

FORM APPRAISAL REPORT
FOR
DNRC Cabin Site Sale #868
Broadwater County, Montana



Prepared by:

Katie Rickett, A.R.A.

JK Appraisal & Consulting, LLC


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

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

EFFECTIVE DATE: July 21, 2017



JK APPRAISAL & CONSULTING LLC

Katie Rickett, ARA 
President, Owner
Certified General Appraiser, MT

August 10, 2017

Department of Natural Resources and Conservation
PO Box 201601
Helena, MT 59620

Attn: Emily Cooper

RE: DNRC Cabin Site Sale #868

Dear Ms. Cooper

Pursuant to your request, I have personally inspected and prepared an appraisal of the real property associated with the Department of Natural Resources and Conservation (DNRC) Cabin Site Sale #868 property located in Broadwater County, Montana. The property consists of one contiguous tract consisting of an estimated 9.5 acres with improvements. This property was appraised under several hypothetical conditions and two extraordinary assumptions

The appraisal conducted herein is deemed to be an **Appraisal Report** that is presented to you in a form format, all in compliance with the current Uniform Standards of Professional Appraisal Practice (USPAP) guidelines. The objective of this analysis is to provide a credible opinion of market value for the possible sale of the 9.5 acre tract owned by the State of Montana. The improvements are currently owned by the lessee of the surrounding State of Montana ground. Intended users are State of Montana, Montana Board of Land Commissioners, Department of Natural Resources and Conservation (DNRC), and the Toston Land Group, LLC, Lessee. Based on my inspection and analysis, it is my opinion that as of **July 21, 2017**, the estimated market value of the subject property is as follows:

Improvements CV:	\$247,000
<u>Land Value-Only:</u>	<u>\$ 33,000</u>
As A Whole:	\$280,000

This value is in terms of cash and considers the surface ownership rights of the property. This value excludes specific valuation of timber, mineral or water rights; the subject market does not delineate these particular rights during sales transactions. The real property is appraised in an "as-is" condition. This value does not include personal property, fixtures, emblements or intangible items. The appraisal assumes the property meets all requirements of county regulations.

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

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

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

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

Respectfully submitted,



Katie Rickett, ARA
Montana Certified General Appraiser
#REA-RAG-LIC-650

Uniform Agricultural Appraisal Report

EFFECTIVE DATE: July 21, 2017

Montana DNRC Trust Property #868
150 Smith Lane
Toston, MT 59643
Broadwater County, MT



Prepared For:

Department of Natural Resource & Conservation
PO Box 201601
Helena, MT 59620
Attn: Emily Cooper

Intended User:

State of Montana
Montana Board of Land Commissioners
Department of Natural Resources & Conservation (DNRC)
Toston Land Group, LLC

Prepared By:

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

Date Prepared:

August 10, 2017

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Uniform Agricultural Appraisal Report

Property Identification

Owner/Occupant:	Montana DNRC/Lessee		Total Deeded Acres:	9.50
Property Address:	150 Smith Lane, Toston		Effective Unit Size:	9.50
State/County:	Montana	/	Broadwater	Zip Code:
Property Location:	2 W of Toston		Property Code #:	
Highest & Best Use:	Rural Homesite	"As If" Vacant	FAMC Comd'ty Gp:	
	Rural Homesite	"As Improved"	Primary Land Type:	Single Family Home
Zoning:	None		Primary Commodity:	Single Family Home
Unit Type:	<input checked="" type="checkbox"/> Economic Sized Unit	<input type="checkbox"/> Supplemental/Add-On Unit		
FEMA Community #	30007C	FEMA Map #	0725C	FEMA Zone/Date:
Legal Description:	Lot in SE4SE4NW4 SEC 16 TWP 5N RNG 2E Attached <input type="checkbox"/>			
Purpose of Report:	To provide a credible opinion of market value			
Use/Intended User(s):	Possible sell of the subject property/ State of Montana; Montana Board of Land Commissioners; DNRC; Toston Land Group, LLC			
Rights Appraised:	Fee Simple excluding reservations, easements, conveyances, restrictions, and encumbrances of record.			
Value Definition:	Attached <input checked="" type="checkbox"/>			
Assignment:	Report Type: Appraisal			
Extent of Process/Scope of Work: Katie Rickett, A.R.A. inspected the subject property on April 11, 2017. This is the effective date of value. Market data was researched through local courthouse records, realtors, and other market participants knowledgeable of the local market. Total acres are calculated from the Montana Cadastral Web-site and confirmed with the county assessor and legal description. Additional property and market data was researched and obtained from the DNRC web-site. The sales were inspected and analyzed to arrive at an estimated value. Appropriate approaches to value were implemented.				

Summary of Facts and Conclusions

Appraisal Report Summary

Date of Inspection:	July 21, 2017	Effective Date of Appraisal:	July 21, 2017
Value Indication	- Cost Approach:	\$	280,800
	- Income Approach:	\$	N/A
	- Sales Comparison Approach:	\$	280,000
Opinion of Value:	(Estimated Marketing Time 3-9 months)	\$	280,000
Cost of Repairs:	\$	Cost of Additions:	\$
Allocation:	Land: \$	33,000	\$ 3,474 / (12 %)
	Land Improvements: \$		\$ 0 / (0 %)
	Structural Improvement Contribution: \$	247,000	\$ 26,000 / (88 %)
	Non-Realty Items: \$		\$ 0 / (0 %)
Leased Fee Value (Remaining term of encumbrance)	\$		\$ 0 / Acre (0 %)
Leasehold Value:	\$		\$ 0 / Acre (0 %)
	Overall Value:	\$	29,474 / Acre (100 %)
Income and Other Data Summary:	<input type="checkbox"/> Cash Rent	<input type="checkbox"/> Share	<input type="checkbox"/> Owner/Operator
Income Multiplier ()		Income Estimate: \$	/ (unit)
Expense Ratio %		Expense Estimate: \$	/ (unit)
Overall Cap Rate: %		Net Property Income: \$	/ (unit)

Area-Regional-Market Area Data and Trends:

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

Subject Property Rating:

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

USPAP, Organizational, or Other Requirements

Report Type: Appraisal
Date of Inspection: 07/21/17 **Date of Value Opinion:** 07/21/17 **Date of Report:** 08/10/17

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

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

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

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

Subject Property Sale & Marketing History: *(Analyze and report any agreements of sale, options, or current listings as of the date of the appraisal - and all sales within three (3) years prior to the effective date of appraisal. For UASFLA assignments, report the details of the LAST SALE OF THE SUBJECT - no matter when it occurred):* There has been no activity on the subject property in the past three years as the land is currently owned by the State of Montana. The buildings are owned by Toston Land Group, LLC who leases the ground from the State of Montana. The Buildings were purchased by Toston Land Group, LLC in 2016. However, the Bill of Sale was never filed with Broadwater County Clerk and Recorder and they have the current owner of the buildings as FE Land, LLC.

Market Conditions *(Volume of Competing Listings, Volume of Sales, Amenities Sought by Buyers):* In searching the market in a 15 miles radius around the Toston area, for residential properties. Five listings and six sales were found. Of the six sales, five were found to be applicable to the subject property. Four of the five sales are along the Missouri River and are 2 acres in size or smaller; the fifth sell is located between Townsend and Toston and is 20 acres in size. Four of the five listings found are in the Clarkston area; while the fifth listing is located along the Missouri River in the Missouri River Rendezvous subdivision and adjacent to the three of the sold sales with Missouri River Frontage. Very limited rural homesites in the area as it is a strong agricultural area with little subdivision development.

Approaches to Value *(Explain Approaches Used and/or Omitted):* The Sales Comparison and Cost Approach is used to determine an opinion of value. The use of the Income Approach is not applicable on a rural residential property nor does it support the value the properties command in this rural homesite type market.

Scope of Work

Continued from Scope of Work :

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

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

The purpose of this appraisal is to provide a credible opinion of the MARKET VALUE of the subject property in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP) Standard 1 and Standard 2-2(a), 2016-2017 Edition.

The appraiser completed an on-site field inspection of the subject property on July 21, 2017 and was accompanied by a Ernest Miller, the owner's representative.

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

The authority for conducting the appraisal was given by the Montana Department of Natural Resource & Conservation (DNRC). The use of this appraisal is for a possible sell of the proposed subject property. The clients are the State of Montana, Montana Board of Land Commissioners, Department of Natural Resources and Conservation (DNRC). Intended users are the State of Montana, Montana Board of Land Commissioners, Department of Natural Resources and Conservation (DNRC), and Toston Land Group, LLC, Lessee.

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

USPAP includes a competency provision that states:

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

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

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

Scope of Work

Hypothetical Conditions:

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

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

Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. There are several hypothetical conditions that accompany this report, as instructed:

- 1) Include a total market value of the property, that the land and improvements are in fee simple ownership, with one owner.
- 2) Include a separate market value for the state-owned land, less the improvements, as if the land is vacant.
- 3) Allocate a separate market value for the non-state-owned improvements, from the total market value derived in #1 above.
- 4) The subject property is a 9.5 acre lot and is a legal lot and available to sell separately as such.

Extraordinary Assumption:

As defined by the current Uniform Standards of Professional Appraisal Practice: an assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions.

Comment: Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

There are two extraordinary assumptions being used in this appraisal 1) is that the subject acreage given to the appraiser is the correct acreage of 9.5 acres. If this is found to be not the true acreage once the survey is complete, the appraiser reserves the right to correct this appraisal. The aerial map depicted in this appraisal is based on current fence lines and an estimated 9.5 acre lot using a mapping program in Google Earth Pro.

2) The improvements are owned by Toston Land Group, LLC.

MARKET VALUE DEFINITION

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

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

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

Other:

EXPOSURE AND MARKETING TIME ESTIMATES

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

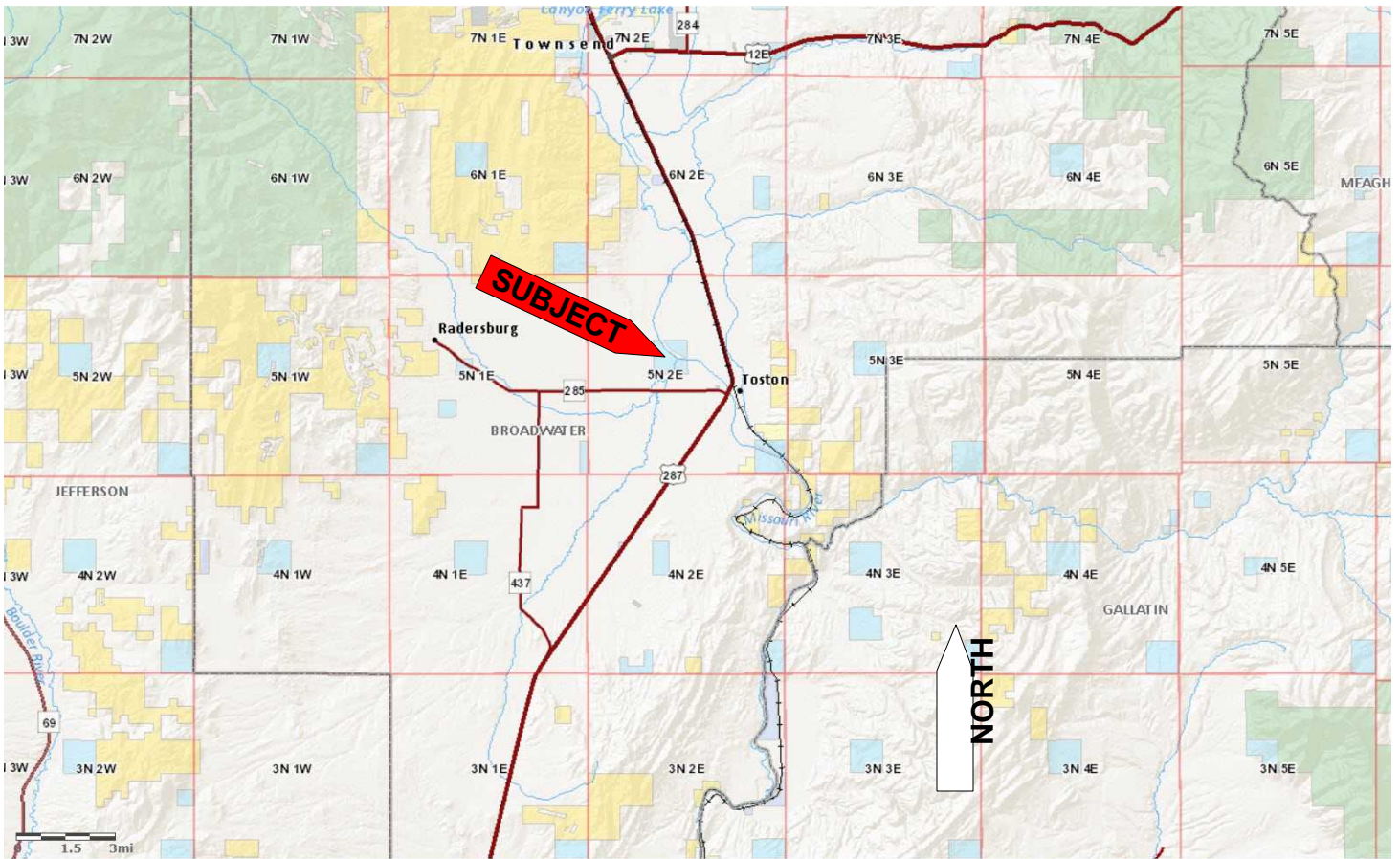
In applying the market value definition to this appraisal, a reasonable exposure time of 3-9 months has been estimated. Exposure time is the estimated length of time the property interest being appraised would have been offered in the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; exposure time is always presumed to **precede** the effective date of the appraisal.

