


Real Estate Appraisal
of the
State of Montana
State of Montana Department of Natural Resources and Conservation
Inholdings within the Beartooth Wildlife Management Area
Lewis & Clark and Cascade Counties, Montana
Effective Date: January 22, 2016



Prepared by:
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President/Owner
Certified General Appraiser, MT & WY
Licensed Sales Agent, MT

Real Estate Appraisal and Consulting

February 15, 2016

Darlene Edge, Land Agent
Montana Fish, Wildlife, and Parks
P.O. Box 200701
Helena, MT 59620-0701

RE: State of Montana Department of Natural Resources and Conservation Lands,
Lewis & Clark and Cascade Counties, Montana UASFLA Real Estate Appraisal –
5,438.427+- deeded acres.

Dear Ms. Edge:

Pursuant to your request and authorization, I have personally inspected and prepared an appraisal of the real property associated with the State of Montana Department of Natural Resources and Conservation Lands properties located in Lewis & Clark and Cascade Counties, Montana. The property described herein is comprised of fourteen tracts totaling 5,438.427 +- deeded acres and represents a lands that have three highest and best uses: 1) Rural Recreational Rangeland, 2) Recreation, 3) Recreational/Site properties located 40 miles north of Helena, Montana and eight miles southeast of Wolf Creek, Montana. The subject is generally located in T14N and T15N, R2W and T14N, R1W.

The appraisal conducted herein is deemed to be a **Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA) Appraisal Report**, developed in compliance with the Uniform Appraisal Standards for Federal Land Acquisitions and compliant with current Uniform Standards of Professional Appraisal Practice (USPAP) guidelines. The objective of this analysis was to estimate the Market Value of the subject property on an "as-is" basis. The intended use of the report is for negotiations for the possible purchase of the property. Based on my inspection and analysis, it is my opinion that as of **January 22, 2016**, (date of the latest inspection) the total estimated market value of the subject properties, was **\$4,039,000**. This value is in terms of cash and considers the fee simple estate of the surface rights, subject to the reservations, outstanding rights, and encumbrances of record associated with the appraised property. This value also

excludes specific valuation of water rights or timber rights, any values associated with water rights or timber rights are included in the total value. This value does not include personal property, fixtures, emblements or intangible items. The individual values for each larger parcel are as follows:

Final Value Larger Parcel 1 - \$468,000
Final Value Larger Parcel 2 - \$135,000
Final Value Larger Parcel 3 - \$480,000
Final Value Larger Parcel 4 - \$504,000
Final Value Larger Parcel 5 - \$572,000
Final Value Larger Parcel 6 - \$696,000
Final Value Larger Parcel 7 - \$416,000
Final Value Larger Parcel 8 - \$352,000
Final Value Larger Parcel 9 - \$416,000

Total Value of Nine Larger Parcels: \$4,039,000

No one provided significant professional assistance to me. I have never before performed appraisal or consulting services relative to this property.

The appraisal was performed with two hypothetical conditions. A hypothetical condition is defined as:

“That which is contrary to what exists but is supposed for the purpose of analysis. A hypothetical condition assumes conditions contrary to known facts about physical, legal, or economic characteristics of the subject property.”
(Dictionary of RE Appraisal 5th ed., 2010)

The hypothetical conditions utilized in this appraisal as outlined in the Scope of Work submitted by the Montana Department of Fish, Wildlife, and Parks Department are as follows:

- 1) Some of the properties have leases or licenses on them and are to be appraised with the hypothetical condition that the leases/licenses do not exist.
- 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 Beartooth WMA across the existing roads in T14N, R3W Section 36 and in T14N, R2W in Section 16.



I hereby certify that I have no interest, present or prospective, in the herein described property and that my employment is in no way contingent upon the amount of the valuation. I certify that my opinion is based on a personal inspection of the subject property made in the company of John Grimm, DNRC Real Estate Management Bureau Chief, and Cory Loecker, Wildlife Biologist for the Beartooth Wildlife Management Area (WMA), a study of the data obtained, and my knowledge of real estate values in the subject market area.

Respectfully submitted,

A handwritten signature in blue ink that reads "Kim C. Colvin". The signature is written in a cursive style and is positioned above a horizontal line.

Kim C. Colvin, Ph.D., ARA

Montana Certified General Appraiser #REA-RAG-LIC-174



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- Exhibit 2 – Title Report and Title Exceptions
- Exhibit 3 – Statement of Land Status (DNRC)
- Exhibit 4 – Beartooth Wildlife Management Area Rules and Regulations and Travel Map
- Exhibit 5 – Sales Approach Adjustment Pages
- Exhibit 6 – Proposal to Sell Trust Lands and Scoping Notice
- Exhibit 7 – Timber Data as Provided by DNRC, University of Montana Timber Information
- Exhibit 8 – Agricultural Leases Currently on DNRC Lands
- Exhibit 9 – Special Recreational Use License for Outfitting
- Exhibit 10 – Beartooth WMA-DNRC Land Acquisition – Phase I Environmental Audit and Minerals Remoteness Evaluation by Earl F. Griffith, P.G.
- Exhibit 11 – Beartooth County Road Information
- Exhibit 12 – Soils Data
- Exhibit 13 – Water Rights Information
- Exhibit 14 – Flood Zone Data and Montana MCA 87-1-303 - Rules for Use of Lands and Waters
- Exhibit 15 – Scope of Work Letter, Qualifications of the Appraiser

I. INTRODUCTION

A. Appraiser's Certification

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

- The statements of fact contained in the report are true and correct;
- The reported analysis, opinions, and conclusions are limited only by the reported assumptions, limiting conditions, and legal instructions, and are the personal, unbiased professional analysis, opinions, and conclusions of the appraiser;
- The appraiser has no present or prospective interest in the property appraised and no personal interest or bias with respect to the parties involved;
- The appraiser engagement in this assignment was not contingent upon developing or reporting predetermined results;
- The appraiser's 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 the appraisal;
- The appraisal was made and the appraisal report prepared in conformity with the *Uniform Appraisal Standards for Federal Land Acquisitions*;
- The appraisal was made and the appraisal report 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's analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and the Standards of Professional Practice of the American Society of Farm Managers and Rural Appraisers.
- The appraiser has made a personal inspection of the property appraised and the property owner, or the designated representative, was given the opportunity to accompany the appraiser on the property inspection. John Grimm, DNRC Real Estate Management Bureau Chief, and Cory Loecker, Fish, Wildlife, and Parks

Biologist, toured the property with the appraiser by helicopter for the first inspection on June 19, 2015. A subsequent ground inspection was made on August 21, 2015 and an additional attempt was made on January 22, 2016, however, the road was closed and not plowed. The road was seen and the property was seen from a distance on January 22, 2016; therefore, the effective date will be January 22, 2016 which is the last date of inspection.

- No one provided significant professional assistance to the appraiser;
- I have met all continuing education requirements for my state certification, the American Society of Farm Managers and Rural Appraisers through the year 2018.
- I have never performed any services related to these particular properties.
- I have made a personal inspection of the appraised property which is the subject of this report and all comparable sales used in developing the opinion of value. The sales inspections were made to the best of the appraiser's ability given the weather at the time of inspection and the various types of legal and physical access to the sales. The sales were inspected over a period of several months.
- Based on all elements which could reasonably affect the value of the DNRC Property and considering the Assumptions and Limiting Conditions contained herein, the concluded opinion of value for the DNRC lands as of January 22, 2016 is \$4,039,000 (rounded).



Kim C. Colvin, Ph.D., ARA

Montana Certified General Real Estate Appraiser REA-RAG-LIC-174

Date: February 15, 2016

B. SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Owner of Record:	State of Montana 1625 11 th Ave. Helena, MT 59601-4600
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).
Legal Description:	Lengthy See Page 67.
Land Area:	5,438.427+/- acres
Property Location:	Forty +/- miles northeast of Helena, MT and eight miles southeast of Wolf Creek, MT.
Current Use:	Recreation, grazing, and some outfitting, as restricted by access rules and wildlife management area closures from December 1 to noon May 15 each year.
Zoning and Flood Status:	No zoning in this portion of the county. The property is not in a designated flood zone.
Highest and Best Use:	Tracts 2 and 3 – Rural Recreational Investment Tract 1 and Tracts 4-14 – Access Restricted Rural Recreational
Improvements:	None
Effective Date of Value:	January 22, 2016
Date of Inspection:	June 19, 2015 (Helicopter), August 21, 2015 (Partial by vehicle), January 22, 2016 (Ground by vehicle to beginning of non-plowed road).

Date of Report: February 4, 2016

Interest Appraised: Fee simple estate of the surface rights subject to the reservations, outstanding rights, and encumbrances of record as disclosed in the title commitments. Included in the rights appraised are timber and water rights associated with the property.

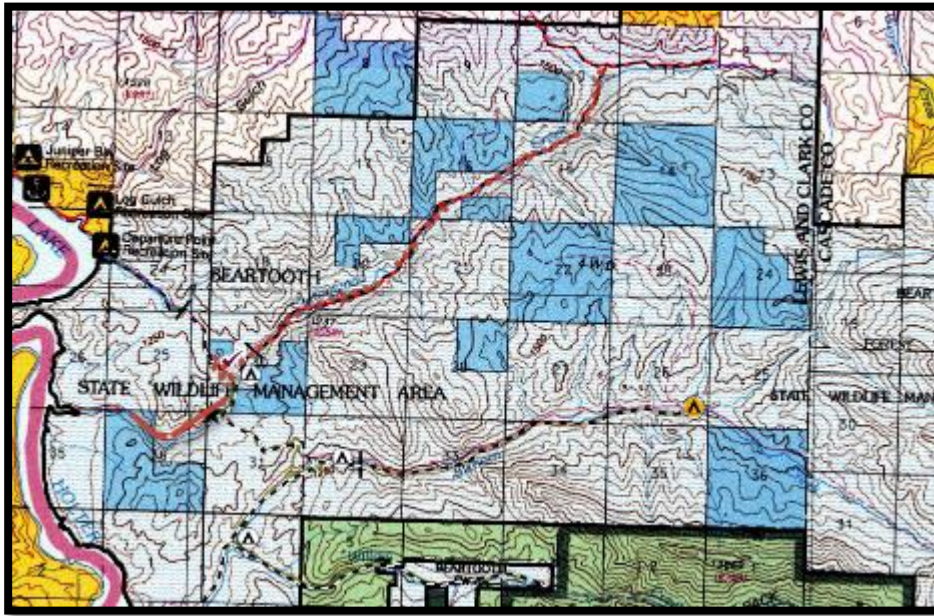
Extraordinary Assumptions: No extraordinary assumptions are authorized herein.

Hypothetical Conditions:

- 1) Some of the properties have leases or licenses on them and are to be appraised with the hypothetical condition that the leases/licenses do not exist.

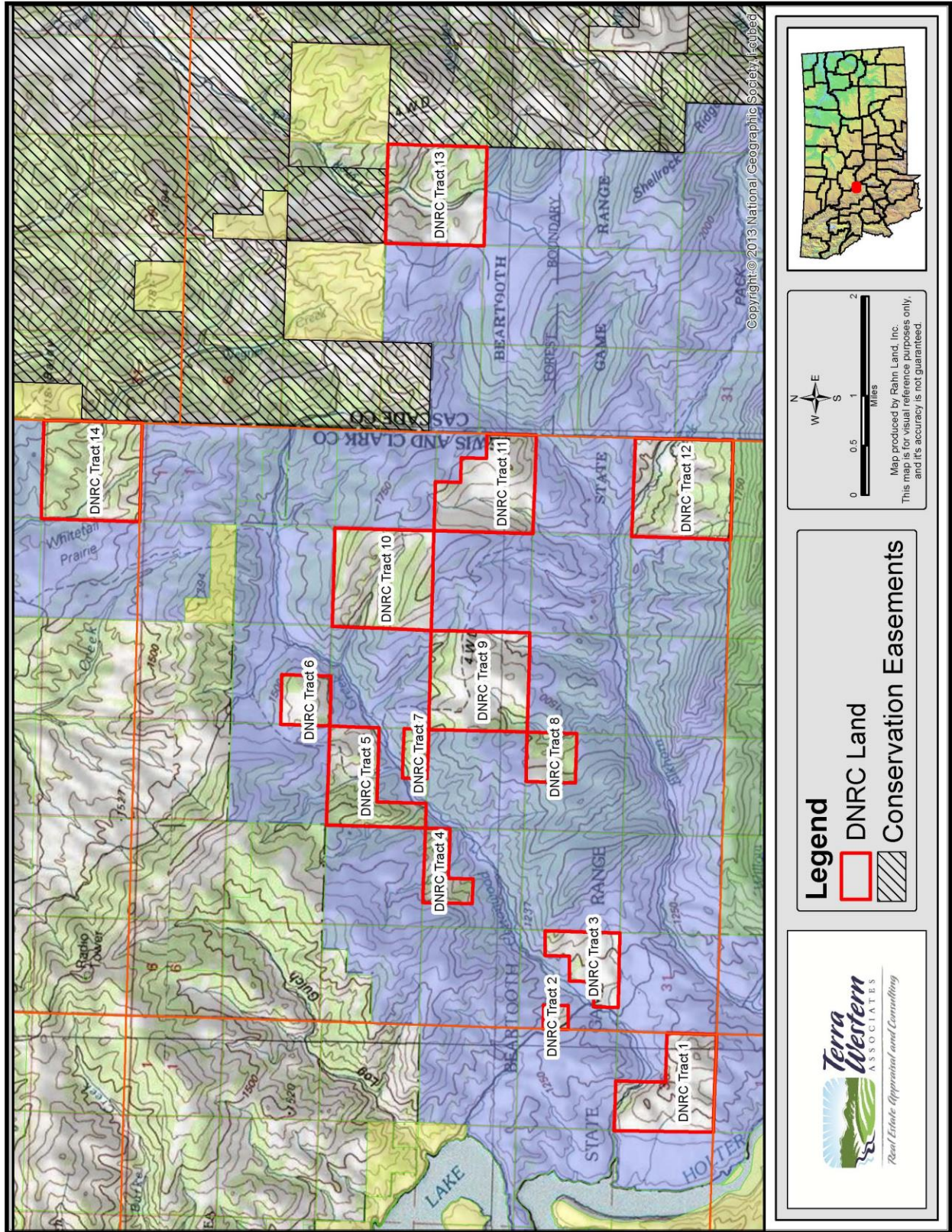
- 2) The DNRC will grant a 20' wide access easement to FWP for administration purposes and for seasonal public access consistent with the administration of the Beartooth WMA across the existing roads in T14N, R3W Section 36 and in T14N, R2W in Section 16 (See orange roads on map below). (Section 20 in T14N, R2W looks like the road touches it on southeast corner but it does not)

Use of this hypothetical condition may have affected the assignment results and conclusions.



Market Value Opinion (In Cash)	Cost Approach	N/A
	Income Approach	N/A
	Sales Comparison Approach	\$4,039,000
Final Opinion of Value (In Cash):	\$4,039,000	

C. PHOTOS AND MAPS OF THE SUBJECT TRACTS



Tract Map of DNRC Parcels that are the Subjects of this Report



Tract 1 - Looking Southwest



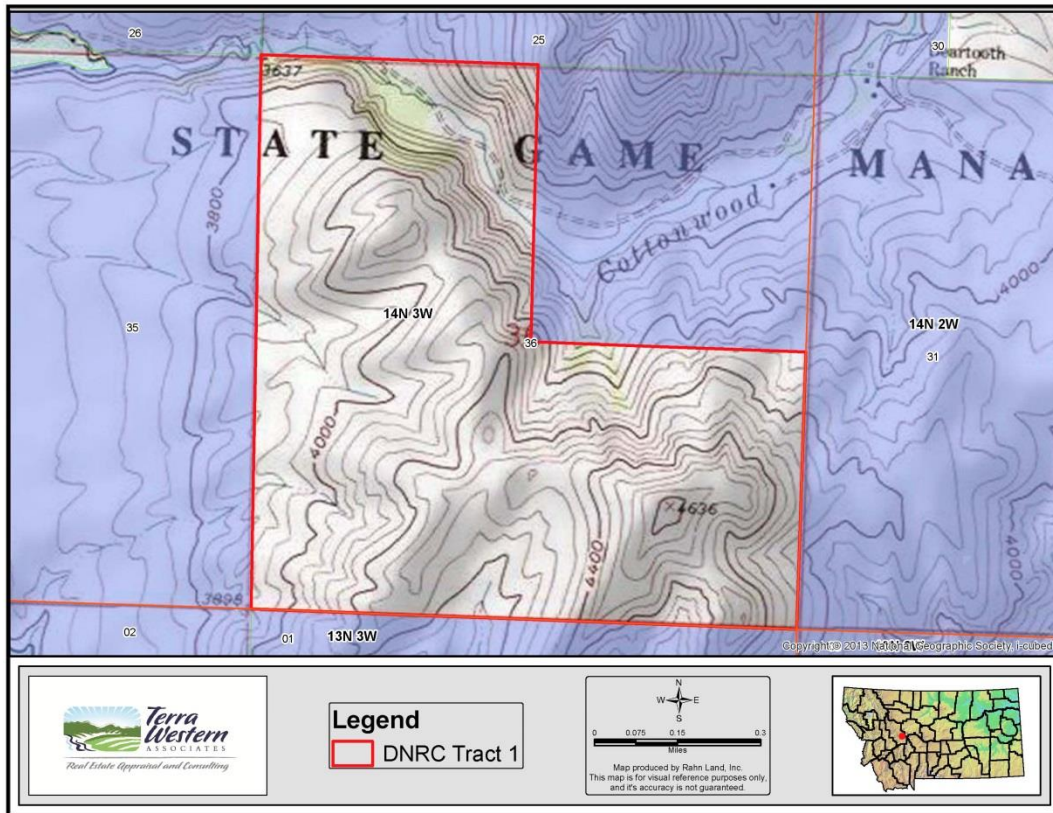
Tract 1 – Road Goes Through Most of Tract on Right Side of Photo



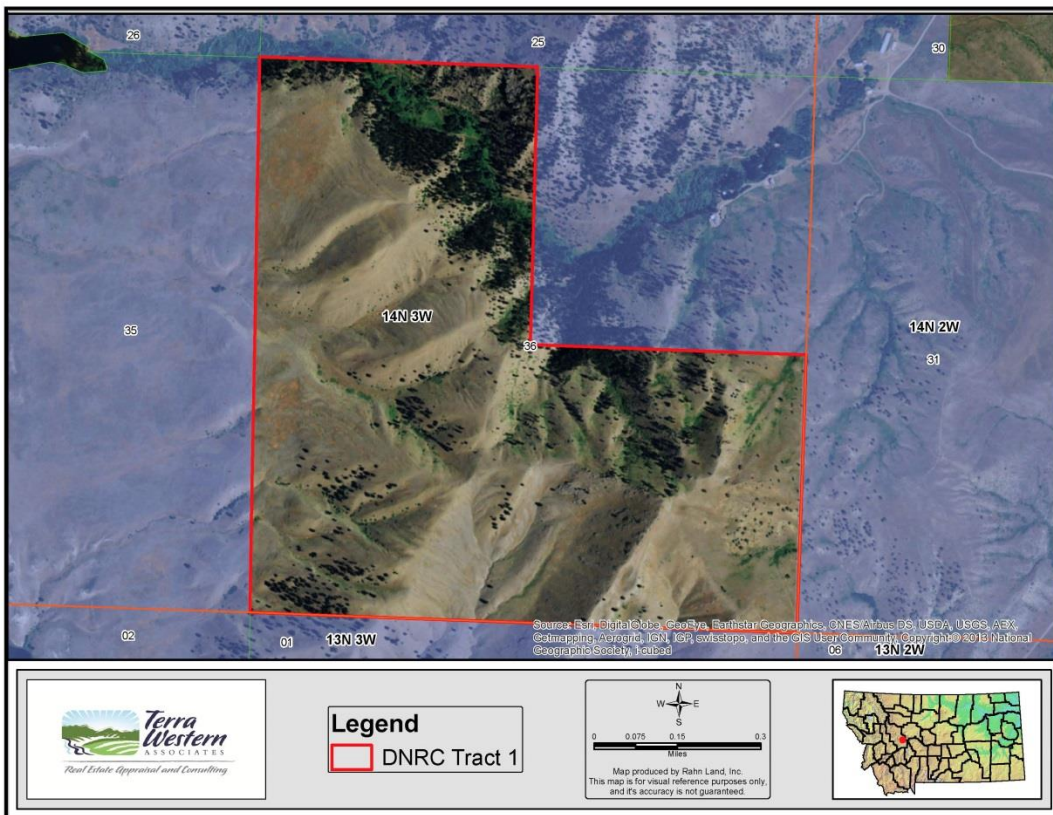
Tract 1 - Looking Southeast, Tract on left of Road and Creek
Subject Photograph Taken by Kim C. Colvin, Ph.D., ARA on 8/21/2015



Tract 1 - Looking Southwest at Entry Road – Farthest Hill is Tract 1



Tract 1 – Topographic Map



Tract 1 – Aerial Photo

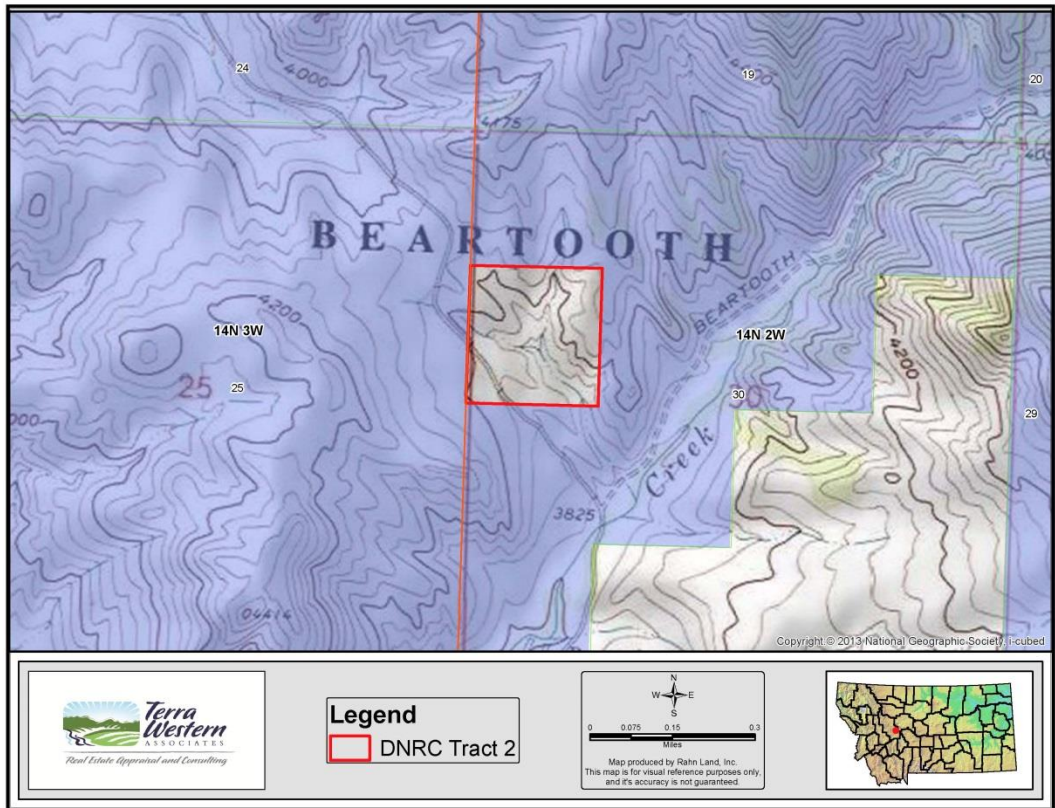
Subject Photograph Taken by Kim C. Colvin, Ph.D., ARA on 6/19/2015



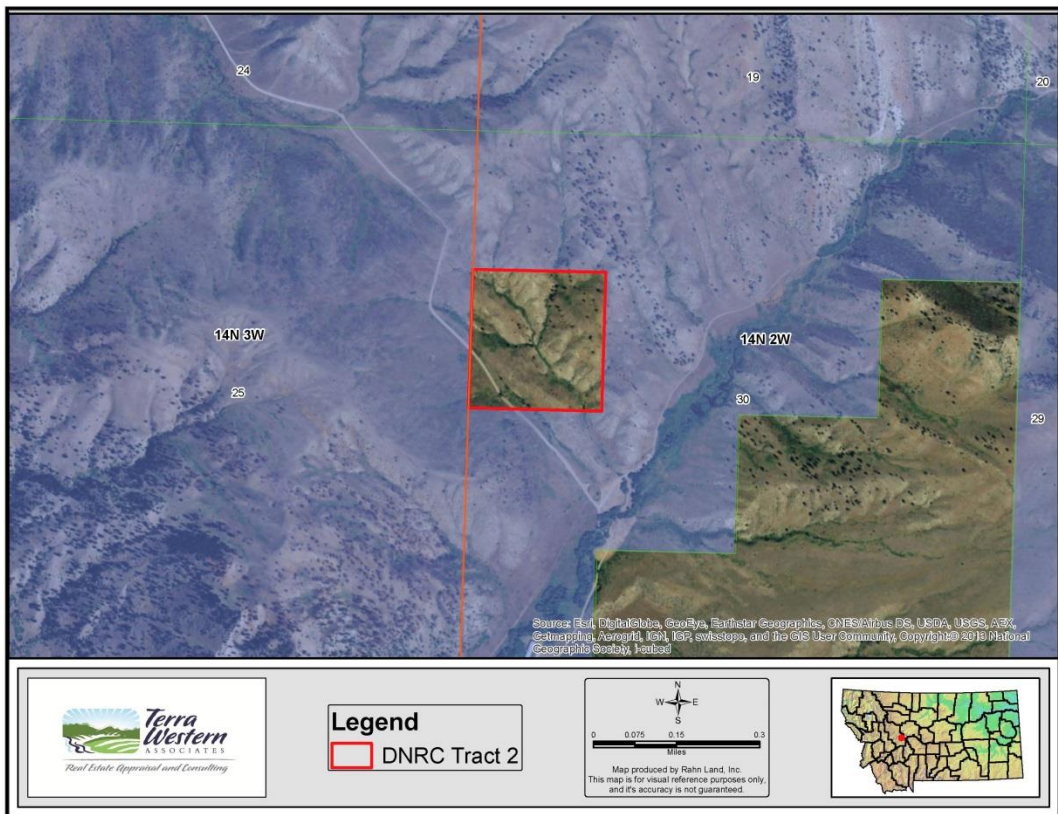
Tract 2 - Looking Southeast across Parcel



Tract 2 – Looking Southeast Across Tract from Beartooth Road



Tract 2 – Topographic Map



Tract 2 – Aerial Photograph

Subject Photograph Taken by Kim C. Colvin, Ph.D., ARA on 6/19/2015

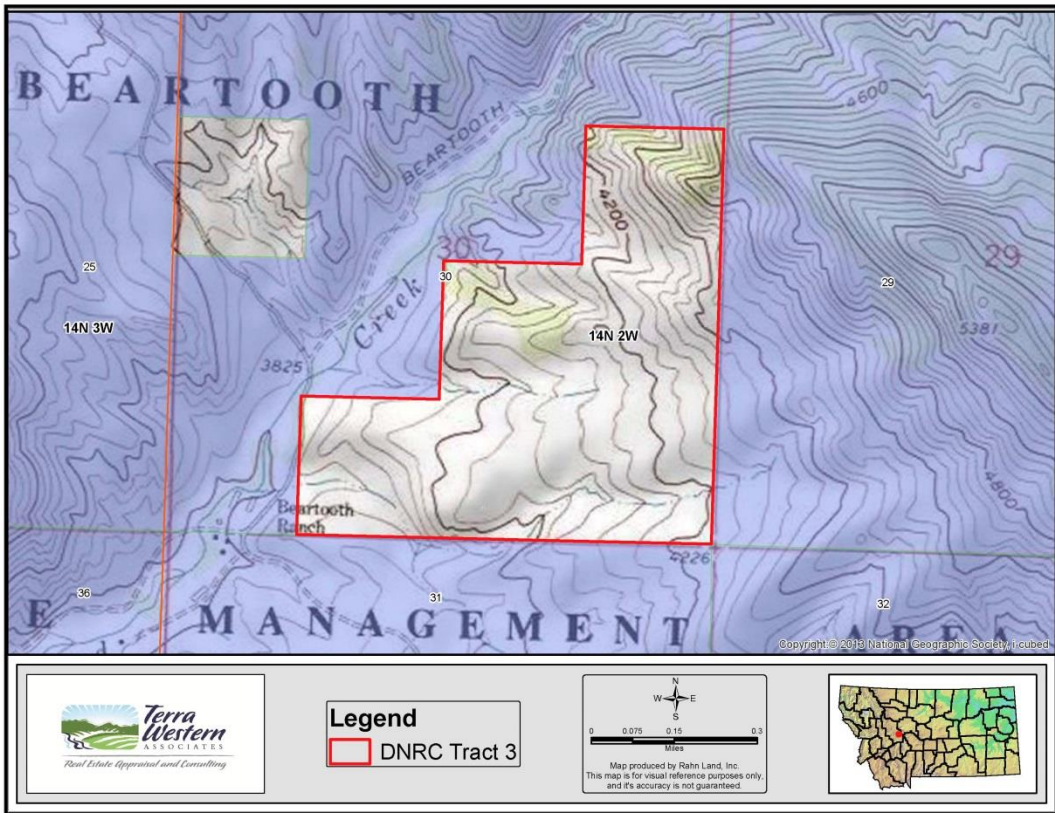


Tract 3 - Looking Southeast the Parcel

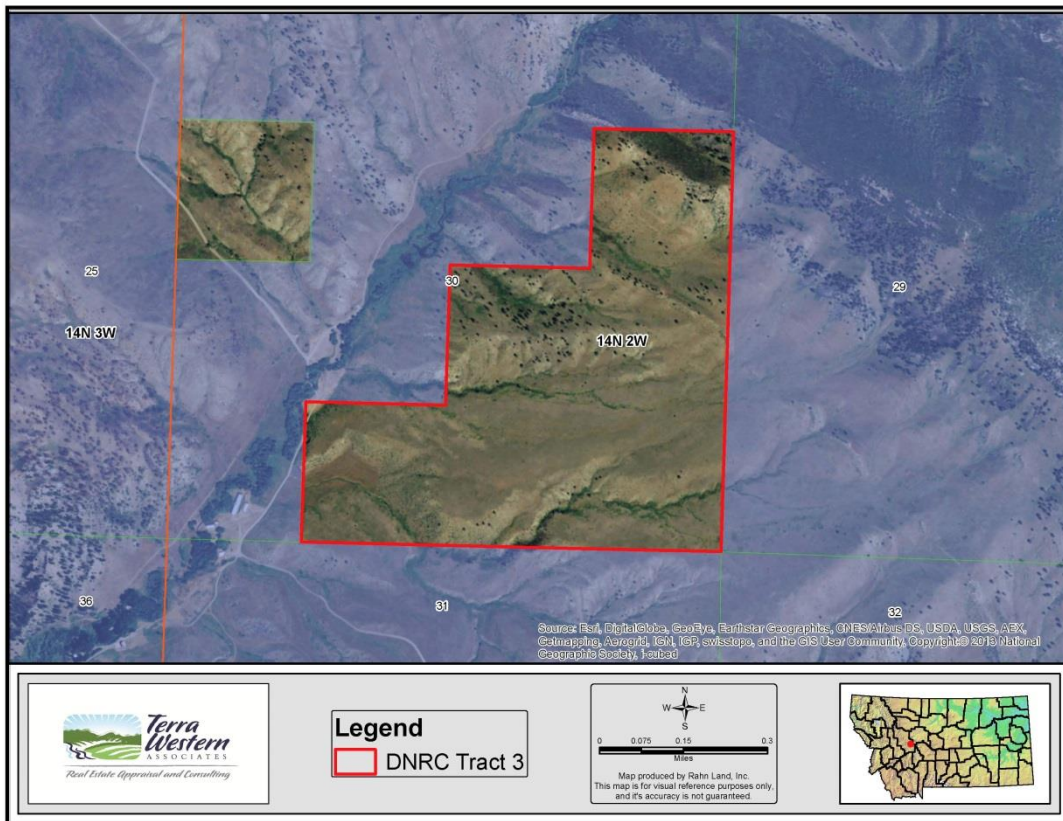
Subject Photograph Taken by Kim C. Colvin, Ph.D., ARA on 8/21/2015



Tract 3 - Looking East across Tract 2 from Beartooth Road



Tract 3 – Topographic Map



Tract 3 – Aerial Photograph

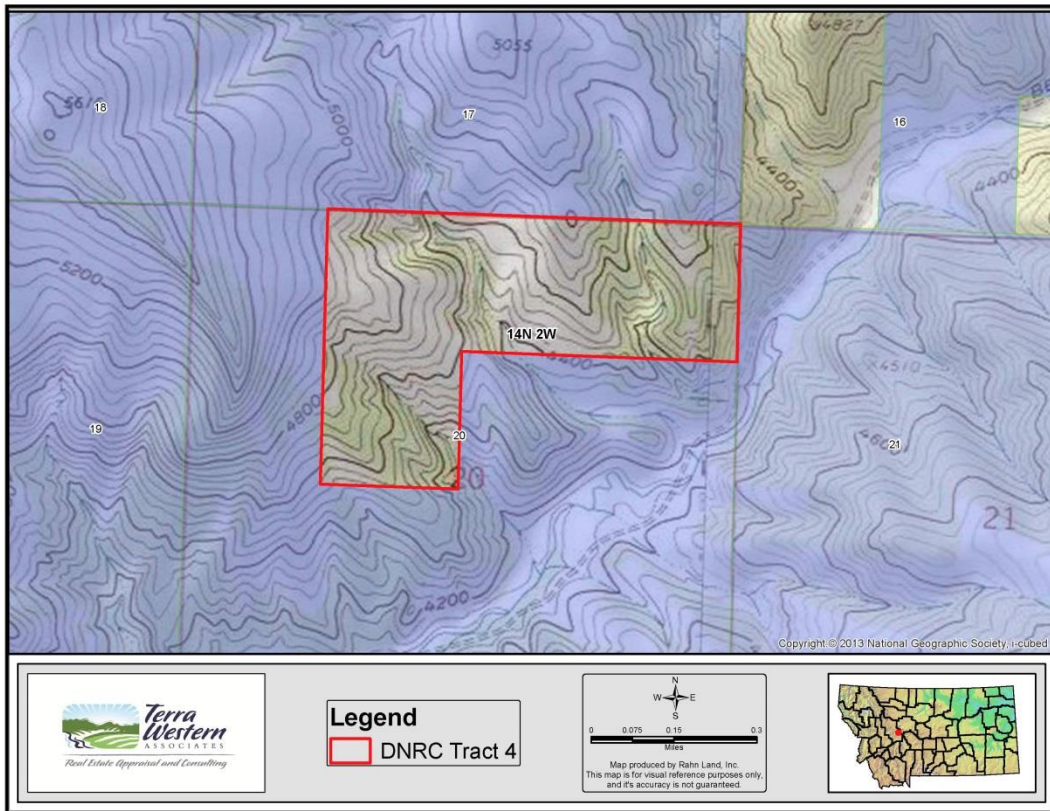
Subject Photographs Taken by Kim C. Colvin, Ph.D., ARA on 6/19/2015



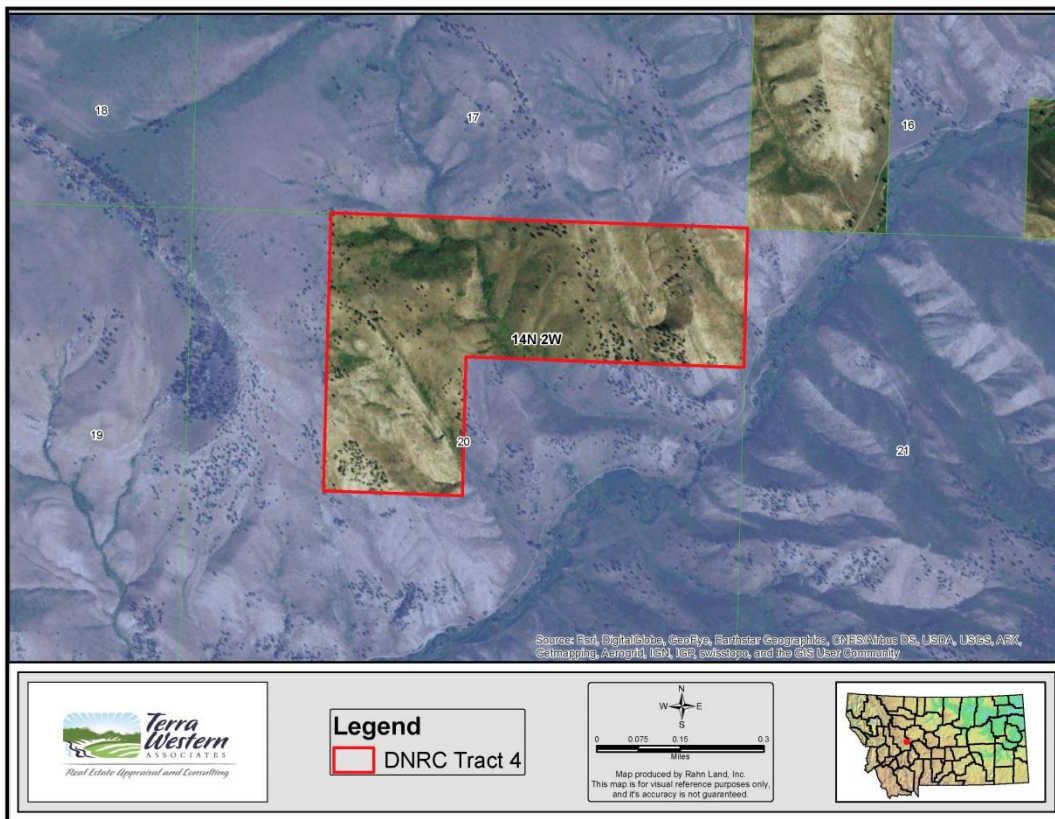
Tract 4 – North Side Looking Southeast



Tract 4 South Side Looking Northeast



Tract 4 – Topographic Map



Tract 4 – Aerial Photograph

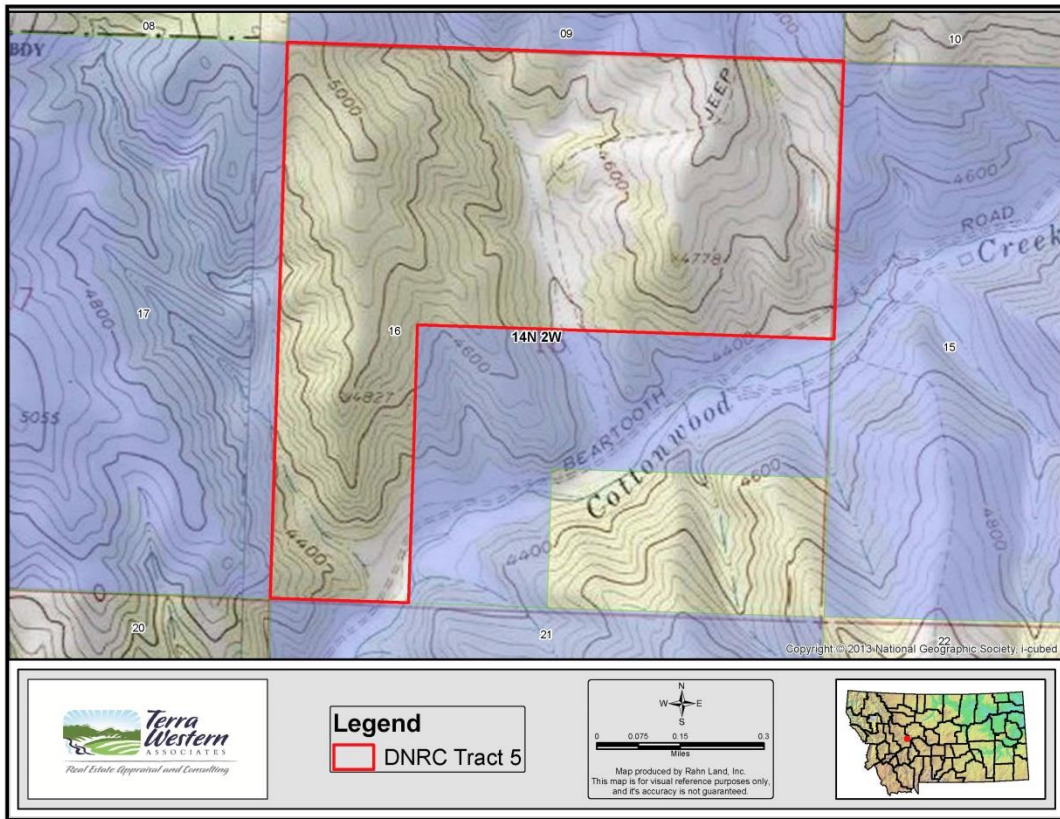
Subject Photograph Taken by Kim C. Colvin, Ph.D., ARA on 6/19/2015



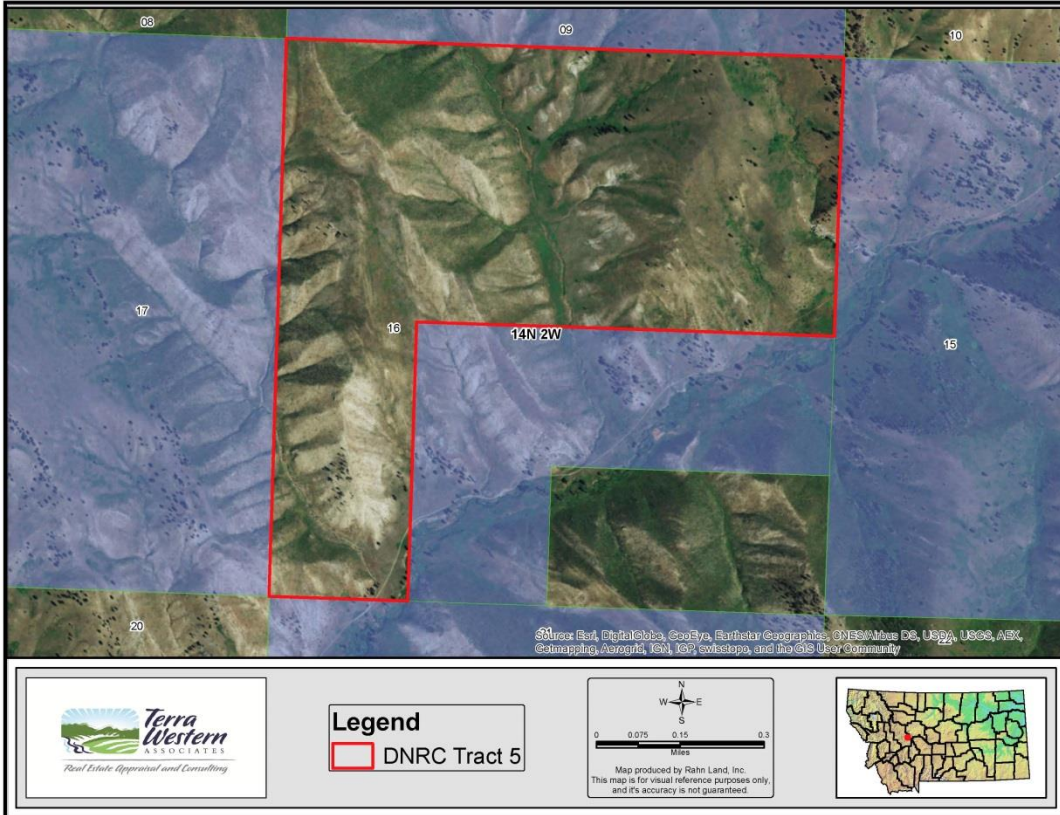
Looking East across Tract 5



Tract 5 Looking South Along Seasonal Drainage toward Cottonwood Creek



Tract 5 – Topographic Map



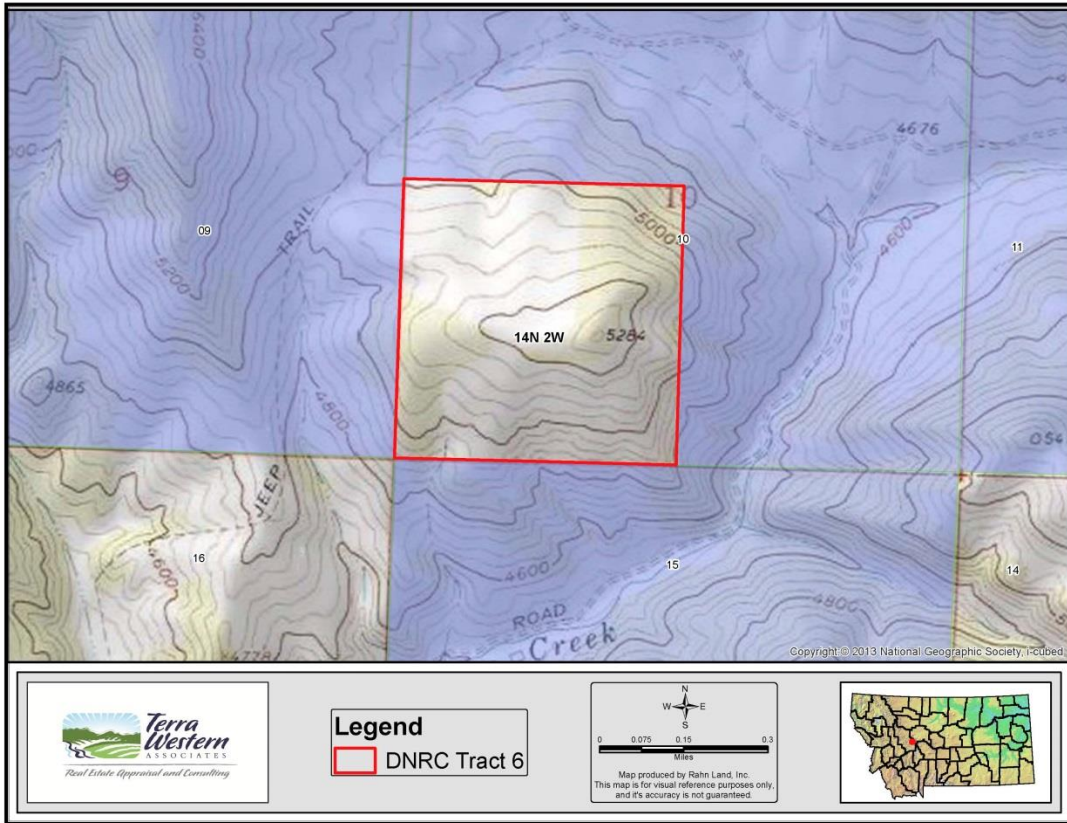
Tract 5 – Aerial Photo



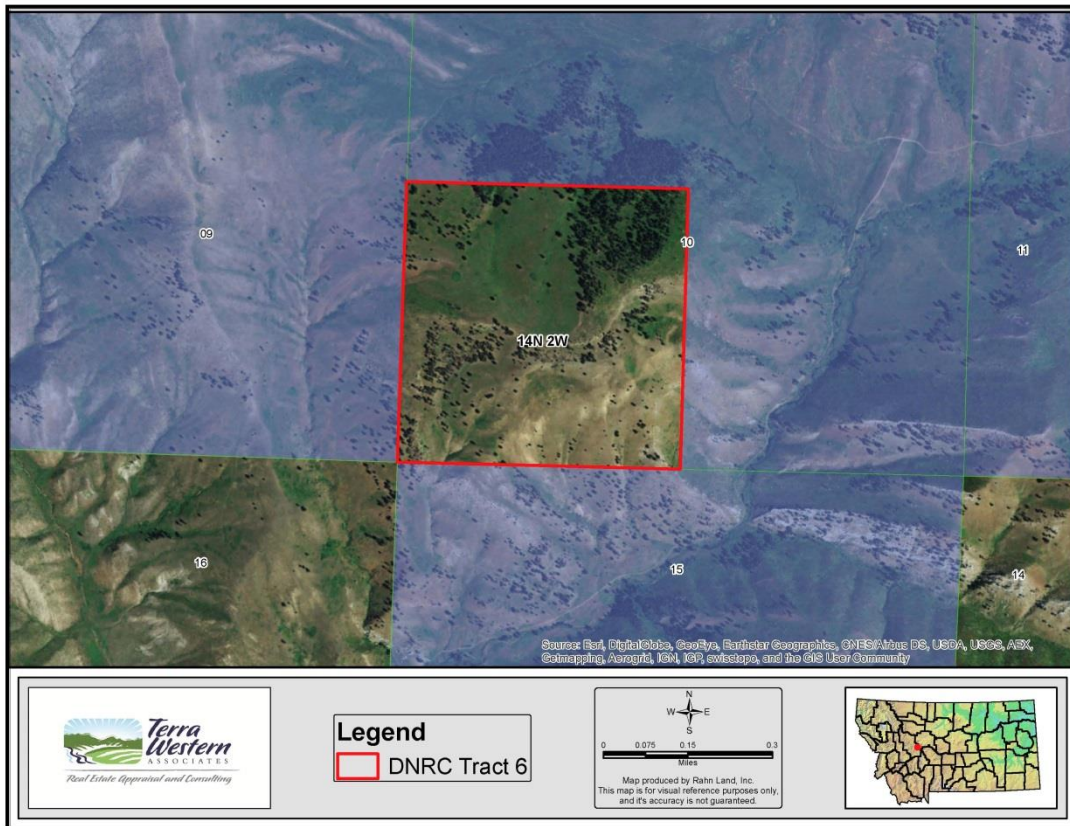
Tract 6 Northern Half Looking East



Tract 6 Looking Southeast



Tract 6 - Topographic Map



Tract 6 - Aerial Photograph

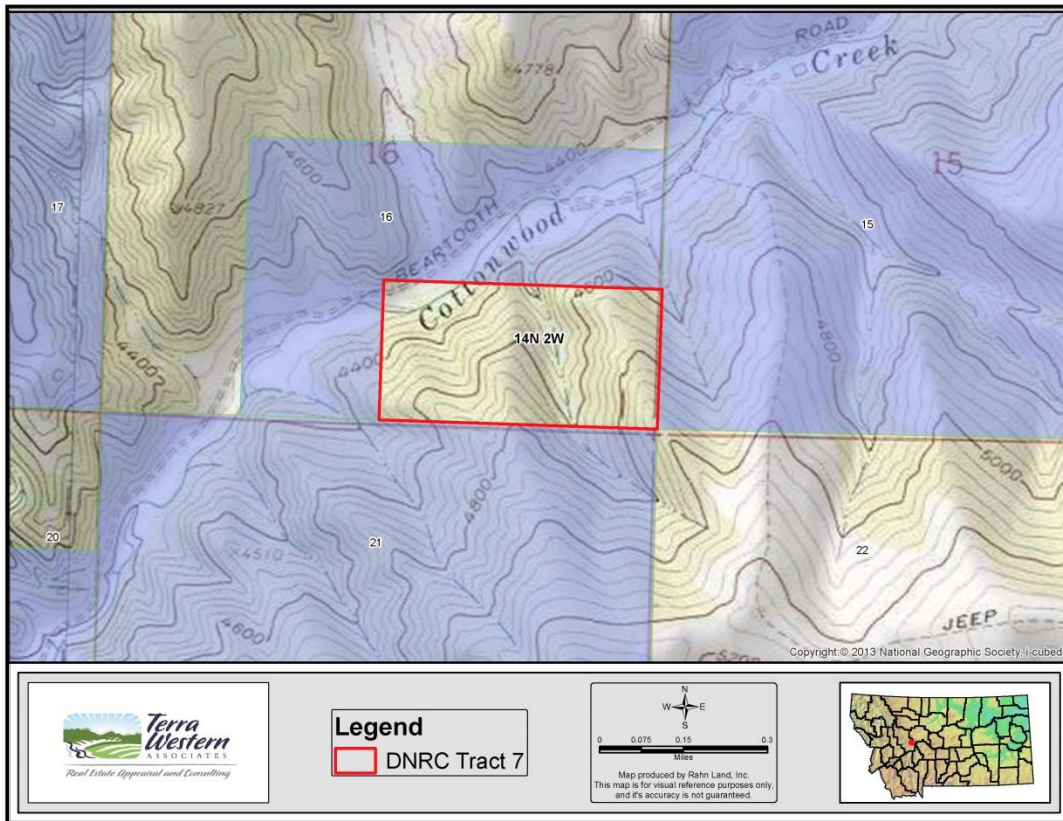
Subject Photographs Taken by Kim C. Colvin, Ph.D., ARA on 6/19/2015



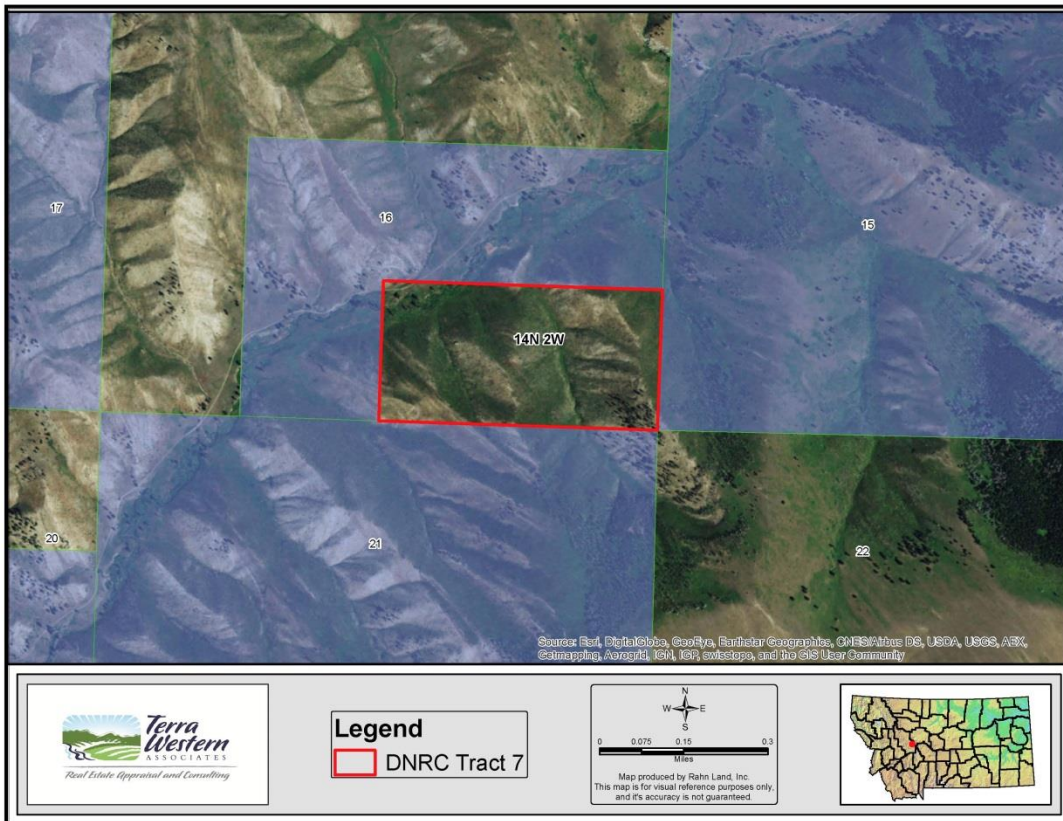
Tract 7 on Left of Creek



Looking East across Tract 7



Tract 7 – Topographic Map



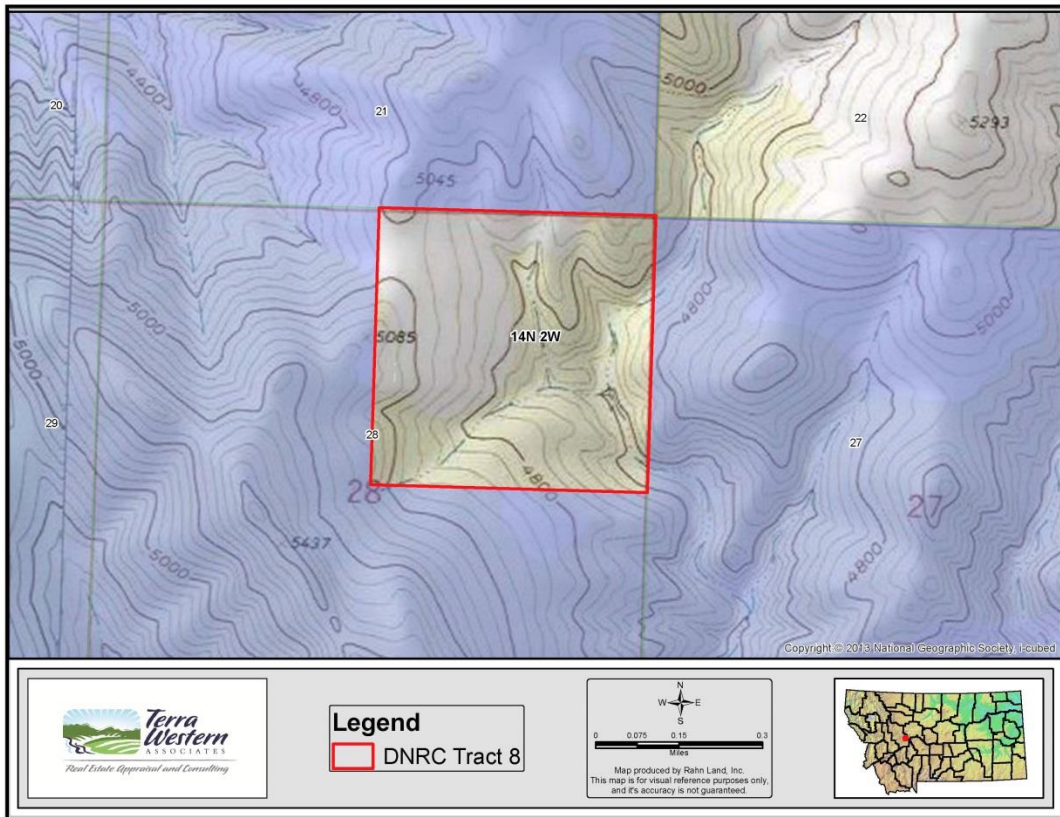
Tract 7 – Aerial Photograph



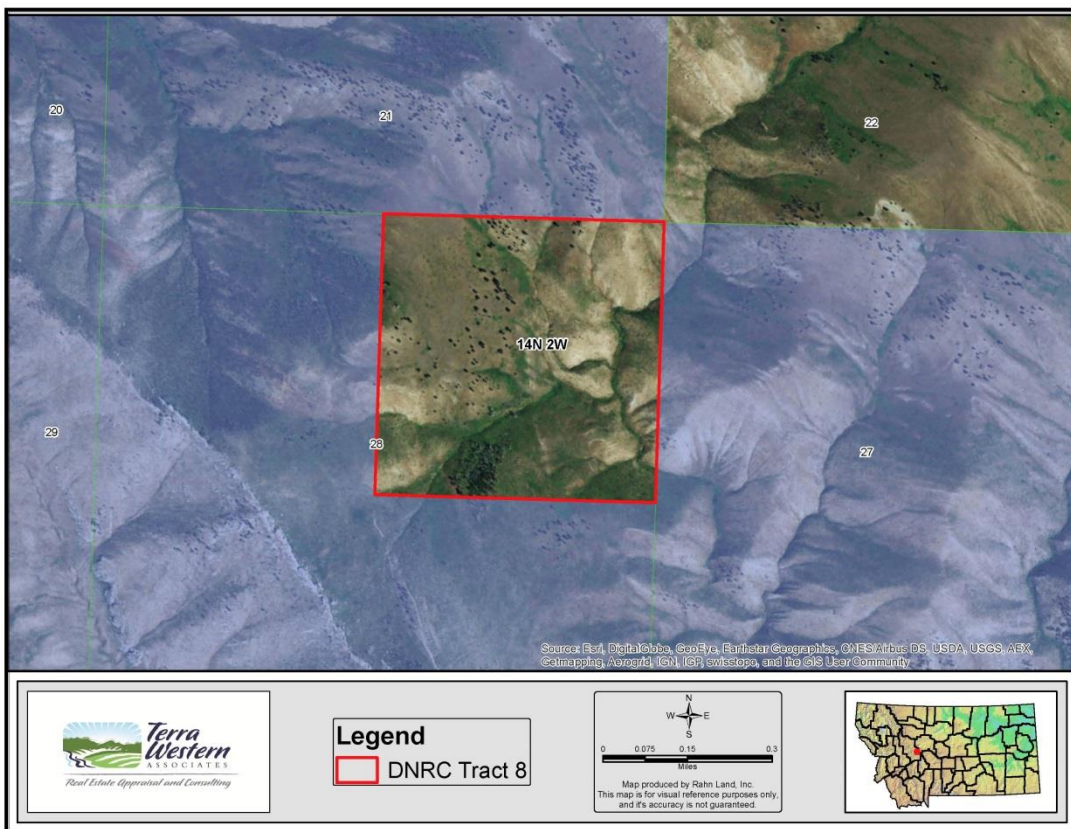
Tract 8 – Looking Southeast



Tract 8 – Seasonal Drainage Looking Northeast



Tract 8 – Topographic Map



Tract 8 – Aerial Photograph



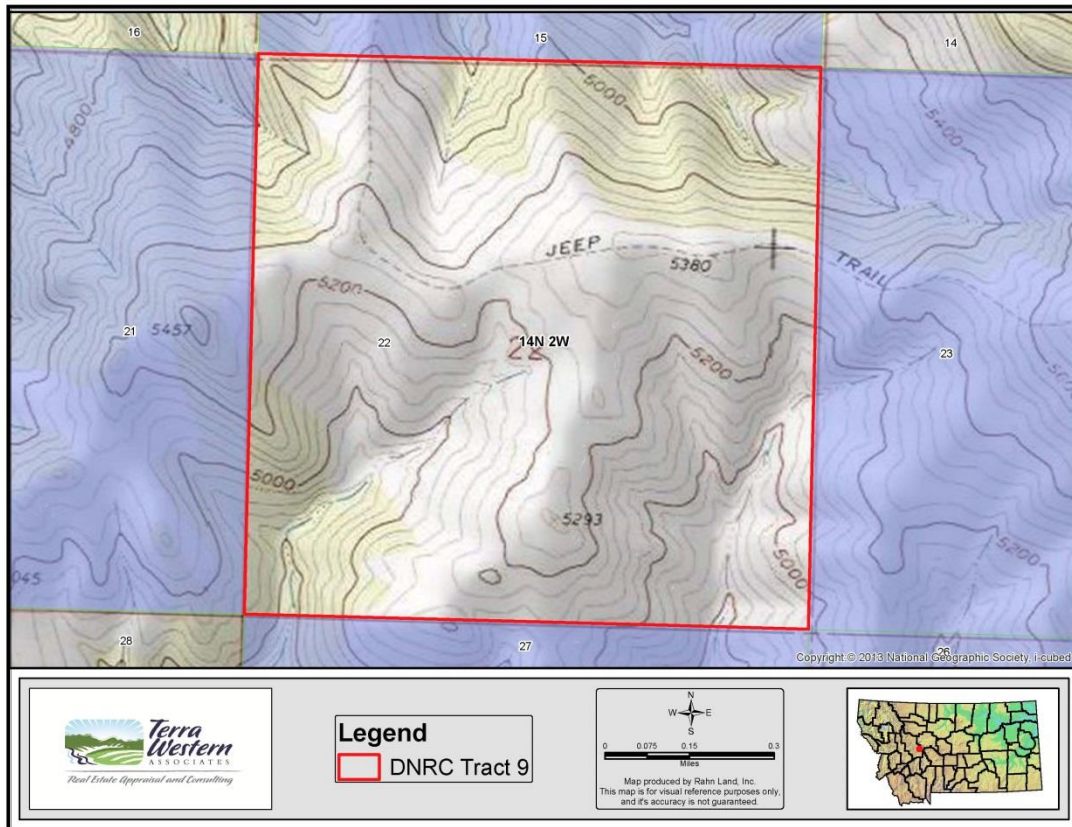
Tract 9 – Looking Northeast



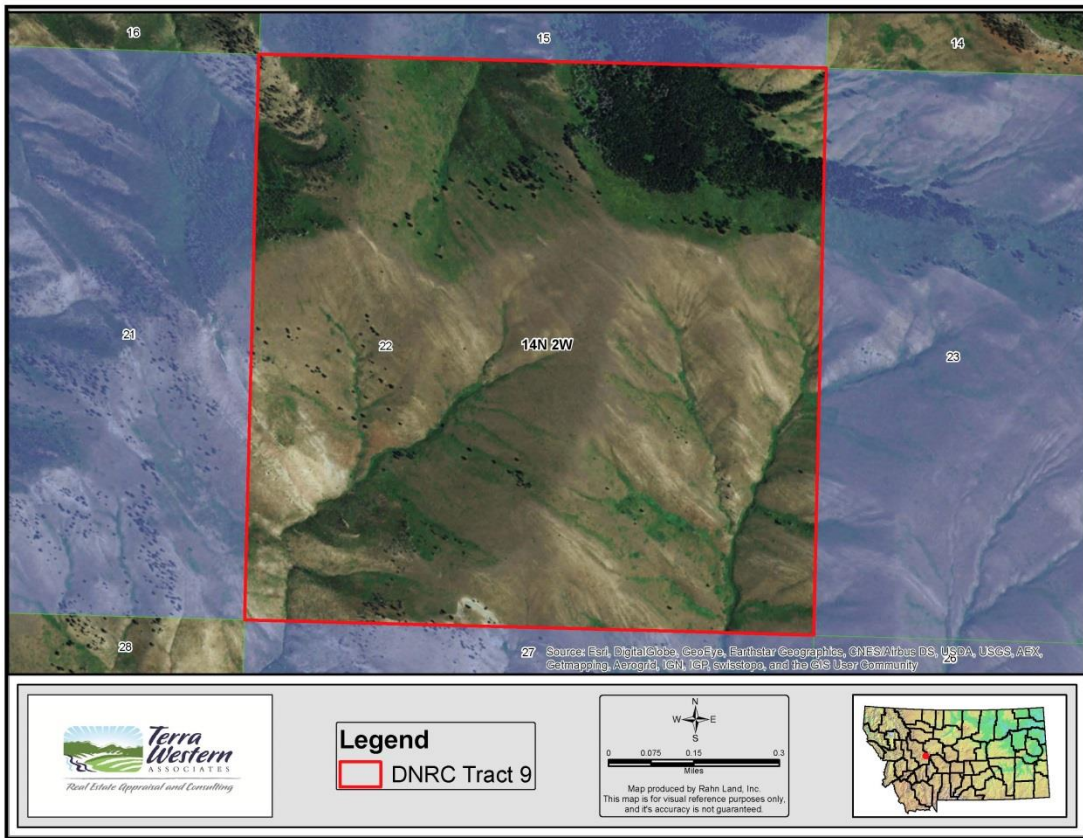
Tract 9 – Seasonal Drainage on Tract 9 Looking Northeast



