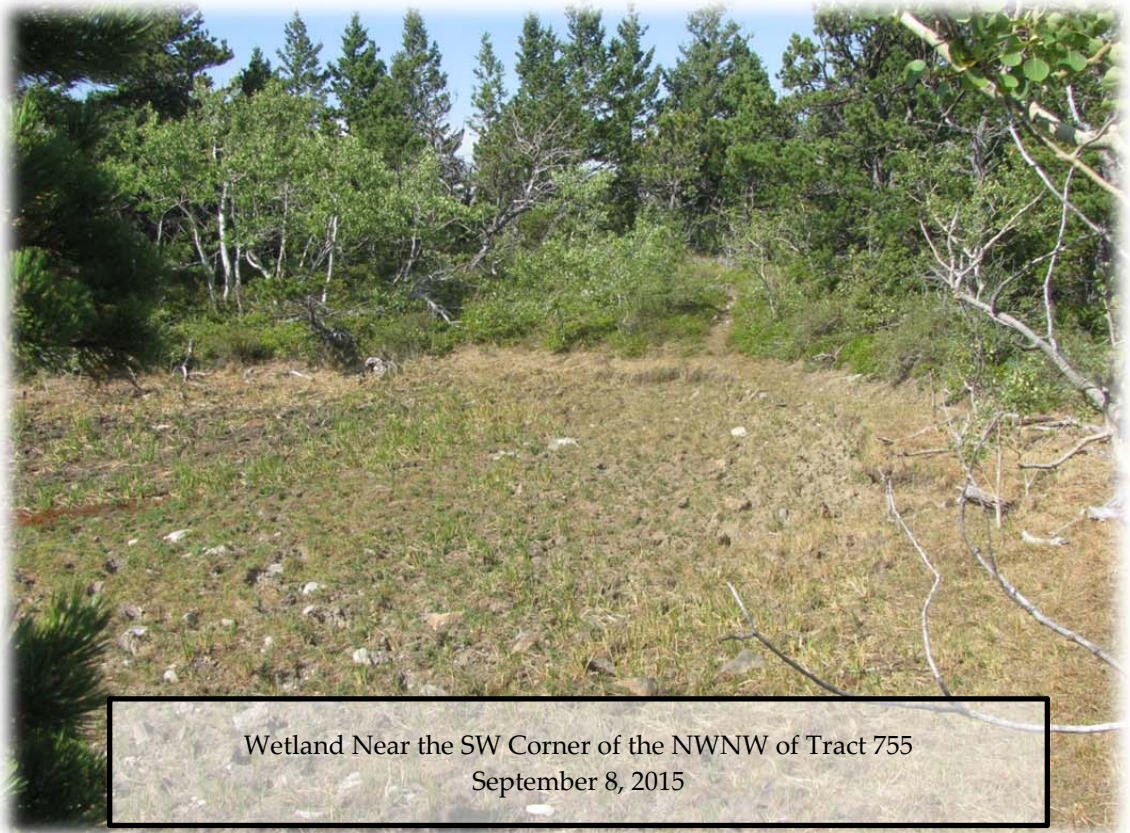
Forested Area in Central Portions of Tract 754
September 8, 2015



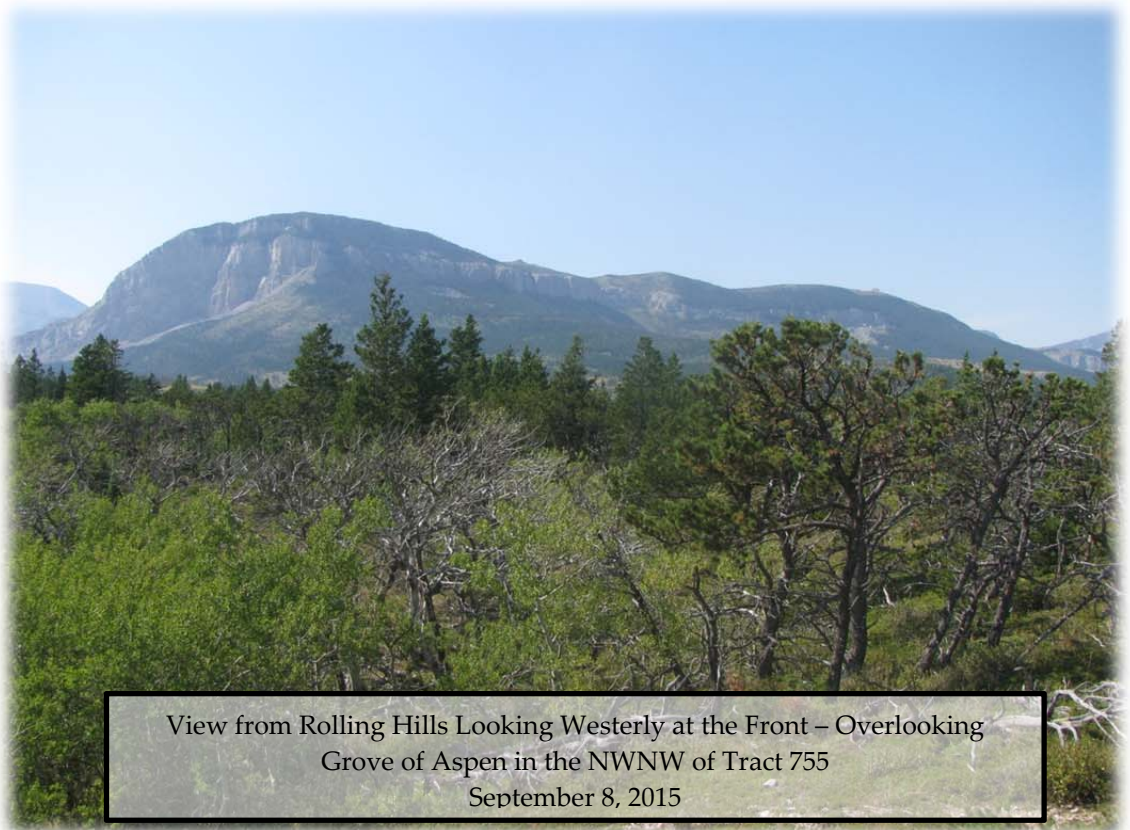




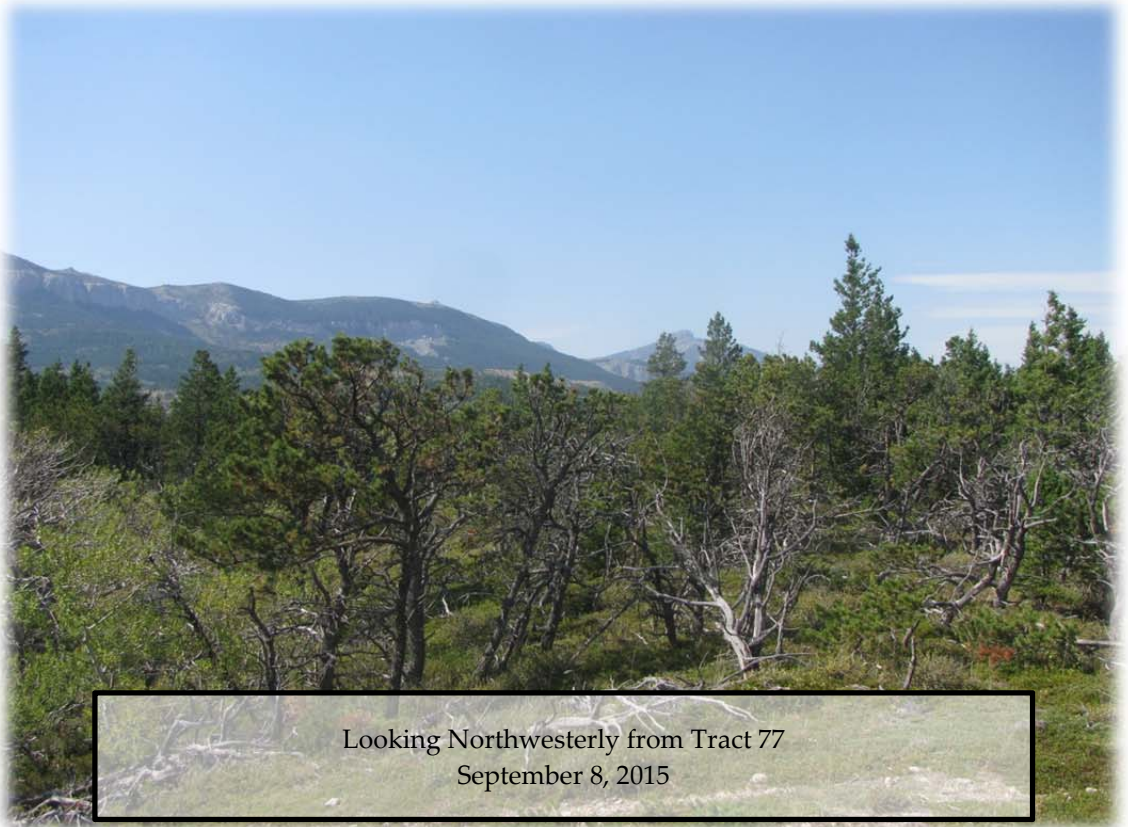




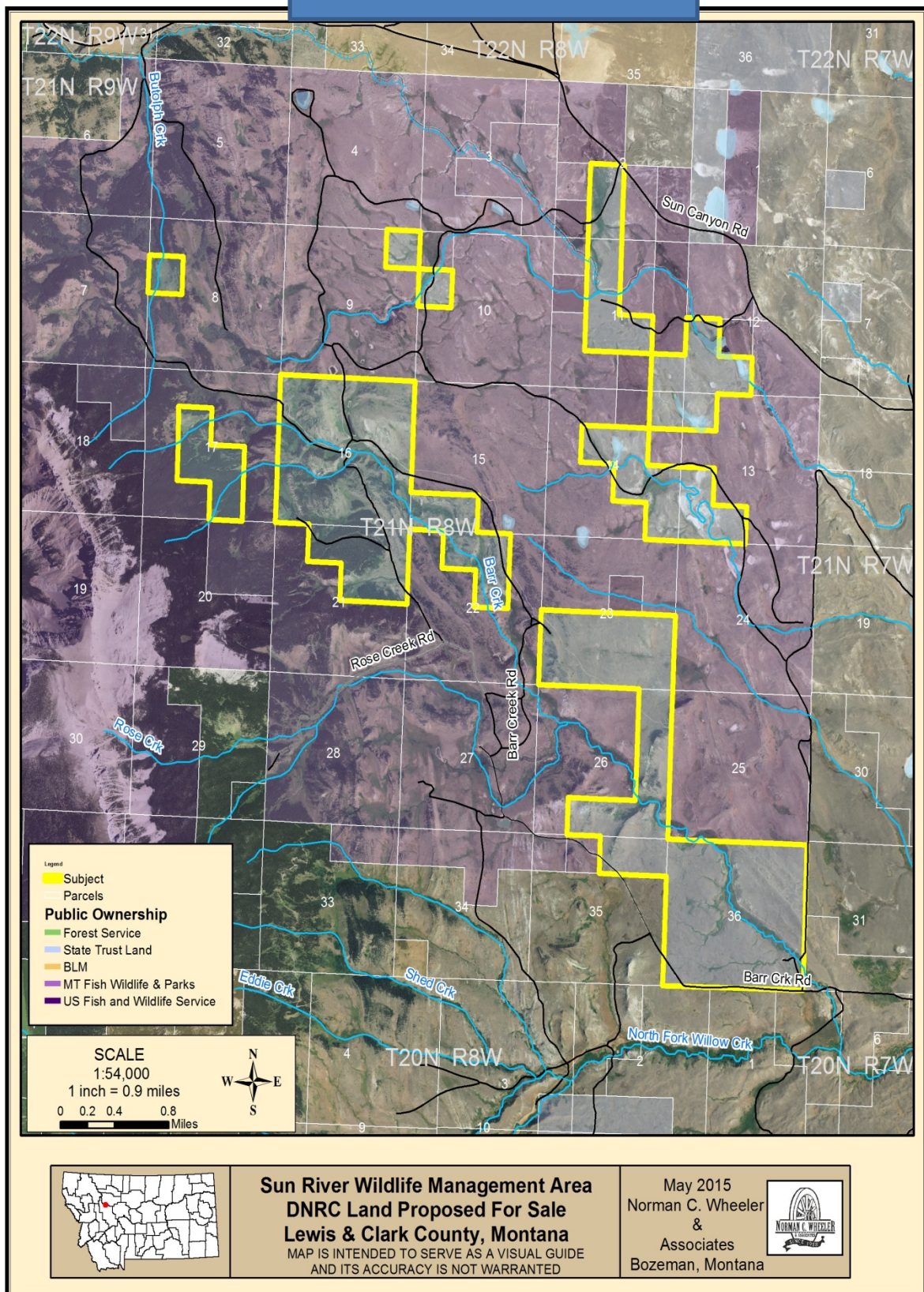
Wetland Near the SW Corner of the NWNW of Tract 755
September 8, 2015

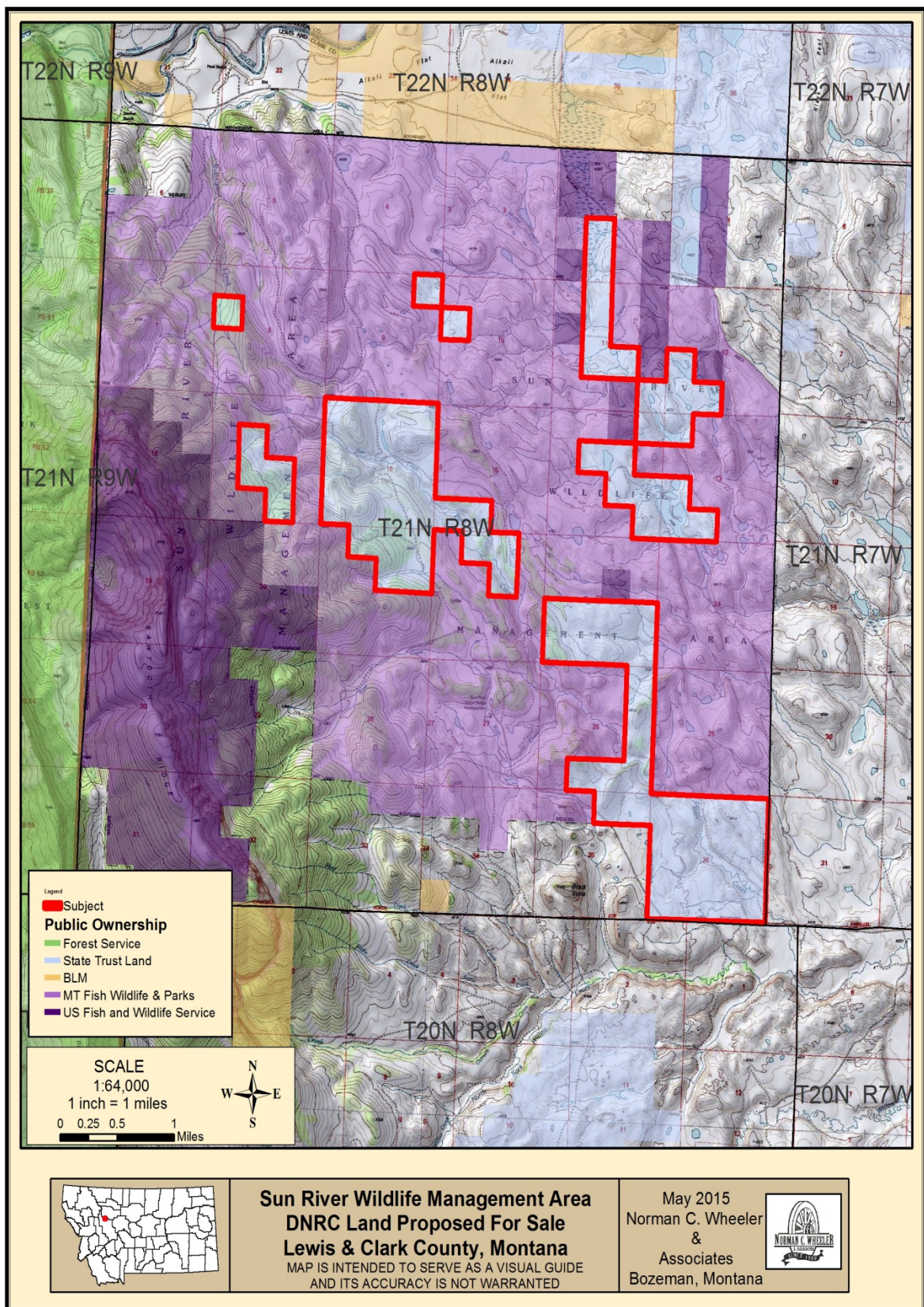


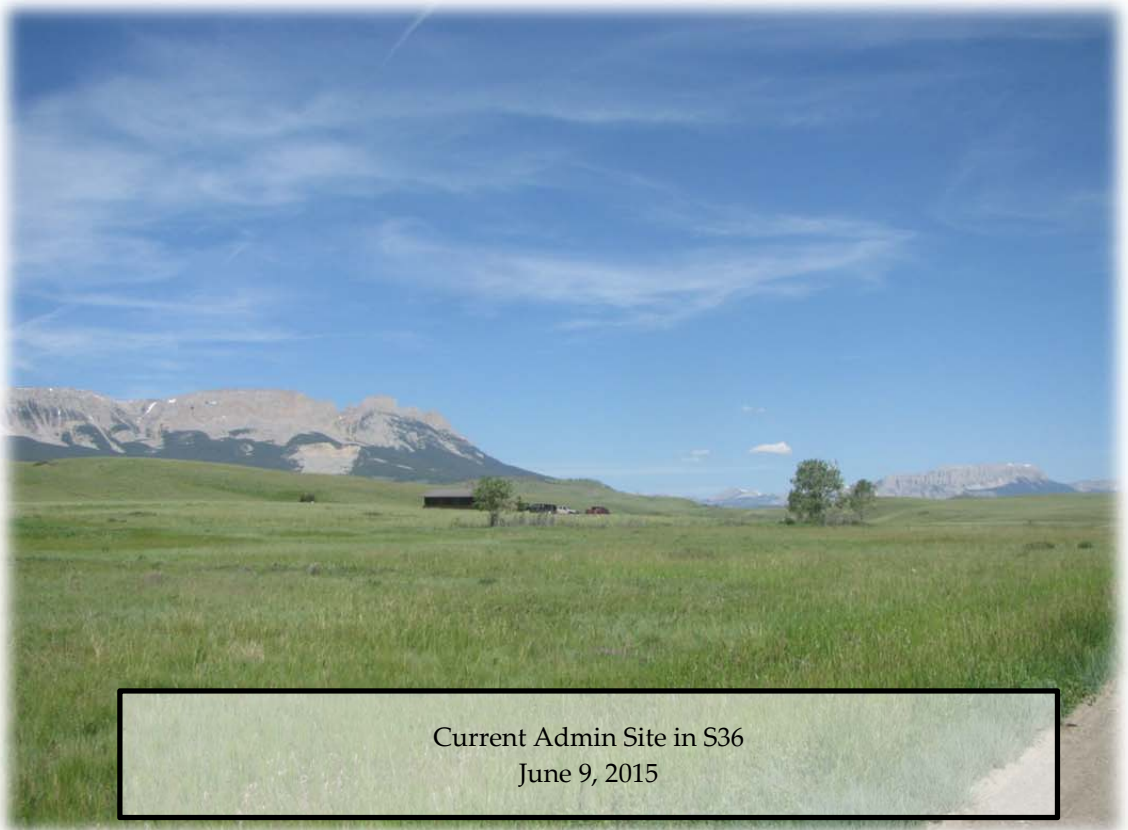
View from Rolling Hills Looking Westerly at the Front – Overlooking
Grove of Aspen in the NWNW of Tract 755
September 8, 2015

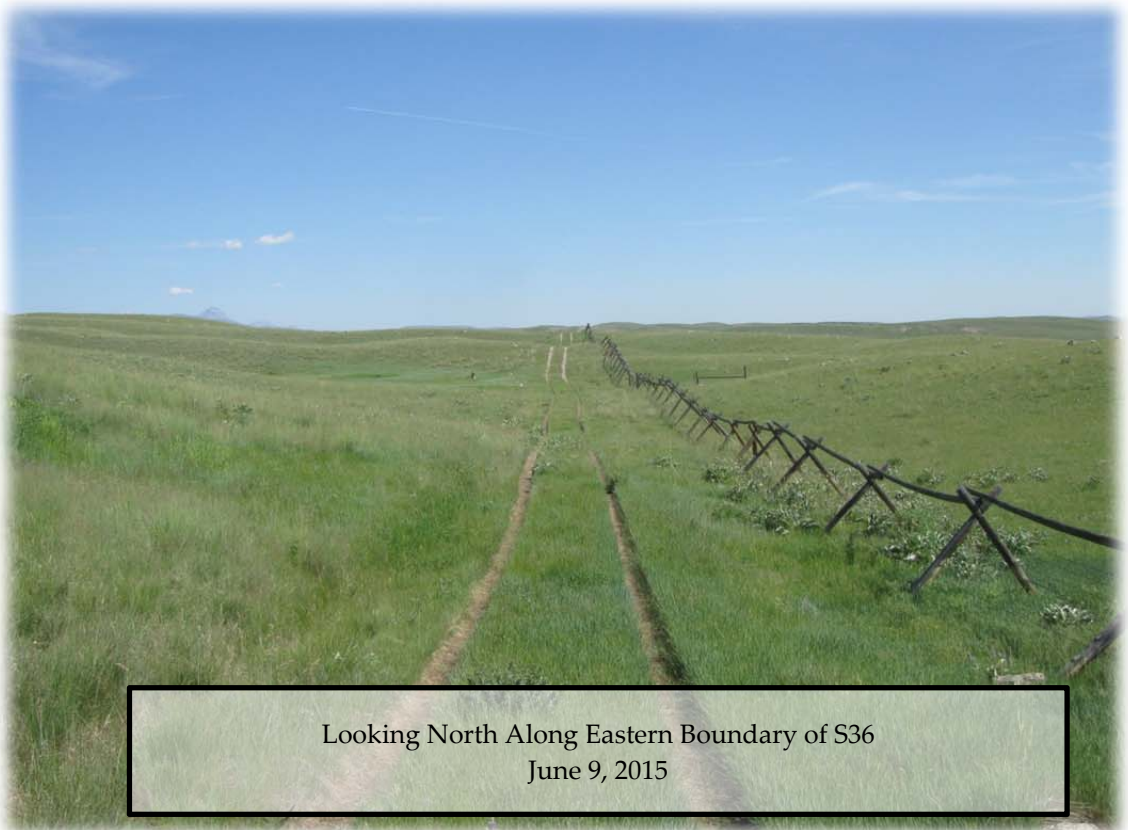


Sun River WMA Maps and Photos









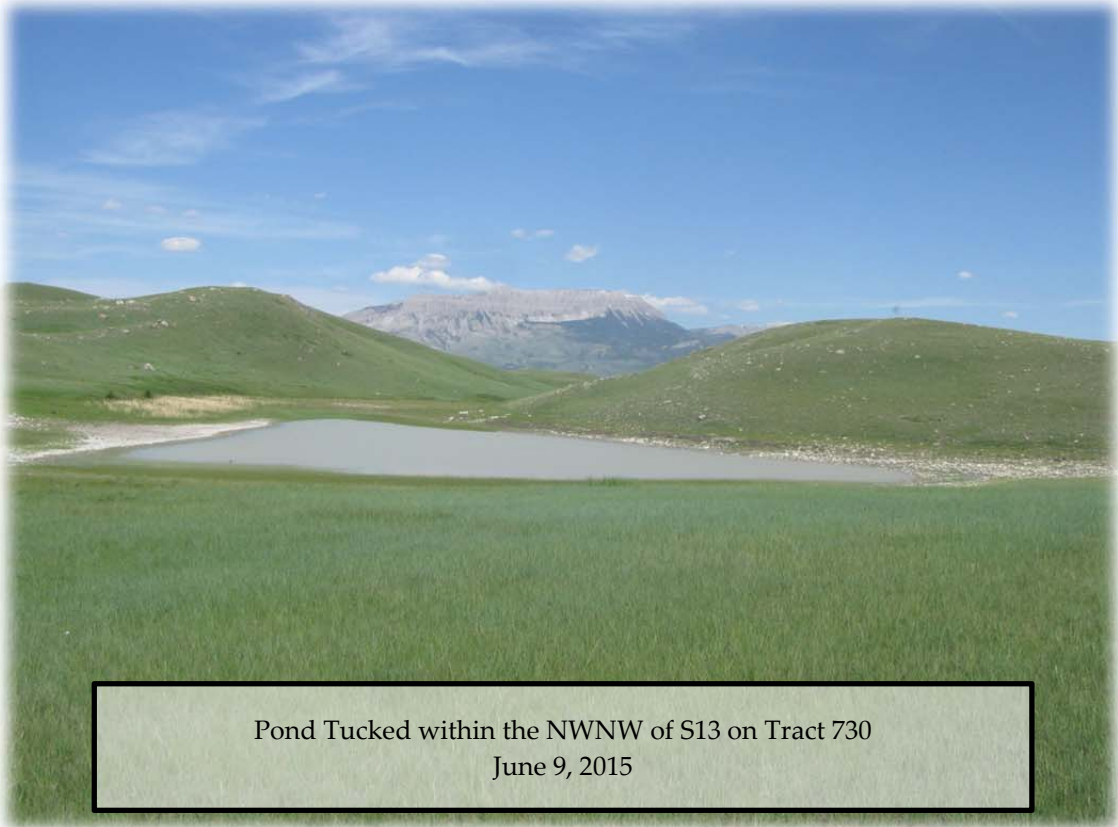




Typical view of Open Grasslands – From Section 13
June 9, 2015



Looking Westerly From NSW S13 Across the Game Range
June 9, 2015



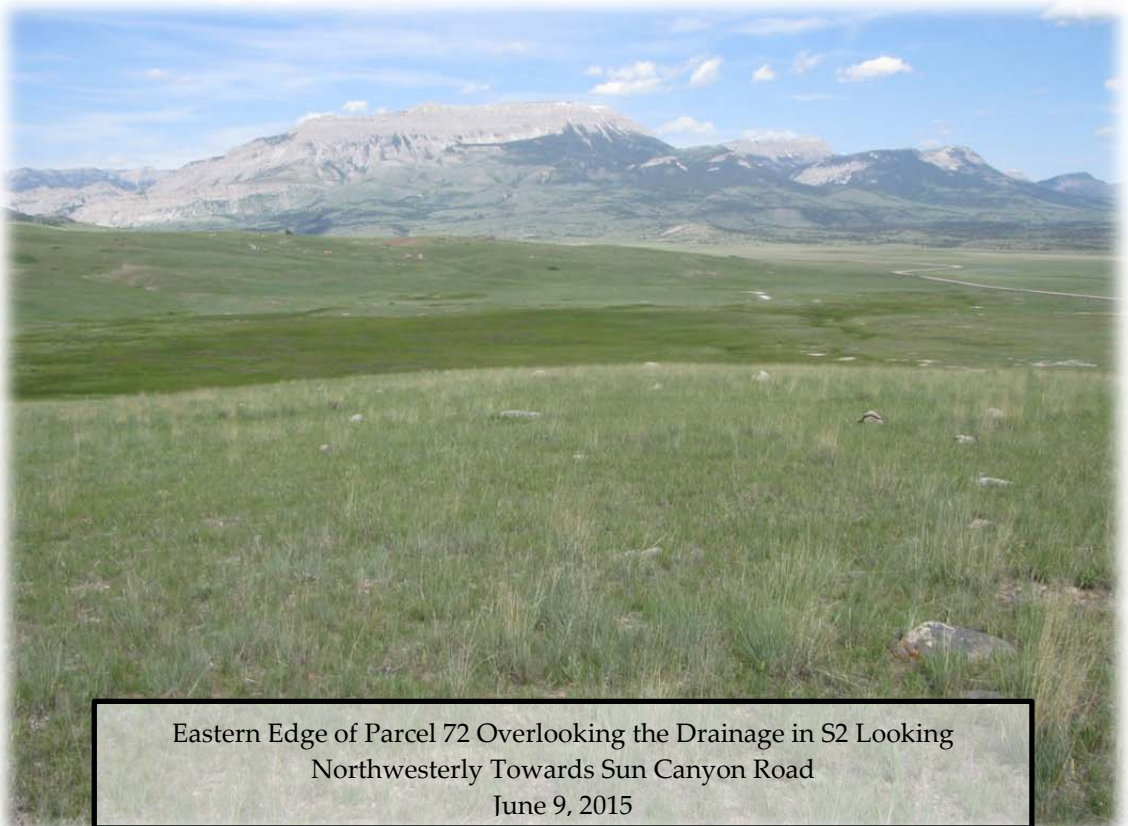
Pond Tucked within the NWNW of S13 on Tract 730
June 9, 2015