Marketing time, however, is an estimate of the amount of time it takes to sell a property interest at the market value conclusion during the period **after** the effective date of the appraisal. An estimate of marketing time is not intended to be a prediction of a date of sale. It is inappropriate to assume that the value as of the effective date of appraisal remains stable during a marketing period. Additionally, the appraiser(s) have considered market factors external to this appraisal report and have concluded that a reasonable marketing time for the property is 3-9 months.

Comments:

Area-Regional Description	Area-Regional Boundary: Toston area home sales.		On and Off Property:																																																			
	Major Commodities: Hay Crops, Beef Cattle, Wheat, Barley, Potatoes, milk, corn, sorghum.		Value Trend: <input checked="" type="checkbox"/> Up Sales Activity Trend: <input checked="" type="checkbox"/> Up Population Trend: <input checked="" type="checkbox"/> Up Employment Trend: <input type="checkbox"/> Up	Stable <input type="checkbox"/> Stable <input type="checkbox"/> Stable <input type="checkbox"/> Stable	Down <input type="checkbox"/> Down <input type="checkbox"/> Down <input type="checkbox"/> Down																																																	
	Off Property Employment: <table border="0"> <tr> <td>Above Avg.</td> <td>Avg.</td> <td>Below Avg.</td> <td>N/A</td> </tr> <tr> <td><input type="checkbox"/></td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Unlikely</td> <td>Likely</td> <td>Taking Place</td> <td></td> </tr> </table>		Above Avg.	Avg.	Below Avg.	N/A	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Unlikely	Likely	Taking Place		Market Availability: <table border="0"> <tr> <td>Under Supply</td> <td>Balanced</td> <td>Over Supply</td> <td>No Influence</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </table>				Under Supply	Balanced	Over Supply	No Influence	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>								
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Forces of Value: (Discuss social, economic, governmental, and environmental forces.) Montana's 2016 estimated population is reported at 1,042,520 people residing in the state an increase of 5.4% increase from the 2010 Census. Population density measuring people per square mile was 6.8, dropping from 48th to 49th nationally. The total land area of Montana is approximately 145,546 square miles or over 93 million acres, with 64.1% of the state contained in farm and ranch lands, a total of 28,006 farms, averaging 2,134 acres, as reported from USDA in 2012. Montana's 2012 agricultural sector output was approximately 4.230 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 constitutes 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 10.8 million tourists visited Montana in 2012, spending an average of \$308 per tourist and a total of \$3.2 billion to the Montana economy. 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.																																																						
Exposure Time: 3-9 months. (See attached definition and discussion)																																																						
Market Area Description	Specific Market Area Boundaries: Vacant and improved homesites that have sold around the Toston area.																																																					
	Market Area: <table border="0"> <tr> <td>Rural</td> <td>Suburb</td> <td>Urban</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Up</td> <td>Stable</td> <td>Down</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </table>		Rural	Suburb	Urban	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Up	Stable	Down	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Market Area: <table border="0"> <tr> <td>Above Avg.</td> <td>Avg.</td> <td>Below Avg.</td> <td>N/A</td> </tr> <tr> <td><input type="checkbox"/></td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </table>			Above Avg.	Avg.	Below Avg.	N/A	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Analysis/Comments: (Discuss positive and negative aspects of market area.) Broadwater County has been facing substantial growth since the 1980's. Growth pressures from a growing Helena affect the north end of the county; growth in Three Forks and Gallatin County is impacting the south end of the county; private lands in Deep Creek, the west slopes of the Big Belt Mountains, around the Canyon Ferry Lake and the Missouri River areas and the east slope of the Elkhorn Mountains have amenities that typically are attracting growth. With several smaller lot subdivisions being developed as people look for homesites with some acreage and away from the more expensive communities of Helena and Bozeman. Several communities in the Broadwater County need revitalizing.																																																						

Location Map



Area and Regional Data

COMMUNITY AND ECONOMIC FEATURES**BROADWATER COUNTY****Location**

Broadwater County is located in southwest Montana. It is bordered on the north by Lewis and Clark County, on the east by Meagher County, on the south by Gallatin County, and on the west by Jefferson County. The County includes 1,239 square miles, of which, 1,191 is in the form of land and 48 square miles are water. The county is mountainous with the valley area used for agriculture. Elevations range from 9,472 feet on the top of Mount Baldy to the average valley elevation of 3800 feet. The Big Belt Mountains run along the eastern border, and the Elkhorn Mountains form the western boundary. The Missouri River flows through the county from south to north, offering both irrigation for crops and recreational opportunities. Canyon Ferry Lake covers approximately 35,000 acres in the northern part of the county, is the third largest lake in the state, and the lake shore is federally owned. Canyon Ferry Lake is Broadwater County's major asset, for its power generation, crop irrigation, and recreational capabilities.

Broadwater County's 796,000 acres, the land usage is as follows:

Private Lands	65%	515,000 acres
Grazing	41%	326,000 ac
Dry Crop	10%	77,000 ac
Irrigated	8%	46,000 ac
Timber - private	4%	35,000 ac
Other - urban, utilities	2%	20,000 ac
State Lands	3%	24,500 acres
Federal Lands	32%	257,500 acres

Broadwater County located between the major cities of Helena and Bozeman, with potential markets for Broadwater County goods and services. The county is also located on the route between Bozeman and Helena, which offers potential for travel and tourist commerce, not to mention the County's amenities for recreational activities.

Water Sources

Broadwater County is fortunate to have abundant water resources, by Montana standards, which makes irrigated crop land a major factor in the county's agricultural economy. Water is obtained from both surface water diversions and from groundwater development.

The Missouri River, which flows south to north through the county, is the key surface water source. Toston Dam on the Missouri, located approximately four miles south of the community of Toston, provides water for the Broadwater Missouri Diversion Project. This project furnishes water to irrigate crop lands along both sides of the river through two canals. The west side canal is 15 miles in length, running northwest of Toston. The east side canal passes to the east of Townsend, and continues up the east side of Canyon Ferry Lake, ending at Duck Creek. Total length of the east side canal is 35 miles. Together the two canals irrigate approximately 22,000 acres.

Big Spring Ditch flows out of Big Spring south of Toston, running six miles and ending at Dry Creek. This canal irrigates 2,200 acres.

Another surface water diversion from the Missouri River is the Montana Ditch. Its point of diversion is on the east bank of the river about two miles south of Townsend. It carries water to the east of Townsend and flows into Canyon Ferry Lake seven miles north of Townsend.

In the 1950's the U.S. Bureau of Reclamation constructed the Canyon Ferry Dam for power generation and irrigation. The resulting reservoir, Canyon Ferry Lake, has become a major feature of Broadwater County, covering 35,000 acres. Approximately 5,000 acres of productive agricultural land was inundated by the reservoir. As restitution for the lost prime agricultural acreage, the Bureau of Reclamation created the Crow Creek Pump Unit, an irrigation development system with a series of canals, ditches and pumps to provide irrigation water to previously dry crop lands within the valley.

Most of the new water development in the county has been for sprinkler irrigation. In addition, much of the previously flood-irrigated lands have come under sprinkler irrigation. Sprinkler irrigation systems are more efficient than flood irrigation, thereby making water available to irrigate additional lands. Sprinkler irrigation can affect ground water levels and quantities, aquifer recharge, and sub-irrigation. Approximately 46,000 acres of crop land in Broadwater County are currently irrigated. Irrigated lands have and will most likely continue to be used for hay, pasture, wheat, barley, and potatoes.

Area and Regional Data

Transportation

The Townsend Airport is located on City- County-owned land, and serves as the base for approximately 12 general aviation single-engine aircraft, and is used for general aviation, air taxi services, and military use by the National Guard. The airport uses a 4,000' long by 60' asphalt runway and includes a pilot's lounge, private hangers, and a camping area for overnight stays. The airport stages an annual fly-in on July 4, bringing in 50-60 aircraft along with pilots and passengers. Recent improvements at the airport include the installation of precision approach lights and the addition of five hangers since 2000. Two new businesses have also been established - an aircraft repair service and an aircraft sales business. County's transportation corridors provide access to areas throughout the United States and Canada.

Gallatin Field, 53 miles from Townsend, accommodates five airlines (Delta, Northwest, United, Horizon & Alaska Air) providing a minimum of six flights per day each, Broadwater County has good air service in comparison to other population centers in Montana. Connections to major hubs at Salt Lake City, Spokane, and Minneapolis help to support a growing community of business commuters residing in Broadwater County. The Gallatin Regional Airport is being doubled in size with additional expansion occurring in 2017.

The county road department maintains approximately 670 miles of county roads. The department employs a county road supervisor and three additional employees. Since the Montana Department of Transportation assumed maintenance responsibilities for secondary state highways in 1997, the road department has no paved roads to maintain.

Area Prestige

The county has extensive acreage of irrigated crop, hay and pasture lands that contribute significantly to the county economy. Ample water is available in the county for irrigation and industrial use. The county has extensive timber and agricultural resources, from which value-added processing can be promoted. The Montana Railink Railroad provides important rail transportation of goods to and from Broadwater County. The climate is moderate, making the county an appealing and attractive place for visitors, retirees and prospective entrepreneurs. The county population has been growing steadily, which helps support local businesses and business growth. Many of the incoming new residents favor strong local economies and communities with appealing environments and life styles. Broadwater County has a growing professional business sector - finance, insurance, accounting, and health/medical care - that attracts out-of-county customers and strengthens the economy. The county is close to Helena and Bozeman, major cities with potential markets for Broadwater County goods and services. Also, the county is located on the route between Bozeman and Helena, which offers potential for travel and tourist commerce.

Broadwater County's lakes, rivers and streams support outstanding fisheries that attract anglers from all over the region. Canyon Ferry Lake and the Missouri River produces 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 between Townsend and Winston. 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. The Indian Creek campground and ponds have been developed into a very attractive recreation facility that is enjoyed by both local residents and travelers.

The Lewis and Clark expedition up the Missouri river in 1805 provides opportunities for Broadwater County. The expedition traveled up the Missouri River from the Gates of the Mountains to the three forks of the Missouri River, making significant journal entries, in what is now Broadwater County. Residents of Broadwater and Gallatin Counties, with state and federal agencies, have developed historical points and features commemorating the Corps of Discovery.

The Headwaters State Park, across the river from Broadwater County, has become a well-known historical place commemorating the Corps of Discover. Interpretive signs at Toston Dam explaining the Lewis and Clark expedition are important tourist information attractions. In 2002, local residents erected a plaque to mark the Crimson Bluffs, a feature southwest of Townsend cited in the Lewis and Clark journals.

Area and Regional Data

Economic Forces

Broadwater County's economic revenue is healthier than some other counties, due to the type of property taxed or class of taxable valuation. Under Montana law, utilities have a tax rate of 12%, railroads have a tax base of 4.27%, and residential, commercial, industrial, and agricultural properties have a tax rate of 3.6% or less. Utilities and railroads are the largest contributors to the county property tax, due largely to a privately-owned electric power transmission line that crosses Broadwater County from east to west, and the mainline of the Montana RailLink railroad located in the county. Residential property is the second largest contributor to the property tax base and agriculture is the third.