Tract 9 – Looking Southwest



Tract 9 – Topographic Map



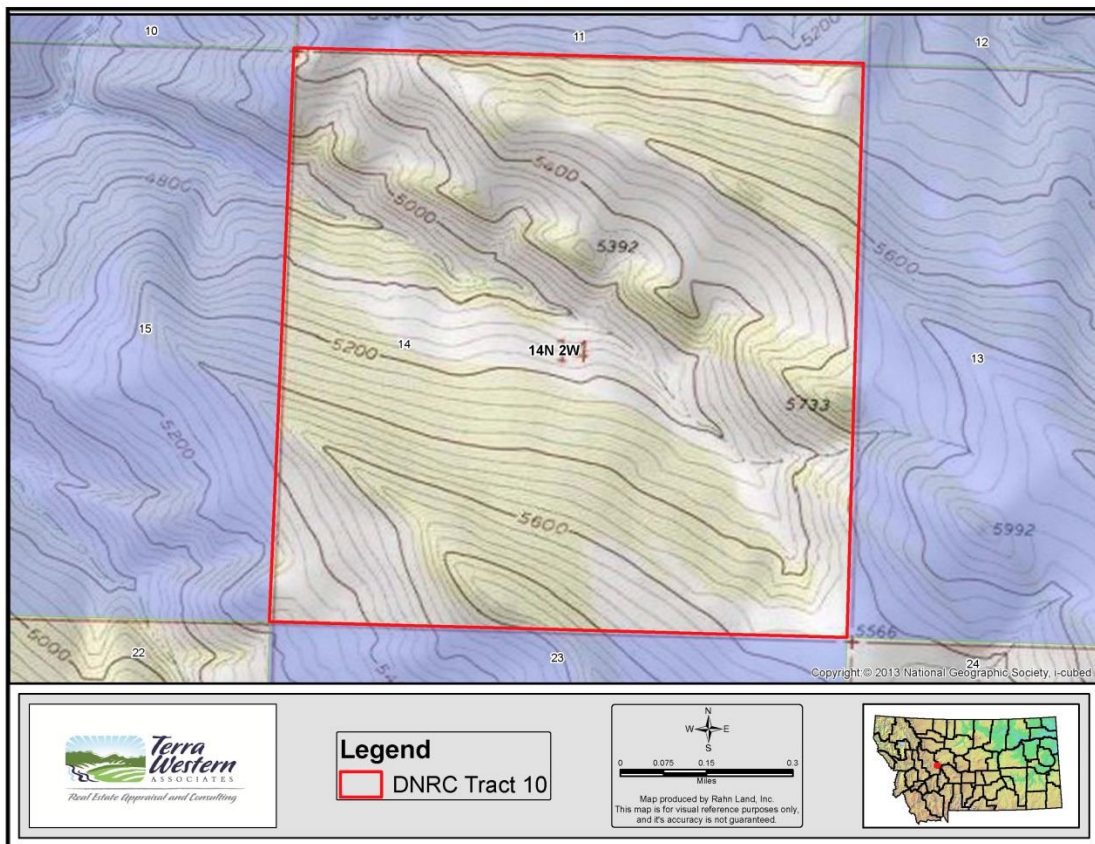
Tract 9 – Aerial Photograph
Subject Photographs Taken by Kim C. Colvin, Ph.D., ARA on 6/19/2015



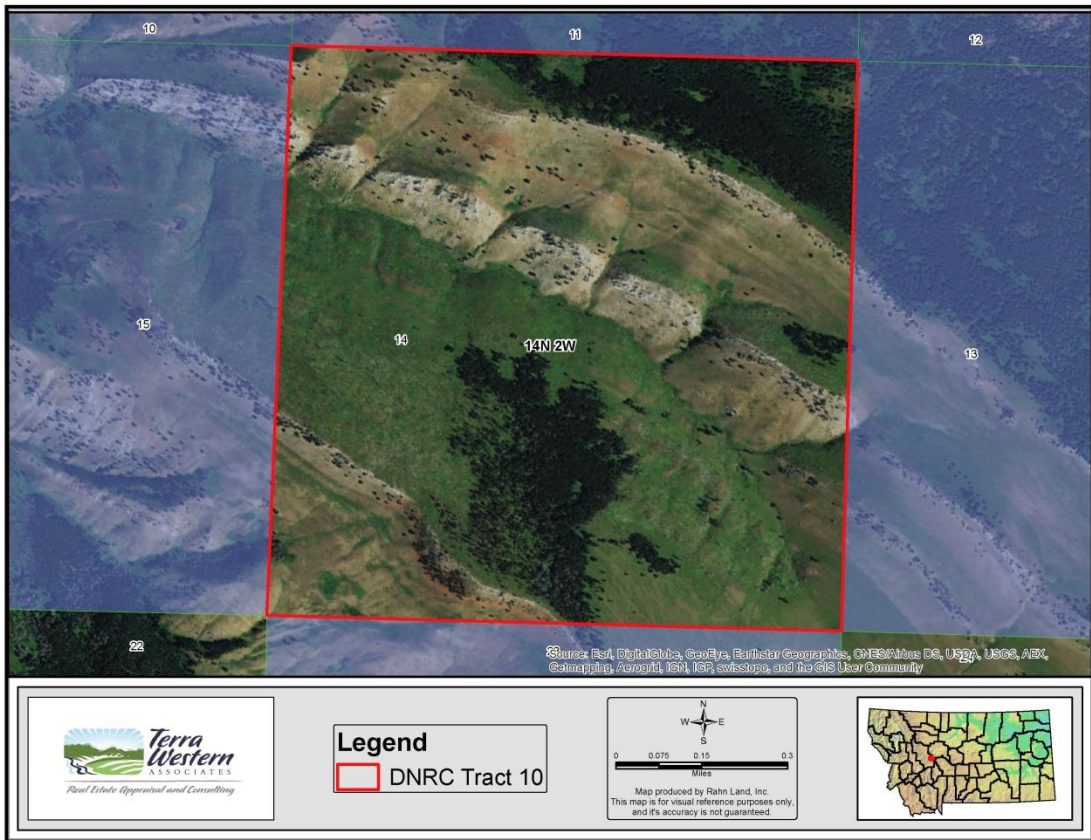
Tract 10 – Looking Northwest from East Boundary



Tract 10 Looking Southwest



Tract 10 – Topographic Map



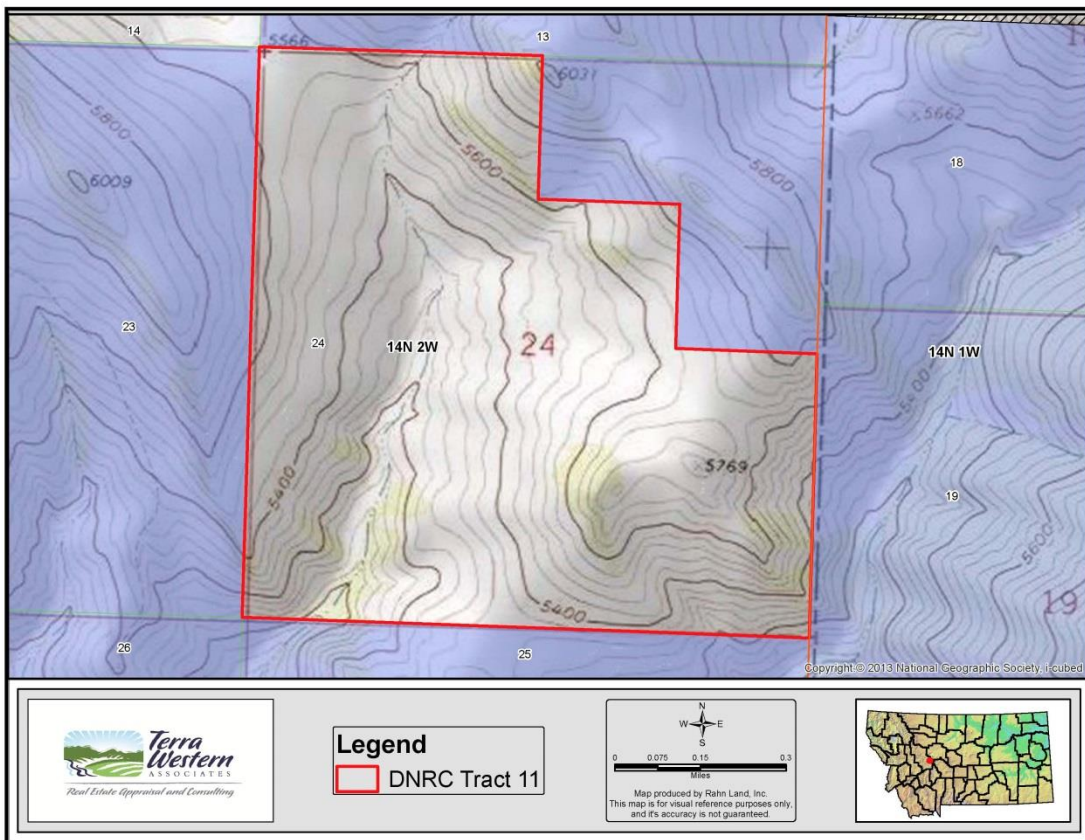
Tract 10 – Aerial Photograph
 Subject Photographs Taken by Kim C. Colvin, Ph.D., ARA on 6/19/2015



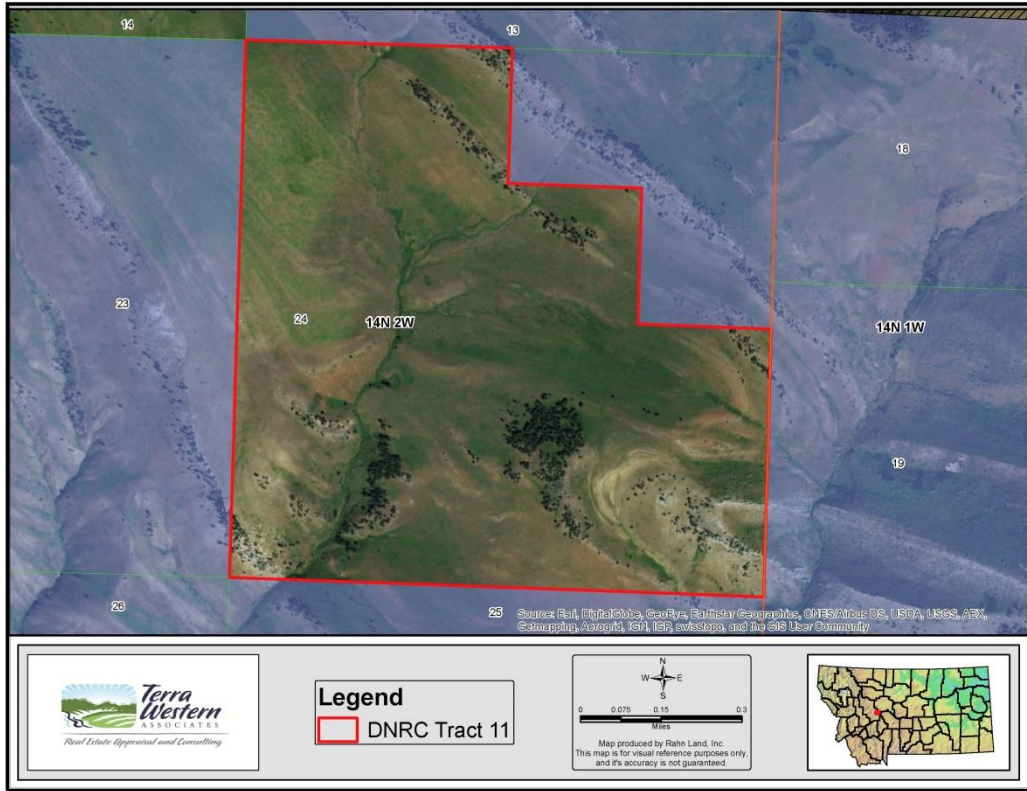
Tract 11 - Looking North along Seasonal Drainage



Tract 11 – Looking Northwest from Southeast Corner



Tract 11 – Topographic Map



Tract 11 – Aerial Photo
Subject Photographs Taken by Kim C. Colvin, Ph.D., ARA on 6/19/2015



Tract 12 – Looking Southeast. Parcel is Below Extremely Steep Terrain



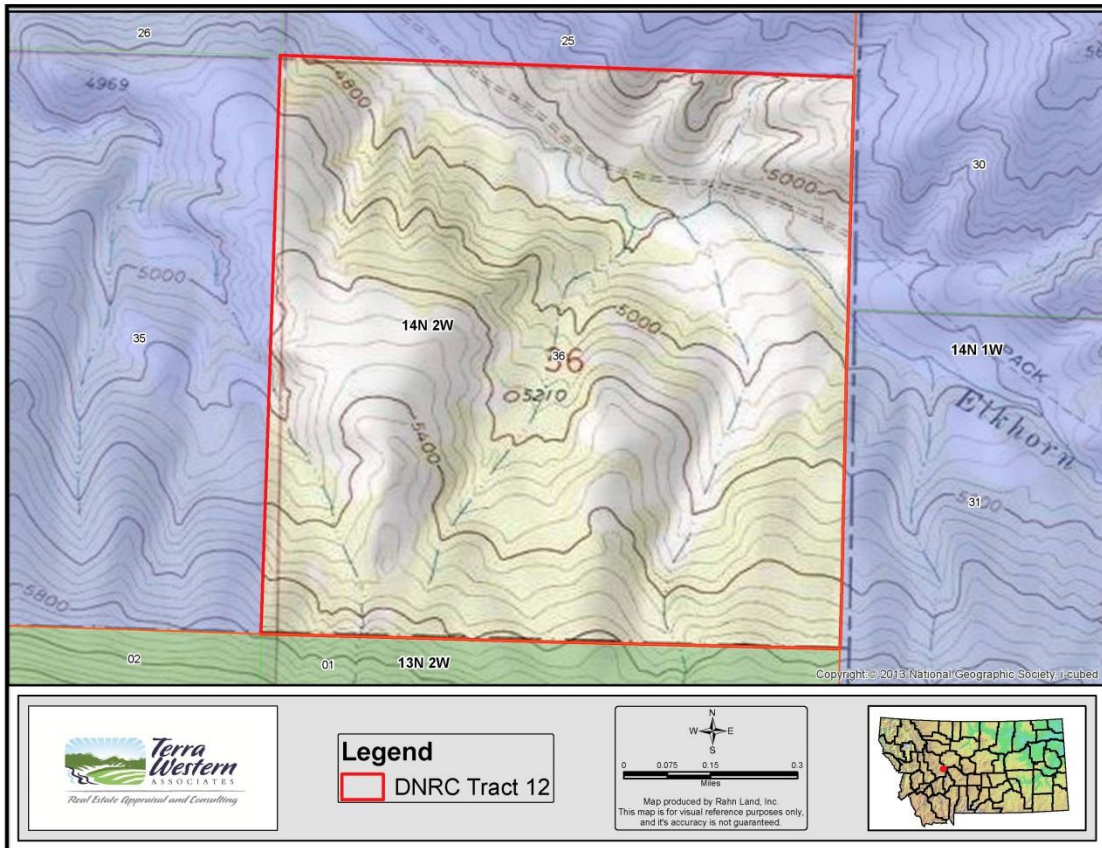
Tract 12 – Looking Southeast (Below Very Steep Lands)



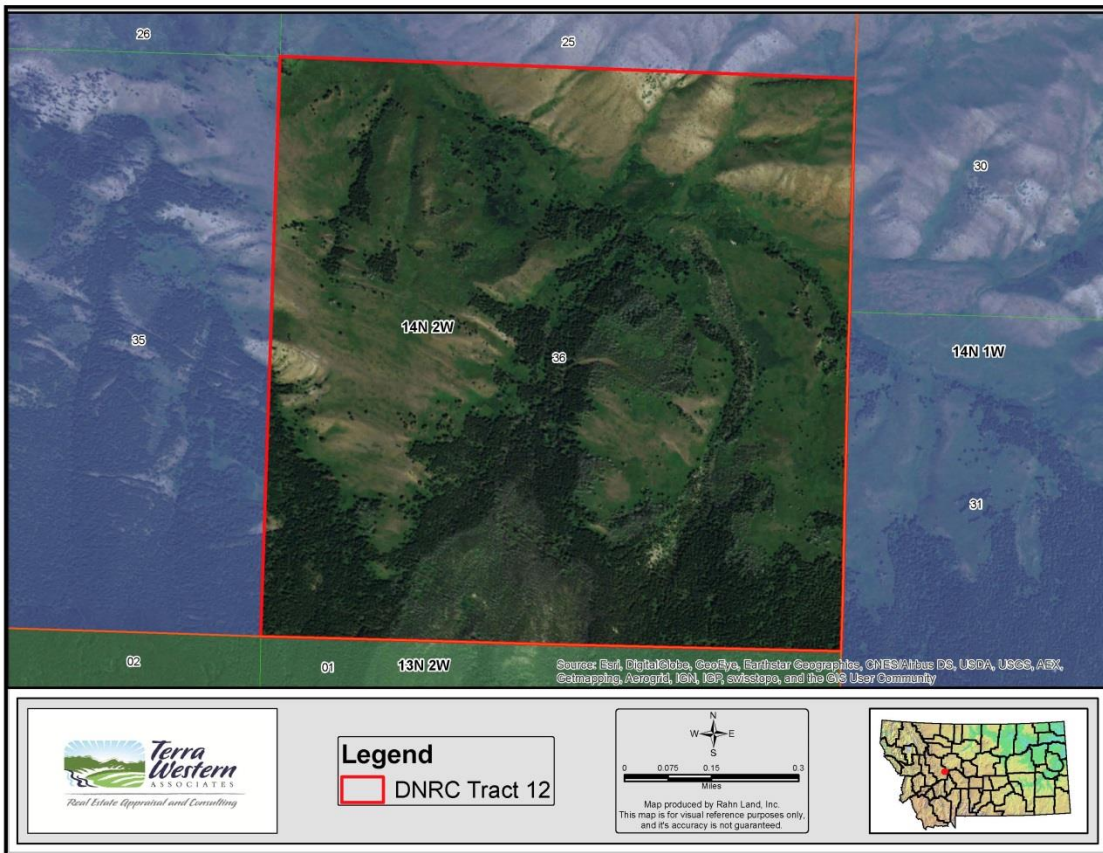
Tract 12 – Looking West



Tract 12 – Looking Northeast. Creek Bottom along Northeast and North Boundary



Tract 12 – Topographic Map



	<p>Legend</p> <p> DNRC Tract 12</p>	<p>Map produced by Rahn Land, Inc. This map is for visual reference purposes only, and its accuracy is not guaranteed.</p>	
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Tract 12 – Aerial Photo
 Subject Photographs Taken by Kim C. Colvin, Ph.D., ARA on 6/19/2015



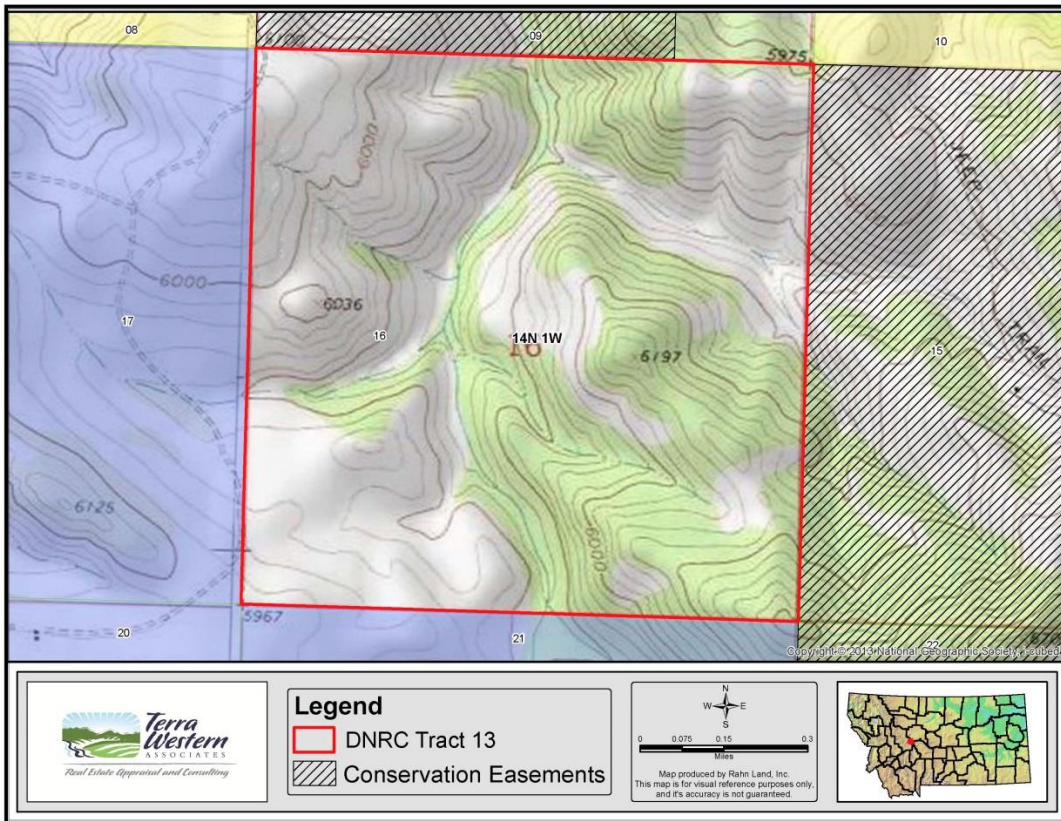
Tract 13 - Looking Northeast



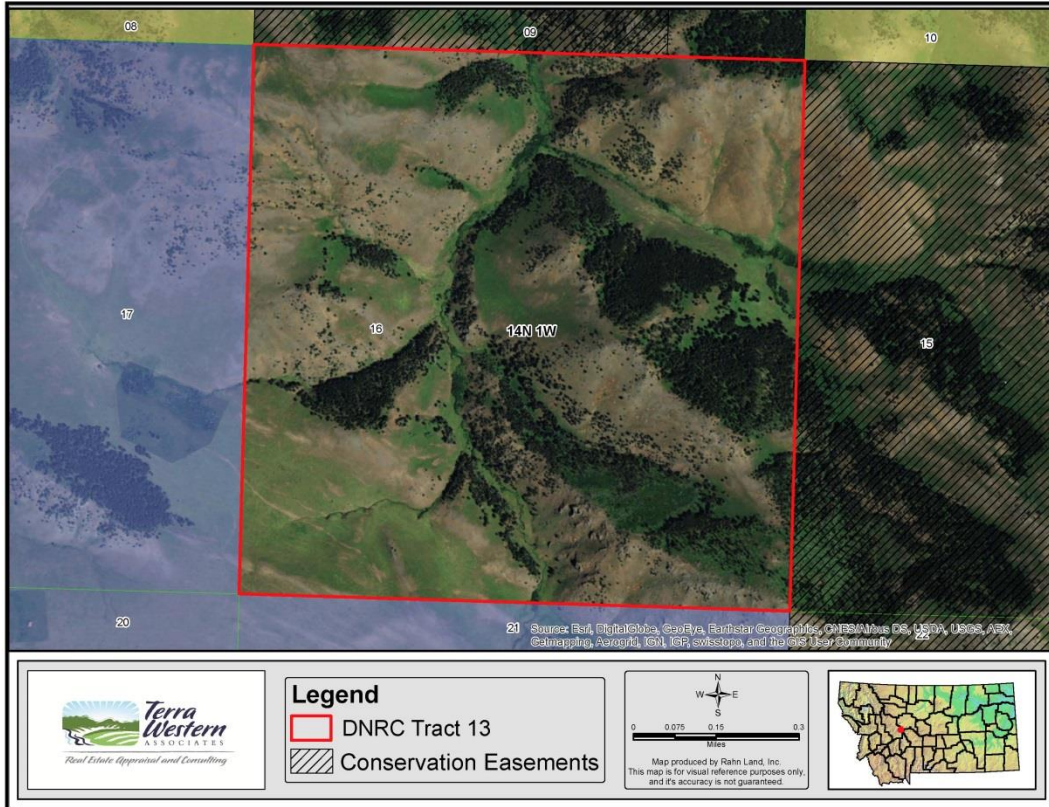
Tract 13 – Looking South



Tract 13 – Creek and Beetle Killed Timber



Tract 12 – Topographic Map



Tract 13 – Aerial Photograph



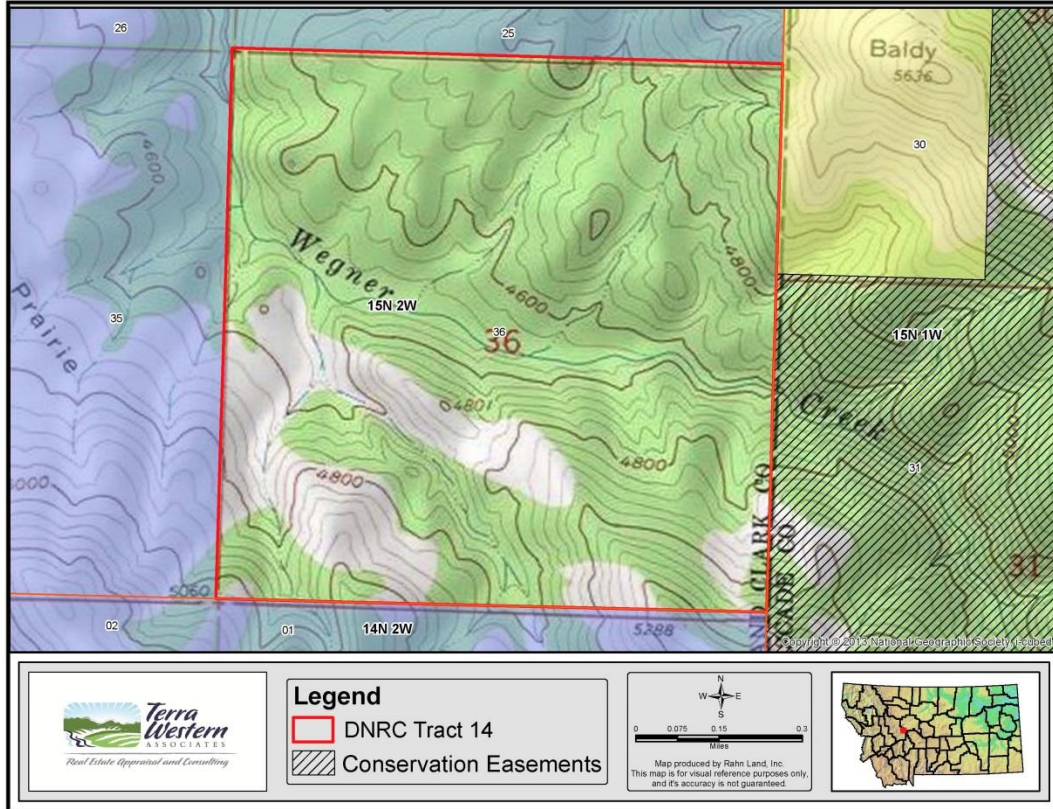
Tract 14 – Creek Bottom, Meadows, and Timber



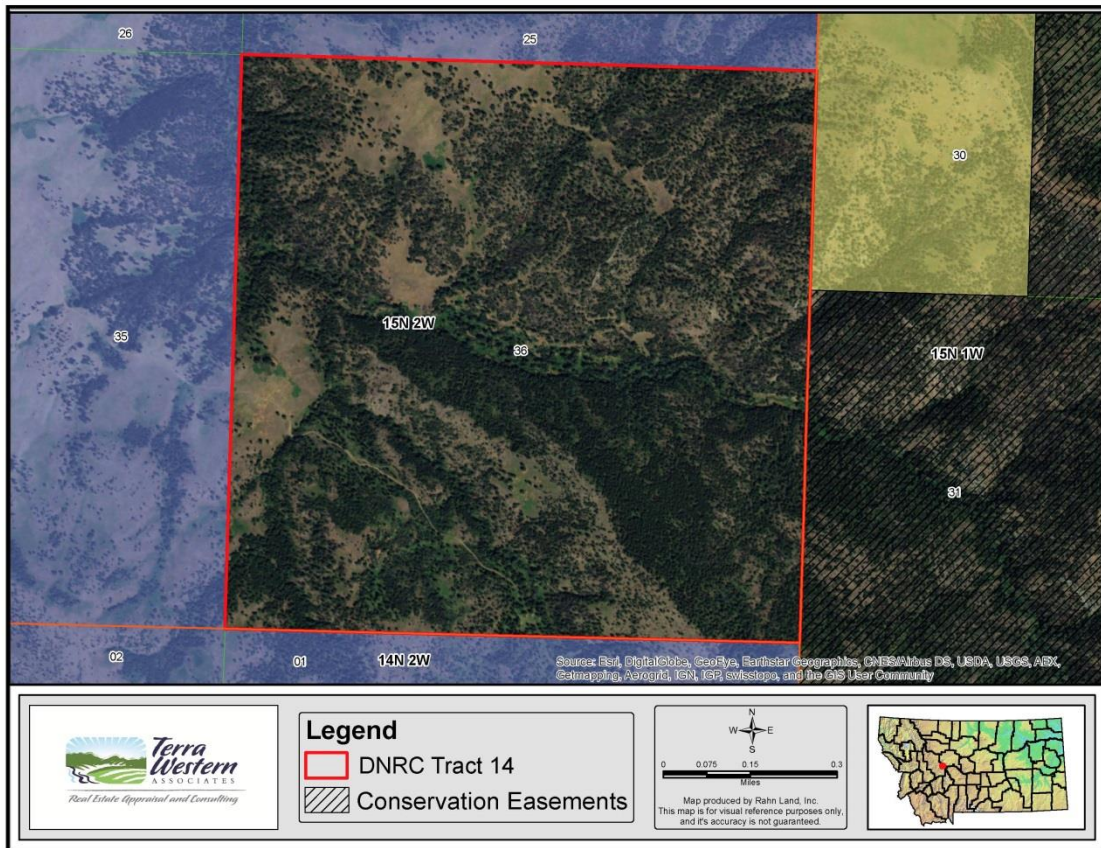
Tract 14 Additional Creek Area



Tract 14 – Looking East



Tract 14 Topographic Map



Tract 14 – Aerial Photograph

D. STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report has been made with the following general assumptions:

- This is a *Uniform Appraisal Standards for Federal Land Acquisitions* (UASFLA) real property appraisal report, which is intended to comply with the reporting requirements set forth in UASFLA and the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice (USPAP), 2014-2015 Edition, for an appraisal report. As such, it is intended to contain all information significant to the solution of the appraisal problem.
- Appraisal preparation, documentation, and reporting are in conformity with the *Uniform Appraisal Standards for Federal Land Acquisitions*, which are considered to be compatible with standards and practices of both the appraisal industry and the current edition of USPAP. It is necessary, however, to invoke USPAP's Jurisdictional Exception Rule in certain instances, so as to conform to these Standards with overriding federal law relating to the valuation of real estate for government acquisition purposes.

- It is assumed that the legal description, as furnished, is correct and that title to the property is good and marketable. The property has been appraised subject to the title exceptions as provided in the title report. The legal description was provided to the Appraiser by Montana Fish, Wildlife, and Parks through a title report developed by Helena Abstract and Title Company and was verified with county records and recorded deeds.
- The UASFLA requires the appraiser to make a larger parcel determination in all appraisals. 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 in this report for either larger parcel determination or in reaching a conclusion of 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 will comply with the writing and reporting requirements of UASFLA Sections A-1 through A-39 as applicable.
- I assume no responsibility for legal matters and I am rendering no opinion of title herewith. It is assumed that the title to the property is good and marketable (See Exhibit 2 for title report). The property is being appraised in an "as-is" condition. The property has legal access either from the Beartooth Road (a gravel county road) or across adjoining Beartooth Wildlife Management Area (WMA) lands owned by the Montana Department of Fish Wildlife and Parks. The access has additional restrictions based in what type of mode of transportation can be used to reach some of the parcels and there is a seasonal closure on the Beartooth WMA from December 1 through noon on May 15 of each year which restricts any access to the WMA and the area across WMA lands. The access will be discussed in detail below. I am unaware of any specific easements, restrictions, etc., which were not readily visible during my inspection or discussed by the property owner representative. I assume no responsibility for consequential damages regarding access or lack thereof.
- It is assumed that the land dimensions taken from the available maps, plats, and/or surveys are correct. It has been assumed that those boundaries that are apparent are correct. Plats and maps in the appraisal report are to show approximate property boundaries and sale locations. These are included to assist the reader of

the report in visualizing the property, and are not warranted as completely accurate. The Appraiser did not survey the property.

- There was no hazardous materials report provided to the appraiser.
- The estate appraised is the fee simple estate of the surface rights subject to the reservations, outstanding rights, and encumbrances of record as disclosed in title commitments. Unless otherwise stated, no opinions of value have been derived herein (nor are any opinions of value included) for mineral interests (including gravel), merchantable timber, or growing crops related to the appraised property (the market value is all inclusive of these aspects). Furthermore, all opinions of value derived herein for the subject property are the result of conclusions based on the stated ownership of the estate being appraised, in its entirety, as described in the Legal Description shown in this report, subject to exceptions of record.
- Unless otherwise stated in this report, the existence of toxic or hazardous material, which may or may not be present on the property, was not physically observed by the Appraiser. The presence of potentially toxic or hazardous materials may affect the value of the property. The appraisal is predicated on the assumption that there is no such material on or in the property. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them.
- I may not divulge the material contents of the report, the analytical findings or conclusions, or give a copy of the report to anyone other than the client, or their designee as specified in writing, except as may be required by the American Society of Farm Managers and Rural Appraisers as they request in confidence of ethics enforcement, or by court of law or body with the power of subpoena. According to the 2016-2017 edition of USPAP I may not discuss the appraisal with anyone other than the named client unless I am given written authorization by the client to do so (this includes intended users as well).
- No responsibility is assumed for accuracy of the information furnished by the work of others, the client, the client's designees, or public records. The sales data relied upon in this report has been confirmed with one or more parties familiar with the transaction, or with sources thought to be reliable; all are considered appropriate for inclusion to the best of the Appraiser's factual judgment and knowledge. It is assumed that said information is true and correct but the Appraiser cannot guarantee its absolute accuracy. Montana is a "nondisclosure" state, wherein the sales prices of real estate transactions are not publicly recorded. Additionally, no party associated with a real estate transaction is obligated to release or verify

information, and few centralized sources of sale prices of real estate transactions exist.

- The appraisal does assume that the owner of the property can use surface water for recreational and stock water purposes and that they would be able to drill wells for domestic use.
- The Appraiser reserves the right to alter statements, analysis, conclusions, or any value opinion in the appraisal if there becomes known to the Appraiser facts pertinent to the appraisal process that were unknown to the Appraiser at the time of the appraisal preparation. The clients, and intended users, are hereby notified that it is possible that there may be recent sales of comparable properties of which I have no knowledge.
- The sketches, maps, and plats in this report are included merely as visual aids to the reader and are not necessarily to scale; no guarantee is made as to their completeness and accuracy. Kim C. Colvin, Ph.D., ARA took the property photographs used in this report at the time of the inspections by digital means; they are used solely for the purpose of depicting the property on the effective date of valuation as accurately as is reasonably possible. The digital photographs have not been altered.
- The appraisal is based on the fact that there are no hidden, unapparent, or apparent conditions of the property, subsoils, or structures or the presence of any toxic materials that would render the property more or less valuable. No responsibility is assumed for any conditions or for any expertise or engineering to discover them.
- It is assumed that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the appraisal report.
- It is assumed that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value contained in this report is based.
- It is assumed that the use of the land and any improvements are confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.

- **ACCEPTANCE OF, OR USE OF, THIS APPRAISAL REPORT BY THE CLIENT, THE INTENDED USER OR ANY THIRD PARTY CONSTITUTES ACCEPTANCE OF THE ABOVE CONDITIONS.**

Limiting Conditions

- The Appraiser is not responsible for any matter legal in character, nor is any opinion rendered as to title, which is assumed to be marketable.
- The value reflected in this analysis applies only to the program of use considered in this report. The use of the value in conjunction with any other appraisal or other influences invalidates the conclusions developed.
- This analysis and estimate of value is made for the exclusive use and benefit of the client to which it is addressed; possession of this report or a copy does not carry with it the right of publication, nor may it be used for any purpose other than that intended without the previous consent of the Appraiser. In any event, only the entire report may be used, and no part shall be taken or used out of context.
- Included as an integral part of this appraisal are maps and photographs of the appraised property. Although the maps do not purport to represent survey accuracy, they are substantially correct and adequately serve as visual reference to the property.

REFERENCES

The following references were contacted during the appraisal process:

Lewis & Clark and Cascade County Assessor's Office

Lewis & Clark and Cascade County Treasurer's Office

Lewis & Clark and Cascade County Clerk and Recorder's Office

Lewis & Clark County Road and Planning Departments

USDA Soil Conservation Service

State of Montana Department of Natural Resources & Conservation (DNRC)

State of Montana Department of Fish, Wildlife, and Parks

Buyers, sellers, brokers and other knowledgeable market participants were contacted during the sales verification process.

II. PREMISES OF THE APPRAISAL

A. *Purpose and Intended Use of the Appraisal*

The purpose of the appraisal is to render a credible opinion of market value of the real property known as the State of Montana Department of Natural Resources and Conservation (DNRC) properties, located in Lewis & Clark and Cascade Counties, Montana as of a specified date. The appraisal is presented as a UASFLA real property appraisal report, prepared and documented to lead the reader to an orderly conclusion of value on the subject property. This appraisal is intended to be used in the decision making process concerning the potential acquisition (sale) of the subject property.

B. *Intended Users of the Appraisal*

The intended users of this appraisal are the State of Montana, Board of Land Commissioners, Montana Department of Fish, Wildlife and Parks (FWP), the U.S. Fish and Wildlife Service (USFWS), and the State of Montana Department of Natural Resources and Conservation (DNRC). The intended users are considered to be knowledgeable users. Any unauthorized user of this report may not have the background or knowledge necessary to understand the report.

C. *Definition of Terms*

1. *Market Value*

Market value for the purposes of this report is defined as follows:

“The amount in cash, or in 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.”¹

This definition makes no linkage between the estimated market value and exposure time. A specific exposure time shall not be cited in this appraisal report prepared under UASFLA standards. The *Uniform Standards of Professional Appraisal Practice (USPAP 2016-2017)* Standards Rule 1-2(c-iv) requires that “When developing an opinion of market value, the appraiser must also develop an opinion of reasonable exposure time linked to the value opinion.” However, the *Uniform Appraisal Standards for Federal Land Acquisitions*,

¹ *Interagency Land Acquisition Conference, Uniform Appraisal Standards for Federal Land Acquisitions*, 5th ed. (Appraisal Institute, 2000), 13.

("2000 yellow book") states that "...the appraiser's estimate of market value shall not be linked to a specific exposure time when conducting appraisals for federal land acquisitions purposes..." Thus, it is necessary to invoke the USPAP Jurisdictional Exception Rule and not address exposure time within the context of this UASFLA appraisal document.

2. *Fee Simple Estate*

Absolute ownership unencumbered by any other interest or estate subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.²

3. *Hypothetical Condition*

That which is contrary to what exists but is supposed for the purpose of analysis. A hypothetical condition assumes conditions contrary to known facts about physical, legal, or economic characteristics of the subject property. (Dictionary of RE Appraisal 5th ed., 2010)

D. *Scope of Work*

This appraisal is performed according to the specific guidelines set forth by the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Standards Board of the Appraisal Foundation as well as the Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA). All three approaches to value were considered, however, the sales comparison approach was the only approach deemed to be appropriate for this assignment. All opinions of value contained herein are derived in compliance with the specific guidelines aforementioned, using a level of analysis sufficient to constitute an appraisal that complies with the reporting requirements for an Appraisal Report as set forth under Standards Rule 2-2(a) of USPAP as well as the reporting requirements set forth under the Uniform Appraisal Standards for Federal Land Acquisitions also known as the "Yellow Book". This appraisal also conforms to the Code of Professional Ethics and Standards of Professional Practice of the American Society of Farm Managers and Rural Appraisers.

Kim Colvin, Ph.D., ARA performed an inspection of the property by helicopter on June 19, 2015 in the company of John Grimm, DNRC Real Estate Management Bureau Chief, and Cory Loecker, Wildlife Biologist for the Beartooth Wildlife Management Area (WMA). Each tract (1-14) was flown over at this time, management and access issues were discussed, and the tracts were individually photographed. The helicopter inspection

² The Dictionary of Real Estate Appraisal, 5th Edition (2010)

allowed individual attention to each tract. To inspect each tract from the ground would have taken several days by foot, horse, or bicycle.

On August 21, 2015 the appraiser did drive to the Beartooth WMA to look at the Beartooth Road and to assess the access situation from the headquarters area. Tracts 2 and 3 were seen from the road and Tract 1 was seen from the locked gate. The other parcels were not seen at this time.

The appraiser made one more attempt to assess access in the winter on January 22, 2016 and the road was snowed in. The date of value will be the last attempt of January 22, 2016. The dates of inspection were noted on the photographs taken above.



Looking South at Beartooth Wildlife Management Area Closed Road

The Appraiser analyzed existing land regulations, neighborhood trends, market demand for the existing use of the subject property and for alternative uses, the physical characteristics of the property, and the highest and best use. The Appraiser verified the parcel legal descriptions, acreage, tax assessment, ownership history, and zoning information with Lewis & Clark and Cascade County records as well as the records provided by state agencies. The Appraiser researched water rights appurtenant to the subject property at the Montana State internet website of the Department of Natural Resources & Conservation (DNRC), and soil information was researched at the National Cooperative Soil Survey maintained by the Natural Resources and Conservation Service (NRCS) web-site. Additional information regarding the access to the property and hunting

regulations was supplied by Cory Loecker, wildlife biologist for Montana Fish, Wildlife, and Parks. Access information was also supplied by Helena Abstract and Title Company, Mountain Title Company, and Lewis & Clark County Road and Planning Departments.

Information regarding timber volumes on the tracts was supplied and analyzed by Dan Rogers and Hoyt Richards from the DNRC (See Exhibit 7).

Numerous publications and periodicals, referenced within the body of this appraisal report were consulted for information regarding such factors as soil properties; vegetative range types, and weeds, where applicable.

In addition to information contained within our office files, The Appraiser searched the surrounding area and competing areas for the most recent sales data. A number of area property owners, real estate brokers, and other appraisers knowledgeable of this market, were contacted in order to secure sales data. All sales were verified with the buyer, seller, agents, or other parties having knowledge of the transaction. Sales were inspected to the extent possible. Trespass was avoided and owner permission was obtained when feasible. While some of these sales had been inspected in the past by vehicle for other projects, most of the sales were inspected between July 2015 and January 2016. Weather conditions did not permit full access to some of the sales due to blowing and drifting snow. Severe terrain, as well as lack of good physical access also impeded the full investigation of some sales. Aerial photographs, topographic maps, general inspection of the sale neighborhood, and interviews with parties to the sale revealed enough information about these challenging sales to render a credible analysis of the sales.

Montana is a nondisclosure state; thus, aside from sale notices or deeds, no sales data is of record. No sale prices are reported and the Appraiser must personally confirm sale values. The Appraiser has made a diligent effort to correctly ascertain the circumstances and values surrounding each sale, and data provided by professional third parties is considered reliable. The investigation of this appraisal report included confirmation of sales with buyers, sellers, real estate professionals, plus inspecting each sale when physically possible.

Information on market data was gathered, confirmed, and analyzed. Data relating to the subject was also analyzed and gathered. The Sales Comparison, Cost, and Income Approaches to value were considered. To develop the opinion of value, the Appraiser performed an appraisal process as defined by USPAP under appraisal reporting Rule 2-2(a). In developing an appraisal report, an appraiser uses or considers all applicable approaches to value, and the value conclusion reflects all known information about the subject property, market conditions, and all pertinent available data.

E. Effective Date of Appraisal and Date of Value

The effective date of value, as agreed by all parties involved, is the date of the last attempted ground inspection which was January 22, 2016.

F. Property Rights Appraised

The property rights appraised are those of the fee simple estate of the surface rights, subject to the reservations, outstanding rights, and encumbrances of record as disclosed in the commitments as described herein held in 5,438.427 deeded acres. A fee simple estate “implies absolute ownership unencumbered by any other interest or estate.”³ This estate is restricted only by the four standard limitations of taxation, eminent domain, police power, and escheat.

Unless otherwise stated, no separate opinions of value have been derived herein for mineral interests (including gravel) because the appraisal is of the surface rights only. According to the instructions the DNRC will retain the mineral rights associated with the subject tracts. A Minerals Remoteness Evaluation was performed in August 2015 by Earl F. Griffith P.G. His report states the following regarding mineral development on the DNRC lands: (See Exhibit 10 for full report)

“A review of the State’s Board of Oil and Gas data base and through my discussion with Mr. Monte Mason I learned that wells had been drilled in the WMA and to the south and east of the WMA. The lease data in Appendix A confirmed that several leases had been granted in 1978, 1979, and 2000 followed by a seismic survey in Section 16, T14N, R1W in 2002 (Section 16 is one of the subject tracts). Another seismic survey was conducted in Section 24, T14N, R2W in 2001 (Section 24 also contains one of the subject tracts).

The data in Appendix A also indicate that there are no leases still active in the Beartooth WMA. Further the list provided by Monte Mason has colored the lease potential in yellow. This indicates minimal leasing activity with the opinion that the ability to develop is questionable given the lease parcel’s location. Should the land transfer take place, I would suspect that the chance for development drops even further because the land use mandate for FWP is significantly different from DNRC even though the DNRC will retain the mineral rights. Finally, the price of natural gas is at a 9 year low and the success of finding a viable economic play seems very unlikely given the area’s exploration history. Based on these factors, it appears that the possibility of mineral development on the land is so remote as to be negligible.” (Griffith, 2015)

³ The Appraisal of Real Estate, Fourteenth Edition, The Appraisal Institute, 2013.

No value differential is *currently* evident in the area market for properties selling with mineral rights compared to those properties that have had the mineral rights reserved or partially reserved by a prior owner or heir.

The subject does have timber; however, in this instance no separate value was given to the timber as it was deemed to be more valuable as part of the landscape in relation to aesthetics and wildlife habitat than to harvest it for commercial purposes. Under Exhibit 7 is timber information provided to the appraiser by the DNRC and research information the appraiser performed regarding timber harvest costs and current values. As one can see from the photographs above, not all tracts have timber on them and some had small areas that were burned or had beetle kill. Of the total 5,438.427 deeded acres the DNRC estimates that 1,175.35 acres have timber on them with a total volume of 1 to 5 thousand board feet or MBF per acre. These volumes were performed through photo interpretation. Lands with trees appear to be in T15N, R2W in Section 36, (this parcel looked as if it had been cut in the past), T14N, R2W in Sections 14, 22, and 36 and a portion of Section 36 in T14N, R1W. Due to travel restrictions these lands would have to be harvested with helicopter logging techniques. This is a highly costly mode of harvest.

The University of Montana Bureau of Business and Economic Research has developed harvesting costs for timber. The latest study is from 2013. It indicates harvest costs for Ground Based Systems at \$148.49 per MBF, Cut-to-Length Systems at \$189.22 per MBF and Cable Systems at \$227.73 per MBF. The helicopter logging would be higher than the Cable Systems quote. The subject tracts are remote and there could be no on-site trucks. The timber would have to be helicoptered often 8-10 miles to a log yard and then loaded onto trucks. The state estimates that area timber sale bid awards have been in the \$180.31/MBF range as of September 2015, however, these are State of Montana timber sales and do not fully reflect the actual market.

An interview with Ed Regan, Resource Manager of RY Timber in Townsend, MT revealed that current market prices for standing timber for Douglas Fir and Lodgepole Pine are \$75.00 per MBF with normal conventional tractor logging on 30% or less slopes, and moderate development costs for roads etc. Hauling costs would be another \$20 per MBF depending on gravel and paved roads and distance to the mill with \$2.00 per gallon fuel. Mr. Regan also indicated that most of the mills have backed off on purchases due to the fact that there is not a current Softwood Lumber Agreement with Canada and exchange rates are keeping lumber prices down. There will likely not be a Softwood Lumber Agreement with Canada for at least a year. At \$75 per MBF for standing timber and with harvesting costs running far in excess of \$247 per MBF for helicopter logging, it is clear that it would not be economical to attempt harvesting any of the timber on the DNRC lands, even at the State's projected \$180.31 per MBF. The timber has more value for aesthetic and wildlife management purposes.

Further, the sales data for tracts that are partially covered in timber do not reflect increased values for the timber itself; rather, the timber affects the recreational and aesthetic value instead. Additionally, many of the sale tracts are remote and are affected by lack of access, terrain and/or add-on plottage value to neighbors rather than merchantable timber volumes. Many of the sales would have to be helicopter harvested as well, rendering the harvest uneconomical.

The timber as a property right will be included in the overall surface rights \$/acre value of the subject tracts and will not be appraised separately. This is congruent with the current market trends of an overall \$/acre value inclusive of the trees.

There are no leases, such as State of Montana, Bureau of Land Management, U.S. Forest Service Permits, or private leases being considered in the valuation process in this appraisal based on the hypothetical conditions noted above. However, there are grazing allotments associated with the subject. They are as follows:

- 1) State of Montana #1171 – 4,785 acres, 1,400 AUMs for five years through February 29, 2016 to Montana Fish, Wildlife, and Parks.
- 2) State of Montana #9270 – 640.00 acres, 128 AUMs to Sieben Livestock for ten years through February 28, 2023.
- 3) DNRC Special Recreational Use License for Outfitting #CLO-99-017 to Scott Hibbard. The License term is 6/1/2014 – 2/28-2019 for \$1,152 per year over lands denoted on the License (See Exhibit 9 for details). This is for hunting from 6/1 to 12/31 each year.

An Animal Unit Month (AUM) is defined as: “The quantity of feed needed for good growth or sustenance for one animal unit for one month. Typically 26 pounds of dry matter feed per day where an animal unit is one mature cow weighing 1,000 pounds either dry or with a nursing calf up to six months of age, or the equivalent.”⁴

**Exceptions, Reservations, and Other Encumbrances Per Title Policy 1574353-1
Helena Abstract and Title (Lewis & Clark County) and Title Policy 46227
Mountain Title Company (Cascade County)**

The exceptions discussed here include only those exceptions which are not standard title exceptions. Standard exceptions include such items as taxes or assessments and generic exceptions such as 1-10 which have no effect on value. (See Exhibit 2 of addenda for title reports)

⁴ The Appraisal of Rural Property, 2000, p. 328

Lewis & Clark County, MT Title Discussion

1. **Exception:** Resolution No 1970-8, Order abandoning that certain portion of a road in the Craig-Adel Road District, recorded June 9, 1981 in M Book 2 of Records, page 17.

Explanation: Ten freeholders of the Craig-Adel Road Districts petitioned to have the road abandoned. It was found that it was appropriate to abandon the Craig-Adel Road which was also named the Stickney and Cascade County-Line Road. This road affected Section 10, T14N, R2W of the subject only as it intersected with the Cottonwood Road in the bottom drainage of the Cottonwood Creek Drainage by crossing Section 10. The Cottonwood Road is no longer used as a road but is only used as a two track maintenance road for the Beartooth WMA.

Effect on Value: This road has not been maintained or used for four decades. This road abandonment does not affect the value of the lands in Section 10 at this time as it has been long abandoned and closed.

2. **Exception:** Resolution 2005-6, a resolution of intention to alter the boundaries of the Wolf Creek/Craig Fire Service Area to annex adjacent land, recorded Jan. 14, 2005 in M Book 31 of Records, Page 9228.

Explanation: This resolution was made to annex lands which are a portion of the Beartooth WMA and DNRC lands into the Wolf Creek/Craig Fire Service Area. This resolution only relates to lands in Section 30 in T14N, R2W and Section 36, T14N, R3W of the subject. The lands in Section 30 (Tract 2 and 3 of the subject) both have access off of the Beartooth County Road and there is a campground in Section 30 that is just adjoins Tract 3 of the subject in Section 30. Section 36 T14N, R3W has access from a two tract for administration purposes only but it could be reached in an emergency by a fire truck if it was ever necessary by the same two track road.

Effect on Value: The expansion of the fire district to include three of the subject tracts does not affect value of the lands in Section 36, T14N, R3W other than it has access to fire suppression by the Wolf Creek/Craig Fire District if need be. The access to the lands in Section 36 for public use or ownership only allows for foot, horse, or bicycle access. A cabin could be built there; however, it is unlikely for the foreseeable future. The lands in Section 30, however, are not affected directly on a \$/acre basis due to being annexed into the fire district but this is significant in that these two tracts, which have legal road access via the Beartooth Road, would be able to receive fire suppression help from the Wolf Creek/Craig Fire District in the event of a fire. This is critical because due to the nature of the current legal access

these two tracts have off of the Beartooth County Road, someone could purchase them and build homes or cabins on them and in this instance they would be provided fire protection by the Wolf Creek/Craig Fire Service if there was ever a fire threatening their home or cabin.