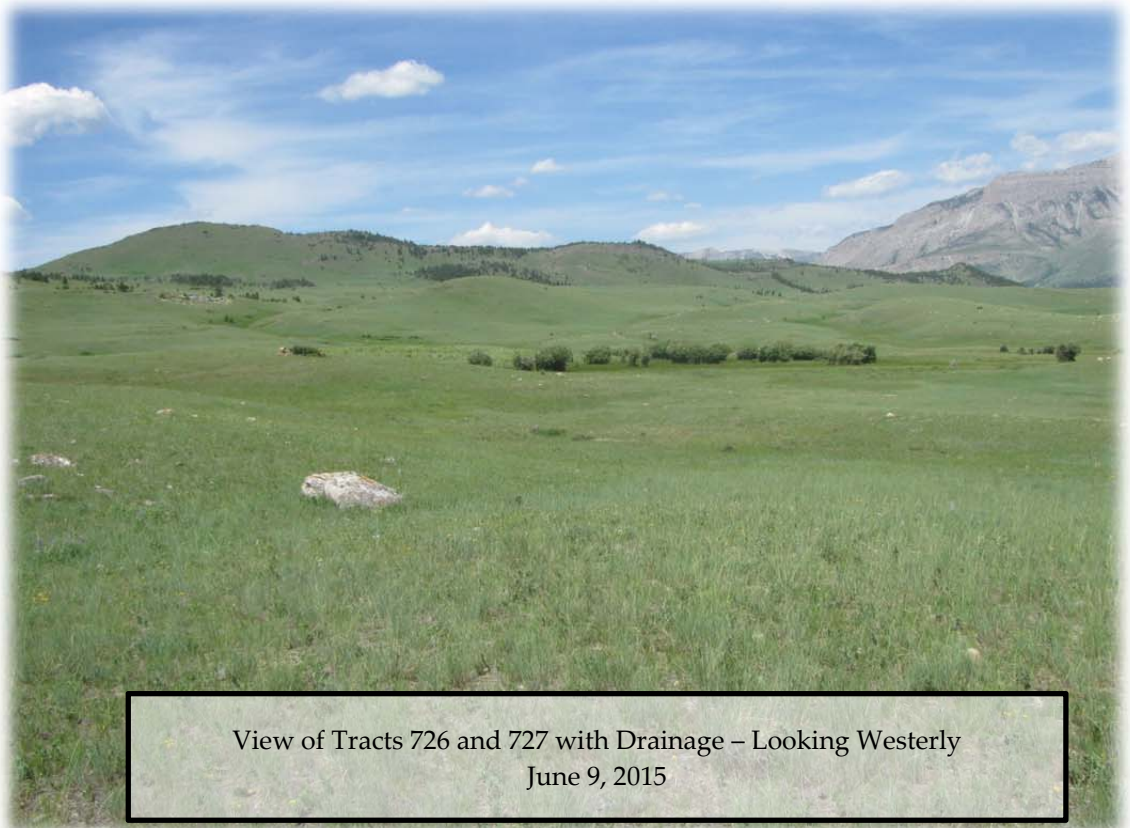
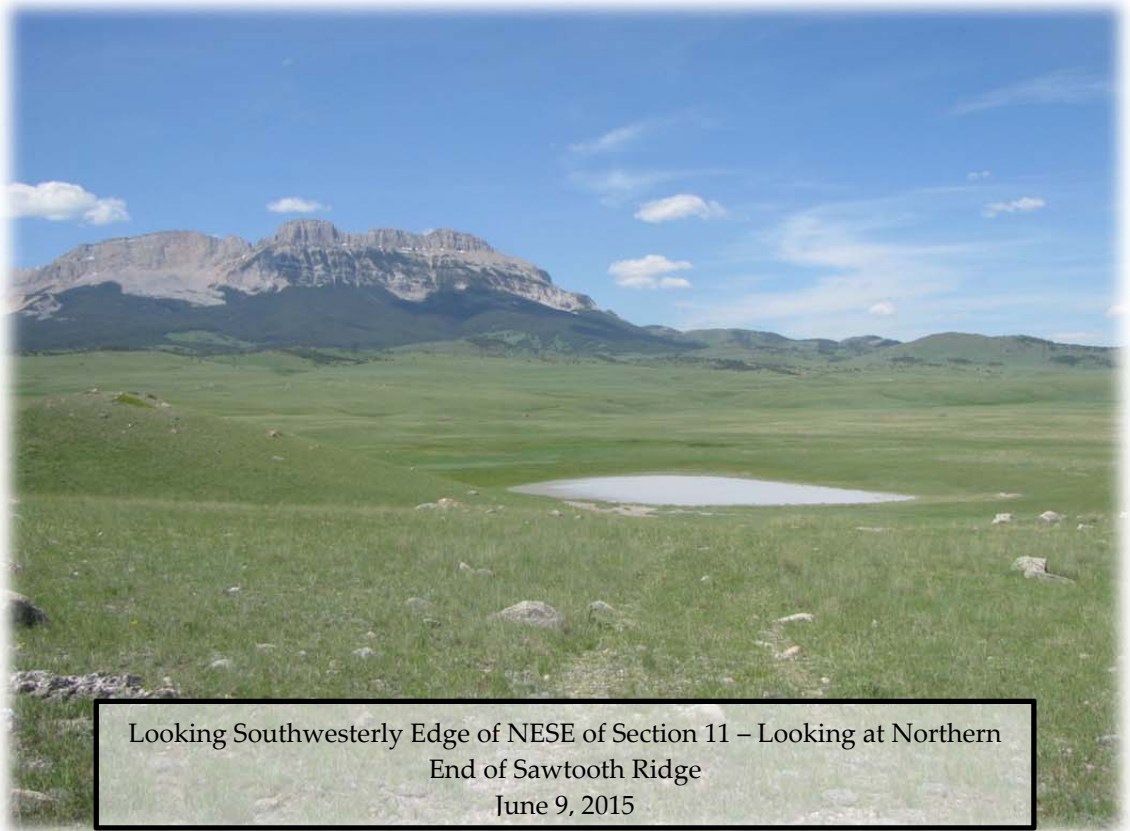
Grassland and Ponds in Section 12 Looking Northeasterly Towards County
Road
June 9, 2015

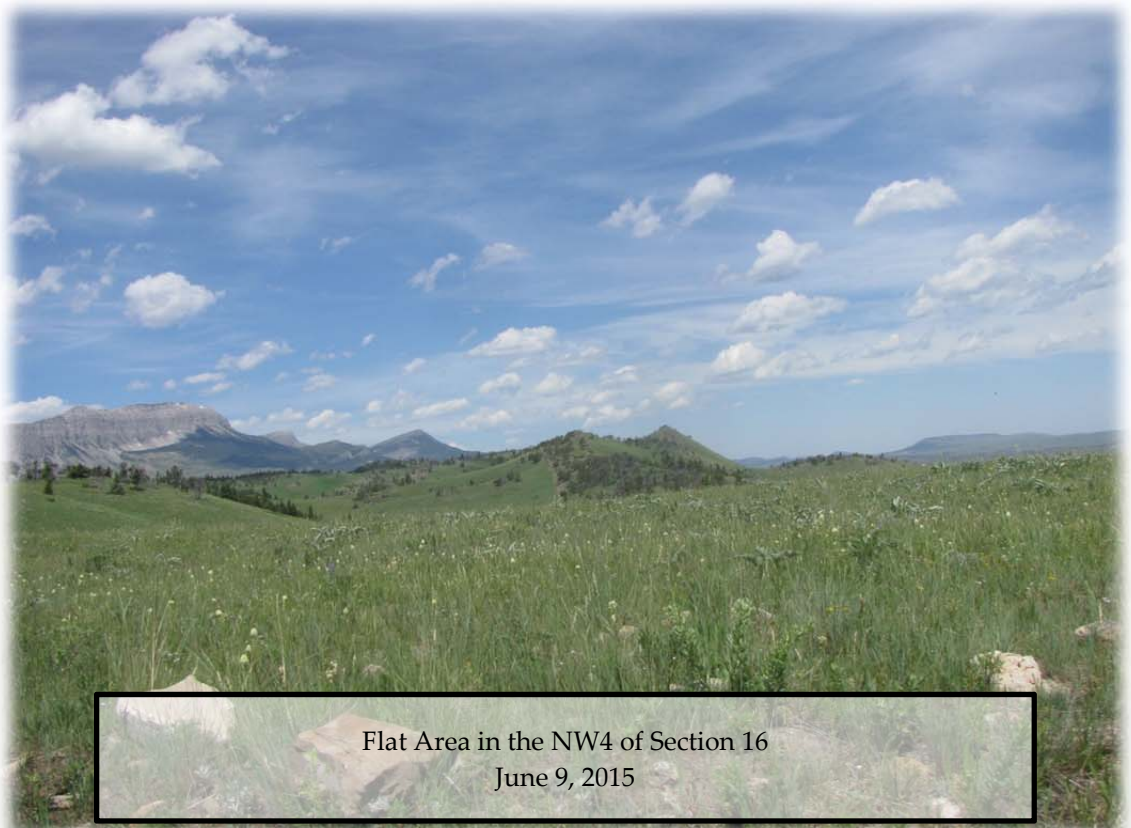
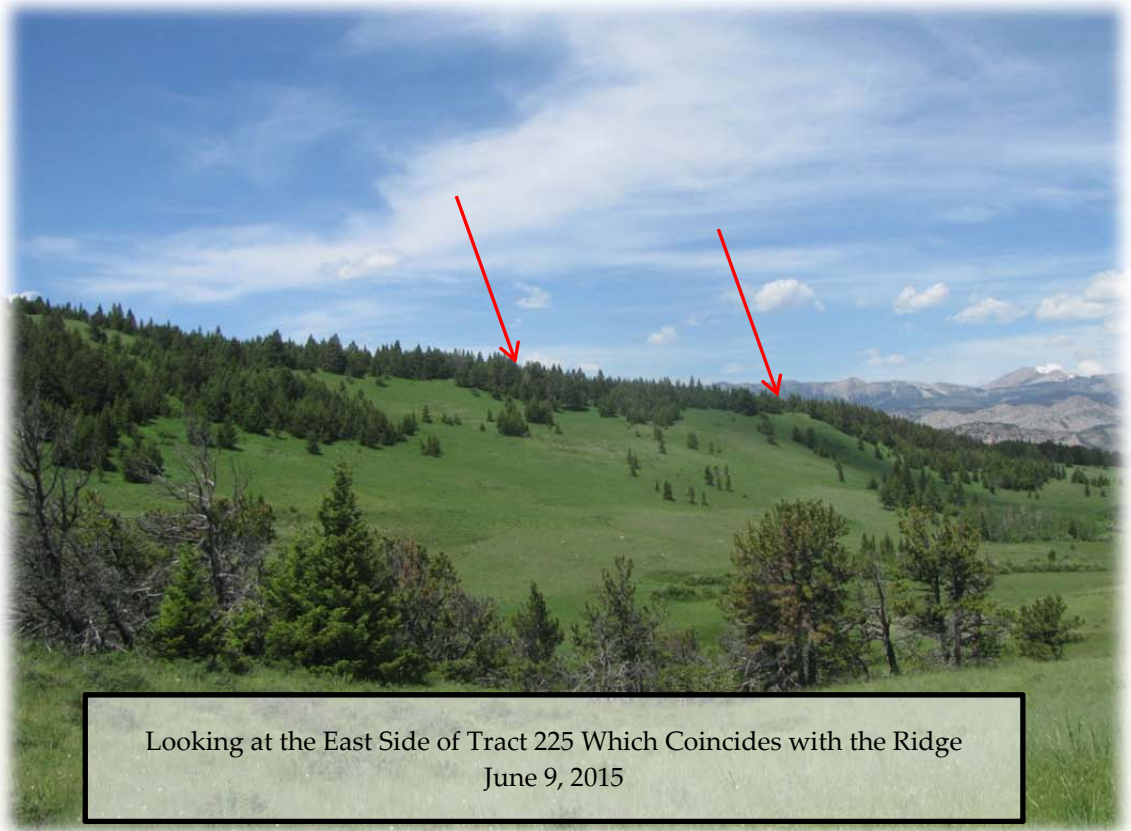


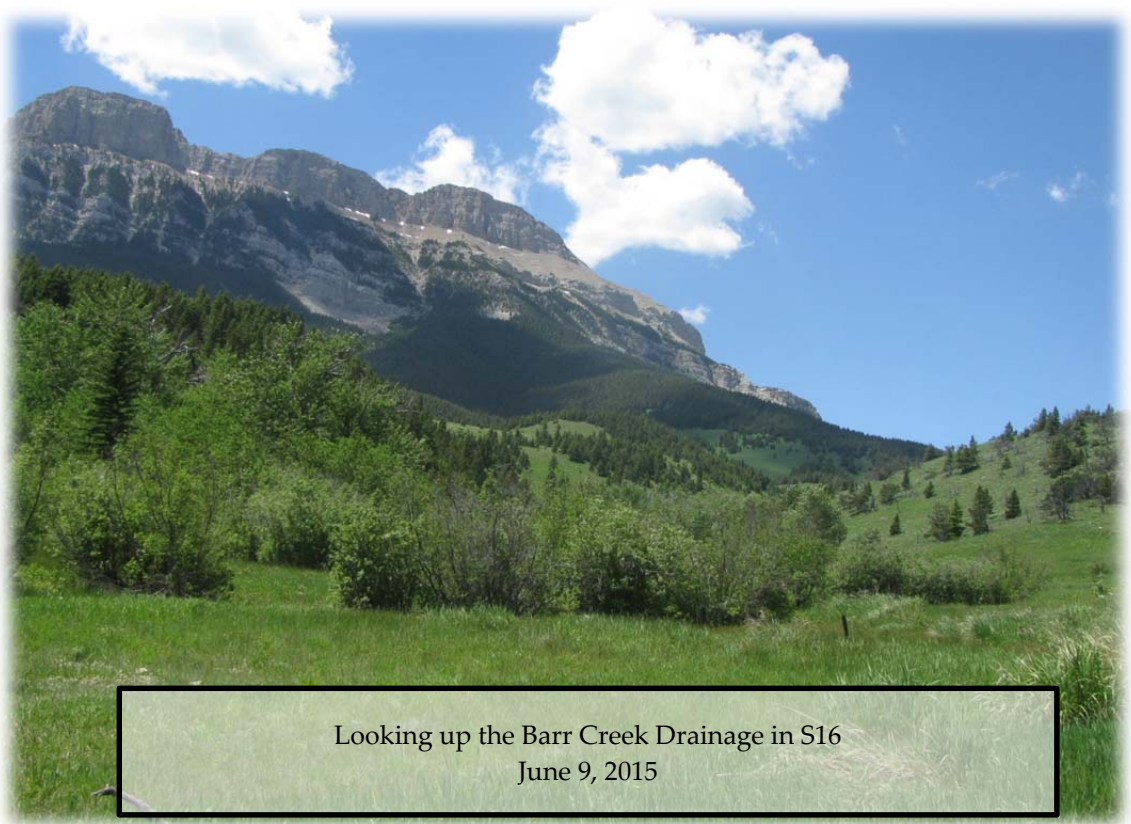
Willow Creek Feeder Canal that Bisects Portions of the Northeastern Block
of Lands
June 9, 2015

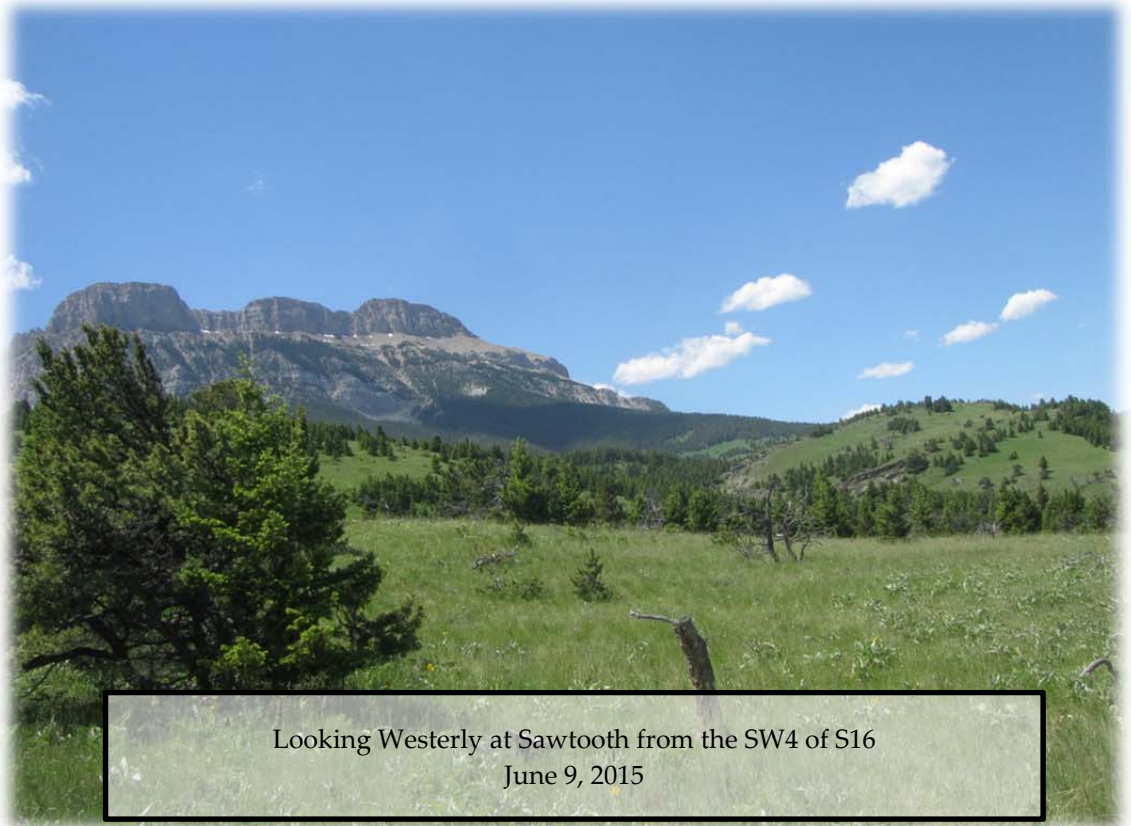


Eastern Edge of Parcel 72 Overlooking the Drainage in S2 Looking
Northwesterly Towards Sun Canyon Road
June 9, 2015

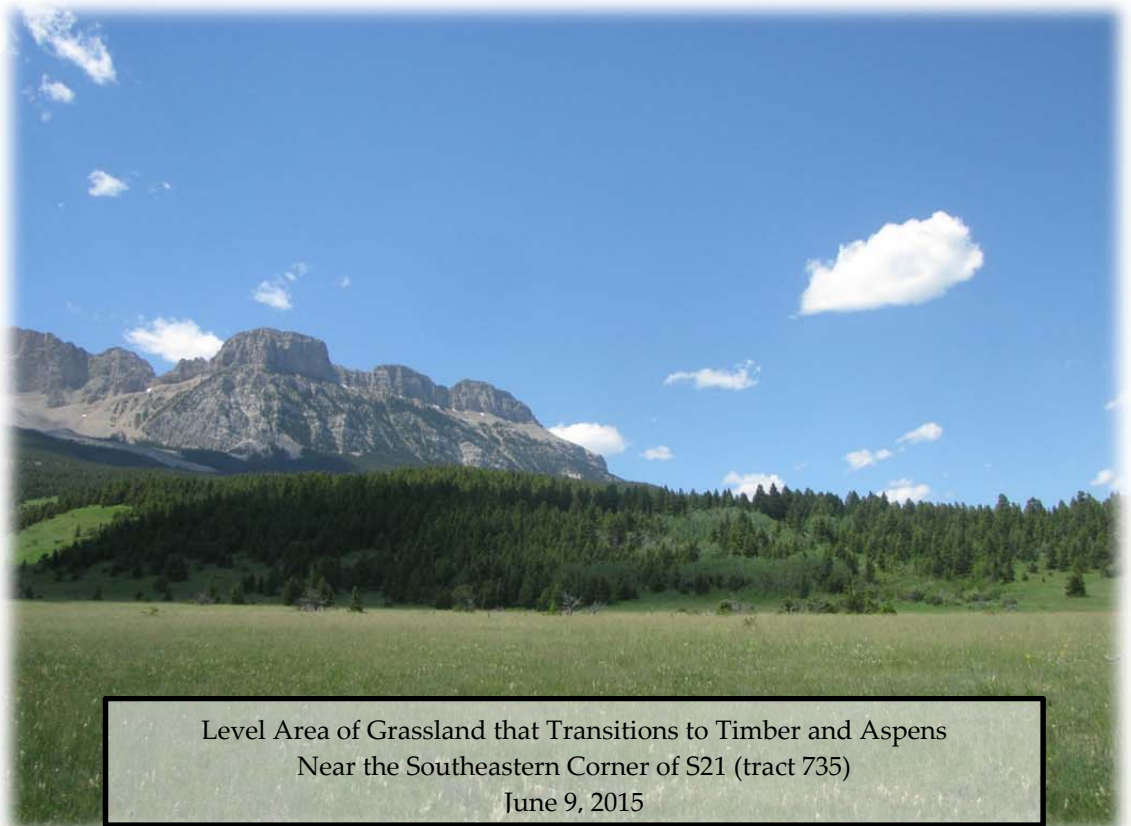




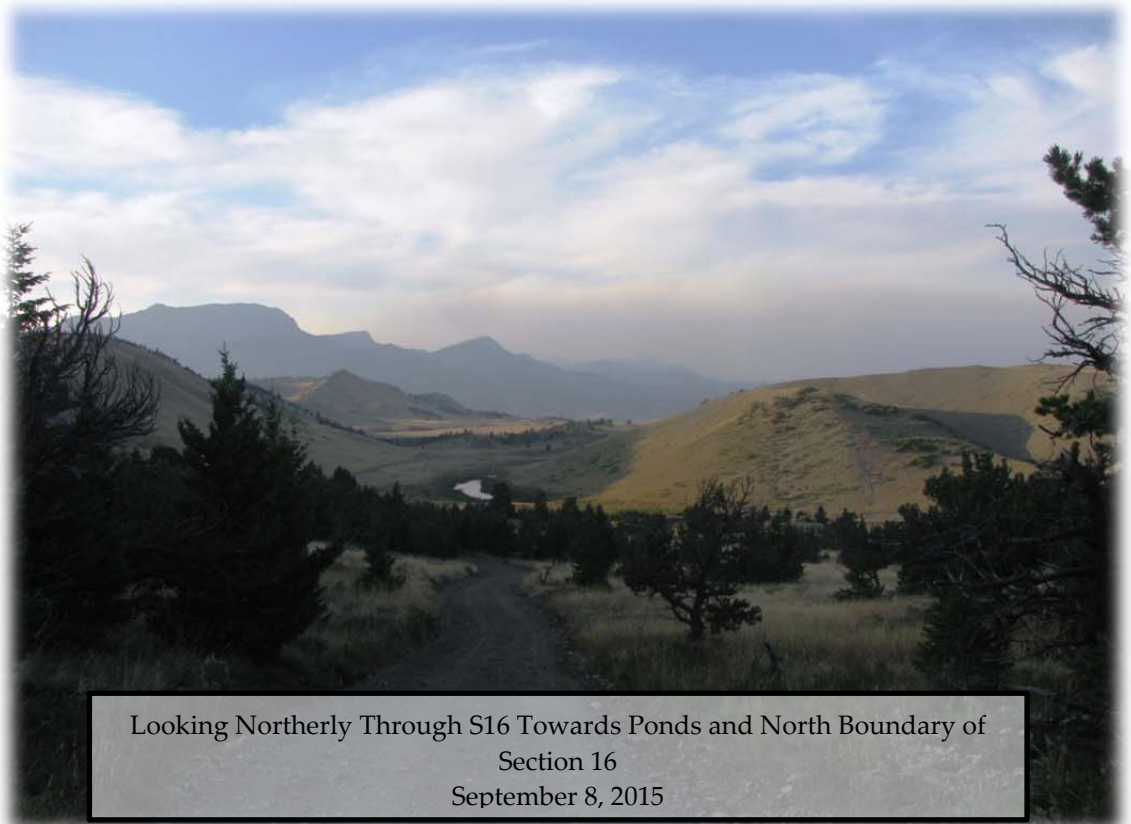
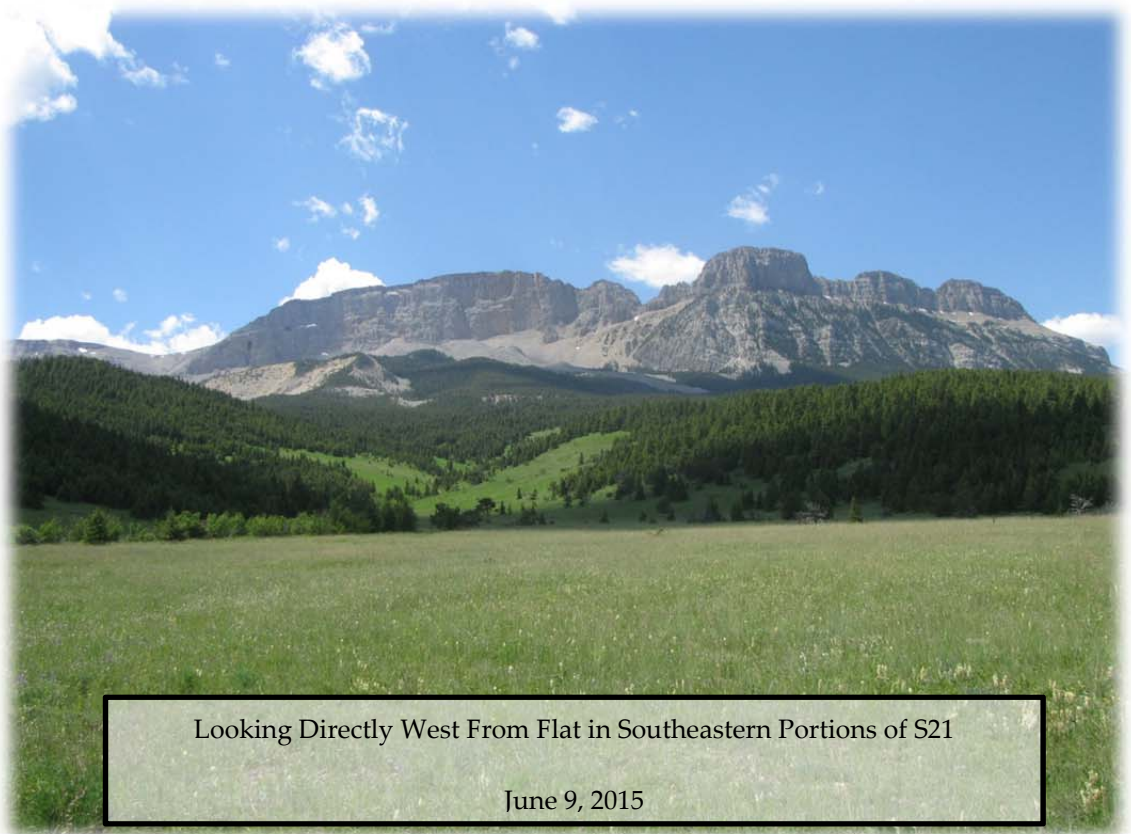




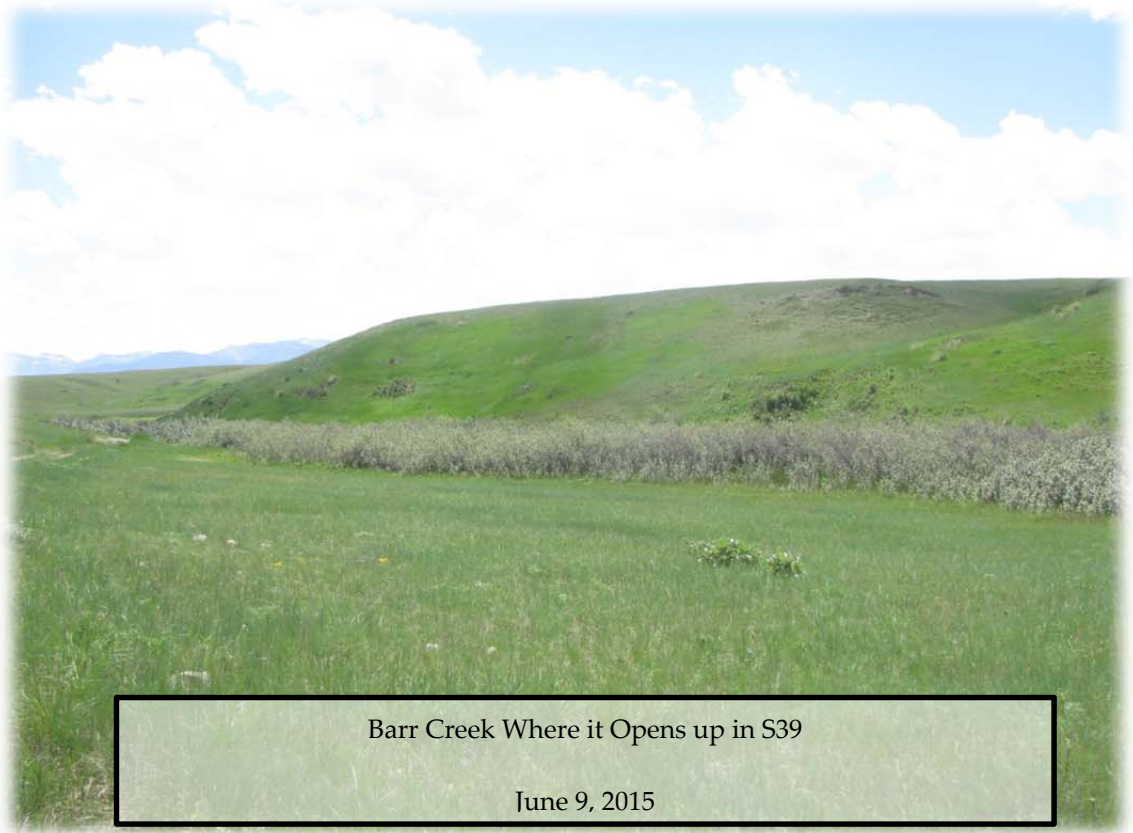
Looking Westerly at Sawtooth from the SW4 of S16
June 9, 2015



Level Area of Grassland that Transitions to Timber and Aspens
Near the Southeastern Corner of S21 (tract 735)
June 9, 2015







Barr Creek Where it Opens up in S39

June 9, 2015



Looking Northwesterly Up the Barr Creek Drainage in S36

June 9, 2015

N. Appraisal Process

The appraisal process is a methodical procedure leading to a conclusion of value for a specific property. As per the 14th Edition of the Appraisal of Real Estate, the process encompasses the following steps:

1. *Definition of the Problem*

- Identification of real estate
- Identification of property rights to be valued
- Date of value estimate
- Use of appraisal
- Definition of value
- Other limiting conditions

2. *Preliminary Analysis and Data Selection and Collection*

- | -General Data | -Specific Data |
|---------------|----------------------------|
| social | site & improvements |
| economic | sales & listings |
| governmental | cost & depreciation |
| environmental | income/expense & cap. rate |

3. *Highest and Best Use Analysis*

4. *Application of the Three Approaches*

- Cost Approach
- Sales Comparison Approach
- Income Approach

5. *Reconciliation of Value Indication and Final Value Estimate*

As per the Real Estate Appraisal Terminology, Revised Edition the appraisal process is defined as:

“A systematic analysis of the factors that bears upon the value or utility of real estate. An orderly program by which the problem is defined, the work necessary to solve the problem is planned, and the data involved are acquired, classified, analyzed, and interpreted into a final opinion or conclusion.”

Value is based on four independent economic factors: utility, scarcity, desirability, and effective purchasing power. In order for anything to have value it must have utility, be relatively scarce, have desirability, and there must exist a market that has effective purchasing power.

In the appraisal of real estate, appraisal theory indicates that there are three commonly accepted approaches in determining value. These include the Cost Approach, the Income Approach and the Direct Sales Comparison Approach. Each approach to value is based on economic principles that influence value or utility. As outlined in the definition, the appraisal process involves the identification of the appraisal problem including the type of value to be estimated, the property rights to be appraised, and the purpose of the appraisal.