The economic health of Broadwater County has historically been tied to the area's resources, including agricultural land, timber, and minerals. The timber resource is at a critical juncture, where decades of fire suppression and drought have combined to create extensive stands of beetle-killed trees, but market forces have forced sawmills and pulp plants to close. Opportunities exist for economic development based on the use of woody biomass material removed from forest restoration activities, such as wildfire hazardous fuel treatments, insect and disease mitigation, forest management due to catastrophic weather events, and/or thinning overstocked stands. Closing of these sawmills and pulp plants have forced the BCDC to become innovative and purchase equipment to produce a recycled woody biomass pellet, as an alternative energy source. This alternative energy source, since natural gas available is limited in the area, is hoping to become a cost effective lure for commercial businesses to come to Broadwater County.

The lands immediately north and west of Townsend are located in the Missouri River floodplain, which also limits the opportunities for expansion of the community.

Two major mining firms operate in Broadwater County. Apollo Gold Corporation owns the Diamond Hill gold mine in the Elkhorns north of Townsend. GrayMont Western US, Inc., operates a lime mining and lime processing operation in the Elkhorn Mountains west of Townsend. Small scale mining operations occur sporadically on public and private land in the county.

Agriculture

Broadwater County is sustained by agriculture, mining, forestry, and tourism. According to the 2016 Montana State Agricultural overview, Montana as a whole had 27,400 farms, down from 2012 which had 27,870 farms. Broadwater County, in 2016, had 287 farms, with the average farm size of 1,661 acres, compared to the state average farm size of 2,179 acres. Broadwater County's total acreage of 796,000 acres, sixty percent is in agriculture, and eight percent of that is irrigated land. Total farm and ranch assets for Montana were \$1.61 Billion with 29.3% in cropland, 65.9% in rangeland and pasture, 3.3% in woodland and 1.5% in other land resources.

Broadwater County's main commodities of Cattle, Winter and Spring Wheat, Barley, Potatoes, and Forage crops sold, in 2016, had a market value of 38.1 million dollars. Sixty percent of the commodities sold were crops, while forty percent were livestock commodities.

Broadwater County has abundant water resources for agriculture, compared to other Montana counties. The 2016 Montana State Agriculture overview shows that over 50% of Broadwater County's cropland was under irrigation and over 70% of the crop yield harvested was produced from the productivity of irrigation. Total cash receipts from harvested crops, 85% came from irrigated acreage. Irrigated land constitutes only 8% of the total agricultural acreage, but represents 39% of the taxable valuation of all agricultural acreage. Irrigated lands generate 28% of the total taxable value of agricultural property.

Recreational and Aesthetic Features

In the 1950's the U.S. Bureau of Reclamation constructed Canyon Ferry Dam just north of Broadwater County for power generation and irrigation. Hunting, fishing and recreation have a long history in Broadwater County, and the county is developing 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.

Area and Regional Data

Educational and Cultural Activities

There are three public schools (K-12) available in Townsend and the new high school can now host athletic, academic and arts events for the students. Helena offers the State of Montana - College of Technology, Carroll College, the University of Montana-Extension, and the Maddios Hairstyling and Cosmetology College. Bozeman has the Montana State University.

Health Care

The Broadwater County Health Center and Home Health facility is classified as a Small Rural Hospital. The facility has 9 hospital beds and laboratory and X-ray services. The Health Center provides physical therapy and home health care. The facility includes a nursing home with 35 beds. The staff includes two physicians and a practitioner. The Health Center provides ambulance service in Broadwater County, which includes an ambulance and 15 emergency medical technicians. Broadwater County owns the physical plant, although the facility is operated by a private non-profit district board of directors. The facility employs 85 personnel, one of the largest employers in the county.

Climate:

The area climate is continental in nature, and has four distinct seasons. The state of Montana receives from 12 to 24 inches of annual precipitation, with more than two thirds of that amount expected to fall during the annual growing season. This period extends from early May to September, with most precipitation falling in the form of scattered afternoon thunderstorms occasionally accompanied by strong winds, lightning and hail.

Summers are warm and mild, with frequent afternoon thundershowers. The annual frost-free season lasts from 100 to 120 days in this area. Fall can extend to late October, and winter snows typically begin to fall in November. Several feet of snow can accumulate in the mountainous areas around the subject from November through February. Annual temperatures commonly vary from 85 degrees to 90 degrees above zero to minus 40 degrees Fahrenheit; however, such extremes are not typically of a long duration.

Generally, spring weather begins in March, and warm summers extend into September. Falls are cool, with little snow falling until November or December. Winters are generally cold, with occasional blizzards accompanied by high winds.

Montana lies in the strong belt of westerly's, which move out of the Pacific Ocean and deposit much of their precipitation on the mountain ranges of the Pacific Northwest and Montana. The average storm track out of the semi-permanent Gulf of Alaska Low is across British Columbia and eastward across the prairie provinces of Alberta and Saskatchewan. When this weather regime is entrenched firmly over western North America, Pacific weather systems have already lost a considerable portion of their moisture on the coastal ranges before reaching Montana. The remaining precipitation is largely confined to the state's mountains.

Over most of Montana June is the wettest month, followed by May, with the exception of some areas of the northwest. The average rainy season is from May 20th through June 20th. The wettest week of the year is usually the first week of June.

July and August are normally Montana's warmest months, and precipitation usually falls as showers during thunderstorms. A generalized rain pattern is quite rare. Also, a marked difference exists between the thunderstorms in July and August and those of May and June. The rainy season thunderstorms are associated with large-scale storm systems well endowed with moisture as well as strong temperature differences. The resulting heavy rains and hail can cover extensive areas of the state and often move from the east to the west, releasing torrential rains as they lift over the mountains. As the air masses become warmer and drier in July and August, the convective activity generally moves from the southwest to the northeast ahead of Pacific systems, with hail tracks tied to the topography of the state. July and August thunderstorms, while more scattered and often drier, may be destructive, with wind and hail. The higher bases of the clouds create "dry thunderstorms" and their accompanying vivid lightning, spectacular to viewers.

September in Montana is an obvious transition month and is extremely variable. Hot weather may end abruptly during the end of August or the first part of September as a major storm sweeps the state. The first snow may fall during the first week of September, and the growing season often ends with a sharp freeze. The east slopes of the Rockies experience an upsurge of precipitation, a "mini" wet season, which is very important in the sprouting of winter wheat.

October's normal temperature and precipitation can be rather surprising. October's Indian summer weather is often the most pleasant of the entire year, and temperatures are usually a little warmer than April. However, a vicious fall snowstorm, much like its cousin the April snowstorm, can also sweep the state. Some years October has been the driest month of the year.

By November the annual intensification of the Gulf of Alaska Low is underway, and strong southwesterly winds associated with Pacific weather systems again sweep over the divide onto the plains. Arctic air deepens over northern Canada as the days shorten. The first major arctic outbreak with below-zero temperatures may reach the plains east of the divide during November, but normally it occurs the first week of December.

Area and Regional Data

Montana Agriculture

Montana's 60.2 million acres of farms and ranches ranks second in the nation behind Texas in total amount of land in agriculture. The total land area of Montana is approximately 145,388 square miles, with 64.1% of the state contained in farm and ranch lands. The farm population of the state, at 45,718, averages 0.4 people per farm.

Of the approximately 60 million acres in use as farm and ranch lands, 66% is comprised of rangeland, with 30% containing croplands (8.5 % 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 2016 it is estimated that there are approximately 27,400 farms and ranches located in the state. The average size of farms and ranches in the state is approximately 2,179 acres. A look at this 2016 agricultural production and inventory rankings shows Montana holds its own among states, according to USDA, National Agricultural Statistics Service, Montana Field Office. Montana ranked second for land in farms with 59.8 million acres in 2016. Texas ranked first with 130.4 million acres and Kansas ranked third with 46.2 million acres. Montana ranked thirtieth for number of farms with 27,400, while Texas ranked first with 247,500 farms. Montana ranked second behind Wyoming for average farm size with 2,068 acres.

Data from NASS March 1, 2016 updated report on Montana: Montana ranked third for all wheat production in 2016, accounting for 9.2% percent of the U.S. total, surpassed by North Dakota and Kansas. Montana ranked second for durum wheat, fourth for winter wheat, and second for other spring wheat production, accounting for 30.1 percent, 6.3 percent, and 14.2 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 23.5 percent of the nation's barley, ranking third behind North Dakota and Idaho.

Montana ranked second, behind North Dakota, for flaxseed production, accounting for 7.1 percent of the nation's total. Montana ranked first in lentils and dry edible peas. With safflower production, accounting for 13.1 percent of the U.S. total. Montana ranked fifth for sugar beet production with 4.3 percent of the U.S. total, behind Minnesota, North Dakota, and Idaho. Montana ranked third for 2013 for alfalfa hay production with 6.2 percent of the nation's total, behind California and Idaho.

Montana ranked eighth for all sheep and lamb inventory in 2016 with 230,000 head and 4.4 percent of the U.S. total. Montana ranked fifth for breeding sheep inventory with 200,000 head and 5.2 percent of the U.S. total. Montana ranked sixth for lamb crop with 190,000 head or 5.9 percent of 2016 the U.S. total, preceded by Texas, California, South Dakota, and Wyoming. Montana ranked fifth for wool production with 1.80 million pounds or 7.0 percent of the U.S. total.

Montana's all cattle and calves inventory in 2016, ranked eleventh in the nation with 2.65 million head, or 2.8 percent of the U.S. inventory. Montana ranked ninth for all cows with 1.5 million head, accounting for 3.7 percent of the U.S. total, and seventh for beef cows with 1.486 million head, accounting for 4.8 percent of the U.S. inventory. Montana ranked eighth for calf crop with 1.47 million head, accounting for 4.2 percent of the U.S. total.

Montana beekeepers produced 12.243 million pounds of honey or 7.6 percent of the nation's total in 2016, placing Montana in third place among the states.

Property Description: *(Location, use and physical characteristics)* The subject property is located approximately two miles west of Toston. Access is provided by a paved county road to a county gravel road known as Smith Lane. Smith Lane ends at the subject property. The subject property is part of a larger section of land owned by the State of Montana; with the improvements being owned by the current lessee, Toston Land Group, LLC. The State of Montana is currently in the process of selling these "cabin sites". I, the appraiser, have been instructed to appraise the proposed 9.5 acre site with improvements as if it were available on the open market as a fee simple tract with improvements. The terrain on the property is undulating with a slight slope towards the Missouri River. The proposed lot does not touch the river but is in close proximity. The proposed 9.5 acre site with improvements will be completely surrounded by State of Montana public land and make the proposed site an inholding inside State land with close access to the Missouri River. Improvements are explained in detail on the following page. There is a large set of working corrals on the site, a house, a shop, a calving barn, a scale house with a certified 20,000 pound scale. There are several other outbuildings that are older and may have utility but no contributory value.

Land Use	Deeded Acres	Unit Type	Unit Size	Subject Description:	Above Avg.	Avg.	Below Avg.	N/A
Rural Homesite	9.50	Acre	(100.0%)	Location	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			(0.0%)	Legal Access	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			(0.0%)	Physical Access	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			(0.0%)	Contiguity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			(0.0%)	Shape/Ease Mgt.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			(0.0%)	Adequacy Utilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			(0.0%)	Services	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			(0.0%)	Rentability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			(0.0%)	Compatibility	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			(0.0%)	Market Appeal	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			(0.0%)	FEMA Zone/Date	8/18/2014			
			(0.0%)	Building Location				
Total Deeded Acres	9.50	Total Units	0.00					
			(100 %)					
Climatic:	12-24	" Annual Precipitation	3900	' to	3910	' Elevation	110	Frost-Free Days
Utilities:	Well	Water	NW	Electric	Septic	Sewer	Natural Gas	Cnty Link Telephone
Distance To:	8	Schools	25	Hospital	8	Markets	2	Major Hwy. 25 Service Center

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

The aerial map presented in this appraisal is not true to the surveyed markers seen during the inspection but is a guess on the appraiser's half as to where the property lines will be after seeing the survey markers during the inspection.

The area market is extremely limited of sales of similar size. Southern and northern Broadwater County is heavily subdivided due to the pressures of Helena and Bozeman. The interior of Broadwater County is more agricultural with the majority of the properties being irrigated farm ground and rangeland. There are some smaller less intensive subdivisions along the Missouri River at Toston but no larger acreages similar to the proposed subject tract.