3. **Exception:** Right of Way Deed to Qwest Communications, recorded Jan. 20, 2010 in M Book 41 of Records, page 4505.

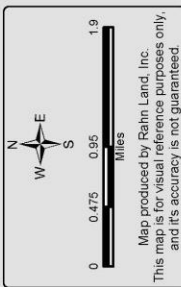
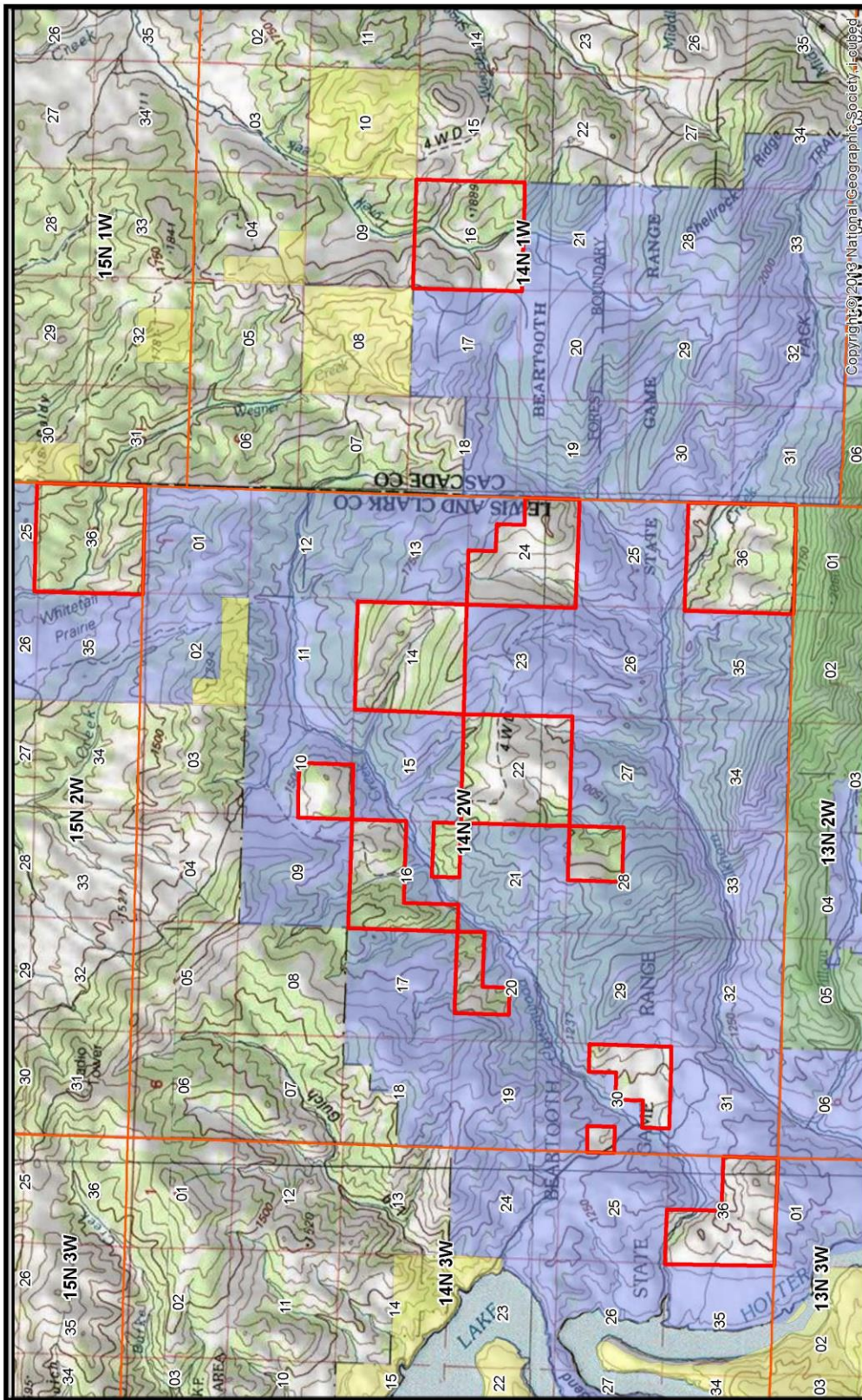
Explanation: This Right of Way Deed only affects Section 30, T14N, R2W. It is for a 10-foot strip of land for an easement for buried telephone line. Regarding the subject it runs through Tract 2 only and would provide telephone service to that tract. This phone line runs to the headquarters of the WMA in Section 30, T14N, R2W.

Effect on Value: Would provide telephone service to Tract 2 of the subject as it passes directly through it. Given its proximity to Tract 3 of the subject is could also lend itself to providing telephone service to Tract 3 as well.

4. **Exception:** Lack of access to and from subject property, EXCEPT the Government Lot 2, SE1/4SW1/4, SE1/4, and SE1/4NE1/4 of Section 30, Township 14 North, Range 2 West as being contiguous to that portion of Government Lot 2 and the SE1/4SW1/4 being crossed by Beartooth Road, a County Road.

Explanation: The Beartooth County Road runs through Tracts 2 and 3 of the subject in Section 30, T14N, R2W and it provides access, both physical and legal access, to those two subject tracts. The remainder of the subject tracts do not technically have insurable legal access and in some cases they do not have physical access beyond foot and horse. However, it has been previously agreed that to comply with the State of Montana Land Banking Appraisal Standards the DNRC tracts that are the subject of this report, including tracts 1 and 4-14, are considered to have legal access across WMA lands that are adjacent to them.

Effect on Value: Tracts 2 and 3 have legal and physical access from the gravel county road known as the Beartooth Road which extends into Section 31 T14N, R2W. It has been fully established that the Beartooth Road is a county road (See Exhibit 11 for details. At one point it was thought that there was a road closure agreement between Montana Department of Fish, Wildlife, and Parks and Lewis & Clark County to close the Beartooth Road from Dec. 1 to noon May 15th each year, however, upon further recent investigation by FWP and the Lewis & Clark County Road Department, and the Lewis & Clark County Planning Office, the closure was never consummated after discussions in the late 1970's. For nearly four decades the road has been closed with a gate each year on December 1 and



- Legend**
- Township
 - Section Labels
 - DNRC Land
 - Montana Fish, Wildlife, and Parks
 - US Bureau of Land Management
 - US Forest Service



Topographic Map of Subject Parcels Outlined in Red

reopened on May 15 at noon under the assumption that there was an agreement when indeed there is not. This fact now would technically allow full year around access to Tracts 2 and 3 of the subject off of the Beartooth Road, if it were plowed. It was not plowed at the time of the last inspection. However, it should be noted that once in the Beartooth WMA boundary a person would not be able to leave the Beartooth Road and go on the WMA lands with a vehicle even in the open season. They would only be able to go on Tracts 2 and 3 of the subject with vehicles because the WMA lands are subject to travel restrictions from May 15th to November 30th and to full closure from December 1 to noon May 15th of each year. There is no motorized access allowed to any of the WMA land at any time of the year beyond designated roads near the campground and the headquarters.

While there may be legal access to the DNRC tracts, based on DNRC policy and access agreements with Montana Department of Fish, Wildlife, and Parks, physical access is restricted on several tracts due to road closures from Dec. 1 to May 14th on the WMA and there are vehicular travel restrictions during the rest of the year. This affects tracts 1 and 4-14. At the beginning of this appraisal process we had a conference call with DNRC and FWP and all agreed that while there is legal access to all 14 tracts the physical access issues to some would/could affect value. A summary of the access issues for each of the 14 tracts follows and was based on an interview of Cory Loecker, FWP Wildlife Biologist in charge of the Beartooth WMA:

- a. Tracts 2 & 3 have physical and legal road access off of Beartooth County Road for vehicles, foot, horse, bikes, ATV use or any other physical access use. Physical access is only restricted in the winter by lack of plowing of the Beartooth Road. These tracts would currently have seasonal access unless the county began plowing the road.
- b. Some DNRC tracts are limited to foot, horse, or bicycle for public use, or whomever might own them in the future, when WMA is open from noon May 15th to November 30 each year. This affects Tracts 1, 5, and 7 – (admin vehicular travel for WMA and DNRC to control weeds and policing it via old roads along Cottonwood Creek drainage. Tracts 5 and 7 truck or ATV can be used by FWP personnel only; Tract 1 ATV use only by FWP personnel only). 3
- c. Some tracts are limited to foot and horse only from May 15th to Nov. 30th – This affects Tracts 4, 6, 8, 9, 10, 11, (Lewis & Clark County) and 13 (Cascade County).
- d. Tract 12 has a two track service road up Elkhorn Creek to within ¼ mile of the NW corner of Tract 12. The service road can be used by DNRC and WMA to treat weeds and patrol it. Otherwise, for the public, access to Tract 12 is foot,

pedal bicycle, and horse only to the tract. There is a campground for back country camping near the NW corner of Tract 12 and a horseback trail through Tract 12 from USFS lands to the south (pack trail all the way through Tract 12 that comes and goes from USFS lands, however, it is very steep from the back side).

- e. Tract 14 has administrative only access through the Sterling Ranch from the west via an old access easement that was once granted to the Voegelé Family, the previous owner of land now owned by the WMA which is adjacent to Tract 14. The access through the Sterling Ranch is for administration uses only and is closed to the public. The two track road leaves the Sterling Ranch and crosses the WMA to reach Tract 14 on the east side of the WMA. Tract 14 also has foot, horse, and bicycle access only from Cottonwood drainage via a two track trail.

Aside from these access scenarios someone could helicopter a cabin into the DNRC tracts, or possibly land a helicopter on some of the parcels that have better terrain and no trees in order to recreate on them. However, at this point they could not go off of their property onto WMA lands in the winter at all, and one would have to fence it off the DNRC tract to run cattle or other animals on it in the summer. It would be nearly impossible to fence the lands via by helicopter. Furthermore, some of the tracts have no water at all for stock water or wildlife, and the terrain would also limit some of the physical uses on some of these parcels, especially helicopter uses.

Regarding trail access for livestock to any of the DNRC tracts, the law states:

“MCA87-1-303. Rules for use of lands and waters. (1) Except as provided in 23-1-111, 87-1-301(7), and subsection (3) of this section, the commission may adopt and enforce rules governing uses of lands that are acquired or held under easement by the commission or lands that it operates under agreement with or in conjunction with a federal or state agency or private owner. The rules must be adopted in the interest of public health, public safety, and protection of property in regulating the use of these lands. All lease and easement agreements must itemize uses as listed in 87-1-209.

(3) (a) The commission may not regulate or classify domestic livestock trailing as a commercial activity or commercial use that is subject to licensing, permitting, or fee requirements. Domestic livestock trailing on land owned or controlled by the department is exempt from the requirements of Title 75, chapter 1, parts 1 through 3.

(b) The commission may authorize domestic livestock trailing across land owned or controlled by the department that is designated as a wildlife management area. The commission may adopt rules governing the timing of and the route to be used for domestic livestock trailing activities to the extent that the rules are necessary both to enable the

trailing of domestic livestock across the designated wildlife management area and to protect and enhance state lands. The rules may not:

- (i) require a fee for domestic livestock trailing or related activities; or*
- (ii) prohibit or unreasonably interfere with domestic livestock trailing activities.*

(4) For the purposes of this section, the following definitions apply:

(a) "Domestic livestock" means domestic animals kept for farm and ranch purposes, including but not limited to horses, cattle, sheep, goats, and dogs.

(b) "Domestic livestock trailing" means the entering upon and crossing of department lands and the use of the lands for forage by domestic livestock for a maximum of 96 consecutive hours."

Based on the state code an owner of the DNRC tracts that are the subject of this report would have the right to trail cattle to their property without being charged a fee by the MTFWP. They would, however; have to have fences and water on site to keep the cattle off of WMA lands after the noted 96 consecutive hours allotted for crossing WMA lands. Therefore, one would have to trail cattle by foot or horseback to the newly purchased DNRC parcel, and if it took more than 96 hours, which it could in some circumstances with remote parcels, one could be subject to other penalties.

All fourteen of the DNRC tracts have legal access across WMA lands or via the Beartooth Road, yet there are physical restrictions to many of the tracts and this will in fact affect value as indicated by the market data within this report. Access for each tract will be discussed further below.

Cascade County, MT Title Discussion

This pertains to Tract 13 only which is Section 16, T14N, R1W.

1. **Exception:** Matters contained in Notice of Intent to Engage in Geophysical Exploration executed by VERITAS DGC LAND, INC, as filed July 8, 2002 on Document F0000921, records of Cascade County.

Explanation: According to the minerals remoteness report this was for gas exploration.

Effect on Value: None. This appraisal addresses the surface rights only and it was determined in the minerals remoteness report that there were no viable gas deposits in this area. This Notice of Intent was terminated in 2002 according to the minerals remoteness report.

2. **Exception:** The policy will not insure, and no examination has been made for, minerals in or under the said land, mineral rights, mining rights and easement rights in connection therewith or other matters relating thereto, whether express or implied.

Explanation: Policy does not insure minerals on Section 16, T14N, R1W.

Effect on Value: None. This appraisal addresses the surface rights only.

3. **Exception:** Though a road may be present, no easement for ingress and egress from a public roadway to the premises described in Schedule A (Section 16, T14N, R1W) can be found recorded in the office of the Clerk and Recorder of Cascade County, Montana; therefore, no liability is assumed hereunder for the lack of a right of access to and from said premises.

Explanation: There is no road to this section of ground in Cascade, therefore, there would likely be no information regarding access to the tract in the courthouse. However, it has been previously agreed that to comply with the State of Montana Land Banking Appraisal Standards the DNRC tracts that are the subject of this report, including tract 14 in Cascade County, are considered to have legal access across WMA lands that are adjacent to them.

Effect on Value: None for lack of legal access due to the tract having access across WMA lands; however, there are physical access issues that will have an effect on value.

The remaining standard exceptions can be found in the provided title reports in Exhibit 2. The exceptions and reservations not listed are standard exceptions and have no effect on value.

G. USPAP Competency Rule

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

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

3. Describe the lack of knowledge and/or experience and the steps taken to complete the assignment competently in the report.

Kim C. Colvin, Ph.D., ARA has been appraising in this area for 32 years. The Appraiser is familiar with the geographic area in which the subject property is located and understands the nuances of the local market and the supply and demand factors related to the specific property type and the location involved. The Appraiser has been engaged in many appraisal assignments involving properties similar to the subject property and believes she is qualified and competent on the basis of her knowledge and experience to complete this assignment competently. Please refer to the Appraiser's qualifications, which are attached in the Addenda of this report under Exhibit 15.

H. Summary of the Appraisal Problem

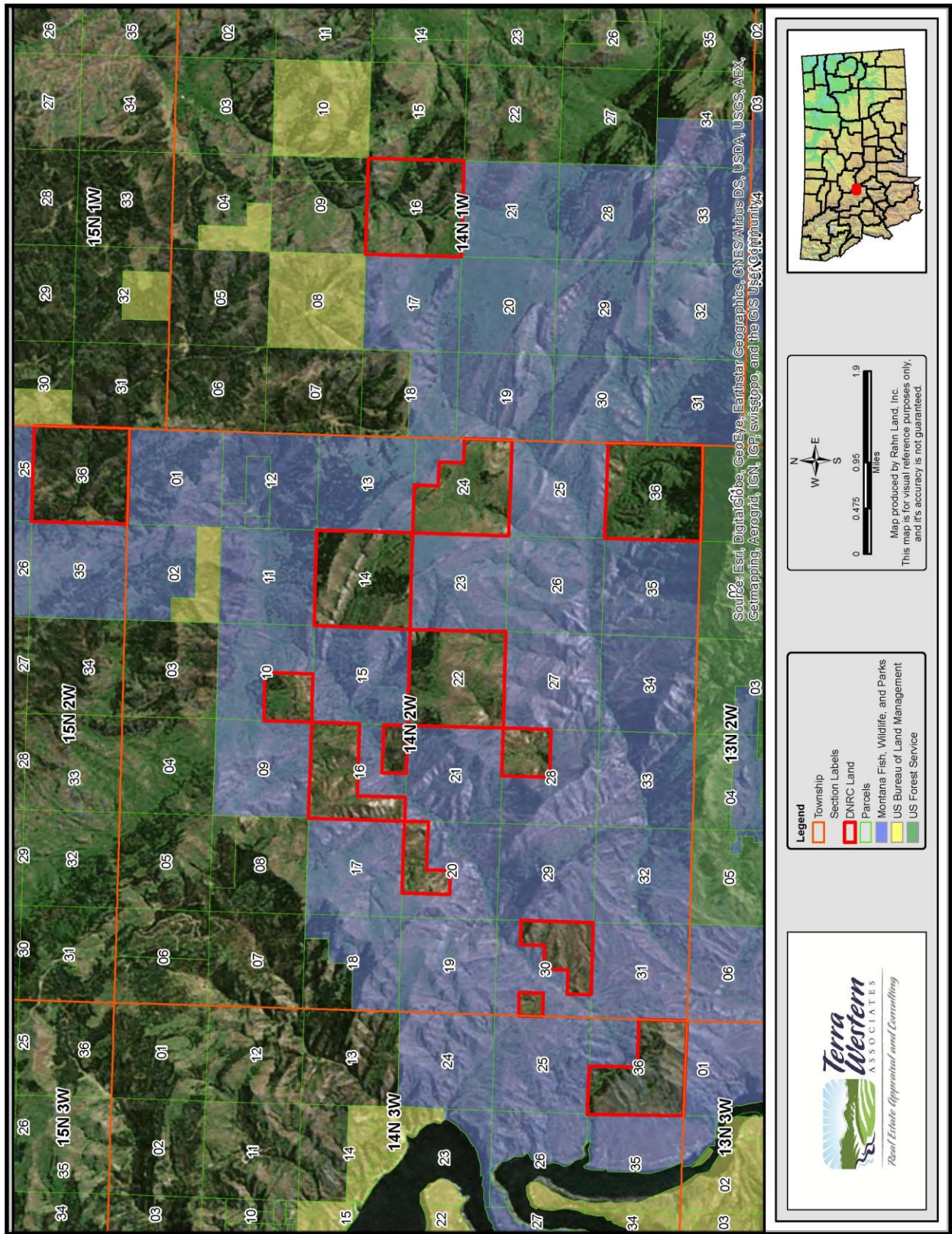
The property consists of fourteen tracts of rural property that are proposed for sale. The appraisal problem included a search for recent sales data which included a larger geographical area due to a lack of sales for all larger parcel types in the immediate area of the subject. In order to value the subject the market area was expanded to include areas where similar types of properties sell. The counties involved included Lewis & Clark County, Cascade County, Powell County, Broadwater County, and Meagher County. Broadwater, Powell, Cascade, and Meagher Counties are adjacent to or near Lewis & Clark County. Sales of tracts adjacent to public land with similar terrain, access, and use specifications were sought out. All have varying degrees of diversity that will be addressed in the valuation section of this report, however, considering the buyers in the market all of the sales would compete against one another in this mid-range market.

The tracts under appraisal include water rights and timber as well as the bare land. The market in which these properties exists does not distinguish between these property rights nor value them separately. While this appraisal addresses the fee simple surface rights only, it should be noted that mineral rights are not readily sold off but are often retained by previous owners. Some of the sales may or may not have had reserved mineral rights; however, there is no diminution in value to a property in this market due to the lack of 100% ownership of the mineral rights. Buyers in this market are more interested in the surface rights and their recreational, residential site potential, and agricultural qualities.

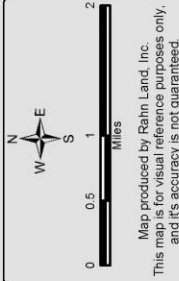
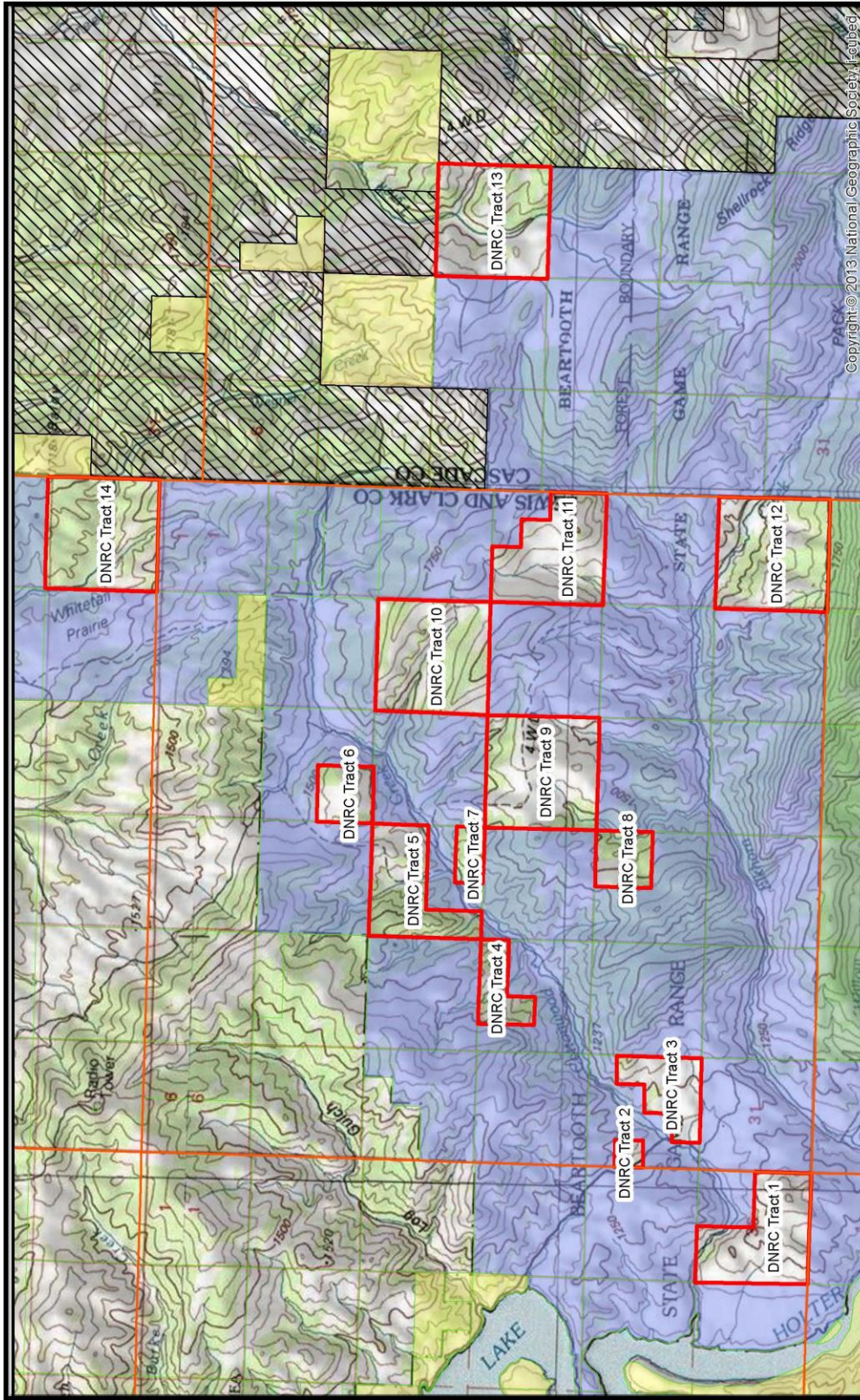
The timber on the property is being appraised as it exists as part of the whole property. There is minimal beetle kill on this property. The properties would compete with other timbered tracts in this mid-range quality recreational market. Some of the sales were partially cut-over and some had minimal timber, while others had never been cut due to steeper terrain or owner choice, and still others did not have an abundance of timber, however, they all has similar recreational, or add-on plottage uses.

The timber on the subject provides aesthetics and wildlife habitat as it currently exists and the sales have similar attributes. The tracts are being appraised as rural properties with similar uses as suggested by the sales data herein. In consideration of the sales data, the steeper terrain on the subject in some areas, the wildlife habitat the timber provides, the aesthetic qualities of the subject tracts, and the fact that timber prices are low at the present time, the timber is being included in the overall \$/acre value of the subject tracts. The \$/acre value is all inclusive of water and timber rights and none of these have been appraised separately. As discussed above a timber report was supplied to the appraiser.

An aerial photograph of all 14 tracts is shown below:



Aerial Photo - Subject Tracts are Shown Outlined in Red



Legend

- DNRC Land
- Conservation Easements



Tract Map of DNRC Lands

III. Presentation of Data

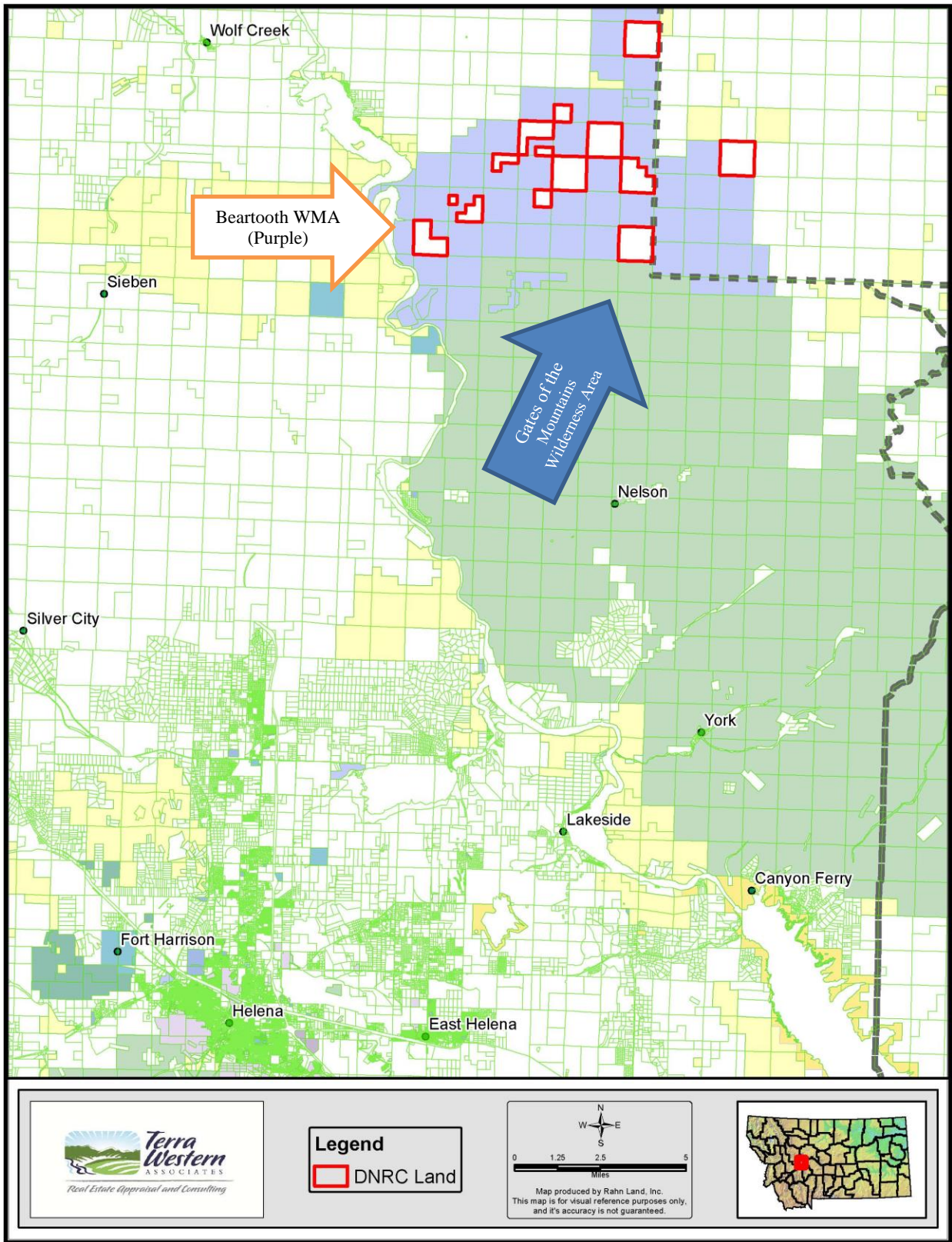
A. Identification of the Property

The subject property is located in Lewis & Clark County, Montana, approximately 40 miles northeast of Helena, MT, the state capitol and county seat. It is also eight miles southeast of Wolf Cree, MT, a small rural community along the Missouri River. The properties consist of scattered tracts of State of Montana owned lands that are checkerboarded or peppered through the Beartooth Wildlife Management Area. The fourteen scattered tracts total 5,438.427 acres. The parcel sizes range from 38.427 deeded acres to 640.00 deeded acres.

The subject tracts are surrounded by the Beartooth Wildlife Management Area which is owned and managed by the Montana Fish, Wildlife, and Parks Department. The Beartooth WMA opens noon on May 15 and stays open through November 30th of each year. All of Montana's big game animals live on or visit the WMA at various times. Upland game birds, song birds, raptors, furbearers and numerous small mammals can be found through much of the year. The WMA is closed to all visitations from the end of the big game hunting season until May 15 each year to protect wildlife during critical winter range times. Commercial use of the area is prohibited throughout the year.

The Beartooth WMA was created to provide wildlife habitat for a variety of species, primarily elk, and to provide recreational opportunities. The state's management goal for the WMA is to provide highly productive, diverse vegetative communities providing quality forage and cover for native wildlife species, emphasizing mule deer and elk, while providing public hunting and outdoor recreational opportunities. The WMA is in both Lewis and Clark and Cascade counties about 40 miles north of Helena and 60 miles south of Great Falls. To reach the WMA Exit I-15 at Wolf Creek and take the Missouri River Road east to Wolf Creek Bridge; turn south on Beartooth Road, which runs along the east side of the Missouri River and Holter Lake, and follow signs to the WMA. (Lat 46.945 , Lng - 111.844)

The Beartooth WMA is bounded on the north and most of its east boundary by privately held lands. The east boundary adjoins the Sieben Ranch which is fully encumbered by a conservation easement. The WMA is bounded by the Missouri River and Holter Lake on the west side. Bureau of Land Management (BLM) lands are directly to the west of the river and lake further protecting the area. The WMA is bounded by the Lewis & Clark National Forest to the south which includes the Gates of the Mountains Wilderness area which directly adjoins the WMA to the south.



Reference Map

Tract 12 of the subject also adjoins the Gates of the Mountains Wilderness Area on its southerly boundary for one mile. Tract 13 adjoins the Sieben Ranch for a full mile on its east boundary and 0.75 miles on its north boundary. It adjoins a small portion of BLM lands on its northern boundary with the rest of its boundary adjoining the Beartooth WMA. Tract 14 adjoins the conservation easement encumbered Sieben Ranch for 0.75 miles on its eastern boundary and BLM lands for about 0.25 miles on the east boundary as well. The remaining three sides adjoin the WMA. The remainder of the subject tracts (1-11) are fully surrounded by the Beartooth WMA lands.

B. Legal Description

The legal description of the subject property is as follows and covers 5,438.427 acres, more or less, located in Lewis & Clark and Cascade Counties, Montana. (per FWP)

Township 14 North, Range 2 West, M.P.M., Lewis and Clark County, Montana

Section 10: SW1/4.

Section 14: SW1/4NW1/4, W1/2SW1/4.

Section 20: E1/2NW1/4, N1/2NE1/4.

Section 28: NE1/4.

Section 30: Government Lot 2, SE1/4NE1/4, SE1/4SW1/4, SE1/4.

(Deed Ref: Book 7 Patents, page 521)

Township 14 North, Range 2 West, M.P.M., Lewis and Clark County, Montana

Section 14: E1/2NE1/4, S1/2SE1/4.

Section 22: N1/2NW1/4, SE1/4NW1/4, W1/2SW1/4, SW1/4SE1/4.

Section 24: NW1/4NW1/4, S1/2SW1/4, SW1/4SE1/4.

(Deed Ref: Book 4 Patents, page 508)

Township 14 North, Range 2 West, M.P.M., Lewis and Clark County, Montana

Section 14: W1/2NE1/4, N1/2SE1/4, E1/2NW1/4, NW1/4NW1/4, E1/2SW1/4.

Section 22: NE1/4, N1/2SE1/4, SE1/4SE1/4.

(Deed Ref: Book 7 Patents, page 501)

Township 14 North, Range 2 West, M.P.M., Lewis and Clark County, Montana

Section 16: N1/2, W1/2SW1/4, S1/2SE1/4.

Section 36: All.

(Deed Ref: Book 8 Patents, page 405)

Township 14 North, Range 3 West, M.P.M., Lewis and Clark County, Montana

Section 36: NW1/4, S1/2.
(Deed Ref: Book 8 Patents, page 409)

Township 15 North, Range 2 West, M.P.M., Lewis and Clark County, Montana

Section 36: All.
(Deed Ref: Book 8 Patents, page 453)

Township 14 North, Range 2 West, M.P.M., Lewis and Clark County, Montana

Section 22: SW1/4NW1/4, E1/2SW1/4.
Section 24: SW1/4NE1/4, N1/2SE1/4, SE1/4SE1/4, E1/2NW1/4, SW1/4NW1/4, N1/2SW1/4.
(Deed Ref: Book 4 Patents, page 499)

Township 14 North, Range 1 West, M.P.M. Cascade County, Montana

Section 16: All
Patent No. 1099146

C. Statement of Ownership and Ownership History

The Uniform Appraisal Standards for Federal Land Acquisitions requires a “ten year record of all sales and if the information is available, any offers to buy or sell the property under appraisal. If no sale of the property has occurred in the past ten years, the appraiser shall report the last sale of the property, irrespective of date.”

All fourteen tracts are currently owned by:

State of Montana
1625 11th Ave.
Helena, MT 59601

As noted above in the legal description the parcels were obtained from The United States of America through various patents. All of the transactions are over ten years old and the purchase price of these transactions were not available to the appraiser due mainly to the nature of the transfers. Following is a list of the patents and the dates they indicate the transfers took place from The United States of America to the State of Montana. No

dollar amounts were attributed to these transactions on the transfer documents and the transactions too place so long ago that no attempt was made to try to recover dollar amount information for the transactions:

Tract 1: T14N, R3W, Lands in Section 36: Book 8 Patents, Page 409; Patent No. 1098299; Filed on December 1, 1938.

Tract 2: T14N, R2W, Lands in Section 30: Book 7 Patents, Page 521; Patent No. 747289; filed on June 26, 1922.

Tract 3: T14N, R2W, Lands in Section 30: Book 7 Patents, Page 521; Patent No. 747289; filed on June 26, 1922.

Tract 4: T14N, R2W, Lands in Section 20: Book 7 Patents, Page 521; Patent No. 747289; filed on June 26, 1922.

Tract 5: T14N, R2W, Lands in Section 16: Book 8 Patents, Page 405; Patent No. 10099147; filed on December 1, 1938.

Tract 6: T14N, R2W, Lands in Section 10: Book 7 Patents, Page 521; Patent No. 747289; filed on June 26, 1922.

Tract 7: T14N, R2W, Lands in Section 16: Book 8 Patents, Page 405; Patent No. 10099147; filed on December 1, 1938.

Tract 8: T14N, R2W, Lands in Section 28: Book 7 Patents, Page 521; Patent No. 747289; filed on June 26, 1922.

Tract 9: T14N, R2W, Lands in Section 22: Book 4 Patents, Page 508, Patent No. unavailable, filed on June 21, 1913; Book 7 Patents, Page 501, Patent No. 859907, filed on May 10, 1922; Book 4 Patents, Page 499, Patent No. unavailable, filed on December 13, 1907.

Tract 10: T14N, R2W, lands in Section 14: Book 7 Patents, Page 521, Patent No. 747289, filed on June 16, 1922; Book 4 Patents, Page 508, Patent No. unavailable, filed on June 21, 1913; Book 7 Patents, Page 501, Patent No. 859907, filed on May 10, 1922.

Tract 11: T14N, R2W, Lands in Section 24: Book 4 Patents, Page 508, Patent No. unavailable, filed on June 21, 1913; Book 4 Patents, Page 499, Patent No. unavailable, filed on December 13, 1907.

Tract 12: T14N, R2W, Lands in Section 36: Book 8 Patents, Page 405; Patent No. 1099147; filed on December 1, 1938.

Tract 13: T14N, R1W, Lands in Section 16: Book 8 Patents, Page 453; Patent No. 1099146; filed October 12, 1938.

Tract 14: T15N, R2W, Lands in Section 36: Book 8 Patents, page 453; Patent Number 1099146; filed December 23, 1939.

The tracts are not listed for sale nor are they under contract for sale as of the effective date of this appraisal. There have been no transactions related to these parcels in the past ten years. All of the previous transactions are older than ten years as noted by the filing dates ranging from 1907 to 1939.

D. Area & Regional Data *Area & Regional Data*

1. Physical Considerations

The subject property is located in the northeastern portion of Lewis & Clark County and the western portion of Cascade County Montana at 3,600 feet to 6,200 feet in elevation. The units are just north of The Gates of the Mountains Wilderness area of the Lewis & Clark National Forest and the tracts are directly adjacent to the Beartooth Wildlife Management Area. Montana's state capitol the city of Helena is located 40 air miles southwest of the property, via I-15 which is a major north/south corridor in the United States that leads to Canada.

COMMUNITY AND ECONOMIC FEATURES

HELENA

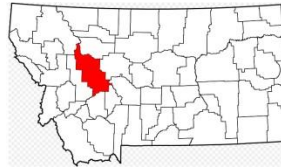
Helena is the capitol city for the state of Montana, and the county seat for Lewis & Clark County. Located in west-central Montana, Helena is surrounded by nearly one million acres of Helena National Forest. The 2014 estimated population of Helena was 29,943, while the 2010 census put the population at 28,180 residents, a 6.2% increase from the 2000 census.

Historically, the gold boom era in 1888, Helena held more per capita millionaires (50) than any other city in the world. Last Chance Gulch is one of the largest placer gold discoveries in the western U.S This concentration of wealth led to a city made up of culture, varied architecture, and especially the Victorian mansion neighborhoods.

The Helena area's surrounding features include the Continental Divide to the west, Mount Helena City Park, Spring Meadow Lake State Park, Lake Helena, Helena National Forest, the Big Belt Mountains, Gates of the Mountains Wilderness, Sleeping Giant Wilderness Study Area, Bob Marshall Wilderness, Scapegoat Wilderness, the Missouri River, Canyon Ferry Lake, Holter Lake, Hauser Lake, and the Elkhorn Mountains.

Helena has a long record of economic stability with its history as the state capitol and being founded in an area rich in silver and lead deposits. Its status as capitol makes it a major hub of activity at the county, state, and federal level while its mining history has continued with mineral processing plants located around the city. Thirty one percent of the city's workforce is made up of government positions, with private sector jobs comprising 62 percent.

LEWIS & CLARK COUNTY



1. Location

Lewis & Clark County is located in the west-central portion of Montana and is comprised of 3,498 total square miles (1.05% water). Adjacent counties include Teton County to the north, Cascade and Meagher Counties to the east, Broadwater County to the southeast, Jefferson County to the south, Powell County to the west, and Flathead County to the northwest. The county is 70% mountainous with the valley area used for agriculture, namely farming. Five National protection areas lay in-part in Lewis & Clark County: the Flathead National Forest, the Helena National Forest, Lewis and Clark National Forest, the Lolo National Forest, and the Rocky Mountain Front Conservation Area. Elevations range 8,000 feet on the Continental Divide down to the Missouri River elevation of 3,400 feet. The Spokane Hills (4,058 feet elevation), is a set of major foothills of the Big Belt Mountains that lie between Helena Valley and the Canyon Ferry Reservoir, and the Black Reef Mountains lie west of the town of Augusta. The Missouri River flows through the county from south to north, offering both irrigation for crops and recreational opportunities.

2. Water Sources

Lewis & Clark County encompasses eight surface water water-sheds: The Middle and South Forks of the Flathead, Blackfoot, Upper Clark Fork, Sun, Smith, Upper Missouri/Dearborn, and Upper Missouri River.

The major drainages for the subject area include the Dearborn River, Little Wolf Creek, Lyons Creek, Little Prickly Pear Creek, Stickney Creek, and the Missouri River. All

of the drainages flow toward the Missouri River in a northeasterly direction. These water sources are important for agriculture, wildlife, and recreational uses.

3. Transportation

U.S. Interstate-15, a major north/south thoroughfare connects Lewis & Clark County to Butte to Great Falls, intersecting in Helena with U.S. Highway 12. U.S. Highway 287, MT-21, and MT-200 traverse the county as well.

The Burlington Northern-Santa Fe Railroad (BNSF) owns a freight/supply rail line from Helena extending northward to Great Falls. Montana Rail Link (MRL) operates a freight line from Helena southwesterly to Missoula. The nearest passenger rail line is located in Shelby, MT, 168 miles to the north.

The Helena Area Regional Airport (HARA) is located in the northeast area of Helena. Commercial air service is provided by Delta Connection (Salt Lake City and Minneapolis International Airport), Horizon Airlines (Seattle), and United Express (Denver).

4. Population

Lewis & Clark County reported a 2014 est. population of 65,856, and 63,295 in the 2010 census, a 14% increase from the 2000 census. Sixty-nine percent are urban residents, thirty percent are rural, and one percent is rural on agricultural lands.

5. Future

The Helena Valley has seen the largest increase in population growth from the 2010 population census of 13.8%. The County increase of persons between the ages of 35-55 years is primarily attributed to the net migration for employment purposes, and an increase of retirees of 65 years and older. The long-range trend in the county is an older population, with implications for the workforce, healthcare systems and other areas of life, according to the Lewis & Clark Growth Plan of 2012.

6. Area Prestige

Canyon Ferry Lake and the Missouri River produce rainbow, brown, brook and cutthroat trout, walleye, whitefish and perch. The resident and non-resident fishing supports boat dealerships, sporting goods stores, tackle shops and outfitting.

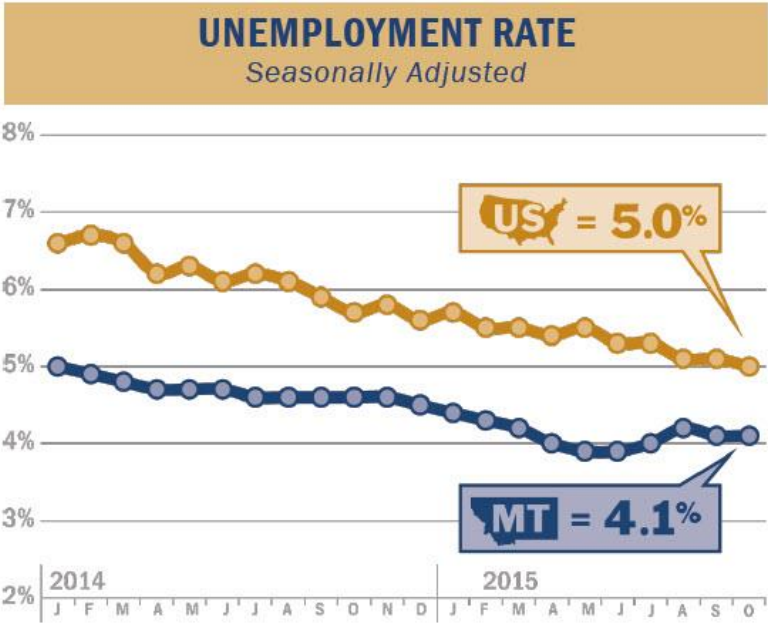
The county has abundant wildlife that supports hunting, and bird/wildlife watching. The Big Belt and Elkhorn Mountains provide excellent mule deer and elk habitat. Whitetail deer thrive along the Missouri River and in bottomlands. Mountain goats occur in the Big Belts, and a population of antelope range throughout the Hilger Valley. The Bureau of Reclamation constructed dust-control ponds and in cooperation with Montana Fish, Wildlife and Parks manages the ponds to produce excellent habitat for waterfowl and shorebirds. The Canyon Ferry Wildlife Management Area provides outstanding hunting for big game, pheasants and water fowl, as well as opportunities for watching bird and wildlife.

Second home and retirement home development has increased in the last decade near the Holter Lake, Missouri River, and the Canyon Ferry Reservoir for the area’s recreational amenities and rural life style. Over 70% of the area is privately-owned land, mostly held in large ranches. Public land in the Wolf Creek and Craig Planning area (subject) constitutes a smaller portion of land ownership. The Forest Service manages several large blocks of land in area. These lands are generally managed for timber production and grazing. The BLM manages a few parcels in the Hilger Valley, Devil’s Kitchen, lands along Holter Lake, and some areas near Sleeping Giant Wilderness study area. Lewis and Clark made their expedition up the Missouri river in 1805, from the Gates of the Mountains to the three forks of the Missouri River, making significant journal entries which are historical sites in the County.

7. Economic Forces

Lewis & Clark County November 2015 unemployment rate was ranked 13th in the state at 3% and is trending down like much of the state.

Rank	County	Unemployment Rate		Employment	
		Current Unemployment Rate	Change over Year	Current Employment	Job Change from Last Year
13	Lewis and Clark County	3	-0.6	34,515	492



Montana’s seasonally-adjusted unemployment rate for October 2015 held steady over the month, remaining at 4.1%. Meanwhile, the national unemployment rate fell slightly to 5.0% from September’s rate of 5.1%.

MONTANA DEPARTMENT OF LABOR AND INDUSTRY		RESEARCH AND ANALYSIS BUREAU	
LEWIS AND CLARK COUNTY - EMPLOYMENT BY INDUSTRY			
ANNUAL AVERAGES 2010			
Industry	Number of Establishments	Average Annual Employment	Annual Wages Per Job
TOTAL ALL INDUSTRIES	2,537	34,386	\$38,046
TOTAL PRIVATE	2,405	23,638	\$33,271
AGRICULTURE, FORESTRY, FISHING & HUNTING	30	164	\$24,810
Crop production	6	53	\$18,663
Animal production	13	85	\$27,492
Forestry and logging	5	7	\$19,870
Agriculture & forestry support	6	19	\$31,822
MINING	8	219	\$48,868
Mining, except oil and gas	6	*	*
Support activities for mining	2	*	*
UTILITIES	10	91	\$85,183
CONSTRUCTION	278	1,167	\$39,527
Construction of buildings	92	383	\$44,905
Heavy and civil engineering construction	21	95	\$43,463
Specialty trade contractors	166	689	\$35,992
MANUFACTURING	56	682	\$34,548
Food manufacturing	8	141	\$17,554
Beverage and tobacco product mfg	3	33	\$12,271
Textile product mills	1	*	*
Apparel manufacturing	1	*	*
Leather and allied product manufacturing	1	*	*
Wood product manufacturing	6	34	\$26,599
Printing and related support activities	4	46	\$32,574
Chemical manufacturing	4	*	*
Nonmetallic mineral product mfg	2	*	*
Primary metal manufacturing	1	*	*
Fabricated metal product manufacturing	4	13	\$21,366
Machinery manufacturing	2	*	*
Electrical equipment and appliance mfg	1	*	*
Transportation equipment manufacturing	2	*	*
Furniture and related product mfg	8	31	\$22,911

The 2014 census quick facts reported the median household income for Lewis and Clark County at \$54,535, compared to Montana’s at \$56,243. According to data from the Montana Department of Labor & Industry (September 2015), the county’s economy is predominately based on government employees (39.4%) and the service sectors (59.3%).

8. Climate

Helena has a semi-arid climate with long, cold and moderately snowy winters, hot and dry summers, and short springs and autumns in between. Monthly daily means range from 20.2 °F in January to 67.9 °F in July, with lows significantly cooler from April to October, due to the aridity and elevation. Snowfall has been observed in every month of the year, but is usually absent from May to September, and normally accumulates in only light amounts. Winters have periods of moderation, partly due to warming influence from chinooks. Precipitation mostly falls in the spring and is generally sparse, averaging only 11.2 inches annually, compared to the US average of 37 inches annually.

Climate data for Helena Airport (1981–2010 normals), Montana

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
Average high °F	33.3	38.6	48.2	57.8	67.1	75.7	85.7	84.5	72.6	58.7	43.1	31.7	58.08
Average low °F	13.0	16.9	24.3	32.1	40.8	48.5	54.3	52.2	43.1	32.5	22.0	11.9	32.63
Precipitation inches	0.36	0.30	0.59	0.97	1.87	2.06	1.19	1.20	1.10	0.65	0.49	0.39	11.18

**Source: NOAA (extremes 1880–present)*

9. Recreational and Aesthetic Features

In the 1950's the U.S. Bureau of Reclamation constructed Canyon Ferry Dam creating Canyon Ferry Lake in southwestern Lewis & Clark County and northeastern Broadwater County for power generation and irrigation. Hunting, fishing and recreation have a long history in the two Counties, and they continue to develop a strong recreation/travel industry.

The Broadwater Rod and Gun Club, formed in 1902, to influence fish and game management in the area. The Club facilitated planting of pheasants and trout in the valley. They also planted 36 head of elk up Dry Creek in 1916, which established a successful elk population in the Big Belt Mountains. In addition to generating electric power and providing irrigation water, Canyon Ferry Lake provides recreation opportunities of state-wide significance. Lake fishing, ice fishing, boating, camping, and picnicking are major recreation activities associated with the reservoir, and has contributed to the basic travel and tourism economy of the county. In the 1970's, the U.S. Bureau of Reclamation

constructed dust-control ponds on the south end of the reservoir near Townsend. In cooperation with the Montana Department of Fish, Wildlife and Parks (FWP), the dust-control ponds are also managed to facilitate waterfowl nesting, which has resulted in excellent, productive habitat for ducks, geese and many shorebirds. The adjacent FWP Wildlife Management Area complements the waterfowl habitat and provides outstanding hunting for big game, pheasants and waterfowl, as well as opportunities for watching and photographing wildlife. Canyon Ferry Lake and the Missouri River have developed a reputation as high quality fisheries. Canyon Ferry Lake, the Missouri River from Three Forks to Townsend, Helena National Forest, Big Belt Mountains, Elkhorn Mountains, and numerous streams and lakes, and a rich history are amenities that drive a strong recreation and tourist industry. The Subject area has nine businesses related to guiding and outfitting available.

10. Educational and Cultural Activities

Education can act as an indicator of the level of income and type of work available for a community. The education status for Lewis & Clark County residents has risen over the last decade. According to the 2010 census, 97.6% have graduated from high school, 35.7% have attained a Bachelor degree or higher, and 32.2% have obtained some sort of training or associates degree after high school.

The total school enrollment in Lewis & Clark County was 14,829 (nursery school enrollment 578, K-12 enrollment 10,419, and higher education enrollment 3,842).

Helena offers the State of Montana College of Technology, private Carroll College, the University of Montana-Extension, and Maddios Hairstyling and Cosmetology College.

11. Agriculture

The 2012 (latest data) national agricultural statistics are the most recent farm numbers data available from the USDA, reporting Lewis and Clark County having 703 operating farms on 843,160 acres in agriculture, with the average size farm being 1,199 acres. The Montana 2012 Agriculture Statistics reported Lewis and Clark County's total agricultural sales of \$46.558 million in 2012. Livestock accounted for 61% and Crops yielded 39% of the county's agricultural revenue, ranking 28th and 3rd respectively from the state's 56 counties. The Montana 2013 Agriculture Statistics reported Lewis and Clark County's yields ranked 29th/56 counties for Spring Wheat production, 14th for Barley, 11th for Alfalfa Hay, 30th for Other Hay, and 29th for Beef Cattle (38,357 hd). The Helena area annually averages 121 frost-free days.

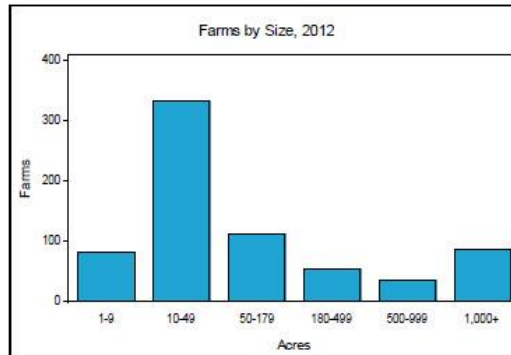
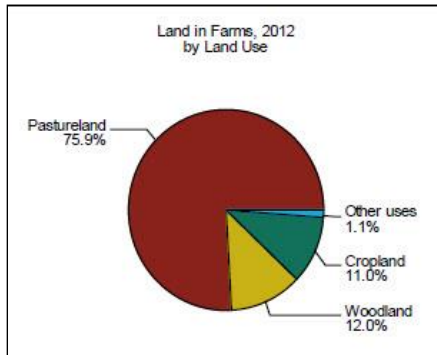
Lewis & Clark County – National Agriculture Survey Service 2012

	<u>2012</u>	<u>2007</u>	<u>%</u>
Total Farms (36.6% full-time)	703	675	+4
Land in Farms	843,160 ac	971,240 ac	-13
Average Size Farms	1,199 ac	1,439 ac	-17

Cropland	11%	92,412 ac
Harvested		63,637 ac
Irrigated		47,504 ac
Irrigated Cropland		39,607 ac
Irrigated Pasture		7,897 ac
Pasture	75.9%	
Woodland	1.2%	
Other	1.1%	

			<u>County Rank/56</u>
<u>Agriculture Products Sold</u>		\$ 46.558 m	36 th
Crops	39%	\$ 18.370 m	33 rd
Livestock	61%	\$ 28.188 m	28 th

Wheat for grain	17,760 ac	36 th
Spring Wheat	11,870 ac	29 th
Barley	11,427 ac	14 th
All Hay	32,979 ac	32 nd
All Cattle	38,357 hd	29 th
Sheep	3,012 hd	36 th



12. Zoning

There is no county zoning in the Helena area of Lewis & Clark County that affects the subject property, however, if building is being considered in the county a septic system permit is required by the county and a state plumbing and electrical permit is required as well.

The subject properties lie on the cusp of both Lewis & Clark County and Cascade County therefore they will both be discussed.

CASCADE COUNTY

Cascade County is located in west-central Montana, bordered by Teton County to the northwest, Choteau County to the northeast, Judith Basin County to the east, Meagher County to the south, and Lewis & Clark County to the west. The Missouri River and the Sun River flow through the county and meet at the city of Great Falls. A portion of the Adel Mountain Volcanic Field is in the southwest corner of the county, (just north of the subject). The Rocky Mountains line the western part of the county, and the Little Belt and Highwood Mountains line the southeast. The county consists of 2,698 square land miles, or 1,735,267 acres, of which 12.4% are federally owned, 81.7% private land ownership, and 5.2% state land ownership (0.7% remaining is water).

GREAT FALLS

Great Falls is located on the confluence of the Missouri River and the Sun River lying on the high plains at the eastern front of the Rocky Mountains at approximately 3,600 feet elevation. Named after five waterfalls on the Missouri River, the city of Great Falls is the county seat of Cascade County, the industrial and service center for north central Montana, and an estimated population of 59,152 in 2015, an increase of 1.2% from the 2010 Census. The C.M. Russell Museum, the Lewis & Clark Interpretive Center, the University of Great Falls, MSU Great Falls of Technology, Great Falls Airport and the Benefis Health Care hospital are a few of the services available.

1. Population

Once the largest population centers in the state, Cascade County is now Montana's fifth most populous county, remaining relatively stable during the past five decades. Cascade County reported a population of 81,327 people in the 2010 Census, a population density of 30.1 per square mile. The 2014 estimated population report continued a 1.3% increase in population for the county with 82,344 residents. Cascade County is an urban populous county with 80% residing in the city or towns.

Incorporated Communities

Great Falls	59,366 residents	Cascade	770
Belt	589	Neihart	85

Census Designated Places

Black Eagle	931 residents	Sun Pride	1,806
Fort Shaw	279	Sun River	133
Malmstrom AFB	4,350	Ulm	764
Simms	380	Vaughn	714
Hutterite Colony (4)	N/A		

2. Climate

Great Falls and the Cascade County are a semi-arid climate with the growing season precipitation occurring in the form of thunderstorms during July and August, occasionally with hail in the northern part of the county and can cause severe crop damage. May and June experience frequent and sometimes heavy rains. Winters are cold and somewhat snowy, though Chinook winds help to greatly moderate them. In the absence of such winds, shallow cold snaps extending well below 0 °F are common. Summers are warm and somewhat dry, with highs reaching 90 °F on 18 days per year, though temperatures at nights are sharply cooler than daytime conditions.

Climate data for Great Falls, Montana, 1981–2010 normals

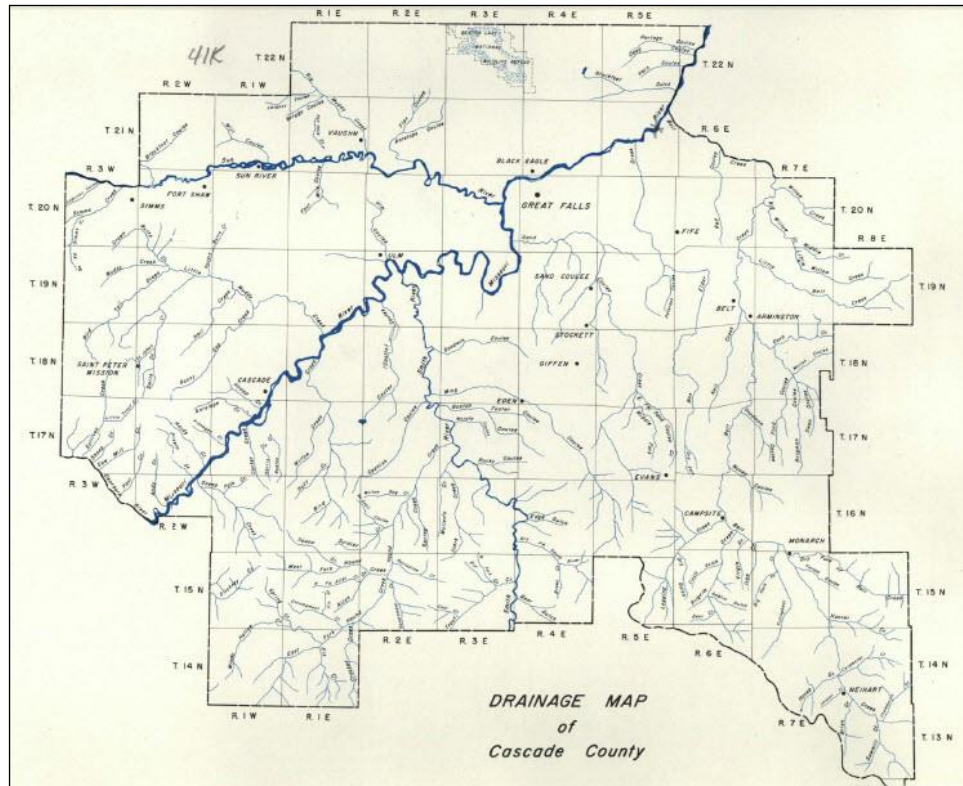
Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
Average high °F	35.4	38.3	45.9	55.6	64.8	73.3	83.4	82.2	70.3	57.7	43.3	34.6	57.07
Average low °F	15.7	17.2	23.3	31.3	39.4	46.9	52.2	51.1	42.7	33.5	24.1	15.6	32.75
Precipitation inches	.51	.47	.91	1.42	2.42	2.53	1.50	1.56	1.42	.85	.59	.55	14.72
Snowfall inches	8.0	8.9	11.3	9.0	2.7	.3	0	.3	1.2	4.1	7.9	8.4	62.1
Avg. precipitation days	6.8	7.0	9.3	9.4	11.7	11.7	7.5	7.9	7.8	6.6	6.7	7.5	99.7

Source #1: NOAA Source #2: Weather.com

1. Water Supply

Much of the topography is level to rolling plains with the eastern and southern parts being mountainous with deep canyons. The land use of the County is approximately 94% in agricultural, of which 9.2% are irrigated cropland. In Cascade County the principal streams which supply water for irrigation are the Missouri River and its tributaries, the Sun River, Smith River, and Little Muddy Creek. Very little water is diverted for irrigation from the Missouri River, for almost all of the flow of the river is used for the development of electric power. Little Muddy Creek is located in the western part of the County and flows into the Missouri River near the town of Cascade. From this stream and Rocky Gap

Creek, approximately 1,800 acres are irrigated. The Smith River heads in Meagher County and flows northward through the center of the County near Great Falls to the Missouri River. Hound Creek a tributary of the Smith River serves approximately 2,200 acres of irrigated lands. The Sun River is the most important source of water for irrigation in Cascade County. The Rocky Reef Ditch Company and the Sun River Valley Ditch Company irrigate approximately 3,800 acres from the Sun River. The Sun River Project is the dependent on flood waters stored in reservoirs located on the upper tributaries of the Sun River. These two reservoirs irrigated approximately 26,000 acres in Cascade County.