Once the appraisal problem has been defined, the preliminary analysis begins. This involves developing a work plan to gather and analyze pertinent data that will be used in solving the appraisal problem (estimating defined value).

The appraiser considers relevant data, both specific (site) and general (non-site), documenting this data to support the conclusions stated in the appraisal.

When appraising a property, as many of these methods that apply should be used in the valuation process. In some instances, all three approaches are pertinent and provide reliable estimates of value. In other cases, only one or two approaches may be applicable.

Cost Approach: The cost approach is based upon the proposition that an informed buyer would pay no more for a property than the cost of the land plus the current cost of replacing the improvements less the applicable depreciation from all causes charged to the improvements. This approach can be useful when valuing rural properties that have relatively new improvements or specialized improvements on rural properties when the market is homogeneous and informed.

Current replacement and reproduction costs can be estimated from cost estimation guides, or from builders and contractors depending on which is more applicable to the appraisal problem. The amount of depreciation to apply to the replacement cost new of the improvements is based upon market driven conclusions. The depreciated or market value of the improvements is then added to the land value for a total value estimate.

Direct Sales Comparison Approach: This approach is based upon the assumption that an informed purchaser would pay no more for a property than the cost of acquiring an existing one with the same utility.

The appraiser must judge the amount of difference between the selected comparable sales and the subject property.

The appraiser then makes either quantitative or qualitative adjustments to each comparable sale for each of the factors. If for example, the comparable sale has inferior land, then a positive adjustment to that comparable sales price would be made. If the comparable sale has a location that is superior to the subject's location, then a negative adjustment would be made to the sale.

Income Approach: The income approach is used by the appraiser to convert an expected income stream for the subject property into a value indication. It is based upon the following relationships:

$$\begin{aligned}\text{Income} \div \text{Rate} &= \text{Value} \\ \text{and} \\ \text{Income} \times \text{Factor} &= \text{Value}\end{aligned}$$

The appraiser estimates the rate or factor to use through market research of comparable sales. First the selected comparable sales need to be analyzed to determine the relationship between their estimated income and their sale prices. From this relationship a capitalization rate or an income multiplier factor can be estimated to aid in analyzing the subject. The subject property should then be investigated to determine the quality and quantity of the anticipated income streams. Once the appraiser determines a reasonable income stream for the subject property, either the market derived capitalization rate or the income multiplier factor can be applied to the anticipated income stream to calculate an estimated value for the subject property.

Reconciliation: The critical step in the valuation process is where the appraiser reconciles the different value indications from each of the approaches to arrive at a final estimate of value. During the reconciliation process, the appraiser examines why the approaches differ in the value indications and determines the strengths and weaknesses of each approach. The appraiser must then communicate to the reader why one approach might be given primary consideration or why another approach is not emphasized.

The appraisal assignment is completed when the appraiser delivers the estimate of value, subject to the stated assumptions and limiting conditions, to the client. Typically, a written report documenting both the general and specific data that was used in the valuation process is prepared and delivered to the client. This aids the user in understanding how certain conclusions were reached by documenting the reasoning behind these conclusions.

O. Highest and Best Use Analysis

The analysis and the conclusion of the highest and best use is the basis of identifying the appropriate use or uses of the subject that will produce the greatest economic benefit for the owners. It is also used in the selection of comparable sales that are influenced by similar market conditions with a highest and best use consistent with that of the subject property. In arriving at the highest and best use, trends as indicated by sales, uses of similar properties, economic conditions, and characteristics of the subject are all considered.

For acquisition appraisals, UASFLA defines highest and best use as:

The highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future.

According to the 14th Edition of The Appraisal of Real Estate highest and best use is also defined as:

"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."

To be at the highest and best use, the property must meet four criteria.

- legally permissible
- physically possible
- financially feasible
- maximally productive

The analysis of highest and best use begins with the discovery of what uses are *legally permissible*. Are there laws, covenants, regulations, or zoning that prevent certain uses of the subject property? Of those legally permissible uses, which uses are *physically possible*? Of those legally permissible and physically possible uses, which uses are *financially feasible*? Do the anticipated returns outweigh the anticipated costs? Finally, of the uses shown to be legally permissible, physically possible, and financially feasible, which use will generate the greatest net return or prove to be *maximally productive*? That use, which satisfies these four criteria, is the appraised property's highest and best use.

Real estate is valued in terms of its highest and best use. The highest and best use of the land or site, if vacant may be different from the highest and best use of the property if improved. This will occur when the improvement is not an appropriate use, but it still makes a contribution that causes the total property value to be greater than the value of the site alone. Given the subject does not have any improvements, an analysis as improved is not applicable.

Highest and Best Use as Unimproved:⁴

The appraised property is located within a rural and recreational area and an unzoned portion of the Rocky Mountain Front in Teton and Lewis & Clark Counties. The subject is comprised of two main units that encompasses multiple parcels. The 3,410.35 acres within the Sun River WMA are located northwest of the small rural community of Augusta. The 639.48 acres within the Blackleaf WMA are located west of Bynum, which is a small rural community that is located north of Choteau, which is the primary service center.

Within the immediate vicinity of the appraised property there is no commercial or industrial development occurring and these uses are concentrated within the town center of Choteau or within individual communities. Overall, it can be concluded that industrial and/or commercial use(s) of the subject are not typical for the market or a probable use and will not be discussed any further in this analysis.

Within the surrounding areas of the appraised property and with consideration to the Rocky Mountain Front, typical land use is a combination of rural/recreational residential on various sized parcels, recreational, wildlife habitat, and agricultural with associated investment opportunities. Due to external influences in the market associated with the Rocky Mountain Front, property in the area does not typically sell exclusively for agricultural purposes although it is a complementary use and often times, a continued physical use of the property.

⁴ As per UASFLA, a use that incorporates non-economic consideration for value to the public or value to the government is not acceptable. Furthermore, the estimate of highest and best use must be an *economic* use. A non-economic highest and best use, such as *conservation, natural lands, preservation*, or any use that requires the property to be withheld from economic production in perpetuity, is not a valid use upon which to estimate market value. See Section A-14 page 19 of UASFLA.

Sales along the Rocky Mountain Front are strongly influenced in value and use by the area's locational, aesthetic, and recreational amenities. As indicated by sales located south of Birch Creek and north of Highway 200, market values have a direct correlation with their proximity to the Front. Properties located adjacent to the Front (ie adjoining public lands) or those which encompass a unique resource, are the highest in value and values drop as one moves further east away from the scenic mountainous viewshed towards the Great Plains where the recreational attributes are less apparent but also in a state of transition and variability. As one heads easterly off the Front towards the highway, the market and area transitions to one that is more agriculturally oriented and influenced.

The Rocky Mountain Front possesses some of the highest amenities and intact wildlife ecosystems related to rural recreational lands in Montana. Because of this, the area has attracted outside interest and investment. Actions by the Nature Conservancy, the Conservation Fund, and the U.S. Fish and Wildlife Service over the past 20+ years have precluded development of many areas along the Front south of Birch Creek. Approximately 15,000 acres within the Front area are owned in fee by the Nature Conservancy.

Properties located on the Rocky Mountain Front are considered somewhat *removed* and the amount of subdivision associated with such properties in the past has been somewhat limited. This can be partially attributed to the location of the properties and climatic conditions but more on the basis of operational/use objectives of the owners as well as the result of numerous conservation easements along the Front.

Deeded lands located along the Front are primarily contained in larger ranches, which have traditionally been resistant to subdivision. While numerous recreational cabins and small developments are evident on the Front, rural subdivisions are not as dominant in the area as in many other rural recreational Montana markets - this is not to say that this possibility doesn't exist and is actually evident by the scattering of homesites on parcels that have been segregated from larger ownerships or are separate parcels. A representative example would be the sale of a 320 acre tract near the Blackleaf WMA or other parcels in the vicinity of the Boone and Crocket.

Represented in 2007 by the subdividing and development of the Tee Six Ranch, tracts of traditional recreational ranch ownership have inherent potential for further subdivision. As a larger property, tracts can be created in a manner that are exempt from subdivision review and they can be configured in a manner that sustains privacy and exclusiveness.⁵ The development of the Tee Six Ranch during this period was successful due to the limited supply of smaller tracts of recreational investment property.

In determining the highest and best use of the subject, I will focus on typical uses indicated by the market, which include recreational, rural/recreational homesites, agricultural and investment purposes. These uses are inter-related to varying degree and not mutually exclusive of each other. Within this analysis, the layout of the appraised property is an integral component to the analysis.

Is it legally permissible? In determining uses of the appraised property in whole or part that are legally permissible, one typically considers zoning, deed restrictions, and/or encumbrances. With respect to the appraised property, there are no limitations in terms of these factors that would impact any use of the said lands. Any further subdividing of the subject must be in compliance with the Montana Platting and Subdivision Act.

While there are many legally permissible uses of the property being appraised, the most probable uses include recreational, agricultural, variations of residential home/cabin sites, and/or investment purposes which may include further subdividing. It's noted that the ability to utilize the legally permissible uses of the subject is dependent on access.

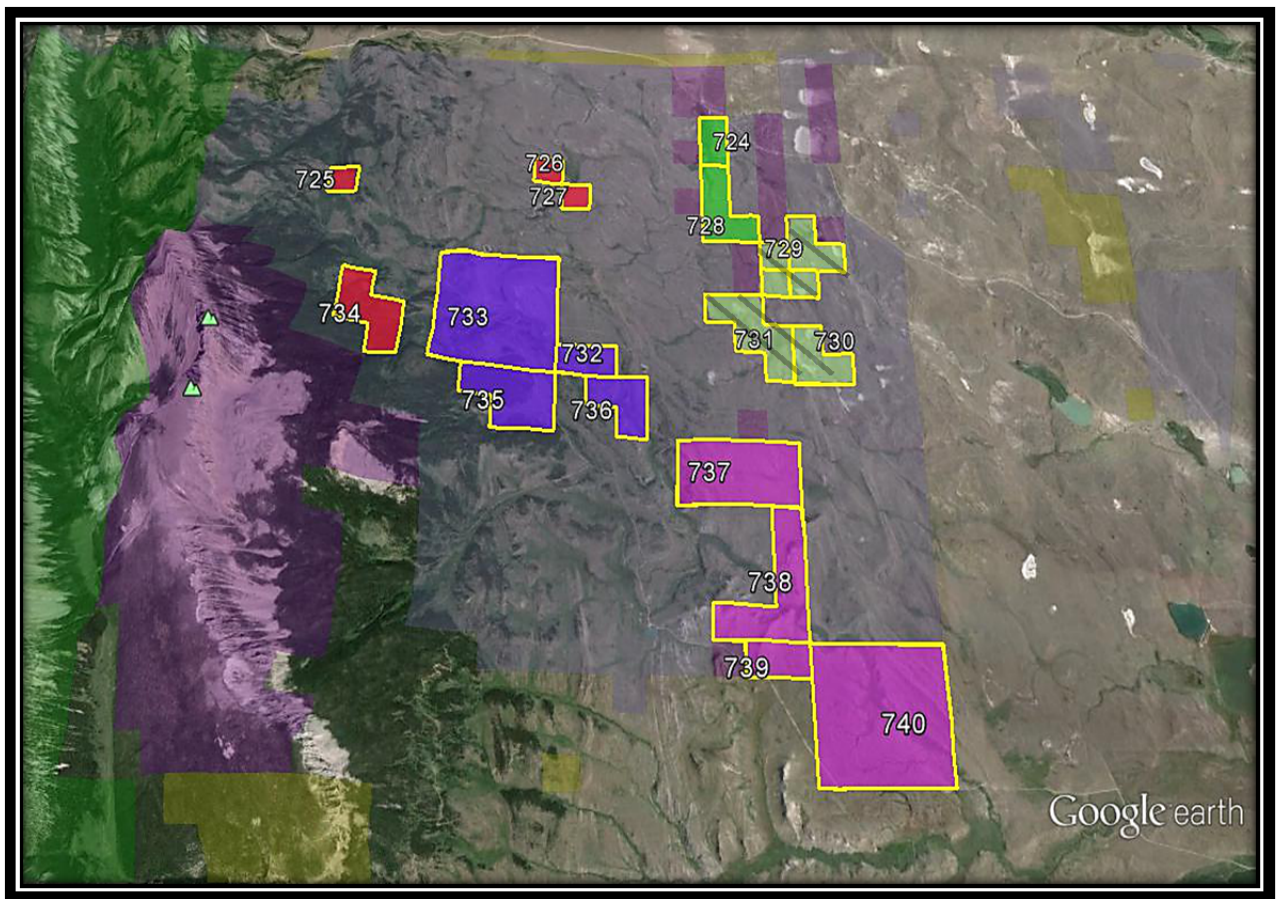
For those lands accessible by a county road, there are no limitations in terms of their legal means of access. For other portions of the appraised property, the access is dependent on crossing State FWP land that is subject to the administration of the Wildlife Management Areas.

Both the Sun River and Blackleaf WMAs are open for public use from noon on May 15 to December 1. Any motorized vehicles must stay on authorized road and off road travel with any motor/engine powered wheeled vehicle is prohibited. Horse and mule are allowed on the WMAs.

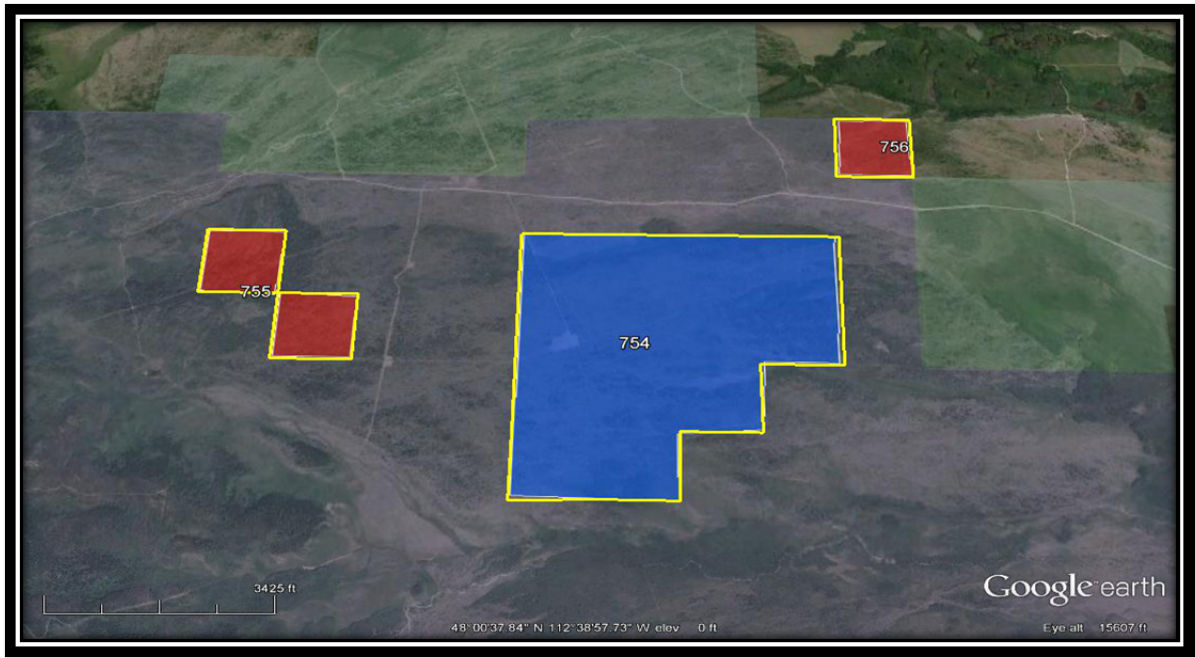
⁵ The T-6 was developed by utilizing existing parcels; some of which are less than 160 acres. Most parcels were 160 acres or larger and exempt from subdivision review.

Recognizing the admin rules of the WMAs, this means that any roads across FWP lands and subject to seasonal road use periods are accessible by a motorized means during these periods only. For any other lands not accessible from an open road, ground access would be by a non-motorized means and only when the WMA is open. Thus, as previously discussed in the property description, the subject has varying means of access, which is summarized below.

| Color | Type of Access | Acres |
|-------|-------------------------------------------------------------------|----------|
| | Year Round from Barr Creek County Road | 1,290.62 |
| | | |
| | Seasonal motorized road access from May 15 to December 1 | 1,040 |
| | | |
| | Year round access from the Sun Canyon Road | 239.73 |
| | with non-motorized access across public land along common corners | 560 |
| | | |
| | Non-motorized access across public lands when the WMA is open | 280 |



| Color | Type of Access – Blackleaf WMA | Acres |
|-------|---------------------------------------------------------------|--------|
| Blue | Seasonal motorized road access from May 15 to November 30 | 519.48 |
| Red | Non-motorized access across public lands when the WMA is open | 120 |



In terms of legally permissible uses, the most typical and probable use of the subject would encompass some type of recreational, rural/recreational homesites, agricultural and investment purposes. The intensity of these uses does vary throughout the property as a whole on the basis of their access. These probable uses will be discussed further within this analysis.

Is it physically possible? There are multiple physical factors that may have an impact on highest and best use. With respect to the physical characteristics of the subject, the following factors are noted.

- On the basis of *contiguity* the appraised property is situated within two separate WMA's that are located about 30 air miles apart from each other. Between the two WMA's, there is no dependency whatsoever nor would the market consider these as being one. Recognizing this initial distinction between the subject and their respective location within the WMAs, the contiguity of parcels within each WMA is further addressed.

There are sales within the market that involve multiple non-contiguous parcels separated by public lands. Typically, the deeded lands have linkage with public leased lands and there is an operational use as a unit. This is not the case with the appraised property as the FWP land lying between non-contiguous parcels is not leased nor is there an operational use.

Within each of the WMAs, the subject is comprised of multiple blocks of non-contiguous parcels. Coinciding with their means of accessibility, each of these parcels are independent of the other in terms of use and utility.

For the 799.73 acres located closer to the Sun Canyon Road, 239.73 acres are contiguous to each other with access from the county road. The remaining 560 acres share different common corners and their use is dependent on crossing FWP land by a non-motorized means when the WMA is open. Due to the different levels of access, the 799.73 acres have varying intensities of uses, which are complementary to each other. The 239.73 acres with access off the Sun River Road have an unrestricted use where the use of the 560 acres is more limited.

Consistent with the discussion on access, the subject consists of multiple non-contiguous block of land and parcels. Specific to the tracts where there is non-motorized access across public lands when the WMA is open, there are two instances where there are 2-40 acre parcels that share common corners that would have linkage with adjacent FWP lands.

- Although portions of the subject consist of *forestland* with timber, this is not an emphasis of use for land AND timber that is evident in the market along the Front. Any timber resources of the subject contribute to the subject on the basis of an aesthetic and recreational attribute.

- *Topography* is variable with areas of level slopes and steep hillsides.
- From an *agricultural* standpoint, the subject consists predominately of native grasslands with riparian areas and some forestland. These lands would be conducive to livestock grazing with water provided from existing sources. It's noted that historic use of the property did not warrant any development of water for livestock.

As to a livestock use, the subject is predominately unfenced. The exceptions being are the perimeters of the WMA and some fencing on portions within the Blackleaf WMA.

Recognizing that the subject provides winter range for wildlife, there are probable conflicts with grazing cattle. In addition to the potential of over grazing, there is an issue with maintaining fences.

- As inholdings within a WMA, the appraised property is associated with *aesthetic and recreational* attributes. While variable throughout the whole, the resources of the appraised property include scenic viewsheds dominated by different aspects of the Front, on-site habitat for multiple species of wildlife, varying sources of surface water, and adjacent public lands. The higher amenity lands are those located closer to the Front with diverse land uses and habitats. The aesthetics and recreational resources are integral to the subject.
 - There are *utilities* to different portions of the appraised property. Utilities are available to the 1,290.62 acre block of land along Barr Creek road. There are no utilities available to other portions of the subject. There are utilities along the Sun Canyon Road west-northwest of the subject about a mile.
- In terms of utilities to the 1,040 acre block of land in the middle of the Sun River WMA, power is located about a mile away. Extending power however would require an easement across FWP land which is improbable.
- As to *physical access*, those portions with access via county roads have good year-round accessibility. The access roads within the game range are good quality gravel roads but are seasonal due to WMA road closures. For the most part, those portions of the subject that are accessed via a non-motorized means are within a ¼ to a ½ mile of a seasonal open road.

With respect to the legally permissible uses that are physically possible, the subject consists of multiple separate parcels of rural recreational investment properties with different levels of utility that varies on the basis of access, availability of utilities, and physical attributes. The probable uses include residential home/cabin sites, recreational and/or potential for an agricultural use for livestock grazing. Specific parcels and use will be described further within the overall conclusions.

Is it financially feasible and maximally productive? This test is applied to the uses that have passed the previous criteria. If the revenues exceed the expenses, the use is generally considered to be financially feasible. With commercial or industrial properties, it is generally understood and accepted that for a use to be financially feasible, that the net revenue generated from that use must be sufficient to satisfy the required rate of return on the investment.

Properties like the different parcels associated with the subject are viewed as an investment with some returns being generated from income generating sources that are not related to the production of the land. Instead, the returns may be made through long-term appreciation, subdivision, and other avenues including the donation/sale of a conservation easement.

Buyers also place a degree of intrinsic value on the personal amenities and uses the property allows them during this ownership. These may be as simple as enjoying the aesthetic quality and features of the property. The fact the properties are associated with inholdings within a Wildlife Management Area and associated with winter range for wildlife adds another dimension to the subject parcels.

Recognizing that the subject is situated in an area where there are donated easements as well as the purchase of conservation easements through the Nature Conservancy and the U.S. Fish and Wildlife Service, placement of a conservation easement (through sale or donation) impacts the quality or appeal from an investment standpoint.

While a property may be suitable for a home/cabin site or multiple homesites, this does not necessarily mean that an owner(s) will utilize them for this purpose. The fact a property is capable of some type of residential use (even on a primitive basis) contributes to the overall utility and sustains the quality of the property as an investment. Many owners of rural recreational property hold the property without exercising their right to build (or for that matter to subdivide).

As indicated by trends for property like the subject, returns have been realized through appreciation over time. Sales:resales over longer-term periods (10 to 15 years) have indicated rates of appreciation from say 8% to 12% per annum. However, with respect to appreciation in the market over the last say 6 years, there is no consistent trend that this is evident. Although there is more sales activity and demand for properties like the subject, this has not necessarily created a well-defined level of appreciating values within the area of the Rocky Mountain Front. Thus, appreciation and speculation on a short-term basis is removed for the most part from the overall investment matrix of the property.

With regards to subdivision/development, it is not immediate in today's market and is improbable. This is from the standpoint it's unlikely that one would acquire a property like the subject (in part or whole) and attempt to subdivide the property in its entirety. This is not to say however that one of the parcels/units as designated on the basis of its access could not be severed or created from a part of the whole in response to demands in the market. The selling of such tracts from a larger property is inherent in the market and the data considered herein. Overall, however, subdivision strictly from an investment perspective is not a dominant use.

With respect to the identified subject property, it consists of multiple tracts and disaggregate units that are spread out in a large landscape along the Front. Many of these tracts within each WMA are independent of each other and mutually exclusive without an integrated use.

As noted in this analysis, the intensity of use varies between parcels on the basis of its access and use. This creates distinct separate parcels within the property being appraised. With consideration to the appraised property as a whole, the highest and best use that is financially feasible and also maximally productive is concluded to be multiple independent parcels that are associated with recreational investment properties with varying emphasis of use. While these units have a degree of commonality in terms of being recreational properties, they do not have an integrated use.

Based on the analysis set forth above and with consideration to the configuration of the subject, I conclude that the highest and best use of the appraised property is as multiple separate parcels that are associated with rural recreational investment properties with distinct intensities of use that differ primarily on the basis of access and physical attributes. Inherent are the investment opportunities in the market that include future subdivision in response to demands of the market. The following parcels, which include a combination of different tracts and blocks of land within each WMA are identified as follows:

Sun River WMA

- 1,290.62 Acre Barr Creek Unit (Tracts 737, 738, 739, 740, & 741): This is a rural recreational investment property with year round access and utilities. This unit consists predominately of open grassland and a riparian corridor along Barr Creek. This block of land is suitable for recreational homesite/cabin sites. Amenities and recreational attributes include views of the Front, frontage along Barr Creek, wildlife habitat and status as an inholding within a WMA. The property does have good complementary agricultural resources for livestock grazing but does lack perimeter fencing along all boundaries. Inherent are the investment opportunities of the property, which include further subdivision in response to the demands of the market.

- 799.73 acre Sun River Canyon Unit (Tracts 724 and part of 728 with common corners access to tracts part of 728, 729, 730, and 731): This is a rural recreational investment property with varying intensities of use that are complementary to each other. There are 239.73 acres of contiguous lands with year-round access from the Sun Canyon Road. Although lacking utilities (~1 mile away) these lands are suitable for home/cabin site purposes. The remaining 560 acres share common corners and can be accessed by a non-motorized means across adjacent FWP public lands – these lands are complemented by the 239.73 acre. These lands consist predominately of open grassland are suitable for livestock grazing and/or recreational purposes. It's noted that the configuration of these lands are irregular and the property is not fenced.

- 40 Acre Buttolph Creek Unit (Tract 725): This is a smaller recreational property with diminished utility given its access is limited to a non-motorized access across public lands when the WMA is open. The recreational attributes include diverse habitats, scenic views and Buttolph Creek. It is a recreationally intensive tract.

- 1,040 Acre Central Sun River WMA Unit (Tracts 732, 733, 735, and 736): This is a rural recreational investment property with seasonal motorized road access from May 15th to December 1st. This is a recreationally intensive property that lies just east of Sawtooth Ridge and is further complemented by Barr Creek and other wetlands and ponds. Due to the lack of utilities, residential use would be off-the-grid. Although consisting of lands suitable for livestock grazing, the recreational and aesthetics of the property are dominant.

- 80 Acre S9 and S10 Unit (Tract 726 and 727): This is a recreational property with diminished utility given its access is limited to a non-motorized access across public lands when the WMA is open. The property consists of open grassland and amenities include a small spring fed riparian corridor and a wetland.

- 160 Acre S24 Unit (Tract 734): This is a recreational property with diminished utility given its access is limited to a non-motorized access across public lands when the WMA is open. Although consisting primarily of forestland, there are open parks. The property lies just below Sawtooth Ridge.

Blackleaf WMA

- 519.48 Acre S16 Unit (Tract 754): This is a rural recreational investment property with seasonal motorized road access from May 15th to December 1st. This is a recreationally oriented property with complementary agricultural resources. Due to the lack of utilities, residential use would be off-the-grid.

- 40 Acre S10 Unit (Tract 756): This is a recreational property with diminished utility given its access is limited to a non-motorized access across public lands when the WMA is open. Although there are existing roads and trails to the property, this requires crossing private lands. Given the property adjoins private land, there is the inherent potential for assemblage and plottage.

- 80 Acres S17 Unit (Tract 755): This is a recreational property with diminished utility given its access is limited to a non-motorized access across public lands when the WMA is open.

P. Determination of Larger Parcel

The purpose of this appraisal is to evaluate and provide an opinion of market value for 4,049.83 deeded acres being considered for a fee acquisition by the State of Montana FWP.

The appraisal specifications require the appraiser to analyze and determine the larger parcel in accordance with UASFLA and the Scope of Work. As per the scope of work, the appraiser should not consider lands outside the property described for purposes of the voluntary sale.

As per the UASFLA, the larger parcel is defined as *that tract, or those tracts, of land, which possess a unity of ownership and have the same, or an integrated, highest and best use*. Elements of consideration in determining the larger parcel include the following:

- 1.) Unity in ownership in all parts of the whole.
- 2.) Unity of highest and best use for all parts of the whole.
- 3.) Contiguity, or proximity, as it bears on the highest and best use of the property.

A determination must be made as to what the larger parcel is and to establish the property to be appraised. In the case of this assignment, the larger parcel must be determined considering there are multiple tracts and units.

With consideration to the property as a whole, the criterion for the larger parcel is addressed.

1. Unity in ownership in all parts of the whole. The 4,049.83 acres are owned by the State of Montana DNRC. Thus, there is unity in ownership.

2. Contiguity, or proximity, as it bears on the highest and best use of the property. There are multiple non-contiguous tracts and disaggregated units associated with the appraised property.

As discussed in the highest and best use section of this report, there is no market evidence or support that the appraised property would be considered as a single 4,049.83 acre property. The subject's tracts are located in different areas of the Rocky Mountain Front. Within each WMA, there are units influenced differently by access and property characteristics.

With respect to the configuration of the subject, there are multiple independent units. With consideration to the appraised property and on the basis of contiguity as it bears on highest and best use as discussed, the following individual units, which correspond with varying means of access, are evident:

Sun River WMA

- 1,290.62 Acre Barr Creek Unit (Tracts 737, 738, 739, 740, & 741)
- 799.73 acre Sun River Canyon Unit (Tracts 724, 728, 729, 730, and 731)
- 40 Acre Buttolph Creek Unit (Tract 725)
- 1,040 Acre Central Sun River WMA Unit (Tracts 732, 733, 735, and 736)
- 80 Acre S9 and S10 Unit (Tract 726 and 727)
- 160 Acre S24 Unit (Tract 734)

Blackleaf WMA

- 519.48 Acre S16 Unit (Tract 754)
- 40 Acre S10 Unit (Tract 756)
- 80 Acres S17 Unit (Tract 755)

3. Unity of highest and best use for all parts of the whole. To meet the unity of use test, all parts of the whole must actually be devoted to a unitary use. The UASFLA states that to meet this test, the lands in question merely have to have the same, or an integrated, highest and best use.

In most cases, properties consisting of multiple parcels, which sold to a single buyer, had an integrated/complementary use. Typically, this included sales where scattered deeded tracts had linkage and connectivity with a leasehold interest in public lands – which is not the case with respect to the appraised property.