Type	Size	Construction	Qty	Foundation	Roof	Floor	Exterior	Act. Age	Eff. Age	Rem. Life	Con-formity	Utility	Cond.
House	1,456	Wood	A	Conc	Metal	Wood	Masonite	38	25	35	A	A	A
Shop	2,304	Metal	A	Conc	Metal	50/50	Metal	47	20	20	A	A	F
Calving Barn	3,360	Wood	A	Conc	Metal	Dirt	Metal	41	10	30	A	G	G
Lvstk Shelter	1,200	Wood	A	Conc	Metal	Dirt	Metal	5	5	35	A	G	G
Lvstk Shelter	1,320	Wood	A	Conc	Metal	Dirt	Metal	5	5	35	A	G	G
Scale Bld	48	Wood	A	Conc	Asphalt	Conc	Wood	57	20	20	A	G	A
Scale-20,000 lb	1								20	20			

Improvement Comments: *(Discuss and/or expand any items affecting value structure-by-structure, if necessary)*

House: BI 1979 and recently updated. Ranch style home with partial unfinished basement. Wood structure, masonite siding, metal roof. Main floor has two bedrooms, 1.5 baths. Basement has a two bedrooms with no bathroom. Electric baseboard heat with a wood stove. Is set up with a propane furnace. Overall average condition, utility, and average construction.

Shop: BI 1970. Steel frame, metal siding, metal roof, half concrete; half dirt floor. Insulated with power. Some of the insulation is falling out of the ceiling. Set up with a propane heater in the ceiling corner. Overall average construction and utility and fair condition. Deferred maintenance is evident.

Calving Barn: BI 1976. Wood frame, metal siding and roof. Dirt floor. Power; no insulation; Average construction, good condition and utility.

Livestock Shelters: Both BI 2012. Three sided structure; wood frame metal siding and roof; Dirt Floor and power with no insulation. Average construction, good condition, and utility.

Scale House: BI 1960; Wood structure with wood siding and asphalt shingles. Concrete floor. Scale is currently certified up to 20,000 pounds. Average construction, condition, and good utility.

There are several additional outbuildings that may still have utility but do not have any contributory value.

Site Improvements:

	Above Avg.	Avg.	Below Avg.	N/A
Overall Structural Balance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Overall Structural Condition	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Improvement Rating	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Overall Property Rating	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Overall Building REL	30 years			

Aerial Map

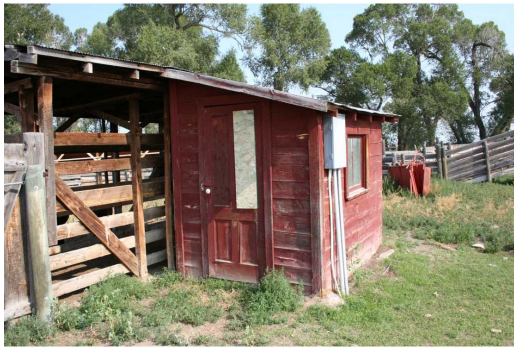




Front of House



South side of shop



Scale House and Scale



Livestock Shed



Corrals



Livestock Shed across corrals



Saddle shed; NO CV



Original homestead cabin; No CV



Inside shop



North side of shop and two 500 Gallon fuel tanks



Older fuel tank; still functioning but not used.



Older storage shed; No CV



Older Storage shed; No CV



View is south along the west boundary of proposed lot.



View is north along the proposed west boundary.



View of old structure. No CV



View is east along the proposed north boundary of Lot.

History	<input type="checkbox"/> Ownership Longer Than _____ Years					
		Owner	Recording/Reference	Date	Price Paid	Terms
	Previous:	FE Land, LLC	No record	12/30/2016	\$ _____	Unknown
	Present:	Toston Land Group, LLC	_____	_____	\$ _____	_____
Zoning	Currently: <input type="checkbox"/> Optioned <input type="checkbox"/> Under Contract <input type="checkbox"/> Currently Listed					
	Buyer: _____		Contract Price: \$ _____		Listing Price: \$ _____	
			Listing Date: _____			
	Current Zoning: _____ None Zoning Conformity: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Zoning Change: <input checked="" type="checkbox"/> Unlikely <input type="checkbox"/> Probable To: _____ Comments: _____					
Taxes	Tax Basis: <input type="checkbox"/> Agricultural <input checked="" type="checkbox"/> Improvement Only <input type="checkbox"/> _____ Parcel #: 0007000711		Assessment Year 2016 Land \$ _____ Building(s) \$ 187,520 _____ \$ _____ Total Assessed Value \$ 187,520		Forecast: Current Tax \$ 1,005.60 Estimated/Stabilized \$ 1,006 Or (9.50 Ac.) = \$ 105.89 /acre Trend: <input checked="" type="checkbox"/> Up <input type="checkbox"/> Down <input type="checkbox"/> Stable	
	Comments: The land of the subject property is owned by the State of Montana and thus is tax exempt. The buildings are owned by a private individual and thus is the only thing taxed by Broadwater County.					
	Highest & Best Use is defined as that reasonable and probable use that supports the highest present value, as defined, as of the effective date of the appraisal. Alternatively, that use, from among reasonably probable and legally alternative uses, found to be physically possible, appropriately supported, financially feasible, and which results in the highest land value.					
	Analysis: <i>(Discuss legally permissible, physically possible, financially feasible, and maximally productive uses)</i> There are currently no legal limitations affecting the subject property. It is legally available for several uses. Given the size of the tract and the location, the physically possible uses of the property are limited to a residential tract or a small minor subdivision or a recreational tract given the adjacent State of Montana land. The property is physically too small to be industrial or commercial tract. Thus, the most financially feasible use of the property in this market is a rural homesite tract. Therefore, the maximally productive use of the property is a rural homesite.					
Highest & Best Use Analysis	Highest and Best Use: "As if" Vacant Rural Homesite "As Improved" Rural Homesite					
	Discussion: The highest and best use of the subject property "as improved" follows the same parameters as if vacant. The current improvements still contribute value to the vacant land. Therefore, the highest and best use of the property "as improved" is a rural homesite.					
	Valuation Methods: <input checked="" type="checkbox"/> Cost Approach <input type="checkbox"/> Income Approach <input checked="" type="checkbox"/> Sales Comparison Approach (Explain and support exclusion of one or more approaches) The Sales Comparison and Cost Approach is used to determine an opinion of value. The use of the Income Approach is not applicable on a rural residential property nor does it support the value the properties command in this rural homesite type market.					

Cost Approach

Subject Land Contribution

Primary Site			Excess Land			Total		
Acres	\$/Acre	Site Contrib	Acres	\$/Acre	Excess Contrib	Acres	\$/Acre	Total Contrib
9.50	\$ 3,500.00	\$ 33,250		\$	\$	9.50	\$ 3,500.00	\$ 33,250

☐ **Reproduction Cost** is the estimated cost to construct, at current prices as of the effective appraisal date, an exact or duplicate or replica of the structure appraised, using the same materials, construction standards, design, layout, and quality of workmanship, and embodying all of the deficiencies, superadequacies, and obsolescence of the subject buildings.

☒ **Replacement Cost** is the estimated cost to construct, at current prices as of the effective appraisal date, a building with utility equivalent to the buildings appraised, using modern and current standards, design, and layout.

Site Improvements Cost Analysis

Site Improvements Comments: There are no underground sprinklers; the well and septic are included in the contributory value of the improvements.

Site Improvements Description	Cost New	Effective Age	Years REL	% Depr	Deprec Cost
	\$			%	\$
	\$			%	\$
	\$			%	\$
	\$			%	\$
	\$			%	\$
	\$			%	\$
	\$			%	\$

Total Contribution of Site Improvements \$

Structural Improvements Cost Analysis

Description	Unit Size	Cost/Unit	Total Cost New	Act Age		Total Life	Depreciation/Obsolescence			Deprec Cost
				X	Eff Age		% Phys	% Fnc	% Ext	
House	1,456	\$ 165.00	\$ 240,240	25		35	42 %	%	%	\$ 139,339
Shop	2,304	\$ 25.00	\$ 57,600	20		20	50 %	%	%	\$ 28,800
Calving Barn	3,360	\$ 18.00	\$ 60,480	10		30	25 %	%	%	\$ 45,360
Lvstk Shelter	1,200	\$ 8.00	\$ 9,600	5		35	13 %	%	%	\$ 8,352
Lvstk Shelter	1,320	\$ 8.00	\$ 10,560	5		35	13 %	%	%	\$ 9,187
Scale Bld	48	\$ 12.00	\$ 576	20		20	50 %	%	%	\$ 288
Scale-20,000 lb	1	\$ 32,600.00	\$ 32,600	20		20	50 %	%	%	\$ 16,300
		\$	\$				%	%	%	\$
		\$	\$				%	%	%	\$
		\$	\$				%	%	%	\$
Totals			\$ 411,656			31	40 %	0 %	0 %	
Total Overall Depreciation		40 %	Total Contribution of Structural Improvements \$			247,626				

Cost Approach Summary

As mentioned, there is very limited data in the immediate area of the subject property. The area is heavily influenced by agricultural with more subdivisions closer to Helena and Bozeman. The three comparables sales used in this appraisal are felt to most comparable to the subject property. Sale 1 is located south of the subject and is located in a developed/platted subdivision. Sale 1 indicates a vacant per acre price of \$3,300/acre. Sale 2 is located north of the subject property and is larger than the subject and indicates a vacant land price of \$3,500 per acre. Sale 4 is a lot inside a smaller acreage subdivision south and east of Toston and along the Missouri River. Sale 3 does not have frontage on the river but does have access to the river. Sale 3 is also based on a "site value" and indicates a site value for the vacant lot of \$12,200 per site. Sale 3 was included in the data set because it was one of the few more recent sales found in the market. The appraiser also found seven vacant land sales located south of the subject property in the Rolling Glen and Western Meadows subdivisions. The seven sales range in size from 5 to 21 acres and sold between February 2015 and May 2017 with five of the seven sales occurring in 2016. The sales have a range of sold price per acre from \$2,515/ac (Sale 6) to \$3,786 per acre. Once Sale 6 is removed from the data set, the range tightens to \$3,338 to \$3,786 per acre and appears to remain consistent with no time adjustment evident. These seven vacant land sales give additional support for the concluded vacant land price on the subject property and can be seen in spreadsheet format on the following page. The contributory value of the buildings found on the subject property are based off of agricultural sales found in the market and from the appraiser's database that support the indicated RCN of the structures; as well as the market supported depreciation of the improvements. Thus, the improvements have a contributory value of \$247,626.

	Contribution	% of Total
Total Land	\$ 33,250	12
Site Improvements	\$	
Structural Improvements	\$ 247,626	88
	\$	

Cost Approach Indication:

\$ 280,800

Vacant Land Sales Grid

Sale #	Date of Sale	Acres	Sales Price	\$/Ac	Location
4	5/12/2017	5	\$17,000.00	\$ 3,400.00	Rolling Glen-Lot 46
5	10/20/2016	5	\$17,000.00	\$ 3,400.00	Rolling Glen- Lot 30
6	9/1/2016	6.36	\$16,000.00	\$ 2,515.72	Rolling Glen Ranch-Lot 13
7	7/26/2016	20.04	\$80,000.00	\$ 3,992.02	Western Meadows Lot 3
8	5/20/2016	21.13	\$80,000.00	\$ 3,786.09	Western Meadows Tract 1
9	2/26/2016	20.97	\$70,000.00	\$ 3,338.10	Western Meadows Tract 2
10	2/6/2015	5	\$17,500.00	\$ 3,500.00	Rolling Glen Ranch-Lot 47
				#DIV/0!	
				#DIV/0!	