2. Transportation

The Great Falls International Airport has direct flights to Denver, Salt Lake City, Las Vegas, Minneapolis, Phoenix, and Seattle. U.S. Interstate 15 is a major infrastructure route traveling north/south through Cascade County and Great Falls from Helena and the Canadian border. The Milwaukee and Great Northern Railroads operate through Great Falls transporting mining and agricultural products, creating a hub and growth in the area.

3. Economic Forces

Cascade County's most prominent business sectors are government, agriculture, trade/services, health care, and tourism. Among the largest employers are Benefis Health

System, Malmstrom Air Force Base, D.A. Davidson Companies, National Electronics Warranty (NEW), Great Falls School District, Montana Air National Guard, Pacific Steel and Recycling, and Sletten Construction.

Each of the five waterfalls on the Missouri River provides water for the hydro-electric developments for electric power. The power supplies Great Falls and other areas in northern Montana, but is transmitted to the industrial centers of Butte, anaconda, Helena, and Billings, and pulls the Milwaukee trains from Harlowton to Avery, Idaho, a distance of 400 miles. The total electric power output of the five plants is sufficient to supply seven cities the size of Great Falls.

Cascade County Labor Statistics reported a 4.1% unemployment rate for December 2015 from a 40,826 person labor force, ranking 34th out of 52 Montana Counties. Montana had a 4.0% unemployment rate in January 2016 and the U.S. reported a 4.9% unemployment rate in January 2016.

4. Agriculture

Cascade County is one of Montana's most urban counties, yet agriculture is a critical part of the economy. The cropland in the County is primarily located in a 35 mile radius around Great Falls, in the northern part of the County where the loamy soil lying over clay subsoil making good dryland crop yields. The Great Falls area is an agricultural trade center for north-central Montana and home to several agriculture-related manufacturing businesses. Malteurop operates a malt plant for the production of beer, from area grown barley. Pasta Montana makes high-quality pasta products from Montana-grown durum wheat, about half of the pasta is exported. Montana Specialty Mills which processes oil seeds and Montana Milling which specializes in milling organic grain are located in the area. Western Livestock Auction north of Great Falls is one of the state's most active stockyards. The Montana Farmers Union and the Montana Grain Growers Association are two agriculture-member organizations in the Great Falls area. The Montana State Grain Laboratory, the only federally certified grain lab in the state, also is located here, along with the Montana Wheat and Barley Commission, which markets the state's grain crop.

According to the 2012 Agricultural Census (latest data), Cascade County had 1,105 farms, with an average acreage of 1,136 acres in size. Since the last agricultural census in 2007, Cascade County has lost 124,900 acres in agriculture production. Cattle and small grain crops are the major revenue producing commodities. Hay, small sheep flocks, and specialty crops are scattered throughout the county, as well. Approximately 48% of the ranchers in Cascade County consider agriculture as their principal occupation. In 2012, over 33,400 acres of irrigated croplands and 224,520 of non-irrigated croplands were harvested in Cascade County. Hay production represented the majority of these acres,

with 77,000 acres (4th by state ranking) in alfalfa and 22,000 acres in other hay (15th by state ranking). Harvested wheat acreage totaled 120,000 acres (99,000 in winter wheat and 21,000 in spring wheat). The livestock inventory on ranches in 2012, resulted 62,212 head (17th in state) and 5,500 (11th of 56 counties) sheep.

Cascade County – National Agriculture Survey Service 2012

		<u>2012</u>	<u>2007</u>	<u>%</u>
Total Farms (47.8% full-time)		1,105	1,112	-1
Land in Farms		1,254,745 ac	1,379,645 ac	-9
Average Size Farms		1,136 ac	1,241 ac	-8
Cropland	34.1%	427,698 ac		
Harvested		224,520 ac		
Irrigated		33,414 ac		
Pasture	59.4%			
Woodland	5.1%			
Other	1.5%			
				<u>County</u>
<u>Rank/56</u>				
<u>Agriculture Products Sold</u>		\$111.128 m		13 th
Crops	48%	\$ 53.547 m		20 th
Livestock	52%	\$ 57.581 m		9 th
Wheat for grain		120,000 ac		18 th
Spring Wheat		21,000 ac		23 rd
Barley		26,000 ac		8 th
All Hay		71,000 ac		8 th
All Cattle		62,212 hd		17 th

Cascade County’s growing season or frost-free days ranges from 110-120 days. The annual precipitation for the county is 14.89”, of which 10.5” of rainfall is during the growing season from April to September.

5. Recreational and Aesthetic Features

Many fine trout waters are found in Cascade County, the Missouri River is very productive from the Giant Springs area at Great Falls on upstream. Below Great Falls fishing for sauger and walleye on the Missouri River, Smith River, Belt Creek, and Hound Creek are good areas. The waterfowl hunting is very good in the area of the Missouri, Sun, and Smith Rivers, plus a number of ponds and reservoirs on private ranches. The mule deer range in the upper breaks areas while the white-tail deer are found along the brushy river bottoms. Big Horn Sheep have been planted southeast of the town of Cascade

in the Sheep Creek-Stickney Creek area. Elk are found in the Highwood Mountains and in the Stickney Creek region.

The forested area in the County is located mainly in the southern portion in the Belt Mountains, a small forested area in the eastern portion of the County lie in the Highwood Mountains, and the Lewis & Clark National Forest headquarters is located in Great Falls, with 55% of forest land in Cascade County. The national forest area has heavy recreational use and grazing uses. The national forest acreage in Cascade County is rated above average hunting for elk, white-tailed deer, mule deer, and moose.

6. Educational and Cultural Activities

Cascade County has five public school districts, eleven rural schools and two urban schools, with the student to teacher ratio average of 12:1. The School of the Deaf in Great Falls has a 1.2:1 student to teacher ratio.

The University of Great Falls and MSU Great Falls of Technology offer secondary education to north central Montana, in Great Falls.

The Cascade County Extension provides the citizens of the County with educational material in the area of agriculture, food and consumer science, youth, weed science, financial management, and economic development.

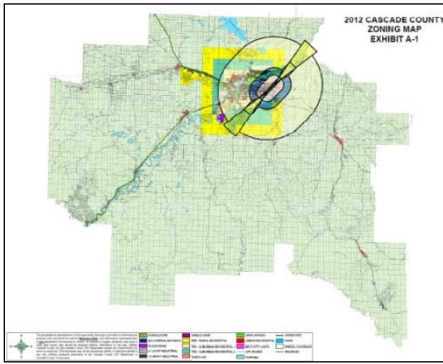
4. Health Care

The Great Falls Clinic has offered medical health services for over 90 years to the north central region of Montana.

5. Zoning

Cascade County has several different types of zoning throughout the county. Depending on where a parcel of land is located in the county, land use regulations will differ. In the late 70s, the Cascade County Development Plan was adopted by the Cascade County Commissioners. The development plan labeled all land within Cascade County, that was not part of an incorporated City or Town, City-County Jurisdictional Area, or other created Zoning District, as residential/agricultural zoned land. This land use allows for a single family dwelling on each separate parcel of land listed within the county as well as normal agricultural operations. For parcels of land that people want to develop for commercial uses, a Commercial Development Permit is required. All zoning areas have different regulations and development requirements.

The Flood Road Zoning District was created by citizens who live within this area in order to preserve their land uses from commercial and industrial type operations. The citizens petitioned the Cascade County Commissioners to create this zoning district and by a majority of the citizens who live in this area voting for approval of this district, it was successfully created in January of 2000.



State Data

Montana's 2015 population estimate is reported at 1,032,949 people residing in the state an increase of 9.8% since 2010 Census. Population density measuring people per square mile was 6.8 in 2010, dropping from 48th to 49th nationally. The total land area of Montana is approximately 145,546 square miles or over 93 million acres, with 64.2% of the state contained in farm and ranch lands, a total of 28,008 farms, averaging 2,134 acres, as reported from USDA in 2012. Montana's 2012 agricultural sector output was approximately 4.23 billion dollars, and the states number one industry. It is estimated that 80% of Montana's population is employed by agriculture and small businesses, which constitute 90% of the state's business community. Of these small businesses, 80% have one or two owners and less than ten employees.

The Montana Tourism Commission reported:

- 2012 - 10.8 million tourists visited Montana, spending an average of \$308 per tourist and a total of \$3.2 billion to the Montana economy.
- 2013 – 11 million tourists visited Montana, 33% for vacation reasons and a total of \$3.6 billion to the Montana economy.
- 2014 – 10.9 million tourists visited Montana, spending \$3.98 billion and supporting 37,000 jobs.
- 2015 – 11.7 million tourists visited Montana, spending \$3.60 billion down in \$ from the previous year.

The state of Montana owns approximately 6% of the state lands, and the federal government owns 29.1%. Indian reservations hold 5.3% of the state, with the remaining 58.7%

privately held, with the remaining 0.8% being water. Of the 29.1% federal ownership, approximately 18% is under National Forest Service control, with 8.7% under the Bureau of Land Management and approximately 3% contained in other divisions.

Montana had a median household income (2009-2013) of \$46,230, compared to the national median income of \$53,046. Montana's unemployment rate as of February 2015 was 4.9%, while the national rate was 5.8%. Montana has 27% of its workforce is over the age of 55 years, allowing approximately 137,000 jobs to be filled as these workers retire. Montana ranks the best in the nation with a high school diploma.

The 2008 recession and recovery had very disparate impacts in different regions of Montana. The Northwest and Southwest regions were the hardest hit by recession job losses, while Eastern Montana had very little job loss during the recession, and very rapid job growth exiting the recession; primarily due to the Bakkan Oil influence. The Southwest has also had strong job growth in the recovery, leaving the Northwest which is also recovering from the effects of the recession.

Taxes

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

Montana Agriculture

Montana's 59.8 million acres of farms and ranches ranks second in the nation behind Texas's 130.4 million acres in total amount of land in agriculture. The total land area of Montana is approximately 145,388 square miles, with 64.2% of the state contained in farm and ranch lands. The farm population of the state, at 45,718, averages 0.4 people per farm.

Of the approximately 59.8 million acres in use as farm and ranch lands, 72%% is comprised of rangeland, with 28% containing croplands (11.2 % irrigated). The total number of farms and ranches in the state of Montana has continually decreased since 1933, when there were 53,000 units. As of 2012 there are 28,008 farms and ranches located in the state, a decrease of 5.14% since the 2007 NASS Census. The average size of farms and ranches in the state is 2,134 acres.

Data from NASS March 1, 2012 updated report on Montana: Montana ranked third for all wheat production in 2011, accounting for 8.8% percent of the U.S. total, surpassed by North Dakota and Kansas. Montana ranked third for durum wheat, third for winter wheat, and second for other

spring wheat production, accounting for 21.4 percent, 6.0 percent, and 16.3 percent, respectively, of the nation's total. For durum and spring wheat production, North Dakota ranked first. Kansas ranked first for winter wheat production, followed by Texas, Oklahoma, Washington, and Colorado. Montana accounted for 19.9 percent of the nation's barley, ranking third behind North Dakota and Idaho.

Montana ranked second, behind North Dakota, for flaxseed production, accounting for 7.5 percent of the nation's total. Montana ranked first in lentils and dry edible peas. With safflower production, accounting for 6.9 percent of the U.S. total. Montana ranked sixth for sugar beet production with 4.1 percent of the U.S. total, behind Minnesota, North Dakota, Idaho, and Michigan. Montana ranked third for 2011 for alfalfa hay production with 6.7 percent of the nation's total, behind California, South Dakota, and Idaho.

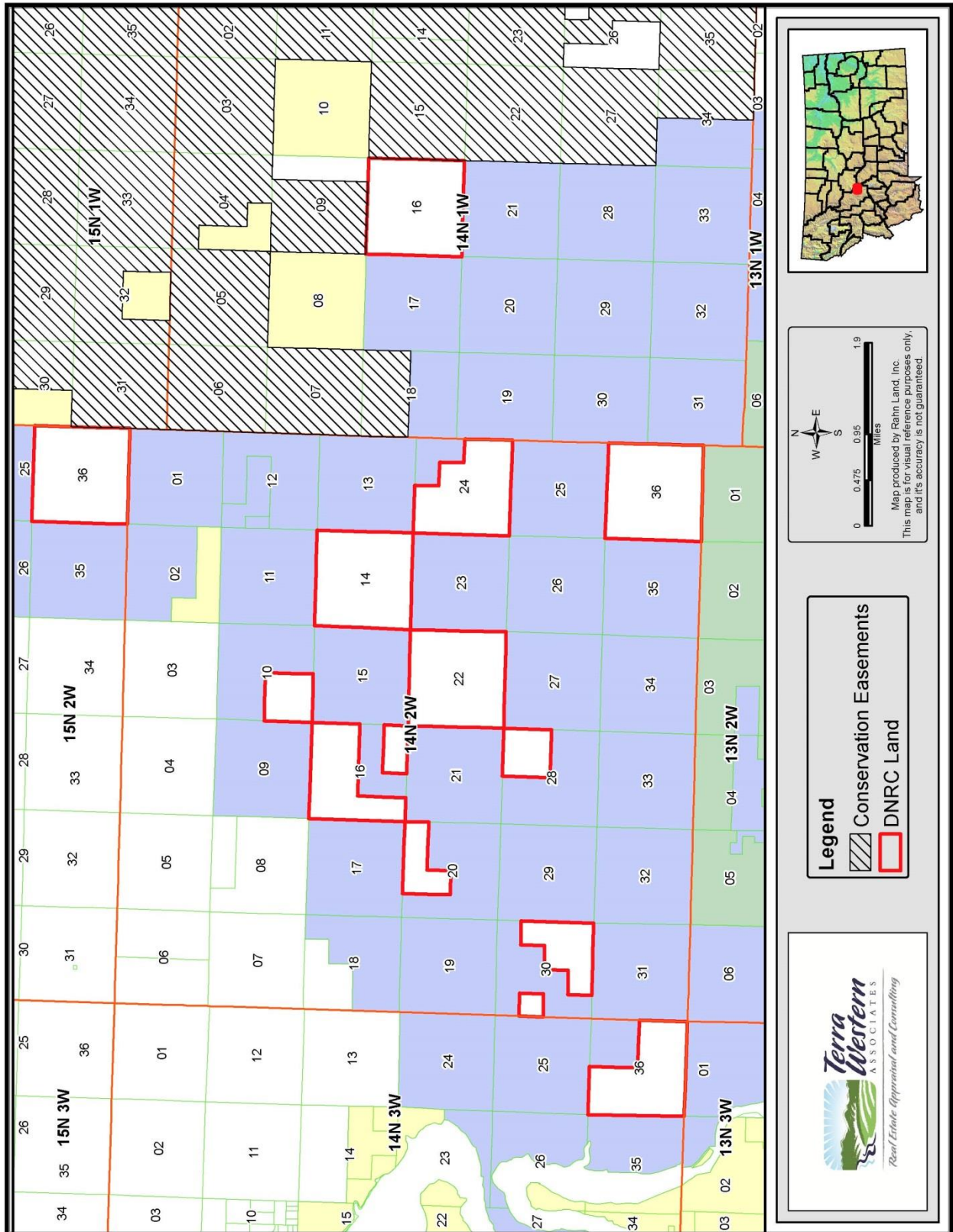
Montana ranked eighth for all sheep and lamb inventory on January 1, 2012 with 225,000 head and 4.2 percent of the U.S. total. Montana ranked sixth for breeding sheep inventory with 210,000 head and 5.3 percent of the U.S. total. Montana ranked seventh for lamb crop with 205,000 head or 5.8 percent of 2012 the U.S. total, preceded by Texas, California, South Dakota, and Wyoming. Montana ranked eighth for wool production with 1.85 million pounds or 6.3 percent of the U.S. total.

Montana's all cattle and calves inventory on January 1, 2012, ranked eleventh in the nation with 2.6 million head, or 2.8 percent of the U.S. inventory. Montana ranked ninth for all cows with 1.47 million head, accounting for 3.8 percent of the U.S. total, and sixth for beef cows with 1.456 million head, accounting for 4.9 percent of the U.S. inventory. Montana ranked seventh for calf crop with 1.47 million head, accounting for 4.2 percent of the U.S. total.

Montana beekeepers produced 13.34 million pounds of honey or 9.0 percent of the nation's total in 2011, placing Montana in fourth place among the states.

Montana's Rank in the Nation's Agriculture					
ITEM	TOTAL	UNIT	PERIOD OR DATE	RANK	% U.S. Total
Number of farms and ranches	28,600	farms/ranches	2012	31	1.3
Land in farms and ranches	58,800,000	acres	2012	2	6.4
Average Farm Size	2,056	acres	2012	2	N/A
INCOME FROM CASH RECEIPTS, EXCLUDING GOVERNMENT PAYMENTS					
Total	3,370,943	thousand dollars	2011	33	1.0
Crops	2,004,721	thousand dollars	2011	28	1.0
Livestock	1,366,222	thousand dollars	2011	31	0.9
LIVESTOCK INVENTORY					
All Cattle and Calves	2,600,000	head	Jan. 1, 2013	11	2.9
All Cows	1,520,000	head	Jan. 1, 2013	8	4.0
Beef Cows	1,506,000	head	Jan. 1, 2013	6	5.1
Milk Cows	14,000	head	Jan. 1, 2013	38	0.2
Cattle on Feed	38,000	head	Jan. 1, 2013	23	0.3
All Sheep and Lambs	235,000	head	Jan. 1, 2013	8	4.4
Breeding Sheep	210,000	head	Jan. 1, 2013	6	5.3
Meat and Other Goats	6,700	head	Jan. 1, 2013	39	0.3
Milk Goats	2,400	head	Jan. 1, 2013	32	0.7
Hogs and Pigs	175,000	head	Dec. 1, 2012	22	0.3
Chickens	550,000	head	Dec. 1, 2012	35	0.1
LIVESTOCK PRODUCTION					
Calf Crop	1,500,000	head	2012	7	4.4
Lamb Crop	210,000	head	2012	6	6.1
Pig Crop	452,000	head	2012	24	0.4
Wool Production	1,930,000	pounds	2012	6	6.8
Egg Production	119,000,000	eggs	2012	35	0.1
Honey Production	7,748,000	pounds	2012	6	5.3
CROP PRODUCTION					
All Wheat	194,750,000	bushels	2012	3	8.6
Winter Wheat	84,630,000	bushels	2012	5	5.1
Durum Wheat	14,420,000	bushels	2012	2	17.6
Other Spring Wheat	95,700,000	bushels	2012	2	17.7
Barley	41,870,000	bushels	2012	3	19.0
Oats	810,000	bushels	2012	21	1.3
All Hay	4,120,000	tons	2012	8	3.4
Alfalfa Hay	3,000,000	tons	2012	3	5.8
Other Hay	1,120,000	tons	2012	24	1.7
All Dry Beans	466,000	cwt	2012	10	1.5
Pinto Beans	213,000	cwt	2012	9	1.6
Garbanzo Beans	253,000	cwt	2012	3	7.6
Lentils	2,145,000	cwt	2012	1	40.5
Dry Edible Peas	4,395,000	cwt	2012	2	40.4
Austrian Winter Peas	69,000	cwt	2012	1	41.3
Fall Potatoes	3,744,000	cwt	2012	13	0.8
Sugar Beets	1,292,000	tons	2012	6	3.7
Flaxseed	117,000	bushels	2012	3	2.0
Safflower	18,576,000	pounds	2012	2	10.4
Canola	61,380,000	pounds	2012	4	2.5

E. Subject Property Features



State of Montana Ownership Parcel Map

1. Size and Shape

The property consists of 5,438.427 acres consisting of fourteen legal tracts that are either not contiguous or touch only by corner. The table below reflects the size of each tract by legal description:

Property: DNRC (State of Montana)										
Sec.	Twp.	Rng.	Legal Description	Total Acres	Irrigated	Dry Crop	Hayland	Forest	Native Range	Farmsite
36	14N	3W	NW4, S2	480.000					480.000	
10	14N	2W	SW4	160.000				53.357	106.643	
14	14N	2W	ALL	640.000				348.267	291.733	
16	14N	2W	N2, S2SW4	400.000				249.217	150.783	
16	14N	2W	S2SE4	80.000				72.952	7.048	
20	14N	2W	N2NE4, E2NW4	160.000				118.294	41.706	
22	14N	2W	ALL	640.000				136.393	503.607	
24	14N	2W	SW4NE4, W2, SE4	520.000					520.000	
28	14N	2W	NE4	160.000				80.368	79.632	
30	14N	2W	Govt. Lot 2	38.427					38.427	
30	14N	2W	SE4NE4, SE4SW4, SE4	240.000					240.000	
36	14N	2W	ALL	640.000				355.211	284.789	
16	14N	1W	ALL	640.000				136.622	503.378	
36	15N	2W	ALL	640.000				599.303	40.697	
			Total	5,438.427				2,149.984	3,288.443	

According to Lewis & Clark County data the unit consists of 2,149.984 acres of timbered forested rangeland (mostly lodge pole pine and Douglas fir) and 3,291.443 acres of native rangeland that is open and rolling in the form of meadows and steeper rolling foothills. The properties are spread throughout the Beartooth Wildlife Management Area as inholdings within the WMA over a distance of eleven miles west to east and eight miles north to south (see maps). The properties are not fenced at this time.

The map on the previous page gives the reader an idea of the shape of the parcels which are generally square, rectangular, "L" shaped, and a few have "stair steps" of ownership along one side or the other. They are generally well shaped for management.

2. Location and Access

The subject property is located approximately 40 air miles northeast of Helena, MT and eight miles southeast of Wolf Creek, MT in a mountain foothill setting north of the Gates of the Mountains Wilderness Area sprinkled throughout the Beartooth Wildlife Management Area. To reach the unit from Wolf Creek and its intersection with Interstate

15 take the main road north out of Wolf Creek and cross the Missouri River. Once over the river turn right onto the Beartooth Road and head south/southeast for six miles which will bring you to the Beartooth Wildlife Management Area. Once you enter the Beartooth WMA stay on the Beartooth Road which is a gravel county road for 1.25 miles to Tract 2 and then another 0.50 miles to Tract 3. Tract 2 and Tract 3 are the only two parcels within the subject property group that have access from a county road. The remainder of the tracts are accessed by foot, horse, or bicycle only depending on their proximity to a service road.

It should be noted that there is an old county road known as the Cottonwood Road that runs along the Cottonwood Creek drainage in the Beartooth WMA itself. This old county road in the Cottonwood Creek drainage was abandoned by Lewis & Clark County in 1971. The state does use the old road for administrative purposes. The state uses only an ATV (4-wheeler) to traverse this road from the headquarters in Section 30 to the southwest near Tract 1 and on to the Missouri River. This is for weed control and policing only. The state may use a pick-up truck or ATV on the old Cottonwood Road as it leaves the headquarters in Section 30 and runs northeast through the WMA to manage weeds and police the area. There is a service road that the state uses along the Elkhorn Creek drainage. The state only uses an ATV here for weed management and policing. The public is not allowed to use any motorized vehicles in these areas. Please see the map below which indicates where the public can go with vehicles and what dates they can use those areas. Within the context of this appraisal, only Tracts 2 and 3 have vehicular access.

The access for the parcels was discussed in detail under the property rights appraised section. In this recreational and agricultural market area access is a critical factor of value. A review of the access for each tract is shown below:

Beartooth WMA – Full closure from December 1 to noon May 15 each year. See Exhibit 4 for *Beartooth Wildlife Management Area Rules and Regulations* and access map. There is a gate on the Beartooth Road that is locked in Section 24, T14N, R3W about .75 miles northwest of Tract 2 of the subject. It was discovered through the research process that there is no road closure agreement between FWP and Lewis & Clark County for this gate. Technically the Beartooth Road could stay open all year because it is a county road that has not been abandoned. The road would have to be plowed. The agreement to close the area and the gate was discussed in county commissioner meetings in 1978-1979 but there was never a formal closure agreement made with Lewis & Clark County. The gate has been closed by mutual agreement since the late 1970's and will likely remain so in order to protect the habitat in the area. An owner of Tract 2 or Tract 3 could ask that it be left open to reach their properties year-around.

Subject Tract Access: (All areas closed for access for all tracts between December 1 and noon May 15 each year according to WMA rules and regulations. The term “tract” is being used for the subject properties in this report to avoid confusion with the “larger parcels” for valuation purposes which will be discussed later).

Tract 1 – Access along the old Cottonwood Road by foot, horse, or bicycle from noon May 15th to November 30 each year.

Tract 2 – Access from Beartooth Road (a gravel county road) by any means (vehicle, horse, foot, ATV, bicycle etc.) from noon May 15th to November 30 each year. Has legal access and physical access that could be year-around if plowed. Currently closed and gated in Section 24, T14N, R3W from Dec. 1 to noon May 15th each year.

Tract 3 – Access from Beartooth Road (a gravel county road) by any means (vehicle, horse, foot, ATV, bicycle etc.) from noon May 15th to November 30 each year. Has legal access and physical access that could be year-around if plowed. Currently closed and gated in Section 24, T14N, R3W from Dec. 1 to noon May 15th each year.

Tract 4 – Foot and horse access only. This unit is approximately 1/16 mile north of the old Cottonwood Road that runs along the Cottonwood Creek drainage from noon May 15th to November 30 each year. Hiking or riding to it from the service road would be fairly simple. The terrain is not overly steep.

Tract 5 – Foot, horse, bicycle access only from noon May 15th to November 30 each year. This tract actually has a small portion of the old Cottonwood Road, now used as a service road, running through two places on it. The road touches it in the SW4SW4 of Section 16, T14N, R2W and in the SE4NE4 of Section 16, T14N, R2W. The service road allows bicycle use so this parcel has additional utility beyond foot and horse for mountain biking.

Tract 6 - Foot and horse access only from noon May 15th to November 30 each year. This unit is approximately 1/8 mile north of the old Cottonwood Road that runs along the Cottonwood Creek Drainage. Hiking or riding to it from the service road would be fairly simple. The terrain is sloping but not unmanageable.

Tract 7 - Foot, horse, bicycle access only from noon May 15th to November 30 each year. This tract actually has a small portion of the old Cottonwood Road, now used as a service road, running through it. The road touches it in the corner of the SW4SE4 of Section 16, T14N, R2W. The service road allows bicycle use so this parcel has additional utility beyond foot and horse for mountain biking.

Tract 8 – Foot and horse access only from noon May 15th to November 30 each year.

This tract is approximately 1 mile southeast of the old Cottonwood Road across WMA lands.

Tract 9 – Foot and horse access only from noon May 15th to November 30 each year. There appears to be an old Jeep trail on the property in the N1/2 of the section but that has been abandoned. This tract is approximately ½ mile southeast of the old Cottonwood Road. The terrain is fairly steep but could be manageable with switchback hiking or riding.

Tract 10 - Foot and horse access only from noon May 15th to November 30 each year. This tract is approximately ½ mile east of the old Cottonwood Road. The terrain is fairly steep but could be manageable with switchback hiking or riding.

Tract 11 - Foot and horse access only from noon May 15th to November 30 each year. This tract is approximately 1.5 miles southeast of the old Cottonwood Road. The terrain is fairly steep in this area.

Tract 12 – Foot, horse, bicycle access only from noon May 15th to November 30 each year. There is a service road to within ¼ mile of the northwest corner of Tract 12. The service road goes to a backcountry campground. State employees use it for weed control and policing the area by ATV only. The biologist stated that hunters use this campground with horses during hunting season. There is a horse trail through Tract 12 that leads to and from United States Forest Service lands to the south and southeast. The terrain on the USFS land is extremely steep where it joins up with the subject's Tract 12. The horseback trail continues up the Elkhorn Creek drainage through the WMA and into USFS by Moore's Mountain to the south. The biologist stated that it is rarely used to come in from the east due to the very steep terrain.

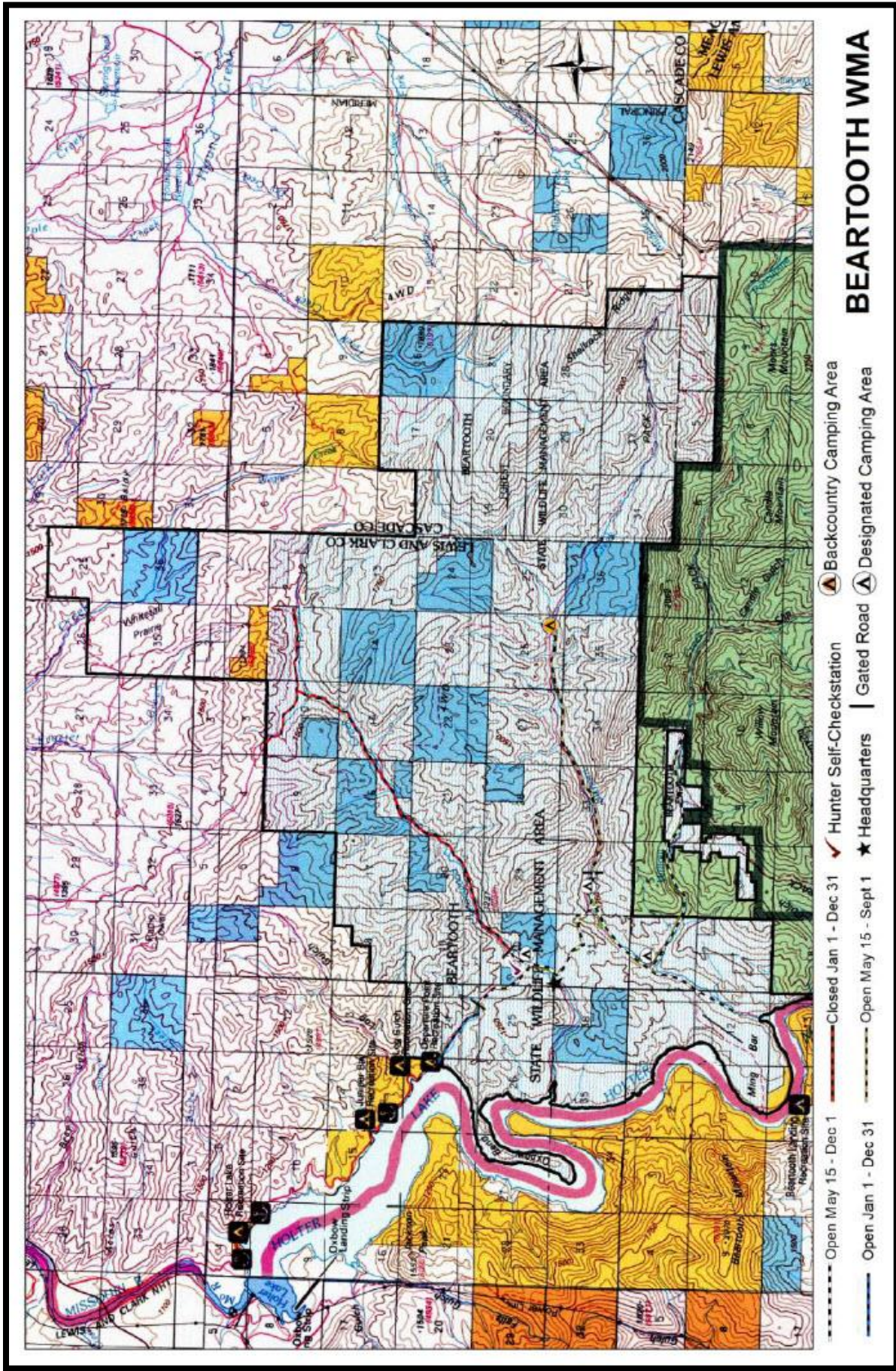
Tract 13 – Foot and horse only from noon May 15th to November 30 each year. This tract is very remote. It appears that there is an old trail on the topographic map that touches the southwest boundary of this unit and another old trail that cross the very northwest corner. The tract has fairly good terrain on the southwest side but it gets quite steep on the rest of it and it is at much higher elevation than the other tracts at 6,000 to 6,200 feet above sea level. The Cottonwood Road ends about five air miles to the west of this tract. Newer maps show no trails to this unit. It is remote and is ten air miles east of the WMA headquarters through fairly rugged terrain. The tract adjoins the WMA on the south and west sides but adjoins Sieben Ranch to the north and east sides. There appears to be an old 4 x 4 trail from Wooden Shoe Creek on the east side but that trail does not show on newer maps.

Tract 14 – Foot, horse, and bicycle only from noon May 15th to November 30 each year. There is an old road that runs north from the Cottonwood Creek area about 1.5 miles

south of tract 14. That old road was used by the previous owners of the Voegele Ranch property which was recently purchased by the Montana Department of Fish, Wildlife, and Parks. Tract 14 was a state lease that the Voegele Ranch used to lease from DNRC. Because the land adjacent to Tract 14 was recently in private hands there are two tract roads that lead to Tract 14 across what is not the WMA. WMA management allows bicycles, horses, and foot traffic to go across the old two tracks to the area where Tract 14 is located.

The subject tracts with the most difficult access are Tracts 8, 11, and 13.

Below is the map that is used in conjunction with the access regulations for day users, campers, and hunters using the WMA during the open season.



3. Topography

The subject lies in and around four creek drainages including Wegner Creek (Tract 14 only), Elkhorn Creek (Tract 12 only), Tyrell Creek (Tract 13 only) and Cottonwood Creek (Tracts 1, 5, and 7). The other tracts are just above the creek areas in foothill terrain.

The tracts lie in the northern reaches of the foothills of the Big Belt Mountains. Individual topographic maps were included at the beginning of this report. The terrain varies from creek bottom areas to steeper timbered hillsides with some tracts having rocky outcroppings and timbered coulees. Each tract has an open park or two with steeper terrain surrounding it. The creek bottom tracts have steeper terrain as the units come up out of the creek areas. The elevation ranges for each tract are as follows:

Tract 1 – 3,637 feet above sea level to 4,636 feet above sea level.
Tract 2 – 3,875 feet above sea level to 4,050 feet above sea level.
Tract 3 – 3,850 feet above sea level to 4,650 feet above sea level.
Tract 4 – 4,400 feet above sea level to 5,000 feet above sea level.
Tract 5 – 4,200 feet above sea level to 4,600 feet above sea level.
Tract 6 – 5,000 feet above sea level to 5,284 feet above sea level.
Tract 7 – 4,400 feet above sea level to 4,600 feet above sea level.
Tract 8 – 4,600 feet above sea level to 5,085 feet above sea level.
Tract 9 – 5,000 feet above sea level to 5,293 feet above sea level.
Tract 10 – 4,800 feet above sea level to 5,733 feet above sea level.
Tract 11 – 5,566 feet above sea level to 6,031 feet above sea level.
Tract 12 – 4,800 feet above sea level to 5,800 feet above sea level.
Tract 13 – 5,975 feet above sea level to 6,197 feet above sea level.
Tract 14 – 4,600 feet above sea level to 5,288 feet above sea level.

Some of the tracts are more gradually sloped with only a few hundred feet elevation change while others have upwards of 1,000 feet elevation change. The varied terrain is advantageous to wildlife with coulees, creek bottoms, and timber covered hillsides providing various levels hiding cover throughout the year.

4. Soils

According to the USDA Natural Resource and Conservation Service web-site, the subject properties have several dozen type of soils. A full soils report for each tract is included in the addenda of this report under Exhibit 12. The soils are typical native rangeland and mountain foothills soils including loams, stony loams, very stony loams, gravelly loams, channery loams, rock outcroppings, and shale. These soils are all very typical for the subject's type of mountain foothill terrain. Range vegetation production in a

normal year will range from 218 pounds per acre on the rocky outcrop slopes to 1,550 pounds per acre on the normally sloped loamy range soils. Bottomlands along the creek can produce up to 3,000 pounds of forage per acre in a normal year due to sub irrigation. Most of the native rangeland is estimated by the soil survey service to produce between 1,000 to 1,500 pounds of roughage per acre per year according to the soil survey. These roughage estimates seem high for the area which normally runs 0.35 to 0.45 AUMs per acre which would equate to 300 to 400 lbs of forage per acre overall. Production and consumption are not equal in the grazing world. Not all of the grass will be consumed depending on the quality, the time of year the cattle are placed on it and the variety of grasses. The soils are suited to the current physical uses of the property of grazing and recreation.

5. Vegetation & Timber

The vegetation consists of native grasses, brush, some willow along the creeks, lodge pole pine, and Douglas fir. This is typical for the area and sufficient for the existing uses. There was no timber report provided to the appraiser and the appraiser did not hire a timber expert to estimate merchantable volume. The property was selectively logged (heavily in some areas) many years ago and there is good regeneration of lodge pole and Douglas fir where it has been previously harvested. Slash has been cleaned up and burned and the property has very little logging residue with an overall timbered appearance versus a heavy cutover appearance.

Timber volumes were supplied to the appraiser by the DNRC. Their full report is in the addenda of this report under Exhibit 7. The timber volumes and estimates for income were discussed in detail under the property right appraised section of this report. A summary of the cruise which was based on aerial photography is as follows:

FID	Shape *	TAGID	NET_AC	MBF_Ac	TotMBF
		14_N01_W16	165	3	495
8	Polygon	14_N02_W1000003	13.5	2	27
9	Polygon	14_N02_W1400002	17.3	2	35
10	Polygon	14_N02_W1400003	8.4	3	25
11	Polygon	14_N02_W1400004	36.6	4	146
12	Polygon	14_N02_W1400005	8.3	2	16
0	Polygon	14_N02_W1400011	44.2	5	221
13	Polygon	14_N02_W2200005	97.7	2	195
7	Polygon	14_N02_W2400004	13.8	2	27
14	Polygon	14_N02_W3600001	10	2	20
4	Polygon	14_N02_W3600004	29.5	4	118
3	Polygon	14_N02_W3600006	11.5	4	46
15	Polygon	14_N02_W3600007	21.2	1	21
16	Polygon	14_N02_W3600010	9.5	2	19
17	Polygon	14_N02_W3600011	46.8	5	235
1	Polygon	14_N02_W3600012	10.6	4	43
2	Polygon	14_N02_W3600013	16.1	3	48
5	Polygon	14_N02_W3600015	14.5	2	29
18	Polygon	14_N02_W3600016	36.3	5	182
19	Polygon	14_N03_W3600003	10.5	2	21
20	Polygon	14_N03_W3600004	10.8	4	43
21	Polygon	14_N03_W3600005	8.2	4	32
6	Polygon	14_N03_W3600006	17.3	2	35
		15_N02_36	486	2	972
		15_N02_36	90	4	360
			1233.6		3411

Net timber acres: 1233.6, Total MBF: 3,411- for an average of 2.76 MBF per timber acre.

The timber value is included in the overall \$/acre value for each tract if it did indeed have timber on it. In addition to the fact that timber harvest would not be an economically feasible enterprise on these tracts, a separate value for the timber was not calculated as this could lead to a summation appraisal which is forbidden in appraisals for federal acquisitions. According to the UASFLA, Section B-13, page 54, "The Unit Rule" states that "different elements or components of a tract of land are not to be separately valued and added together. Such a procedure results in a *summation or cumulative* appraisal, which is forbidden in appraisals for federal acquisitions..." In addition, as was discussed in the right appraised section of the report the timber harvest would not be an economically feasible undertaking given the current \$/MBF stumpage prices and the cost to helicopter harvest the timber. The value of the subject tracts is not centered in timber production but is centered in rural recreational /and add-on plottage. Two of the components of rural recreational highest and best use are aesthetics and wildlife habitat which are supported by leaving the timber intact on the subject tracts.

The native grasses on the subject and in this area and elevation include bluebunch wheatgrass, rough fescue, green needlegrass, Idaho fescue, and slender wheatgrass. Big sagebrush and other types of sage are also prevalent, however, there was not an

abundance of this on the subject tracts. The units were reported to be relatively weed free and well maintained, however, there are small areas of cinquefoil, knapweed and whitetop. Normally, properties that have an abundance of public travel and use will exhibit more weed growth, especially knapweed and thistle species, however, this unit appeared to be very clean. The Beartooth WMA Rules and Regulations pelletized feed or certified weed seed free hay, straw, or whole grains and cube products are the only authorized feed for horses allowed on the wildlife management area.

6. Water & Water Rights

According to the Montana Department of Natural Resources and Conservation Service there are four water rights associated with the properties. Please see full water rights report under Exhibit 13 in the addenda of this report for full details. A summary of the water rights follows:

- 1) 41I 30017440 - Water Reservation for 723.92 acre feet from Cottonwood Creek for fisheries, maximum flow rate is 1.0 CFS. According to the DNRC maps this right applies to tracts 1, 3, 4, 5, and 6.
- 2) 41I 124910-00 – Statement of Claim for 6,048 acre feet or 50.00 CFS for fish and wildlife on Elkhorn Creek. Surface water uses appears to be largely non-consumptive. Applies to tract 12 only.
- 3) 41I 124911-00 – Statement of Claim for 3,014 acre feet or 5.00 CFS for fish and wildlife uses out of Elkhorn Creek. Appears to be non-consumptive. Applies to Tract 12 only.
- 4) 41QJ 30017610 – Water Reservation for 5,749.69 acre feet or 41.00 CFS out of Wegner Creek for fishery uses. Seasonal flows range from 8 CFS to 41 CFS. Surface water. Applies to Tract 14 only.

Following is a list of the tracts and their associated water sources for stock or wildlife uses:

- Tract 1 – Cottonwood Creek – year around creek
- Tract 2 – Seasonal Drainage
- Tract 3 – None
- Tract 4 – Seasonal Drainage
- Tract 5 – Seasonal Drainage and very small amount of Cottonwood Creek - year around creek
- Tract 6 – None
- Tract 7 – Cottonwood Creek – year around creek
- Tract 8 – Seasonal Drainage

- Tract 9 – None (possible springs)
- Tract 10 – None
- Tract 11 – Seasonal Drainage
- Tract 12 – Elkhorn Creek – year around creek
- Tract 13 – Tyrell Creek – may be seasonal
- Tract 14 – Wegner Creek – year around creek

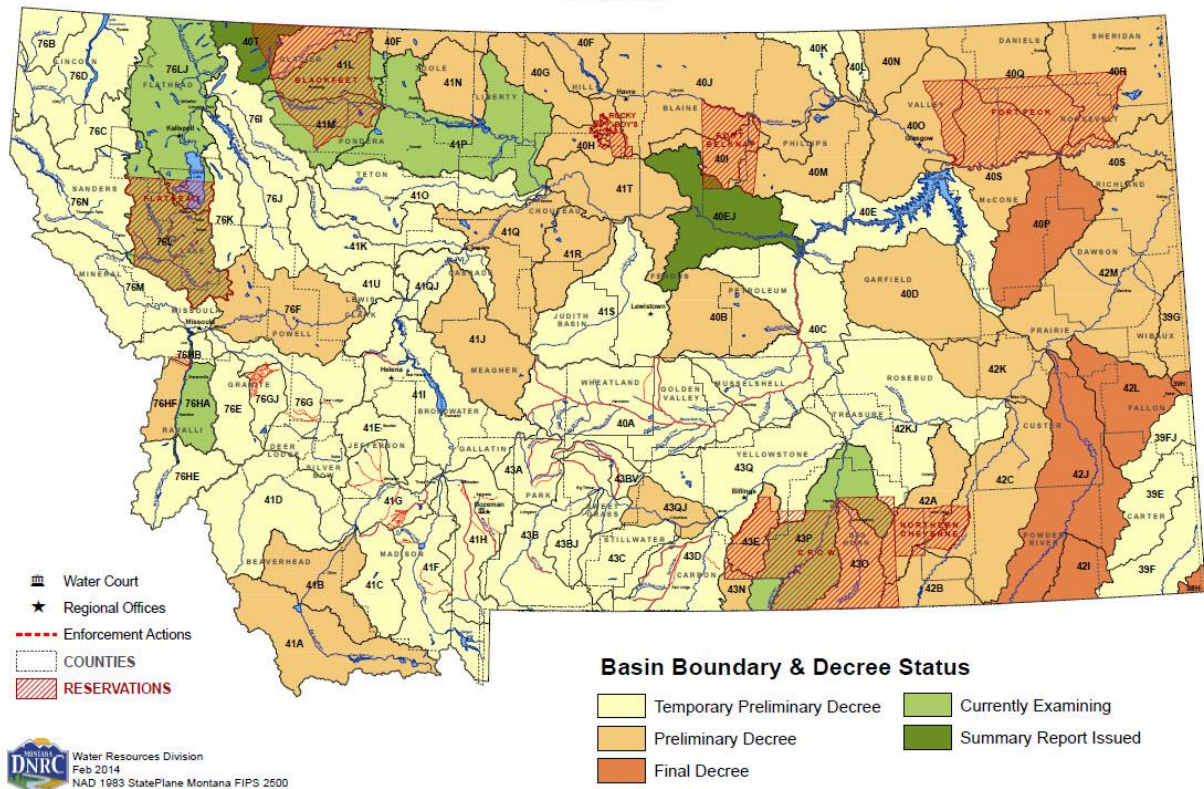
Montana is considered a relatively water-rich state, with many flowing streams and generous mountain watersheds. It is a prime state for fishing and other water-based recreation. In 1966, the Montana Supreme Court said **“(a)n abundance of good trout streams is unquestionably an asset of considerable value to the people of Montana”** and **“such a public interest should be recognized (it) will inevitably grow more pressing as increasing demands are made on our water resources. . .”**

Water rights are undergoing a period of adjudication. A 1972 amendment to the constitution confirmed that “all existing rights to the use of any waters for any useful or beneficial purposes are hereby recognized and confirmed.” In 1979, Senate Bill #76 established a general adjudication of existing water rights and the central Water Court, located in Bozeman. The Water Court has exclusive jurisdiction over existing water rights and claims with priority dates earlier than July 1973. By April 30, 1982, all pre-existing rights had to file new claims with the state, to reaffirm use, volume and areas of use. More than 201,000 claims were filed. It is presumed that a failure to file abandoned the water right.

The Department of Natural Resources (*hereinafter* “DNRC”) is examining all claimed and filed water rights in each basin. Basins are then adjudicated through a DNRC process and the Montana Water Court. Initially, temporary preliminary decrees are issued which allow for objections and notice of objections. Once objections have been ruled on, final adjudications are presented through a Master’s Report. The Water Judge adopts, modifies or rejects the Master’s Report. Water rights are transferred with land using a water right transfer certificate. It must be recorded within 60 days of recording the deed. Water right recordings can be found in county records and at Montana DNRC offices. Based on area development, no restrictions related to water access by well are apparent for the property.

Basin Location and Adjudication Status

2/10/2014



Most of the subject tracts are in basin 41I. This basin has had a temporary preliminary decree issued but nothing further at this time. Tract 14 of the subject is in basin 41QJ which is under a preliminary decree. In basins with either no reserved water rights or concluded compacts, the Water Court issues a preliminary decree based on:

- ⊗ statements of claim;
- ⊗ the DNRC “Summary Report”; and
- ⊗ if applicable, reserved water rights compacts (section 85-2-231(2), MCA).

Water users are encouraged to review the decree and file objections if they believe that their own claims or claims belonging to others in the basin are in error or contain incorrect information. Following the expiration of a decree’s objection period, each party whose claim received an objection will be given notice of the filing of that objection. This notice triggers a 60-day counter objection period.

After resolving all objections and finally resolving all issue remarks, the Water Judge issues a final decree. If no objections arise and there are no issue remarks, the preliminary decree automatically becomes final (section 85-2-234(1), MCA). Because the

Water Judge adjusts existing rights according to the overall needs of a basin, the elements of a decreed water right may differ from the original claim. For each water rights holder, the decree states:

- ⊙ flow rate;
- ⊙ priority date;
- ⊙ beneficial use;
- ⊙ time and place of use;
- ⊙ source of water; and
- ⊙ place and means of diversion (section 85-2-234(6), MCA).

In turn, the DNRC issues a “Certificate of Water Right” to each decreed rights holder, filing a copy in its centralized records system (section 85-2-236, MCA). The four water rights associated with the subject tracts are for fishery and wildlife uses only. Horses brought into the WMA may drink from the creeks.

7. Utilities

There are no utility services on the subject property. The nearest power and telephone are at the WMA headquarters in Section 30. For Tracts 1, 2, and 3 it would be a fairly easy pull to get power into them. The remainder of the tracts would require a costly investment to get the power to them and then the terrain would prohibit ever getting power to many of the tracts. In remote areas of Montana cabins can be built “off-grid” where power is generated on-site by solar or wind. There is a subdivision just east of Craig and about 10 air miles north of the subject. Many of the cabins in that subdivision are “off-grid” style cabins with year-around and part-time residents. Satellite phones can be used in an off-grid situation. The materials for a cabin would have to be flown in with a helicopter in order to build on 12 out of 14 of the tracts. A small helicopter can be landed on most of the units but a larger helicopter of the size needed to haul supplies may have a difficult time landing on a number of the properties due to slope, tree cover, and wind. Building a cabin this way would be cost prohibitive for most buyers.

8. Taxes & Assessments

In 2015 the subject property was taxed a total \$0 as it is state owned land and is not on the tax rolls. The assessor parcel numbers are as follows:

Lewis & Clark County Assessor Number and Assessed Value

60472 – Assessed Land Value - \$ 18,989
60452 – Assessed Land Value - \$ 1,624
60451 – Assessed Land Value - \$ 9,806
60447 – Assessed Land Value - \$ 22,607
60445 – Assessed Land Value - \$ 49,540
60443 – Assessed Land Value - \$ 19,295
60446 – Assessed Land Value - \$ 13,478
60450 – Assessed Land Value - \$ 16,503
60448 – Assessed Land Value - \$ 47,962
60444 – Assessed Land Value - \$118,125
60449 – Assessed Land Value - \$ 26,875
60453 – Assessed Land Value - \$ 92,056
62639 – Assessed Land Value - \$172,528

Cascade County

3418300 – Assessed Value - \$63,078

Total Assessed Land Value - \$672,466/5,438.427 = \$123.65 per acre average assessed value. There are no buildings on the subject property tracts.

PLEASE NOTE: Assessed value does not equal market value in Montana.

The assessed value is an arbitrary figure set by the Montana Department of Revenue based on production or cost categories and applied to a fixed formula as determined by the Department of Revenue. With taxed parcels, taxes can change slightly due to mill levies set by the county commissioners. These mill levies usually relate to school expenses and other local government maintenance requirements.

9. Hazards & Detriments

There are no hazards or detriments that currently materially affect the value of the subject property. The subject is susceptible to the area weather but the surrounding area receives the same type of weather. Pine beetle have been a problem across southwestern Montana in recent years, however, their effects seem to be diminishing and there was no new evidence of pine beetle damage in the trees on the subject. There have been lightning fires in the area over the decades and some parcels have a few burned trees that are either standing or down, as well as a few beetle killed trees. The overall condition of the forest seems to be healthy.

A Phase I Environment Audit was performed by Earl F. Griffith P.G. in August 2015. A copy of the audit was provided to the appraiser by Montana Fish, Wildlife, and Parks and is included in the addenda of this report under Exhibit 10.

Mr. Griffith stated in the Phase I audit that:

“Inspection of the DNRC land within the Beartooth WMA did not reveal any hazardous materials or containers that may have contained hazardous materials. The designation as a WMA defines to a large degree the kinds of people that visit the area; sportsmen and recreationalists that are generally there to impact the area as little as possible. The factor couple with the requisite travel to access the WMA, proximity to private ranch properties to the north, the reservoir to the west, and the wilderness area to the south, make the chance that hazardous materials would be found there very unlikely.

Whereas there are no indications that any of the various parcels comprising the DNRC lands in the WMA have been adversely impacted by human activity that would have involved hazardous materials, the DNRC land parcels do not appear to pose a risk to the general public or users of the WMA.” (Griffith, 2015)

The Appraiser is not an expert in either the detection of hazardous or toxic substances or structural engineering, and did not conduct an environmental audit of the subject property. Based on the physical inspection of the subject and the interview with the property manager, as well as a review of the Phase I Audit, there appear to be no hazardous or toxic materials on-site.

10. Mineral Rights

The fee simple surface rights only are being appraised in this document. The State of Montana will retain the mineral rights. As part of the State’s due diligence, a minerals remoteness report was developed and a copy was supplied to the appraiser (See Exhibit 10). This minerals report was developed by Earl F. Griffith, P.G. in August 2015. As noted in the Rights to be Appraised section of the appraisal Mr. Griffith stated “It appears that the possibility of mineral development on the land is so remote as to be negligible.” (Griffith, 2015)

As stated throughout the report, the fee simple estate of the surface rights is being appraised. Furthermore, in this specific market, land sales consummated without the sub-surface minerals fully intact often reflect no measurable difference in value that can be attributed to the mineral rights or lack thereof. For purposes of this report, mineral rights are not considered as requested in the Statement of Work.

11. Zoning, Easements, & Restrictions

The subject property as a whole would be governed by subdivision regulations instituted by the State of Montana. Current subdivision laws apply to the subdivision of tracts of land less than 160 acres in size, which are regulated by the local county planning board and the state depending on the size of subdivision under consideration. If building in the county a septic system permit is required and a State plumbing and electrical permit is also required. This area of Lewis & Clark and Cascade Counties is not zoned. The subject could be legally divided into 33+-, 160.00 acre tracts according to state subdivision law. It currently exists as fourteen legal tax parcels.

12. Leased Grazing Rights

As noted above, while there are two appurtenant leases in the form state leases to MTFWP and Sieben Livestock, and one Special Recreational Use License for Outfitting to Scott Hibbard, the leases and licenses are not valued in this report per the instructions in the Statement of Work which invokes a hypothetical condition that reads "Properties that have leases or licenses on them are to be appraised with the hypothetical condition that the leases/licenses do not exist."

13. Description of Land Improvements

The rural land market in this area is not specific enough to identify the value of fixed improvements such as roadways, culverts, bridges, pasture and exterior fences, corrals, stock water developments, pipelines and ditches, and other cropland improvements on an individual basis. As such, these are included where relevant in the \$ per-acre land valuation and are considered part of the real property. The property is not fenced and does not have any developed springs and is essentially open rangeland.

There are no buildings on any of the tracts.

14. Historical and Current Use

The property has historically been used for cattle grazing as these lands were associated with larger ranch holdings in the past. Most recently, however, they are used as recreational lands for wildlife management and grazing as well as camping, packing, hiking, backpacking, hunting, and fishing. The current uses of the properties are centered in rural recreational uses such as hunting, hiking, horseback riding, fishing and cared for by the state to promote healthy wildlife habitat.

The Beartooth WMA lands surrounding Tract 14 were only recently purchased (late 2014) and added to the WMA, therefore, Tract 14 and this newer portion of the WMA, previously owned by the Voegele Ranch, is in a different hunting district than the rest of the subject parcels and the remainder of the WMA. Following is a summary of the hunting allowed in the districts that encompass all of the tracts with Tract 14 shown first.

Tract 14 Only:

Tract 14 is in Hunting District 445 for Elk and Deer and 450 for Antelope.

Moose – None

Mountain Lion – District 445 – Female quota – 6; Male quota – 8
December 1 – April 14 – General lion season

Big Horn Sheep – District 455 – Closed for hunting sheep for many years. May reopen in 2016.

Black Bear – District 440 – Either sex black bear – April 15 to May 31st
Either sex black bear archery only – Sept. 5 – Sept. 14
Either sex black bear – Sept. 15th to Nov. 29th

ELK - All elk can be hunted without a special permit through 11/8.

Only antlerless elk in general season without a permit from 11/9-11/29.

Hound Creek – Elk – District 445

Those portions of Cascade, Lewis and Clark, and Meagher Counties lying within the following-described boundary: Beginning at Ulm, then southeasterly down the south bank of the Missouri River to the mouth of the Smith River, then southerly up the west bank of said river to the mouth of Two Creek, then westerly up said creek to the Hound Creek-Smith River divide, then westerly for approximately 13 miles along said divide to the head of Beaver Creek at the Beaver Creek- Elk Creek divide (Meagher and Lewis and Clark County line), then westerly along said divide to the posted Beartooth WMA boundary fence then Hump Cabin, then north and west along said WMA boundary fence, or posted HD boundary, to Holter Lake, then down said lake and the east bank of the Missouri River to the Missouri River Bridge in Cascade, then west and north through Cascade to the Interstate 15 interchange, then northeasterly along said interstate to Ulm, the point of beginning.

Licenses/Permits District 445

General Elk License.	
Sep 05 – Oct 18	Either-sex Elk. Archery Only Season.
Oct 24 – Nov 08	Either-sex Elk. General Season
Nov 09 – Nov 29	Antlerless Elk. General Season
Elk Permit. Drawing only. Apply by March 15.	
LPT: 445-20	40 Permits.
Sep 05 – Oct 18	Either-sex Elk. Archery Only Season.
Oct 24 – Nov 29	Either-sex Elk. General Season
Elk B License. Drawing only. Apply by June 1.	
LPT: 004-00	4500 Licenses. Not valid on National Forest lands, FWP WMAs, or CMR Refuge. Valid in all Region 4 HDs except HDs 410 and 455.
Sep 05 – Oct 18	Antlerless Elk. Archery Only Season.
Oct 24 – Nov 29	Antlerless Elk. General Season

Harvest Statistics

License Year	LPT	Residency	Species	Bulls	Cows	Calves	Unknown Age/Sex
2014	445	Resident	Elk	80	129	8	
2014	445	Nonresident	Elk	31	38	0	

Hunt Effort

License Year	District	Residency	Species	Total Hunters	Hunter Days
2014	445	Resident	EL	574	2,569
2014	445	Nonresident	EL	127	775

Deer Licenses Hound Creek – District 445 – Tract 14 Only

Licenses/Permits District 445

General Deer License.	
Sep 05 – Oct 18	Antlered Buck Mule Deer. Archery Only Season.
	Either-sex White-tailed Deer. Archery Only Season.
Oct 24 – Nov 29	Antlered Buck Mule Deer. General Season

General Deer License.	
	Either-sex White-tailed Deer. General Season

Harvest Statistics

License Year	LPT	Residency	Species	Bucks	Does	Fawns	Unknown Age/Sex
2014	445	Resident	White-tailed / Mule Deer	358	45	6	
2014	445	Nonresident	White-tailed / Mule Deer	84	8	0	

Total Harvest Percentage for Hunting District 445

- 49% of the deer harvested were White-tailed deer.
- 51% of the deer harvested were Mule deer.