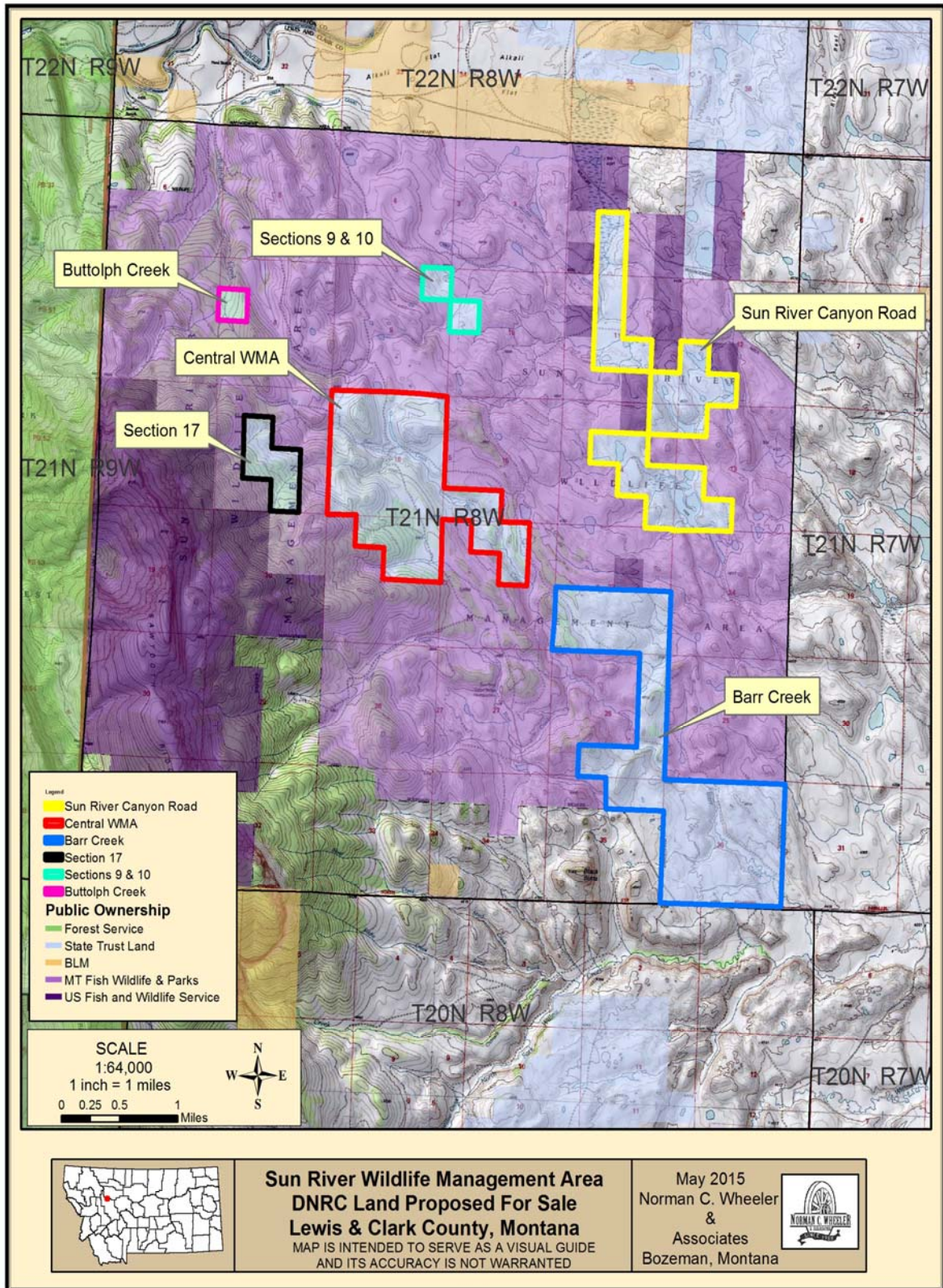
In most cases, properties which are independent of each other without an integrated use or economic linkage have sold separately. This is proven in the western Montana market by sales conducted by Plum Creek and Stimson Lumber Company.

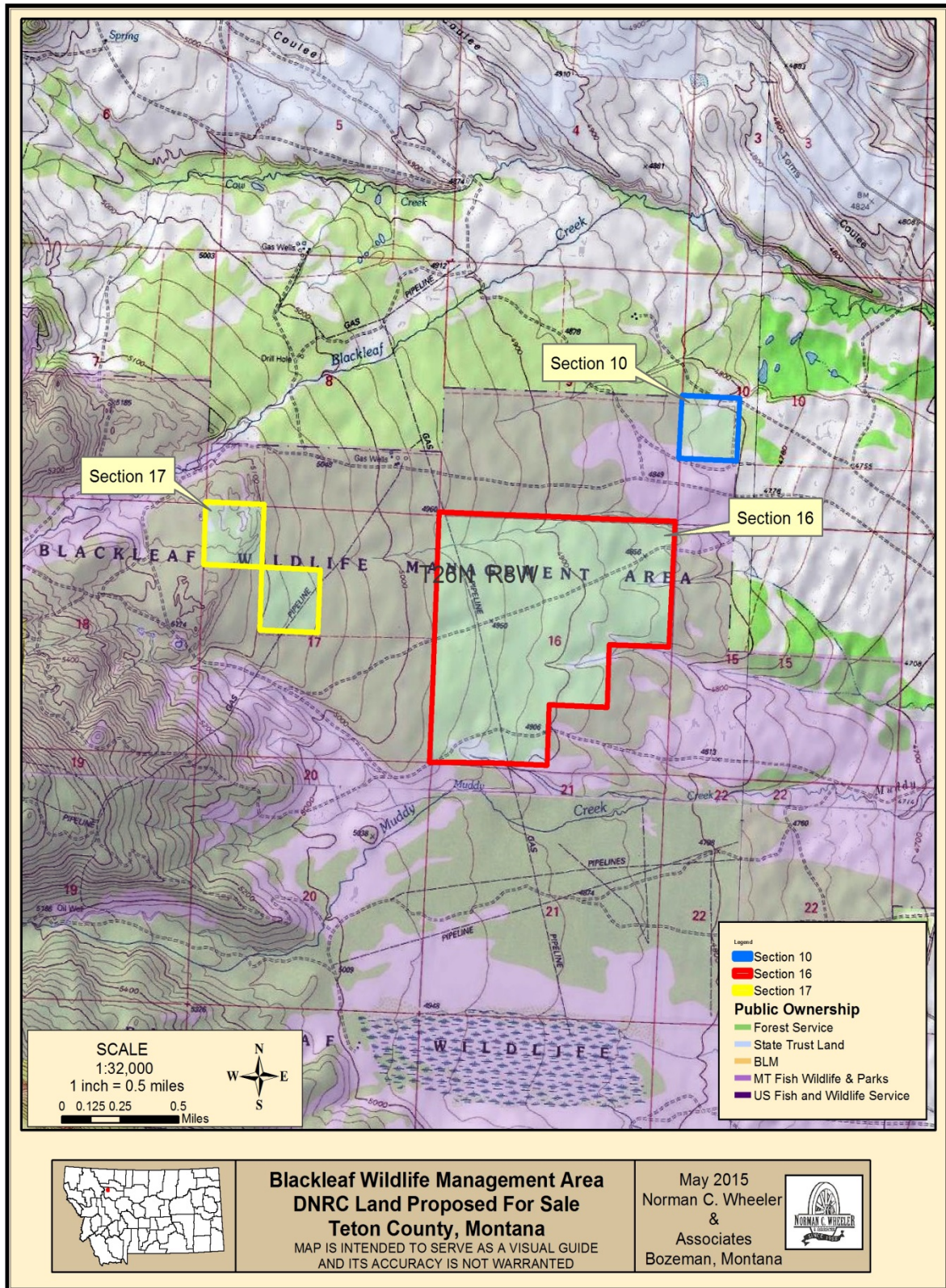
For the subject as a whole it is not reasonable to say that multiple independent parcels and units, such as those considered herein, would be considered as a single unit. With limited resources with scattered parcels, there is no economic linkage to the property as a whole. While a landscape conservation project is a segment of the market, it is not reflective of the typical buyer and seller and is not consistent with market value for UASFLA purposes.

When the property as a whole is considered, there are varying intensities of use between the different units considered that also vary on the basis of their contiguity. Sellers of rural recreational investment property (ex. Plum Creek, Stimson and other private owners) have shown that they will market and sell independent (and non-contiguous) units independently from each other.

Conclusion: On the basis of lack of contiguity and unity of use, I have concluded that the subject's 4,049.43 acres consists of multiple larger parcels that are mutually exclusive and independent of each other. These larger parcels do not have an integrated highest and best use in which one is dependent on the other nor is there any economic use that ties these lands together. The larger parcels coincide with the following properties. See maps on the following pages.

| | REFERENCE | DNRC TRACT NUMBER | ACRES |
|---|--------------------------|-----------------------------|----------|
| 1 | SR Barr Creek | 737, 738, 739, 740, & 741 | 1,290.62 |
| 2 | SR Sun River Canyon Road | 724, 728, 729, 730, and 731 | 799.73 |
| 3 | SR Central WMA | 732, 733, 735, and 736 | 1,040 |
| 4 | SR Buttolph Creek | 725 | 40 |
| 5 | SR Sections 9 & 10 | 726 and 727 | 80 |
| 6 | SR Section 17 | 734 | 160 |
| 7 | BL Section 16 | 754 | 519.48 |
| 8 | BL Section 10 | 756 | 40 |
| 9 | BL Section 17 | 755 | 80 |





Q. Approaches to Value

When practical, the appraiser uses the three recognized approaches to value: the sales comparison approach, the cost approach, and the income approach. In this appraisal, the sales comparison approach will be completed to estimate value for each of the larger parcels. The income and cost approaches are not reliable and/or applicable approaches to estimate value for the subject's larger parcels.

The market for rural and recreational property with non-agricultural influences is not solely motivated by the earning potential of the property in terms of products produced from the land. The market is also influenced by the potential for other investment opportunities, aesthetics and recreational opportunities. Purchasers consider the income tax benefits, which may include the granting or selling of a conservation easement, to offset other earned income or to reduce investment.

While varying due to their size, the subject parcels do have potential for generating income on the basis of its capabilities for livestock grazing – which would require some degree of additional fencing. Capitalization rates for rural property influenced by non-agricultural factors like the subject are typically less than say 2% and often lower. With low capitalization rates, the reliability of the income approach is adversely affected since small changes in selected capitalization rates results in a significant difference in value. It's also noted that properties such as the subject are evaluated by participants moreso on the basis of the principle of substitution versus the anticipation of returns. Thus, it is concluded that the income approach is not a reliable approach to estimate value for the subject and it was not completed.

The cost approach is based on the premise that the value of the land plus the depreciated value of the buildings plus any other components of value (timber, grazing leases, etc.) is equal to the value of the property as a whole. Considering that the larger parcels lack building improvements or multiple components that contribute value, the cost approach is not applicable.

The exclusion of the cost and income approaches does not affect the reliability or credibility of these valuations. These approaches would not typically be completed by other appraiser peers on this type of property in this market area.

R. Sales Comparison Approach – Overview

This appraisal assignment involves the evaluation of multiple larger parcels as identified herein. All the parcels are unimproved and an estimate of value will be based on the sales comparison approach. Within the evaluation of each larger parcel, the process and methodology will be the same.

The sales comparison approach is based on the premise that the market value of a property is related to the prices of comparable, competitive properties that have sold in the market. This approach is based on the principle of substitution where the value of a property tends to be set by the price that would be paid to acquire a substitute property of similar utility and desirability, or that a knowledgeable buyer would pay no more for a property than they would pay for a substitute of equal utility.

The sales comparison approach uses a direct comparison to other transactions on some common unit of comparison such as number of acres, MBF, animal units (AU), front foot, etc. Throughout the analysis of the different larger parcels, the unit of comparison is on a per acre basis.

The comparable sales are adjusted for dissimilar factors and a final estimate of value is made. Factors that may have to be accounted for on a quantitative or qualitative basis include: conditions of sale, time, land use, improvements, location, property interests, access, and physical characteristics (recreation, size, topography, lay-out, utilities, quality, etc.).

For purposes of evaluating each of the identified larger parcels, I will emphasize sales data located within the Rocky Mountain Front. When necessary, I will also make reference to other similar influenced market areas for specific larger parcels.

Some of the recent sales were purchased by the Conservation Fund with some older sales purchased by the Rocky Mountain Elk Foundation; both are non-profits. The Conservation Fund is an active participant in the market along the Front and elsewhere throughout Montana. UASFLA addresses the need for extraordinary verification for sales to governmental entities, including sales to non-profit entities.

With respect to sales from and to a non-profit, they cannot provide any private inurement in conjunction with these transactions. Thus, each of the sales involving these entities are on the basis of a transaction predicated on an estimate of *market value* based on their concluded economic highest and best use. All the sales are cash transactions and were in no way associated with any required donation, bargain-sale, etc. The sales included all appurtenant rights. All the sales were of the whole and did not involve any partial acquisitions.

Given that many of the same sales will be used to evaluate each of the larger parcels, I will address the various factors of value that may be relevant in the market. This includes factors that are not applicable, factors that can be accounted for on a quantitative basis and others that are qualitative. The quantitative factors will be used throughout the analysis of the different larger parcels whereas the qualitative factors affect each of the larger parcels to varying degrees.

Non-Applicable Factors: Within the analysis of the data, one must take into consideration those factors relevant to each specific market. There are some factors that may be applicable to certain areas/markets but not to all. Factors that were considered in the market that do not have a measurable effect on value are addressed:

Time/Market Conditions: With respect to the bulk of the referenced data, the sales are recent transactions.⁶ They are recent from the standpoint they capture corrections in the market that occurred after peak values were realized in the end of 2007.

Within the market, participants include investors from outside the area (ie out-of-state buyers) in addition to area operators. With consideration to market from say 2009 through 2015, trends vary depending on the property and segment of the market.

⁶ If not deemed reflective of current market conditions, this factor will be specifically accounted for in a subsequent analysis.

Some of the referenced data was purchased as add-on units for livestock grazing by local operators. For properties that are more agriculturally oriented, there has been upward pressure on prices given the demand for livestock grazing. The demand for grass corresponded with favorable cattle prices over time and confidence in the market. It was definitely more evident in 2014 which also corresponded with unprecedented cattle prices. While some of the referenced data was inclusive of more ag oriented properties (sale 5) these sales are more recent and would be reflective of current market conditions.

For properties that are more recreationally oriented, there has not been any measurable difference in value over the last say six years that is evident on the Front or in other competitive areas. While there has been more sales activity and higher per annum volumes, this has not translated to a trend of increasing values. This is apparent by the following:

- Sale 10 sold in September 2009 for \$1,300,000 and is currently back on the market for \$1,350,000.

- The 2015 sale of [REDACTED] reflects a land value of \$1,250 per acre for a ranch that runs from the mountains to the prairie. Based on prior sales in the area including the 2010 [REDACTED] sale; a superior property that sold at \$1,700 per acre, there would be no measurable change in value.

For purposes of evaluating each of the different larger parcels, an emphasis will be given to use recent sales. If necessary, further discussion of specific sales will be made to address changes in market conditions.

Quantitative Adjustments: In my research of the market and the analysis of the data, I considered factors that could be measured in the market that were less subjective and variable. Other factors of value considered in the market that are more difficult to isolate and abstract, are recognized as a qualitative adjustment.

It's noted that time is typically considered in the market as a quantitative factor. With consideration to the overall market however, all the sales are current transactions and reflect any shifts in the market that occurred since peak values were realized in the end of 2007 and in to part of 2008.

Quantitative factors include the following:

Buildings: An adjustment was made to account for any buildings associated with the sales. Given the lack of buildings associated with the subject that contribute value, the improved sales were adjusted accordingly.

In analyzing the overall sale, an allocation to the land and buildings was completed. In the case of the buildings, the size, age and utility of the structure were considered. In addition to discussions with buyers, seller, and/or agent, estimates have been made on a residual basis. In all of the improved sales, the buildings were not a major component of value.

Leasehold Interest: When applicable, an adjustment was made to account for leasehold interests when integral to the sale. The value of the leasehold may be on the basis of a \$/acre or \$/AUM basis.

The value allocated to the State lease is accounted for on the basis of a land residual basis with additional support by other data indicators. Contributory values of leasehold interests are like buildings in that there are not puritan sales to establish value. Thus, an allocation is necessary.

Although it can vary, values ranging from \$90 to \$100 per AUM for a leasehold interest are typical in the rural ag/recreational market within central and southwestern Montana. As a market indicator, a 2013 sale in central Montana with a more defined market to establish a land value is referenced. This sale encompassed a 711 acre property that included 395 AUMs of State leased land on 1,281 acres. With an established land value of \$600 per deeded acre, a value of \$91/AUM is indicated. Although falling within the designated range, the values for leasehold interests are variable. In most cases, the leasehold interest is not a major component of value.

Other Considerations: With respect to some of the sales that involved a non-profit entity, a bargain-sale may have been negotiated. The equivalent market value is thus adjusted for accordingly.

Qualitative Adjustments: The qualitative factors are ones that are considered by the market but are more subjective and/or difficult to measure and quantify. They also account for the variability within the market. For purposes of accounting for the qualitative factors, these will be considered when the sales are compared directly to the subject for purposes of establishing or bracketing value.

Some of the factors considered on a qualitative basis vary greatly between market participants. One participant may emphasize views, hunting opportunities, surface water, productivity etc. while others may not place as much consideration on these factors. This is the intricacy of this market, which does account for some of the variability between values. Although a measurable difference in value may not be directly abstracted from the market for the qualitative factors, they are considerations, which will assist in determining a value for the subject.

Location: In the past, there has been a difference in terms of desirability within the Rocky Mountain Front – which includes sense of remoteness, views, and proximity to services. With respect to the communities of the Rocky Mountain Front, Choteau and Augusta tend to be more desirable; which is partially attributed to their relatively close proximity to Great Falls, community services, and more recreational opportunities in terms of fishable waters, etc. Although the communities of Dupuyer and to a lesser extent Bynum are further removed and would tend to be less desirable than say Choteau and Augusta with all other things being equal, this is not evident in the current market given motivations of buyers. Thus, all the sales are recognized as being associated with the Front and are equivalent to each other.

If sales located outside of the Front are referenced, they will be addressed separately.

Size: Although size is considered; especially with the smaller sales, it's recognized that the market does not show consistency relative to this factor. Size will be further addressed for each of the larger parcels.

Property Interests: While most of the sales data is of a fee interest, sales of encumbered properties may be considered to facilitate the bracketing of a respective larger parcel. Any sale encumbered by a conservation easement would be at a market disadvantage when compared to a fee interest.

Utilities: The availability of utilities is a consideration. Although off-the-grid systems are becoming more acceptable in the market for recreational properties, the ease and benefit of having utilities impacts the use of a property from a home site standpoint.

Access: The type of access is acknowledged as a factor of value. For the most part, the sales with good year-round access via public roads or developed easements would be dominant over a property with seasonal access.

Land Use/Quality: The quality of the property from a productivity standpoint or its ag resources is a factor and a consideration of value. This is a relative factor that does vary between larger parcels and is less of a consideration for a property that is more recreationally oriented.

Topography: The topography and slopes of a property may have a bearing on the use and utility.

Recreational and Amenities: The recreational opportunities and the aesthetic attributes are primary factors of value within the market and for the data considered. These factors are more of all encompassing terms that cover a wide segment of features. These are also factors that buyers and sellers place varying emphasis on. It's noted that many of the factors are interrelated and not mutually exclusive of each other. For purposes of this analysis, recreational and amenity factors that would be considered by the market include:

-Diversity: The overall diversity of the property is a consideration. Properties with multiple land uses and habitats are more desirable than say a single dimensional property that consists predominately of open grassland. This also impacts whether or not a property is more recreationally versus agriculturally oriented.

-Surface Water: Properties with surface water demand a premium in the market. The quality and quantity of the water are all taken into consideration. With respect to the subject, it includes small water which is seasonal.

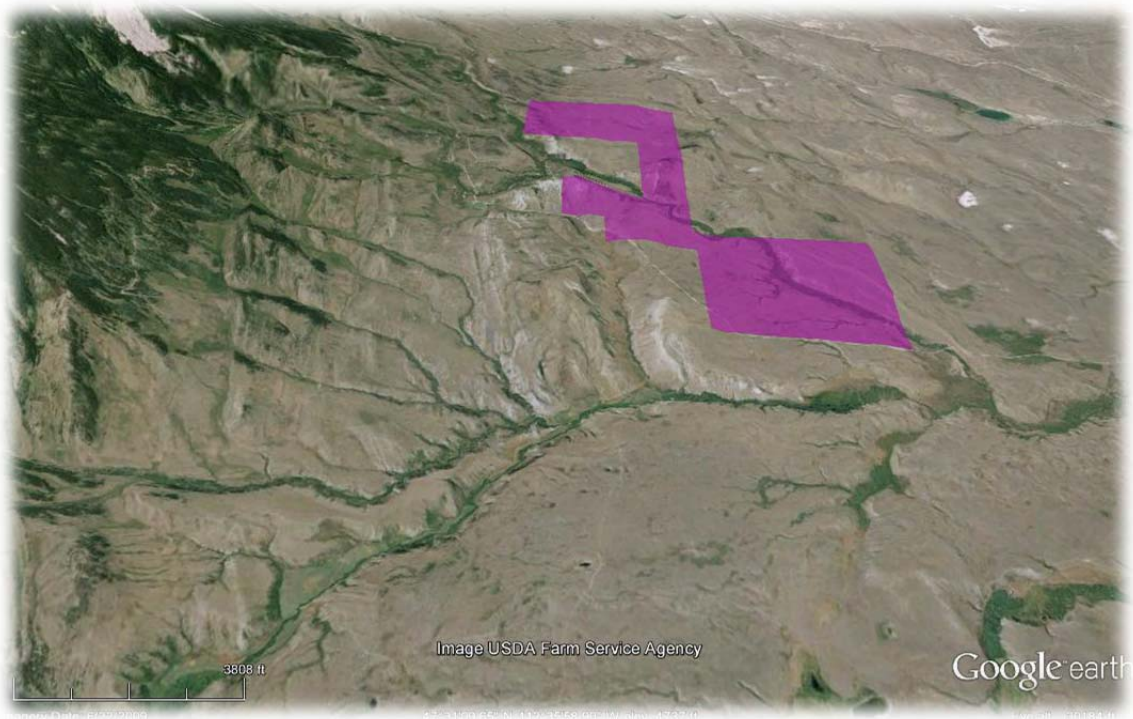
-View/Proximity to the Front: A property's proximity to the Front is a factor of value given this is also associated with more prominent views.

-Other Recreational Opportunities: For purposes of this analysis, recreational opportunities that would be considered by the market would include on-site hunting, wildlife habitat (primarily elk and deer), adjacent public lands, hiking, near-by recreational areas (lakes, rivers, wilderness,...) etc.

The larger parcels are associated with inholdings within a Wildlife Management Area. It's recognized that these are unique aspects of the property and offer expanded recreational opportunities. At the same time however, there are seasonal and use limitations within the WMA. In addition, it doesn't necessarily expand hunting opportunities given current hunting regulations. It may offer however offer unique wildlife viewing opportunities.

SUMMARY: For each analysis of the different larger parcels, the various factors of value that are relevant will be discussed.

S. **Sales Comparison Approach – Sun River Barr Creek (tracts 737, 738, 739, 740 & 741**



Selection of Sales: For purposes of valuing the Sun River Barr Creek larger parcel, an emphasis is given to sales located along the Front or in a similar influenced area. All the sales occurred since 2010 and represent current conditions in the market. They are current from the standpoint they capture corrections in the market that occurred after peak values were realized in the end of 2007.

Adjustments: In this analysis, both quantitative and qualitative factors are accounted for.

Quantitative Adjustments: A quantitative adjustment was made to account for the building improvements associated with sales 1, 4, 7, and 6. Sale 7 also included leasehold interests in public lands and was adjusted to account for a bargain-sale.

Qualitative Adjustments: The qualitative factors are ones that are considered by the market but are more subjective and/or difficult to measure and quantify. For purposes of accounting for the qualitative factors, these will be considered when the sales are compared directly to the subject for purposes of establishing or bracketing value.

Location: While there are locational differences between each sale and the subject, which may make it more or less desirable, these factors would be considered separately within its aesthetics, access and/or recreational opportunities which will be discussed below. Elements inherent with a property location would include views, adjacent public lands, access, etc.

With the exception of sale 6, all the sales are located along the Rock Mountain Front. Although sale 6 is located off the Front, it is in a desirable area and does not warrant an adjustment for this factor. Thus, all the sales are deemed equivalent to each other in terms of location.

Size: The subject is 1,290.62 acres and is bracketed by the sales. Although there are inconsistencies in the market with respect to size, it is a factor of value within this data set.

Access: The quality of physical and legal access throughout the whole are factors of consideration within the market. The subject has good access along the county road. With the exception of sale 2, all the sales have year-round access via public roadways. Although sale 2 is accessed from a county road, it is not maintained and the road becomes challenging to access during inclement conditions.

Land Use: While having some variability, the sales and the subject consist predominately of open grasslands with some sales inclusive of riparian corridors and some timber.

Topography: For the most part, topography between the sales and the subject encompass variable slopes. The topography is not an emphasis as a factor of value within this data set.

Utilities: The potential use of the property for homesite purposes is recognized by the market. While partially influenced by its access and topography, suitability for residential use is also dependent on proximity to utilities and services.

Recreational and Amenities: The recreational opportunities and the aesthetic attributes are factors of value within the market and for the data considered. This is an emphasis within this data set.

SUMMARY: When considering each factor individually, an overall comparison of each sale to the subject can be made. Under this analysis, the market influence or importance of each factor is considered. The significance in terms of effect on market value is analyzed, whereby more weight or emphasis is placed on certain factors over others. Thus, the overall comparison is not merely a summation of the individual ratings but an overall rating based on the most significant factor or combination of factors. In the case of this analysis, more weight is placed on size and utility as a recreational property.

Summary of Sales Data – Qualitative and Quantitative Adjustments

| Sale Id | Subject | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|-------------------------|------------------------------------------------|--------------------------------------------|-------------------------------------|-----------------------------------------|---------------------------------------------|--------------------------------------|-------------------------------------------------|----------------------------------|
| Reference | | | | | | | | |
| Reference Number | | 6266 | 6170 | 6083 | 5481 | 6271 | 5161 | 6774 |
| Date | | 8/2014 | 1/2014 | 9/2013 | 9/2011 | 10/2014 | 1/2010 | 6/2015 |
| Sales Price | | | | | | | | |
| Size (Acres) | | | | | | | | |
| \$/Acre Total | | | | | | | | |
| Time Adjustment | | Current \$0 | Current \$0 | Current \$0 | Current \$0 | Current \$0 | Current \$0 | Current \$0 |
| Imp/Lease Adjustment | | | | | | | | |
| Land Adjustment | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Adjusted Value | | \$1,400 | \$1,718 | \$1,797 | \$1,850 | \$905 | \$1,400 | \$1,250 |
| Market Location | NW Augusta | Front (0) | Front (0) | Front (0) | Front (0) | Front (0) | SE Bowman (0) | Front (0) |
| Size | 1,290.62 Acres | Smaller (-) | Smaller (- -) | Smaller (- -) | Larger (+) | Larger (+) | Larger (+) | Larger (+) |
| Property Interest | Fee Simple | Fee (0) | Fee (0) | Fee (0) | Fee (0) | Fee (0) | Fee (0) | Fee (0) |
| Access | County Year-round | County (0) | Seasnl Cnty (+) | County (0) | County (0) | County (0) | County (0) | County (0) |
| Land Use | Grass/Riparian | Grass (+) | Grass/Riprn (0) | Grass/Aspen (0 to +) | Grass/Mdws (-) | Grass/Riprn (0 to +) | Grass (0) | Grass/Tmbr (0 to +) |
| Topography | Variable | Variable (0) | Variable (0) | Variable (0) | Variable (0) | Variable (0) | Variable (0) | Variable (0) |
| Utilities | Yes | Yes (0) | No (+) | Yes (0) | Yes (0) | Yes (0) | Yes (0) | Yes (0) |
| Recreational/Amenities | Barr Creek Grass/Rip Front 2.5M Inholding Good | Creek Limited Front 6M State – No In (+ +) | Creek Rip/Grass Front 3.5M None (+) | Grass/Aspen Front 3.5M Yes/WMA (0 to +) | Small Cks Grass/Timber Front FS – No In (-) | Seasonal Grass Front 8M None (+ + +) | Small Grass/Hay Territorial Limited State (+ +) | Grass/Tmbr Front .5-5M No In (+) |
| Overall Indication/Acre | | >\$1,400 | Offset \$1,718 | SI <\$1,797 | SI <\$1,850 | >>\$905 | >\$1,400 | >\$1,250 |

*Purchased by non-profit

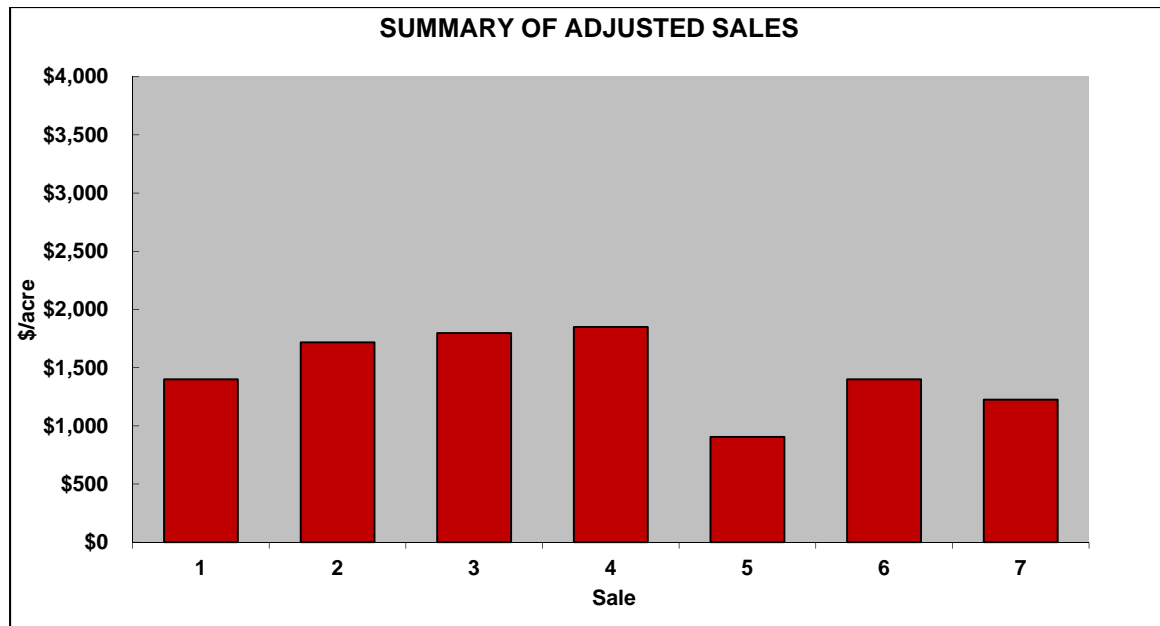
N/A = Non-applicable

(0) Sale and subject are equivalent to each other.