Vacant Sales Map



Sales Comparison Approach

	Subject	Sale			+/- Adj	Sale			+/- Adj	Sale			+/- Adj
Sale #	Time Adj Setting <input type="checkbox"/> Year <input checked="" type="checkbox"/> Month <input type="checkbox"/> Simple <input checked="" type="checkbox"/> Compound	1				2				3			
Grantor		Confidential				Confidential				Confidential			
Grantee		Confidential				Confidential				Confidential			
Address		37 Wheatland Meadows Dr				4 Wild Horse Lane				48 Missouri View Loop			
		Three Forks, MT				Townsend, MT				Toston, MT			
Sale Price		536,500				545,000				280,000			
CEV Price		536,500				545,000				280,000			
Date		07/17				04/17				09/16			
Market Condition	Adj to Date	Periods	Rate			Periods	Rate			Periods	Rate		
					0				0				0

Land Adjustments

Homesite Acres	9.50	6.34			20.98		-35,000	1.38		
Excess Acres		0.00			0.00			0.00		
Excess Difference		+/- Acres	\$/Acre		+/- Acres	\$/Acre		+/- Acres	\$/Acre	
		0		0	0			0		+35,000
Legal Access		Cnty Gravel			Cnty gravel rd			Cnty Gravel		
Physical Access	Paved to two track	Yes			Yes			Yes		

Primary Improvement Adjustment

Effective Age	25	3			12			15		
Contrib/Eff Size	1456	3111		-250,000	3598 SF		-300,000	2164 SF		-95,000
Design & Appeal	Ranch Style	Ranch Style			1.5 Story			Ranch Style		
Qlty of Constr	A	New			A			A		
Rooms Above Grade	Total Bdrms Baths	Total Bdrms Baths		Total Bdrms Baths		Total Bdrms Baths		Total Bdrms Baths		
	7 2 1.00	7 5 3		10 5 4		8 3 2				
Basement	Yes	Yes			No			No		
Finished Bsmt	No	1353 Finished			N/A			N/A		
Utility	A	New			Avg			Avg		
Condition	A	New			Avg			Avg		
Heating/Cooling	Electric/Wood	FA-Propane			Radiant			FA-Propane		
Energy Eff Items	Solar Panels				Natural Gas			Propane		
Garage/Carport	1 car Detached	4+ Attached		-75,000	2 Detached		-25,000	3 Attached		-50,000
Porch, Patio, Dk	Deck	Deck			Deck; Porch			Deck/Porch		
Fireplace(s), etc	Yes	Yes			Yes			Yes		

Additional Adjustments

Other Impvts	Several Ag Outbuilding		+79,787		+108,287		+108,287
Location	W of Toston	N of Three Forks		SE of Townsend		SE of Toston	
Utilities	Yes	Yes		Yes		Yes	
View	Good	Good		Average		Average	
River Frontage	Close but no frontage	No		Creek	-10,000	No	

Summary

CEV Price		536,500		545,000		280,000
Total Net Adj	G=75% N=-46%	-245,213	G=88% N=-48%	-261,713	G=103% N=-1%	-1,713
Adj CEV Price		291,287		283,287		278,287

The size adjustment is based on the difference between the size of the subject and the comparable sales and the current building price based on a square foot. The adjustment made for the difference in garage size is based on the construction cost of a garage. The other improvements adjustment is the addition of the subject's additional outbuildings. Sales 1 is slightly superior to the subject property while Sale 2 is slightly superior. Sale 3 is slightly inferior. Sale 2 is the best indicator of value and supports the conclude opinion of value of \$280,000 for the subject property with additional support from Sale 3. As stated, the market is very limited for similar comparables. Many of the subdivision sells in the area are smaller like Sale 3.

Sales Comparison Indication:

\$ 280,000

Other Improvement Adjustment

Adjustment for Sale # 1

Sale Impvt	Utl/Cond	Size	X \$/Unit	Contrib Value	Subject Impvt	Utl/Cond	Size	X \$/Unit	Contrib Value
Shop	New / New	1,200	X \$ 24	=\$ 28,500	Shop	A / F	2,304	X \$ 12.50	=\$ 28,800
	/		X \$	=\$	Calving Barn	G / G	3,360	X \$ 13.50	=\$ 45,360
	/		X \$	=\$	Lvstk Shelter	G / G	1,200	X \$ 6.96	=\$ 8,352
	/		X \$	=\$	Lvstk Shelter	G / G	1,320	X \$ 6.96	=\$ 9,187
	/		X \$	=\$	Scale Bld	G / A	48	X \$ 6	=\$ 288
	/		X \$	=\$	Scale-20,000 lb	/	1	X \$ 16,300.00	=\$ 16,300
	/		X \$	=\$		/		X \$	=\$
	/		X \$	=\$		/		X \$	=\$
	/		X \$	=\$		/		X \$	=\$
Total \$				28,500	Total \$				108,287

Other Improvement Adjustment: 108,287 - 28,500 = +79,787

Adjustment for Sale # 2

Sale Impvt	Utl/Cond	Size	X \$/Unit	Contrib Value	Subject Impvt	Utl/Cond	Size	X \$/Unit	Contrib Value
	/		X \$	=\$	Shop	A / F	2,304	X \$ 12.50	=\$ 28,800
	/		X \$	=\$	Calving Barn	G / G	3,360	X \$ 13.50	=\$ 45,360
	/		X \$	=\$	Lvstk Shelter	G / G	1,200	X \$ 6.96	=\$ 8,352
	/		X \$	=\$	Lvstk Shelter	G / G	1,320	X \$ 6.96	=\$ 9,187
	/		X \$	=\$	Scale Bld	G / A	48	X \$ 6.00	=\$ 288
	/		X \$	=\$	Scale-20,000 lb	/	1	X \$ 16,300.00	=\$ 16,300
	/		X \$	=\$		/		X \$	=\$
	/		X \$	=\$		/		X \$	=\$
	/		X \$	=\$		/		X \$	=\$
Total \$				0	Total \$				108,287

Other Improvement Adjustment: 108,287 - 0 = +108,287

Adjustment for Sale # 3

Sale Impvt	Utl/Cond	Size	X \$/Unit	Contrib Value	Subject Impvt	Utl/Cond	Size	X \$/Unit	Contrib Value
	/		X \$	=\$	Shop	A / F	2,304	X \$ 12.50	=\$ 28,800
	/		X \$	=\$	Calving Barn	G / G	3,360	X \$ 13.50	=\$ 45,360
	/		X \$	=\$	Lvstk Shelter	G / G	1,200	X \$ 6.96	=\$ 8,352
	/		X \$	=\$	Lvstk Shelter	G / G	1,320	X \$ 6.96	=\$ 9,187
	/		X \$	=\$	Scale Bld	G / A	48	X \$ 6.00	=\$ 288
	/		X \$	=\$	Scale-20,000 lb	/	1	X \$ 16,300.00	=\$ 16,300
	/		X \$	=\$		/		X \$	=\$
	/		X \$	=\$		/		X \$	=\$
	/		X \$	=\$		/		X \$	=\$
Total \$				0	Total \$				108,287

Other Improvement Adjustment: 108,287 - 0 = +108,287

Reconciliation and Opinion of Value

Summary

Cost Approach	\$	280,800
Income Approach	\$	N/A
Sales Comparison Approach	\$	280,000

Discussion & Correlation of Values

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

The COST APPROACH is most applicable when appraised property's improvements are new and represent the highest and best use of the land. Additionally, the Cost Approach is useful when there is a good bank of open land sales that are dependable and reliable and when the costing information is from excellent sources. All three comparable sales are improved. The building contributory value was determined through costing information, Marshall & Swift Cost Guide, and through interviews with buyers and sellers and market data and was extracted from the selling price to determine a vacant land price. The Cost Approach gives good support for the final opinion of value for the subject property.

The INCOME APPROACH is limited by the anticipated income stream and the expected rate of return. Homesite properties in the market area do not have any viable economic use relative to rental values; as the rents paid do not support the market prices seen the area. As such, a valuation of the subject property by the Income Approach is not applicable.

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

The sales used are sales that possess features and characteristics generally similar to those of the appraised property. This sales data was used within the sales comparison and cost approach to value and reflects a relatively narrow range that lends a higher degree of confidence to the final appraised value. The Sales Comparison Approach is relied upon the most because it is felt that it is more representative of the area market. The opinion of the market value of the subject property with an effective date of July 21, 2017 is \$280,000.

Allocation of Value

Opinion Of Value -	<i>(Estimated Marketing Time</i>	3-9	<i>months, see attached)</i>	\$	280,000
Cost of Repairs	\$				
Cost of Additions	\$				
Allocation:	<i>(Total Deeded Units: 9.50)</i>	Land:	\$ 33,000	\$ 3,474 /	(12 %)
		Land Improvements:	\$	0 /	(0 %)
		Structural Improvement Contribution:	\$ 247,000	\$ 26,000 /	(88 %)
Value Estimate of Non-Realty Items:					
Value of Personal Property <i>(local market basis)</i>	\$				
Value of Other Non-Realty Interests:	\$				
Non-Realty Items:	\$		\$ 0 /	(0 %)	
Leased Fee Value <i>(Remaining Term of Encumbrance)</i>	\$		\$ 0 /	Acre (0 %)	
Leasehold Value	\$		\$ 0 /	Acre (0 %)	
Overall Value	\$	280,000	\$ 29,474 /	Acre (100 %)	

Assumptions and Limiting Conditions

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

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

Appraiser Certification

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

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

Effective Date of Appraisal: July 21, 2017

Opinion of Value: \$ 280,000

Appraiser:

Signature: Katie Rickett

Name:

Katie Rickett, A.R.A.

License #:

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

ASFMR

ASFMR Member # 1664

Date Signed: August 10, 2017

Property Inspection: ☒ Yes ☐ No

Inspection Date:

July 21, 2017

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

ADDENDA

Exhibit 1 - Sales

Exhibit 2 - DNRC Engagement Letter

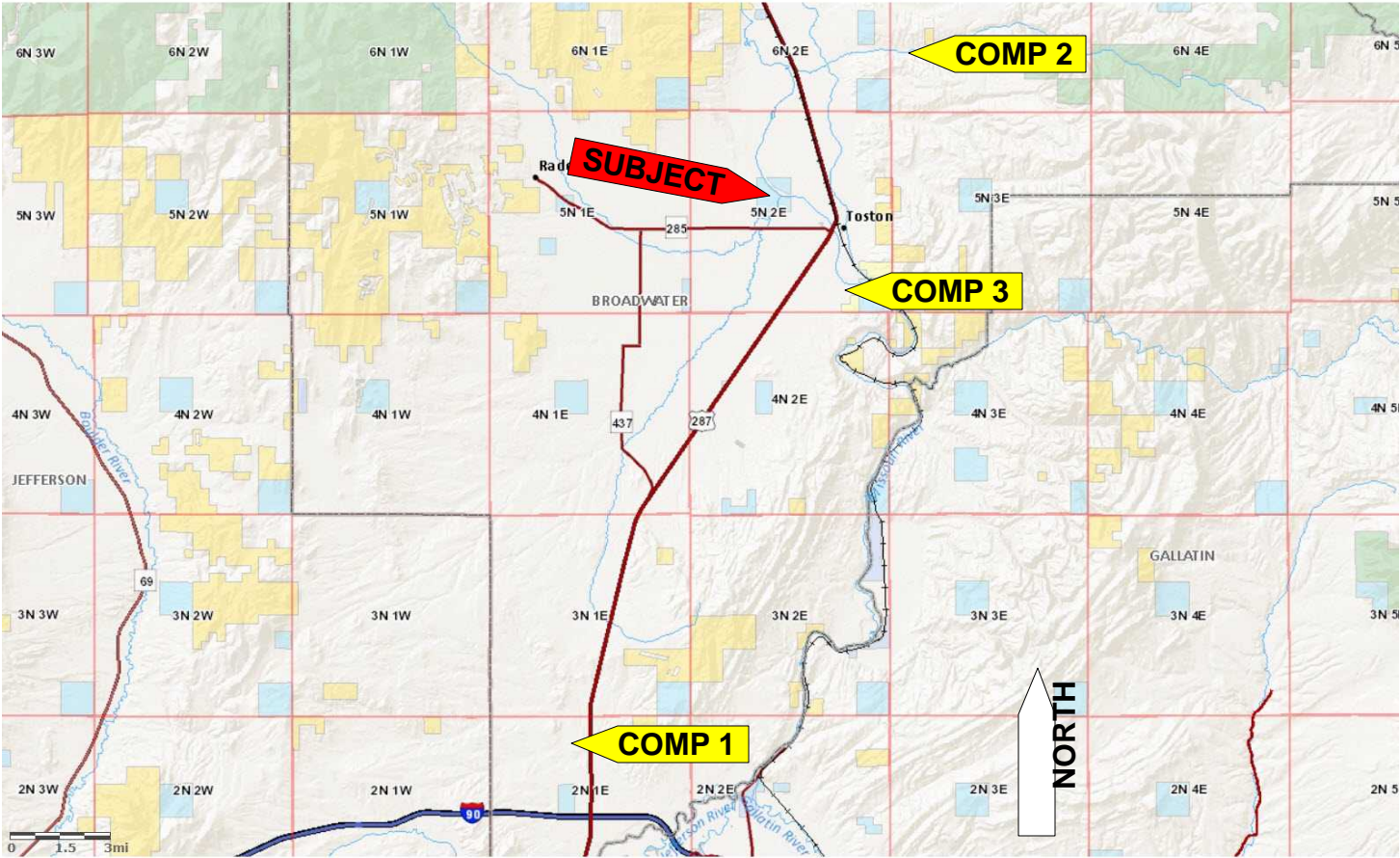
Exhibit 3 - Warranty Deeds

Exhibit 4 - FEMA Map; Water Rights

Exhibit 5 - Qualifications of Appraiser

EXHIBIT 1

Sales Map



Index #	RR	Database #	1826	Sale #	1	Unimproved Sale
Grantor	Confidential	Sales Price	536,500	Property Type	Rural Homesite	
Grantee	Confidential	Other Contrib.		Primary Land Use	Rural Residential	
Deeded Acres	6.34	Net Sale Price	536,500	Document #		
Sale Date/DOM	07/10/17 / 70	\$/Deeded Acre	84,621.45	MLS #	218270	
Prior Sale Date		Financing		Surface Water	No	
Prior CEV Price		% Fin. Adj.		Irrg. Water	No	
Analysis Code	Kr	CEV Price	536,500	Terrain	Rolling	
Source	Broker	SCA Unit Type	Acres	Influences	Views	
Motivation	Open Market	Eff. Unit Size	6.34	Public Land Boundary	N/A	
Highest & Best Use	Rural Homesite	SCA \$/Unit	84,621.45	Amenities	Bozeman	
Address	37 Wheatland Meadows Dr	Multiplier Unit		Ac/AUM	N/A	
City	Three Forks	Multiplier No.		Pasture Quality	N/A	
County	Broadwater	Legal Access	Cnty Gravel	Cropland Quality	N/A	
State/Zip	MT / 59752	Physical Access	Yes			
Region/Area/Zone	/ /	View	Good	Tax ID/Recording	000J240997	
Location	N of Three Forks	Utilities	Yes	Sec/Twp/Rge	9 / 2N / 1E	
Legal Description: Township 2 North, Range 1 East, Section 9: Lot 46 of COS 2-109						