Licenses/Permits District 450

Antelope License. Drawing only. Apply by June 1.	
Sep 05 – Oct 09	Either-sex Antelope. Archery Only Season.
Oct 10 – Nov 08	Either-sex Antelope. General Season
LPT: 900-20	5600 Licenses. ArchEquip Only License.
Aug 15 – Nov 08	Either-sex Antelope. Archery Only Season.
Antelope B License. Drawing only. Apply by June 1.	
LPT: 450-30	300 Licenses.
Sep 05 – Oct 09	Doe/Fawn Antelope. Archery Only Season.
Oct 10 – Nov 08	Doe/Fawn Antelope. General Season

Harvest Statistics

License Year	LPT	Residency	Species	Bucks	Does	Fawns	Unknown Age/Sex
2014	450	Resident	Antelope	56	95	8	
2014	450	Nonresident	Antelope	5	7	0	

Hunt Effort

License Year	District	Residency	Species	Total Hunters	Hunter Days
2014	450	Resident	PA	272	700
2014	450	Nonresident	PA	13	39

Hunting Tracts 1-13:

Tracts 1-13 are in Hunting District 455 for Elk and Deer and 450 for Antelope.

PLEASE NOTE: District 455 for Elk and Deer is the entire Beartooth WMA exclusive of the new lands purchased adjacent to Tract 14. The original Beartooth WMA is District 455. There is no private land in this district at this time, only DNRC and WMA lands.

Moose – None

Mountain Lion – District 445 – Female quota – 6; Male quota – 8
December 1 – April 14 – General lion season

Big Horn Sheep – District 455 – Closed for hunting sheep for many years. May reopen in 2016.

Black Bear – District 440 – Either sex black bear – April 15 to May 31st.
Either sex black bear archery only – Sept. 5 – Sept. 14
Either sex black bear – Sept. 15th to Nov. 29th

Elk – 455 - Beartooth WMA

Those portions of Cascade and Lewis and Clark Counties lying within the following-described boundary: Beginning at the mouth of Meriwether Canyon on the east side of the Missouri river, then northeasterly up the Meriwether Canyon-Mann Gulch divide to the Meriwether Canyon-Willow Creek divide, then northeasterly along said divide to Willow Mountain, then southeasterly along Slip Gulch-Meriwether Canyon-Big Log Gulch divide to Bear Prairie, then northeasterly along Candle Gulch-Hunters Gulch divide to Candle Mountain, then easterly along Willow Creek-Hunters Gulch-Moors Creek divide to Moors Mountain, then northeasterly along the Willow Creek-Elkhorn Creek-Porcupine Creek divide to the posted Beartooth Wildlife Management Area boundary, then east along said boundary to the east boundary fence of the Beartooth Wildlife Management Area near Hump Cabin, then north and west along said boundary

fence to Holter Lake, then southerly up said lake and the east shore of the Missouri River to the mouth of Meriwether Canyon, the point of beginning.

Additional Information

NOTE: Special permit required to hunt Antlered Buck Mule Deer. Special permit required to hunt either-sex White-tailed Deer during the rifle season.

Licenses/Permits District 455

General Elk License.	
Sep 05 – Oct 18	Either-sex Elk. Archery Only Season.
Elk Permit. Drawing only. Apply by March 15.	
LPT: 455-20	65 Permits.
Sep 05 – Oct 18	Either-sex Elk. Archery Only Season.
Oct 24 – Nov 29	Either-sex Elk. General Season
Elk B License. Drawing only. Apply by June 1.	
LPT: 455-00	175 Licenses.
Sep 05 – Oct 18	Antlerless Elk. Archery Only Season.
Oct 24 – Nov 29	Antlerless Elk. General Season

Harvest Statistics

License Year	LPT	Residency	Species	Bulls	Cows	Calves	Unknown Age/Sex
2014	455	Resident	Elk	48	60	6	
2014	455	Nonresident	Elk	17	0	0	

Note: 17 bulls were taken by out-of-state hunters, no cows and no calves.

Hunt Effort

License Year	District	Residency	Species	Total Hunters	Hunter Days
2014	455	Resident	EL	291	1,652
2014	455	Nonresident	EL	26	208

Deer – District 455 – There are no “B” Deer licenses in District 455.

Beartooth WMA

Additional Information

NOTE: Special permit required to hunt Antlered Buck Mule Deer. Special permit required to hunt either-sex White-tailed Deer during the rifle season.

Licenses/Permits District 455

General Deer License.	
Sep 05 – Oct 18	Either-sex White-tailed Deer. Archery Only Season.
Deer Permit. Drawing only. Apply by March 15.	
LPT: 455-60	30 Permits. Permit must be used with a valid General Deer License. Holders may not hunt Antlered Buck Mule Deer in any other HD.
Sep 05 – Oct 18	Antlered Buck Mule or Either-sex White-tailed Deer. Archery Only Season.
Oct 24 – Nov 29	Antlered Buck Mule or Either-sex White-tailed Deer. General Season

Harvest Statistics

License Year	LPT	Residency	Species	Bucks	Does	Fawns	Unknown Age/Sex
2014	455	Resident	White-tailed / Mule Deer	36	3	0	
2014	455	Nonresident	White-tailed / Mule Deer	0	0	0	

Note: No deer were taken in District 455 by out-of-state non-resident hunters.

Total Harvest Percentage for Hunting District 455

- 54% of the deer harvested were White-tailed deer.
- 46% of the deer harvested were Mule deer.

There is also upland game bird, turkey and migratory bird hunting allowed. The eastern portion of the WMA and Tract 13 are located in district 445 which is a Pacific Flyway Permit Area. The remainder of the subject tracts and the remainder of the WMA

are in bird district 365 which is sharp-tailed grouse, mountain grouse, partridge, pheasant, and webless migratory birds (doves, snipe).

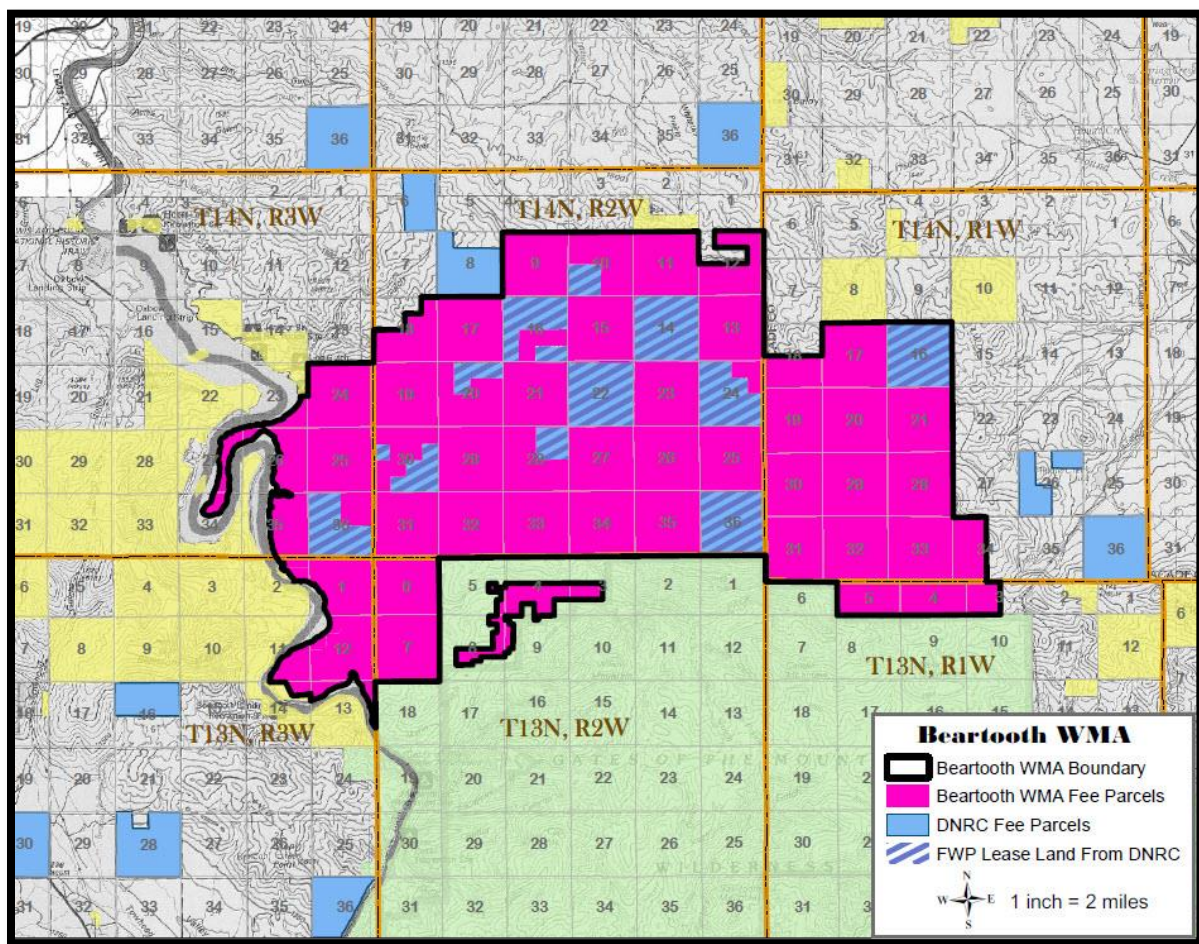
Montana Fish, Wildlife, and Parks Department have regulations that differ for in-state resident hunters and out-of-state non-resident hunters. In-state resident licenses for deer are \$16 and for out-of-state deer licenses are \$597; for antelope and mountain lion in-state resident licenses are \$19 and out-of-state non-resident licenses are \$320; for elk in-state resident licenses are \$20 and out-of-state non-resident licenses are \$851; black bear in-state resident licenses are \$19 and out-of-state licenses are \$350. An out-of-state combined hunt license is \$1,001. One can see that being a Montana resident significantly reduces the cost of obtaining licenses.

MTFWP gives land owner preference to people who own land in Montana. One landowner preference license for deer, antelope, and elk can be obtained each year if the landowner meets certain criteria. Fifteen percent of licenses are set aside for landowner preference. Whether the person who owns the land is a Montana resident or an out-of-state resident does not matter as long as they pay the license fees appropriate to their residency status. What does matter is how much land they own. In order to receive landowner preference for deer and antelope the person must own a minimum of 160.00 contiguous acres. In order to receive landowner preference for elk the person must own 640.00 contiguous acres. They receive one license for their landowner preference for each species if they are able to draw the license within the 15% landowner preference amount allocated to their district. The acreages are minimums only. A landowner does not get more licenses if they own more land. However, they must meet the minimum land acreage ownership requirements. If they miss the landowner preference draw they will draw like any other person.

Please note, according to the FWP license bureau, contiguity of acreage (160 or 640) can be achieved by using government lands to tie smaller tracts of land together to make the 160.00 contiguous acres for deer and antelope or the 640.00 contiguous acres for elk. For example, if a person owns a 160.00 acre tract and then owned another 480.00 acre tract with state or federal land between them they could count it as a 640.00 acre contiguous tract allowing them landowner preference. It would be considered a legitimate 640.00 acres for the purposes of obtaining an elk license. The subject has several tracts where this would be critical.

Tract 14 of the subject is in a district with many landowners other than the WMA and the 15% landowner preference could easily be met in this district so this tract is at a disadvantage compared to Tracts 1-13 which are inside the Beartooth WMA. As noted above, the old boundary of the Beartooth WMA shown below is hunting district 455. As one can see there is currently no privately owned land within this hunting district. If any

of the DNRC lands that are the subject of this appraisal were sold to private parties these private landowners would now benefit from being in District 455 (Beartooth WMA) because there are 65 permits ($65 \times 15\% = 9$ permits landowner preference) and 175 licenses sold for elk each year ($175 \times 15\% = 26$ landowner preference tags). The new private landowners would be guaranteed a license to hunt elk in this district and they would be more likely to obtain a deer license with the landowner preference as well (30 permits \times $15\% = 5$ permits). Additionally, if they are hunting on their private property within District 455 and they shoot an animal that then wanders wounded onto the WMA they would not have to have permission to go retrieve the animal because the WMA is public land. They could hunt on their own land and on the WMA with their landowner preference license.



Original Beartooth WMA – Hunting District 455

The subject tracts are well maintained and the area is policed for public abuses when the WMA is open and the lands are treated regularly for weeds. The subject tracts have been managed for wildlife habitat and hunting purposes in conjunction with the Beartooth WMA for several decades. The tracts each have their pros and cons with access and location (remote or not) being the two largest factors of value affecting the tracts at the present time.

IV. Data Analysis and Conclusions

A. *The Appraisal Process*

The appraisal process is defined as:

“A systematic analysis of the factors that bear 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.”⁵

The first step is defining the appraisal problem, i.e., identification of the real estate, the effective date of value, the property rights or estate to be appraised, the type of value sought, etc. Once this is set forth, the appraiser collects and analyzes the factors that affect the market value of the subject property. 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, and be considered desirable. In addition, there must be someone with effective purchasing power to acquire it.

Consideration is given to all available pertinent general and specific data. Market research and analysis of data considers market trends that exist both locally and nationally, as well as changes in property values over several years, and also considers population trends over the same period. The process also includes area analysis, site and improvement analysis, highest and best use analysis, and the application of the appropriate approaches to estimate the property's value.

The valuation process examines the three commonly accepted approaches to value: The sales comparison, the income capitalization, and the cost approaches. Each approach is based on economic principles that influence value or utility. The approaches are often interrelated, and each involves the gathering and analysis of sales, income, and cost data that is related to the property being appraised.

The *Sales Comparison Approach* indicates the value of property from a direct comparison of the subject property to sales of similar properties on a single, overall unit of measure, in this case \$/acre is the unit of comparison. In applying this approach, an appraiser employs the principle of substitution: a prudent buyer is assumed to not be willing to pay more for a property than it would cost him or her to buy another property with equally desirable characteristics. Conversely, a seller will sell their property for no

⁵ Byrl N. Boyce, Real Estate Appraisal Terminology, Revised Edition, Page 25.

less than what similar properties are selling for. Several units of measure such as square footage, acres, and animal units emerge when using this method depending on the type of property being appraised. As noted in this case the subject is valued based on the market indicate unit of measure of \$/acre.

The Cost Approach employs the principle of contribution and is an estimation of the value of the property as if vacant, then adding the current costs of reproducing or replacing the improvements, less all forms of current depreciation, i.e. physical, functional, and external. Vacant land sales are the most persuasive indicators of land value and individual component values are assigned to each type and class of land as derived from the current market. The Cost Approach compares the different land classes of each sale to the land classes of the subject. Building residual values reflect the rates of contribution and depreciation applicable to improvements in a given market.

The Income Approach in rural appraisals is based on the principle of anticipation and is a value indication of a property based on its anticipated ability to generate income. The division of the comparable sale property's net income by its sale price will yield a capitalization rate reflective of the basic return of and return on the investment (Overall Rate, or OAR) in that specific property. This provides an analysis of the overall capitalization rates occurring in the present market. From this, a probable overall capitalization rate can then be applied to the subject property to predict an estimate of market value.

The final step in the appraisal process is the reconciliation, or correlation of the value indications from the approaches utilized into a single dollar figure or range, in which the value will most likely fall. The nature of the reconciliation depends on the appraisal problem, the approaches that have been used, and the reliability of the value indications. In essence, the reconciliation is "*the appraisal of the appraisal.*" Typically, the approach or approaches in which the strongest evidence can be documented in the subject market is the most reliable indication of value. To some extent, the type of the appraisal problem and the complexity of the valuation may also be factors. Primarily, however, re-examination of the purpose of the appraisal, type of property appraised, and adequacy and reliability of the data become the determining factors in the amount of weight given to each indication of market value.

All three approaches to value have been considered for the subject property, however, the Sales Comparison Approach is the only approach that has been determined to be applicable and reliable enough to use in this market and within the context of this appraisal. In this case, the market indicators show that an Income Approach is not applicable as the subject property tracts are too small to be agriculturally viable and the area is going through a transition where the agricultural income will not support the sales prices in this market area. At this point, the subject has limited economic agricultural

income potential and given values in the area, capitalization rates are extremely low based on this type of income. Capitalization rates in the datasets used for this report range from -0.22% to 1.05% with most being in the 0.20% to 0.9% range indicating a clear shift in the highest and best use of these types of rural recreational tracts from strictly agricultural use to a higher use. Based on this data the income approach was not felt to be a viable approach for this property.

The Cost Approach was not developed as there are no structures or site improvements on the subject tracts to be valued and there is only one land class noted for each tract. The properties with county road access (Tracts 2 and 3) are rural recreational investment units with possible part-time residential site uses and the remaining tracts are rural recreational units. Additionally, the same sales used in Sales Comparison Approach would be used in the Cost Approach making it somewhat redundant.

B. Analysis of Highest & Best Use

The determination of market value includes the consideration of the highest and best use to which a property can be utilized. 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...”⁶

The highest and best use is analyzed both as though the property were vacant and as improved. The first analysis reflects the fact that land value is determined by potential land use. The second analysis is used to determine the optimal use of the property considering the existing improvements. The highest and best use must be legally permissible, physically possible, financially feasible, and maximally productive. These criteria should be considered sequentially, as the tests of legal permissibility and physical possibility must be satisfied before analyzing the factors of financial feasibility and maximal productivity. The highest and best use analysis is also used to help identify comparable sales in the area of the subject property that are used in the appraisal analysis.

The definition above is applied specifically to the Highest and Best Use of the land. It is recognized in cases where a site has existing improvements, the Highest and Best Use may very well be determined to be different from existing use. The existing use will continue however, unless and until the land value in its highest and best use exceeds the total value of the property in its existing use.

The determination of Highest and Best Use results from the appraiser’s judgment and analytical skills. The use determined from analysis represents an opinion, not a determination of fact. Thus, in this analysis, consideration must be given to that range of

⁶ 2000 UASFLA, B-3, pg 34

uses appropriate for the subject property in order to support its highest value. Consideration must be given to alternative uses, as well as the existing use, the type of markets available in the area, and the surrounding use types.

Multiple uses affect highest and best use. In the western Montana land market, it frequently happens that a property has two or more highest and best uses, particularly if the property is partitioned or divided into more than one parcel. Often, properties such as the subject have “augmenting” uses such as recreational, development and subdivision uses. These uses are often paired with what are known as “complementary” uses. Complementary uses may be agricultural leases or timber harvest. Usually, augmenting uses represent the primary elements of the property that drive value and speculation, while complementary uses provide some income to the owner while the property is held for investment. Complementary uses often represent the interim physical use of a property and, in a speculative market such as that affecting rural lands described in this appraisal, property is often held back from terminal uses such as subdivision.

Sales comparable to the property show that no individual physical use can sustain the sale value of these properties under the standard application of a single highest and best use. Larger properties have some development potential immediately, and future potential as the property and market evolve. While the immediate development potential may not spread across the entire property on an economic basis, it is an element of value. Development does not necessarily manifest as systematic small tract development with primary services, but more often represents sporadic sales of undeveloped tracts of various sizes. Many are sold to periodic users for seasonal use who may add substantial building improvements. Supply is limited of tracts that are similar to the subject. The subject lies in a tightly held area where many of the larger properties have been held in long-time family ranch ownerships. Additionally, there are large blocks of government land ownership not available for sale to the public.

In an investment market such as that found in the area of the subject, a definite highest and best use for a property aside from investment and anticipation of future use may not be apparent based on the sales price paid for the property. Often, the physical uses capable on the property at the time of purchase, such as subdivision, development, commercial timber harvest and agricultural uses do not warrant the economic investment required to purchase and hold the property. This is a common trend in rural recreational land markets throughout the West, because participants in these markets are buying properties with a strong anticipation of appreciation and value growth. Also, buyers place a high degree of 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.

A property is valued according to its highest and best use. In assigning a highest and best use, these issues are considered:

- market trends,
- market demands,
- established uses in the area, and,
- the property's unique features.

When assessing the four factors of value for these properties Tracts 2 and 3 have average utility for the type of property they are. They have county road access and if the road were plowed they could be used year-around. The other properties, Tracts 1 and 4-14 have limited utility for anything other than recreation activities such as hiking, hunting, backpacking, horseback riding, camping, and mountain biking. The properties could be accessed by helicopter and one might helicopter a cabin into them, however, the terrain is very steep on several of the tracts and landing a helicopter in deep snow is most likely not a probability. The remote nature of these units with a lack of live water on many of them reduces their utility for year-around uses.

However, tracts such as this are very **scarce** so demand for such units remains as evidenced by the sales just to the north of the subject and as evidenced by several other sales in the datasets. People purchase remote tracts for hunting rights quite often in the rural Montana market. Demand for rural recreational tracts like the subject has been stronger in 2014-2015 than in the previous five years (due to the 2008 recession) and supply for these types of units is on the rise. The tracts exhibit fair **desirability** in that even though they are access restricted they do adjoin the Beartooth WMA and other State of Montana lands. Water resources are limited on most of the tracts. The tracts do have good wildlife habitat and recreational opportunities in hunting, hiking, backpacking, horseback riding, biking, and in some cases fishing in Cottonwood or Elkhorn Creeks. The **effective purchasing power** for these types of ranches is increasing as the economy recovers. Buyers that have cash are buying when they can find property that suits their needs and it is priced right taking into consideration all factors of value, both negative and positive.

A summary of listings for similar vacant recreational and hunting properties in Lewis & Clark and Cascade Counties is on the following page:

Listing No.	County	Acres	Price	\$/Acre Land	Access	Improved	Public Land Adj
1	Lewis & Clark	70	\$ 245,900.00	\$ 3,512.86	USFS Road	No	Yes
2	Lewis & Clark	60	\$ 139,000.00	\$ 2,316.67	Seasonal	Old Cabin	Yes
3	Lewis & Clark - Craig	70	\$ 1,300,000.00	\$ 18,571.43	Easement	Yes House	No
4	Lewis & Clark	198	\$ 225,000.00	\$ 1,136.36	Seasonal	No	BLM, state
5	Lewis & Clark	160	\$ 495,000.00	\$ 3,093.75	Year-around	No	BLM
6	Lewis & Clark	162	\$ 225,000.00	\$ 1,388.89	Seasonal	No	USFS, State
7	Lewis & Clark Wolf Cr.	204	\$ 279,900.00	\$ 1,372.06	Seasonal	No	No
8	Lewis & Clark	203.7	\$ 279,000.00	\$ 1,369.53	Year-around	No	No
9	Lewis & Clark	3693	\$ 2,732,820.00	\$ 740.00	USFS Road	No	USFS
10	Lewis & Clark	2079	\$ 3,500,000.00	\$ 1,683.50	Year-around	Yes House	Yes
11	Lewis & Clark	640	\$ 1,350,000.00	\$ 2,109.38	Seasonal	No	USFS
12	Lewis & Clark	18	\$ 65,000.00	\$ 3,611.11	Seasonal	No	Yes
13	Lewis & Clark	18.6	\$ 65,000.00	\$ 3,494.62	Seasonal	No	Yes
14	Lewis & Clark	20	\$ 79,000.00	\$ 3,950.00	Seasonal	No	Yes
15	Lewis & Clark	16	\$ 95,000.00	\$ 5,937.50	Seasonal	No	Yes
16	Lewis & Clark	15	\$ 90,000.00	\$ 6,000.00	Seasonal	No	Yes
17	Lewis & Clark	16	\$ 89,000.00	\$ 5,562.50	Seasonal	No	Yes
18	Lewis & Clark	20	\$ 70,000.00	\$ 3,500.00	Seasonal	No	Yes
19	Lewis & Clark	13.42	\$ 39,500.00	\$ 2,943.37	Seasonal	No	Yes
20	Lewis & Clark	39	\$ 124,900.00	\$ 3,202.56	Year-around	No	No
21	Lewis & Clark Wolf Cr.	13	\$ 46,480.00	\$ 3,575.38	Year-around	No	No
22	Lewis & Clark	20	\$ 54,500.00	\$ 2,725.00	Seasonal	No	No
23	Lewis & Clark	16	\$ 79,000.00	\$ 4,937.50	Seasonal	No	USFS
24	Lewis & Clark	11.7	\$ 65,000.00	\$ 5,555.56	Year-around	No	No
25	Lewis & Clark	17	\$ 55,000.00	\$ 3,235.29	Seasonal	No	Yes
26	Lewis & Clark	20	\$ 65,000.00	\$ 3,250.00	Seasonal	No	No
27	Lewis & Clark	31	\$ 150,000.00	\$ 4,838.71	Year-around	No	USFS
28	Lewis & Clark Wolf Cr.	20	\$ 52,900.00	\$ 2,645.00	Year-around	No	No
29	Lewis & Clark	20	\$ 75,000.00	\$ 3,750.00	Year-around	No	No
30	Lewis & Clark	20	\$ 125,000.00	\$ 6,250.00	Seasonal	No	USFS
31	Lewis & Clark	28	\$ 89,999.00	\$ 3,214.25	Seasonal	No	USFS
32	Cascade	20	\$ 99,000.00	\$ 4,950.00	Seasonal	Pole Shed	No
33	Cascade	20.75	\$ 125,000.00	\$ 6,024.10	Year-around	No	USFS
34	Cascade	23.39	\$ 32,500.00	\$ 1,389.48	Seasonal	No	No
35	Cascade	25.38	\$ 29,500.00	\$ 1,162.33	Seasonal	No	State
36	Cascade	20.01	\$ 77,700.00	\$ 3,883.06	Seasonal	No	No
37	Cascade	30	\$ 99,000.00	\$ 3,300.00	Seasonal	No	No
38	Cascade	34.98	\$ 69,000.00	\$ 1,972.56	Seasonal	No	USFS
39	Cascade	20	\$ 89,000.00	\$ 4,450.00	Seasonal	Small Cabin	No
40	Cascade	20.52	\$ 71,820.00	\$ 3,500.00	Year-around	No	No
41	Cascade	20	\$ 99,000.00	\$ 4,950.00	Year-around	No	No
42	Cascade - Wolf Cr.	35.4	\$ 69,500.00	\$ 1,963.28	Year-around	No	No
43	Cascade	70	\$ 140,000.00	\$ 2,000.00	Year-around	No	Yes
44	Cascade	107.7	\$ 102,300.00	\$ 950.21	Seasonal	No	No
45	Cascade	325	\$ 1,200,000.00	\$ 3,692.31	Seasonal	No	USFS
46	Cascade	608	\$ 2,700,000.00	\$ 4,440.79	Seasonal	No	Yes
47	Cascade	6509	\$ 6,200,000.00	\$ 952.53	Seasonal easerr	No	Yes

Current Area Listings

Listing prices are varied depending on agricultural complementary income, location, size, wildlife habitat, public land adjacent, live water, and the owner perception of value. Many properties are owner priced based in emotion and their perception of the value of the recreational market. After reviewing the data noted above it appears that lands that are adjacent to public land are listed at higher prices even if they have seasonal access. If a property has seasonal access with no public land adjacent it can be listed for 20% to 60% less than those with public land adjacent. Public land adjacent is a factor of value that the listings reflect as important to buyer and seller perception. None of the listings had only trail access like most of the subject parcels. Many of the listings have seasonal access and would have to be reached by snowmobile, skiing, or snowshoeing in the winter but they are still accessible and not limited by seasonal closures like the subject tracts.

Highest and Best Use –As If Vacant

The questions to be answered in this analysis are: if the land is, or were, vacant, what use should be made of it? What type of building or other improvements, if any, should be constructed on the land, and when?

For purposes of this analysis, several broad categories of use are considered:

- commercial (restaurant, retail, motel, etc.)
- industrial (factory, warehouse, refinery, guest ranch etc.)
- recreational (hunting/fishing retreat, cabin site, outfitting, etc.)
- agricultural (farm or ranch)
- residential (single-family dwelling, multi-family property, subdivision, etc.)
- resource development (timber)
- rural recreational investment

- Legally Permissible

State subdivision law requires county approval of any land division of less than 160 acres. Montana subdivision law allows various levels of subdivision, and minor subdivisions. Those encompassing five lots or less can be applied for and approved by county commissioners without any public meetings or direct public input. Such subdivisions must meet general state sanitation requirements, but often more stringent subdivision requirements relative to roads and other services are not as critical an element in consideration of these smaller or minor subdivisions. State subdivision law also allows the subdivision of individual properties or smaller tracts for occasional sale to a relative. Beyond these minimal subdivision tactics, more intensive subdivision requires a complete subdivision review process.

The entire subject is not zoned in Lewis & Clark and Cascade County. There are no legal limitations or variances required beyond the subdivision parameters noted above from the perspective of the county governments.

Commercial and industrial uses are legal; however, given the access limitations on most of the tracts, the historical uses of the property, the WMA seasonal closures, and the location, and terrain of the subject tracts, commercial and industrial uses are not considered feasible at this time.

Tracts 2 and 3 have legal access from the Beartooth Road so in this instance they have good legal and physical access. It is not inconceivable that these two tracts would make good cabin sites or lodge sites within the WMA boundaries if they were sold on the open market. There have been cases where the public has requested that a county road remain open through a WMA to reach recreational opportunities such as lake fishing during the winter. If these tracts were owned by someone in the general public they could petition the state to open the WMA closure gate so they can reach their properties in the winter by snow mobile, snowshoe, or skiing. They could also request that the road be plowed if they were to build on the tracts and especially if they lived there year-around.

Tracts 1 and 4-14 have legal access across the WMA but they have physical access limitations specifically regarding vehicular access all year long and no access at all is allowed across the WMA during the seasonal closure from December 1 to noon May 15th. The potential uses of these tracts are limited by the lack of vehicular access across the WMA.

The various smaller sizes of these parcels, and their disaggregate nature, preclude them from agricultural use at this time. The agricultural income from grazing on these parcels on an individual and/or a collective level would be minimal and not an economic endeavor, especially given that none of the tracts are fenced out of the WMA. Additionally, not all of the tracts have a water source for stockwater.

Potential uses after considering the legal limitations for Tracts 2 and 3 include:

- rural recreational investment (hunting, cabin site, ATV, skiing, hiking, and horseback riding use)
 - residential (seasonal use cabin or home)
- (There is no merchantable timber on Tracts 2 and 3, they are primarily open rangeland)

Potential uses after considering the legal limitation for Tracts 1 and 4-14 include:

- rural recreational
- timber harvest

- Physically Possible

In analyzing physically possible uses of the subject, consideration is given to those uses which have previously been determined to be legally permissible. Theoretically, many uses of the subject property are physically possible but given restrictions on access, terrain, and location they may not be feasible. The subject property possesses various physical characteristics that determine its utility and desirability in the market. Currently, the market area of the subject property is a rural recreational market with the majority of the buyers purchasing tracts for recreational purposes and/or rural recreational homesites. Lewis & Clark County would be considered a mid-range recreational market. It has slowly gained in desirability as more expensive and prestigious areas see less supply and higher values. Residents and visitors to the area have access to vast areas of USFS, Wilderness, BLM, and state lands for recreation and the Missouri River is a world class fishing and float trip river.

Recent sales throughout the region demonstrate an increased willingness on the part of buyers to purchase properties at price levels in excess of agricultural production and economic values. The mid-range recreational market takes in properties that often are farther from populations centers, have areas of cut-over timber, have heavier snow and less accessibility on a year-around basis, have only creeks and smaller streams versus rivers, and have less aesthetics both on-site and in the viewshed. They are typically moderately priced and are available to a level of buyer that is in this mid-range category. Many times these buyers are seasonal owners who visit their Montana home or property a few weeks out of the year for hunting, fishing, and recreation. Some, however, do choose to live in Montana year-around.

Physical qualities influencing utility or appeal of the property include:

1) **No contrary easements** present physical problems for the property. Tracts 1, 5 and 7 are under the hypothetical condition that they have a 20' access easement across them so that the public and FWP will have access across them on established service roads. Since the roads supply access to the subject tracts as well and the owners of the subject tracts have reciprocity of access across the WMA there is no effect on value at this time of these easements and they are not considered contrary. The points of access across the subject tracts are all on small corners or edges and these points of access do not impede privacy on Tracts 1, 5, and 7. There are no contrary easements on any of the other tracts.

2) **Contiguity** of the fee lands is fair. There are fourteen separate tracts; however, several have corner-to-corner boundaries. Normally, corner-to-corner access is not deemed to be legal access in the State of Montana; however, the land banking program developed by DNRC requires that the appraiser assume that the tracts all have legal access across the WMA lands. Based on the sales data and the listings it is clear that smaller tracts do sell on their own. Timber companies across Montana often own disaggregate tracts. Often after harvesting the timber on these more remote disaggregate units they will sell them off individually and not attempt to sell them as a block. If the lands are indeed blocked up they will sell them that way but they often sell isolated parcels that are not aggregate with any other tracts. Tracts 4, 5, and 6 are corner-to-corner ownerships and all lie on the northwest side of the Cottonwood Creek drainage. Legal access and physical access off of the Cottonwood Creek service road is obtained at two places on Tract 5. Legal access to Tracts 4 and 6 is across WMA lands by foot or by horse. Tract 5 can have bicycle access as well as foot and horse access. Tracts 7, 8, 9, 10, and 11 are corner-to-corner ownerships and all lie on the south side of the Cottonwood Creek service road. Horse, foot, and bicycle access can be used for Tract 7 as it has the Cottonwood Creek service road going through it. Once on Tract 7, Tracts 8, 9, 10, and 11 can be reached across WMA lands by foot or horseback. Tract 8 is more remote in that it is 1.5 miles south of the service road and it would best be accessed through Tract 9. The difficulty with Tracts 10 and 11 is their remote nature. They are several miles up the drainage. Tract 10 is about ½ mile southeast of the Cottonwood Creek service road so it would not be a far reach to say it has better access than Tract 11 which is about 1.5 miles southeast. Tracts 10 and 11 do touch each other corner-to-corner and with access through 10 to 11 these two tracts would likely be best sold together. Tract 1 is accessed off of the Cottonwood Creek service road and is a stand-alone unit because of its location. Tracts 2 and 3 are accessed off of the Beartooth Road and are also stand-alone units due to their size, location, and better access. Tracts 12, 13 and 14 are all remote compared to the rest of the tracts. Tracts 13 and 14 are adjacent to the Sieben Ranch and would easily be absorbed by them as add-on plottage parcels, especially Tract 13 that is on the far reaches of the WMA being nearly 10 miles to the east of the headquarters. Tract 12 is adjacent to USFS lands and it could also be absorbed by the USFS, however, it is unlikely as the USFS would respect the boundary of the WMA and not likely pursue a purchase of Tract 12 unless it were going to be sold to a private party. Tracts 12, 13, and 14 are outlier tracts that are clearly not contiguous and would be stand-alone sale units. Tracts 12 and 14 can be accessed by foot, horse, and bicycle. Tract 13 is foot and horse only.

3) **Accessibility** is rated fair for Tracts 2 and 3 and poor for Tract 1 and Tracts 4-14. Access to Tracts 2 and 3 is seasonal unless the road is plowed or snow mobiles used. At this time the closure of the WMA gate forbids any access from Dec. 1 through noon May 15th to any of the fourteen tracts. However, as noted above there is actually no road closure agreement with the county and the Beartooth Road could technically remain open. It is

doubtful that the county would plow it though given the history and lack of anyone living there.

4) **Topography** ranges from gently rolling meadows in the creek bottoms, to rolling and steeper open rangeland foothills, to higher country steeper mountainous terrain in some areas with timber. The topography offers good game cover for the most part.

5) The **vegetation** on the properties consists of native riparian and meadow species along the creeks, native grasses, and native conifer species such as lodge pole pine and Douglas fir.

6) There are no **Utilities** on the subject tracts; however, there is power to the WMA headquarters that could be extended to Tracts 2 and 3.

7) The sales data suggests that most of the surface uses in the area are **recreational with some agricultural** uses by larger well blocked ranch holdings. Cattle operations with hay bases and native range-land dominate agricultural use. Recreational uses are abundant with hunting, hiking, fishing, horseback riding, camping, and backpacking as primary activities available to all fourteen tracts. Bicycling is also available on along the service roads for Tracts 1, 5, 7, 12, and 14.

8) **No mineral extraction** is apparent in the immediate area of the subject. Sales in this market do not reflect additional consideration for minerals. The fee simple surface rights estate is being appraised on all tracts.

9) The subject Tracts 1-11 are bordered by the WMA and Tract 12 is bordered by USFS lands to the south with the WMA surrounding the rest of it. Tracts 13 and 14 are bounded by the Sieben Ranch on a portion of their northern and/or eastern boundaries. The Sieben Ranch is under conservation easement. Tracts 13 and 14 are bounded by the WMA on their south and west sides (north as well for Tract 14). This type of access to thousands of additional acres of recreational lands is very desirable in this market area.

Reasonably probable uses after considering the legal and physical limitations for Tracts 2 and 3 include:

- rural recreational investment (hunting, cabin site, ATV, skiing, hiking, and horseback riding use)
- residential (seasonal use cabin or home)
(There is no merchantable timber on Tracts 2 and 3, they are primarily open rangeland)

Potential uses after considering the legal and physical limitations for Tracts 1 and 4-14 include:

- rural recreational
- timber harvest

- Financially Feasible

Historically, the Lewis & Clark and Cascade County areas, around the subject tracts, has been holding fairly steady in value but still at lower levels than some of the “A” rated communities and areas such as Bozeman, Kalispell, and Missoula which saw highly escalating values through year-end 2007 and are seeing values rise at the present time as they recover from the 2008 recession. The Lewis & Clark and Cascade County areas have remained fairly stable in value for several years. With areas more proximate to larger population centers the economic base is different, and while there are good recreational amenities in the subject area they are not held in as high regard as the more “A” tier areas. Lewis & Clark and Cascade County would be considered a “B” tier area where discriminating buyers who have money and wish to spend it wisely choose a slightly lesser quality area in order to buy more land for their dollar, but still retain some of the amenities such as access to the rivers, hunting, and access to public lands. The subject is an hour from a commercial airport in Great Falls and/or Helena. The area continues to seek prestige however it has not reached the “A” tier as yet and buyers will continue to be more discriminating in this area. Also, buyers in this market tend to be more property rights oriented in that they prize their rights of ownership and protect them so they are not as public use or conservation minded. The area also is intensely focused on hunting and fishing dollars economically.

The area is scenic it has taken a bit longer for the area to be “found.” Also, in years past, the area has seen an abundance hap-hazard development in the mountains of small tract cabin sites where the owners live year-around or seasonally, but the subdivisions have no covenants and many are run down and not well cared for. The area is now being “found” and these types of lower quality properties are being purchased and cleaned up.

The Western United States, particularly Colorado, Wyoming, Idaho and Montana, have been affected by substantial rural property development because of the area’s geographic, aesthetic, and recreational amenities. Throughout the region, increased demand has depleted supplies of unimproved land. The area around the property is experiencing increasing recreational land use by the public, and has seen some increasing rural development between Helena and Great Falls along the Missouri River, especially for rural residential and rural recreational uses.

Rural development in areas similar to the property does not necessarily mean planned development restricted to small tracts and small areas. Development often consists of sporadic larger tract development, with residences built on prominent points overlooking valleys or along riparian corridors. Tracts are generally larger, from 40.00 to several hundred or thousand acres in size, and are often created by splitting off parcels from larger properties through an occasional sale.

Since the creation of new parcels of more than 160 acres is exempted from review by county and state Montana subdivision law, the size of rural residential parcels is often greater than 160 acres. In Wyoming, Colorado and other western states required minimum tract sizes vary from 35 to 50 acres. In these size ranges, the seller need not prove year-round access, nor complete an analysis of service needs. Because many western states allow unrestricted rural development on larger parcels, entire mountain and foothill ranches have been platted into acreage tracts and sold.

Another popular trend on larger tracts, what would seem to be more remote tracts, is **development without primary utilities**. Solar powered electrical collectors, wind generation, and gas-powered generators are being used to provide electrical services. Year-round access does not strongly influence many in this market, as occupancy is often limited to more favorable seasons of use. While access and utilities can be important for smaller tract developments, particularly developments related to resident populations of area cities, the type of development influencing the value of the property and larger units throughout the area is, more and more, related to the seasonal market. Roads, utilities and other local amenities related to services have not been critical in the overall development and/or recreational use equation.

Given the current depressed timber market, the fact that the timber adds a valuable wildlife habitat and aesthetic resource to the property, the harvesting of **timber resources** on the subject would likely damage the aesthetic and wildlife amenities of the property to the degree that it would reduce the value from a recreational market perspective above and beyond what the timber would currently yield on an economic basis. The timber habitat on this parcel is a valuable aesthetic and wildlife habitat amenity. A highest and best use of merchantable timber harvest can be ruled out at this time.

The subject property has the type of land that is in demand for rural land ownership in the subject area for recreational uses, especially when there is legal access by vehicle, whether year around or seasonal. Twelve of the subject tracts are physically access challenged by the WMA restrictions on travel. A large amount of existing private land in the subject area is held in larger ranch or investment ownerships that do not sell land parcels regularly. Development, while a profitable part of property ownership, is not consistent with these owners' agricultural or wildlife goals. Many ownerships in this

market are multiple generation ranch properties that are not commonly involved in subdivision, as these owners are not motivated to sell strictly for profit, and sellers cannot replace properties or “trade-up” because supplies are limited. Also, there are substantial tax consequences for sellers of older, historic ownerships with low tax bases. Finally, alternative investments are not yielding high rates of return and land is again being promoted as a solid long-term investment.

As investment buying and the purchasing power of investment buyers has picked up in the past year; the volume of listings and sales in the rural land markets in Montana are increasing as cash buyers are looking for solid investments beyond the stock market. The volume of sales of recreational units of this nature are increasing. Just to the north of the subject a larger ranch owner is performing an assemblage of high country access restricted tracts like the subject tracts. These tracts have foot and horse access only Bureau of Land Management (BLM) casual use access when they are bounded by BLM. These sales are mostly steeper than the subject tracts and truly have limited physical access due to steep and rocky terrain. These units were subdivided years ago and were sold over the internet for \$500 down and \$500 a month. Many people never looked at the tracts and did not realize they did not have access. The current buyer purchased a large ranch ownership east of Craig and he is has been assembling these random tracts back together through private treaty sale negotiations performed by a local realtor. These access challenged sales are good indicators of value for the subject’s foot, horse and bicycle accessed tracts. There were also other access restricted sales found throughout the market area and competing market areas so buyers are willing to purchase these properties for seasonal use or as add-on plottage.

One increasing trend in the recent market is the regrouping of land parcels that had been previously subdivided to regain areas large enough to support and protect wildlife habitat. In effect, reverse development is occurring in some areas, (like the instance noted above) even though buyers often have to compete in the open market and pay subdivision prices for land to reassemble larger ownerships. There are two major trends developing; 1) subdivision of rural residential lands close to population centers and, 2) assemblage of larger ranches for conservation purposes. These are now competing forces in southwestern and western Montana.

Given the location of the subject and the development trends of Lewis & Clark and Cascade Counties the probability of this unit being subdivided into small tract subdivision is limited and would not be financially feasible given the infrastructure costs required, the access issues, and the seasonal use nature of the area. Additionally, there are several subdivisions in the area which have not sold out. Absorption rates are long. The assemblage landowner mentioned above has also purchases some 59 smaller tract from five acres to twenty acres inside two subdivisions that border his ranch to the west. These tracts had off-grid cabins, mobile homes, and poor quality sheds on them and he has torn

down and cleaned up all of the buildings on the tracts he has purchased in these two subdivisions in an effort to clean up the area. Some more prestigious areas such as Park County have seen small tract subdivision in this type of terrain but this is only due to a lack of supply of other properties and due to the premier location close to Yellowstone National Park. This subject property does not carry that kind of prestige or capacity due to the access issues. There are some small tract subdivisions in the area but they are centered along the Missouri River and in areas with more developed utilities and roads where they are closer to shopping and other necessary amenities.

As noted above under the approach to value section, capitalization rates (rates of return on investment) are very low based on agricultural income and run from -0.22% to 1.05% for larger sales in the dataset. Most are in the 0.20% to 0.90% indicating a true change in highest and best use that is no longer based in agricultural income. Buyers of these types of property expect to find their return on investment through holding the property over time and receiving the benefits of market appreciation. Additionally, often buyers of these types of units are not interested in turn-over or immediate return on investment as they are purchase for private enjoyment types of uses and are often held long-term in the private market.

Potential uses as vacant after considering the legal, physical, and financially feasible uses for Tract 2 and 3 are:

- rural recreational investment (hunting, cabin site, ATV, skiing, hiking, and horseback riding use)

Potential uses as vacant after considering the legal, physical, and financially feasible limitations for Tracts 1 and 4-14 include:

- rural recreational

- Maximally Productive

This use is generally defined as that use of the property that generates the greatest net income to the land. However, in order for a use to be maximally productive, it must reflect not only the current market and past trends, but also any future trends that can be reasonably expected to affect the use of the property. Real estate market support is an economic concept that considers *utility to* and *motivations of* potential buyers and sellers. Emotional or associative value can be reflected in market support (and ultimately, market value) to the extent that these associations can be shown to enhance or detract from the market for a property among typical buyers and sellers.

If one considers the subject tracts within the context of its market area, the maximally productive use would be rural recreational investment for Tracts 2 and 3 and access restricted rural recreational for Tract 1 and 4-14. With rural tracts such as the subject, subdivision or development is not the controlling factor of overall value. The owners are looking for immediate benefits in the recreational aspects of the property while their return on investment comes over time through appreciation in the market. With any luck the market continues to appreciate and sometimes will accelerate in the rate of appreciation depending on the location and recreational attributes in the immediate area.

The subject properties possesses characteristics equivalent to those suggested by the sales used in this report. As evidenced by the value and market information provided herein, recreational use has a strong influence on the value and use of such properties. Sales used herein, like the subject, have inherent recreational and recreational investment characteristics which are part of the valuation associated with the property. In this valuation and analysis of highest and best use, the property is considered unrestricted and legally available for multiple uses as described and as illustrated by the comparable sales selected.

It is important to note that in order to assign a highest and best use to a property; the Appraiser has considered four primary screens which revolve around economic, legal, physical and productive use of the property. The sales reflect values influenced by the active physical uses such as recreation, as well as numerous intrinsic and anticipated uses relative to speculation and future benefits through appreciation to be derived from these properties. These are factors which have always been apparent within the general real estate market, but which are now more applicable in the consideration of property values inherent in lands such as the subject.

The maximally productive use, or that use which generates the greatest overall return, appears to be as a rural recreational investment type for Tracts 2 and 4 and access restricted rural recreational for Tract 1 and Tracts 4-14.

Add-On Plottage – Tracts 13 and 14 are adjacent to a large agricultural ranch and they are two of the most remote tracts of land in the ownership. It is likely that if these two tracts were to be offered on the open market, Tracts 13 and 14 would be bid on or purchased by the Sieben Ranch as add-on plottage. This would be a complementary use for Tracts 13 and 14 in addition to their access restricted rural recreational use. If they were purchased by the Sieben Ranch they could then be accessed by vehicle (barring any terrain issues) and they would no longer be restricted by the WMA closure period. It is highly probable that these two tracts would have interest from the Sieben Ranch.

Highest and Best Use- As Improved

The highest and best of the subject property as improved considers the improvements that exist on the property. The subject property tracts have no building or site improvements. Therefore, the highest and best use of the property “as improved” remains the same as the unimproved highest and best use which is as a rural recreational investment to Tracts 2 and 3 and access restricted rural recreational to Tract 1 and Tracts 4-14.

Highest and Best Use Conclusion

Therefore, as of January 22, 2016, the highest and best use of the subject property is considered to be as a rural recreational investment property as to Tracts 2 and 3 and access restricted rural recreational as to Tract 1 and Tracts 4-14 with the caveat that Tracts 13 and 14 would also have a complementary highest and best use as add-on plottage to the neighboring ranch.

C. Larger Parcel

According to the *Uniform Appraisal Standards for Federal Land Acquisitions* (2000), Section D-7, page 86, "In the typical acquisition appraisal, the appraiser will apply the tests of unity of ownership, of unity of highest and best use, and of contiguity or proximity as it bears on unity of use in determining the larger parcel". The subject tracts are currently owned by the State of Montana and managed by the Department of Natural Resources and Conservation (DNRC).

- **Unity of ownership:** The land is held 100% in one ownership entity: State of Montana

- **Unity of highest and best use:** Tract 2 and 3 have the highest and best use of Rural Recreational Investment; Tracts 1 and 4-14 each have a highest and best use of Access Restricted Rural Recreational. The properties do not have complete unity of highest and best use due to differing access issues.

- **Contiguity or proximity:** The properties do not have complete contiguity due to the disaggregate nature of the tracts. In this circumstance Tracts 1, 2, 3, 12, 13, and 14 are all stand-alone units and are not contiguous with any of the other tracts, even by corner. Tracts 4, 5, and 6 are contiguous by corner and because they do have legal access through the WMA they would be considered to be contiguous. Additionally, if one combines Tracts 4, 5, and 6 for hunting purposes the total acreage of the three tracts is 720.00 deeded acres which would give landowner preference to the units for both deer and elk because the combined tracts are over 640.00 acres. As stand-alone units they would each have

landowner preference for deer but not for elk. Combining them makes sense in this instance because they are considered to be contiguous by corner with access across the WMA and Tract 5 has two entry points off of the Cottonwood Creek service road that would help with access to Tracts 4 and 6. When analyzing these tracts based on how they would act in a normal market and taking into consideration the sales in this market data it is highly likely that Tract 4, 5, and 6 would sell together.

Tracts 7, 8, 9, 10, and 11 all have corner to corner access with each other. This set of contiguous parcels is bisected by the Cottonwood Service Road and Cottonwood Creek from Tracts 4, 5, and 6. Access to the Tracts 7, 8, 9, 10, and 11 from the service road is via lands in Tract 7 or a short ¼ mile hike from the service road to Tract 10. When analyzing the market data it is not likely that Tracts 7, 8, 9, 10, and 11 would all sell together given the hunting regulations. When grouping Tracts 7, 8, and 9 one has to look at parcel size. Tract 7 is 80.00 acres which is too small for owner hunting preference for either deer or elk. Tract 8 is 160.00 acres which would allow a hunter an owner preference tag for deer but not for elk. Tract 9 is 640.00 acres so it would allow owner preference for deer and elk. If a larger parcel is created for Tracts 7, 8, and 9 all three tracts would have owner preference for both deer and elk with a total parcel of 880.00 deeded acres. It solves the lack of owner preference on Tract 7 and it gives Tract 8 elk preference. Access from Tract 7 off of the Cottonwood Creek service road would help the landowner reach the other two tracts from the road.

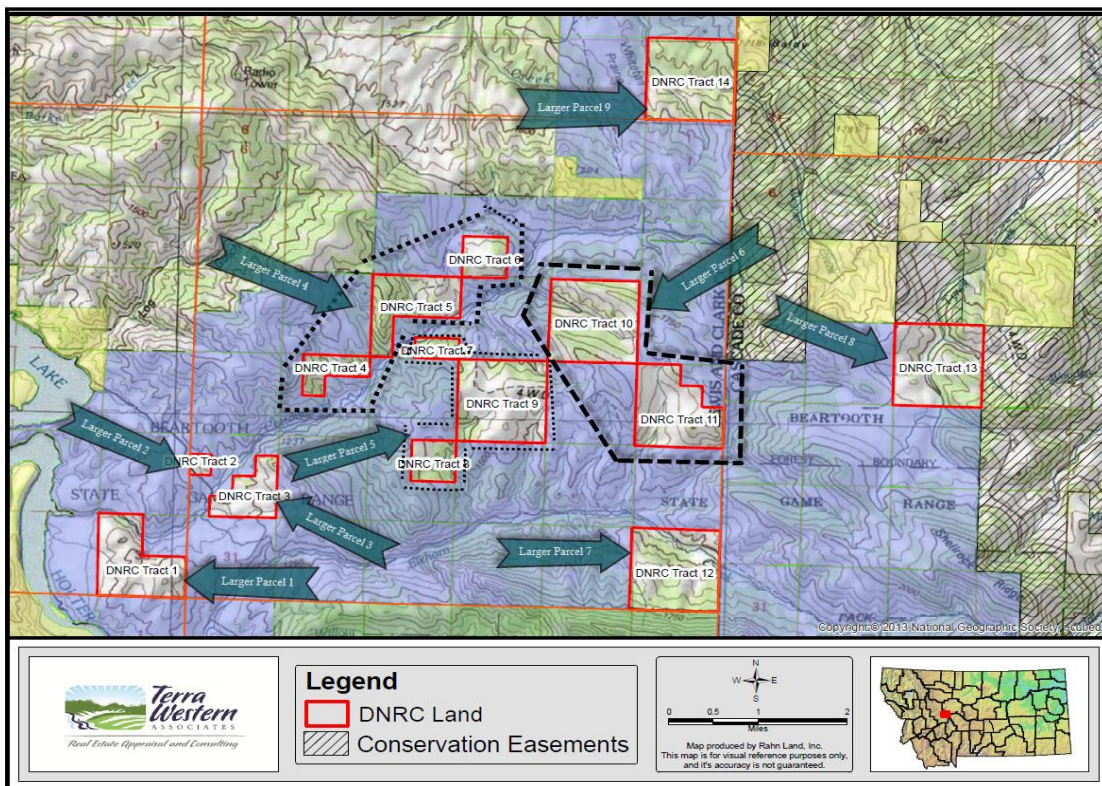
Tracts 10 and 11 must be examined in the same light. Tract 10 is 640.00 acres and is large enough as a stand-alone unit for a landowner to obtain a landowner preference license for both deer and elk. Tract 11 is 520.00 acres which is too small for landowner preference for elk but is large enough for landowner preference for deer. If one combines Tracts 10 and 11 the elk issue is solved for Tract 11. The total larger parcel would then be 1,160 deeded acres. Additionally, the ¼ distance to hike from the Cottonwood Creek service road to Tract 10 helps allow better access to Tract 11 which is quite remote.

With Tract 2 the owner would have to compete with other hunters for tags due to the small 38.427 acres size of the unit which restricts it from both deer and elk preference. Tracts 1 and 3 would be allowed land owner preference for deer but would have to draw a permit or license with the rest of the public for elk. Tracts 2 and 3 do not have unity of use with the other tracts due to the hunting regulations and the fact that they have legal and physical access from the Beartooth Road. They are not adjacent to each other but each could be a cabin site or home site in their own right even with the seasonal closure of the WMA. Tract 1 would be limited to deer owner preference only and the owner would have to draw an elk tag with the rest of the public. However, Tract 1 takes much less effort to get to being less than ¼ mile from the terminal point of the Beartooth Road and the WMA headquarters. Tracts 1, 2, and 3 would each be their own larger parcels due to all of these factors.

Tracts 12, 13, and 14 are also each a larger parcel. Given their locations and distance from other tracts of the subject they do not pass the contiguity test. Each is 640.00 total acres so they would be allowed to apply for owner preference licenses for both deer and elk. Tract 14 is in a different hunting district with more owners and the owner would have to take the chance of falling within the 15% owner preferences licenses each year. Tracts 12 and 13 are in Hunting District 455 which is the Beartooth Game Ranch which has virtually no other private owners allowing the owners of these tracts to have a better chance of receiving one of the 15% owner preference tags for both deer and elk. Tracts 13 and 14 also adjoin a private ranch and there could be another market for them as add-on plottage to that ranch.

The larger parcels for the subject are summarized as follows:

- Larger parcel #1 – Tract 1 – 480.00 acres
- Larger parcel #2 – Tract 2 – 38.427 acres
- Larger parcel #3 – Tract 3 – 240.00 acres
- Larger parcel #4 – Tracts 4, 5, and 6 – 720.00 acres
- Larger parcel #5 – Tracts 7, 8, and 9 – 880.00 acres
- Larger parcel #6 – Tracts 10 and 11 – 1,160.00 acres
- Larger parcel #7 – Tract 12 – 640.00 acres
- Larger parcel #8 – Tract 13 – 640.00 acres
- Larger parcel #9 – Tract 14 – 640.00 acres



Each larger parcel will be valued separately in the Sales Comparison Approach. There were four sets of sales data collected in order to value these tracts based on their highest and best use and larger parcel configuration. Due to their recreational highest and best use they would likely sell in these larger parcels configurations even though they have access issues. The uniqueness of being guaranteed an elk tag enhances the recreational value of several of these larger parcels. When looking at similar sales in the datasets it became clear the most sellers, (timber companies, land trusts, private individuals) are marketing these types of recreational tracts on an individual basis and not so much in groups.

D. SALES COMPARISON APPROACH

For the Sales Comparison Approach, the market research suggests that the most applicable comparative measure of value is the overall sale price per deeded acre. This unit of measure is derived at by dividing the total sale price by the total number of deeded acres in the sale property. This measure includes the contribution from all components of the sale property including appropriate structural improvements and site improvements. For this comparison analysis, the sales selected are those properties that have a similar highest and best use, access, locational amenities, and physical characteristics.

Discussion of Sales Datasets 1-4:

The reader is reminded that Montana is a non-disclosure state; therefore, sales data is not of public record. One cannot simply visit the courthouse and retrieve dollar amounts of sales as in some other states. All sales must be confirmed by a party knowledgeable to the sale and the sales are held in the strictest confidence due to the non-disclosure nature of the market. As time has gone on buyers and sellers have become much more wary regarding sharing sales data and do not want full disclosure in appraisal reports. Therefore, the sales data shown in this report is sufficient to lead the reader to a reasonable conclusion of value while at the same time honoring the confidentiality requests of the parties to each sale.

Sale Dataset #1 – This dataset is of larger sales from 571.00 acres to 2,935.00 acres and is used to value Larger Parcels 4 (720.00 acres), 5 (880.00 acres), 6 (1,160 acres), 7 (640.00 acres), 8 (640.00 acres), and 9 (640.00 acres). These sales sold with access challenges ranging from seasonal access that is legal and physically possible by vehicle but not in the winter, to no legal or physical access, and/or access by foot and horse only. All of these sales are adjacent to public land. There are ten sales in this dataset. A summary of the sales in Dataset 1 is shown below:

Sale Data	Sale Data	Subject	Sale #1 1	Sale #2 2	Sale #3 3	Sale #4 4	Sale #5 5
	Grantor (Seller)		1	2	3	4	5
	Grantee (Buyer)		1	2	3	4	5
	Source		Extraordinary verification	Extraordinary Verification	Seller	Confidential	Buyer
	Date	Eff	09/15	07/15	05/15	01/15	12/14
	Eff Unit Size/Unit	/ Acres	1,239	760	2,430	2,935	2,811
	Sale Price		515,000	325,000	942,691	4,750,000	4,450,000
	Finance Adjusted		Cash 0	Cash 0	Seller 54	Cash 0	Cash to seller 0
	CEV Price		515,000	325,000	1,453,406	4,650,000	4,450,000
	Multiplier						
Expense Ratio		30.96	36.25	24.21	85.82	40.01	

\$/Acre

CEV Price/ Acres		415.56	427.63	598.11	1,584.34	1,583.18

Sale Data	Sale Data	Subject	Sale #6 6	Sale #7 7	Sale #8 8	Sale #9 9	Sale #10 10
	Grantor (Seller)		6	7	8	9	10
	Grantee (Buyer)		6	7	8	9	10
	Source		USFS	MLS	MLS/Broker	Confidential	Confidential
	Date	Eff.	08/14	08/14	04/14	10/13	09/12
	Eff. Unit Size/Units	/ Acres	989	1,402	640	640	571
	Sale Price		990,000	2,000,000	900,000	991,000	342,516
	Finance Adjusted		Cash 0	Cash 0	Cash 0	Cash 0	Cash 0
	CEV Price		990,000	2,000,000	900,000	991,000	342,516
	Multiplier						
Expense Ratio		33.11	34.25	30.18	46.75	0.00	

\$/Acre

CEV Price/ Acres		1,001.01	1,426.80	1,406.25	1,548.44	600.00

The sales in Dataset #1 ranged in unadjusted value from 415.56 per acre to \$1,584 per acre.

Sales 1 (9/2015, 1,239 Acres, \$415.45/Acre) and 2 (7/2015, 760 Acres, \$427.63/Acre) are located in Lewis & Clark County (west of the subject tracts) and are about one air mile east to west from each other. They sold for \$415.45 and \$427.63 per acre respectively. They were sold by the same seller to two different ranches "as is" with no legal or physical access to the parcels. These parcels have been cutover for timber and they do have some logging roads on them, but the physical access was severed by a previous sale leaving them as islands within other larger ranches. They were purchased as add-on plottage. These sales are inferior in access when compared to the subject tracts. These two sales set the lower end of the range for the bigger tracts of the subject.