(+) Sale is inferior to the subject which implies a positive adjustment

(-) Sale is better than the subject which implies a negative adjustment

(/) Means slightly negative or positive.



On an extreme basis, the sales indicate a range from \$905 to \$1,850 per acre. Exclusive of the extremes, a value from \$1,250 to \$1,797 per acre is indicated.

-Sale 1 (\$1,400/acre) is a smaller tract that is located southeasterly of the subject near Haystack Butte. The property consists of CRP and grassland with a small amount of riparian area along Elk Creek. From an ag standpoint, the subject is better given more riparian area along Barr Creek and better quality grass. From an aesthetic perspective, the property sits in an open plains setting bordered by two public roads – thus not a lot of privacy. The property is located further off the Front but does lie close to Haystack Butte and adjoins a larger block of State lands. The property was purchased by an outside investor seeking property on the Front. With the exception of size, the subject is a superior recreational and agricultural property and would thus indicate a value greater than \$1,400 per acre.

-Sale 2 (\$1,718/acre) is physically comparable to the subject on the basis it consists of open grassland and a riparian area along Scoffin Creek; a similar quality stream to Barr Creek. Although sale 2 is a smaller property, the access is inferior and it lacks utilities. As a recreational property, sale 2 is located slightly further off the Front and it does not have the associated appeal as an inholding. On a head-to-head basis, the subject is a more appealing property. However, the superior factors are offset by the smaller size of the subject. With offsetting factors, a value of \$1,718 per acre is indicated for the subject.

-Sale 3 (\$1,797/acre) is a smaller property that is located adjacent to the Blackleaf WMA. The property consists of open grass, riparian areas and groves of aspen. The property has many aspects of an inholding given it adjoins the WMA and surrounded by other protected land. The property is partially split by a public road. From an agricultural use standpoint, the subject would be a more productive property. From a recreational perspective, Barr Creek is more desirable than Muddy Creek and the subject overall is a more exclusive property. Recognizing that sale 3 is the smallest sale in the data set and has a higher threshold of utility as a recreational homesite, a value slightly less than say \$1,797 per acre is more probable for the subject.

-Sale 4 (\$1,850/acre) is a larger recreational ranch located south of the subject. The property is more diverse than the subject as it runs from the mountain front to the foothills west of the more open prairies. The property has multiple smaller creeks and is complemented by some hayland. Sale 4 is reported to have significant wildlife populations and has more liberal hunting opportunities. Although a much larger property, sale 4 has more utility and desirability as a recreational ranch than the subject and it would bracket the upper end of the market. A value less than \$1,850 per acre is indicated for the subject.

-Sale 5 (\$905/acre) is a larger rural property that is more ag versus recreationally oriented. It is a larger grazing tract that is complemented by some subby areas. As a recreational property, sale 5 is located further off the Front and east of the Boone and Crocket. Barr Creek is a superior stream relative to the Dry Fork of the Marias. Overall, sale 5 is inferior to the subject in all facets; especially on the basis of its aesthetics and recreational attributes. In addition, sale 5 is significantly larger than the subject. Sale 5 represents the market floor and a value significantly greater than \$905 per acre is indicated.

-Sale 6 (\$1,400/acre) is a recreational ranch located outside the Front. It is referenced given it consists predominately of good quality grassland. As a larger property and recognizing the subject's recreational resources, a value greater than \$1,400/acre is supported.

-Sale 7 (\$1,250/acre) is a recent sale of a larger recreational ranch located northwest of Choteau. It had a non-conforming set of building improvements which burdened the marketability of the whole. It is a diverse property that stretches from higher elevation lands of the Front to the prairie. It consists of open grass, limber pine, and some irrigated land. It is associated with frontage along the Teton River. The deeded land is interspersed with State land; which does impact some of its exclusivity. Although some offsetting factor in terms of recreational/aesthetics, the subject is more exclusive on the basis of being an inholding. Emphasizing the larger size of sale 7, a value greater than \$1,250 per acre is warranted for the subject.

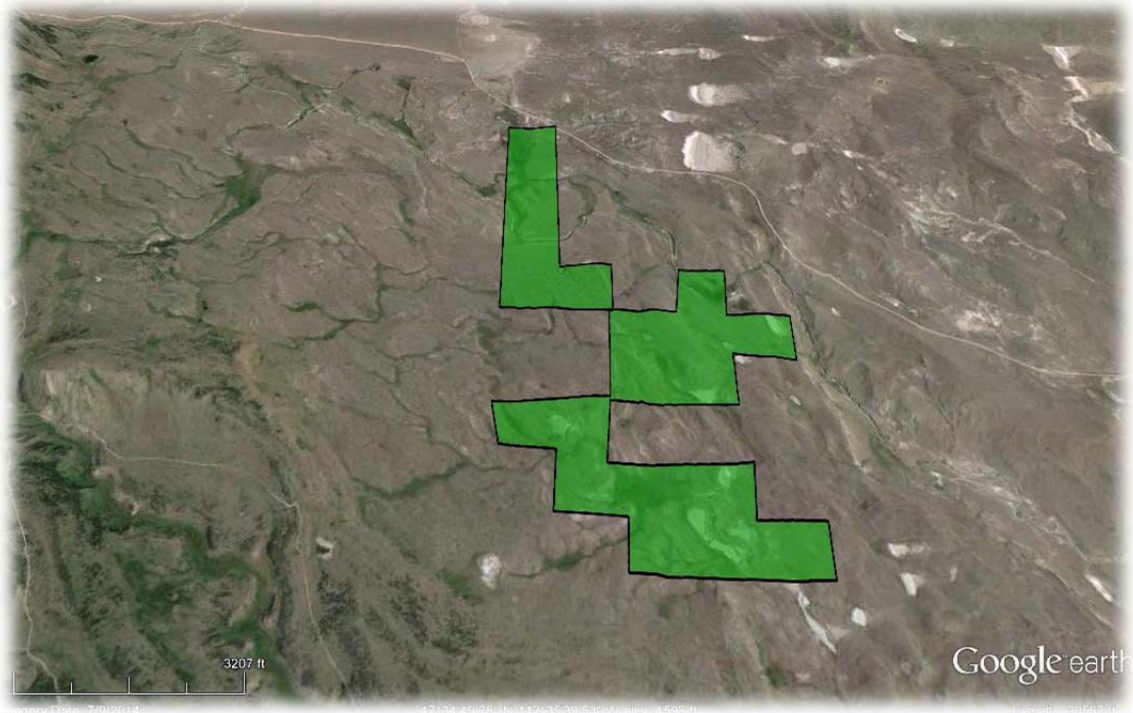
Conclusion of Value: Sales 4 and 5 initially represent the extremes of the market for the subject with a range from \$905 to \$1,850 per acre. Sales 1, 6, and 7 further brackets the market floor at say \$1,400 per acre with sales 3 and 4 representing the ceiling at say \$1,800 per acre. Thus, a bracketed range from \$1,400 to \$1,800 per acre is indicated for the subject. With offsetting factors, sale 2 indicates a value of \$1,718 per acre. With an emphasis on sale 2 and with consideration to the other data, a bracketed value of \$1,725 per acre is concluded for the subject.

Indication of Value for Sun River Barr Creek - Tracts 737, 738, 739, 740 & 741

$$1,290.62 \text{ Acres @ } \$1,725/\text{acre} = \$2,226,320$$

Rounded to \$2,225,000

T. Sales Comparison Approach – Sun River Canyon Road (Tracts 724, 728, 729, 730 and 731



Selection of Sales: This is a rural recreational investment property with varying intensities of use that are complementary to each other. There are 239.73 acres of contiguous lands with year-round access from the Sun Canyon Road. Although lacking utilities (~1 mile away) these lands are suitable for home/cabin site purposes. The remaining 560 acres share common corners and can be accessed by a non-motorized means across adjacent FWP public lands – these lands are complemented by the 239.73 acre. For purposes of valuing the Sun River Canyon Road larger parcel, an emphasis is given to sales of open grassland located along the Front or other properties with offsetting attributes. An older sale of a property located in the vicinity of the subject was referenced as well as a recent sale of a property more recreationally oriented but with limitations relative to access.

Adjustments: In this analysis, both quantitative and qualitative factors are accounted for.

Quantitative Adjustments: A quantitative adjustment was made to account for the building improvements and/or leasehold interests associated with sales 1, 8, 7 and 9. Other adjustments that have not been discussed are for market conditions.

Time/change in the market: Due to the age of sale 8 which occurred during peak market values, an adjustment is necessary to capture corrections in the market.

-A 161.39 acre recreational property with agricultural resources along the Front sold for \$508,000 in August 2007 which would coincide with a period of peak values. The property is selling in December 2015 for \$360,000 or a 29% discount. As a smaller property, this property is more recreationally intensive and thus impacted to a greater degree.

-In 6/2008, a 3,727 acre property east of Drummond and north of I-90 sold for \$750 per acre. This sale consisted of a dis-aggregate property with varying degrees of desirability and utility. Much of the property did have a degree of linkage with public lands. In August 2009, an 8,168 acre property west of Drummond sold for \$612/acre. This property also consisted of dis-aggregate parcels with linkage from public lands. Both sales were lands that were at one time managed and owned for timber purposes. Based on this pairing, there is an 18.4% difference in value which can be attributed to a correction in the market with some difference also attributed to size.

-In 1/2006 a 2,055 acre recreational ranch west of Cascade sold for \$2,725,000. This same property sold for \$3,000,000 in January 2010. With consideration to building improvements, land values of \$1,212 and \$1,400 per acre are indicated during this period. On the basis of a 12% per annum rate of appreciation to the end of 2007, a peak value of \$1,520 per acre is indicated – which would then show a discount of say 8% from a peak value.

-In pairing sale 8 to say the sale of CMR, a discount of 17% is indicated. Although a larger property, the CMR is a superior property. Thus, a higher discount is probable.

With consideration to this referenced data and additional data on file, the land value of sale 8 was adjusted <25%> to account for changes in the market. This adjustment of <\$375> per acre was applied to the allocated land value of \$1,500 per acre.

Qualitative Adjustments:

Location: All the sales are located along the Front and are equivalent to each other.

Size: The subject is 799.73 acres and is bracketed by the sales. Size is a factor of value within this data set.

Access: The quality of physical and legal access throughout the whole are factors of consideration. The subject has varying means of access that are complementary to each other. While portions have access via the county road, there are limitations in portions of the subject due to common corners that require crossing public land (which is seasonally closed) and the irrigation canal also bisects portions of the property.

Sale 2 and 8 are accessed by seasonal county roads/trails and as a whole would be less desirable given portions of the subject are along the county road suitable for a year-round use.

Sale 9 is accessed by an appurtenant easement across private land which would be seasonal in use. The easement also places a limitation on the use of the property with respect to home/cabin sites.

Land Use: While having some variability, the sales and the subject consist predominately of open grasslands with some sales inclusive of riparian corridors and/or timber. The subject does have some subby areas on the north end. It's noted that the subject has an irregular boundary and is for the most part unfenced.

Topography: Topography does vary between the sales and the subject. The slopes associated with the subject are mostly gentle where the topography with the sales are variable to steep.

Utilities: The potential use of the property for homesite purposes is recognized by the market. While partially influenced by its access and topography, suitability for residential use is also dependent on proximity to utilities and services.

Recreational and Amenities: The recreational opportunities and the aesthetic attributes are factors of value within the market and for the data considered. This is an emphasis within this data set.

Sale 15 is bisected by a trail easement that provides access from a major trailhead to the National Forest and the Scapegoat Wilderness. While not overly intrusive, the easement does compromise the exclusivity of the property.

SUMMARY: When considering each factor individually, an overall comparison of each sale to the subject can be made. Under this analysis, the market influence or importance of each factor is considered. The significance in terms of effect on market value is analyzed, whereby more weight or emphasis is placed on certain factors over others. Thus, the overall comparison is not merely a summation of the individual ratings but an overall rating based on the most significant factor or combination of factors. In the case of this analysis, more weight is placed on size, access, and utility as a recreational property suitable for homesite purposes.

Summary of Sales Data – Qualitative and Quantitative Adjustments

| Sale Id | Subject | 1 | 2 | 8 | 5 | 9 | 7 | 15 |
|-------------------------|------------------------------------------------------------------------------------|------------------------------------------|------------------------------------------|-----------------------------------|-----------------------------------|----------------------------------|-------------------------------------------|------------------------------------------|
| Reference | | | | | | | | |
| Reference Number | | 6266 | 6170 | 4926 | 6271 | 6713 | 5394 | 5310 |
| Date | | 8/2014 | 1/2014 | 4/2008 | 10/2014 | 9/2015 | 6/2015 | 12/10 |
| Sales Price | | | | | | | | |
| Size (Acres) | | | | | | | | |
| \$/Acre Total | | | | | | | | |
| Time Adjustment | | Current \$0 | Current \$0 | Old – 25% <\$375> | Current \$0 | Current \$0 | Current \$0 | Current \$0 |
| Imp/Lease Adjustment | | | | | | | | |
| Land Adjustment | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Adjusted Value | | \$1,400 | \$1,718 | \$1,125 | \$905 | \$1,174 | \$1,250 | \$1,241 |
| Market Location | NW Augusta | Front (0) | Front (0) | Front (0) | Front (0) | Front (0) | Front (0) | Front (0) |
| Size | 799.73 Acres | Equal (0) | Smaller (-) | Larger (+) | Larger (++) | Larger (++) | Larger (++) | Equal (0) |
| Property Interest | Fee Simple | Fee (0) | Fee (0) | Fee (0) | Fee (0) | Fee (0) | Fee (0) | Fee (0) |
| Access | County and Seasonal | County (-) | Seasonl Cnty ((+) | Seasonl Cnty ((+) | County (-) | Season-Rest (+) | County (-) | County (-) |
| Ag Resources/Land Use | Grass/Wetlands | Offsetting (0) | Grass/Riprn (-) | Grass (0 to +) | Grass/Riprn (0 to -) | Grass/Timber (0) | Grass/Tmbr (0) | Grass/Timbr (0) |
| Topography | Rolling | Level (0) | Variable (0) | Variable (0) | Variable (0) | Steeper (0 to +) | Variable (0) | Steeper (+) |
| Utilities | No | Yes (-) | No (0) | Yes (-) | Yes (-) | No (0) | Yes (-) | No (0) |
| Recreational/Amenities | Water Amenity Land Use/Diversity Views Public Lands Overall Rec/Amenities | Creek Limited Front 6M State – No In (+) | Creek Rip/Grass Front 3.5M None (0 to -) | None Limited Front 5.5M State (+) | Seasonal Grass Front 8M None (++) | Creek Grass/Tmbr Front 0 Yes (-) | Grass/Tmbr Front .5-5M No In (offsetting) | Creek Grass/Tmbr Front 0 FS (offsetting) |
| Overall Indication/Acre | | <\$1,400 | <\$1,718 | >\$1,125 | >\$905 | >\$1,174 | \$1,250 | \$1,241 |

*Purchased by non-profit

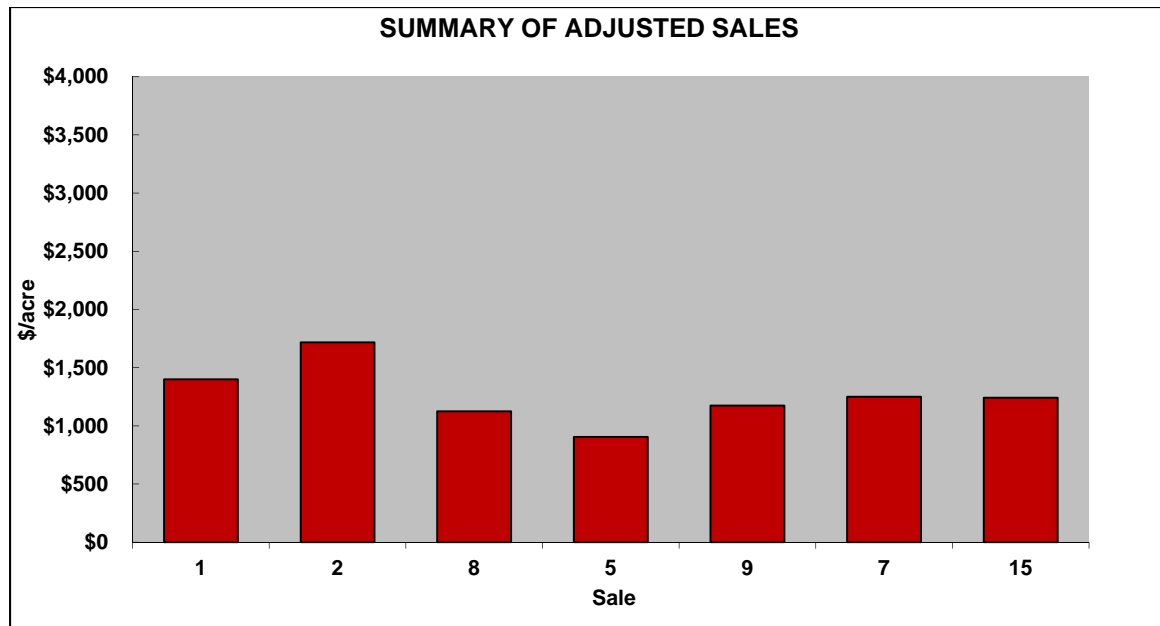
N/A = Non-applicable

(0) Sale and subject are equivalent to each other.

(+) Sale is inferior to the subject which implies a positive adjustment

(-) Sale is better than the subject which implies a negative adjustment

(/) Means slightly negative or positive.



On an initial basis, the sales indicate a range from \$905 to \$1,718 per acre. Exclusive of the upper extreme, a range from \$905 to \$1,400 per acre is indicated. The comparability of the sales is discussed as follows:

-Sale 1 (\$1,400/acre) is located southeasterly of the subject near Haystack Butte. The property consists of CRP and grassland with a small amount of riparian area along Elk Creek. Recognizing utilities and the access to sale 1 is via a highway and county road, sale 1 would be superior on this basis. With consideration to ag resources and utility and recognizing the configuration of the subject, there are offsetting factors. Although there are offsetting water attributes, the subject is located closer to the Front and is an inholding within the WMA. Emphasizing the overall access and utility from a homesite standpoint, sale 1 would tend to bracket the upper tiers of the subject.

-Sale 2 (\$1,718/acre) is a smaller property that is superior on the basis of its ag resources as it's complemented by Scoffin Creek with a higher proportion of subby acres. Like the subject, sale 2 lacks utilities and has less than ideal access. Given portions of the subject are accessible year-round, access is slightly better. Although sale 2 does not adjoin any public lands, the aesthetics and recreational attributes include diversity and it is complemented by Scoffin Creek. Recognizing that sale 2 is smaller, and has superior ag resources with offsetting to superior recreational/aesthetics, it would indicate a value less than \$1,718 per acre.

-Sale 8 (\$1,125/acre) is a larger sale located northeast of the subject. It is an older sale adjusted for market conditions. This property consists of open grassland with a small riparian area along a side channel of the Sun River. It has poor distribution of stock water. Access is seasonal via a county trail. The property does afford good views of the Front and has utilities to the western edge. With the exception of utilities, the subject is a superior property. The subject is located closer to the Front and does have more complementary wetlands and ponds as an inholding. Sale 8 supports a value greater than \$1,125 per acre.

-Sale 5 (\$905/acre) is a larger rural property that is more ag versus recreationally oriented. It is a larger grazing tract that is complemented by some subby areas. As a recreational property, sale 5 is located further off the Front and east of the Boone and Crocket. Sale 5 does have better access overall and throughout the whole. Given utilities are on-site, it is superior on this basis. It has similar to better ag resources as a grazing tract. Emphasizing the larger size and inferior recreational/aesthetic attributes, sale 5 brackets the market floor for the subject at \$905 per acre.

-Sale 9 (\$1,174/acre) is a recent sale of a larger rural and recreational property that is located along the Front. The property is more recreationally intensive given its location and diversity. The property does have access limitations both in terms of quality and also restricted use. Although recreationally oriented, the larger size and access limitations would indicate a value greater than \$1,174 per acre.

-Sale 7 (\$1,250/acre) is a recent sale of a larger recreational ranch located northwest of Choteau. It had a non-conforming set of building improvements which burdened the marketability of the whole. It is a diverse property that stretches from higher elevation lands of the Front to the prairie. It consists of open grass, limber pine, and some irrigated land. It is associated with frontage along the Teton River. The deeded land is interspersed with State land; which does impact some of its exclusivity. The property does have superior access and inclusive of utilities. With offsetting factors, a value of \$1,250 per acre is indicated.

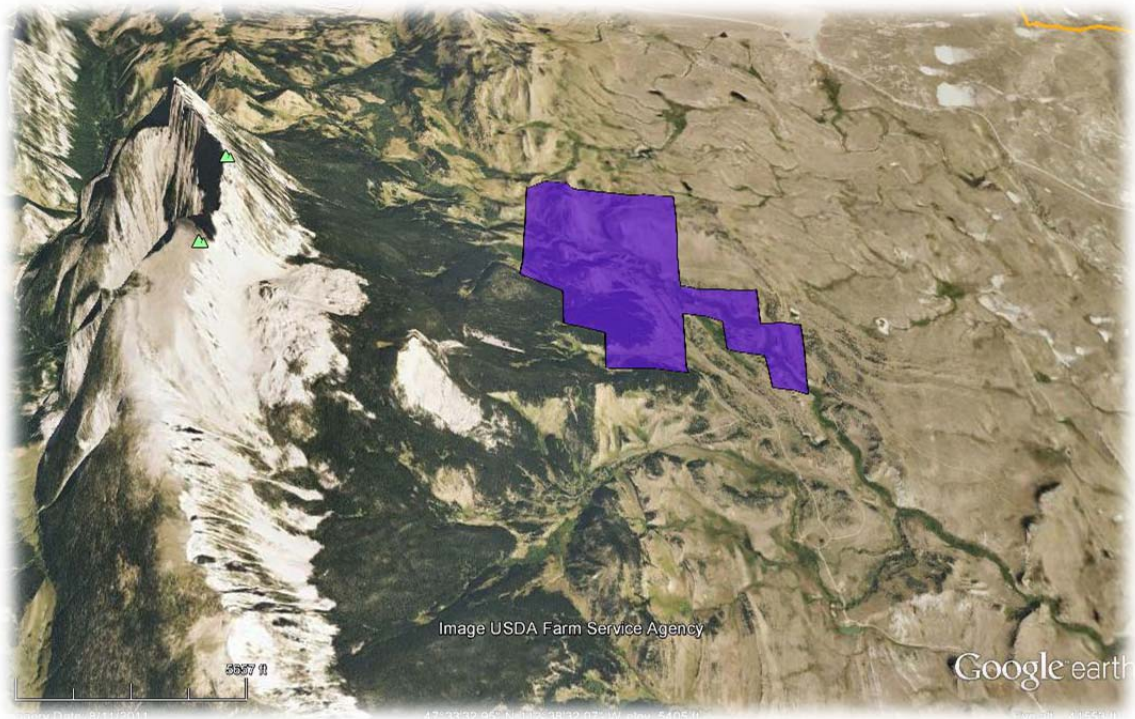
-Sale 15 (\$1,241/acre) is a recreational property located along the Front that adjoins the Forest boundary. The property consists of steeper forestland and a nice riparian corridor complemented by aspen and regen. The property has good views along the Front with a westerly facing slope. The exclusivity of the property is impacted given there is a public trail easement that bisects the property. While physically different than the subject, both are recognized in the market as recreational investment properties. With consideration to offsetting factors, a value of \$1,241 per acre is indicated.

Conclusion of Value: There are different groupings of sales that bracket the subject. Sales 1 and 2 indicate a market ceiling for the subject with values of \$1,400 and \$1,718 per acre. Sales 8, 5, and 9 reflect the lower tiers or a market floor with values of \$1,125, \$905, and \$1,174 per acre, respectively. Thus, on the basis of sales 9 and 1, a bracketed value from \$1,174 to \$1,400 per acre is indicated or a mid-range of \$1,287 per acre. With offsetting factors, sale 7 indicates a value of \$1,250 per acre whereas sale 15 is at \$1,241 an acre. Based on the data presented and the bracketing of the subject, a value of \$1,250 per acre is concluded for the subject.

**Indication of Value for Sun River Canyon Road
Tracts 724, 728, 729, 730, 731**

**799.73 Acres @ \$1,250/acre = \$999,662
Rounded to \$1,000,000**

U. Sales Comparison Approach – Central Sun River (Tracts 732, 733, 735, and 736



Selection of Sales: This larger parcel consists of a contiguous block of land lying within the central portions of the WMA and is surrounded by State FWP lands. While there is motorized access, it is seasonal and as per the administration of the WMA. This is a recreationally intensive property associated with tier I lands of the Front. The property is inclusive of the Barr Creek drainage and ponds. Lying just below Sawtooth Ridge, it has scenic views of the Front. It is noted that the exclusivity of the property is impacted due to being bisected by roads open to the public as part of the administration of the WMA.

For purposes of evaluating this larger parcel, six sales of recreationally intensive property with diverse land uses were selected. Some of the sales were selected to facilitate the bracketing of the subject.

It's noted that I excluded sales 9 and 15 from the analysis. Given there are other sales to reference, these indicators would only help to bracket the lower end of the market for the subject.

Adjustments: In this analysis, both quantitative and qualitative factors are accounted for.

Quantitative Adjustments:

Buildings: A quantitative adjustment was made to account for the building improvements associated with sale 4.

Time/change in the market: Sale 13 occurred in 2008 during a period of peak market values. Consistent with the adjustment applied to sale 8, sale 13 was discounted 25% to account for changes in the market.

Other: To account for other consideration and to isolate a land value, an adjustment was applied to sale 12.

Qualitative Adjustments:

Motivation: With respect to sales 11 and 12, they were add-on units to other holdings. Thus, the buyer had other motivations that influenced these purchases. Further discussion of this factor is noted in estimating value for the subject.

Location: With the exception of sale 10, the rest of the sales were located along the Front. Sale 10 is located on the other side of the Divide in the upper Blackfoot in an equivalent market area with similar market influences.

Size: The subject is 1,040 acres and is bracketed by the sales. Size is a factor of value within this data set moreso with the extremes between the smaller (sale 2) and larger (sale 4 and sale 12) sales.

Property Interest: Sale 10 is encumbered with a conservation easement. While the terms of the easement sustain use and utility for ag, rec, and residential homesite purposes, it does place restrictions on the property in terms of use(s) including subdivision. It did allow for greater flexibility in terms of homesite location. Given the easement encumbrance, sale 10 is at a market disadvantage.

Access: The quality of physical and legal access throughout the whole are factors of consideration. With respect to the subject, it has motorized access on a seasonal basis when the WMA is open. Thus, although a good quality road provides physical access, it would be for a seasonal use only.

The seasonality of access to the subject would place it at a market disadvantage with all other things being equal. Although this access limitation is acknowledged, a sale of a smaller 40 acre property adjoining the WMA and with a similar means of access is relevant to the evaluation of the subject.

In November 2012, a 40 acre parcel in S29-T21N-R8W that is improved with a rustic cabin that has power sold for \$331,000 or say \$7,400 per acre with some consideration for the cabin. The property bordered a portion of the Sun River WMA. Access was not insurable and was via the Rose Creek Road – which travels through the WMA and is thus seasonally open like the subject. With minimal data to pair this sale with, it does not appear to be significantly discounted. The unique setting was emphasized as an overcoming factor to its when the sale was verified. While comparable to a part of the subject, it would not be appropriate to use this sale to value the subject as a larger property.

Overall, the type of access is a consideration within the data set. It's noted that inherent in many of the sales is access that is seasonal. Those properties associated with a county road would be superior and those with seasonal access would be inferior. It's noted that the access to sale 11 is inferior given access rights. The buyer however purchased this as an add-on and access was less of a factor.

Land Use: While having some variability, the sales and the subject consist of multiple land uses and habitats. Given the recreational attributes, the ag resources are less of a consideration.

Topography: Topography does vary between the sales and the subject. The slopes associated with the subject are variable with gentle slopes and transitional stepper hillsides.

Utilities: The potential use of the property for homesite purposes is recognized by the market. While partially influenced by its access and topography, suitability for residential use is also dependent on proximity to utilities and services. There are no utilities on-site. Thus, any system would be off-the-grid.

Exclusivity: With respect to the subject, it is bisected by multiple roads that are open to the public with the administration of the WMA. This does compromise the exclusivity of the property and is recognized as a factor of value as a segment of the market is resistant to this type of infringement. This factor is inter-related with the recreational and amenity factor discussed below.

Recreational and Amenities: The recreational opportunities and the aesthetic attributes are factors of value within the market and for the data considered. This is an emphasis within this data set.

SUMMARY: When considering each factor individually, an overall comparison of each sale to the subject can be made. Under this analysis, the market influence or importance of each factor is considered. The significance in terms of effect on market value is analyzed, whereby more weight or emphasis is placed on certain factors over others. In the case of this analysis, more weight is placed on utility as a recreational property, property interest, and size.