Land-Mix Analysis

Land Use	Ratios	Acres	\$/Acre	Unit Size	Unit Type	\$/Unit	Total Unit Value
Rural Residential	%	6.34	Ac. 3,300.00		X \$	= \$	20,922
	%		Ac.		X \$	= \$	
	%		Ac.		X \$	= \$	
	%		Ac.		X \$	= \$	
	%		Ac.		X \$	= \$	
	%		Ac.		X \$	= \$	
	%		Ac.		X \$	= \$	
	%		Ac.		X \$	= \$	
	%		Ac.		X \$	= \$	
	%		Ac.		X \$	= \$	
	%		Ac.		X \$	= \$	
	%		Ac.		X \$	= \$	
Totals		6.34	Ac. 3,300.00		X \$	= \$	20,922
CEV Price \$	536,500		Land Contribution \$	20,922		= Improvement Contribution \$	515,578

Cost and Depreciation Summary

Physical Depreciation	5 %	Functional Obsolescence	0 %	External Obsolescence	0 %	Total Depreciation	5 %
Total RCN \$	543,315	Total Improvement Contribution: \$	516,149	Improvement As % of Price	96 %		

Income Summary

Summary Total Expenses	/ Stabilized G.I.	= Expense Ratio	%	Total Expenses = \$	
Net Income	/ CEV Price	536,500	= Cap Rate	%	Net Income = \$

Property was originally listed for \$589,000. House sits on two lots. Fenced and crossed fenced. Heated shop with a lean-to attached with automatic water for horses. Well produces 65 gpm and is 425 feet deep. House has \$17K reverse osmosis water system. House BI 2015, with four bedrooms, three bath house. Granite counters, full tile, custom hickory cabinets, sealed garage and shop flooring. Attached garage is big enough for four cars.

Index #	Database #	1823	Sale #	2	Improved Sale
Grantor	Confidential	Sales Price	545,000	Property Type	Rural Homesite
Grantee	Confidential	Other Contrib.		Primary Land Use	Rural Residential
Deeded Acres	20.98	Net Sale Price	545,000	Document #	177146
Sale Date/DOM	04/14/17 / 241	\$/Deeded Acre	25,977.12	MLS #	215518
Prior Sale Date		Financing	Cash	Surface Water	Creek
Prior CEV Price		% Fin. Adj.		Irrg. Water	No
Analysis Code	KR	CEV Price	545,000	Terrain	Sloping
Source	Broker	SCA Unit Type	Acres	Influences	Rural
Motivation	Open Market	Eff. Unit Size	20.98	Public Land Boundary	No
Highest & Best Use	Rural Homesite	SCA \$/Unit	25,977.12	Amenities	Creek; Rural
Address	4 Wild Horse Lane	Multiplier Unit		Ac/AUM	N/A
City	Townsend	Multiplier No.		Pasture Quality	N/A
County	Broadwater	Legal Access	Cnty gravel rd	Cropland Quality	N/A
State/Zip	MT / 59644	Physical Access	Yes		
Region/Area/Zone	/ /	View	Average	Tax ID/Recording	0007002679
Location	SE of Townsend	Utilities	Yes	Sec/Twp/Rge	30 / 6N / 3E
Legal Description: Township 6 North, Range 3 East, Section 30: Tract A of COS 2-261 in N2N2					

Land-Mix Analysis

Land Use	Ratios	Acres	\$/Acre	Unit Size	Unit Type	\$/Unit	Total Unit Value
Rural Residential	%	20.98	Ac. 3,503.15		X \$	= \$	73,496
	%		Ac.		X \$	= \$	
	%		Ac.		X \$	= \$	
	%		Ac.		X \$	= \$	
	%		Ac.		X \$	= \$	
	%		Ac.		X \$	= \$	
	%		Ac.		X \$	= \$	
	%		Ac.		X \$	= \$	
	%		Ac.		X \$	= \$	
	%		Ac.		X \$	= \$	
	%		Ac.		X \$	= \$	
Totals		20.98	Ac. 3,503.15		X \$	= \$	73,496
CEV Price \$	545,000		Land Contribution \$	73,496		= Improvement Contribution \$	471,504

Cost and Depreciation Summary

Physical Depreciation	20 %	Functional Obsolescence	0 %	External Obsolescence	0 %	Total Depreciation	20 %
Total RCN \$	589,380	Total Improvement Contribution: \$	471,504	Improvement As % of Price			87 %

Income Summary

Summary Total Expenses	/ Stabilized G.I.	= Expense Ratio	%	Total Expenses = \$	
Net Income	/ CEV Price	545,000	= Cap Rate	%	Net Income = \$

Property was sold at listing price. House was built in 2008; House is two story and is five bedrooms with 4 baths and a two car attached garage. House includes hardwood floors; custom tile work and concrete counters in kitchen and bathrooms. Living accommodations are on main floor; radiant floor heat provided by an outdoor wood burning boiler with propane backup. Private well and septic.

Index #	RR	Database #	1824	Sale #	3	Improved Sale
Grantor	Confidential	Sales Price	280,000	Property Type	Rural Residential	
Grantee	Confidential	Other Contrib.		Primary Land Use	Rural Residential	
Deeded Acres	1.38	Net Sale Price	280,000	Document #	175784	
Sale Date/DOM	09/12/16 / 421	\$/Deeded Acre	202,898.55	MLS #	205198	
Prior Sale Date		Financing	Cash	Surface Water	None	
Prior CEV Price		% Fin. Adj.		Irrg. Water	No	
Analysis Code	KR	CEV Price	280,000	Terrain	Level	
Source	Broker	SCA Unit Type	Site	Influences	close to river	
Motivation	Open Market	Eff. Unit Size	1.00	Public Land Boundary	N/A	
Highest & Best Use	Rural Residential	SCA \$/Unit	280,000.00	Amenities	close to river	
Address	48 Missouri View Loop	Multiplier Unit		Ac/AUM	N/A	
City	Toston	Multiplier No.		Pasture Quality	N/A	
County	Broadwater	Legal Access	Cnty Gravel	Cropland Quality	N/A	
State/Zip	MT / 59643	Physical Access	Yes			
Region/Area/Zone	/ /	View	Average	Tax ID/Recording	0001500278	
Location	SE of Toston	Utilities	Yes	Sec/Twp/Rge	35 / 5N / 2E	
Legal Description:	Township 5 North, Range 2 East, Section 35: Lot 21 of COS 1-933 of Missouri River Rendezvous Subdivision					

Land-Mix Analysis

Land Use	Ratios	Acres	\$/Acre	Unit Size	Unit Type	\$/Unit	Total Unit Value
Rural Residential	%	1.38	Ac.	1.00	Site	X \$ 12,205.00	= \$ 12,205
	%		Ac.			X \$	= \$
	%		Ac.			X \$	= \$
	%		Ac.			X \$	= \$
	%		Ac.			X \$	= \$
	%		Ac.			X \$	= \$
	%		Ac.			X \$	= \$
	%		Ac.			X \$	= \$
	%		Ac.			X \$	= \$
	%		Ac.			X \$	= \$
	%		Ac.			X \$	= \$
	%		Ac.			X \$	= \$
Totals		1.38	Ac.	1.00		X \$ 12,205.00	= \$ 12,205
CEV Price \$	280,000						
			Land Contribution \$	12,205		= Improvement Contribution \$	267,795

Cost and Depreciation Summary

Physical Depreciation	25 %	Functional Obsolescence	0 %	External Obsolescence	0 %	Total Depreciation	25 %
Total RCN	\$ 357,060	Total Improvement Contribution:	\$ 267,795	Improvement As % of Price			96 %

Income Summary

Summary	Total Expenses	/ Stabilized G.I.	= Expense Ratio	%	Total Expenses = \$
	Net Income	/ CEV Price	280,000	= Cap Rate	%
					Net Income = \$

Property was originally listed for \$349,000. House was built in 2006 and is a single floor with 3 bedroom and 2 baths. Master bedroom has a jetted garden tub, large walk in closet and a fireplace. Wood flooring and granite counter tops; 3 car garage with ATV port; Missouri river access via common area but no frontage.

EXHIBIT 2

ATTACHMENT A

Scope of Work for Appraisal of Potential Property Sale through the Cabin & Home Site Sale Program

CLIENT, INTENDED USERS, PURPOSE AND INTENDED USE:

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

DEFINITIONS:

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

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

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

PROPERTY RIGHTS APPRAISED:

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

EFFECTIVE DATE OF VALUATION AND DATE OF INSPECTION:

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

SUBJECT PROPERTY DESCRIPTION & CHARACTERISTICS:

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

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

ASSIGNMENT CONDITIONS:

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

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

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

The appraisal will be an Appraisal Report as per USPAP, that will describe adequately, the information analyzed, appraisal methods and techniques employed, and reasoning that support the analyses, opinions and conclusions. All hypothetical conditions and extraordinary assumptions must be noted. The appraiser will provide one appraisal report that included analysis and appraised values of the one (1) cabin site identified in the Supplemental Appraisal Instructions.

Be valued with the actual or hypothetical condition that the cabin site or home site has legal access.

All appraisals are to describe the market value trends, and provide a rate of change, for the markets of the subject property. Comparables sales used should preferably be most recent sales available or be adjusted for market trends if appropriate. The comparable sales must be in reasonable proximity to the subject, preferably within the same county or a neighboring county. Use comparable sales of like properties.

The cabin site (land) should be valued under the hypothetical condition that it is vacant raw land, without any site improvements, utilities, or buildings.

The appraisal report must list all real property improvements that were considered when arriving at the appraised value for the improvements. Improvements means a home or residence, outbuildings and structures, sleeping cabins, utilities, water systems, septic systems, docks, landscaping or any other improvements to the raw land.

The appraised value of state-owned land added to the allocated market value of the non-state-owned improvements value will not be greater than total market value of the property, with the hypothetical condition that land and improvements are in fee simple ownership, with one owner.

Appraised Values Required:

The appraisal for each cabin and home site must:

1. Include a total market value of the property, with the hypothetical condition that land and improvements are in fee simple ownership, with one owner.
2. Include a separate market value for the state-owned cabin or home site (land), under the hypothetical condition of it being vacant raw land exclusive of real property improvements.
3. Allocate a separate market value for the non-state-owned improvements, from the total market value derived in 1 above.
4. Valuation of the improvements must account for all forms of obsolescence.

MONTANA DNRC TRUST LAND MANAGEMENT DIVISION

Supplemental Appraisal Instructions

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

Subject Property (Located in Broadwater County):

Sale #	Acres	Legal Description
868	9.5 ±	Lot in SE¼SE¼NW¼, T5N-R2E, Sec. 16

DNRC Contact Information:

Emily Cooper, Lands Section Supervisor
P.O. Box 201601
Helena, MT 59620-1601
Phone: (406) 444-4165
ecooper@mt.gov

Lessees:

Sale 868
Toston Land Group, LLC
5639 Crystal Lake Road
Moore, MT 59464
(406) 374-2728

*Don + Lena Weaver → Ernest Miller
406-266-3040*

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

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

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

The DNRC will provide access to the state parcel record, as maintained by the land office, including but not limited to aerial photos, land improvements, property issues, surveys (if any), and production history. The local land office will provide contact information to the appraiser, if necessary, in order for the appraiser to obtain access to the property.