Sale 3 (5/2015, 2,430 Acres, \$598.11/Acre) is a high mountain sale located in eastern Meagher County southeast of the subject area that was also sold to a neighboring rancher as add-on plottage. This 2,430 acre unit consists of three parcels that have corner-to-corner ownerships and one disaggregate section one mile to the south of the other three parcels. There is seasonal access to the three northern checkerboard tracts off of a county road; however, this road is not maintained at any time of the year so can be difficult to negotiate

in all seasons. The fourth parcel has no legal or physical access. This unit is rolling upper foothill country like many of the subject's tracts. There is some scattered timber and a small creek runs through two of the sections. The northern tract of this parcel is adjacent to a small quarter section of state land. This unit has the least amount of common boundary with public land of all of the sales. These units would be similar to many of the subject's larger parcels.

Sale 4 (1/2015, 2,935 Acres, \$1,584/Ac. land & buildings) is located just east of Lincoln, MT in Lewis & Clark County and west of the subject. It is an improved sale with several cabins and sheds. The unit is a higher amenity seasonal recreational ranch. The unit has a good amount of USFS boundary to the north and east. Access is via county road but it is seasonal and it is not plowed at the present time in the winter. The homes are used as a get-away in the more temperate months. The property has two creeks and meadows and it has been cutover for timber so has some aesthetics challenges. This property is superior to the subject in access as it could be plowed and accessed all year if need be. It can also be accessed by snow mobile in the winter. It has superior water when compared to most of the subject tracts with two good creeks. The overall sale price for this property is at \$1,584 per acre and the land value allocates out at \$1,390 per acre with the buildings at \$570,327 or \$194.32 per acre. It is a superior sale property when compared to the subject tracts.

Sale 5 (12/2014, 2,810 Acres, \$1,583/Acre) adjoins the WMA to the north. This sale was sold to the Rocky Mountain Elk Foundation in December 2014 and this is the sale that is used here. The Rocky Mountain Elk Foundation sold this parcel simultaneously to the State of Montana Fish, Wildlife, and Parks to incorporate into the Beartooth WMA. It sold for something less than the indicated price on the first sale when it sold to the state. The property consisted of 2,810 acres of very nice meadow and timbered terrain. The property was a large block of privately held land that also had a private setting and end-of-the-road hunting (no trespass). The property had unrestricted legal and physical access that was seasonal at the time of sale in 2014. The access was through the neighboring ranch and was a full legal easement for vehicular travel including snow mobiles in the winter. The terrain of the access road is good as well. The subject's Tract 14 adjoins this sale to the east. This property sold for an unadjusted value of \$1,583 per acre. The sellers stood firm on their asking price for this recreational ranch property. There are a small off-grid cabin and outhouse on it valued at \$44,239 that when allocated out of the sale brings the land value to \$1,567 per acre. The property has very good live water in several creeks and was used for decades as a hunting camp for the owners and their family and friends. This property has varied terrain similar to the subject tracts. It had been selectively logged decades prior to the sale and regeneration of the trees was good. There was a small burned area on the very southwest corner of the property that did not affect value. This sale was a private treaty sale that was not advertised on the open market. The property is superior to the subject tracts do to its access and contiguity.

Sale 6 (8/2014, 989.00 Acres, \$1,001/Acre) is located south of the subject area in eastern Broadwater County on the west side of the Big Belt Mountains. It was purchased from a family ranch by the United States Forest Service as add-on plottage to the forest. It lies in two tracts with corner to corner access like some of the subject tracts. It sold for \$1,001 per acre and had legal access but it was seasonal only by USFS road. The sale price was based on an appraisal. The property has Ray Creek flowing through it which is a year-around creek with some small brook trout in it. The northeast section or 640.00 acres is extremely steep and riding on it or even running cows on it is difficult. This portion of the sale had some timber cut on in the past and the lower 1/3 southwest corner still has some timber on it with the remainder being high mountain rangeland that has never had timber. The southwestern portion of this sale exists in three legal tracts and is accessed by the Ray Creek Road in more temperate months. This portion of the sale has less extreme terrain but is still rolling foothill country. There are a few meadows on this section and the views are very good to the west of Canyon Ferry Lake and the Elkhorn Mountains. This property is similar in some aspects to some the subject larger parcels but does have inferior terrain on its northeastern tract. It has superior water when compared to some of the subject tracts. It also has legal and physical access that could be used for snow mobile in the winter. It is not in a specific travel closure area for the USFS. I did confirm this sale with the USFS appraiser.

Sale 7 (8/2104, 1,402 Acres, \$1,401.12/Acre) is located in Powell County west of Helena, MT and consists of 1,402 deeded acres. This sale has a small cabin on it valued at \$36,001 leaving a land value of \$1,401.12 per acre. This sale is adjoined by USFS lands on the south boundary. It has legal access via USFS special use permit which is via a USFS road. There is physical road access to the property but it is seasonal and the property is two miles south of a main two lane paved highway. It could be accessed by snow mobile in the winter. The unit is steeper to rolling mountain terrain (mostly steeper) and it has no live water, only a spring. The property is well blocked and has an end-of-the road feel but it has been cutover and has had an abundance of beetle killed trees so is not as aesthetic as many of the subject tracts. It has some open parks but they are fairly steep as well. Property adjacent to the north of it is under conservation easement. Buyer is from Austin, Texas and purchased as a hunting property.

Sale 8 (4/2014, 640.00 Acres, \$1,406.25/Acre) is located in central Meagher County at the south end of the Castle Mountains. This property was listed on the open market for several years and was purchased as a hunting property. It sold for \$1,406.25 per acre and was unimproved. The access is by deeded easement across a neighboring ranch for over two miles. It is a two tract road that is not maintained and is not year-around access but it is by vehicle (ATV works best). The unit could also be reached by snowmobile if necessary but the road drifts so staying on it in winter could be a challenge. The snow can be deep in this area. The terrain on this unit is steep for the most part with one small park on the northeast side. The unit has been cut-over for timber but it was selective and there are and

abundance of trees remaining. There are no creeks but there are several developed springs. The unit was advertised as a hunting unit and there are an abundance of elk in the area. The unit is adjoined by the USFS on the north and east side and State of Montana Land.

Sale 9 (10/2013, 640 Acres, \$1,548.44/Acre) is located in Granite County southwest of Lewis & Clark County and the subject. This unit sold from one real estate investment company to another. It sold for \$1,548.44 per acre. The property has legal access but it is seasonal via a gravel USFS road. It is surrounded by USFS on four sides with the exception of $\frac{1}{4}$ on the northwest corner. The unit has vehicular access in temperate weather and a snow mobile could be used to reach the unit in winter. This sale is in a high snow area and hunting is an important part of the area. It has no live water and the terrain is very steep with the exception of the northwest corner and some rolling terrain on the southwest side.

Sale 10 (9/2012, 571 Acres, \$600/Acre) is located in Cascade County less than 10 air miles north of the subject. It sold to a local landowner that owns a larger ranch for \$600 per acre. This particular landowner has been performing an assemblage of dozens of tracts of various sizes since 2009. This is one of the larger tracts he has purchased more recently. It was purchased from another larger ranch who owned it as an inholding in the Bureau of Land Management (BLM). The parcel has no official legal or physical access; however, a BLM agent confirmed that the owner would have BLM casual use access by horse and foot across the neighboring BLM lands. It is joined by BLM lands on all four sides with the exception of a few other small private inholdings (that have since been purchased by the same buyer as well). This unit has no live water. It is a higher isolated mountain unit with extremely steep terrain in the "Devil's Kitchen" area at 5,580 to 6,700 feet above sea level. It is inferior to the subject tracts in terrain. It is the only sale in the dataset that has horse and foot access like many of the subject units.

Sale Dataset #2 – This dataset is of medium sized sales from 90 acres to 318 acres. These sales will be used to value Larger Parcel 3. These sales have legal and physical access; however, three of them are seasonal access and not year around. Two can be plowed if necessary, one cannot. There are four sales in this dataset. A summary of the sales in Dataset 2 is shown below:

Sale Data		Subject	Sale #1 1	Sale #2 2	Sale #3 3	Sale #4 4
Sale Data	Grantor (Seller)		1	2	3	4
	Grantee (Buyer)		1	2	3	4
	Source		Seller	Broker	PPLT	Confidential
	Date	Eff	07/15	04/15	07/14	01/14
	Eff Unit Size/Unit	/ Acres	318	90	286	161
	Sale Price		590,000	340,875	660,000	320,000
	Finance Adjusted		Cash 0	Cash 0	Cash 0	Cash 0
	CEV Price		590,000	340,875	660,000	320,000
	Multiplier					
	Expense Ratio		28.18			

\$/Acre

CEV Price/ Acres		1,858.27	3,800.00	2,303.75	1,992.40

The sales in Dataset #2 ranged in unadjusted value from \$1,858.27 per acre to \$3,800.00 per acre.

Sale 1 (7/2015, 317.50 Acres, \$1,858.27/Acre) lies in two tracts of land that are about ¼ mile north to south of each other. (one is 160.00 acres the other is 157.50 acres) The tracts are approximately the same size. Both are fully surrounded by USFS lands in the south end of the Elkhorn Mountains in eastern Jefferson County southwest of the subject area. The property is open rolling rangeland with no trees. It is in high country at 6,600 feet to 6,800 feet above sea level. There is no live water on the north tract but there is a seasonal creek on the south tract. The property has legal access and the access is by numerous two-track dirt USFS roads off a gravel Forest Service Road, designated as National Forest Road 277 (also known as the Jenkins Gulch Road and Hog Hollow Road). The two-track roads bisect the northeast corner of the south tract and the eastern and northern portions of the north tract. The nearest paved road is 13 miles southeast of the property near Radersburg. There is an alternate USFS road to the north as well. This is typical seasonal access for this area. Winter access is available by snowshoes or skis but not by snow mobile. The sale lies in an area of the Elkhorn Cooperative Management Area which limits the access roads be open only from May 16th to December 1 each year, very similar to the subject access restrictions except that this tract may be access by vehicle in the open period and the subject land cannot. The USFS purchased this property from the landowner based on an appraisal. The sale was confirmed with USFS personal and the landowner.

Sale 2 (4/2015, 89.70 Acres, \$3,800/Acre) is located 2.5 miles northwest of the subject along the Beartooth Road. This unimproved sale has paved year-around access and is being used do to its proximity to the subject. The Beartooth Road bisects this parcel. It looks like this property has river frontage but the road bisects it from the river. On the east side of the road it is very steep shale hillside and on the west side it is rolling rangeland with some steeper areas as well. The building site is just off of the road on the southwest

side. There appeared to be a build site on the east side of the road as well; however, much of the parcel is quite steep. There are a few trees on the unit and where it is steep there is an abundance of shale. This property sold for \$3,800 per acre with full year around paved access so it would set the top of the range for rural recreational sites.

Sale 3 (7/2014, 286.49 Acres, \$2,304/Acre) is located to the south of the subject in Lewis & Clark County near York. This unimproved property is a complete USFS inholding within the Lewis & Clark National Forest. It sold for \$2,304 per acre and is irregular in shape. The property consists of a series of old mining claims. It was purchased by a land trust to preserve habitat in the area. The unit has legal and physical access. The road is plowed to within .5 miles of this unit and it could be accessed by snow mobiles in the winter. There is an abundance of smaller tract home sites to the west of this unit in York and down to Lake Helena. The property has a creek flowing through it and some small meadows along the creek; however, the terrain is generally steep as it rises out of the creek bottom. The property has been cut-over for timber and it has good regeneration. The unit appeared to have been cleaned up after harvest. The property is within 18 miles of Helena, MT a larger population center. It does have hunting amenities and there is only one inholding that is owned privately beyond it.

Sale 4 (1/2014, 160.00 Acres, \$1,992.40/Acre) is located 7 air miles north of the subject. It was purchased by the same buyer that is doing an assemblage in that area. He has purchased many tracts of various sizes in the area. This is one of the most recent that has legal and physical access. The access can be seasonal if the road is not plowed. The realtor reported that this unit had some older buildings on it that were torn down by the buyer. The sale is accessed off of the N. Fork Road out of Craig. The road was not passable when the sale inspection was made but it has been plowed in the past by the area owners when there was someone living there. The parcel has a creek flowing through it and it has some meadows along the creek. The remainder of the terrain is very steep and well treed. It is at 3,800 to 4,000 feet elevation in a small valley area of the Devil's Kitchen area. This sale is used because it is in close proximity to the subject and has legal and physical access that can be seasonal.

Sale Dataset #3 – This dataset is of medium sized sales from 80 acres to 612 acres. These sales will be used to value Larger Parcel 1 (480.00 Acres). These sales have limited legal to no legal access and limited physical access to access by horse and foot only. There are seven sales in this dataset. A summary of the sales in Dataset 3 is shown below:

Sale Data	Sale Data	Subject	Sale #1 1	Sale #2 2	Sale #3 3	Sale #4 4	Sale #5 5
	Grantor (Seller)		1	2	3	4	5
	Grantee (Buyer)		1	2	3	4	5
	Source		Confidential	MLS	MLS	MLS	Confidential
	Date	Eff.	12/14	10/14	10/14	09/14	09/13
	Eff Unit Size/Unit	/ Acres	80	95	86	133	612
	Sale Price		40,000	76,000	84,000	131,000	489,936
	Finance Adjusted		Cash 0	Cash 0	Cash 0	Cash 0	Cash 0
	CEV Price		40,000	76,000	84,000	131,000	489,936
	Multiplier						
Expense Ratio							

\$/Acre

CEV Price/ Acres		500.00	797.39	973.35	982.30	800.00

Sale Data	Sale Data	Subject	Sale #6 6	Sale #7 7
	Grantor (Seller)		6	7
	Grantee (Buyer)		6	7
	Source		Confidential	Confidential
	Date	Eff.	08/13	11/12
	Eff. Unit Size/Units	/ Acres	160	160
	Sale Price		128,000	100,000
	Finance Adjusted		Cash 0	Cash 0
	CEV Price		128,000	100,000
	Multiplier			
Expense Ratio				

\$/Acre

CEV Price/ Acres		800.00	625.00

There are 7 sales in Dataset 3. These sales ranged in unadjusted value from \$625 to \$982.30 per acre. There were no sales in 2015 or early 2016 in this dataset size with similar access issues.

Sale 1 (12/2014, 80.00 Acres, \$500/Acre) in this data set is 80.00 deeded acres that sold to a neighboring rancher who is performing an assemblage of remote and scattered tracts for \$500 per acre. It is located 8 air miles north of the subject in a remote area of the Devils Kitchen. It adjoins BLM so has casual use BLM access by **horse and foot only**. It is nine miles east of the nearest paved road. It has a seasonal creek and it is very steep terrain from 5,000 feet to 5,500 feet above sea level. The property has an abundance of rock outcroppings for its 80 acre size with rocky steep terrain around them. This sale is inferior to the subject due to the rocky and steeper nature of the terrain. There are a few trees on the unit on the northeast and east sides and a small amount on the southwest corner with most of the land in between being steeper rock open park lands.

Sale 2 (10/2014, 95.31 Acres, \$797.39/Acre) is located in the Hellgate Gulch area of northern Broadwater County 22 air miles southeast of the subject. It is 95.31 deeded acres and is a complete USFS inholding. The property is accessed by a more remote USFS Road #693 and the access legal yet seasonal and difficult in any season. The property consists of five mining claims that are grouped together. It was sold out of an estate to a recreation buyer. The property was burned over long ago and has some recover but it is generally steeper open rolling foothill terrain comparable to the subject tract. It does have Hellgate Creek running through the west side of the unit and a seasonal drainage on the south side. There might be one cabin site on it but it is very steep in most areas. The unit has an irregular shape due to the nature of the mining claims associated with it. This is definitely a seasonal hunting unit that sold for \$797.39 per acre.

Sale 3 (10/2014, 86.3 Acres, \$973.35/Acre) is located in Meagher County as a USFS inholding about 33 air miles east of the subject. It lies in three distinct parcels. Two that are near each other and one that is about ½ mile southeast to northwest from the others. The property sold to a landowner who has another inholding in the Tenderfoot area near Reynolds Park. The buyers are from out-of-state. The access is not legal at this time and would have to be obtained through a permitting process with the USFS. There is a USFS trail in that area though that is accessed by **foot, horse, or bicycle only**. Tenderfoot Creek, a good fishing creek, flows through all three units but is minimal on the northwest parcel. The tracts consist of a total of five mining claims. The properties are fairly steep as they come out of the creek bottom areas. The northwestern most tract is steep on the entire unit but it does have a good open park on the north side. The smallest tract is in the creek bottom area and the southeastern most tract has some creek bottom and a few high meadow parks. The parcels are partially tree covered with conifer species and they have some areas of shale outcroppings on the northeast side of the creek. This unit sold for \$973.35 per acre for the three tracts.

Sale 4 (9/2014, 133.36 Acres, \$982.30/Acre) sold out of the same estate as Sale 3. It is located 12 air miles southeast of White Sulphur Springs, MT in Meagher County about 50 air miles southeast of the subject in an area of old mining claims. The sale consisted of seven mining claims. It has legal access and the physical access is via USFS Road 581 in the temperate months. This is a vehicular access off of seasonal Castle Town Road. The property has no live water. These were purchased by a family group and deeded to separate family members at closing. This unit was listed on the open market for \$165,000 and sold for 79.39% of list price after 145 days on the market. The property has some areas of timber cover and it is a high elevation unit for the area at 6,830 to 7,200 feet above sea level. The property has rolling terrain that is gently sloped on the north ½ and rolling to more steep on the southern half. This unit was purchased for \$982.30 per acre for recreational purposes.

Sale 5 (9/30/13, 612.42 Acres, \$800/Acre) sold cash for \$800.00 per acre. It is 612.42 deeded acres spread out over several sections. It is located nine air miles north of the subject scattered between BLM land. It was sold by an area recreationalist to another landowner who is performing an assemblage in the area. The tracts ranged from 40.00 acres to 160.00 acres in size but sold at one price for the total acreage and closed on the same day. The units generally all join BLM on one boundary and they all had only BLM casual use **access by foot and horse**. The terrain in the area of these tracts is very steep and rocky and is referred to as the Devil's Kitchen because of the steeper rocky shale terrain. These units all have rock outcroppings of shale and many have steep coulees. There is a creek through several of the parcels but the terrain on either side of the creek is steep. The parcels have scattered timber. These units were part of the same subdivision mentioned earlier that was being sold on the internet for \$500 down and \$500 per month. The seller had purchased several of these as he was is a recreational investor in the area. He then sold them to this buyer several years later to add onto his ranch. The terrain on these group of sale units is generally inferior to the subject property.

Sale 6 (8/2013, 160.00 Acres, \$800/Acre) is located twelve air miles north of the subject and adjoins BLM to the west and state lands to the south. It was purchased by the same buyer who is doing the assemblage noted earlier. It was sold by an out-of-state owner for \$800 per acre for the square 160.00 deeded acres. The unit has the south fork of Sheep Creek on it. This unit has steep terrain in the Devil's Kitchen area at 5,000 to 6,000 feet above sea level with several coulees. The nearest paved road or year-around road is eleven miles to the west. There is no legal access or physical access; however, according to the BLM there is casual use by horse or foot across BLM lands that are adjacent to it. The nearest paved or gravel year-around road is twelve miles to the west. The state land that adjoins the sale is an isolated section that would not serve as good access to the property. The parcel is heavily treed with the exception of the steeper northern slopes.

Sale 7 (11/2012, 160.00 Acres, \$625/Acre) was again purchased by the ranch owner who is assembling the tracts into one larger ownership. It was sold by another seller from out of the area. The unit is a square 160.00 deeded acres that is seven air miles north of the subject. The sale is joined by BLM on its north and east boundary. It has no legal access and no road access other than the casual use access across BLM by **horse and foot only**. This unit sold for \$625 per acre back in 2012. It has a steeper southeasterly slope and ranges from 5,800 to 6,845 feet above sea level. The property is heavily treed for about $\frac{3}{4}$ of a mile or more from west to east with a ridge then a steep slope to the east with fewer trees. This unit has fewer rock outcroppings and shale than the other parcels purchased by this buyer.

Sale Dataset #4 – These sales will be used to value Larger Parcel 2. This dataset is of small tract sales from 20 acres to 45 acres. The smaller sales were used as there were no newer sales found for this dataset that were close to the subject Parcel 2 size of 38.427 acres. These

sales have legal and physical access with a few having seasonal access but strong recreational amenities. Some may be plowed and others would not be feasible to plow but they do have legal and physical access when there is no snow on the ground. There are eight sales in this dataset. Only three of these sales have public land adjacent to them (Sales 6, 7, and 8). A summary of the sales in Dataset 4 is shown below and on the next page:

Sale Data		Subject	Sale #1 1	Sale #2 2	Sale #3 3	Sale #4 4	Sale #5 5	
Sale Data	Grantor (Seller)		1	2	3	4	5	
	Grantee (Buyer)		1	2	3	4	5	
	Source		Confidential	Confidential	MLS	Confidential	MLS	
	Date		Eff.	09/15	02/15	11/14	10/14	09/14
	Eff Unit Size/Unit		/ Acres	20	23	20	21	20
	Sale Price			45,000	85,000	88,000	50,000	179,000
	Finance Adjusted			Cash 0	Cash 0	Cash 0	Cash 0	Cash 0
	CEV Price			45,000	85,000	88,000	50,000	179,000
	Multiplier							
	Expense Ratio							

\$/Acre

CEV Price/ Acres		2,250.00	3,649.64	4,400.00	2,402.69	8,950.00
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Sale Data		Subject	Sale #6 6	Sale #7 7	Sale #8 8	
Sale Data	Grantor (Seller)		6	7	8	
	Grantee (Buyer)		6	7	8	
	Source		MLS	MLS	MLS/Broker	
	Date		Eff.	10/13	08/13	11/12
	Eff. Unit Size/Units		/ Acres	45	40	40
	Sale Price			199,000	95,000	331,000
	Finance Adjusted			Cash 0	Conventional 0	Cash 0
	CEV Price			199,000	95,000	331,000
	Multiplier					
	Expense Ratio					

\$/Acre

CEV Price/ Acres		4,435.03	2,375.00	8,275.00
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Sales 1 (9/2015, 20 Acres, \$2,250/Acre), 2 (2/2015, 23 Acres, \$3,649.64/Acre), and 4 (11/2014, 21 Acres, \$2,402.69/Acre) in this dataset were all purchased by the same buyer and are located nine air miles north of the subject. This buyer has a ranch in the area, as noted above, and is purchasing as many tracts as he can to clean up the area. These tracts are in a small tract subdivision where he has purchased over 56 tracts since 2009. The three most recent were chosen for this report. Sale 1 is 20.00 acres and sold for \$2,250 per acre and is an unusual shape. The map looks like it adjoins the river but it does not as there is a frontage road between the sale and the river. It is rolling to steeper terrain for a smaller

tract but does have one good build site. There is scattered timber on the unit. The legal access is off of a subdivision road that goes through another private ownership. The terrain off of the frontage road is too steep to build on. Sale 2 at 23.29 acres had some buildings on it that were valued at \$16,816 at time of sale by seller but they will likely be torn down by the buyer. The land value is allocated at \$2,928 per acre for Sale 2. Sale 2 has sloped terrain from south to north. Sale 2 has access off of a subdivision road that is 60' wide along the property boundary and the roads have been plowed in the past to this parcel but were not this year. It has no live water except for a well that was drilled. The unit does have scattered timber throughout. Sale 4 is 20.81 acres and sold for \$2,400 per acre. This unit had an old cabin on it at the time of sale that was given no value and it has since been torn down. The unit has a small stream on it and is has a good amount of trees, some with beetle kill. The property has sloping terrain has a fairly steep slope to it from east to west. It is rectangular in shape. This unit is about three miles west of a paved road. It has access off of a subdivision road. These subdivision roads run along the property boundaries and are 60' wide easements according to the realtor. The access has been year-around in the past when plowed but is not this year.

Sale 3 (11/2014, 20.00 Acres, \$4,400/Acre) in this dataset is in the same general area as Sales 1, 2 and 4 but was purchased by a different buyer. It is 20.00 acres and is about nine air miles north of the subject. It has access off of a subdivision road that can be plowed but if it isn't it is seasonal. It is a gravel road. The unit sold unimproved for \$4,400 per acre. It has Stickney Creek on it which is a year-around creek. This unit has an excavated build site and a well in place at the time of sale. The build site, creek, and well did affect the value of this tract making it sell higher than the other tracts in the dataset of this size and nature. The property also has favorable terrain being much more conducive to buildings. It is rolling terrain with creek bottom land areas. It is .75 miles to the nearest paved road which is the frontage road along the Missouri River. It was on the market for 377 days and listed with a local broker.

Sale 5 (9/2014, 20.16 Acres, \$8,878/Acre) is located just off of the Beartooth Road and 1.25 miles northwest of the Beartooth WMA. It sold high at \$8,878 per acre for the site. (\$179,000 site value). This unit is up on a bench above the road behind another house. It is sloping to the north and west. It has several good building sites on the top though. The unit has outstanding views of Holter Lake and the surrounding mountains. It has year-around access off of a subdivision road but it is less than 1/8 mile from the paved Beartooth Road which is open all year long. The unit has a small coulee running along its northern boundary with some trees along a seasonal drainage. It has no live water. The remainder of the unit is native grass covered. Even though this unit has good year-around access it is used to bracket the subject's tract because it is in such close proximity to the subject.

Sale 6 (10/2013, 44.87 Acres, \$4,435.03 land & buildings) is located 25 miles northeast of Helena and six air miles south of the Beartooth WMA. This parcel is 44.87 deeded acres (rounded to 45). It is a USFS inholding that has two other private holdings on either side of it. It had a home on it at the time of sale worth \$32,334 so the land value was allocated at \$3,714 per acre. This unit has a high tension power line running along the northwestern boundary. It also has a buried petroleum line running through it. The property has year-around Beaver Creek and one of its tributaries running through it so it is superior to the subject's Larger Parcel 2 in this regard. The unit is irregularly shaped and most of the terrain is nearly level Beaver Creek bottomlands. There is some sloping rangeland to the south side of the unit. Cottonwood trees are along the bottoms and there are a few scattered pine trees on the south hills. The access is a gravel county road that is maintained year-around. It is still somewhat remote though.

Sale 7 (8/2013, 40.00 acres, \$2,375/Acre) is located northwest of Helena and it is 17 air miles directly west of the Beartooth WMA. The sale is 40.00 acres in size and sold for \$2,375 per acre unimproved. The sale was on the open market for 368 days. It is a partial USFS inholding. It is bounded by USFS on the east, west, and south sides. Access is a seasonal road and is by legal easement but is not well developed. It is a two track at present. Surface water is a spring. There is no other live water. The terrain is steep out of a seasonal drainage on both sides of the drainage and the elevation is 5,600 to 5,800 feet above sea level. The property has an abundance of conifer species but it does have beetle kill trees on it throughout. It is in an area of recreational and second homes with some year-around residents. This area also sees a lot of snow compared to the direct Helena area due to its proximity to the mountains and continental divide which is just to the northwest of the sale.

Sale 8 (11/2012, 40.00 Acres, \$8,275 land & buildings) is being included due to the fact that to reach it one must traverse the Sun River Game Range. It is located 45 air miles northwest of the subject in northwestern Lewis & Clark County. It sold with an older cabin on it and it had power to it at the time of sale. Access is seasonal as the property is located on the southwest side of the Sun River Game Range. The cabin and two sheds added \$35,015 to the sale leaving the land value at \$7,400 per acre. The site with cabin sold for \$331,000. The site value without the cabin is \$296,000. According to the realtor it was listed for \$475,000 and sold for 69.68% of list. Access through the WMA is subject to when the WMA is open – which is seasonal similar to the Beartooth WMA. There was no insurable access to this sale. It is an end-of-the road property with a year-around creek and good views. The sale property clearly indicates that when there is power available, and a road to the property, regardless of the seasonal nature of the access, a recreational hunting unit next to a WMA holds prestige in the recreational market, especially for hunting.

Several of the sales in the different datasets were purchased by one buyer who is assembling a larger property and cleaning up an area about ten miles north of the subject.

The appraiser spent a good amount of time with the realtor who handles all of the sales for this buyer. She stated that the buyer will not be “held-up” by the neighboring sellers. If he feels the property is not worth what they are asking he simply does not buy it and waits for them to come down to a level where he feels it is closer to market value. This has been this way since he came to the area in 2009 when he purchased a conservation easement encumbered ranch that is 4,866.91 deeded acres about ten miles north of the Beartooth WMA. That property sold for \$986.25 per acre. It has legal access to its boundary but is very steep and rocky on the interior. This is the base property that he has been buying land to add on to or at least to block up in the area. This unit is having a 2 mile long road blasted into it as there was an inholding within this ranch that the buyer subsequently purchased that did not have a conservation easement on it that he wants to use as a homesite in the future. Other small sales that this buyer has purchase but that were not used in this report due to age of the sale are as follows:

- 40.00 acres for \$800.00 per acre – horse and foot access only over BLM.
- 50.00 acres for \$500.00 per acre – horse and foot access only over BLM.
- 47.92 acres for \$600.00 per acre – horse and foot access only over BLM.
- 40.00 acres for \$625.00 per acre – horse and foot access only over BLM.
- 51.59 acres for \$1,202.00 per acre – horse and foot access only over BLM.

Some additional larger sales found in the area of the subject that was not used, excluding the one mentioned above. One was a 9/2015 sale of 8,037.50 acres at Cascade, MT, thirteen air miles north of the subject. It sold with three cabins, a log lodge, and a shop for \$948.74 per acre. The buildings added value at \$143,287 leaving the land value at \$930.91 per acre. This unit had good year-around access to the ranch headquarters but is also very steep and is on the north end of the Devil’s Kitchen area. The unit sold with a 60’ wide unrestricted ingress/egress access easement to a neighbor for hunting and year-around access. It was also in a court dispute and had to be sold.

Another large sale that was not used was in northern Lewis & Clark County about 30 air miles northwest of the subject. It is a 9/2015 sale of 5,092 deeded acres that sold with an access easement across a neighbor that is seasonal for \$1,178.37 per acre with one small cabin. The land value allocated out at \$1,177 per acre. The property was treed and had mountain foothill terrain with creeks and coulees. It was a nice recreational unit. It was felt to be too large to be used here but is a good indicator of a seasonal access unit with some corner-to-corner ownership adjacent to USFS lands.

There were no other sales considered for this appraisal.

The sales illustrated reflect varying ranges in unadjusted value on an overall sales price per deeded acre basis, including site and building improvements. Some improved sales were used as they were proximate to the subject or there were not enough sales in the

dataset without the improved sales. The ranges in value of the sales used can be attributed to many different and independent factors such as access, location, size, water resources, building contribution, access, aesthetics, and amenities like views, and overall site appeal. The ranges in sale value for the datasets will be narrowed through an analysis of pertinent factors of value.

Adjustments:

For those properties with features that are inferior to those of the subject property, a positive adjustment for this feature would be necessary to make the sale property like the subject property. Conversely, for those properties with features or factors that are superior to those of the subject property, a negative adjustment to the sale property would be required to make the sale property like the subject property. In this analysis, the most appropriate method of making adjustments is two-fold. When there is enough data for appropriate pairings for a factor of value a \$ per acre or quantitative adjustment can be made. When there is not enough clear data on a per-acre basis then a qualitative adjustment is warranted in order to give the reader an idea of the similarities of the sale to the subject or to indicate when the sale is superior or inferior to the subject. In this case an equal sign (=) is used to indicate similar, a (+) sign is used to indicate that the sale is inferior to the subject, and a (-) is used to indicate that the sale is superior to the subject.

The sales illustrated herein reflect varying adjusted value ranges on a per acre basis depending on which dataset is used for each larger parcel. Adjustments were made to the sales in order to make them appear to be as similar to the subject property as possible. A general discussion of the adjustments that were applied will follow. Where no adjustments were made, those features and characteristics were deemed to be equal or similar to those of the appraised property.

Land mix: A land mix adjustment was not necessary for any of the datasets as the land class was either 100% native rangeland or 100% recreational for the medium sized units, or recreational/site for the smaller tracts. These dataset land classes corresponded with the land classes on the subject tracts which were also either 100% native rangeland, 100% recreational, or 100% recreational site; therefore, no land mix adjustment was necessary.

Buildings: A building adjustment has been made to allocate the buildings off of the sales when they had buildings. None of the subject tracts have buildings so the sales had to be adjusted to the land value or vacant land value only. These adjustment sheets are included in the addenda of the report under Exhibit 5.

Time: There were no sale/resales in any of the datasets. The market has been fairly stable since the recovery from the recession began in 2012. As noted in the early portions of this report the market area of the subject is a second tier market. It has never escalated like

other areas such as Gallatin and Flathead Counties. One would not expect an extreme increase beyond the recovery at this time. Time adjustments reported in the 2015 Norman C. Wheeler & Associates Annual Land Survey Report (Wheeler, 2016) indicated that even premium areas are not appreciating like in the past unless they have residential development pressure from population centers. Wheeler reported many areas in southwestern and western central Montana as flat to stable values for several years with some areas showing minimal increases in value of 3% to 5% compounded annually depending on location and amenities. Some river tracts are seeing 5% to 8% compounded annual increases. The subject area appears to be stable. Please find below a time adjustment discussion for the four datasets.

For Dataset 1 the ten sales took place from September 2012 through September 2015. Within this dataset itself there is not enough data to warrant a time adjustment over this time period given the size, location, and nature of the sales regarding access. Access and other factors of value influenced the price more than time. Within the dataset the sales with similar access over the time frame showed little to no increase or decrease in value. Sales 4, 5, 7, 8, and 9 indicated a range in value of \$1,406 to \$1,584 for similar access issues. Within these sales location had some influence on value here, not time, and it is a fairly tight range. The other sales in this dataset with severe access issues ranged from \$415 to \$600 per acre. Also, a fairly tight range. The sales need to be adjusted for access not time in this instance.

For Dataset 2 the four sales sold from January 2014 through July 2015 and the range in value indicated was \$1,858 to \$3,800 per acre. Dropping the high sale with year-around paved access (even though it is close to the subject) the range tightens to \$1,858 to \$2,303 per acre. Sale 3 at \$2,303 is also influenced by location being closer to Helena which would then leave a range of \$1,858 (7/2015) to \$1,992 (1/2014) per acre for the two sales that are most like the subject in this instance. Therefore, location and access have more of an influence on these sales than time, (market conditions) so no time adjustment is warranted in this dataset.

Dataset 3 has seven sales that took place from November 2012 to December 2014. All of these sales have different levels of terrain challenges and locational differences that influenced value. The difference in value seems to be more related to the steeper and more remote nature of Sale 1 and Sale 7. Additionally, the location within USFS lands, or being an inholding in USFS lands seems to have more of an influence on the higher end sales in this data set for Sales 3 and 4. Therefore, a time adjustment could not be determined from this sales dataset.

Dataset 4 had eight sales that took place from November 2012 through September 2015. They ranged in size from 20.00 acres to 45.00 acres which had an influence on overall site value within this dataset. Other factors beyond time adjustments or market conditions

that are influencing value in this dataset is good live creek with fish for Sale 3, superior location for Sale 5 and Sale 8, and seasonal access versus year-around access.

Based on the current data regarding other factors of value beyond the market conditions and the lack of any sale/resale information to determine if there has been appreciation or depreciation in this market no time adjustment has been applied to the sales.

Property Rights conveyed: The sales were transferred as fee simple or surface rights only, exclusive of reservations of record. No adjustment is indicated in this market for property rights conveyed.

Condition of Sale: All sales were cash or in terms equivalent to cash and at market rates; therefore no conditions of sale adjustment is necessary.

Size: The sales in each dataset were chosen to reflect the size and nature of the subject parcels. When analyzing the sales data there was no indication of a size adjustment relative to the data within this appraisal.

Access: Access for each sale was discussed above. It is clear that lack of legal and/or physical access versus full year-around access influences value. There is an additional added issue of access by foot or horse or by foot, horse, and bicycle versus seasonal access by vehicle. Larger Parcels 2 and 3 have county road access that is seasonal and sales were gathered that to reflect that. The remainder of the subject properties have a combination of either foot and horse, or foot, horse, and bicycle only. Larger Parcels 2 and 3 have been subject to the road closure but technically they road is not under a road closure agreement and someone could request the gate be opened so they can ski or snowmobile to their parcel in the winter. The rest of the Larger Parcels are subject to the December 1 to noon May 15th closure of the Beartooth WMA. So they only have foot and horse, or foot, horse, and bicycle access from noon May 15th to November 30th each year. This is similar to some of the sales that have only foot and horse access across BLM or trail access by foot or horse across USFS lands. Paired sales analysis will be used to assess the difference in value for the different kinds of access in question under each dataset and the adjustment will be discussed under the valuation of each Larger Parcel. (Land mix and building mix adjusted values were used for the pairings)

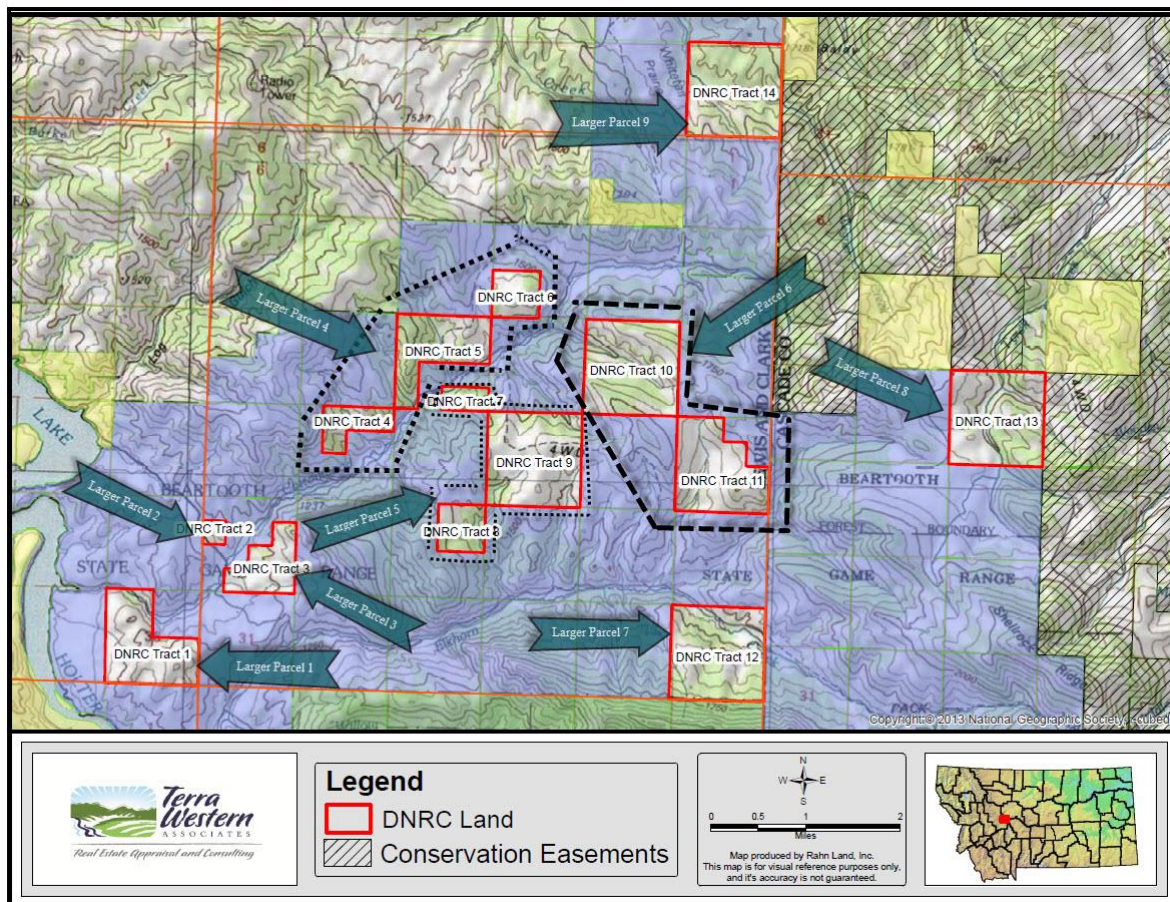
Terrain: The appraiser considered qualitative adjustments for terrain which involved assessing the terrain on the sales versus the terrain on the subject Larger Parcels. Some of the sales were much steeper than the subject and others had more undulating to level terrain which was superior to some of the subject tracts.

Live Water (Site Amenities): Several of the sales have live water that may or may not be comparable to the live water on some of the subject tracts. Several of the sales have no live water similar to some of the subject tracts. Unless a clear \$/acre value can be concluded from sales pairing data the appraiser will use a qualitative adjustment for live water versus no live water.

Location: Most of the datasets were chosen with location in mind that coincide in general with the market indicated factors of value that influence the sales like they do the subject. Dataset 2 and Dataset 4 have some sales that are located in areas that are more desirable from a year-around living scenario. These sales will be adjusted through paired sales analysis.

Public Land Adjacent: At this juncture the datasets with sales that do not have public land adjacent to them is Dataset 2 and Dataset 4 which are both datasets of smaller tracts. Dataset 2 has four sales with three having public land adjacent. Dataset 4 has eight sales in it with three having public land adjacent and five that do not. A qualitative adjustment for public land adjacent versus no public land adjacent will be utilized on the sales comparison grids for these sales.

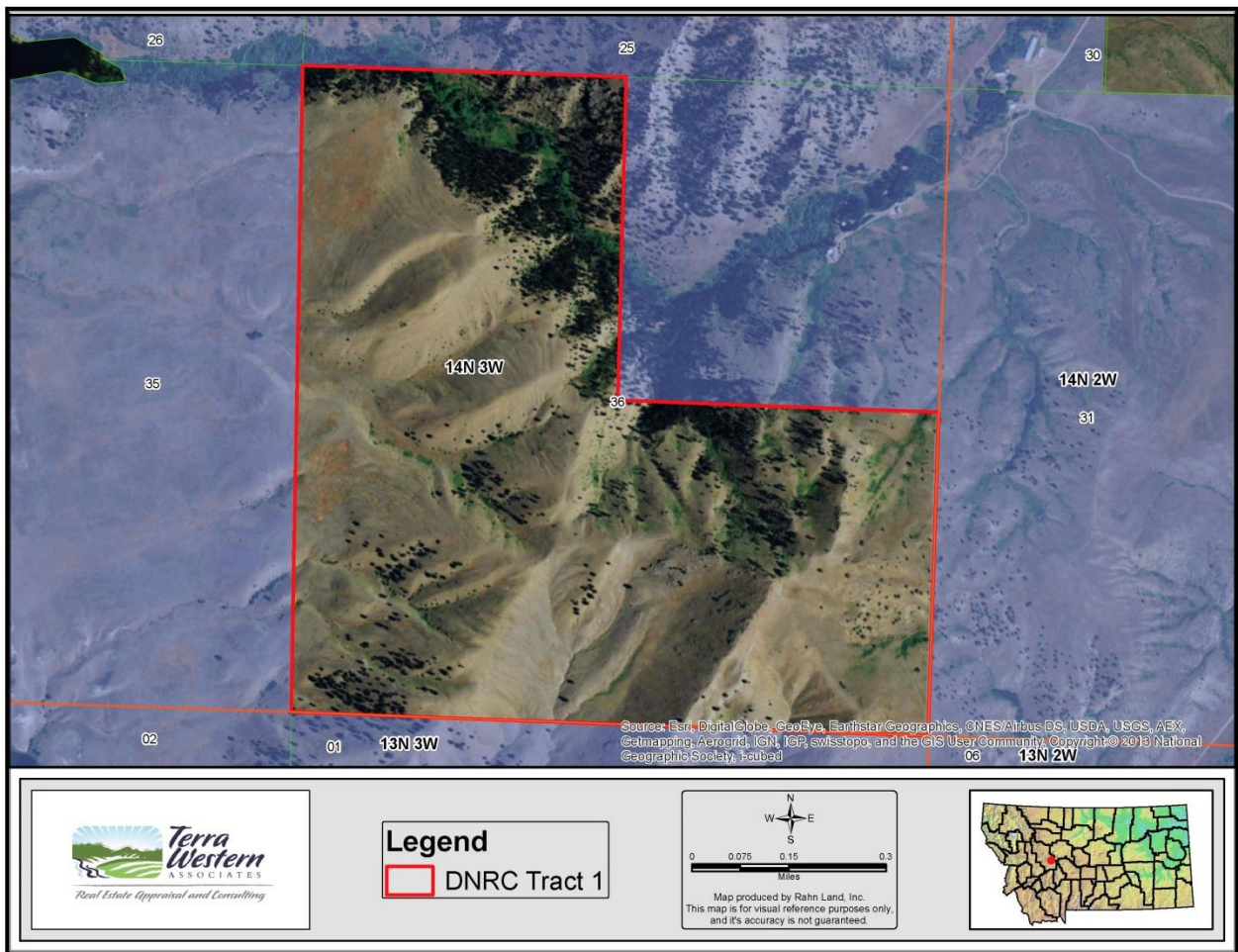
Summary and Value Conclusions - Sales Comparison Approach



The Sales Comparison Grid for each larger parcel or groupings of larger parcels with all adjustments will be shown below along with any pairing data for each set of data. The sales comparison adjustment sheets are included in the addenda under Exhibit 5 for all Larger Parcels.

Value – Larger Parcel 1

Larger Parcel 1 is 480.00 acres. It has Cotton wood Creek on it on the northeast portion of the property. It has rolling to steeper terrain with scattered trees. As shown in the aerial photo below the Beartooth WMA headquarters are 1/8 mile to the northeast. To get to the parcel by foot, horse, or bike is fairly simple as the Beartooth Road which is a county road into neighboring Section 31 where there is a public campground.



Larger Parcel 1

Sales 1-7 in Dataset 3 were used to value Larger Parcel 1 as they have similar locational and physical characteristics. The unadjusted range in value is \$500 per acre for the very steep Sale 1 to \$982 per acre for Sale 4 with seasonal access and good terrain. No pairing data has analyzed for the differences in access as the data was not consistent

enough to determine how values were directly affected by horse and foot access only. Therefore, in this dataset a qualitative assessment was made for the adjustments for access on these sales. The sales that had horse and foot access (Sales 1, 3, 5, 6, and 7) were considered most comparable for access, as well as sales with good quality public land adjacent to them. The sales with BLM adjacent are inferior to the subject due to their dry and steep nature. The sales with USFS lands adjacent are more comparable to the subject and are more similar in terrain and accessibility when compared to the Beartooth WMA adjacent to the subject. Sales with live water were also given more consideration in the valuation process for Larger Parcel 1. The sales grid for Larger Parcel 1 are shown below.

Sales Comparison Approach (1-5)

Sale Data	Sale Data	Subject	Sale #1 1	Sale #2 2	Sale #3 3	Sale #4 4	Sale #5 5
	Grantor (Seller)		1	2	3	4	5
	Grantee (Buyer)		1	2	3	4	5
	Source		Confidential	MLS	MLS	MLS	Confidential
	Date	Eff 01/16	12/14	10/14	10/14	09/14	09/13
	Eff Unit Size/Unit	480.00 / Acres	80	95	86	133	612
	Sale Price		40,000	76,000	84,000	131,000	489,936
	Finance Adjusted		Cash 0	Cash 0	Cash 0	Cash 0	Cash 0
	CEV Price		40,000	76,000	84,000	131,000	489,936
	Multiplier						
Expense Ratio							

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

CEV Price/ Acres	500.00	797.39	973.35	982.30	800.00
LAND AND IMPROVEMENT ADJUSTMENTS					
Land Adjustment	0.00	0.00	0.00	0.00	0.00
Impvt. Adjustment	0.00	0.00	0.00	0.00	0.00
Adjusted Price	500.00	797.39	973.35	982.30	800.00

TIME ADJUSTMENTS							
<input checked="" type="checkbox"/> Yr	<input type="checkbox"/> Mo	Periods	0	0	0	0	0
<input type="checkbox"/> Smp	<input checked="" type="checkbox"/> Cmp	Rate	0.00	0.00	0.00	0.00	0.00
<input type="checkbox"/> Auto	<input checked="" type="checkbox"/> Man	Time Adjustment	0.00	0.00	0.00	0.00	0.00
Time Adj. Price			500.00	797.39	973.35	982.30	800.00

OTHER ADJUSTMENTS						
Access	Foot, Horse, Bicycle Adjustment	Horse, Foot	Seasonal USFS	Horse, Foot	Seasonal USFS	Horse, Foot
		=	(-)	=	(-)	=
Terrain	Rolling Adjustment	Steep	Rolling-Steep	Rolling-Steep	Rolling	Steep
		(+)	(+)	(+)	=	(+)
Site Amenities	None Adjustment	None	Sm. Creek	Good Creek	Spring	Creek
		(+)	=	=	(+)	=
Location	Beartooth WMA Adjustment	BLM Adjacent	USFS Adjacent	USFS Adjacent	USFS Adjacent	BLM Adjacent
		(+)	=	=	=	(+)
Adjustment						
Net Adjustments		0	0	0	0	0
ADJUSTED PRICE		500	797	973	982	800

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

Sales Comparison Approach Summary:

Property Basis (Value Range): \$ _____ to \$ _____
 Unit Basis: \$ 975.00 / Acre X 480.00 Acres = \$ 468,000.00
 Multiplier Basis: \$ _____ X _____ (multiple) = \$ _____

Sales Comparison Indication:
\$ 468,000

Larger Parcel 1 – Sales Comparison Approach Sales 1-5

Sales Comparison Approach (6-10)

Sale Data		Subject	Sale #6 6	Sale #7 7	Sale #8	Sale #9	Sale #10
Sale Data	Grantor (Seller)		6	7			
	Grantee (Buyer)		6	7			
	Source		Confidential	Confidential			
	Date	Eff. 01/16	08/13	11/12			
	Eff. Unit Size/Units	480.00 / Acres	160	160			
	Sale Price		128,000	100,000			
	Finance Adjusted		Cash 0	Cash 0			
	CEV Price		128,000	100,000			
	Multiplier						
	Expense Ratio						
<p>The Appraiser has cited sales of similar property to the subject and considered these in the market analysis. The description below includes a dollar adjustment reflecting market reaction to those items of significant variation between the subject and the sales documented. When significant items are superior to the property appraised, a negative adjustment is applied. If the item is inferior, a positive adjustment is applied. Thus, each sale is adjusted for the measurable dissimilarities and each sale producing a separate value indication. The indications from each sale are then reconciled into one indication of value for this approach.</p>							
CEV Price/ Acres			800.00	625.00			
LAND AND IMPROVEMENT ADJUSTMENTS							
Land Adjustment			0.00	0.00			
Impvt. Adjustment			0.00	0.00			
Adjusted Price			800.00	625.00			
TIME ADJUSTMENTS							
<input checked="" type="checkbox"/>	Yr.	<input type="checkbox"/> Mo.	Periods	0	0		
<input type="checkbox"/>	Smpl	<input checked="" type="checkbox"/> Cmp.	Rate	0.00	0.00		
<input type="checkbox"/>	Auto.	<input checked="" type="checkbox"/> Man.	Time Adjustment	0.00	0.00		
			Time Adj. Price	800.00	625.00		
OTHER ADJUSTMENTS							
Access	Foot, Horse, Bicycle	Horse, Foot	Horse, Foot				
	Adjustment	0.00	0.00				
Terrain	Rolling	Steep	Steep				
	Adjustment	(+)	(+)				
Site Amenities	None	Creek	None				
	Adjustment	=	(+)				
Location	Beartooth WMA	BLM Adjacent	BLM Adjacent				
	Adjustment	=	=				
Adjustment							
Net Adjustments			0	0	0		
ADJUSTED PRICE			800	625	0	0	0
<p>Analysis/Comments: (Discuss positive and negative aspects of each sale as they affect value) See Narrative Comments</p>							

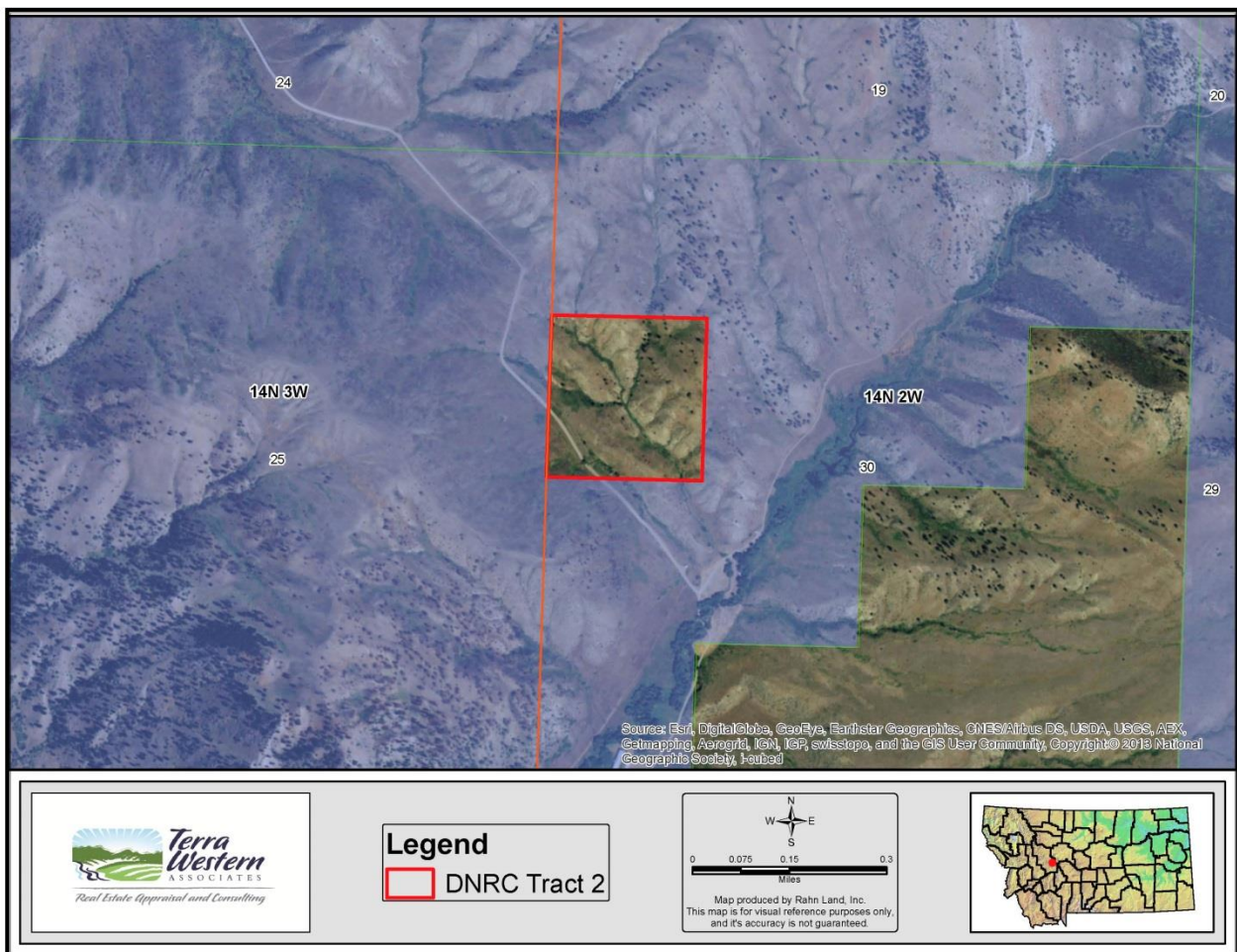
Larger Parcel 1 – Sales Comparison Approach Sales 6-7

The seven sales ranged in adjusted value from \$500 per acre to \$982 per acre. Sale 3 at \$973 per acre has similar foot and horse access and it also has a creek so is most similar. It is surrounded by USFS land and while it is more remote than the subject is the most comparable sale in the dataset regarding access, terrain, site amenities and public land adjacent. This sale is bracketed by the other sales at the upper end of the range that are also similar to the subject such as sales 2, 5, and 6 which range from \$797 to \$800 per acre. Sale 4 at \$982 has superior access in that it is vehicular but seasonal. Based on the data in this analysis the value of Larger Parcel 1 has been estimated at \$975 per acre.

Final Value Larger Parcel 1 - \$468,000

Value - Larger Parcel 2

Larger Parcel 2 consists of 38.427 deeded acres. Sales 1-8 in Dataset 4 were used to value Larger Parcel 2 which has legal and physical, but seasonal, access off of the Beartooth Road which is a county road.



Larger Parcel 2

There is no live water on this unit but it does have a seasonal drainage. The terrain is rolling and views are of the mountains. It is surrounded by the Beartooth WMA. It has vehicular access when the road is open. The sales were adjusted for superior access and superior site amenities centered in live water and homesite features. Paired sales analysis indicated an adjustment for superior site amenities (-\$2,100 per acre). Sale 3 was adjusted down for site amenities as it had an excavated homesite and well on it and a year-around creek. Sale 8 was adjusted down for site amenities as well, which included building site and year-around creek. Paired sales analysis for access revealed a negative adjustment of (-\$6,150) per acre for Sale 5 which was adjusted down for year-around access from a paved road. This sale likely had some locational influences as well. The paired sales analysis for Larger Parcel 2 is shown below on the two following pages.

The sales were qualitatively adjusted for site amenities and location in relation to public land boundary.