Summary of Sales Data – Qualitative and Quantitative Adjustments

| Sale Id | Subject | 10 | 2 | 11 | 4 | 12 | 13 |
|-------------------------|-----------------------------------------------------------------|-------------------------------------------------------------------|----------------------------------------------------------|--------------------------------------------------------|-----------------------------------------------------------------------|-----------------------------------------------------------------|----------------------------------------------------------------|
| Reference | | | | | | | |
| Reference Number | | 5054 | 6170 | 5190 | 5481 | 5656 | 4923 |
| Date | | 9/2009 | 1/2014 | 3/2010 | | | |
| Sales Price | | | | | | | |
| Size (Acres) | | | | | | | |
| \$/Acre Total | | | | | | | |
| Time Adjustment | | Current \$0 | Current \$0 | Current \$0 | Current \$0 | Current \$0 | Older – 25% <\$593> |
| Imp/Lease Adjustment | | \$0 | \$0 | \$0 | <\$38> | \$0 | \$0 |
| Land Adjustment | | \$0 | \$0 | \$0 | \$0 | \$287 | \$0 |
| Adjusted Value | | \$2,031 | \$1,718 | \$2,091 | \$1,850 | \$2,969 | \$1,779 |
| Qualitative Adjustments | | | | | | | |
| | | | | | | | |
| Market Location | NW Augusta | U. Blackfoot (0) | Front (0) | Front (0) | Front (0) | Front (0) | Front (0) |
| Size | 1,040 Acres | Smaller (0 to -) | Smaller (-) | Equal (0) | Larger (+) | Larger (0 to +) | Smaller (0 to -) |
| Property Interest | Fee Simple | CE Enc. (+) | Fee (0) | Fee (0) | Fee (0) | Fee (0) | Fee (0) |
| Access | Motorized Seasonal | Seasonal FS (0 to -) | Seasonal Cnty (0 to -) | Limited Ssnl (0 to +) | County (-) | Seasonal (0) | Seasonal (0) |
| Ag Resources/Land Use | Grass/Wetlands | Similar (0) | Grass/Rprn (0) | Forestland (+) | Grass/Mdws (0) | Tmbr/Grass (0 to +) | Forestland (+) |
| Topography | Variable | Undulating (0 to -) | Variable (0) | Steeper (+) | Variable (0) | Variable (0) | Steeper (+) |
| Utilities | No | No (0) | No (0) | No (0) | Yes (-) | No (0) | No (0) |
| Recreational/Amenities | Mult Road Creeks/Ponds Diverse Front 2.5M Inholding | No Roads Minimal Diverse Distant Mtns. Minimal (+) | No Roads Creek More Open Front None (+ +) | No Roads River Limited Front Public (+) | No Roads Small Ck Good Front FS No In FS (offset to +) | No Roads Minimal Good Front Public (offset to -) | No Roads Sm. Creeks Limited Front 0M Public (+) |
| Overall Indication/Acre | | >\$2,031 \$2,538 | >\$1,718 | >\$2,091 | >\$1,850 | <\$2,969 | >\$1,779 |

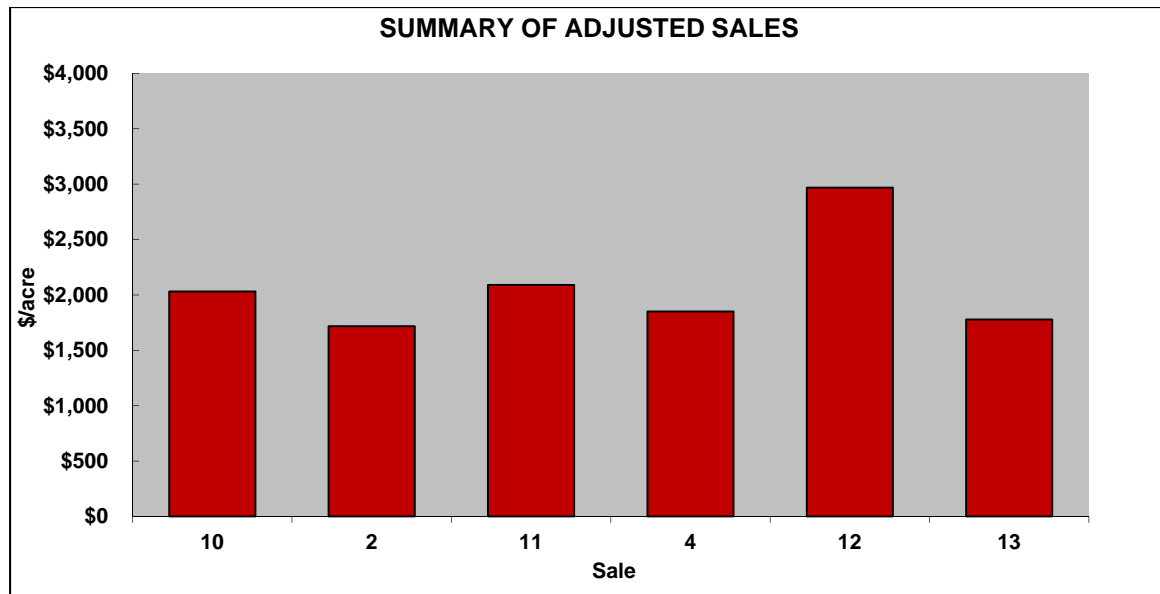
*Purchased by non-profit

(0) Sale and subject are equivalent to each other.

(+) Sale is inferior to the subject which implies a positive adjustment

(-) Sale is better than the subject which implies a negative adjustment

(/) Means slightly negative or positive.



The sales indicate a range in value from \$1,718 to \$2,969 per acre. The comparability of the sales is discussed as follows:

-Sale 10 (\$2,031/acre) is a sale of a smaller recreational property located in the upper Blackfoot. With more gentle slopes, it is a diverse property in terms of land uses and habitats. It is a combination of grasslands, forestland and wetlands. The property is accessed by a Forest Service road that is not kept open during the winter (but could be if desired by owner) or accessed with snowmobile. Thus, the property is more suitable for a seasonal use – but the period of use is not designated. This property is encumbered with a conservation easement that would be at a market disadvantage.

As a recreational property, sale 10 is not burdened by infringing roads. It lacks however the inholding status of the subject, doesn't include equivalent water attributes and would not have the viewshed inherent with the subject. Emphasizing the CE encumbrances of sale 10 and being an inferior recreational property, a value greater than \$2,031 per acre is indicated.

As an additional means of analysis, the conservation easement resulted in a low change to the property's highest and best use and a diminution of 20% is estimated or an equivalent fee value of \$2,538 per acre. On an unencumbered basis, the subject is still a superior recreational property but this is offset given the sale is not hindered by a period of closure, is slightly smaller, and does not have any associated steep slopes. Thus, while a value greater than \$2,031 per acre is supported, a value of \$2,538 per acre is more probable for the subject.

-Sale 2 (\$1,718/acre) is a smaller recreational property along Scoffin Creek. Although access is via a seasonal county road, the period of use is not designated. As a recreational property, the subject has much more diversity than sale 2, is located closer to the Front with a more encompassing viewshed, and is a complete inholding. While not burdened by bisecting roadways like the subject, sale 2 is an open property. Overall, the subject is a superior recreational property and a value greater than \$1,718 per acre is supported.

-Sale 11 (\$2,091/acre) and sale 13 (\$1,779/acre) are sales of recreational mountain land located southwest of Augusta. These properties include rugged landscapes with steep mountain hillsides and relief – which does sustain some of their uniqueness. Sale 11 was purchased as an add-on unit. The access would be seasonal and there were no utilities on site. These properties would have limited utility for a complementary agricultural use.

Although these sales are more private and exclusive than the subject, they lack the diversity of the subject and would not have the same level of utility as a recreational property. From a seasonal homesite standpoint, the subject would offer more opportunities. Thus, both sales 11 and 13 would warrant higher values for the subject or a value greater than \$2,091 per acre.

-Sale 4 (\$1,850/acre) is a larger recreational ranch located south of the subject. The property has superior access than the subject and provides good utility as a ranch with potential for a year-round use. From an amenity and recreational standpoint, there are some offsetting factors. Emphasizing the larger size of sale 4, a value greater than \$1,850 per acre is warranted for the subject.

-Sale 12 (\$2,969/acre) is a comparable property given proximity to the Front, seasonal access, and diversity in terms of land uses and habitats.

[REDACTED]

[REDACTED] a value less than \$2,969 per acre is indicated for the subject.



On the basis of a 15% premium, an adjusted value of \$2,523 per acre is indicated for sale 12.

Conclusion of Value: The market floor for the subject is initially established by sales 2 and 13 with a value of say \$1,779 per acre. As an encumbered property, sale 10 would further support a value greater than \$2,031 per acre with sale 12 establishing the upper parameters of the market at \$2,969 per acre. Additional analysis of sales 10 and 12 would indicate values of \$2,538 and \$2,523 per acre, respectively. With an emphasis on sales 10 and 12 and with consideration to the bracketing represented by the other sales, a value of \$2,525 per acre is concluded for the subject.

As an additional point of reference and as a test of reasonableness, the 2011 sale of a larger recreational ranch along the Front was referenced. On the basis of an allocation of higher amenity tier I lands versus lower utility tier II lands a value of \$2,759 per acre is assigned to the tier I lands. This reflects a value for higher amenity/recreational lands associated with a much larger property than the subject but one that is more exclusive given an end of the road setting with no internal public roads. Thus, the concluded value of \$2,525 per acre is reasonable based on this indicator of value.

**Indication of Value for Central Sun River
Tracts 732, 733, 735, and 736**

**1,040 Acres @ \$2,525/acre = \$2,626,000
Rounded to \$2,625,000**

V. Sales Comparison Approach – Blackleaf Section 16 (Tract 754)

This 519.48 acre larger parcel consists of a contiguous block of land lying within the central portions of the Blackleaf WMA surrounded by State FWP lands. This property consists of a mixture of limber pine, timber, aspen and areas of open grassland. Motorized access is along a seasonal road that runs southerly about 300 yards from the Blackleaf Road to the subject.

Selection of Sales: For purposes of evaluating this larger parcel, seven sales of recreationally oriented property with diverse land uses were selected. Sales more similar in size to the subject were selected. Although the bulk of the data was located along the Front, I did reference an ancillary sale of a 640 acre property located southwest of Philipsburg.

Adjustments: In this analysis, both quantitative and qualitative factors are accounted for.

Quantitative Adjustments: A quantitative adjustment was made to account for the building improvements associated with sales 14 and 17.

Qualitative Adjustments: Multiple qualitative factors are considered in this analysis.

Location: With the exception of sale 18A, the rest of the sales were located along the Front. Sale 18A is located in the Flint Creek Valley southwest of Philipsburg in an area influenced by similar factors. The sale shows consistency in terms of value and the market location is considered equal to that of the subject.

Size: Size is a factor of consideration within the data set; especially for the smaller sized properties

Access: The quality of physical and legal access throughout the whole are factors of consideration. With respect to the subject, it has motorized access on a seasonal basis when the WMA is open. Thus, although there is good physical access, it would be for a seasonal use only.

The seasonality of access to the subject would place the subject at a market disadvantage with all other things being equal. However, as indicated by the previously discussed sale of a smaller 40 acre property adjacent to the Sun River WMA, the market does recognize the uniqueness of properties associated with a WMA.

Overall, the type of access is a consideration within the data set.

Land Use: While having some variability, the sales and the subject consist of multiple land uses and habitats. Given the recreational attributes, the ag resources are less of a consideration.

Topography: Topography does vary between the sales and the subject. The slopes associated with the subject are level.

Utilities: The potential use of the property for homesite purposes is recognized by the market. While partially influenced by its access and topography, suitability for residential use is also dependent on proximity to utilities and services. There are no utilities on-site. Thus, any system would be off-the-grid.

Recreational and Amenities: The recreational opportunities and the aesthetic attributes are factors of value within the market and for the data considered. This is an emphasis within this data set.

SUMMARY: When considering each factor individually, an overall comparison of each sale to the subject can be made. Under this analysis, the market influence or importance of each factor is considered. The significance in terms of effect on market value is analyzed, whereby more weight or emphasis is placed on certain factors over others. In the case of this analysis, more weight is placed on utility as a recreational homesite, access, and size.

Summary of Sales Data – Qualitative and Quantitative Adjustments

| Sale Id | Subject | 15 | 2 | 3 | 14 | 16 | 17 | 18 A |
|--------------------------------|------------------------------------------------------------------------------------|---------------------------------------------------------|-------------------------------------------------|---------------------------------------------------|---------------------------------------------|------------------------------------------------|--------------------------------------------|-----------------------------------------------------|
| Reference | | | | | | | | |
| Reference Number | | 5310 | 6170 | 6083 | 6734 | 6457 | 6084 | 6093 |
| Date | | 12/10 | 1/2014 | 9/2013 | 8/2015 | 1/2014 | 7/2013 | 9/2013 |
| Sales Price | | | | | | | | |
| Size (Acres) | | | | | | | | |
| \$/Acre Total | | | | | | | | |
| Time Adjustment | | Current \$0 | Current \$0 | Current \$0 | Current \$0 | Current \$0 | Current \$0 | Current \$0 |
| Imp/Lease Adjustment | | \$0 | \$0 | \$0 | <\$750> | \$0 | <\$183> | \$0 |
| Land Adjustment | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Adjusted Value | | \$1,241 | \$1,718 | \$1,797 | \$1,500 | \$1,589 | \$1,050 | \$1,421 |
| Qualitative Adjustments | | | | | | | | |
| Market Location | W. Bynum | Front (0) | Front (0) | Front (0) | Front (0) | Front (0) | Front (0) | P-Burg (0) |
| Size | 519.48 Acres | Similar (0) | Similar (0) | Smaller (-) | Smaller (-) | Smaller (-) | Smaller (-) | Similar (0) |
| Property Interest | Fee Simple | Fee (0) | Fee (0) | Fee (0) | Fee (0) | Fee (0) | Fee (0) | Fee (0) |
| Access | Motorized Seasonal | County (-) | Seasnl Cnty (-) | County (-) | Easement (0 to -) | County (-) | Seasnl Esmnt (+) | Seasnl Cnty (-) |
| Ag Resources/Land Use | L. Pine Grass/Aspen | Similar (0) | Grass/Riprn (0 to -) | Similar (0) | Grass (offsetting) | Grass (offsetting) | Grass (offsetting) | Forestland (0) |
| Topography | Level | Steeper (+) | Variable (0) | Variable (0) | Mostly Level (0) | Variable (0) | Rolling (0) | Steeper (+) |
| Utilities | No | No (0) | No (0) | Yes (-) | Yes (-) | Yes (-) | Yes (-) | No (0) |
| Recreational/Amenities | Water Amenity Land Use/Diversity Views Public Lands Overall Rec/Amenities | Creek Grass/Timber Front 0M FS (offsetting) | Creek Rip/Grass Front 3.5M None (-) | Ck Grass/Aspen Front 3.5M Yes/WMA (0) | None Limited Front 5M State (+) | None Grass/Brush Front 6M None (+) | None Minimal Front 6M None (+) | Small Ck Good Pintlers FS Inholding (0) |
| Overall Indication/Acre | | \$1,251 | <\$1,718 | <\$1,797 | SI <\$1,500 | <\$1,589 | >\$1,050 | \$1,421 |

*Purchased by non-profit

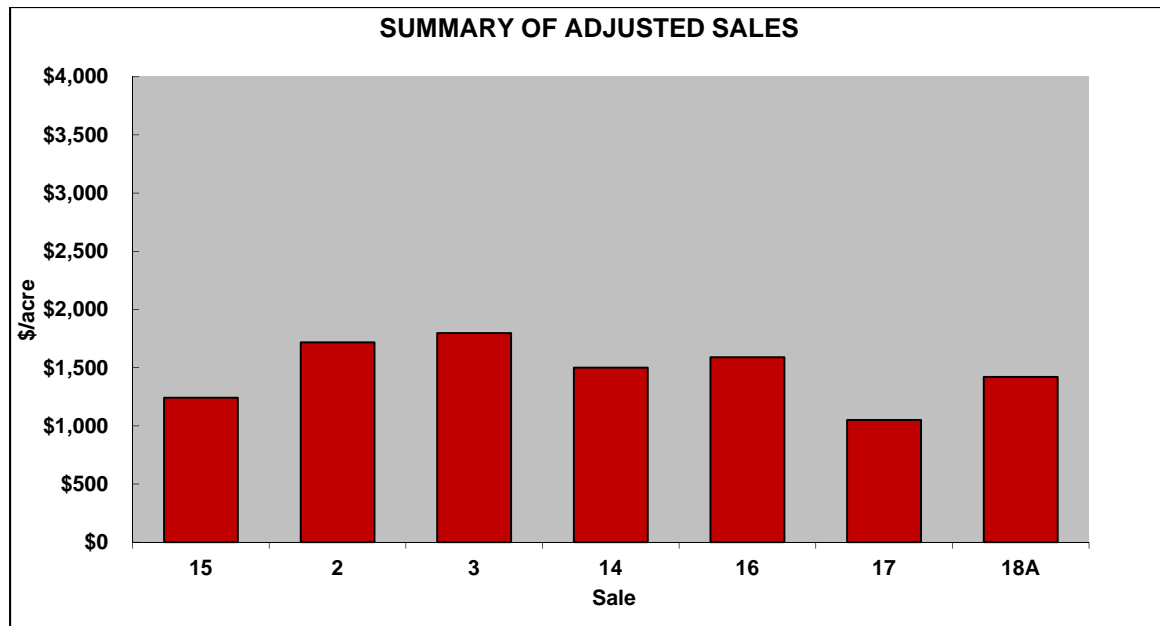
N/A = Non-applicable

(0) Sale and subject are equivalent to each other.

(+) Sale is inferior to the subject which implies a positive adjustment

(-) Sale is better than the subject which implies a negative adjustment

(/) Means slightly negative or positive.



The sales indicate a range in value from \$1,050 to \$1,797 per acre. Exclusive of sale 17, six of the sales indicate a value from \$1,400 to \$1,580 per acre. The comparability of the sales is discussed as follows:

-Sale 15 (\$1,241/acre) is a recreational property located along the Front that adjoins the Forest boundary. The property consists of steeper forestland and a nice riparian corridor complemented by aspen and regen. The property has good views along the Front with a west and east facing slope with a creek on the bottom. The exclusivity of the property is impacted given there is a public trail easement that bisects the property. As a recreational property, it has diverse land use as the subject with views of the Front. Although access is via a county road, the property is associated with steeper slopes. With consideration to offsetting factors, a value of \$1,241 per acre is indicated.

-Sale 2 (\$1,718/acre) is a recreational property along Scoffin Creek. Although access is via a seasonal county road, the period of use is not designated and access is thus deemed better. The property would have getter utility from a complementary ag use and has offsetting to superior factors as a recreational property given its association with Scoffin Creek. Although a seasonal use property that also lacks utilities like the subject, sale 2 is deemed a superior property that would indicate a value less than \$1,718 per acre.

-Sale 3 (\$1,797/acre) is the most comparable sale on the basis it is located just a mile easterly of the subject. It has similar land uses and topography. Although not an *inholding* sale 3 does adjoin the WMA and other protected land. In addition to sale 3 being a smaller property, it also has superior utility from a recreational homesite(s) standpoint given it has year-round access and has utilities on-site. On this basis, sale 3 must bracket the upper tiers of the subject and a value less than \$1,797 per acre is warranted.

-Sale 14 (\$1,500/acre) is a recent sale of a smaller tract located northwest of Choteau. Although suitable as a rural recreational homesite, this property has cumbersome access via a two-track trail across State land. Furthermore, the property consists of open native grassland with minimal diversity or productivity. The property does have superior utility as a homesite and does have unrestricted access which is partially offset by the quality of the access. Overall, this is a less appealing property from an aesthetic/recreational standpoint but affords a higher degree of utility as a rural recreational property. As a smaller property, a value less than say \$1,500 per acre is probable for the subject.

-Sale 16 (\$1,589/acre) is a smaller sale located west of Dupuyer in the vicinity of the Boone and Crocket. The property consists of open grassland and variable topography. It is split by the county road. Although an inferior recreational property, sale 16 is a superior property as a recreational homesite with year-round access. It's also noted that sale 16 lies adjacent to other lands encumbered with conservation easements which controls any uncertainty in terms of future uses. Overall, sale 16 would indicate a value less than \$1,589 per acre.

-Sale 17 (\$1,050/acre) is a smaller tract of open grassland that is located northeast of the subject. Sale 17 is a seasonal use property with access via an easement dependent on a two-track that travels about 1.5 miles from the county road. Thus, although sale 17 doesn't have the seasonal restrictions, the quality of access is inferior and also limits its use. Sale 17 does have utilities on site which is superior to the subject. As a recreational property it has minimal appeal given its lack of diversity or on-site amenities beyond views of the Front. Based on the characteristics of sale 17, a value greater than \$1,050 per acre would be supported for the subject.

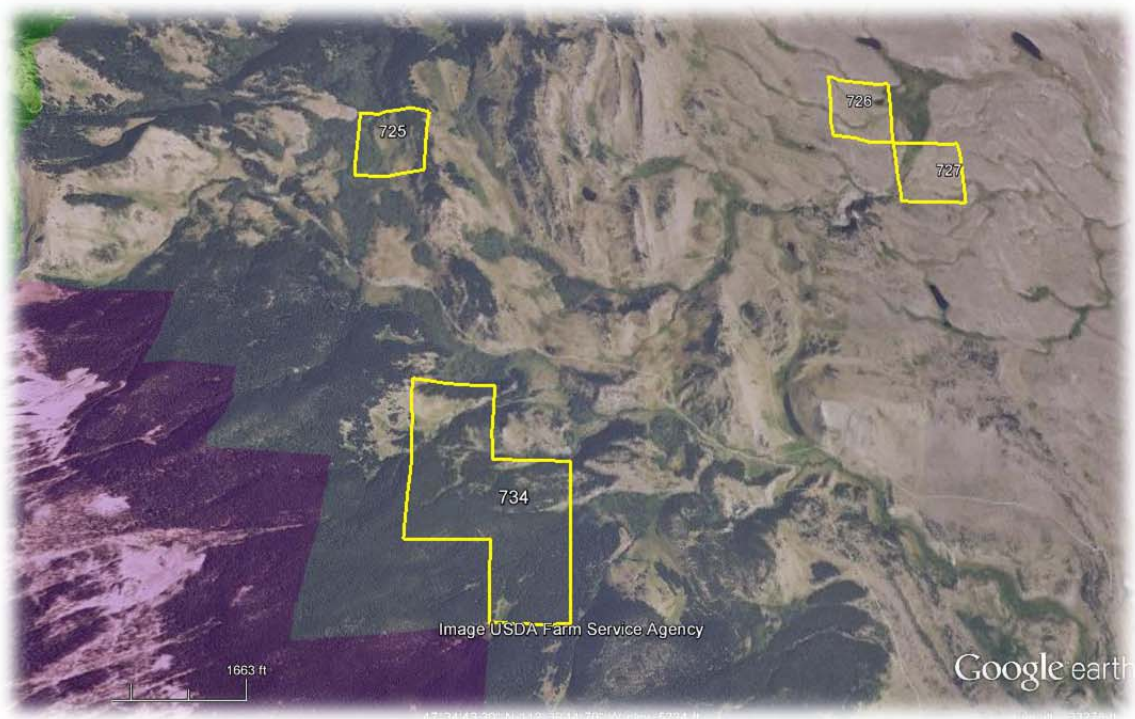
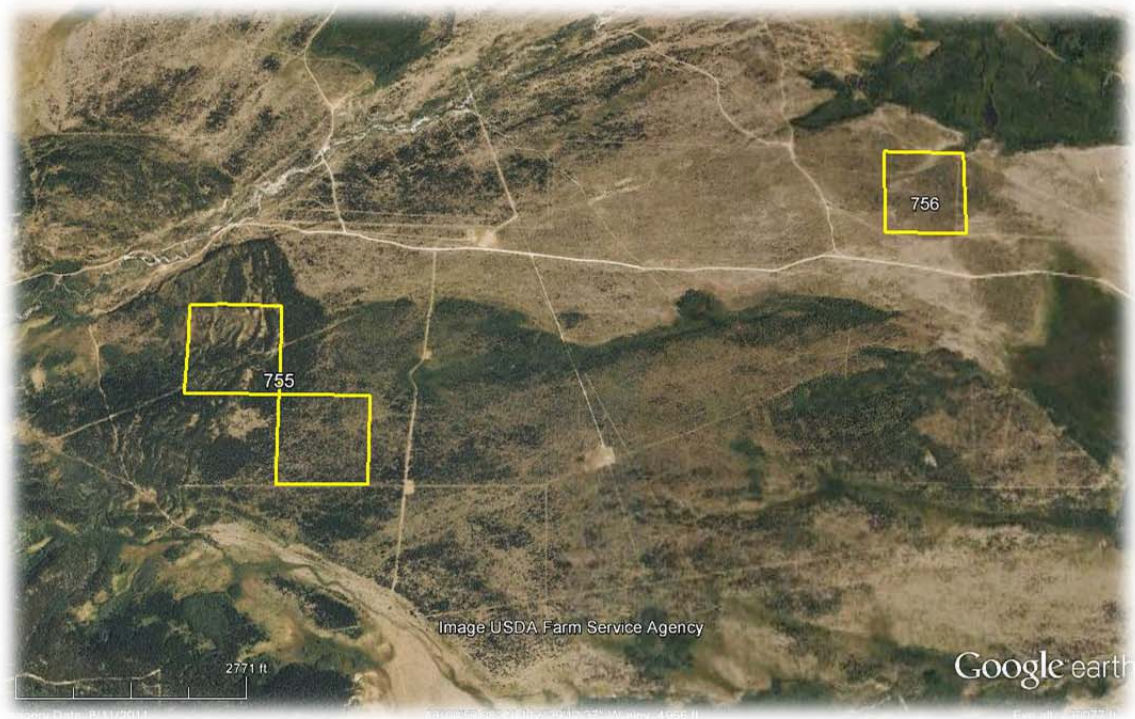
-Sale 18 (\$1,421/acre) is an ancillary sale of a similar sized recreational property located near Philipsburg. As a recreational property sale 18 has similar utility on the basis it is off the grid and associated with seasonal (but unrestricted) access. The property consists predominately of forestland on steeper slopes with areas of grassland. As a recreational property with similar to slightly better utility on the basis of access, sale 18 indicates a value slightly less than say \$1,421 per acre.

Conclusion of Value: Exclusive of sale 17 at \$1,050 per acre, the sales data indicates a range in value from \$1,241 to just under \$1,800 per acre. Sales 2 and 3 with values of \$1,718 and \$1,797 per acre establish the initial market ceiling for the subject as superior properties; especially sale 3 which is located nearby. Sales 14 and 16 further support lower values or less than \$1,500 per acre with sale 18A indicating a value slightly less than \$1,421 per acre. Sale 15 indicates a value of \$1,241 per acre. With an emphasis on sale 15 but acknowledging the other data, a value of \$1,300 per acre is concluded for the subject or a total value of \$675,324 which is rounded to \$675,000.

Indication of Value for Blackleaf Section 16 Tract 754

519.48 Acres @ \$1,300/acre = \$675,324
Rounded to \$675,000

W Summary of Market Information for Larger Parcels with Non-Motorized Seasonal Access (Tracts 725, 726, 727, 734, 755 and 756)



The remaining larger parcels that need to be evaluated are all classified as inholdings that lie within each of the respective WMAs. Each of these parcels has access that is restricted to a non-motorized means across MTFWP lands that are seasonally open. All the separate larger parcels lie within a ¼ to ½ mile of a seasonally opened WMA administered road.

Although each larger parcel has desirable attributes as recreational properties, they have a diminished level of utility. These parcels have limited potential for livestock grazing and from a recreational use (camping, hiking, hunting, etc.) the adjacent public lands offer the same potential use.

For purposes of evaluating these larger parcels, I will provide and discuss the relevant sales data. From the data, a sales comparison approach will be estimated separately for each of the larger parcels.

Selection of Sales: For purposes of evaluating these larger parcels, I've emphasized sales of access restricted properties that will be used on a direct comparison (versus percentage discount) basis. While some of the sales are located along the Front, I've considered sales outside the area.

The sales included lands that were landlocked being surrounded by private lands (one or multiple owners) or had to be accessed across public lands via a non-motorized means. The selected sales are a cross-section of sales within the marketplace; they are summarized on the following page.⁷

It's noted that the data referenced as sale AA is a summary of numerous transactions (~30 sales) of access impaired properties that are located in the Big Belts south of Cascade. These sales encompass a single buyer that is assembling tracts. The buyer has essentially established a self-imposed market with the bulk of the sales (excludes extremes) falling within the designated range.

Sales 21, 23 and 28 were to a public agency or non-profit. These sales were verified as per UASFLA and meet the criterion of an arms-length sale.

⁷ Landlocked sales specific to DNRC land banking was not utilized in the analysis.

| Sale | Ref | Location | Adjacent Land | Land Use | Amenities | Date | Sales Price | Size | \$/Acre |
|------|------|----------|----------------|------------|----------------|--------|-------------|--------|---------------------------|
| 15B | 5507 | Front | Private | Grassland | Limited Views | Mar-13 | \$28,000 | 40 | \$700 |
| 19 | 6786 | Front | Private/Public | Forestland | Diverse/Ck | Feb-14 | \$160,000 | 40 | \$4,000 |
| 20 | 6787 | Front | Private | Grassland | Limited | Pend | \$11,880 | 33 | \$360 |
| 21 | 4890 | B. Foot | Public | Forestland | Wildlife/views | Mar-07 | \$240,000 | 160 | \$1,500 \$1,125 |
| 22 | 6788 | B. Foot | Public | Forestland | Wildlife | Dec-15 | \$33,000 | 20 | \$1,650 |
| 23 | 6790 | B. Foot | Public | Forestland | Wildlife/view | Mar-07 | \$24,000 | 20 | \$1,200 \$900 |
| 24 | 5164 | Front | Pub/Private | Forestland | Views | Dec-09 | \$500,000 | 362.3 | \$1,380 |
| 25 | 5242 | Avon | Private | Grassland | Limited | Jul-10 | \$60,000 | 200 | \$300 |
| 26 | 6213 | B. Foot | Private | Forestland | Creek/Habitat | Mar-14 | \$50,000 | 110 | \$455 |
| 27 | 6609 | B. Foot | Private | Forestland | Timber/Views | Jun-15 | \$60,623 | 160 | \$379 |
| 28 | 6617 | B. Foot | Public/Private | Grass/Rip | River/Habitat | Jan-12 | \$224,000 | 160 | \$1,400 |
| AA | -- | L. Belts | Public/Private | Forestland | Habitat | Var | Varies | 40-317 | \$500-\$600 |

Summary of Data and Factors of Value: The sales represent a wide range in value from a low of \$300 to \$4,000 per acre. Although there are similarities between some of the sales, they don't necessarily reflect consistencies in terms of values – which is not unreasonable. The following factors of value are addressed.

Buyer/Seller Motivation: Motivation of buyer and/or seller are integral in accounting for variability in sales. Some buyers are motivated to close ownership gaps within their ownership and don't heavily discount a property versus others where there is no other means to create a competitive market and a seller has no options.

Size: Although size is a consideration, the market is inconsistent with respect to this factor. The sales in the Little Belt Mountains do not vary on the basis of size. The size of a property does impact total value and this is a consideration.

Time/Market Conditions: Sales 21 and 23 occurred in 2007 during a period of peak values. Consistent with previous analysis, these sales were discounted 25%. The adjusted values are \$1,125 and \$900/acre. All the other sales occurred subsequent to market corrections and reflect current conditions in the market.

Accessibility: The accessibility of a property is a factor. Landlocked parcels surrounded by private land versus public land is a factor of consideration. If public land can be utilized, then the property is at least accessible in some fashion versus being private land where there is no reasonable means of access without trespassing.

Although it's reasonable to say that the number of private owners adjacent to an access impaired property may impact marketability by potential competition (and at least create a market) this doesn't always hold true.