Sale Location Map



Broadwater County Lot



EXHIBIT 3

Return to: Rocky Mountain Title Company
400 N. Park Avenue, Suite 200
Helena, Montana 59601

Ref: BX19094

WARRANTY DEED

For Value Received FE Land, LLC, a Montana limited liability company with its principal office at Toston, Montana, the grantor, does hereby grant, bargain, sell and convey unto Toston Land Group, LLC, of 150 Smith Lane, Toston, Montana, 59643, the grantee, the following described premises in Broadwater County, Montana, described on the attached Exhibit "A," incorporated herein by reference.

TO HAVE AND TO HOLD the said premises, with their appurtenances unto the said grantees, their heirs and assigns forever. And the said grantor does hereby covenant to and with the said grantees it is the owner in fee simple of said premises; that they are free from all encumbrances and that it will warrant and defend the same from all lawful claims whatsoever, except the following:

- (a) Easements, covenants, restrictions, reservations, and exceptions of record;
- (b) Taxes or assessments and easements, claims of easements or encumbrances which are not shown by public records;
- (c) Interests which could be ascertained by an inspection of said real property or by inquiry of persons in possession;
- (d) Discrepancies, conflicts in boundary lines, shortage in area, encroachments or any other facts which a survey may disclose;
- (e) Water rights, claims or title to water;
- (f) Zoning laws, ordinances and resolutions.

Dated: 12-30-2016.

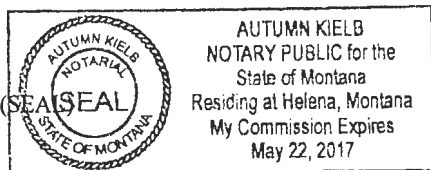
FE LAND, LLC

By: Jacqueline J. Smith sole member
Jacqueline J. Smith, Sole Member

STATE OF MONTANA

County of Lewis & Clark

This instrument was acknowledged before me on 12/30/2016, 2016,
by Jacqueline J. Smith, as sole member of FE Land, LLC.



Signature of Notary

(Montana notaries must complete the following if not part of stamp at left)

Autumn Kiehl
(Print Name of Notary)

Notary Public for the State of Montana

Residing at Helena, Montana

My commission expires: 5/22/2017

EXHIBIT "A"

Township 5 North, Range 1 East, P.M.M., Broadwater County, Montana

Section 1: S½N½; S½

Section 12: The North 20 rods

Township 5 North, Range 2 East, P.M.M., Broadwater County, Montana

Section 4: Lots 3, 4, 5, 6, 7, 8; SW¼NW¼

Section 5: W½W½SW¼; W½W½NW¼

Section 6: All

Section 7: Tract 20 rods wide running the entire length and adjacent to the North boundary of said Section 7

Section 8: S½

Section 9: Lot 6

Section 21: N½NE¼

Section 29: N½ less a 21 acre parcel described in Certificate of Survey recorded in Book 12 of Micro., page 942

Township 6 North, Range 2 East, P.M.M., Broadwater County, Montana

Section 31: E½; S½NW¼; N½SW¼; SE¼SW¼

Section 32: NW¼NW¼

ASSIGNMENT OF RIGHT OF WAY DEED
 Execute in DUPLICATE and return to Department of Natural Resources
 and Conservation, Trust Land Management Division
 Assignment Fee is \$50.00

BX19094

THIS ASSIGNMENT, made this 30 day of December, 2016, by and between Jack Smith party of the first part and FE Land LLC of 150 Smith Lane, Toston, MT 59643 the party of the second part:

WITNESSETH: that the said party of the first part for and in consideration of the sum of One Dollar in hand paid by said party of the second part, the receipt of which is hereby acknowledged, do by these presents, hereby assign, transfer and set over unto the said party of the second part, (his)(her)(their)(its) heirs, successors and assigns forever, all right, title and interest in and to the right of way easement heretofore granted by the State of Montana, described as follows, to-wit: Right of Way Application No. 12405 for a private access road to a single family residence over and across the following described land: NE4, Section 16, Township 5N, Range 2E, County(ies) of Broadwater, Montana, under the covenants, conditions and terms of Right of Way Deed No. 11113, issued May 25, 2004 by the State Board of Land Commissioners for the State of Montana. This assignment is intended to provide access to parcels or tracts of land described as: Lots 3-8; SW4SW4 of Section 4, S2 of Section 6 and Lot 6 of Section 9, Township 5N, Range 2E, for the benefit of the party of the second part and it is understood and agreed that no other lands are accessed by the Right of Way described herein.

PARTY(IES) OF THE FIRST PART SIGNATURE:

Jack Smith by Jackie Smith
 as personal representative

STATE OF Montana
 County of Lewis & Clark

On this 30 day of December, 2016, before me, the undersigned, a Notary Public for the State of Montana, personally appeared Jack Smith for Jack Smith, known to me to be (check personal or corporate and fill in corporate signatory's title, as appropriate):

- ☒ **PERSONAL:** the person(s) whose name(s) (is) (are) subscribed to the foregoing assignment, and acknowledged to me that (he) (she) (they) executed the same.
- ☐ **CORPORATE:** the _____ of _____, a corporation, that executed the within instrument and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year first above written.



Autumn Kiehl
 Notary Public for the State of Montana
 Residing at Helena
 My Commission Expires 5/22/2017

PARTY(IES) OF THE SECOND PART SIGNATURE(S)

The part _____ of the second part hereby accepts the rights, duties, and obligations inherent in the part _____ of the first part's interests & ownership of the above described right of way easement:

Jackie Smith

177223 Fee: \$ 17.00 Bk 178 Pg 284

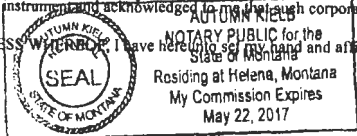
BROADWATER COUNTY Recorded 4/26/2017 at 11:50 AM
 Douglas D. Ellis, Clk & Rcdr By Deborah Deputy
 Return to: ROCKY MOUNTAIN TITLE CO. PO BOX 268
 HELENA, MT 59624

STATE OF Montana
 County of Lewis & Clark

On this 30 day of December, 2016, before me, the undersigned, a Notary Public for the State of Montana, personally appeared Jackie Smith, known to me to be (check personal or corporate and fill in corporate signatory's title, as appropriate):

- ☒ **PERSONAL:** the person(s) whose name(s) (is) (are) subscribed to the foregoing assignment, and acknowledged to me that (he) (she) (they) executed the same.
- ☒ **CORPORATE:** the sole member of FE Land LLC, a corporation, that executed the within instrument and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year first above written.



Autumn Kiehl
 Notary Public for the State of Montana
 Residing at Helena
 My Commission Expires 5/22/2017

OFFICE OF DIRECTOR, DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION
 Helena, Montana

This is to certify that the foregoing assignment was approved and rights transferred as written herein on this 15 day of March, 2017.

[Signature]
 DIRECTOR

Fee of \$50.00 entered:

Date: January 4, 2017 Amount: \$50.00

Reception Number: HES1714432

ASSIGNMENT OF RIGHT OF WAY DEED
 Execute in DUPLICATE and return to Department of Natural Resources
 and Conservation, Trust Land Management Division
 Assignment Fee is \$50.00

BX19094

THIS ASSIGNMENT, made this 30 day of December, 2016, by and between FE Land LLC party of the first part and Toston Land Group, LLC of 150 Smith Lane, BSA the party of the second part:

WITNESSETH: that the said party of the first part for and in consideration of the sum of One Dollar in hand paid by said party of the second part, the receipt of which is hereby acknowledged, do by these presents, hereby assign, transfer and set over unto the said party of the second part, (his) (her) (their) (its) heirs, successors and assigns forever, all right, title and interest in and to the right of way easement heretofore granted by the State of Montana, described as follows, to-wit: Right of Way Application No. 12405 for a private access road to a single family residence over and across the following described land: NE4, Section 16, Township 5N, Range 2E, County(ies) of Broadwater, Montana, under the covenants, conditions and terms of Right of Way Deed No. 11113, issued May 25, 2004 by the State Board of Land Commissioners for the State of Montana. This assignment is intended to provide access to parcels or tracts of land described as: Lots 3-8; SW4SW4 of Section 4, S2 of Section 8 and Lot 6 of Section 9, Township 5N, Range 2E, for the benefit of the party of the second part and it is understood and agreed that no other lands are accessed by the Right of Way described herein.

PARTY(IES) OF THE FIRST PART SIGNATURE:

Jackie Smith

177224 Fee: \$ 17.00 Bk 178 Pg 285

BROADWATER COUNTY Recorded 4/26/2017 at 12:11 PM —
 Douglas D. Ellis, Ck & Rcdr By DeWitt Deputy
 Return to: ROCKY MOUNTAIN TITLE CO. PO BOX 268
 HELENA, MT 59624

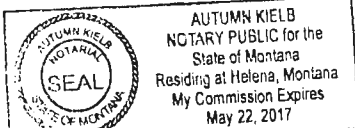
STATE OF MontanaCounty of Lewis & Clark

On this 30 day of December, 2016, before me, the undersigned, a Notary Public for the State of Montana, personally appeared Jackie Smith, known to me to be (check personal or corporate and fill in corporate signatory's title, as appropriate):

☐ PERSONAL: the person(s) whose name(s) (is) (are) subscribed to the foregoing assignment, and acknowledged to me that (he) (she) (they) executed the same.

☒ CORPORATE: the sole member of FE Land LLC, a corporation, that executed the within instrument and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year first above written.



Autumn Kielb
 Notary Public for the State of Montana
 Residing at Helena
 My Commission Expires 5/22/2017

PARTY(IES) OF THE SECOND PART SIGNATURE(S)

The part _____ of the second part hereby accepts the rights, duties, and obligations inherent in the part _____ of the first part's interests & ownership of the above described right of way easement:

David A. Weaver
Rayden A. Miller
Rayden A. Miller

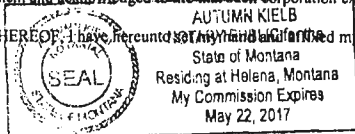
STATE OF MontanaCounty of Lewis & Clark

On this 30 day of December, 2016, before me, the undersigned, a Notary Public for the State of Montana, personally appeared David A. Weaver, Rayden A. Miller, known to me to be (check personal or corporate and fill in corporate signatory's title, as appropriate):

☐ PERSONAL: the person(s) whose name(s) (is) (are) subscribed to the foregoing assignment, and acknowledged to me that (he) (she) (they) executed the same.

☒ CORPORATE: the Members of Toston Land Group, LLC, a corporation, that executed the within instrument and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year first above written.



Autumn Kielb
 Notary Public for the State of _____
 Residing at _____
 My Commission Expires _____

OFFICE OF DIRECTOR, DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION
 Helena, Montana

This is to certify that the foregoing assignment was approved and rights transferred as written herein on this 19 day of March 2017.

[Signature]
 DIRECTOR

Fee of \$50.00 entered:

Date: January 4, 2017Amount: \$50.00Reception Number: 46517443a

Return to: Jackson, Murdo & Grant, P.C.
203 North Ewing
Helena, MT 59601

Ref:

168494 Fee: \$ 14.00 Bk 147 Pg 302

BROADWATER COUNTY Recorded 12/20/2012 at 4:19 PM
Douglas D. Ellis, Clk & Rcdr By Dan Rausen Deputy
Return to: JACKSON MURDO & GRANT PC 203 N EWIN
HELENA, MT 59601

QUITCLAIM DEED

For Value Received, Jacqueline J. Smith, in her capacity as the duly-appointed, qualified, and acting Successor Trustee of the John P. Smith Living Trust dated May 10, 2004, as amended on March 21, 2007 (the "Trust"), with a mailing address of 150 Smith Lane, Toston, Montana, 59643 the grantor, does hereby convey, release, remise and forever quitclaim unto FE Land, LLC, of 150 Smith Lane, Toston, Montana 59643, grantee, all of her interest as trustee of the Trust in the premises in Broadwater County, Montana, more particularly described on Exhibit "A," attached hereto, together with their appurtenances.