Pairing Adjustment Summary (1-5)

Insert the "Land Adjusted" prices for each sale. At this point in the process, the sales and the subject are equal with regard to land mix or land components. View data for pairings and adjustment conclusions. Vacant and/or improved sales should be considered.											
Sale Summary		Sale #1	5	Sale #2	2	Sale #3	3	Sale #4	4	Sale #5	5
	Sale Date		09/14		02/15		11/14		10/14		09/14
	Size		20.00		23.29		20.00		20.81		20.00
	Financing		Cash		Cash		Cash		Cash		Cash
	Sale Price \$/ Acre	\$	2,250.00	\$	2,927.61	\$	4,400.00	\$	2,402.69	\$	8,878.97
	Land Adjusted	\$	0.00	\$	-722.03	\$	0.00	\$	0.00	\$	0.00
Land Adjusted Price	\$	2,250.00	\$	2,205.58	\$	4,400.00	\$	2,402.69	\$	8,878.97	
Time	TIME ADJUSTMENTS										
	<input type="checkbox"/> Auto Calc Periods										
	<input checked="" type="checkbox"/> Manually Calc Periods										
	Eff Appraisal Date		01/16		01/16		01/16		01/16		01/16
	<input checked="" type="checkbox"/> Yr. <input type="checkbox"/> Mo. Periods		0		0		0		0		0
	<input type="checkbox"/> Smpl <input checked="" type="checkbox"/> Cmp Rate		0.0		0.0		0.0		0.0		0.0
Time Adjustment		0.00		0.00		0.00		0.00		0.00	
Time Adj. Price		2,250.00		2,205.58		4,400.00		2,402.69		8,878.97	
The adjustments below are intended to be used in the Sales Comparison Approach only.											
Other	<u>Access</u> Adjust.	Compare Sale #	1	with Sale #	5	= \$	-6,628.97	difference			
		Compare Sale #	2	with Sale #	5	= \$	-6,673.39	difference			
		Compare Sale #	3	with Sale #	5	= \$	-4,478.97	difference			
	Conclude: \$ -6,150.00										
	Adjustment Subtotal	\$	2,250.00	\$	2,205.58	\$	4,400.00	\$	2,402.69	\$	-6,150.00
Other	<u>Site Amenities</u> Adjust.	Compare Sale #	1	with Sale #	3	= \$	-2,150.00	difference			
		Compare Sale #	2	with Sale #	3	= \$	-2,194.42	difference			
		Compare Sale #	4	with Sale #	3	= \$	-1,997.31	difference			
	Conclude: \$ -2,100.00										
	Adjustment Subtotal	\$	2,250.00	\$	2,205.58	\$	-2,100.00	\$	2,300.00	\$	2,402.69
Other	<u> </u> Adjust.	Compare Sale #		with Sale #		= \$		difference			
		Compare Sale #		with Sale #		= \$		difference			
		Compare Sale #		with Sale #		= \$		difference			
	Conclude: \$										
	Adjustment Subtotal	\$	2,250.00	\$	2,205.58	\$	2,300.00	\$	2,402.69	\$	2,728.97
Other	<u> </u> Adjust.	Compare Sale #		with Sale #		= \$		difference			
		Compare Sale #		with Sale #		= \$		difference			
		Compare Sale #		with Sale #		= \$		difference			
	Conclude: \$										
	Adjustment Subtotal	\$	2,250.00	\$	2,205.58	\$	2,300.00	\$	2,402.69	\$	2,728.97
<p>Comments and Conclusions: The technically correct way to work with this sheet is to make the land and building adjustments before all other adjustments so that the subject and the sales are more similar before the rest of the pairings are performed. This program does not allow for both a land mix and a building mix as it should; therefore, the "land mix" shown above is a combination of land mix and building mix. In this case there was no land mix as the sales and the subject had the exact same land mix - 100% native rangeland. Sales 2, 4, 5, 6, & 8 had some buildings on them and these were adjusted out based on the adjustment sheets shown under Exhibit 5 in the addenda. This number was then placed above.</p>											

Larger Parcel 2 – Pairing Data Sales 1-5

Pairing Adjustment Summary (6-10)

Sale Summary	Insert the "Land Adjusted" prices for each sale. At this point in the process, the sales and the subject are equal with regard to land mix or land components. View data for pairings and adjustment conclusions. Vacant and/or improved sales should be considered.								
		Sale #6	6	Sale #7	7	Sale #8	8	Sale #9	Sale #10
	Sale Date	10/13		08/13		11/12			
	Size	44.87		40.00		40.00			
	Financing	Cash		Conventional		Cash			
	Sale Price \$/ Acre	\$ 4,435.03		\$ 2,375.00		\$ 8,275.00		\$	
	Land Adjustment	\$ -720.62		\$ 0.00		\$ -875.00		\$	
	Land Adjusted Price	\$ 3,714.41		\$ 2,375.00		\$ 7,400.00		\$	
Time	<input type="checkbox"/> Auto Calc Periods <input checked="" type="checkbox"/> Manually Calc Periods TIME ADJUSTMENTS								
	Eff Appraisal Date	01/16		01/16		01/16		01/16	
	X Yr. <input type="checkbox"/> Mo. Periods	0		0		0		0	
	<input type="checkbox"/> Smpl <input checked="" type="checkbox"/> Cmp Rate	0.0		0.0		0.0		0.0	
	Time Adjustment	0.00		0.00		0.00		0.00	
	Time Adj. Price	3,714.41		2,375.00		7,400.00		0.00	
The adjustments below are intended to be used in the Sales Comparison Approach only.									
Other	Access Adjust.	Compare Sale # 4 with Sale # 5 = \$ -6,476.28 difference							
		Compare Sale # 7 with Sale # 5 = \$ -6,503.97 difference							
	Conclude:	Compare Sale # _____ with Sale # _____ = \$ _____ difference							
	\$ -6,150.00								
Adjustment	\$ _____ \$ _____ \$ _____ \$ _____ \$ _____								
Subtotal	\$ 3,714.41 \$ 2,375.00 \$ 7,400.00 \$ 0.00 \$ 0.00								
Other	Site Amenities Adjust.	Compare Sale # 7 with Sale # 3 = \$ -2,025.00 difference							
		Compare Sale # _____ with Sale # _____ = \$ _____ difference							
	Conclude:	Compare Sale # _____ with Sale # _____ = \$ _____ difference							
	\$ -2,100.00								
Adjustment	\$ _____ \$ _____ \$ _____ \$ _____ \$ _____								
Subtotal	\$ 3,714.41 \$ 2,375.00 \$ 7,400.00 \$ 0.00 \$ 0.00								
Other	Adjust.	Compare Sale # _____ with Sale # _____ = \$ _____ difference							
		Compare Sale # _____ with Sale # _____ = \$ _____ difference							
	Conclude:	Compare Sale # _____ with Sale # _____ = \$ _____ difference							
	\$								
Adjustment	\$ _____ \$ _____ \$ _____ \$ _____ \$ _____								
Subtotal	\$ 3,714.41 \$ 2,375.00 \$ 7,400.00 \$ 0.00 \$ 0.00								
Other	Adjust.	Compare Sale # _____ with Sale # _____ = \$ _____ difference							
		Compare Sale # _____ with Sale # _____ = \$ _____ difference							
	Conclude:	Compare Sale # _____ with Sale # _____ = \$ _____ difference							
	\$								
Adjustment	\$ _____ \$ _____ \$ _____ \$ _____ \$ _____								
Subtotal	\$ 3,714.41 \$ 2,375.00 \$ 7,400.00 \$ 0.00 \$ 0.00								

Comments and Conclusions: The technically correct way to work with this sheet is to make the land and building adjustments before all other adjustments so that the subject and the sales are more similar before the rest of the pairings are performed. This program does not allow for both a land mix and a building mix as it should; therefore, the "land mix" shown above is a combination of land mix and building mix. In this case there was no land mix as the sales and the subject had the exact same land mix - 100% native rangeland. Sales 2, 4, 5, 6, & 8 had some buildings on them and these were adjusted out based on the adjustment sheets shown under Exhibit 5 in the addenda. This number was then placed above.

Larger Parcel 2 Pairing Data Sales 6-8

The sales adjustment grids for Larger Parcel 2 are shown on the following two pages:

Terra Western Associates

UAAR®

File No #DNRC - Larger Parcel 2

Sales Comparison Approach (1-5)								
Sale Data	Sale Data	Subject	Sale #1 1	Sale #2 2	Sale #3 3	Sale #4 4	Sale #5 5	
	Grantor (Seller)		1	2	3	4	Confidential	
	Grantee (Buyer)		1	2	3	4	Van Dyke, Glenn	
	Source		Confidential	Confidential	MLS	Confidential	MLS	
	Date	Eff 01/16	09/15	02/15	11/14	10/14	09/14	
	Eff Unit Size/Unit	38.43 / Acres	20	23	20	21	20	
	Sale Price		45,000	85,000	88,000	50,000	179,000	
	Finance Adjusted		Cash 0	Cash 0	Cash 0	Cash 0	Cash 0	
	CEV Price		45,000	85,000	88,000	50,000	179,000	
	Multiplier							
	Expense Ratio							
	<p>The Appraiser has cited sales of similar property to the subject and considered these in the market analysis. The description below includes a dollar adjustment reflecting market reaction to those items of significant variation between the subject and the sales documented. When significant items are superior to the property appraised, a negative adjustment is applied. If the item is inferior, a positive adjustment is applied. Thus, each sale is adjusted for the measurable dissimilarities and each sale producing a separate value indication. The indications from each sale are then reconciled into one indication of value for this approach.</p>							
	CEV Price/ Acres		2,250.00	3,649.64	4,400.00	2,402.69	8,878.97	
LAND AND IMPROVEMENT ADJUSTMENTS								
Land Adjustment		0.00	0.00	0.00	0.00	0.00		
Impvt. Adjustment		0.00	-722.03	0.00	0.00	0.00		
Adjusted Price		2,250.00	2,927.61	4,400.00	2,402.69	8,878.97		
TIME ADJUSTMENTS								
<input checked="" type="checkbox"/> Yr	<input type="checkbox"/> Mo	Periods	0	0	0	0	0	
<input type="checkbox"/> Smp	<input checked="" type="checkbox"/> Cmp	Rate	0.00	0.00	0.00	0.00	0.00	
<input type="checkbox"/> Auto	<input checked="" type="checkbox"/> Man	Time Adjustment	0.00	0.00	0.00	0.00	0.00	
		Time Adj. Price	2,250.00	2,927.61	4,400.00	2,402.69	8,878.97	
OTHER ADJUSTMENTS								
Access	Gravel Cty - Seasonal Adjustment	Seasonal	Seasonal	Seasonal	Seasonal	Year Around		
		0.00	0.00	0.00	0.00	-6,150.00		
Terrain	Rolling Adjustment	Similar	Similar	Similar	Similar	Similar		
		=	=	=	=	=		
Site Amenities	None Adjustment	None	Small Creek	Well, Site Pad, Cr.	None	Seasonal		
		0.00	(-)	-2,100.00	0.00	0.00		
Location	Within Beartooth WMA Adjustment	No Public Land	No Public Land	No Public Land	No Public Land	No Public Land		
		(+)	(+)	(+)	(+)	(+)		
	Adjustment							
Net Adjustments		0	-722	-2,100	0	-6,150		
ADJUSTED PRICE		2,250	2,928	2,300	2,403	2,729		
<p>Analysis/Comments: (Discuss positive and negative aspects of each sale as they affect value) See Narrative Comments</p>								
<p>Sales Comparison Approach Summary: Property Basis (Value Range): \$ _____ to \$ _____ Unit Basis: \$ 3,500.00 / Acre X 38.43 Acres = \$ 134,505.00 Multiplier Basis: \$ _____ X _____ (multiple) = \$ _____</p>								
						<p>Sales Comparison Indication: \$ 135,000 (R)</p>		

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Larger Parcel 2 - Sales Comparison Approach Sales 1-5

Sales Comparison Approach (6-10)

Sale Data		Subject	Sale #6 6	Sale #7 7	Sale #8 8	Sale #9	Sale #10
Sale Data	Grantor (Seller)		6	7	8		
	Grantee (Buyer)		6	7	8		
	Source		MLS	MLS	MLS/Broker		
	Date	Eff. 01/16	10/13	08/13	11/12		
	Eff. Unit Size/Units	38.43 / Acres	45	40	40		
	Sale Price		199,000	95,000	331,000		
	Finance Adjusted		Cash 0	Conventional 0	Cash 0		
	CEV Price		199,000	95,000	331,000		
	Multiplier						
	Expense Ratio						
<p>The Appraiser has cited sales of similar property to the subject and considered these in the market analysis. The description below includes a dollar adjustment reflecting market reaction to those items of significant variation between the subject and the sales documented. When significant items are superior to the property appraised, a negative adjustment is applied. If the item is inferior, a positive adjustment is applied. Thus, each sale is adjusted for the measurable dissimilarities and each sale producing a separate value indication. The indications from each sale are then reconciled into one indication of value for this approach.</p>							
CEV Price/ Acres			4,435.03	2,375.00	8,275.00		
LAND AND IMPROVEMENT ADJUSTMENTS							
Land Adjustment			0.00	0.00	0.00		
Impvt. Adjustment			-720.62	0.00	-875.00		
Adjusted Price			3,714.41	2,375.00	7,400.00		
TIME ADJUSTMENTS							
<input checked="" type="checkbox"/>	Yr.	<input type="checkbox"/>	Mo.	Periods	0	0	0
<input type="checkbox"/>	Smpl	<input checked="" type="checkbox"/>	Cmp.	Rate	0.00	0.00	0.00
<input type="checkbox"/>	Auto.	<input checked="" type="checkbox"/>	Man.	Time Adjustment	0.00	0.00	0.00
Time Adj. Price					3,714.41	2,375.00	7,400.00
OTHER ADJUSTMENTS							
Sale Comparison	Access	Gravel Cty - Seasonal Adjustment	Seasonal =	Seasonal =	Seasonal =		
	Terrain	Rolling Adjustment	Similar =	Similar =	Similar =		
	Site Amenities	None Adjustment	Creek (-)	None =	Creek/Bldgs/Power -2,100.00		
	Location	Within Beartooth WMA Adjustment	Public Land USFS =	Public Land USFS =	WMA Adjacent =		
		Adjustment					
Net Adjustments			-721	0	-2,975		
ADJUSTED PRICE			3,714	2,375	5,300	0	0
<p>Analysis/Comments: (Discuss positive and negative aspects of each sale as they affect value) See Narrative Comments</p>							

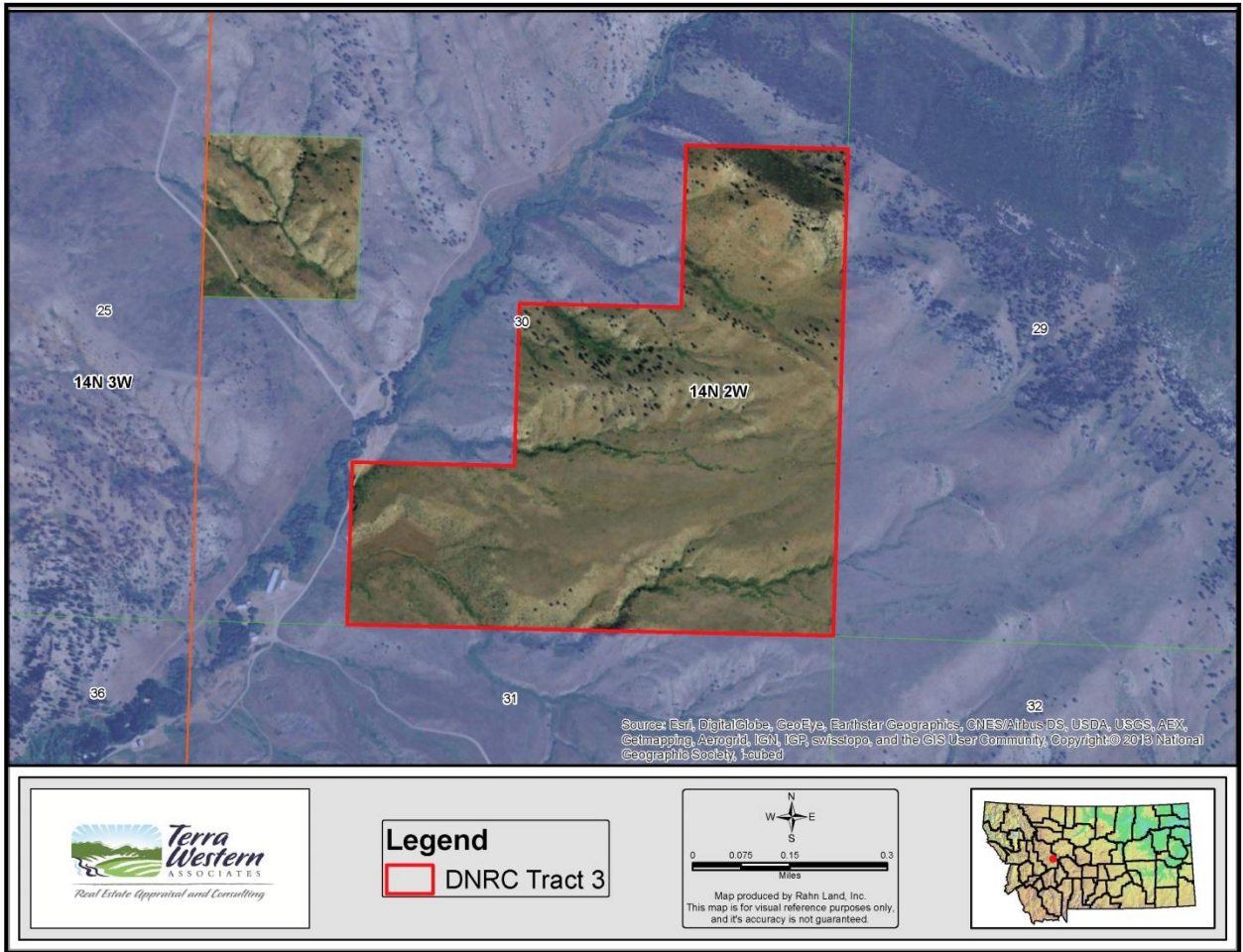
Larger Parcel 2 - Sales Comparison Approach Sales 6-8

After all adjustments the sales indicate an adjusted range in value of \$2,250 per acre to \$5,300 per acre. Sale 8 is an older sale with a cabin that is located adjacent to the Sun River Game Range. The Sun River Game Range has more prestige than the Beartooth Game Range regarding views, aesthetic setting, hunting and wildlife populations. This parcel is an indicator of what a parcel that is adjacent to a Wildlife Management Area that has good road access, power to the site, a good creek, and a good home site is worth. However, it is only one sale among an entire dataset and is an outlier in the dataset. It is superior to the subject in location next to the Sun River Game Range and it sets the high end of the range for this parcel of the subject. Eliminating this superior sale the adjusted range in value for Larger Parcel 2 narrows to \$2,250 to \$3,714 per acre. Sales 1, 2, 3, 4, and 5 do not have public land adjacent so are inferior to the subject. Additionally, they are all five in rural subdivisions in the subject area and are not as private as the subject. Sales 6 at \$3,714 and 7 at \$2,375 do have public land adjacent (USFS). Sale 7 is in an inferior location when compared to the subject and while it has legal and physical access it was not fully developed at the time of sale. Sale 6 has a creek (superior) on it and it has good county road access that is seasonal like the subject. It is also similar in size and terrain and it indicates something under \$3,714 per acre for the subject due to the superior creek amenity. Sale 6 is the most comparable sale beyond the creek amenity. Based on the data at hand, and the sales analysis, a value of \$3,500 per acre has been estimated for Larger Parcel 2. The overall value is \$135,000 for the 38.43 acre site with county road access within the Beartooth Wildlife Management Area.

Final Value Larger Parcel 2 - \$135,000

Value - Larger Parcel 3

Larger Parcel 3 is 240.00 deeded acres and has county road access off of the Beartooth County Road. It has rolling terrain on the west to steeper terrain on the east and it has no live water. The property has some scattered trees but is generally open rangeland. There were four sales analyzed for this parcel. They consist of Dataset 2. They have an unadjusted range in value of \$1,858 to \$3,800 per acre. Qualitative adjustments were made to the four sales for terrain, site amenities such as a creek, and location based in public land adjacent to the sale. Paired sales analysis was performed for an access adjustment to Sale 2 which has access off of a paved year-around road. This paired sales analysis indicates a negative adjustment to Sale 2 of (-\$1,750) per acre. The paired sales analysis is shown after the aerial photo below.



Larger Parcel 3

Pairing Adjustment Summary (1-5)

Insert the "Land Adjusted" prices for each sale. At this point in the process, the sales and the subject are equal with regard to land mix or land components. View data for pairings and adjustment conclusions. Vacant and/or improved sales should be considered.						
Sale Summary		Sale #1	Sale #2	Sale #3	Sale #4	Sale #5
	Sale Date	07/15	04/15	07/14	01/14	
	Size	317.50	89.70	286.49	160.61	
	Financing	Cash	Cash	Cash	Cash	
	Sale Price \$/ Acre	\$ 1,858.27	\$ 3,800.00	\$ 2,303.75	\$ 1,992.40	\$
	Land Adjustment	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$
	Land Adjusted Price	\$ 1,858.27	\$ 3,800.00	\$ 2,303.75	\$ 1,992.40	\$
Time	TIME ADJUSTMENTS					
	<input type="checkbox"/> Auto Calc Periods					
	<input checked="" type="checkbox"/> Manually Calc Periods					
	Eff Appraisal Date	01/16	01/16	01/16	01/16	01/16
	<input checked="" type="checkbox"/> Yr. <input type="checkbox"/> Mo. Periods	0	0	0	0	
	<input type="checkbox"/> Smpl <input checked="" type="checkbox"/> Cmp Rate	0.0	0.0	0.0	0.0	
Time Adjustment	0.00	0.00	0.00	0.00		
Time Adj. Price	1,858.27	3,800.00	2,303.75	1,992.40		
The adjustments below are intended to be used in the Sales Comparison Approach only.						
Other	Access Adjust.	Compare Sale # <u>1</u> with Sale # <u>2</u> = \$ <u>-1,941.73</u> difference				
		Compare Sale # <u>3</u> with Sale # <u>2</u> = \$ <u>-1,496.25</u> difference				
	Conclude:	Compare Sale # <u>4</u> with Sale # <u>2</u> = \$ <u>-1,807.60</u> difference				
	\$ -1,750.00					
	Adjustment	\$	\$	\$	\$	\$
	Subtotal	\$ 1,858.27	\$ 3,800.00	\$ 2,303.75	\$ 1,992.40	\$
Other	Adjust.	Compare Sale # _____ with Sale # _____ = \$ _____ difference				
		Compare Sale # _____ with Sale # _____ = \$ _____ difference				
	Conclude:	Compare Sale # _____ with Sale # _____ = \$ _____ difference				
	\$					
	Adjustment	\$	\$	\$	\$	\$
	Subtotal	\$ 1,858.27	\$ 3,800.00	\$ 2,303.75	\$ 1,992.40	\$
Other	Adjust.	Compare Sale # _____ with Sale # _____ = \$ _____ difference				
		Compare Sale # _____ with Sale # _____ = \$ _____ difference				
	Conclude:	Compare Sale # _____ with Sale # _____ = \$ _____ difference				
	\$					
	Adjustment	\$	\$	\$	\$	\$
	Subtotal	\$ 1,858.27	\$ 3,800.00	\$ 2,303.75	\$ 1,992.40	\$
Other	Adjust.	Compare Sale # _____ with Sale # _____ = \$ _____ difference				
		Compare Sale # _____ with Sale # _____ = \$ _____ difference				
	Conclude:	Compare Sale # _____ with Sale # _____ = \$ _____ difference				
	\$					
	Adjustment	\$	\$	\$	\$	\$
	Subtotal	\$ 1,858.27	\$ 3,800.00	\$ 2,303.75	\$ 1,992.40	\$
Comments and Conclusions:						

Larger Parcel 3 – Pairing Data Sales 1-4

Below is the sales grid for Larger Parcel 3:

Sales Comparison Approach (1-5)

Sale Data		Subject	Sale #1 1	Sale #2 2	Sale #3 3	Sale #4 4	Sale #5
Sale Data	Grantor (Seller)		1	2	3	4	
	Grantee (Buyer)		1	2	3	4	
	Source		Seller	Broker	Confidential	Confidential	
	Date	Eff 01/16	07/15	04/15	07/14	01/14	
	Eff Unit Size/Unit	240.00 / Acres	318	90	286	161	
	Sale Price		590,000	340,875	660,000	320,000	
	Finance Adjusted		Cash 0	Cash 0	Cash 0	Cash 0	
	CEV Price		590,000	340,875	660,000	320,000	
	Multiplier GIM						
	Expense Ratio		28.18				
<p>The Appraiser has cited sales of similar property to the subject and considered these in the market analysis. The description below includes a dollar adjustment reflecting market reaction to those items of significant variation between the subject and the sales documented. When significant items are superior to the property appraised, a negative adjustment is applied. If the item is inferior, a positive adjustment is applied. Thus, each sale is adjusted for the measurable dissimilarities and each sale producing a separate value indication. The indications from each sale are then reconciled into one indication of value for this approach.</p>							
CEV Price/ Acres		1,858.27	3,800.00	2,303.75	1,992.40		
LAND AND IMPROVEMENT ADJUSTMENTS							
Land Adjustment		0.00	0.00	0.00	0.00		
Impvt. Adjustment		0.00	0.00	0.00	0.00		
Adjusted Price		1,858.27	3,800.00	2,303.75	1,992.40		
TIME ADJUSTMENTS							
<input checked="" type="checkbox"/> Yr	<input type="checkbox"/> Mo	Periods	0	0	0	0	
<input type="checkbox"/> Smp	<input checked="" type="checkbox"/> Cmp	Rate	0.00	0.00	0.00	0.00	
<input type="checkbox"/> Auto	<input checked="" type="checkbox"/> Man	Time Adjustment	0.00	0.00	0.00	0.00	
		Time Adj. Price	1,858.27	3,800.00	2,303.75	1,992.40	
OTHER ADJUSTMENTS							
Access	Seasonal Cty Road Adjustment	Seasonal	0.00	Paved Year-Around	-1,750.00	Seasonal	0.00
	Terrain	Rolling Foothill Adjustment	Similar - Rolling	Inferior - Steep	(+)	Inferior - Steep	(+)
Site Amenities	Adjustment	None	=	None	=	None	=
		Small Creek					
Location	Adjustment	Beartooth WMA	Public Land USFS	State Fishing Access	=	Public Land USFS	=
		No Public Land					(+)
		Adjustment					
Net Adjustments			0	-1,750	0	0	0
ADJUSTED PRICE			1,858	2,050	2,304	1,992	0
<p>Analysis/Comments: (Discuss positive and negative aspects of each sale as they affect value) See Narrative Comments</p>							
<p>Sales Comparison Approach Summary: Property Basis (Value Range): \$ _____ to \$ _____ Unit Basis: \$ 2,000.00 / Acre X 240.00 Acres = \$ 480,000.00 Multiplier Basis: \$ X (multiple) = \$ _____</p>							
						<p>Sales Comparison Indication: \$ 480,000</p>	

Larger Parcel 3 – Sales Comparison Approach Sales 1-4

Larger Parcel 3 has good access from the Beartooth Road which a county road that runs through its southwest ¼ of the section. Parcel 3 is subject to the WMA closure in the winter. The parcel is also adjacent to a public campground. The Beartooth Road technically ends in Section 31 near the subject. The headquarters for the Beartooth WMA is just off the northwest side of the parcel. Power is nearby at the headquarters.

Sale 1 is a remote sale in the south end of the Elkhorn Mountains. It has similar closure restrictions as the subject regarding road travel in the winter. The sale has inferior physical access when compared to the subject and it is disaggregate. It sets the lower end of the range at \$1,858 per acre. Sale 2 is inferior in terrain but is superior in access as it has year around paved access. It is similar to the subject in site amenities and it is adjacent to a fishing access site owned by the state along the Missouri River. Sale 2 indicates \$2,050 per acre for the subject's Larger Parcel 3. Sale 3 is closer to Helena, it has similar seasonal access but the road is plowed to within ½ mile of this parcel. Sale 3 is inferior in terrain and is similar in site amenities and public land boundary. It sets the high end of the range at \$2,304 per acre. It does not have a seasonal closure and snow mobiles can be used to reach the sale in the winter. Sale 4 has seasonal access like the subject. It has a small creek so is superior in this regard. It has steep terrain which is inferior to the subject and it has no public land adjacent to it. It indicates something more than \$1,992 per acre for the subject. Sales 2 and 4 are the most comparable to the subject and set a tight range of \$1,992 to \$2,050 per acre for the subject.

After reviewing and inspecting the sales and analyzing the data the subject parcel has been valued at \$2,000 per acre based on its access, location, size, and seasonal use restrictions. The final value for Larger Parcel 3 is \$480,000.

Final Value Larger Parcel 3 - \$480,000

Adjustment and Pairing Data for Larger Parcels 4 - 9

Sale Dataset 1 has been used to value Larger Parcels 4-9. The sales were analyzed as one dataset and then compared to each Larger Parcel to assess variations in access, terrain, live water, and location. The paired sales analysis for these larger parcels is shown below. The first pairing is for sales that have access restrictions similar to the subject. These restrictions allow legal access that is access by foot, horse, and/or bicycle only to the subject tracts but there is also the issue seasonal closures of the Beartooth Wildlife Management area that surrounds them. Sales 4, 5, 7, 8, and 9 all have superior access when compared to the subject. They must be adjusted downward for access restrictions like the subject. Ten pairings for this adjustment indicate a negative adjustment of (\$865) per acre for the superior access on these sales. This adjustment was applied to the sales on the sales adjustment grids which are shown below after the pairing data.

Pairing Adjustment Summary (1-5)

Insert the "Land Adjusted" prices for each sale. At this point in the process, the sales and the subject are equal with regard to land mix or land components. View data for pairings and adjustment conclusions. Vacant and/or improved sales should be considered.											
Sale Summary	Sale #1	1	Sale #2	2	Sale #3	3	Sale #4	4	Sale #5	5	
	Sale Date	09/15	07/15	05/15	01/15	12/14					
	Size	1,239.28	760.00	2,430.00	2,934.97	2,810.80					
	Financing	Cash	Cash	Seller	Cash	Cash to seller					
	Sale Price \$/ Acre	\$ 415.56	\$ 427.63	\$ 598.11	\$ 1,584.34	\$ 1,583.18					
	Land Adjustment	\$ 0.00	\$ 0.00	\$ 0.00	\$ -194.32	\$ -15.74					
Land Adjusted Price	\$ 415.56	\$ 427.63	\$ 598.11	\$ 1,390.02	\$ 1,567.44						
Time	TIME ADJUSTMENTS										
	<input type="checkbox"/> Auto Calc Periods										
	<input checked="" type="checkbox"/> Manually Calc Periods										
	Eff Appraisal Date	01/16	01/16	01/16	01/16	01/16					
	<input checked="" type="checkbox"/> Yr. <input type="checkbox"/> Mo. Periods	0	0	0	0	0					
	<input type="checkbox"/> Smpl <input checked="" type="checkbox"/> Cmp Rate	0.0	0.0	0.0	0.0	0.0					
	Time Adjustment	0.00	0.00	0.00	0.00	0.00					
Time Adj. Price	415.56	427.63	598.11	1,390.02	1,567.44						
The adjustments below are intended to be used in the Sales Comparison Approach only.											
Other	<u>Access - Restricted</u> Adjust.	Compare Sale # <u>3</u> with Sale # <u>4</u> = \$ <u>-791.91</u> difference									
		Compare Sale # <u>3</u> with Sale # <u>5</u> = \$ <u>-969.33</u> difference									
		Compare Sale # <u>3</u> with Sale # <u>7</u> = \$ <u>-803.01</u> difference									
	Conclude: \$ <u>-865.00</u>										
Adjustment Subtotal	\$ <u>0.00</u>	\$ <u>0.00</u>	\$ <u>0.00</u>	\$ <u>-865.00</u>	\$ <u>-865.00</u>						
	\$ <u>415.56</u>	\$ <u>427.63</u>	\$ <u>598.11</u>	\$ <u>525.02</u>	\$ <u>702.44</u>						
Other	<u>Access - Restricted</u> Adjust.	Compare Sale # <u>3</u> with Sale # <u>8</u> = \$ <u>-808.14</u> difference									
		Compare Sale # <u>3</u> with Sale # <u>9</u> = \$ <u>-950.33</u> difference									
		Compare Sale # _____ with Sale # _____ = \$ _____ difference									
	Conclude: \$ <u>-865.00</u>										
Adjustment Subtotal	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____						
	\$ <u>415.56</u>	\$ <u>427.63</u>	\$ <u>598.11</u>	\$ <u>525.02</u>	\$ <u>702.44</u>						
Other	<u>Access - None</u> Adjust.	Compare Sale # <u>3</u> with Sale # <u>1</u> = \$ <u>182.55</u> difference									
		Compare Sale # <u>3</u> with Sale # <u>2</u> = \$ <u>170.48</u> difference									
		Compare Sale # <u>10</u> with Sale # <u>1</u> = \$ <u>184.44</u> difference									
	Conclude: \$ <u>180.00</u>										
Adjustment Subtotal	\$ <u>180.00</u>	\$ <u>180.00</u>	\$ _____	\$ _____	\$ _____						
	\$ <u>595.56</u>	\$ <u>607.63</u>	\$ <u>598.11</u>	\$ <u>525.02</u>	\$ <u>702.44</u>						
Other	_____ Adjust.	Compare Sale # _____ with Sale # _____ = \$ _____ difference									
		Compare Sale # _____ with Sale # _____ = \$ _____ difference									
		Compare Sale # _____ with Sale # _____ = \$ _____ difference									
	Conclude:										
Adjustment Subtotal	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____						
	\$ <u>595.56</u>	\$ <u>607.63</u>	\$ <u>598.11</u>	\$ <u>525.02</u>	\$ <u>702.44</u>						
Comments and Conclusions: The technically correct way to work with this sheet is to make the land and building adjustments before all other adjustments so that the subject and the sales are more similar before the rest of the pairings are performed. This program does not allow for both a land mix and a building mix as it should; therefore, the "land mix" shown above is a combination of land mix and building mix. In this case there was no land mix as the sales and the subject had the exact same land mix - 100% native rangeland. Sales 4, 5, and 7 had some buildings on them and these were adjusted out based on the adjustment sheets shown under Exhibit 5 in the addenda. This number was then placed above.											

Larger Parcel 4-9 - Pairing Data Sales 1-5

Pairing Adjustment Summary (6-10)

Insert the "Land Adjusted" prices for each sale. At this point in the process, the sales and the subject are equal with regard to land mix or land components. View data for pairings and adjustment conclusions. Vacant and/or improved sales should be considered.											
Sale Summary	Sale #6	6	Sale #7	7	Sale #8	8	Sale #9	9	Sale #10	10	
	Sale Date	08/14	08/14	04/14	10/13	09/12					
	Size	989.00	1,401.74	640.00	640.00	570.86					
	Financing	Cash	Cash	Cash	Cash	Cash					
	Sale Price \$/ Acre	\$ 1,001.01	\$ 1,426.80	\$ 1,406.25	\$ 1,548.44	\$ 600.00					
	Land Adjusted Price	\$ 1,001.01	\$ 1,401.12	\$ 1,406.25	\$ 1,548.44	\$ 600.00					
Time	TIME ADJUSTMENTS										
	<input type="checkbox"/> Auto Calc Periods										
	<input checked="" type="checkbox"/> Manually Calc Periods										
	Eff Appraisal Date	01/16	01/16	01/16	01/16	01/16					
	<input checked="" type="checkbox"/> Yr. <input type="checkbox"/> Mo. Periods	0	0	0	0	0					
	<input type="checkbox"/> Smpl <input checked="" type="checkbox"/> Cmp Rate	0.0	0.0	0.0	0.0	0.0					
Time Adjustment	0.00	0.00	0.00	0.00	0.00						
Time Adj. Price	1,001.01	1,401.12	1,406.25	1,548.44	600.00						
The adjustments below are intended to be used in the Sales Comparison Approach only.											
Other	<u>Access - Restricted</u> Adjust.	Compare Sale #	10	with Sale #	4	= \$	-790.02	difference			
	Conclude:	Compare Sale #	10	with Sale #	5	= \$	-967.44	difference			
	\$ -865.00	Compare Sale #	10	with Sale #	7	= \$	-801.12	difference			
	Adjustment Subtotal	\$	1,001.01	\$	-865.00	\$	-865.00	\$	-865.00	\$	600.00
Other	<u>Access - Restricted</u> Adjust.	Compare Sale #	10	with Sale #	8	= \$	-806.25	difference			
	Conclude:	Compare Sale #	10	with Sale #	9	= \$	-948.44	difference			
	\$ -864.00	Compare Sale #		with Sale #		= \$		difference			
	Adjustment Subtotal	\$	1,001.01	\$	536.12	\$	541.25	\$	683.44	\$	600.00
Other	<u>Access - None</u> Adjust.	Compare Sale #	10	with Sale #	2	= \$	172.37	difference			
	Conclude:	Compare Sale #		with Sale #		= \$		difference			
	\$ 180.00	Compare Sale #		with Sale #		= \$		difference			
	Adjustment Subtotal	\$	1,001.01	\$	536.12	\$	541.25	\$	683.44	\$	600.00
Other	Adjust.	Compare Sale #		with Sale #		= \$		difference			
	Conclude:	Compare Sale #		with Sale #		= \$		difference			
	Adjustment Subtotal	\$	1,001.01	\$	536.12	\$	541.25	\$	683.44	\$	600.00
Comments and Conclusions: The technically correct way to work with this sheet is to make the land and building adjustments before all other adjustments so that the subject and the sales are more similar before the rest of the pairings are performed. This program does not allow for both a land mix and a building mix as it should; therefore, the "land mix" shown above is a combination of land mix and building mix. In this case there was no land mix as the sales and the subject had the exact same land mix - 100% native rangeland. Sales 4, 5, and 7 had some buildings on them and these were adjusted out based on the adjustment sheets shown under Exhibit 5 in the addenda. This number was then placed above.											

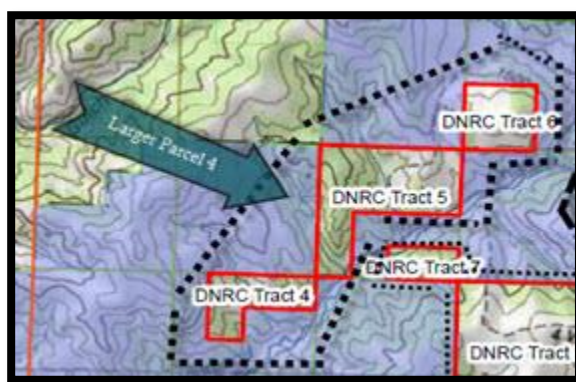
Larger Parcel 4-9 - Pairing Data Sales 6-10

Sales 1 and 2 had no legal or physical access. These sales were paired with other sales that had seasonal access or foot and horse access only to yield a positive adjustment for having some kind of legal and physical access. This pairing analysis revealed a positive adjustment for Sales 1 and 2 of \$180 per acre. This adjustment was placed on the grid for Sales 1 and 2.

Qualitative adjustments were made for each Larger Parcel for terrain, live water, and location.

Value - Larger Parcel 4

Larger Parcel 4 consists of tracts 4, 5, and 6 and totals 720.00 deeded acres.



Larger Parcel 4

The sales ranged in unadjusted value from \$415 per acre to \$1,584 per acre. The adjusted sale value range is \$525 to \$1001 per acre. Sale 6 at \$1,001 per acre has seasonal vehicle access so is superior to the subject parcels in this regard. It is located on the west side of the Belt Mountains and has USFS road access. The unit is ½ very steep terrain and ½ rolling terrain. The property has Ray Creek crossing it. This creek is similar to the creek on the subject. (The subject has a portion of Cottonwood Creek on it). Sale 6 was purchased by the USFS based on an appraisal. It is considered an outlier in this dataset and there was no other definitive adjustment that could be discerned from the data set. The higher adjusted value could be due to the creek and vehicular access. It is also adjacent to USFS lands and was a government purchase. Excluding this sale the dataset tightens in range from \$525 to \$702 per acre.

The subject Larger Parcel 4 has access off of the Cottonwood Creek service road that is by foot and horse with DNRC Tract 5 also having access allowed by bicycle. This Larger Parcel is 1.5 miles northeast of the Headquarters Buildings for the Beartooth WMA and when the WMA is open it has relatively easy access.

Sales Comparison Approach (1-5)

Sale Data	Sale Data	Subject	Sale #1 1	Sale #2 2	Sale #3 3	Sale #4 4	Sale #5 5
	Grantor (Seller)		1	2	3	4	5
	Grantee (Buyer)		1	2	3	4	5
	Source		Extraordinary verification	Extraordinary Verification	Seller	Confidential	Buyer
	Date	Eff 01/16	09/15	07/15	05/15	01/15	12/14
	Eff Unit Size/Unit	720.00 / Acres	1,239	760	2,430	2,935	2,811
	Sale Price		515,000	325,000	942,691	4,750,000	4,450,000
	Finance Adjusted		Cash 0	Cash 0	Seller 54	Cash 0	Cash to seller 0
	CEV Price		515,000	325,000	1,453,406	4,650,000	4,450,000
	Multiplier GIM						
Expense Ratio		30.96	36.25	24.21	85.82	40.01	

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

CEV Price/ Acres	1	2	3	4	5
	415.56	427.63	598.11	1,584.34	1,583.18
LAND AND IMPROVEMENT ADJUSTMENTS					
Land Adjustment	0.00	0.00	0.00	0.00	0.00
Impvt. Adjustment	0.00	0.00	0.00	-194.32	-15.74
Adjusted Price	415.56	427.63	598.11	1,390.02	1,567.44

TIME ADJUSTMENTS							
<input checked="" type="checkbox"/> Yr	<input type="checkbox"/> Mo	Periods	0	0	0	0	0
<input type="checkbox"/> Smp	<input checked="" type="checkbox"/> Cmp	Rate	0.00	0.00	0.00	0.00	0.00
<input type="checkbox"/> Auto	<input checked="" type="checkbox"/> Man	Time Adjustment	0.00	0.00	0.00	0.00	0.00
Time Adj. Price			415.56	427.63	598.11	1,390.02	1,567.44

OTHER ADJUSTMENTS						
Access	Foot, Horse, Bike partial Adjustment	None 180.00	None 180.00	Seasonal & None 0.00	Seasonal - Vehicle -865.00	Seasonal - Vehicle -865.00
Terrain	Rolling to Steeper Adjustment	Steep (+)	Steep (+)	Rolling to Steep =	Meadows to Rolling (-)	Rolling to Steeper =
Live Water	Cottonwood Creek Adjustment	Creek =	None (+)	Seasonal Creeks (+)	2 Creeks (-)	3 Creeks (-)
Location	Within Beartooth WMA Adjustment	Lincoln (+)	Lincoln (+)	Meagher - Belt Mtn =	Lincoln (+)	Adj Beartooth =
Adjustment						
Net Adjustments		180	180	0	-1,059	-881
ADJUSTED PRICE		596	608	598	525	702

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

Sales Comparison Approach Summary:

Property Basis (Value Range): \$ _____ to \$ _____
 Unit Basis: \$ 700.00 / Acre X 720.00 Acres = \$ 504,000.00
 Multiplier Basis: \$ _____ X _____ (multiple) = \$ _____

Sales Comparison Indication:
\$ 504,000

Larger Parcel 4 – Sales Comparison Approach Sales 1-5

Sales Comparison Approach (6-10)

Sale Data		Subject	Sale #6 6	Sale #7 7	Sale #8 8	Sale #9 9	Sale #10 10
Sale Data	Grantor (Seller)		6	7	8	9	10
	Grantee (Buyer)		6	7	8	9	10
	Source		USFS	MLS	MLS/Broker	Confidential	Confidential
	Date	Eff. 01/16	08/14	08/14	04/14	10/13	09/12
	Eff. Unit Size/Units	720.00 / Acres	989	1,402	640	640	571
	Sale Price		990,000	2,000,000	900,000	991,000	342,516
	Finance Adjusted		Cash 0	Cash 0	Cash 0	Cash 0	Cash 0
	CEV Price		990,000	2,000,000	900,000	991,000	342,516
	Multiplier GIM						
	Expense Ratio		33.11	34.25	30.18	46.75	0.00
<p>The Appraiser has cited sales of similar property to the subject and considered these in the market analysis. The description below includes a dollar adjustment reflecting market reaction to those items of significant variation between the subject and the sales documented. When significant items are superior to the property appraised, a negative adjustment is applied. If the item is inferior, a positive adjustment is applied. Thus, each sale is adjusted for the measurable dissimilarities and each sale producing a separate value indication. The indications from each sale are then reconciled into one indication of value for this approach.</p>							
CEV Price/ Acres		1,001.01	1,426.80	1,406.25	1,548.44	600.00	
LAND AND IMPROVEMENT ADJUSTMENTS							
Land Adjustment		0.00	0.00	0.00	0.00	0.00	
Impvt. Adjustment		0.00	-25.68	0.00	0.00	0.00	
Adjusted Price		1,001.01	1,401.12	1,406.25	1,548.44	600.00	
TIME ADJUSTMENTS							
<input checked="" type="checkbox"/> Yr.	<input type="checkbox"/> Mo.	Periods	0	0	0	0	0
<input type="checkbox"/> Smp.	<input checked="" type="checkbox"/> Cmp.	Rate	0.00	0.00	0.00	0.00	0.00
<input type="checkbox"/> Auto.	<input checked="" type="checkbox"/> Man.	Time Adjustment	0.00	0.00	0.00	0.00	0.00
		Time Adj. Price	1,001.01	1,401.12	1,406.25	1,548.44	600.00
OTHER ADJUSTMENTS							
Access	Foot, Horse, Bike partial Adjustment	Seasonal - Vehicle (-)	Seasonal - Vehicle -865.00	Seasonal - Vehicle -865.00	Seasonal - Vehicle -865.00	Foot, Horse Only 0.00	
Terrain	Rolling to Steeper Adjustment	1/2 Very Steep (+)	Similar =	Steep (+)	1/2 very steep (+)	Very Steep (+)	
Live Water	Cottonwood Creek Adjustment	Ray Creek =	None (+)	Springs (+)	Springs (+)	None (+)	
Location	Within Beartooth WMA Adjustment	Belt Mtn =	E. Powell Co. =	SE Meagher Co. (+)	Granite Co. =	Craig =	
	Adjustment						
Net Adjustments		0	-891	-865	-865	0	
ADJUSTED PRICE		1,001	536	541	683	600	
<p>Analysis/Comments: (Discuss positive and negative aspects of each sale as they affect value) See narrative Comments</p>							

Larger Parcel 4 – Sales Comparison Approach Sales 6-10

Sale 4 is a superior tract to all of the subject tracts prior to adjustments but when adjusted for its superior access it sets the bottom end of the range at \$525 per acre. Sales 1 and 2 have no legal or physical access and after adjustments for access set the bottom of the value range for similar tracts at \$596 and \$608 per acre. They also have no live water which is inferior to the subject.

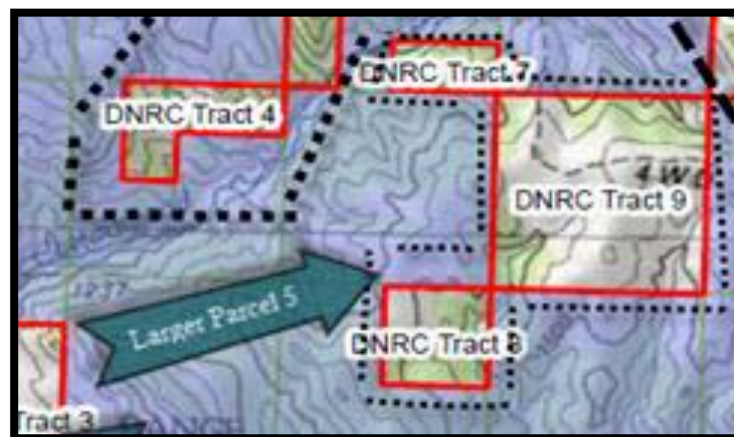
Sales 1, 2, 6, 8, 9, and 10 have inferior terrain when compared to the subject. Sales 4 and 5 have multiple creeks which is superior to the subject. Sales 2, 3, 7, 8, 9, and 10 have inferior live water and site amenities. Sales 1, 2, 4, and 8 have inferior locations when compared to the subject with the other sales having similar locations. After all adjustments, Sale 5 which is also adjacent to the Beartooth WMA is most similar at \$702 per acre. Given the location of the subject, and its site attributes, a value at the upper end of the range of the sales is appropriate (excluding sale 6). It has relatively rolling terrain, has a live creek, and has relatively good foot, horse, or bicycle access and it is fairly close to the WMA headquarters.

The sales adjustment grids for Larger Parcel 4 are shown on the previous two pages. Based on the data analyzed and taking into consideration the terrain and location of the sales, as well as the individual site amenities of each sale, a value of \$700 per acre has been estimated for Larger Parcel 4.

Final Value Larger Parcel 4 - \$504,000

Value - Larger Parcel 5

Larger Parcel 5 consists of tracts 7, 8, and 9, and totals 880.00 deeded acres



Larger Parcel 5

This set of tracts is very similar to Larger Parcel 4 except that tract 8 is more remote and harder to get to. Larger Parcel 5 has Cottonwood Creek on it and it has horse and foot

access with the northernmost parcel (Tract 7) having bicycle access as well. The ten sales ranged in unadjusted value from \$415 per acre to \$1,584 per acre. The adjusted sale value range is \$525 to \$1001 per acre. As noted above, Sale 6 at \$1,001 per acre has seasonal vehicle access so is superior to the subject parcels in this regard. It is located on the west side of the Belt Mountains and has USFS road access. The unit is ½ very steep terrain and ½ rolling terrain. The property has Ray Creek crossing it. This creek is similar to the creek on the subject. Sale 6 was purchased by the USFS based on an appraisal. It is considered an outlier in this dataset and there was no other definitive adjustment that could be discerned from the data set. The higher adjusted value could be due to the creek and vehicular access. It is also adjacent to USFS lands and was a government purchase. Excluding this sale the dataset tightens in range from \$525 to \$702 per acre.

Sale 4 is a superior tract to all of the subject tracts prior to adjustments but when adjusted for its superior access it sets the bottom end of the range at \$525 per acre. Sales 1 and 2 have no legal or physical access and after adjustments for access set the bottom of the value range for similar tracts at \$596 and \$608 per acre. They also have no live water which is inferior to the subject.

The subject Larger Parcel 5 has access off of the Cottonwood Creek service road via Tract 7 that is by foot and horse with DNRC Tract 7 also having access allowed by bicycle. Sales 1 and 2 have no legal or physical access so set the bottom of the value range at \$596 and \$608 per acre after adjustments. Larger Parcel 5 is 2.5 miles northeast of the Headquarters Buildings for the Beartooth WMA and when the WMA is open it has fairly good access except for its southernmost tract.

Sales 1, 2, 6, 8, 9, and 10 have inferior terrain when compared to the subject. Sales 4 and 5 have multiple creeks which is superior to the subject. Sales 2, 3, 7, 8, 9, and 10 have inferior live water and site amenities. Sales 1, 2, 4, and 8 have inferior locations when compared to the subject with the other sales having similar locations. After all adjustments Sales 5 and 10 are the most comparable and lie between \$600 and \$702 per acre. Given the location of the subject, the more difficult access to its southwestern tract, and its site attributes a value at the mid-range of these two sales is appropriate. Larger Parcel 5 has relatively rolling terrain, has a live creek, and has relatively good foot, horse, or bicycle access, however, its access point off of the service road is 2.5 miles from the headquarters and its southwestern most tract has more difficult access.

Based on the data analyzed and taking into consideration the terrain and location of the sales, as well as the individual site amenities of each sale and the subject, a value of \$650 per acre has been estimated for Larger Parcel 5. The sales adjustment grids for Larger Parcel 5 are on the following two pages.

Final Value Larger Parcel 5 - \$572,000

Sales Comparison Approach (1-5)

Sale Data	Sale Data	Subject	Sale #1 1	Sale #2 2	Sale #3 3	Sale #4 4	Sale #5 5
	Grantor (Seller)		1	2	3	4	5
	Grantee (Buyer)		1	2	3	4	5
	Source		Extraordinary verification	Extraordinary Verification	Seller	Confidential	Buyer
	Date	Eff 01/16	09/15	07/15	05/15	01/15	12/14
	Eff Unit Size/Unit	880.00 / Acres	1,239	760	2,430	2,935	2,811
	Sale Price		515,000	325,000	942,691	4,750,000	4,450,000
	Finance Adjusted		Cash 0	Cash 0	Seller 54	Cash 0	Cash to seller 0
	CEV Price		515,000	325,000	1,453,406	4,650,000	4,450,000
	Multiplier GIM						
Expense Ratio		30.96	36.25	24.21	85.82	40.01	

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

CEV Price/ Acres		415.56	427.63	598.11	1,584.34	1,583.18
LAND AND IMPROVEMENT ADJUSTMENTS						
Land Adjustment		0.00	0.00	0.00	0.00	0.00
Impvt. Adjustment		0.00	0.00	0.00	-194.32	-15.74
Adjusted Price		415.56	427.63	598.11	1,390.02	1,567.44

TIME ADJUSTMENTS						
<input checked="" type="checkbox"/> Yr	<input type="checkbox"/> Mo	Periods	0	0	0	0
<input type="checkbox"/> Smp	<input checked="" type="checkbox"/> Cmp	Rate	0.00	0.00	0.00	0.00
<input type="checkbox"/> Auto	<input checked="" type="checkbox"/> Man	Time Adjustment	0.00	0.00	0.00	0.00
		Time Adj. Price	415.56	427.63	598.11	1,390.02

OTHER ADJUSTMENTS						
Access	Foot, Horse, Bike partial Adjustment	None 180.00	None 180.00	Seasonal & None 0.00	Seasonal - Vehicle -865.00	Seasonal - Vehicle -865.00
Terrain	Rolling to Steeper Adjustment	Steep (+)	Steep (+)	Rolling to Steep =	Meadows to Rolling (-)	Rolling to Steeper =
Live Water	Cottonwood Creek Adjustment	Creek =	None (+)	Seasonal Creeks (+)	2 Creeks (-)	3 Creeks (-)
Location	Within Beartooth WMA Adjustment	Lincoln (+)	Lincoln (+)	Meagher - Belt Mtn =	Lincoln (+)	Adj Beartooth =
Adjustment						
Net Adjustments		180	180	0	-1,059	-881
ADJUSTED PRICE		596	608	598	525	702

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

Sales Comparison Approach Summary:

Property Basis (Value Range): \$ _____ to \$ _____
 Unit Basis: \$ 650.00 / Acre X 880.00 Acres = \$ 572,000.00
 Multiplier Basis: \$ _____ X _____ (multiple) = \$ _____

Sales Comparison Indication:
\$ 572,000

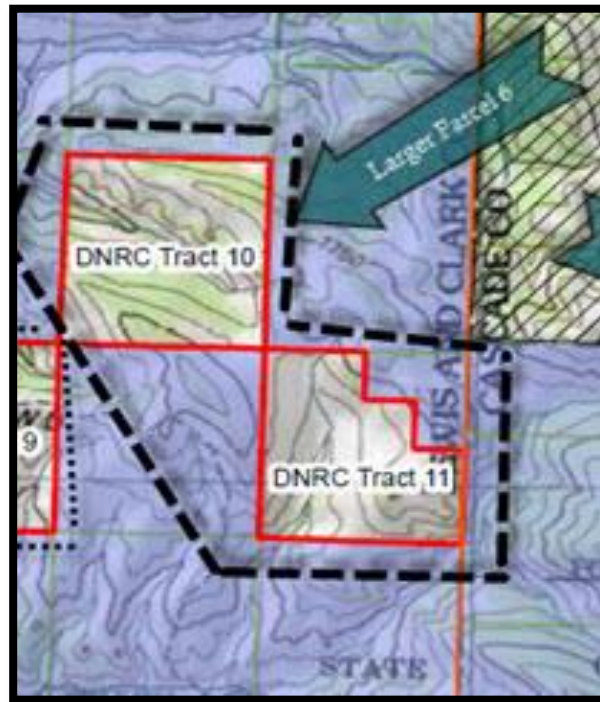
Larger Parcel 5 – Sales Comparison Approach Sales 1-5

Sales Comparison Approach (6-10)							
Sale Data	Sale Data	Subject	Sale #6 6	Sale #7 7	Sale #8 8	Sale #9 9	Sale #10 10
	Grantor (Seller)		6	7	8	9	10
	Grantee (Buyer)		6	7	8	9	10
	Source		USFS	MLS	MLS/Broker	Confidential	Confidential
	Date	Eff. 01/16	08/14	08/14	04/14	10/13	09/12
	Eff. Unit Size/Units	880.00 / Acres	989	1,402	640	640	571
	Sale Price		990,000	2,000,000	900,000	991,000	342,516
	Finance Adjusted		Cash 0	Cash 0	Cash 0	Cash 0	Cash 0
	CEV Price		990,000	2,000,000	900,000	991,000	342,516
	Multiplier GIM						
Expense Ratio		33.11	34.25	30.18	46.75	0.00	
The Appraiser has cited sales of similar property to the subject and considered these in the market analysis. The description below includes a dollar adjustment reflecting market reaction to those items of significant variation between the subject and the sales documented. When significant items are superior to the property appraised, a negative adjustment is applied. If the item is inferior, a positive adjustment is applied. Thus, each sale is adjusted for the measurable dissimilarities and each sale producing a separate value indication. The indications from each sale are then reconciled into one indication of value for this approach.							
CEV Price/ Acres		1,001.01	1,426.80	1,406.25	1,548.44	600.00	
LAND AND IMPROVEMENT ADJUSTMENTS							
Land Adjustment		0.00	0.00	0.00	0.00	0.00	
Impvt. Adjustment		0.00	-25.68	0.00	0.00	0.00	
Adjusted Price		1,001.01	1,401.12	1,406.25	1,548.44	600.00	
TIME ADJUSTMENTS							
<input checked="" type="checkbox"/> Yr.	<input type="checkbox"/> Mo.	Periods	0	0	0	0	
<input type="checkbox"/> SmpI	<input checked="" type="checkbox"/> Cmp	Rate	0.00	0.00	0.00	0.00	
<input type="checkbox"/> Auto.	<input checked="" type="checkbox"/> Man.	Time Adjustment	0.00	0.00	0.00	0.00	
		Time Adj. Price	1,001.01	1,401.12	1,406.25	1,548.44	
OTHER ADJUSTMENTS							
Access	Foot, Horse, Bike partial Adjustment	Seasonal - Vehicle (-)	Seasonal - Vehicle -865.00	Seasonal - Vehicle -865.00	Seasonal - Vehicle -865.00	Foot, Horse Only 0.00	
Terrain	Rolling to Steeper Adjustment	1/2 Very Steep (+)	Similar =	Steep (+)	1/2 very steep (+)	Very Steep (+)	
Live Water	Cottonwood Creek Adjustment	Ray Creek =	None (+)	Springs (+)	Springs (+)	None (+)	
Location	Within Beartooth WMA Adjustment	Belt Mtn =	E. Powell Co. =	SE Meagher Co. (+)	Granite Co. =	Craig =	
		Adjustment					
Net Adjustments			0	-891	-865	-865	0
ADJUSTED PRICE			1,001	536	541	683	600
Analysis/Comments: (Discuss positive and negative aspects of each sale as they affect value) See narrative Comments							

Larger Parcel 5 – Sales Comparison Approach Sales 6-10

Value - Larger Parcel 6

Larger Parcel 6 consists of Tracts 10 and 11 and is 1,160.00 deeded acres.



Larger Parcel 6

The set of tracts that makes up Larger Parcel 6 is more remote and has horse and foot access only. The closest road is $\frac{1}{2}$ mile off of the northwest corner of Tract 10. There is no live water on this Larger Parcel and it has some timber and rolling to steeper terrain. The subject Larger Parcel 6 has no direct service road access but can be reached by hiking on foot or riding horseback off of the Cottonwood Creek service road. The parcels are over four miles from the Beartooth Headquarters area.

The ten sales ranged in unadjusted value from \$415 per acre to \$1,584 per acre. The adjusted sale value range is \$525 to \$1001 per acre. As noted above, Sale 6 at \$1,001 per acre has seasonal vehicle access so is superior to the subject parcels in this regard. It is located on the west side of the Belt Mountains and has USFS road access. The unit is $\frac{1}{2}$ very steep terrain and $\frac{1}{2}$ rolling terrain. The property has Ray Creek crossing it. This creek is similar to the creek on the subject. Sale 6 was purchased by the USFS based on an appraisal. It is considered an outlier in this dataset and there was no other definitive adjustment that could be discerned from the data set. The higher adjusted value could be due to the creek and vehicular access. It is also adjacent to USFS lands and was a government purchase. Excluding this sale the dataset tightens in range from \$525 to \$702 per acre.

Sale 4 is a superior tract to all of the subject tracts prior to adjustments but when adjusted for its superior access it sets the bottom end of the range at \$525 per acre. Sales 1 and 2 have no legal or physical access and after adjustments for access set the bottom of the value range for similar tracts at \$596 and \$608 per acre. They also have no live water which is similar to the subject Larger Parcel 6.

Sales 1, 2, 6, 8, 9, and 10 have inferior terrain when compared to the subject. Sales 1, 3, 4, 5, 8, and 9 all have some type of creek which is superior to the subject. Sales 1, 2, 4, and 8 have inferior locations when compared to the subject with the other sales having similar locations. Given the location of the subject and its site attributes a value at the lower end of the range of the adjusted sales is appropriate due to location. Sale 10 at \$600 per acre is most similar given its horse and foot access only and its more remote nature. The subject has rolling to steeper terrain, has no live water, and has fair foot and horse access. Tract 11, the easternmost tract of this Larger Parcel is remote.

Based on the data analyzed and taking into consideration the terrain and location of the sales, as well as the individual site amenities of each sale and the subject, a value of \$600 per acre has been estimated for Larger Parcel 6. The sales adjustment grids for Larger Parcel 6 are on the following two pages.