For those parcels that are surrounded by private land, there is limited marketability; especially if landlocked around a single owner. Sale 20 (\$360/acre) and sale 25 (\$300/acre) are good examples of this. These sales and others reflect values that are more consistent with their physical use(s) such as agricultural production or forestland.

Within the data set are some private inholdings that were surrounded by public lands. These are more representative of the subject lands.

Another factor of consideration is that the subject parcels can only be accessed with the WMAs are open. Thus, although best suitable for a seasonal use, these parcels could not be occupied during the winter.

Aesthetics/Recreation: The aesthetics and recreational attributes of a property are a consideration.

Physical Use: The physical use of a property impacts value. Consistent with the subject and the sales, all are associated with grasslands and/or forest land. None of the sales (or the subject) are inclusive of irrigated lands. Inter-related to this factor is topography, which influences a property's physical use.⁸

⁸ While not referenced as a sale, there is a 160 acre access impaired property in the Bitterroot that sold for \$250/acre. This property was also associated with steep forested hillsides.

X. Sales Comparison Approach – Blackleaf Larger Parcels with Non-Motorized Access. BL Section 10 (Tract 756) and BL Section 17 (Tract 755)

The two larger parcels associated with the Blackleaf WMA consist of a 40 and 80 acre parcel. The same data is referenced to estimate value for each of the two larger parcels.

| Sale | Ref | Location | Adjacent Land | Land Use | Amenities | Date | Sales Price | Size | \$/Acre |
|------|------|----------|----------------|------------|----------------|--------|-------------|-------|---------|
| 15B | 5507 | Front | Private | Grassland | Limited Views | Mar-13 | \$28,000 | 40 | \$700 |
| 19 | 6786 | Front | Private/Public | Forestland | Diverse/Ck | Feb-14 | \$160,000 | 40 | \$4,000 |
| 20 | 6787 | Front | Private | Grassland | Limited | Pend | \$11,880 | 33 | \$360 |
| 21 | 4890 | B. Foot | Public | Forestland | Wildlife/views | Mar-07 | \$240,000 | 160 | \$1,125 |
| 22 | 6788 | B. Foot | Public | Forestland | Wildlife | Dec-15 | \$33,000 | 20 | \$1,650 |
| 23 | 6790 | B. Foot | Public | Forestland | Wildlife/view | Mar-07 | \$24,000 | 20 | \$900 |
| 24 | 5164 | Front | Pub/Private | Forestland | Views | Dec-09 | \$500,000 | 362.3 | \$1,380 |
| 25 | 5242 | Avon | Private | Grassland | Limited | Jul-10 | \$60,000 | 200 | \$300 |
| 26 | 6213 | B. Foot | Private | Forestland | Creek/Habitat | Mar-14 | \$50,000 | 110 | \$455 |
| 27 | 6609 | B. Foot | Private | Forestland | Timber/Views | Jun-15 | \$60,623 | 160 | \$379 |
| 28 | 6617 | B. Foot | Public/Private | Grass/Rip | River/Habitat | Jan-12 | \$224,000 | 160 | \$1,400 |

Initially, the data is referenced to bracket the extremes for both of the subject parcels. The extremes are highlighted above.

The lower extremes of the market are highlighted in yellow and indicate values from \$300 to \$455 per acre. Sale 20 (\$360/acre) is a smaller sized parcel located along the Front. It is a landlocked property surrounded by private land. It would indicate values significantly greater for both the subject larger parcels. Sale 26 (\$455/acre) is also a landlocked tract that would further establish the extreme market floor.

The upper extreme of the market is represented by sale 19 (\$4,000/acre). Sale 19 is a 40 acre private inholding and motivation was an influence in this sale. Sale 19 is also a higher amenity property. Given this factor and relative comparability to the other data, sale 19 establishes the upper parameters of the market.

The remaining sales indicate a range in value from \$700 to \$1,650 per acre with four of the sales ranging from \$1,125 to \$1,650 per acre.

Section 10 (Tract 756): As a 40 acre parcel, it is bordered by the WMA and private land. It is a level fenced parcel dominated by limber pine and grassland. The following sales are relied upon to estimate value.

| Sale | Location | Adjacent | Land Use | Amenities | Date | Total Price | Size | \$/Acre |
|------|----------|----------------|------------|----------------|--------|-------------|-------|---------|
| 15B | Front | Private | Grassland | Limited Views | Mar-13 | \$28,000 | 40 | \$700 |
| 21 | B. Foot | Public | Forestland | Wildlife/views | Mar-07 | \$240,000 | 160 | \$1,125 |
| 22 | B. Foot | Public | Forestland | Wildlife | Dec-15 | \$33,000 | 20 | \$1,650 |
| 23 | B. Foot | Public | Forestland | Wildlife/view | Mar-07 | \$24,000 | 20 | \$900 |
| 24 | Front | Pub/Private | Forestland | Views | Dec-09 | \$500,000 | 362.3 | \$1,380 |
| 28 | B. Foot | Public/Private | Grass/Rip | River/Habitat | Jan-12 | \$224,000 | 160 | \$1,400 |

-Sale 15B (\$700/acre) is a similar size tract of open grassland located along the Front with minimal amenities. It is surrounded by private land and is inferior to the subject.

-Sale 21 (\$1,125/acre) and sale 23 (\$900/acre) are recreational tracts in the central Blackfoot. Like the subject, access is by a non-motorized means. The access however is more cumbersome but not limited in terms of a period of use.

Sale 23 is also associated with steeper slopes and has diminished utility which warrants a higher value than \$900 per acre for the subject. As a larger property and recognizing quality of access sale 21 supports a value higher than \$1,125 per acre.

-Sale 22 (\$1,650/acre) is a smaller recreational tract of forestland in the lower Blackfoot. The property lies adjacent to a large block of public State land. Access was non-motorized only.

-Sale 24 (\$1,380/acre) is a larger property located on the Front that was purchased as an add-on. Given topography and size, a higher value is probable for the subject.

-Sale 28 (\$1,400/acre) is a larger recreational tract with access from a non-motorized means across a waterfowl production area (WPA). The property is recreationally intensive and associated with frontage along the Blackfoot River.

Conclusion of Value: Exclusive of sales 15B and 23, a range from \$1,125 to \$1,650 per acre is indicated. Sales 21, 24, and 28 as larger sales indicate a central tendency of say \$1,300 per acre. A value above this average and at the upper end of the range is reasonable or \$1,400 per acre. Sale 22 indicates a value of \$1,650 per acre. Given the data presented, a probable value from \$56,000 to \$66,000 is indicated. Based on this data, a value of \$1,500 per acre is concluded or a total value of \$60,000.

Indication of Value for Blackleaf Section 10 Tract 756

40 Acres @ \$1,500/acre = \$60,000

Section 17 (Tract 755): This is an 80 acre property that consists of 2-40 acre tracts that share common corners. It consists of timber with aspen and some open areas. The following sales are emphasized.

| Sale | Location | Adjacent | Land Use | Amenities | Date | Total Price | Size | \$/Acre |
|------|----------|----------------|------------|----------------|--------|-------------|-------|---------|
| 15B | Front | Private | Grassland | Limited Views | Mar-13 | \$28,000 | 40 | \$700 |
| 21 | B. Foot | Public | Forestland | Wildlife/views | Mar-07 | \$240,000 | 160 | \$1,125 |
| 22 | B. Foot | Public | Forestland | Wildlife | Dec-15 | \$33,000 | 20 | \$1,650 |
| 23 | B. Foot | Public | Forestland | Wildlife/view | Mar-07 | \$24,000 | 20 | \$900 |
| 24 | Front | Pub/Private | Forestland | Views | Dec-09 | \$500,000 | 362.3 | \$1,380 |
| 28 | B. Foot | Public/Private | Grass/Rip | River/Habitat | Jan-12 | \$224,000 | 160 | \$1,400 |

-Sale 15B (\$700/acre) is a smaller tract of open grassland located along the Front with minimal amenities. It is surrounded by private land and is inferior to the subject.

-Sale 21 (\$1,125/acre) and sale 23 (\$900/acre) are recreational tracts in the central Blackfoot. Access is by a non-motorized means. The access however is more cumbersome but not limited in terms of a period of use. Sale 23 is also associated with steeper slopes and has diminished utility which warrants a higher value than \$900 per acre for the subject. As a larger property and recognizing quality of access, sale 21 supports a value higher than \$1,125 per acre.

-Sale 22 (\$1,650/acre) is a smaller recreational tract of forestland in the lower Blackfoot. The property lies adjacent to a large block of public State land. Access was non-motorized only.

-Sale 24 (\$1,380/acre) is a larger property located on the Front that was purchased as an add-on. Given topography and size, a higher value is probable for the subject.

-Sale 28 (\$1,400/acre) is a larger recreational tract with access from a non-motorized means across a waterfowl production area (WPA). The property is recreationally intensive and associated with frontage along the Blackfoot River.

Conclusion of Value: Exclusive of sales 15B and 23, a range from \$1,125 to \$1,650 per acre is indicated. Sales 21, 24, and 28 as larger sales indicate a central tendency of say \$1,300 per acre. A value above this average and at the upper end of the range is reasonable or \$1,400 per acre. Sale 22 indicates a value of \$1,650 per acre. Given the data presented, a probable total value from \$112,000 to \$132,000 indicated. Based on the data presented, a value of \$1,500 per acre is concluded or a total value of \$120,000.

Indication of Value for Blackleaf Section 17 Tract 755

80 Acres @ \$1,500/acre = \$120,000

Y. Sales Comparison Approach – Sun River Larger Parcels with Non-Motorized Access. SR Buttolph Creek (Tract 725), SR Sections 9&10 (Tracts 726/727) and SR Section 17 (Tract 734)

The three larger parcels associated with the Sun River WMA consist of a 40, 80 and 160 acre parcels. The same data is referenced to estimate value for each of the three larger parcels.

| Sale | Ref | Location | Adjacent Land | Land Use | Amenities | Date | Sales Price | Size | \$/Acre |
|------|------|----------|----------------|------------|----------------|--------|-------------|-------|---------|
| 15B | 5507 | Front | Private | Grassland | Limited Views | Mar-13 | \$28,000 | 40 | \$700 |
| 19 | 6786 | Front | Private/Public | Forestland | Diverse/Ck | Feb-14 | \$160,000 | 40 | \$4,000 |
| 20 | 6787 | Front | Private | Grassland | Limited | Pend | \$11,880 | 33 | \$360 |
| 21 | 4890 | B. Foot | Public | Forestland | Wildlife/views | Mar-07 | \$240,000 | 160 | \$1,125 |
| 22 | 6788 | B. Foot | Public | Forestland | Wildlife | Dec-15 | \$33,000 | 20 | \$1,650 |
| 23 | 6790 | B. Foot | Public | Forestland | Wildlife/view | Mar-07 | \$24,000 | 20 | \$900 |
| 24 | 5164 | Front | Pub/Private | Forestland | Views | Dec-09 | \$500,000 | 362.3 | \$1,380 |
| 25 | 5242 | Avon | Private | Grassland | Limited | Jul-10 | \$60,000 | 200 | \$300 |
| 26 | 6213 | B. Foot | Private | Forestland | Creek/Habitat | Mar-14 | \$50,000 | 110 | \$455 |
| 27 | 6609 | B. Foot | Private | Forestland | Timber/Views | Jun-15 | \$60,623 | 160 | \$379 |
| 28 | 6617 | B. Foot | Public/Private | Grass/Rip | River/Habitat | Jan-12 | \$224,000 | 160 | \$1,400 |

Initially, the data is referenced to bracket the extremes for both of the subject parcels. The extremes are highlighted above.

The lower extremes of the market are highlighted in yellow and indicate values from \$300 to \$455 per acre. Sale 20 (\$360/acre) is a smaller sized parcel located along the Front. It is a landlocked property surrounded by private land. It would indicate values significantly greater for both the subject larger parcels. Sale 26 (\$455/acre) is also a landlocked tract that would further establish the extreme market floor.

The upper extreme of the market is represented by sale 19 (\$4,000/acre). Sale 19 is a 40 acre private inholding and motivation was an influence in this sale. Sale 19 is also a higher amenity property. Given this factor and relative comparability to the other data, sale 19 establishes the upper parameters of the market.

Buttolph Creek (Tract 725): As a 40 acre parcel, this is a diverse property in terms of land uses and recreational attributes. It is a high amenity property with views. Outside of the access, this would be a very desirable parcel. The following data is emphasized for purposes of evaluating this parcel

| Sale | Location | Adjacent | Land Use | Amenities | Date | Total Price | Size | \$/Acre |
|------|----------|----------------|------------|----------------|---------|-------------|-------|---------------------|
| 19 | Front | Private/Public | Forestland | Diverse/Ck | Feb-14 | \$160,000 | 40 | \$4,000 |
| 21 | B. Foot | Public | Forestland | Wildlife/views | Mar-07 | \$240,000 | 160 | \$1,125 |
| 22 | B. Foot | Public | Forestland | Wildlife | Dec-15 | \$33,000 | 20 | \$1,650 |
| 23 | B. Foot | Public | Forestland | Wildlife/view | Mar-07 | \$24,000 | 20 | \$900 |
| 24 | Front | Pub/Private | Forestland | Views | Dec-09 | \$500,000 | 362.3 | \$1,380 |
| 29 | Front | Public/Private | Mixture | S. River WMA | 11/2012 | | 40 | \$7,400 w/access |

-Sale 19 (\$4,000/acre) is a high amenity property but is influenced by motivation. It lies adjacent to public and private land. Because of the motivation, it establishes the upper parameter of the market.

-Sale 21 (\$1,125/acre) and sale 23 (\$900/acre) are recreational tracts in the central Blackfoot. Like the subject, access is by a non-motorized means. The access however is more cumbersome but not limited in terms of a period of use. From an on-site basis and surrounding area, they would be inferior to the subject. As a larger property and also considering the resources of the subject and surrounding area, a value significantly greater than \$1,125 per acre is supported for the subject.

-Sale 22 (\$1,650/acre) is a smaller recreational tract of forestland in the lower Blackfoot. The property lies adjacent to a large block of public State land. Access was non-motorized only. The subject is a superior property.

-Sale 24 (\$1,380/acre) is a larger property located on the Front that was purchased as an add-on. Given topography and size and further recognizing the subject's association with the Sun River WMA, a higher value is supported for the subject.

-Sale 29 (\$7,400/acre) is specifically referenced given it is the most comparable to the subject on the basis of its size, location, and its diverse resources. It lies adjacent to the Sun River WMA. The property however has more utility given it has power and has motorized access on a seasonal basis. Initially, a value less than \$7,400 per acre is established for the subject.

Given the comparability of this sale, I have referenced other data to account for the differences in access. I have considered sales in the market to estimate a percentage difference between sales with and without access. The following pairings are provided:⁹

-In 2008, 588 acres along the Rocky Mountain Front sold for \$2,372/acre. In December 2009, the same buyer purchased 362 acres that lacked legal access for \$1,381 per acre. While occurring in different time periods, the 588 acres was a more recreationally intensive property that would offset any corrections in the market. This pairing would then show a 42% discount for access. It's noted this buyer purchased other land with access limitations with no measurable discount.

-Two tracts in the upper Blackfoot sold simultaneously in 2011. Both properties consisted of recreational forestland but differed in terms of access. A 760 acre property sold for \$1,100 per acre versus \$625 per acre for 440 acres without a means of motorized access. A discount of 43% is indicated.

-On the west side of the Bitterroots, an 80 acre tract with sloping forestland with access sold for \$3,500 per acre. In 2014, an adjacent 160 landlocked tract without any legal access sold for \$250/acre. On an extreme basis, this shows a 93% difference.

•A 120 acre parcel in Patterson Prairie sold for \$708 per acre in 2007 without legal access. At the time of sale, the buyer felt a comparable fee value of \$1,200 per acre was reasonable or a 41% discount. This value is supported by other fee sales in the Blackfoot.

⁹ It's noted that some of the data consists of older transactions. For purposes of this analysis, the value relationship is emphasized. Thus, the age of the sale is not factor.

-In January 2008, a 39.26 acre inholding without legal access and physical access being about a ¼ mile hike sold for \$50,000 or \$1,274 per acre. The property was located in the Windfall Creek drainage south of Superior in Mineral County. This property was paired to the July 2007 sale of a 40 acre parcel in western Mineral County near DeBorgia that sold for \$105,250 or \$2,631/acre. This sale would show a 51% discount.

Although there is variability within the referenced sales, a discount of 50% is applied to sale 29 or a value of \$3,700 per acre. Although sale 29 is a less desirable property, it still has more utility given there is power; thus, a value less than \$3,700 per acre is probable for the subject.

Conclusion of Value: Sales 21, 22, and 24 brackets the lower end of the market for the subject at say \$1,650 per acre. Sale 19 establishes an upper parameter at \$4,000 per acre. With an emphasis on sale 29 but recognizing it still establishes an upper threshold at \$3,700 an acre, a value of \$3,500 per acre is concluded for the subject or a total value of \$140,000.

Indication of Value for Buttolph Creek (Tract 725):

40 Acres @ \$3,500/acre = \$140,000

Sections 9 & 10 (Tract 726 and 727): As an 80 acre parcel, this property consists of open grassland interspersed with a wetland, and riparian corridor along a small stream. The property has good views of the Front. It is comprised of 2-40's that share a common corner. The following data is emphasized.

| Sale | Location | Adjacent | Land Use | Amenities | Date | Total Price | Size | \$/Acre |
|------|----------|----------------|------------|----------------|--------|-------------|-------|---------|
| 15B | Front | Private | Grassland | Limited Views | Mar-13 | \$28,000 | 40 | \$700 |
| 21 | B. Foot | Public | Forestland | Wildlife/views | Mar-07 | \$240,000 | 160 | \$1,125 |
| 22 | B. Foot | Public | Forestland | Wildlife | Dec-15 | \$33,000 | 20 | \$1,650 |
| 24 | Front | Pub/Private | Forestland | Views | Dec-09 | \$500,000 | 362.3 | \$1,380 |
| 28 | B. Foot | Public/Private | Grass/Rip | River/Habitat | Jan-12 | \$224,000 | 160 | \$1,400 |

-Sale 15B (\$700/acre) is a smaller tract of open grassland located along the Front with minimal amenities. Although consisting of open grassland, the property is surrounded by private land. The property also lacks the diversity of the subject. A value greater than \$700 per acre is supported.

-Sale 21 (\$1,125/acre) is a recreational tracts in the central Blackfoot. Access is by a non-motorized means. The access however is more cumbersome but not limited in terms of a period of use. With a forested setting, sale 21 is more diverse than the subject. As a larger property, a value greater than \$1,125 per acre is supported.

-Sale 22 (\$1,650/acre) is a smaller recreational tract of forestland in the lower Blackfoot. The property lies adjacent to a large block of public State land. Access was non-motorized only. Given the size, a value less than \$1,650 per acre is probable.

-Sale 24 (\$1,380/acre) is a larger property located on the Front that was purchased as an add-on. Although consisting of steeper topography and being larger, sale 24 had more diversity than the subject.

-Sale 28 (\$1,400/acre) is a larger recreational tract with access from a non-motorized means across a waterfowl production area (WPA). The property is recreationally intensive and associated with frontage along the Blackfoot River. It does consist of open grassland. With offsetting factors, a value of \$1,400 per acre is indicated.

Conclusion of Value: Exclusive of sale 15, a value from \$1,125 to \$1,650 per acre is indicated for the subject. With offsetting factors, sales 23 and 28 indicate values of \$1,380 and \$1,400 per acre. Based on the data presented, a value of \$1,400 per acre is concluded or a total value of \$112,000

Sections 9 & 10 (Tract 726 and 727)

80 Acres @ \$1,400/acre = \$112,000

Section 17 (Tract 734): As a 160 acre parcel, this property is dominated by dense forestland with areas of wetlands and open grass. It has more sloping topography and would be one of the more challenging parcels to access. The following data is referenced to value this parcel.

| Sale | Location | Adjacent | Land Use | Amenities | Date | Total Price | Size | \$/Acre |
|------|----------|-------------|------------|----------------|--------|-------------|-------|---------|
| 21 | B. Foot | Public | Forestland | Wildlife/views | Mar-07 | \$240,000 | 160 | \$1,125 |
| 22 | B. Foot | Public | Forestland | Wildlife | Dec-15 | \$33,000 | 20 | \$1,650 |
| 23 | B. Foot | Public | Forestland | Wildlife/view | Mar-07 | \$24,000 | 20 | \$900 |
| 24 | Front | Pub/Private | Forestland | Views | Dec-09 | \$500,000 | 362.3 | \$1,380 |

-Sale 21 (\$1,125/acre) and sale 23 (\$900/acre) are recreational tracts in the central Blackfoot. Like the subject, access is by a non-motorized means. The access however is more cumbersome but not limited in terms of a period of use. Sale 23 is also associated with steeper slopes and has diminished utility. Sales 21 and 23 indicate values of \$1,125 and \$900 per acre, respectively.

-Sale 22 (\$1,650/acre) is a smaller recreational tract of forestland in the lower Blackfoot. The property lies adjacent to a large block of public State land. Given the smaller size, a value less than \$1,650 per acre is indicated. It's also noted that there are recreational tracts along the Front at this value threshold with more utility. Thus, sale 22 would indicate a value less than \$1,650 per acre.

-Sale 24 (\$1,380/acre) is a recreational property located on the Front that was purchased as an add-on. Sale 24 consists of steeper topography.

Conclusion of Value: With an emphasis on sales 21 and 23, a value of \$150,000 is concluded for the subject, which is bracketed on a per acre basis at \$937 per acre. While on the lower end of the range, it is warranted given the use and utility of this property is limited.

Sections 17 (Tract 734)
160 Acres @ \$937/acre = \$150,000

Z. Reconciliation of Values

The reconciliation process is where the appraiser weighs the value indications and other pertinent data to arrive at a final estimate of value for the appraised property.

While all three approaches to value were considered in the analyses of the subject larger parcels, this appraisal is based on the sales comparison approach.

The strength in the sales comparison approach for all of the larger parcels was the ability to bracket each one in value. The bulk of the data was also associated with data along the Rocky Mountain Front with additional data referenced in other competitive areas as necessary.

With respect to the data, there was a shortcoming with the quantity and quality of data for those larger parcels with non-motorized access. The data did still however allow for the bracketing of these parcels on an overall basis with multiple sales being emphasized.

Based on the sales comparison approach, the following values are concluded for each of the subject larger parcels. These values are concluded as of an effective date of September 8, 2015.

Summary of Larger Parcel

| Larger Parcel | Reference | Tract number(s) | Acres | Concluded Value |
|----------------------|---------------------------|-----------------------------|--------------|------------------------|
| 1 | Sun River Barr Creek | 737, 738, 739, 740, & 741 | 1,290.62 | \$2,225,000 |
| 2 | Sun River Canyon Road | 724, 728, 729, 730, and 731 | 799.73 | \$1,000,000 |
| 3 | Sun River Central WMA | 732, 733, 735, and 736 | 1,040 | \$2,625,000 |
| 4 | Sun River Buttolph Creek | 725 | 40 | \$140,000 |
| 5 | Sun River Sections 9 & 10 | 726 and 727 | 80 | \$112,000 |
| 6 | Sun River Section 17 | 734 | 160 | \$150,000 |
| 7 | Blackleaf Section 16 | 754 | 519.48 | \$675,000 |
| 8 | Blackleaf Section 10 | 756 | 40 | \$60,000 |
| 9 | Blackleaf Section 17 | 755 | 80 | \$120,000 |

ASSUMPTIONS AND LIMITING CONDITIONS

The certification of the Appraiser appearing in the appraisal report is subject to the following assumptions and limiting conditions as set forth in the report.

1. The Appraiser assumes no responsibility for matters of a legal nature affecting the property appraised or the title thereto, nor does the Appraiser 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 has 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 is not required to give testimony or appear in court because of having made the appraisal with reference to the property in question, unless arrangements have been previously made.
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 has, in the process of exercising due diligence, requested, reviewed, and considered information provided by the ownership of the property and client, and the Appraiser has relied on such information and assumes there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The Appraiser assumes 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 has inspected the subject property and has considered the information developed in the course of such inspection together with the information provided by the ownership and client, the Appraiser is 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, and contained in the report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished the Appraiser can be assumed by the Appraiser.

8. The presence of mineral or mineral rights have not been investigated by the Appraiser. It is assumed that influences from mineral, deposits, mineral reservations, and mineral rights are included in the overall market rationale and therefore included in the value conclusion unless otherwise specifically identified. 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 is 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. This report was prepared for the client's use at the client's sole discretion within the framework of the function stated in the report and its use for any other purpose is beyond the scope contemplated in the appraisal.

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 workman like manner consistent with the plans, specifications and/or scope of work relied upon in the appraisal.

13. Acreage of land types are based on physical inspection of the subject.

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 independent approaches to value in determining a final value conclusion has been disclosed in this report.

15. No one provided significant professional assistance to the person signing this report.

16. The Appraiser's liability is limited to the fee charged for the report and professional services.

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

18. To the extent any third party relies on or uses this appraisal, the appraiser making this appraisal hereby disclaim any liability for the contents herein and for any changes that may have occurred since the date of the appraisal.

HYPOTHETICAL CONDITION:

1) Properties that have leases or licenses on them are to be appraised with the hypothetical condition that the leases/licenses do not exist. Use of this hypothetical condition may have affected the assignment results and conclusions.

2) The DNRC will grant a 20' wide access easement to FWP for administration purposes and for seasonal public access consistent with the administration of the Sun River WMA across the existing roads in Sections 16 and 21 in Township 21 North, Range 8 West. Use of this hypothetical condition may have affected the assignment results and conclusions.

3) The admin cabin/buildings on the Sun River WMA located in S36 are owned by FWP and are to be excluded from the valuation. Use of this hypothetical condition may have affected the assignment results and conclusions.

EXTRA-ORDINARY ASSUMPTIONS:

1.) None

CERTIFICATE

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

- the statements of fact contained in this report are true and correct.
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions, limiting conditions, and legal instructions, and are the personal, impartial, unbiased professional analysis, opinions, and conclusions of the appraiser.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- my compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- the appraisal was made and the appraisal report prepared in conformity with the *Uniform Appraisal Standards for Federal Land Acquisitions*;
- my analyses, opinions, and conclusions were developed and this report has been prepared, in conformity with the Appraisal Foundation's *Uniform Standards for Professional Appraisal Practice*, except to the extent that the *Uniform Appraisal Standards for Federal Land Acquisitions* required invocation of USPAP's Jurisdictional Exception Rule, as described in Section D-1 of the *Uniform Appraisal Standards for Federal Land Acquisitions*;
- the appraiser has made a personal inspection of the appraised property, which is the subject of this report. The method of inspection was from the ground.

- At the time of the inspection of the Sun River WMA, I was accompanied by Brent Lonner with the State FWP on the inspection. While offers to accompany me on the inspection of the Blackleaf WMA were offered, there were no parties available.
- no one provided significant professional assistance to the person signing this certification.
- I have met all continuing education requirements for my state certification, the American Society of Farm Managers and Rural Appraisers through the year 2014.
- I have not performed any 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.
- The value of the subject property as of September 8, 2015 is:

Summary of Larger Parcel

| Larger Parcel | Reference | Tract number(s) | Acres | Concluded Value |
|---------------|---------------------------|-----------------------------|----------|-----------------|
| 1 | Sun River Barr Creek | 737, 738, 739, 740, & 741 | 1,290.62 | \$2,225,000 |
| 2 | Sun River Canyon Road | 724, 728, 729, 730, and 731 | 799.73 | \$1,000,000 |
| 3 | Sun River Central WMA | 732, 733, 735, and 736 | 1,040 | \$2,625,000 |
| 4 | Sun River Buttolph Creek | 725 | 40 | \$140,000 |
| 5 | Sun River Sections 9 & 10 | 726 and 727 | 80 | \$112,000 |
| 6 | Sun River Section 17 | 734 | 160 | \$150,000 |
| 7 | Blackleaf Section 16 | 754 | 519.48 | \$675,000 |
| 8 | Blackleaf Section 10 | 756 | 40 | \$60,000 |
| 9 | Blackleaf Section 17 | 755 | 80 | \$120,000 |



Paraic David Neibergs, MA, ARA
 Accredited Rural Appraiser
 Montana General Certified Appraiser # 248

Exhibits

-Appraiser Qualifications

-Certification

-Statement of Work

-Title Commitment

Appraiser Qualifications

Paraic David Neibergs, A.R.A., M.A. – Statement of Qualifications

Business Experience:

| | |
|----------------|----------------------------------------------------------------------------|
| 2/00 – Present | <u>Independent Appraiser</u> , Norman C. Wheeler & Assoc., Missoula, MT |
| 4/92 – 2/00 | <u>Senior Appraiser</u> , Farm Credit Services. Spokane, WA & Missoula, MT |
| 4/91 – 4/92 | <u>Assistant Production Manager</u> , Briarwood Farms. Rochester, WA |
| 9/89 – 3/91 | <u>Research Assistant</u> , Washington State University. Pullman, WA |
| 5/89 – 9/89 | <u>Private Contractor</u> , Farm Credit Services. Missoula, MT |
| 5/87 – 5/89 | <u>Credit Officer/Appraiser</u> , Farm Credit Services. Missoula, MT |

Appraisal Experience:

Responsible for completing real estate appraisals and consultations on agricultural, recreational, transitional and rural properties throughout Montana, northern Idaho, and eastern Washington. Appraisal completed in conjunction with USPAP and UASFLA (*yellow book*). Specializing in appraising rural/suburban property and conservation easements. Properties appraised consists of ranches, irrigated and dry land farms, conservation easements, islands, WRP easements, special use valuations, recreational tracts, timberland, rural subdivisions, lake frontage, fish hatcheries, rural homes, Superfund sites, and other special purpose properties. Other assignments include consulting analyses, property partitions, partition referee, and fractionalized interest valuations as well as appraisals for purposes of land exchanges. I have been a guest speaker for conservation easement seminars in western Montana, including the LTA Northwest Land Trust Conference, the Washington State ASFMRA Chapter Meeting, the 2015 Montana State Chapter of the American Society of Farm Managers and Rural Appraisers and the Montana Association of Land Trust Seminar in November 2011.

Real Estate Sales Experience:

Prior to becoming a licensed agent, purchased and sold property outside of a real estate company. As a licensed agent specializing in rural property, have been active in purchases, sales, and management. Own and manage ~525 acres of rural and recreational land and timber consisting of multiple parcels in western Montana.

Consulting Projects:

Individual consulting to evaluate feasibility and structure of projects. Coordinated the completion of a statewide land valuation study for the State of Montana DNRC, which facilitated the evaluation of 5.1 million acres owned by the DNRC. The results of the study were reported and provided using GIS layer to be integrated in to a base map.

Appraisal Education:

Successfully completed the following appraisal courses and seminars offered through the American Society of Farm Managers and Rural Appraisers, Appraisal Institute, Northwest Farm Credit Services, and other appraisal education sources. This is exclusive of real estate licensing and associated continuing education and does not include all seminars.

| | | |
|--------|------------------------------------------------|-------------------------------------------------|
| A-10 | Fundamentals of Rural Appraisal | Irrigation/Engineering Workshop |
| A-12 | Standards and Ethics, 2/03, 2/05, 10/06, 10/09 | Environmental Risk in Lending |
| A-15 | Report Writing | Timber Valuation Seminar, 2/05 |
| A-20 | Principles of Rural Appraisal | Permanent Planting Seminar |
| A-22 | UAAR Computer Training | Conservation Easement Seminar, 11/98 |
| A-25 | Eminent Domain | Water Rights/Irrigation Workshop, 3/99 |
| A-29 | Highest and Best Use | Rural Land in Transition, 3/06 |
| A-30 | Advanced Rural Appraisal | Conservation Easement Seminar, 2/01 |
| AI310 | Income Capitalization | Federal Land Acquisitions, 6/02 |
| AI | Introduction to GIS Applications 10/02 | Residential Construction, 3/03 |
| | Conservation Easement Seminar 4/2006 | MT Access Laws & Conservation Easements, 3/06 |
| AI 797 | Valuation of Conservation Easements 7/2008 | USPAP – 10/2006, 2/2009, 2/2011, 2/2013, 2/2015 |
| | Sales Comparison Approach 2/2011 | |

Education:

- Master of Arts (M.A.) in Agriculture Economics. Washington State University. May 1991
- Bachelors of Science. in Ag. Economics (Cum Laude). Washington State University. May 1987

Professional Achievements and Affiliations:

- Accredited Rural Appraiser (A.R.A.) designation with the ASFMRA, Past President of Montana Chapter.
- Certified General Real Appraiser in the State of Montana. Previous certification in Washington & Idaho.
- Past Director of Inland Northwest Land Trust – Spokane, WA
- Montana Real Estate Licensee

Clients and Users of Services

Private Landowners and Professionals

- Numerous individuals, investors, partnerships, and corporations
- Attorneys, accountants, and other professionals
- Land Trusts on the behalf of landowners seeking conservation easements
- WGM Group

Financial Institutions

- | | |
|-------------------------------------------------------------------------------|-------------------|
| -25 Farm Credit Service offices in three Northwestern States (ID, WA, and MT) | -Nora Bank |
| -Farmer Mac | -Alpine Bank |
| -First Interstate Bank System | -CGB |
| -NORWEST Bank | -Mellon Trust |
| -JP Morgan Chase | -Heritage Bank |
| -Rocky Mountain Bank | -Rabo AgriFinance |
| -Scott Family Services | -U.S. Bank |
| -First National Bank of Central Texas | -Mountain West |
| -Peoples Bank of Deer Lodge | -Bank of America |
| -Met Life Bank & Metropolitan Life Insurance Company | -BMO Harris Bank |
| -State Bank of Townsend | -First Security |
| -Ravalli County Bank | |

Tribal Entities

- Kalispel Tribe of Indians
- Coeur d' Alene Tribe of Indians
- Kootenai Tribe of Indians
- Confederated Salish and Kootenai Tribe

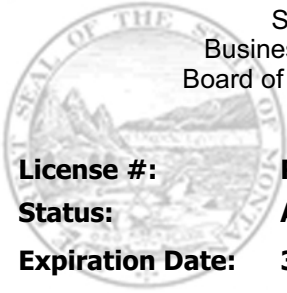
Public Entities

- United States Department of Agriculture – NRCS and the FSA
- United States Forest Service
- Natural Resources and Conservation Service
- State of Montana Fish, Wildlife, and Parks
- United States Fish and Wildlife Service
- Appraisal Services Directorate, National Business Center
- Bureau of Land Management
- Idaho Department of Fish and Game
- City of Missoula
- State of Montana – DNRC, NRD/DOJ, Department of Justice
- Bureau of Indian Affairs
- Bonneville Power Administration
- Idaho Department of Lands
- University of Colorado Foundation
- Missoula County
- Ravalli County
- City of Whitefish

Others

- | | |
|-----------------------------------------------|-------------------------------------|
| -The Nature Conservancy of Montana | -The Clark Fork Coalition |
| -The Nature Conservancy of Idaho | -The Conservation Fund |
| -Fourth Judicial District Court | -Forest Capital/Patriot Investments |
| -Vital Ground Foundation | -American Land Conservancy |
| -Five Valleys Land Trust | -Southern Pines Plantation |
| -Bitter Root Land Trust | -Rocky Mountain Elk Foundation |
| -The Blackfoot Challenge | -Avista |
| -Montana Land Reliance | |
| -Trout Unlimited | |
| -Ducks Unlimited | |
| -Avista Utility Corporation | |
| -Lawyer Nursery | |
| -City of Salmon, Idaho | |
| -Teller Wildlife Refuge | |
| -Crown Pacific Timber Company | |
| -Plum Creek (through MTFWP, USFS, and TPL) | |
| -Various Real Estate Agencies and Consultants | |
| -The Trust for Public Lands | |
| -Potlatch Corporation | |
| -The Bitter Root Stock Farm | |

Certification



State of Montana
Business Standards Division
Board of Real Estate Appraisers

This certificate verifies licensure as:
CERTIFIED GENERAL APPRAISER

License #: **REA-RAG-LIC-248**

Status: **Active**

Expiration Date: **3/31/2016**

PARAIC DAVID NEIBERGS
31 FORT MISSOULA STE 3
MISSOULA, MT 59804



RENEW OR VERIFY YOUR LICENSE AT:
<https://ebiz.mt.gov/pol/>

To use license as a Wall License, cut off excess paper and affix the above to wall for display.

Remember to renew online if possible. Benefits of renewing online include:

- The ability to change an address (for most professions)
- The ability to print license(s) the same day as the renewal
- The ability to print additional licenses for no additional charge up to 45 days following the end of the renewal cycle

To verify licenses or renew online: <https://ebiz.mt.gov/pol>

$S_{123}^{\text{''}}$ of Work

**SCOPE OF WORK (SOW) FOR APPRAISALS
POTENTIAL PROPERTY ACQUISITIONS/SALE OF DNRC INHOLDINGS WITHIN
THE SUN RIVER AND BLACKLEAF WILDLIFE MANAGEMENT AREAS**

Identification of Property and Assignment

The property to be appraised is identified herein as parcels owned by the State of Department of Natural Resources and Conservation (DNRC) that lie within the State of Montana Sun River and Blackleaf Wildlife Management Areas (WMAs). These identified parcels are proposed to be purchased by the State of Montana Fish, Wildlife and Parks.

The property to be appraised is located in Teton and Lewis and Clark County, Montana. It encompasses a total of 4,049.83 acres of which 3,410.35 acres lies within the Sun River WMA and 639.38 acres lie within the Blackleaf WMA.

The appraiser must be a Montana certified general appraiser, and be competent to appraise the subject property. The appraisal report shall conform to the most recent edition of the Uniform Standards of Professional Appraisal Practice (USPAP) as published by the Appraisal Foundation, current as of the date of the report, as well as the Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA).

The appraiser is to physically inspect the subject property at a level that will allow the appraiser to render a credible opinion of value about the property. For those properties which consist of more than one section, the appraiser must at least view each section. The appraiser must have knowledge of the comparables through either personal inspection or with use of sources the appraiser deems reliable.

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 report must meet the reporting requirements of USPAP and UASFLA. It will describe adequately, the information analyzed, appraisal methods and techniques employed, and reasoning that support the analyses, opinions and conclusions. All hypothetical conditions and extraordinary assumptions must be noted.

The UASFLA requires the appraiser to make a larger parcel determination in all appraisals by applying the tests provided in UASFLA to determine the larger parcel(s). The appraiser shall not consider land outside the property described in the legal description for either larger parcel determination or in reaching a conclusion of the highest and best use.

Prior to the 2014-2015 edition of USPAP, Standard Rule 2-2 recognized *Self-Contained Reports*, *Summary Reports* and *Restricted Reports*. The current edition of USPAP has narrowed this nomenclature to merely *Appraisal Reports* and *Restricted Appraisal Reports*. UASFLA guidelines state that UASFLA-compliant appraisals will be considered as meeting the USPAP's requirement for a Self-Contained Report. As USPAP no longer recognizes this terminology, the appraiser is instructed to comply with the writing and reporting requirements of UASFLA Sections A-1 through A-39 as applicable.

Effective Date of Valuation and Date of Inspection

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

Client

State of Montana, Board of Land Commissioners, the Department of Natural Resources and Conservation and Montana Department of Fish, Wildlife and Parks

Intended Users

State of Montana, Board of Land Commissioners, Montana Department of Fish, Wildlife and Parks (FWP), the U.S. Fish and Wildlife Service, and the State of Montana Department of Natural Resources and Conservation (DNRC)

Purpose

The purpose of the appraisal is to provide the client with a credible opinion of market value of the appraised subject property.

Intended Use

The appraisal is intended to be used in the decision making process concerning the potential acquisition of said subject property.

Property Interest to be Appraised and Outstanding Rights

The property interest being appraised is a fee simple estate of the surface rights subject to the reservations, outstanding rights, and encumbrances of record as disclosed in title commitments. Any known outstanding rights or reservations must be specifically identified in the appraisal report, and their effect on value, if any, analyzed. Included in the rights appraised are timber and water rights associated with the property.

Access

Legal access to the appraised property may be from county roads, from roads open to the public as per the administration of the each Wildlife Management Area, and/or a non-motorized means across public lands. Maps showing period of use and roads for each WMA will be provided from FWP.

Legal Description

Township 21 North, Range 8 West, M.P.M., Lewis and Clark County, Montana

Section 2: E2SW4
Section 9: NE4NE4
Section 11: E2NW4, NE4SW4, NW4SE4, SE4SE4
Section 12: S2SW4, NW4SW4
Section 13: NW4NW4, W2SW4, SE4SW4
Section 14: NE4NE4, SW4NE4, SE4NW4, N2SE4, SE4SE4
Section 15: S2SW4
Section 22: NE4NW4, NW4NE4

Township 21 North, Range 8 West, M.P.M., Lewis and Clark County, Montana

Section 22: SW4NE4

Township 21 North, Range 8 West, M.P.M., Lewis and Clark County, Montana

Section 8: SW4NW4
Section 17: SE4NW4, W2SE4, NE4SW4
Section 21: NE4NW4, NE4

Township 21 North, Range 8 West, M.P.M., Lewis and Clark County, Montana

Section 23: SW4, SE4
Section 26: E2NE4, E2SE4, SW4SE4, SE4SW4
Section 35: N2NE4

Township 21 North, Range 8 West, M.P.M., Lewis and Clark County, Montana

Section 16: All
Section 36: Govt Lots 1, 2, 3, 4, 5, 6, and 7, NW4SE4, NW4, N2SW4, W2NE4

Township 21 North, Range 8 West, M.P.M., Lewis and Clark County, Montana

Section 10: SW4NW4

Township 26 North, Range 8 West, M.P.M., Teton County, Montana

Section 10: NW4SW4
Section 16: Lots 1, 2, 4 and 5, W2NE4, NW4, N2SW4, NW4SE4 (All)
Section 17: NW4NW4, SE4NW4

Market Value Definition

“The amount in cash, or on terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of the appraisal, after a reasonable exposure time on the open competitive market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the property at the time of the appraisal.” [Interagency Land Acquisition Conference, *Uniform Appraisal Standards for Federal Land Acquisitions*, 5th ed. (Appraisal Institute, 2000), 13.]

This definition makes no linkage between the estimated market value and exposure time. A specific exposure time shall not be cited in an appraisal report prepared under UASFLA standards. The appraiser will invoke the Jurisdictional Exception Rule to avoid a violation of USPAP standards, which require a specific exposure time.

Property Inspection and Landowner Contacts

The Appraiser must make a personal inspection of the subject property. For appraisals with an intended use of acquisition, the Appraiser is to offer the property owner and/or the owner's representative an opportunity to accompany the Appraiser during the property inspection. The Appraiser must certify in the report that such an offer was extended.

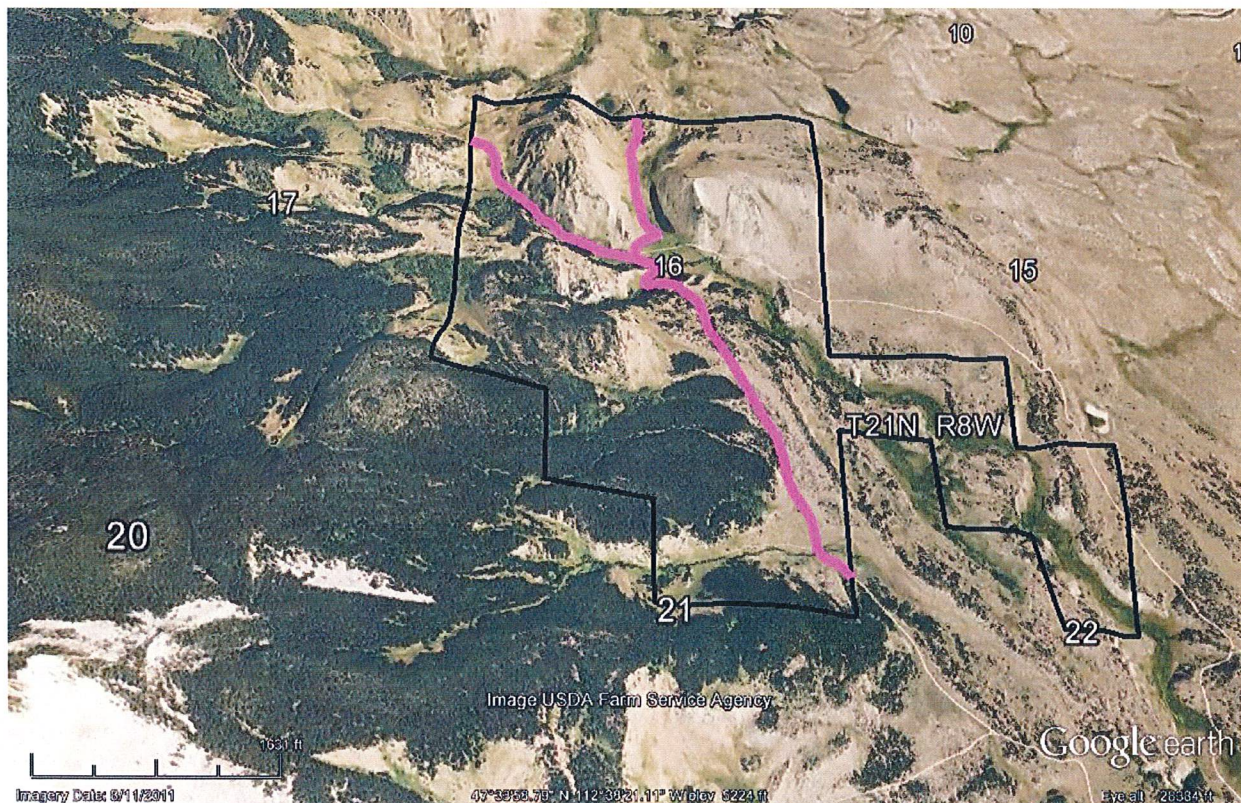
Extraordinary Assumption (EA)

No extraordinary assumptions are authorized herein. The Appraiser may not assume or invoke any extraordinary assumptions without documented written approval.

Hypothetical Condition (HC)

The following hypothetical conditions are authorized:

- 1) Properties that have leases or licenses on them are to be appraised with the hypothetical condition that the leases/licenses do not exist.
- 2) The administration cabin/buildings on the Sun River WMA located in Section 36 are owned by FWP and are to be excluded from the valuation.
- 3) The DNRC will grant a 20' wide access easement to FWP for administration purposes and for seasonal public access consistent with the administration of the Sun River WMA across the existing roads in Sections 16 and 21 and specifically highlighted in the below imagery



Statement and Placement of EA's and HC's in Report

All Extraordinary Assumptions and Hypothetical Conditions, must be clearly identified, labeled, and communicated wherever the final value conclusion is stated. At a minimum, this will include the letter of transmittal and the summary of salient facts. In addition, these same items must be communicated in conjunction with any general assumptions and limiting conditions within the body of the report.

In order to comply with USPAP SR 2-2(x), a statement that the use of any stated extraordinary assumptions and/or hypothetical conditions may have affected the assignment results must be made a part of each EA and HC. This statement should be included wherever an EA or HC is communicated in the report.

Approval and Acceptance

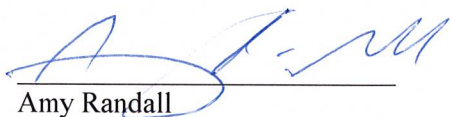
This Scope of Work has been prepared, reviewed and determined acceptable to the following cooperating parties.

By:

Paraic Neibergs, MA, ARA
Norman C. Wheeler & Associates



Darlene Edge
Lands Program Manager
Montana Fish, Wildlife, & Parks



Amy Randall
DNRC Real Estate Management Bureau Chief

Title Commitment

QUESTIONS REGARDING THIS COMMITMENT FOR TITLE INSURANCE? CALL 442-5080
TO SCHEDULE OR CONFIRM AN APPOINTMENT FOR CLOSING. CALL 442-4445

THANK YOU FOR USING HELENA ABSTRACT AND TITLE COMPANY

COMMITMENT FOR TITLE INSURANCE

PREPARED FOR

HA&T Co.

ESCROW / CLOSING DEPT.

DIRECT LINE 406 / 442-4445 • DIRECT FAX 406 / 442-8488



"We Do Good Deeds"

OUR ORDER NO.....: 1574353-3RD
YOUR REF. NO.....:
BUYER/BORROWER.....: NOMINEES OF THE STATE OF MONTANA
SELLER.....: STATE OF MONTANA
DIRECT INQUIRIES TO.....: Russell Gowen
COPIES OF COMMITMENT SENT TO...: MT FW&P-Candace Durran

Commitment for Title Insurance



Issued By Old Republic National Title Insurance Company

Old Republic National Title Insurance Company, a Florida corporation ("Company"), for a valuable consideration, commits to issue its policy or policies of title insurance, as identified in Schedule A, in favor of the Proposed Insured named in Schedule A, as owner or mortgagee of the estate or interest in the the land described or referred to in Schedule A, upon payment of the premiums and charges and compliance with the Requirements; all subject to the provisions of Schedules A and B and to the Conditions of this Commitment.


This Commitment shall be effective only when the identity of the Proposed Insured and the amount of the policy or policies committed for have been inserted in Schedule A by the Company.

All liability and obligation under this Commitment shall cease and terminate six (6) months after the Effective Date or when the policy or policies committed for shall issue, whichever first occurs, provided that the failure to issue the policy or policies is not the fault of the Company.



The Company will provide a sample of the policy form upon request.

IN WITNESS WHEREOF, Old Republic National Title Insurance Company has caused its corporate name and seal to be affixed by its duly authorized officers on the date shown in Schedule A.

Continued on back page


Issued through the Office of
Helena Abstract and Title Company
PO Box 853
Montana Club Bldg, 6th & Fuller Ave
Helena, MT 59624
(406) 442-5080

OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY
A Stock Company
400 Second Avenue South, Minneapolis, Minnesota 55401
(612) 371-1111

By  President
Attest  Secretary

CONDITIONS

1. The term mortgage, when used herein, shall include deed of trust, trust deed, or other security instrument.
2. If the proposed Insured has or acquired actual knowledge of any defect, lien, encumbrance, adverse claim or other matter affecting the estate or interest or mortgage thereon covered by this Commitment other than those shown in Schedule B hereof, and shall fail to disclose such knowledge to the Company in writing, the Company shall be relieved from liability for any loss or damage resulting from any act of reliance hereon to the extent the Company is prejudiced by failure to so disclose such knowledge. If the proposed Insured shall disclose such knowledge to the Company, or if the Company otherwise acquires actual knowledge of any such defect, lien, encumbrance, adverse claim or other matter, the Company at its option may amend Schedule B of this Commitment accordingly, but such amendment shall not relieve the Company from liability previously incurred pursuant to paragraph 3 of these Conditions and Stipulations.
3. Liability of the Company under this Commitment shall be only to the named proposed Insured and such parties included under the definition of Insured in the form of policy or policies committed for and only for actual loss incurred in reliance hereon in undertaking in good faith (a) to comply with the requirements hereof, or (b) to eliminate exceptions shown in Schedule B, or (c) to acquire or create the estate or interest or mortgage thereon covered by this Commitment. In no event shall such liability exceed the amount stated in Schedule A for the policy or policies committed for and such liability is subject to the insuring provisions and Conditions and Stipulations and the Exclusions from Coverage of the form of policy or policies committed for in favor of the proposed Insured which are hereby incorporated by reference and are made a part of this Commitment except as expressly modified herein.
4. This Commitment is a contract to issue one or more title insurance policies and is not an abstract of title or a report of the condition of title. Any action or actions or rights of action that the proposed Insured may have or may bring against the Company arising out of the status of the title to the estate or interest or the status of the mortgage thereon covered by this Commitment must be based on and are subject to the provisions of this Commitment.
5. The policy to be issued contains an arbitration clause. All arbitrable matters when the Amount of Insurance is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. You may review a copy of the arbitration rules at: <http://www.alta.org/>.

COMMITMENT FOR TITLE INSURANCE
SCHEDULE A

File No. 1574353 **Amended** 3RD

Direct Inquiries to: Russell Gowen

1. Effective Date: January 04, 2016 at 5:00 P.M.

2. Policy or Policies To Be Issued:

Amount of Insurance

| | | | |
|----------------------|-----------------|----------------|----------|
| (a) A.L.T.A. Owner's | 2006 (Standard) | Amount | \$810.00 |
| | | Premium | \$810.00 |

Endorsements:

Proposed Insured:

NOMINEES OF THE STATE OF MONTANA

(b) A.L.T.A. Loan

Endorsements:

Proposed Insured:

3. The estate or interest in the land described or referred to in this Commitment and covered herein is:

Fee Simple

4. Title to the said estate or interest in said land is at the effective date hereof vested in:

STATE OF MONTANA

5. The land referred to in this Commitment is described as follows:

SEE EXHIBIT "A" ATTACHED HERETO

Old Republic National Title Insurance Company



EXHIBIT A
LEGAL DESCRIPTION

SUN RIVER WILDLIFE MANAGEMENT AREA

Township 21 North, Range 8 West, M.P.M., Lewis and Clark County, Montana

Section 2: E1/2SW1/4.

Section 9: NE1/4NE1/4.

Section 11: E1/2NW1/4, NE1/4SW1/4, NW1/4SE1/4, SE1/4SE1/4.

Section 12: S1/2SW1/4, NW1/4SW1/4.

Section 13: NW1/4NW1/4, W1/2SW1/4, SE1/4SW1/4.

Section 14: NE1/4NE1/4, SW1/4NE1/4, SE1/4NW1/4, N1/2SE1/4, SE1/4SE1/4.

Section 15: S1/2SW1/4.

Section 22: NE1/4NW1/4, NW1/4NE1/4.

(Ref: Book 5 Patents, page 5)

Township 21 North, Range 8 West, M.P.M., Lewis and Clark County, Montana

Section 22: SW1/4NE1/4.

(Ref: Book 4 Patents, page 504)

Township 21 North, Range 8 West, M.P.M., Lewis and Clark County, Montana

Section 8: SW1/4NW1/4.

Section 17: SE1/4NW1/4, W1/2SE1/4, NE1/4SW1/4.

Section 21: NE1/4NW1/4, NE1/4.

(Ref: Book 7 Patents, page 521)

Township 21 North, Range 8 West, M.P.M., Lewis and Clark County, Montana

Section 23: SW1/4, SE1/4.

Section 26: E1/2NE1/4, E1/2SE1/4, SW1/4SE1/4, SE1/4SW1/4.

Section 35: N1/2NE1/4.

(Ref: Book 4 Patents, page 600)

Township 21 North, Range 8 West, M.P.M., Lewis and Clark County, Montana

Section 16: All.

Section 36: Government Lots 1, 2, 3, 4, 5, 6, and 7, NW1/4SE1/4, NW1/4, N1/2SW1/4, W1/2NE1/4. (All)

(Ref: Book 8 Patents, page 445)

Township 21 North, Range 8 West, M.P.M., Lewis and Clark County, Montana

Section 10: SW1/4NW1/4.

(Ref: Book 4 Patents, page 499)

END

Old Republic National Title Insurance Company

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File No. 1574353

MT ALTA Commitment Sch A HA5



**COMMITMENT FOR TITLE INSURANCE
SCHEDULE B
PART I**

File No. 1574353 **Amended** 3RD

The following are the requirements to be complied with:

1. Pay the agreed amounts for the interest in the land and/or the mortgage to be insured.
2. Pay us the premiums, fees and charges for the policy.
3. Documents satisfactory to us creating the interest in the land and/or mortgage to be insured must be signed, delivered and recorded.
4. You must tell us in writing the name of anyone not referred to in this Commitment who will get an interest in the land or who will make a loan on the land. We may then make additional requirements or exceptions.
5. You must give us the following information:
 - a. Any off record leases, surveys, easements, rights of way, etc.
 - b. Statement(s) of identity, all parties, if asked for.
6. Seller and Buyer must fully comply with the provisions of the Realty Transfer Certificate Act (M.C.A. 15-7-304, 305, 310), which includes the requirement that Seller and Buyer fully complete a Realty Transfer Certificate which will be presented at closing. If either party fails to fully comply with the Realty Transfer Certificate Act, Company will add the following exception in the final title policy:

Any state or county taxing, assessing, or recording authority's failure to acknowledge the transfer to the Insured of the land described in Schedule A, pursuant to the Realty Transfer Act, as set forth in M.C.A. 15-7-301 et al.
7. No taxes shown.
8. The actual value of the estate or interest to be insured must be disclosed to the Company, and subject to approval by the Company, entered as the amount of the policy to be issued. Until the amount of the policy to be issued shall be determined, and entered as aforesaid, it is agreed that as between the Company, the applicant for this Commitment, and every person relying on this Commitment, the Company cannot be required to approve such evaluation in excess of \$810.00 and the total liability of the Company on account of this Commitment shall not exceed said amount.

Old Republic National Title Insurance Company



COMMITMENT FOR TITLE INSURANCE
SCHEDULE B
PART II

File No. 1574353**Amended** 3RD

Schedule B of the policy or policies to be issued will contain exceptions to the following matters unless the same are disposed of to the satisfaction of the Company:

1. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the Effective Date but prior to the date the proposed Insured acquires for value of record the estate or interest or mortgage thereon covered by this Commitment.
2. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property by the Public Records. Proceedings by a public agency, which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by Public Record. No liability is assumed for errors, omissions or changes of assessed valuations or amount of taxes assessed by any state, county, city or federal taxing or assessing authority.
3. Any facts, rights, interest or claims which are not shown by the Public Records but which could be ascertained by an inspection of the Land or by making inquiry of person in possession thereof.
4. Easements, liens or encumbrances, or claims thereof, which are not shown by the Public Records.
5. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
6. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, ditch rights; (d) any right, title or interest in any sand and gravel and/or minerals including access to an from to extract minerals, mineral rights, or related matters, including, but not limited to oil, gas, coal and other hydrocarbons; whether or not the matters excepted under (a), (b), (c), or (d) are shown by the Public Records.
7. Any lien or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the Public Records.
8. Any service, installation or connection charge for any and all utilities, including, but not limited to sewer, gas, water or electricity.
9. County road rights-of-way, not recorded and indexed as conveyance of record in the office of the Clerk and Recorder pursuant to Title 70, Chapter 21, M.C.A., including, but not limited to any right of the Public and the County of Lewis and Clark, Montana, to use and occupy those certain roads and trails.
10. General county taxes for the year 2016 a lien, not yet due and or payable.
11. Resolution 2003-57, resolution naming roads in the Augusta area, recorded May 14, 2003 in M Book 28 of Records, page 4908.
12. Right of Way Deed to 3 Rivers Communications, recorded Sept. 5, 2008 in M Book 38 of Records, page 9035.
13. INTENTIONALLY DELETED.
14. Instrument from Lewis and Clark County Board of County Commissioners denying the petition to seasonally close roads in Sections 27, 35, and 36, Township 21 North, Range 8 West, recorded March 19, 1998 in M Book 20 of Records, page 3550.

Old Republic National Title Insurance Company



**COMMITMENT FOR TITLE INSURANCE
SCHEDULE B
PART II**

File No. 1574353 **Amended** 3RD

15. Right of Way Deed to 3 Rivers Communications, recorded Sept. 3, 2010 in M Book 42 of Records, page 4710.
16. Right of Way Deed to Three Rivers Telephone Cooperative, Inc., recorded May 1, 1996 in M Book 17 of Records, page 9405.
17. Subject to all terms, conditions, and provisions of an Agreement by and between A. B. Cobb Jr., first party, and the Montana Fish and Game Commission, second party, recorded Aug. 21, 1953 in Book 53 Misc., page 347.
18. Right of Way Deed to 3 Rivers Telephone Cooperative, Inc., recorded Feb. 26, 2013 in M Book 46 of Records, page 6213.
19. Right of Way Deed to Three Rivers Telephone Cooperative, Inc., recorded May 1, 1996 in M Book 17 of Records, page 9406.
20. Lack of access to and from subject property, EXCEPT the E1/2SW1/4 of Section 2 and the E1/2NW1/4, NE1/4SW1/4, NW1/4SE1/4 of Section 11 as being contiguous to that portion of the E1/2SW1/4 of Section 2 being crossed by Sun Canyon Road, a County road. ALSO EXCEPT the SW1/4 and SE1/4 of Section 23, E1/2NE1/4, E1/2SE1/4, SE1/4SW1/4, SW1/4SE1/4 of Section 26, and the N1/2NE1/4 of Section 35, and all Section 36 as being contiguous to that portion of Section 36 being crossed by Barr Road, a County road.

NOTE TO APPLICANT: If you require copies of any documents identified in this commitment for title insurance, the Company will furnish the same specific request, either free of charge or for the actual cost of duplication for those copies requiring payment by the Company to obtain.

NOTE: All notes are for information only and will be removed from the final title policy.

END OF SCHEDULE B II

Old Republic National Title Insurance Company

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