Final Value Larger Parcel 6 - \$696,000

Sales Comparison Approach (1-5)

Sale Data	Sale Data	Subject	Sale #1 1	Sale #2 2	Sale #3 3	Sale #4 4	Sale #5 5
	Grantor (Seller)		1	2	3	4	5
	Grantee (Buyer)		1	2	3	4	5
	Source		Extraordinary verification	Extraordinary Verification	Seller	Confidential	Buyer
	Date	Eff 01/16	09/15	07/15	05/15	01/15	12/14
	Eff Unit Size/Unit	1,160.00 / Acres	1,239	760	2,430	2,935	2,811
	Sale Price		515,000	325,000	942,691	4,750,000	4,450,000
	Finance Adjusted		Cash 0	Cash 0	Seller 54	Cash 0	Cash to seller 0
	CEV Price		515,000	325,000	1,453,406	4,650,000	4,450,000
	Multiplier GIM						
Expense Ratio		30.96	36.25	24.21	85.82	40.01	

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

CEV Price/ Acres	415.56	427.63	598.11	1,584.34	1,583.18
LAND AND IMPROVEMENT ADJUSTMENTS					
Land Adjustment	0.00	0.00	0.00	0.00	0.00
Impvt. Adjustment	0.00	0.00	0.00	-194.32	-15.74
Adjusted Price	415.56	427.63	598.11	1,390.02	1,567.44

TIME ADJUSTMENTS							
<input checked="" type="checkbox"/> Yr	<input type="checkbox"/> Mo	Periods	0	0	0	0	0
<input type="checkbox"/> Smp	<input checked="" type="checkbox"/> Cmp	Rate	0.00	0.00	0.00	0.00	0.00
<input type="checkbox"/> Auto	<input checked="" type="checkbox"/> Man	Time Adjustment	0.00	0.00	0.00	0.00	0.00
Time Adj. Price			415.56	427.63	598.11	1,390.02	1,567.44

OTHER ADJUSTMENTS						
Access	Foot & Horse Only	None	None	Seasonal & None	Seasonal - Vehicle	Seasonal - Vehicle
	Adjustment	180.00	180.00	0.00	-865.00	-865.00
Terrain	Rolling to Steeper	Steep	Steep	Rolling to Steepr	Meadows to Rolling	Rolling to Steeper
	Adjustment	(+)	(+)	=	(-)	=
Live Water	None	Creek	None	Seasonal Creeks	2 Creeks	3 Creeks
	Adjustment	(-)	=	(-)	(-)	(-)
Location	Within Beartooth WMA	Lincoln	Lincoln	Meagher - Belt Mtn	Lincoln	Adj Beartooth
	Adjustment	(+)	(+)	=	(+)	=
Adjustment						
Net Adjustments		180	180	0	-1,059	-881
ADJUSTED PRICE		596	608	598	525	702

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

Sales Comparison Approach Summary:

Property Basis (Value Range): \$ _____ to \$ _____
 Unit Basis: \$ 600.00 / Acre X 1,160.00 Acres = \$ 696,000.00
 Multiplier Basis: \$ _____ X _____ (multiple) = \$ _____

Sales Comparison Indication:
 \$ _____ \$696,000

Larger Parcel 6 – Sales Comparison Approach Sales 1-5

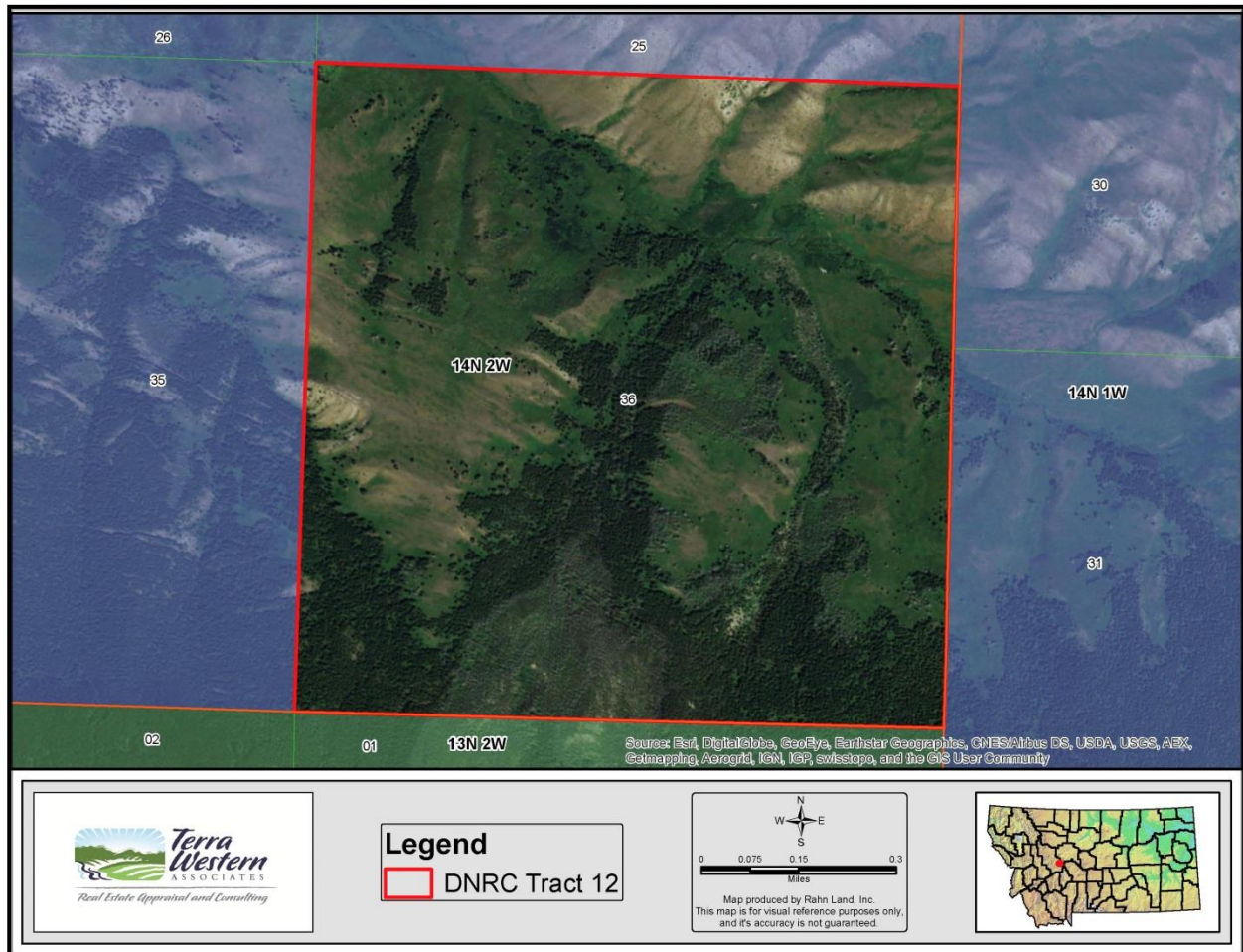
Sales Comparison Approach (6-10)

Sale Data		Subject	Sale #6 6	Sale #7 7	Sale #8 8	Sale #9 9	Sale #10 10
Sale Data	Grantor (Seller)		6	7	8	9	10
	Grantee (Buyer)		6	7	8	9	10
	Source		USFS	MLS	MLS/Broker	Confidential	Confidential
	Date	Eff. 01/16	08/14	08/14	04/14	10/13	09/12
	Eff. Unit Size/Units	1,160.00 / Acres	989	1,402	640	640	571
	Sale Price		990,000	2,000,000	900,000	991,000	342,516
	Finance Adjusted		Cash 0	Cash 0	Cash 0	Cash 0	Cash 0
	CEV Price		990,000	2,000,000	900,000	991,000	342,516
	Multiplier GIM						
	Expense Ratio		33.11	34.25	30.18	46.75	0.00
<p>The Appraiser has cited sales of similar property to the subject and considered these in the market analysis. The description below includes a dollar adjustment reflecting market reaction to those items of significant variation between the subject and the sales documented. When significant items are superior to the property appraised, a negative adjustment is applied. If the item is inferior, a positive adjustment is applied. Thus, each sale is adjusted for the measurable dissimilarities and each sale producing a separate value indication. The indications from each sale are then reconciled into one indication of value for this approach.</p>							
CEV Price/ Acres		1,001.01	1,426.80	1,406.25	1,548.44	600.00	
LAND AND IMPROVEMENT ADJUSTMENTS							
Land Adjustment		0.00	0.00	0.00	0.00	0.00	
Impvt. Adjustment		0.00	-25.68	0.00	0.00	0.00	
Adjusted Price		1,001.01	1,401.12	1,406.25	1,548.44	600.00	
TIME ADJUSTMENTS							
<input checked="" type="checkbox"/> Yr.	<input type="checkbox"/> Mo.	Periods	0	0	0	0	0
<input type="checkbox"/> Smp.	<input checked="" type="checkbox"/> Cmp.	Rate	0.00	0.00	0.00	0.00	0.00
<input type="checkbox"/> Auto.	<input checked="" type="checkbox"/> Man.	Time Adjustment	0.00	0.00	0.00	0.00	0.00
		Time Adj. Price	1,001.01	1,401.12	1,406.25	1,548.44	600.00
OTHER ADJUSTMENTS							
Access	Foot & Horse Only	Seasonal - Vehicle	Seasonal - Vehicle	Seasonal - Vehicle	Seasonal - Vehicle	Foot, Horse Only	
	Adjustment	(-)	-865.00	-865.00	-865.00	0.00	
Terrain	Rolling to Steeper	1/2 Very Steep	Similar	Steep	1/2 very steep	Very Steep	
	Adjustment	(+)	=	(+)	(+)	(+)	
Live Water	None	Ray Creek	None	Springs	Springs	None	
	Adjustment	(-)	=	(-)	(-)	=	
Location	Within Beartooth WMA	Belt Mtn	E. Powell Co.	SE Meagher Co.	Granite Co.	Craig	
	Adjustment	=	=	(+)	=	=	
Adjustment							
Net Adjustments			0	-891	-865	-865	0
ADJUSTED PRICE			1,001	536	541	683	600
<p>Analysis/Comments: (Discuss positive and negative aspects of each sale as they affect value) See narrative Comments</p>							

Larger Parcel 6 – Sales Comparison Approach Sales 6-10

Value - Larger Parcel 7

Larger Parcel 7 consists of the 640.00 acre Tract 12 which is the southeastern most Tract in the subject tract set. It is adjacent to USFS lands to the south and is surrounded on the other three sides by the Beartooth WMA. This unit has Elkhorn Creek on it and there is a public horse camping site just off of the northwest corner of this Larger Parcel. This parcel has foot, horse, and bicycle access via the Elkhorn Creek Service Road. The parcel is six miles from the Beartooth WMA headquarters.



Larger Parcel 7

The ten sales ranged in unadjusted value from \$415 per acre to \$1,584 per acre. The adjusted sale value range is \$525 to \$1001 per acre. As noted above, Sale 6 at \$1,001 per acre has seasonal vehicle access so is superior to the subject parcels in this regard. Sale 6 was purchased by the USFS based on an appraisal. It is considered an outlier in this dataset and there was no other definitive adjustment that could be discerned from the data set. Excluding this sale the dataset tightens in range from \$525 to \$702 per acre.

Sale 4 is a superior tract to all of the subject tracts prior to adjustments but when adjusted for its superior access it sets the bottom end of the range at \$525 per acre. Sales 1 and 2 have no legal or physical access and after adjustments for access set the bottom of the value range for similar tracts at \$596 and \$608 per acre. They also have no live water which is inferior to the subject.

Sales 1, 2, 6, 8, 9, and 10 have inferior terrain when compared to the subject. Sales 4 and 5 have more than one creek which is superior to the subject's one creek. Sales 1, 3, 8, and 9 all have some type of creek which is similar to the subject. Sales 1, 2, 4, and 8 have inferior locations when compared to the subject with the other sales having similar location. Sales 4 (next to USFS) at \$525 per acre, Sale 5 at \$702 (Beartooth WMA), Sale 7 (USFS) at \$536, and Sale 10 (BLM) at \$600 per acre were most similar to the subject. Given the location of the subject and its site attributes a value at the mid-range of these adjusted sales is appropriate at \$600 per acre. The subject has rolling to steeper terrain, has good tree cover, has live water, and has fairly good foot and horse access via a service road and trail but is still very remote.

Based on the data analyzed and taking into consideration the terrain and location of the sales, as well as the individual site amenities of each sale and the subject, a value of \$600 per acre has been estimated for Larger Parcel 7. The sales adjustment grids for Larger Parcel 7 are on the following two pages.

Final Value Larger Parcel 7 - \$416,000

Sales Comparison Approach (1-5)

Sale Data	Sale Data	Subject	Sale #1 1	Sale #2 2	Sale #3 3	Sale #4 4	Sale #5 5
	Grantor (Seller)		1	2	3	4	5
	Grantee (Buyer)		1	2	3	4	5
	Source		Extraordinary verification	Extraordinary Verification	Seller	Confidential	Buyer
	Date	Eff 01/16	09/15	07/15	05/15	01/15	12/14
	Eff Unit Size/Unit	640.00 / Acres	1,239	760	2,430	2,935	2,811
	Sale Price		515,000	325,000	942,691	4,750,000	4,450,000
	Finance Adjusted		Cash 0	Cash 0	Seller 54	Cash 0	Cash to seller 0
	CEV Price		515,000	325,000	1,453,406	4,650,000	4,450,000
	Multiplier GIM						
Expense Ratio		30.96	36.25	24.21	85.82	40.01	

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

CEV Price/ Acres	1	2	3	4	5
	415.56	427.63	598.11	1,584.34	1,583.18
LAND AND IMPROVEMENT ADJUSTMENTS					
Land Adjustment	0.00	0.00	0.00	0.00	0.00
Impvt. Adjustment	0.00	0.00	0.00	-194.32	-15.74
Adjusted Price	415.56	427.63	598.11	1,390.02	1,567.44

TIME ADJUSTMENTS							
<input checked="" type="checkbox"/> Yr	<input type="checkbox"/> Mo	Periods	0	0	0	0	0
<input type="checkbox"/> Smp	<input checked="" type="checkbox"/> Cmp	Rate	0.00	0.00	0.00	0.00	0.00
<input type="checkbox"/> Auto	<input checked="" type="checkbox"/> Man	Time Adjustment	0.00	0.00	0.00	0.00	0.00
Time Adj. Price			415.56	427.63	598.11	1,390.02	1,567.44

OTHER ADJUSTMENTS						
Access	Foot, Horse, Bike Adjustment	None	None	Seasonal & None	Seasonal - Vehicle	Seasonal - Vehicle
		180.00	180.00	0.00	-865.00	-865.00
Terrain	Rolling to Steeper Adjustment	Steep	Steep	Rolling to Steep	Meadows to Rolling	Rolling to Steeper
		(+)	(+)	=	(-)	=
Live Water	Elkhorn Creek Adjustment	Creek	None	Seasonal Creeks	2 Creeks	3 Creeks
		=	(+)	(+)	(-)	(-)
Location	Within Beartooth WMA Adjustment	Lincoln	Lincoln	Meagher - Belt Mtn	Lincoln	Adj Beartooth
		(+)	(+)	=	(+)	=
Adjustment						
Net Adjustments		180	180	0	-1,059	-881
ADJUSTED PRICE		596	608	598	525	702

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

Sales Comparison Approach Summary:

Property Basis (Value Range): \$ _____ to \$ _____
 Unit Basis: \$ 650.00 / Acre X 640.00 Acres = \$ 416,000.00
 Multiplier Basis: \$ _____ X _____ (multiple) = \$ _____

Sales Comparison Indication:
 \$ 416,000

Larger Parcel 7 – Sales Comparison Approach Sales 1-5

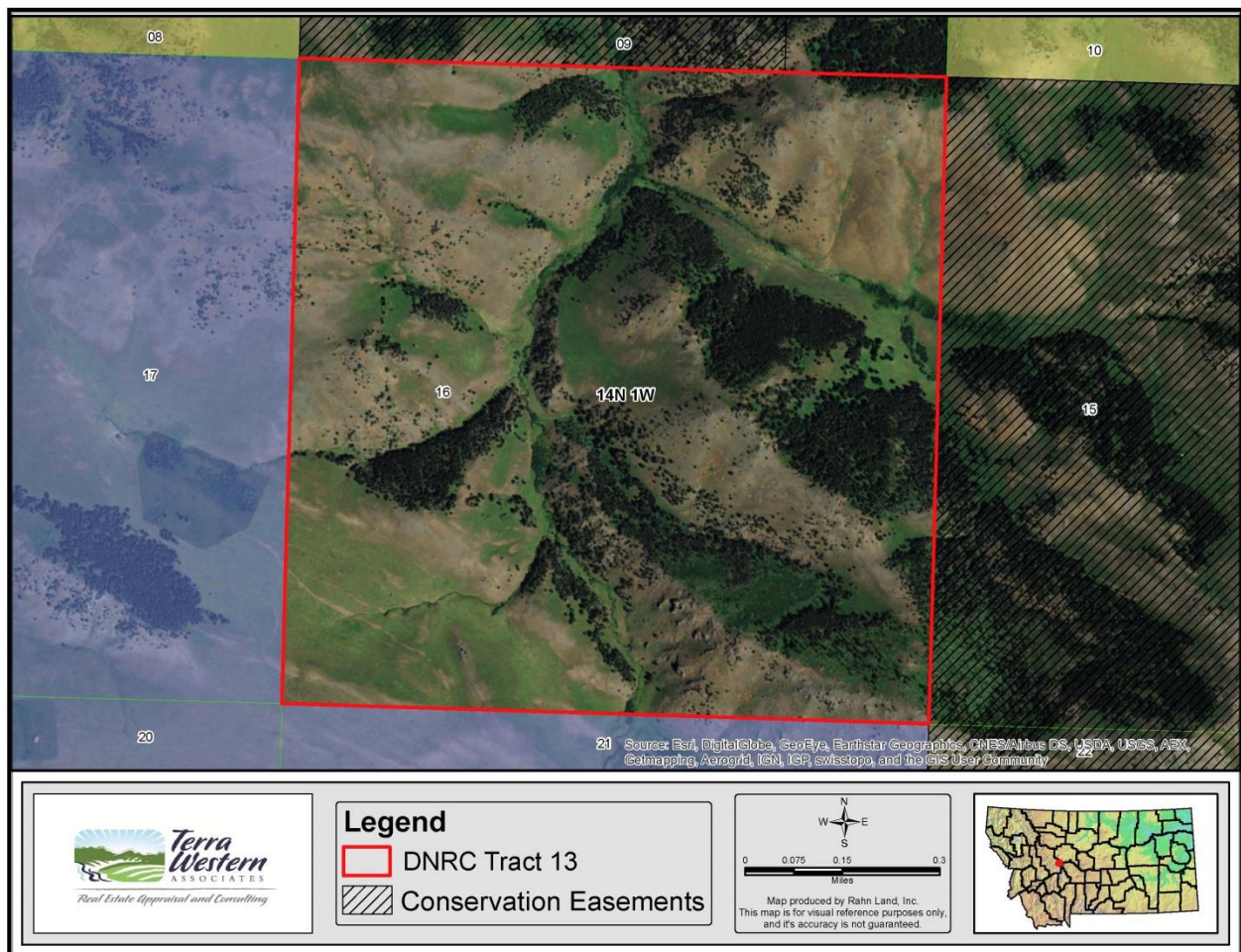
Sales Comparison Approach (6-10)

Sale Data		Subject	Sale #6 6	Sale #7 7	Sale #8 8	Sale #9 9	Sale #10 10
Sale Data	Grantor (Seller)		6	7	8	9	10
	Grantee (Buyer)		6	7	8	9	10
	Source		USFS	MLS	MLS/Broker	Confidential	Confidential
	Date	Eff. 01/16	08/14	08/14	04/14	10/13	09/12
	Eff. Unit Size/Units	640.00 / Acres	989	1,402	640	640	571
	Sale Price		990,000	2,000,000	900,000	991,000	342,516
	Finance Adjusted		Cash 0	Cash 0	Cash 0	Cash 0	Cash 0
	CEV Price		990,000	2,000,000	900,000	991,000	342,516
	Multiplier GIM						
	Expense Ratio		33.11	34.25	30.18	46.75	0.00
<p>The Appraiser has cited sales of similar property to the subject and considered these in the market analysis. The description below includes a dollar adjustment reflecting market reaction to those items of significant variation between the subject and the sales documented. When significant items are superior to the property appraised, a negative adjustment is applied. If the item is inferior, a positive adjustment is applied. Thus, each sale is adjusted for the measurable dissimilarities and each sale producing a separate value indication. The indications from each sale are then reconciled into one indication of value for this approach.</p>							
CEV Price/ Acres		1,001.01	1,426.80	1,406.25	1,548.44	600.00	
LAND AND IMPROVEMENT ADJUSTMENTS							
Land Adjustment		0.00	0.00	0.00	0.00	0.00	
Impvt. Adjustment		0.00	-25.68	0.00	0.00	0.00	
Adjusted Price		1,001.01	1,401.12	1,406.25	1,548.44	600.00	
TIME ADJUSTMENTS							
<input checked="" type="checkbox"/> Yr.	<input type="checkbox"/> Mo.	Periods	0	0	0	0	0
<input type="checkbox"/> SmpI	<input checked="" type="checkbox"/> Cmp	Rate	0.00	0.00	0.00	0.00	0.00
<input type="checkbox"/> Auto.	<input checked="" type="checkbox"/> Man.	Time Adjustment	0.00	0.00	0.00	0.00	0.00
		Time Adj. Price	1,001.01	1,401.12	1,406.25	1,548.44	600.00
OTHER ADJUSTMENTS							
Access	Foot, Horse, Bike Adjustment	Seasonal - Vehicle (-)	-865.00	-865.00	-865.00	-865.00	0.00
	Terrain	Rolling to Steeper Adjustment (+)	1/2 Very Steep =	Similar =	Steep (+)	1/2 very steep (+)	Very Steep (+)
Live Water	Elkhorn Creek Adjustment	Ray Creek =	None (+)	Springs (+)	Springs (+)	None (+)	
	Location	Within Beartooth WMA Adjustment	Belt Mtn =	E. Powell Co. =	SE Meagher Co. (+)	Granite Co. =	Craig =
		Adjustment					
Net Adjustments			0	-891	-865	-865	0
ADJUSTED PRICE			1,001	536	541	683	600
<p>Analysis/Comments: (Discuss positive and negative aspects of each sale as they affect value) See narrative Comments</p>							

Larger Parcel 7 – Sales Comparison Approach Sales 6-10

Value - Larger Parcel 8

Larger Parcel 8 consists of the 640.00 acre Tract 13 which is the easternmost tract in the subject tract set. It is adjacent to WMA lands to the south and west and borders the conservation easement encumbered Sieben Ranch to the north and east. It has add-on plottage potential for the Sieben Ranch. This unit has Tyrell Creek on it which is not a major water source but could provide some stockwater. This parcel has foot and horse access only across steep and difficult terrain. It has no trail to it and it is very remote. The parcel is eight miles east of the Beartooth WMA headquarters and is quite remote.



Larger Parcel 8

The ten sales ranged in unadjusted value from \$415 per acre to \$1,584 per acre. The adjusted sale value range is \$525 to \$1001 per acre. As noted above, Sale 6 at \$1,001 per acre has seasonal vehicle access so is superior to the subject parcels in this regard. Sale 6 was purchased by the USFS based on an appraisal. It is considered an outlier in this dataset and there was no other definitive adjustment that could be discerned from the data set. Excluding this sale the dataset tightens in range from \$525 to \$702 per acre.

Sale 4 is a superior tract to all of the subject tracts prior to adjustments but when adjusted for its superior access it sets the bottom end of the range at \$525 per acre. Sales 1 and 2 have no legal or physical access and after adjustments for access set the bottom of the value range for similar tracts at \$596 and \$608 per acre. They have no live water which is slightly inferior to the subject.

Sales 1, 2, 6, 8, 9, and 10 have inferior terrain when compared to the subject. Sales 4 and 5 have more than one creek which is superior to the subject's one creek. Sales 1, 3, 8, and 9 all have some type of creek which is similar to the subject. Sales 1, 2, 4, and 8 have inferior general locations when compared to the subject with the other sales having similar location near public land. Sales 4, 7, and 10 are most similar with a range of \$525 to \$600 per acre. Given the location of the subject and its site attributes a value at the mid-range of these three adjusted sales is appropriate. The subject has rolling to steeper terrain, has good tree cover, has live water, and has poor foot and horse access across rugged terrain.

Based on the data analyzed and taking into consideration the terrain and location of the sales, as well as the individual site amenities of each sale and the subject, a value of \$550 per acre has been estimated for Larger Parcel 8. The sales adjustment grids for Larger Parcel 8 are on the following two pages.

Final Value Larger Parcel 8 - \$352,000

Sales Comparison Approach (1-5)

Sale Data	Sale Data	Subject	Sale #1 1	Sale #2 2	Sale #3 3	Sale #4 4	Sale #5 5
	Grantor (Seller)		1	2	3	4	5
	Grantee (Buyer)		1	2	3	4	5
	Source		Extraordinary verification	Extraordinary Verification	Seller	Confidential	Buyer
	Date	Eff 01/16	09/15	07/15	05/15	01/15	12/14
	Eff Unit Size/Unit	640.00 / Acres	1,239	760	2,430	2,935	2,811
	Sale Price		515,000	325,000	942,691	4,750,000	4,450,000
	Finance Adjusted		Cash 0	Cash 0	Seller 54	Cash 0	Cash to seller 0
	CEV Price		515,000	325,000	1,453,406	4,650,000	4,450,000
	Multiplier GIM						
Expense Ratio		30.96	36.25	24.21	85.82	40.01	

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

CEV Price/ Acres		415.56	427.63	598.11	1,584.34	1,583.18
LAND AND IMPROVEMENT ADJUSTMENTS						
Land Adjustment		0.00	0.00	0.00	0.00	0.00
Impvt. Adjustment		0.00	0.00	0.00	-194.32	-15.74
Adjusted Price		415.56	427.63	598.11	1,390.02	1,567.44
TIME ADJUSTMENTS						
<input checked="" type="checkbox"/> Yr	<input type="checkbox"/> Mo	Periods	0	0	0	0
<input type="checkbox"/> Smp	<input checked="" type="checkbox"/> Cmp	Rate	0.00	0.00	0.00	0.00
<input type="checkbox"/> Auto	<input checked="" type="checkbox"/> Man	Time Adjustment	0.00	0.00	0.00	0.00
		Time Adj. Price	415.56	427.63	598.11	1,390.02
OTHER ADJUSTMENTS						
Access	Foot, Horse Adjustment	None	None	Seasonal & None	Seasonal - Vehicle	Seasonal - Vehicle
		180.00	180.00	0.00	-865.00	-865.00
Terrain	Rolling to Steeper Adjustment	Steep	Steep	Rolling to Steep	Meadows to Rolling	Rolling to Steeper
		(+)	(+)	=	(-)	=
Live Water	Seasonal Creek Adjustment	Creek	None	Seasonal Creeks	2 Creeks	3 Creeks
		(-)	(+)	=	(-)	(-)
Location	Within Beartooth WMA Adjustment	Lincoln	Lincoln	Meagher - Belt Mtn	Lincoln	Adj Beartooth
		(+)	(+)	=	(+)	=
	Adjustment					
Net Adjustments		180	180	0	-1,059	-881
ADJUSTED PRICE		596	608	598	525	702

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

Sales Comparison Approach Summary:

Property Basis (Value Range): \$ _____ to \$ _____
 Unit Basis: \$ 550.00 / Acre X 640.00 Acres = \$ 352,000.00
 Multiplier Basis: \$ _____ X _____ (multiple) = \$ _____

Sales Comparison Indication:
 \$ 352,000

Larger Parcel 8 – Sales Comparison Approach Sales 1-5

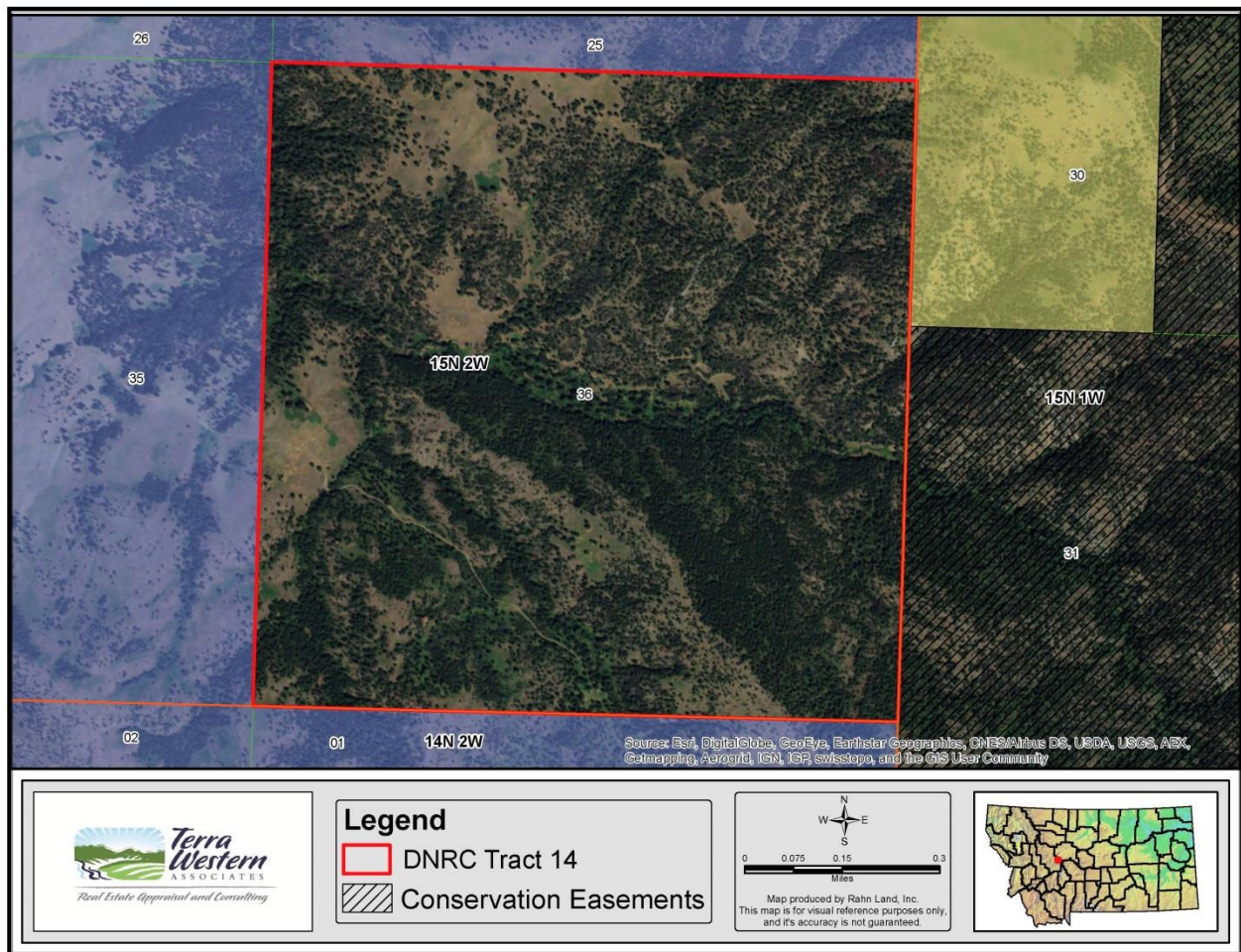
Sales Comparison Approach (6-10)

Sale Data		Subject	Sale #6 6	Sale #7 7	Sale #8 8	Sale #9 9	Sale #10 10
Sale Data	Grantor (Seller)		6	7	8	9	10
	Grantee (Buyer)		6	7	8	9	10
	Source		USFS	MLS	MLS/Broker	Confidential	Confidential
	Date	Eff. 01/16	08/14	08/14	04/14	10/13	09/12
	Eff. Unit Size/Units	640.00 / Acres	989	1,402	640	640	571
	Sale Price		990,000	2,000,000	900,000	991,000	342,516
	Finance Adjusted		Cash 0	Cash 0	Cash 0	Cash 0	Cash 0
	CEV Price		990,000	2,000,000	900,000	991,000	342,516
	Multiplier GIM						
	Expense Ratio		33.11	34.25	30.18	46.75	0.00
<p>The Appraiser has cited sales of similar property to the subject and considered these in the market analysis. The description below includes a dollar adjustment reflecting market reaction to those items of significant variation between the subject and the sales documented. When significant items are superior to the property appraised, a negative adjustment is applied. If the item is inferior, a positive adjustment is applied. Thus, each sale is adjusted for the measurable dissimilarities and each sale producing a separate value indication. The indications from each sale are then reconciled into one indication of value for this approach.</p>							
CEV Price/ Acres		1,001.01	1,426.80	1,406.25	1,548.44	600.00	
LAND AND IMPROVEMENT ADJUSTMENTS							
Land Adjustment		0.00	0.00	0.00	0.00	0.00	
Impvt. Adjustment		0.00	-25.68	0.00	0.00	0.00	
Adjusted Price		1,001.01	1,401.12	1,406.25	1,548.44	600.00	
TIME ADJUSTMENTS							
<input checked="" type="checkbox"/> Yr.	<input type="checkbox"/> Mo.	Periods	0	0	0	0	0
<input type="checkbox"/> SmpI	<input checked="" type="checkbox"/> Cmp	Rate	0.00	0.00	0.00	0.00	0.00
<input type="checkbox"/> Auto.	<input checked="" type="checkbox"/> Man.	Time Adjustment	0.00	0.00	0.00	0.00	0.00
		Time Adj. Price	1,001.01	1,401.12	1,406.25	1,548.44	600.00
OTHER ADJUSTMENTS							
Access	Foot, Horse Adjustment	Seasonal - Vehicle	Seasonal - Vehicle	Seasonal - Vehicle	Seasonal - Vehicle	Foot, Horse Only	
		(-)	-865.00	-865.00	-865.00	0.00	
Terrain	Rolling to Steeper Adjustment	1/2 Very Steep	Similar	Steep	1/2 very steep	Very Steep	
		(+)	=	(+)	(+)	(+)	
Live Water	Seasonal Creek Adjustment	Ray Creek	None	Springs	Springs	None	
		(-)	(+)	(+)	(+)	(+)	
Location	Within Beartooth WMA Adjustment	Belt Mtn	E. Powell Co.	SE Meagher Co.	Granite Co	Craig	
		=	=	(+)	=	=	
Adjustment							
Net Adjustments			0	-891	-865	-865	0
ADJUSTED PRICE			1,001	536	541	683	600
<p>Analysis/Comments: (Discuss positive and negative aspects of each sale as they affect value) See narrative Comments</p>							

Larger Parcel 8 – Sales Comparison Approach Sales 6-10

Value - Larger Parcel 9

Larger Parcel 9 consists of the 640.00 acre Tract 14 which is the northernmost tract in the subject tract set. It is adjacent to WMA lands to the north, south, and west and borders the conservation easement encumbered Sieben Ranch to the east. It has add-on plottage potential for the Sieben Ranch. This unit has Wegener Creek on it which is a good year-around water source. This parcel has public foot, horse, and bicycle access via a trail that comes up out of the Cottonwood Service Road. The parcel is seven miles east of the Beartooth WMA headquarters. There is another service road that comes through the neighboring Sterling Ranch but it is not open to the public and would not be available access to any other owner than FWP. The terrain to reach the unit is rolling to steeper in places.



Larger Parcel 9

The ten sales ranged in unadjusted value from \$415 per acre to \$1,584 per acre. The adjusted sale value range is \$525 to \$1001 per acre. As noted above, Sale 6 at \$1,001 per acre has seasonal vehicle access so is superior to the subject parcels in this regard. Sale 6 was purchased by the USFS based on an appraisal. It is considered an outlier in this

dataset and there was no other definitive adjustment that could be discerned from the data set. Excluding this sale the dataset tightens in range from \$525 to \$702 per acre.

Sale 4 is a superior tract to all of the subject tracts prior to adjustments but when adjusted for its superior access it sets the bottom end of the range at \$525 per acre. Sales 1 and 2 have no legal or physical access and after adjustments for access set the bottom of the value range for similar tracts at \$596 and \$608 per acre. They have no live water which is inferior to the subject.

Sales 1, 2, 6, 8, 9, and 10 have inferior terrain when compared to the subject. Sales 4 and 5 have more than one creek which is superior to the subject's one creek. Sales 1, 3, 8, and 9 all have some type of creek which is similar to the subject. Sales 1, 2, 4, and 8 have inferior general locations when compared to the subject with the other sales having similar location near recreational amenities. Sales 4, 5, 7, and 10 are most similar with a range of \$525 to \$702 per acre. Given the location of the subject and its site attributes a value at the mid-range of these three adjusted sales is appropriate. Given the location of the subject and its site attributes a value at the middle of the range of these four adjusted sales is appropriate. The subject has rolling to steeper terrain, has good tree cover, has live water, and has average foot, horse, and bicycle access off of a trail from the Cottonwood Service Road.

Based on the data analyzed and taking into consideration the terrain and location of the sales, as well as the individual site amenities of each sale and the subject, a value of \$650 per acre has been estimated for Larger Parcel 9. The sales adjustment grids for Larger Parcel 9 are on the following two pages.

Final Value Larger Parcel 9 - \$416,000

Sales Comparison Approach (1-5)

Sale Data	Sale Data	Subject	Sale #1 1	Sale #2 2	Sale #3 3	Sale #4 4	Sale #5 5
	Grantor (Seller)		1	2	3	4	5
	Grantee (Buyer)		1	2	3	4	5
	Source		Extraordinary verification	Extraordinary Verification	Seller	Confidential	Buyer
	Date	Eff 01/16	09/15	07/15	05/15	01/15	12/14
	Eff Unit Size/Unit	640.00 / Acres	1,239	760	2,430	2,935	2,811
	Sale Price		515,000	325,000	942,691	4,750,000	4,450,000
	Finance Adjusted		Cash 0	Cash 0	Seller 54	Cash 0	Cash to seller 0
	CEV Price		515,000	325,000	1,453,406	4,650,000	4,450,000
	Multiplier GIM						
Expense Ratio		30.96	36.25	24.21	85.82	40.01	

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

CEV Price/ Acres		415.56	427.63	598.11	1,584.34	1,583.18
LAND AND IMPROVEMENT ADJUSTMENTS						
Land Adjustment		0.00	0.00	0.00	0.00	0.00
Impvt. Adjustment		0.00	0.00	0.00	-194.32	-15.74
Adjusted Price		415.56	427.63	598.11	1,390.02	1,567.44

TIME ADJUSTMENTS						
<input checked="" type="checkbox"/> Yr	<input type="checkbox"/> Mo	Periods	0	0	0	0
<input type="checkbox"/> Smp	<input checked="" type="checkbox"/> Cmp	Rate	0.00	0.00	0.00	0.00
<input type="checkbox"/> Auto	<input checked="" type="checkbox"/> Man	Time Adjustment	0.00	0.00	0.00	0.00
		Time Adj. Price	415.56	427.63	598.11	1,390.02

OTHER ADJUSTMENTS						
Access	Foot, Horse, Bike Adjustment	None	None	Seasonal & None	Seasonal - Vehicle	Seasonal - Vehicle
		180.00	180.00	0.00	-865.00	-865.00
Terrain	Rolling to Steeper Adjustment	Steep	Steep	Rolling to Steep	Meadows to Rolling	Rolling to Steeper
		(+)	(+)	=	(-)	=
Live Water	Wegener Creek Adjustment	Creek	None	Seasonal Creeks	2 Creeks	3 Creeks
		=	(+)	(+)	(-)	(-)
Location	Within Beartooth WMA Adjustment	Lincoln	Lincoln	Meagher - Belt Mtn	Lincoln	Adj Beartooth
		(+)	(+)	=	(+)	=
Adjustment						
Net Adjustments		180	180	0	-1,059	-881
ADJUSTED PRICE		596	608	598	525	702

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

Sales Comparison Approach Summary:

Property Basis (Value Range): \$ _____ to \$ _____
 Unit Basis: \$ 650.00 / Acres X 640.00 Acres = \$ 416,000.00
 Multiplier Basis: \$ _____ X _____ (multiple) = \$ _____

Sales Comparison Indication:
 \$ _____ \$416,000

Larger Parcel 9 – Sales Comparison Approach Sales 1-5

Sales Comparison Approach (6-10)

Sale Data		Subject	Sale #6 6	Sale #7 7	Sale #8 8	Sale #9 9	Sale #10 10
Sale Data	Grantor (Seller)		6	7	8	9	10
	Grantee (Buyer)		6	7	8	9	10
	Source		USFS	MLS	MLS/Broker	Confidential	Confidential
	Date	Eff. 01/16	08/14	08/14	04/14	10/13	09/12
	Eff. Unit Size/Units	640.00 / Acres	989	1,402	640	640	571
	Sale Price		990,000	2,000,000	900,000	991,000	342,516
	Finance Adjusted		Cash 0	Cash 0	Cash 0	Cash 0	Cash 0
	CEV Price		990,000	2,000,000	900,000	991,000	342,516
	Multiplier GIM						
	Expense Ratio		33.11	34.25	30.18	46.75	0.00
<p>The Appraiser has cited sales of similar property to the subject and considered these in the market analysis. The description below includes a dollar adjustment reflecting market reaction to those items of significant variation between the subject and the sales documented. When significant items are superior to the property appraised, a negative adjustment is applied. If the item is inferior, a positive adjustment is applied. Thus, each sale is adjusted for the measurable dissimilarities and each sale producing a separate value indication. The indications from each sale are then reconciled into one indication of value for this approach.</p>							
CEV Price/ Acres		1,001.01	1,426.80	1,406.25	1,548.44	600.00	
LAND AND IMPROVEMENT ADJUSTMENTS							
Land Adjustment		0.00	0.00	0.00	0.00	0.00	
Impvt. Adjustment		0.00	-25.68	0.00	0.00	0.00	
Adjusted Price		1,001.01	1,401.12	1,406.25	1,548.44	600.00	
TIME ADJUSTMENTS							
<input checked="" type="checkbox"/> Yr.	<input type="checkbox"/> Mo.	Periods	0	0	0	0	0
<input type="checkbox"/> SmpI	<input checked="" type="checkbox"/> Cmp	Rate	0.00	0.00	0.00	0.00	0.00
<input type="checkbox"/> Auto.	<input checked="" type="checkbox"/> Man.	Time Adjustment	0.00	0.00	0.00	0.00	0.00
		Time Adj. Price	1,001.01	1,401.12	1,406.25	1,548.44	600.00
OTHER ADJUSTMENTS							
Access	Foot, Horse, Bike Adjustment	Seasonal - Vehicle (-)	Seasonal - Vehicle -865.00	Seasonal - Vehicle -865.00	Seasonal - Vehicle -865.00	Foot, Horse Only 0.00	
	Terrain	Rolling to Steeper Adjustment (+)	1/2 Very Steep =	Similar (+)	Steep (+)	1/2 very steep (+)	Very Steep (+)
Live Water	Wegener Creek Adjustment =	Ray Creek =	None (+)	Springs (+)	Springs (+)	None (+)	
	Location	Within Beartooth WMA Adjustment =	Belt Mtn =	E. Powell Co. =	SE Meagher Co. (+)	Granite Co. =	Craig =
		Adjustment					
Net Adjustments			0	-891	-865	-865	0
ADJUSTED PRICE			1,001	536	541	683	600
<p>Analysis/Comments: (Discuss positive and negative aspects of each sale as they affect value) See narrative Comments</p>							

Larger Parcel 9 – Sales Comparison Approach Sales 6-10

At this point a statement of the positive and negative factors of value associated with the subject is appropriate:

Positive factors of the property are:

- Location inside the boundaries Beartooth Game Range.
- Excellent views.
- Exists as fourteen legal tracts.
- Has good hunting amenities.
- Good water sources in creeks and springs on most parcels.
- Unit has diverse terrain throughout the parcels.
- Excellent wildlife habitat.
- Large variety of wildlife.
- On the edge of the Greater Yellowstone Ecosystem.
- Good on-site aesthetics.
- Under current regulations, for tracts 1-13, landowner hunter preference tags have very good odds for mule deer and are guaranteed a tag for elk.
- Terrain is fairly good for mountain foothill recreational land.
- Good recreational amenities in hiking, hunting, fishing (where there are creeks), horseback riding, bicycle (where allowed), and camping.

Negative factors of the property are:

- No road access to tracts 1 and 4-14.
- Legal access is limited to foot, horse, and/or bicycle on tracts 1 and 4-14.
- No live water on tracts 2, 3, 4, 6, 8, 9, 10, and 11 as stand-alone units.
- Seasonal closure of WMA causes access issues in the winter to all tracts. No snow mobiles, no skiing, no snowshoeing in winter.
- Very difficult to build on the tracts that have no road access.
- Some tracts have steeper terrain so build sites may be limited due to terrain.
- Trespass from WMA hunters and land users possible.
- No real possibility of complementary agricultural income.

Based on the above discussion and after analyzing the comparability chart and the positive and negative factors affecting value on the subject, the subject lands have been valued as follows for each larger parcel:

Final Value Larger Parcel 1 - \$468,000
Final Value Larger Parcel 2 - \$135,000
Final Value Larger Parcel 3 - \$480,000
Final Value Larger Parcel 4 - \$504,000
Final Value Larger Parcel 5 - \$572,000
Final Value Larger Parcel 6 - \$696,000
Final Value Larger Parcel 7 - \$416,000
Final Value Larger Parcel 8 - \$352,000
Final Value Larger Parcel 9 - \$416,000

Total Value of all Larger Parcels: \$4,039,000

As of January 22, 2016, the Sales Comparison Approach, as herein applied, indicates a value of \$4,039,000. When applied across the entire property the value of the nine larger parcels is as follows:

5,438.427 deeded acres @ \$723.55/acre = \$4,039,000

Rounded to: \$4,039,000

F. Reconciliation of the Opinion of Value

The **INCOME APPROACH** is based on the stabilized net income potential of the land and market indicated capitalization rates representing buyers' expected returns on similar properties. Properties of a similar recreational nature and individual size in the area have minimal economic use relative to agricultural rental values and rents cannot support value trends in this market which have transitioned from agricultural uses to a higher use of rural recreation and or rural recreational site. While some properties are used for agricultural grazing and some fee hunting, the fees generated by such uses do not justify, nor are they relevant to, an economic valuation of the properties and represent complementary uses of the land. Capitalization rates in the current datasets ranged from 0.0% to 0.82% with most being in the -0.22% to 1.05% range, with most being in the 0.02 to 0.35% range, substantiating the fact that this market is more recreationally oriented with buyer motivations lying in aesthetics and recreational qualities. As such, a valuation of properties such as the subject utilizing the Income Approach is not appropriate. Therefore, the Income Approach is not applicable in this instance and was not developed.

The **SALES COMPARISON APPROACH** is based on a direct comparison of similar properties which have sold in the subject area or a competing area. Given the nature of the market similar properties for direct pairings were not available for adjustments for all factors of value, however there was the ability to identify market supported adjustments for most components or factors affecting value as identified such as building adjustment, access, site amenities, terrain and location. Qualitative adjustments were noted for terrain, site amenities, and location while quantitative adjustments were made for access and in one dataset site amenities. All four datasets of sales used in this approach were valuable in determining the \$/acre value of the subject's nine larger parcels. The Sales Comparison Approach was utilized in this report and is felt to be the most reliable approach to value given the quantity and quality of data available and the reliance of buyers and sellers on this approach.

The **COST APPROACH** is most applicable when the appraised property's improvements are new and represent the highest and best use of the land. Additionally, the Cost Approach is useful when there is a good bank of open land sales that are dependable and reliable and when the costing information is from excellent sources. There were no buildings on the subject larger parcels and each larger parcel only had one land class. There were several good puritan rangeland sales and sales with puritan recreational rangeland, puritan recreational lands, and puritan recreational/site land components in this market with which to value the land components of the subject via the Cost Approach; however, the same sales would have been used in the Cost Approach as in the Sales Comparison Approach so it would have been a redundant exercise. Therefore, the Cost Approach was not used in this appraisal.

The appraiser employed one of the three traditional methods of estimating the market value of the nine larger parcels. The market value estimated by the Sales Comparison Approach is shown below for an effective date of January 22, 2016.

There was an adequate amount of good quality sales data available in this assignment as the sales possessed features and characteristics generally similar to those of the appraised properties. This sales data was used within the Sales Comparison Approach to value and it reflected a relatively narrow range that lends a high degree of confidence to the final appraised value of the nine larger parcels,

In the final analysis, the Sales Comparison Approach is deemed to be the most accurate and reliable method of valuation for the appraised property. Therefore, a final value conclusion based on the Sales Comparison Approach is drawn.

Opinion of value of the subject larger parcels:

Final Value Larger Parcel 1 - \$468,000

Final Value Larger Parcel 2 - \$135,000

Final Value Larger Parcel 3 - \$480,000

Final Value Larger Parcel 4 - \$504,000

Final Value Larger Parcel 5 - \$572,000

Final Value Larger Parcel 6 - \$696,000

Final Value Larger Parcel 7 - \$416,000

Final Value Larger Parcel 8 - \$352,000

Final Value Larger Parcel 9 - \$416,000

Total Value of all Larger Parcels: \$4,039,000

As of January 22, 2016, the Sales Comparison Approach, as herein applied, indicates a value of \$4,039,000. When applied across the entire property the value of the nine larger parcels is as follows:

5,438.427 deeded acres @ \$723.55/acre = \$4,039,000

Rounded to: \$4,039,000

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Montana Certified General #174
Wyoming Certified General #424
Montana Licensed Real Estate Agent #11358
406/539-4924 cell – 406/522-9844 office
kim@terrawestern.com

TERRA WESTERN ASSOCIATES, INC., Bozeman, Montana 1999 to present
OWNER, PRESIDENT

Provides independent real estate and financial consulting to a variety of individuals and entities. Specializing in conservation easements (over 355,000 acres appraised in past ten years alone for conservation) agricultural, recreational and other types of rural properties. Services include real estate appraisal, financial feasibility consulting, cash flow projections, and due diligence work. Ms. Colvin specializes in rural property valuation on properties such as the following:

- dairies
- conservation easements
- irrigated & dryland farms
- improved suburban tracts
- land divisions
- chattels
- land exchanges
- livestock ranches
- divorce settlement
- recreational land
- litigation support
- cash flow projections
- misc. acreage tracts
- rural subdivisions
- wildlife habitat
- Yellow Book Appraisal
- estate settlement
- feasibility studies

ML PROPERTIES, Big Timber, Montana 2005 to Present

Sales Associate – Have had real estate sales license since 1999. This license is now associated with ML Properties in Big Timber, Montana. Sales of rural real estate, due diligence for buyers, and sellers, and real estate consulting.

NORMAN C. WHEELER AND ASSOCIATES, Bozeman, Montana 1999 to 2005
SENIOR ASSOCIATE APPRAISER, AGRICULTURAL CONSULTANT

Associated with the company in March of 1999 as a senior associate appraiser. Norman C. Wheeler and Associates is a 52-year-old appraisal and consulting firm with offices in Bozeman and Sheridan, Montana. Professional staff employed by the firm included four full time appraisers with four holding state general licenses as well as the designation of Accredited Rural Appraiser (ARA). Provided independent real estate and financial consulting. Specializing in agricultural, recreational and other types of rural properties. Services included real estate appraisal, financial feasibility consulting, cash flow projections and day-to-day management consulting.

HALL-WIDDOSS & COMPANY, Spearfish, South Dakota 1997 to 1999
ASSOCIATE APPRAISER, AGRICULTURAL CONSULTANT

Specializing in agricultural, intensive livestock operations including dairies and feedlots, ranches, and recreational properties. Appraisal work involves market value estimates for agricultural, commercial, rural, recreational, mountain development, and residential properties. The work performed is used for condemnation and other types of litigation, special-use agricultural valuations, financing for both proposed and existing properties, acquisitions, multi-state land exchanges, legal actions, and market studies.

INDEPENDENT FEE APPRAISER, Helena, MT - 1991 to 1998

Appraising rural properties consisting of ranches, recreational properties, dairies, diversified farming operations including row crops and permanent plantings, packing houses and rural residential subdivision properties. Also included some financial consulting. Work performed in Montana, California, South Dakota, Wyoming and several other western states.

SIERRA WESTERN AGRICULTURAL SERVICES, INC., Exeter, CA - 1989 to present
ASSOCIATE APPRAISER, AGRICULTURAL CONSULTANT

Appraising ranch and dairy real estate, farm equipment, cattle and growing crops. Prepare and monitor farm operating budgets and farm management skills for commercial banks, CPA's, attorneys and farming companies. Verify financial statement assets. Evaluate farm Net Operating Income for banks and investors, and farm property earning capacity for potential buyers. Conduct financial consulting for ongoing operations and debt restructure.

SECURITY PACIFIC NATIONAL BANK, Visalia, CA - 1984 to 1989
ASSISTANT VICE PRESIDENT

1988-1989: As Commercial Loan Officer for Visalia Dairy Industries Center, performed as lead officer in a wide range of financial management and business development responsibilities. Clients consisted of dairy operations, dairies with extensive farming operations, creameries. Managed production loan portfolio of \$17 Million.

1984-1988: Served as A.V.P. Dairy Specialist, responsible for a wide range of financial and managerial customer evaluations in direct support of the bank credit officer: appraisal of agricultural real estate, dairy cattle, feedstuffs and farm equipment. Performed cash flow analyses and projections for dairy farms and general agricultural crops. Accounts consisted of farms and dairies located in California, Arizona, Oregon and Nevada. Also performed analyses and cash flows for operations with deciduous fruit, nuts and row crops.

MADDOX DAIRY, Burrell, CA - 1981 to 1984
YOUNGSTOCK MANAGER

Responsible for supervision of ongoing calf operation, supervising up to 3,600 head of youngstock, six employees, feed rations, record-keeping, veterinary treatments and maintenance of facilities. Mortality rate on 4,100 calves raised (0-2 mos) over two years - 1.0%

CAL POLY FOUNDATION DAIRY - San Luis Obispo, CA - 1977 to 1981

Held various positions, including Herdsman's Assistant, calf feeder, milker and maternity manager.

EDUCATION

B.S. Cal Poly, San Luis Obispo, June 1981, Dairy Science
Senior Thesis - Progesterone Levels as an Indicator of Pregnancy in Dairy Cattle
Carnation Genetics Artificial Insemination School
College of Sequoias, Visalia, CA - Accounting 1A, 1B
American Bankers Association -- Financial Statement Analysis;
Commercial Analysis for Lenders -- USC Advanced Financial Management
Pacifica Graduate Institute - August 2008 - M.A. Depth Psychology
Pacifica Graduate Institute - May 2014 - Ph.D. Depth Psychology

APPRAISAL COURSES COMPLETED

Report Writing (1989), Fundamentals of Rural Appraisal (A10, 1991), Principles of Rural Appraisal (A20, 1991), Advanced Rural Appraisal (A30, 1992), Eminent Domain (A25, 1992), Standards & Ethics (A12), 1991, 1994, 1997, Income Approach Capitalization Unleveraged (A18, 1995), Environmental Seminar, (1994), Open Forum on Public Interest Value, (1994), Lease Valuation Seminar (1998), Appraisal Electronic Spreadsheet Seminar, (1998), Conservation Easement Appraisal (1998), PAASD Building Measurement and Computer Tools Seminar (1998), Appraisal Institute Ethics 420 (1998), Appraisal Institute Standards & Ethics 410 (1999), Fundamentals of Real Estate, Connole-Morton (1999), Federal Land Acquisitions and Exchanges (Yellow Book) (2000). Fundamentals of Real Estate, Connole-Morton, (1999), Real Estate Ethics, Connole-Morton (2000), Is the Comparable Comparable? IFA (2002), Appraisal Review - Residential 7 hours (AI, 2002), Appraisal Review - General 7 hours (AI, 2002). Risk in Real Estate, Connole-Morton (2002), ASFMRA Ethics (2003), USPAP 7 Hr Course ASFMRA (2003). IFA Manufactured Housing (2004), IFA Defects in Residences (2004), IFA Land Use (2004), 7 Hour USPAP Course (2005), Appraisal Institute Mapping Course (2005), Appraisal Institute 2005 URAR Update C (2005). USPAP 7 Hour Update (2006), Discounting and Leases Seminar (2006), 4 hour mandatory Real Estate Licensing Update and 8 Hours of continuing education Connole-Morton (2006). Montana Economic Conference (2007),

IFA Easements and Licenses (2007), ASFMRA Appraisal Review (2007) 16 hours, ASFMRA Appraisal Review Under USPAP 22 hours (2007). 4 hour mandatory Real Estate Licensing Update and 8 Hours of continuing education Connole-Morton (2007). Valuation of Conservation Easements 33 hour Certification Course – AI, ASFMRA, ASA, LTA (2008). ASFMRA Code of Ethics 4 hours (2008). Credit Crisis Continuing Education Connole-Morton 8 hours (2008). Gallatin Association of Realtors 4 hr Ethics Course (2008). ASFMRA Requirements of UASFLA – The “Yellow Book” (2008). Appraisal Institute USPAP 7 hr Update Course (2009). 4 hour mandatory Real Estate Licensing Update and 8 Hours of continuing Education Connole-Morton RE School (2009). Wind Powered Electric Generator Course AFMRA (10/2009), ASFMRA Cost Estimating Seminar (1/2010), ASFMRA 7 hr USPAP Update Course (1/2010). ASFMRA Sales Comparison Approach Seminar (1/2011), AFO/CAFO Seminar (1/2011), River and Roads Seminar (1/2011). Montana Conservation Easement Conference for Financial Professionals (10/2011). 7 Hour USPAP Update Course (2/2012). Montana Access and Easement Law (2/2012). Montana GIS Cadastral Course (2/2012). Appraisal Institute – Fundamentals of Separating Real Property, Personal Property, and Intangible Business Assets (4/2012), 2012 Montana Association of Land Trusts continuing education for Conservation Professionals (10/2012), NAR Realtor Ethics, 4 hrs, (11/2012). Financial Strategies for the Agricultural Family, 8 hrs, (12/2012). Connole-Morton Mandatory and Core Real Estate Sales Continuing Education, 7 hrs, (9/2013). ASFMRA Ethics (2/2014). Uniform Standards of Professional Appraisal Practice 7 Hour Update (2/2014). Water Rights in Montana (DNRC) (2/2014). Appraisal Institute – General Appraiser Market Analysis and Highest & Best Use (4/2014). Connole-Morton Real Estate School (9/2014). Sonoran Institute Value in Rural Subdivision Design (10/2014). Connole-Morton Real Estate School (9/2015). Appraisal Institute Litigation Appraising: Specialized Topics and Applications (10/2015).

CIVIC AND PROFESSIONAL INVOLVEMENT

National Dairy Shrine Member; Accredited Member of the American Society of Farm Managers and Rural Appraisers (ARA); Montana Farm Bureau Member; National Mentor Chair for ASFMRA 1995-1998; 1998-99 ASFMRA Accrediting Committee member; Regional Appraisal Review Committee Chair; State legislative Committee Chairman and Real Estate Board Liaison for ASFMRA (4 years). Past State Mentor for Chapter. Past Montana ASFMRA State Chapter President (1995), Vice President and Director. Associate member of the Appraisal Institute, Member of University of Montana Western Advisory Board (2002). Sweet Grass County High School Booster Club Member (2008). Crazy Mountain Stock Grower’s Association (2008-2010) Sweet Grass County Wool Grower’s (2008-2010). Member National Association of Realtors. Member of the Southwest Montana Farm and Ranch Brokers (ongoing). Member of the Southwest Montana Multiple Listing Service.