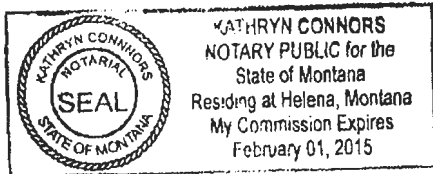
Dated: December 18, 2012

JOHN P. SMITH LIVING TRUST

By: Jacqueline J. Smith
Jacqueline J. Smith, Successor Trustee

STATE OF MONTANA
County of Lewis and Clark

This instrument was acknowledged before me on November 14, 2012, by Jacqueline J. Smith, as Successor Trustee of the John P. Smith Living Trust dated May 10, 2004, as amended on March 21, 2007.



(SEAL)

Kathryn Connors
Signature of Notary

(Montana notaries must complete the following if not part of stamp at left)

(Print Name of Notary)
Notary Public for the State of Montana
Residing at _____, Montana
My commission expires: _____

g:\users\tdj\smith, john peter, estate of\quitclaim deed trust to fe land.docx

Township 6 North, Range 1 West, P.M.M.
Section 6: a tract of land described as HES 901

Township 6 North, Range 1 East, P.M.M.

Section 7: lots 3, 4, and 5; SE $\frac{1}{4}$ NW $\frac{1}{4}$; E $\frac{1}{2}$ SW $\frac{1}{4}$; E $\frac{1}{2}$

Section 8: W $\frac{1}{2}$ SW $\frac{1}{4}$

Section 17: W $\frac{1}{2}$ W $\frac{1}{2}$

Section 18: All

Section 19: All

Section 20: W $\frac{1}{2}$ W $\frac{1}{2}$

Section 29: W $\frac{1}{2}$ NW $\frac{1}{4}$

Section 30: N $\frac{1}{2}$ N. of County Road; NE $\frac{1}{4}$ SE $\frac{1}{4}$; An undivided one-half interest in and to the S $\frac{1}{2}$ NW $\frac{1}{4}$ S. of County Road

168494 Fee: \$ 14.00 Bk 147 Pg 303

BROADWATER COUNTY Recorded 12/20/2012 at 4:19 PM

Douglas D. Ellis, Clk & Rcdr By Deputy

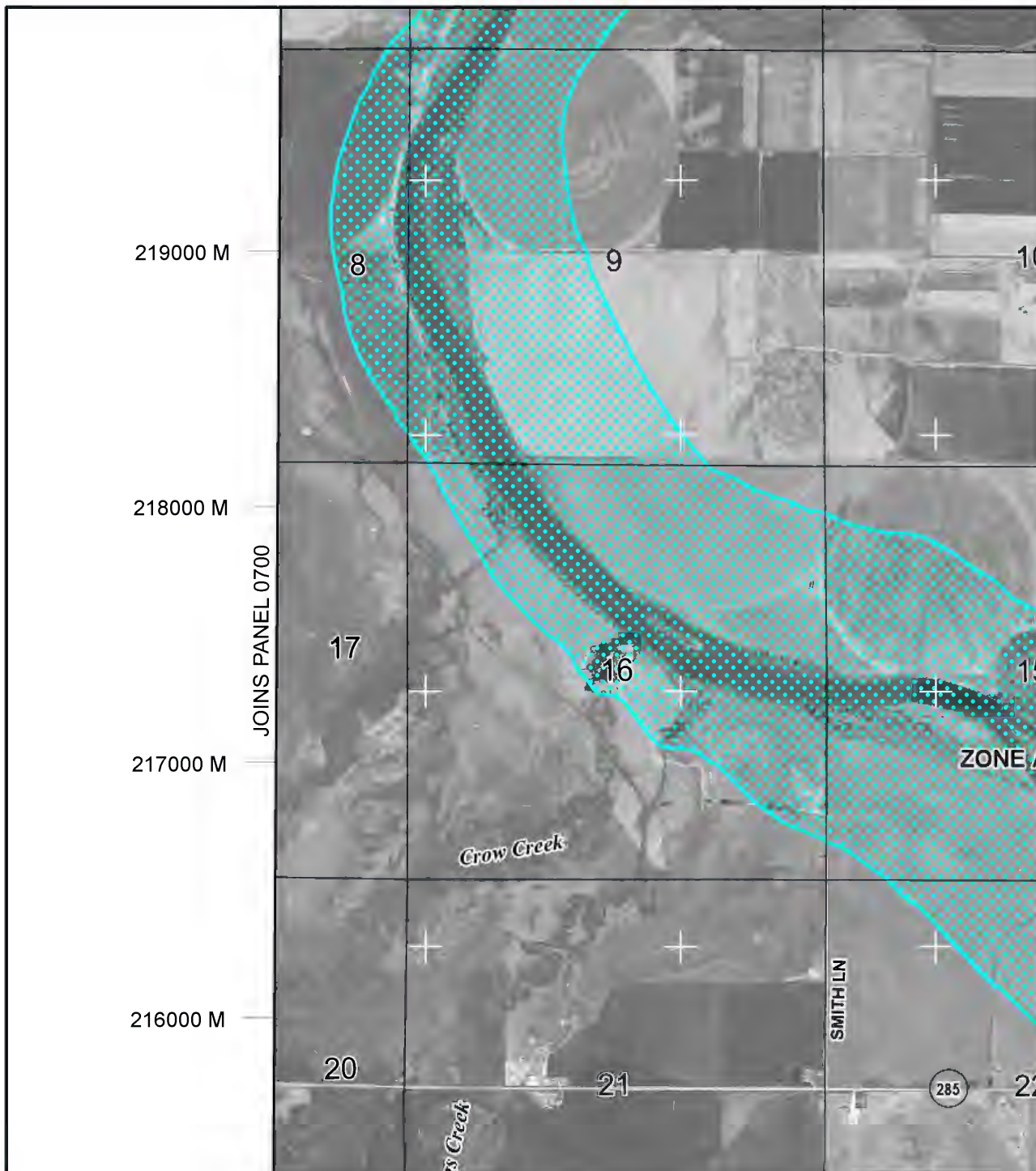
Return to: JACKSON MURDO & GRANT PC 203 N EWIN
HELENA, MT 59601

Township 5 North, Range 1 East, P.M.M.

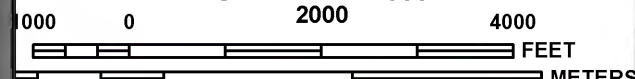
Return to: Jackson, Murdo & Grant, P.C.
203 North Ewing
Helena, MT 59601

168494 Fax: 406 266 3674

EXHIBIT 4



MAP SCALE 1" = 2000'



NATIONAL FLOOD INSURANCE PROGRAM

PANEL 0725C

FIRM

FLOOD INSURANCE RATE MAP
BROADWATER COUNTY,
MONTANA
AND INCORPORATED AREAS

PANEL 725 OF 1050
(SEE MAP INDEX FOR FIRM PANEL LAYOUT)

CONTAINS:

COMMUNITY	NUMBER	PANEL	SUFFIX
BROADWATER COUNTY, UNINCORPORATED AREAS	300145	0725	C

Notice to User: The **Map Number** shown below should be used when placing map orders; the **Community Number** shown above should be used on insurance applications for the subject community.



Federal Emergency Management Agency

MAP NUMBER
30007C0725C
EFFECTIVE DATE
AUGUST 18, 2014

This is an official copy of a portion of the above referenced flood map. It was extracted using F-MIT On-Line. This map does not reflect changes or amendments which may have been made subsequent to the date on the title block. For the latest product information about National Flood Insurance Program flood maps check the FEMA Flood Map Store at www.msc.fema.gov

A
CODED

007

T. 5N

R. 2E

16 AC

County Broadwater

MONTANA BUREAU OF MINES AND GEOLOGY
Butte, Montana

123097

WATER WELL LOG

		x	

Owner Jack Smith Address Toston, Montana

Driller Van Dyken Drilling Co. Address Manhattan, Montana

Date Started Sept. 28, 1946 Date Completed Sept. 30, 1946

Location: Sec. 16 T. 5N R. 2E 1/4 sec. NE 1/4

Type of well Drilled (Dug, driven, bored, or drilled) Equipment used Churn Drill (Churn drill, rotary, other)

Water use: Domestic ☒ Municipal ☐ Stock ☐ Irrigation ☐Industrial ☐ Drainage ☐ Other: _____

Casing: Ground level ft. to 35 ft. Type Iron Size 6 Inch

Casing: _____ ft. to _____ ft. Type _____ Size _____

Casing: _____ ft. to _____ ft. Type _____ Size _____

Perforated or Screened: Ft. _____ to ft. _____ Ft. _____ to ft. _____

Type of screen or perforations _____

Static Water level, for non-flowing well: 20 feet.

Shut-in pressure, for flowing well: _____ lb./sq. in. on: _____ (date)

Pumping water level 16 feet at 23 gal. per min.

How tested: pumped

Length of test Two (2) Hours

Remarks: (Gravel packing, cementing, packers, type of shut-off, depth of shut-off)

(over)

M:16702

Log of Well

[illegible]



(over)

007 T. 5N R. 2E 16 BD

County Broadwater

MONTANA BUREAU OF MINES AND GEOLOGY
Butte, Montana

123099

WATER WELL LOG

	X	

Owner Jack Smith Address Toston, Montana

Driller Walter Riddock Address Helena, Montana

Date Started Sept. 14, 1955 Date Completed Sept. 16, 1955

Location: Sec. 16 T. 5N R. 2E 1/4 sec. NW 1/4

Type of well Drilled Equipment used Churn Drill
(Dug, driven, bored, or drilled) (Churn drill, rotary, other)

Water use: Domestic ☐ Municipal ☐ Stock ☒ Irrigation ☐
Industrial ☐ Drainage ☐ Other:

Casing: ground level ft. to 30 ft. Type Iron Size 6 inch

Casing: ft. to ft. Type Size

Casing: ft. to ft. Type Size

Perforated or Screened: Ft. to ft. Ft. to ft.

Type of screen or perforations

Static Water level, for non-flowing well: 22 feet.

Shut-in pressure, for flowing well: lb./sq. in. on: (date)

Pumping water level 18 feet at 20 gal. per min.

How tested: pumped

Length of test Two (2) hours

Remarks: (Gravel packing, cementing, packers, type of shut-off, depth of shut-off)

Log of Well

[illegible]

File No. **23** **007 T 5 R 22 16 BD**

TRIPLICATE **CODED** County **Broadwater**

LOG

STATE OF MONTANA
ADMINISTRATOR OF GROUNDWATER CODE **123098**
OFFICE OF STATE ENGINEER

Top of Ground
(Elev. above sea level **4000'**)

Notice of Completion of Groundwater Appropriation by Means of Well
DEVELOPED AFTER JANUARY 1, 1962
(Under Chapter 237, Montana Session Laws, 1961)

Owner **Jack Smith** Address **Toston, Montana**

Driller **Barrus Drilling/ pump** Address **Butte, Montana**

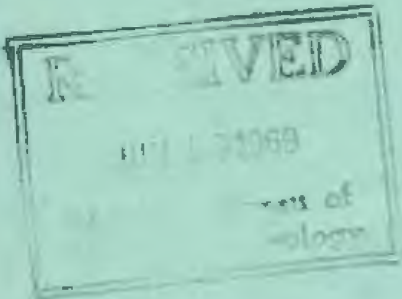
Date of Notice of appropriation of groundwater **January 7 1969**

Date well started **JAN. 6 1969** Date completed **JAN. 7 1969**

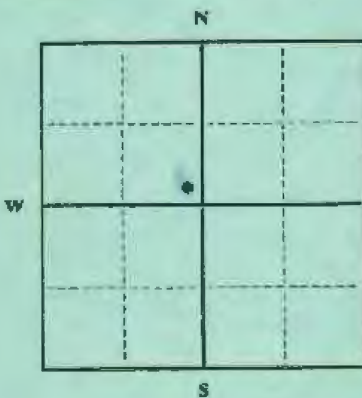
Type of well **Drilled** Equipment used **Churn**
(Dug, driven, bored or drilled) (Churn drill, rotary or other)

Water use: Domestic ☐ Municipal ☐ Stock ☒ Irrigation ☐
Industrial ☐ Drainage ☐ Other ☐

Indicate on the diagram the character and thickness of the different strata met with in drilling, such as soil, clay, shale, gravel, rock or sand, etc. Show depth at which water is encountered, thickness and character of water-bearing strata and height to which the water rises in the well.



Size of Drilled Hole	Size and Weight of Casing	From (Feet)	To (Feet)	PERFORATIONS		
				Kind Size	From (Feet)	To (Feet)
6" ID	6" ID .250 17.02 lbs	0'	44'	Barbed Torch 2" X 4"	40'	43'



Static Water Level for non-flowing well **14** feet.

Shut-in Pressure for Flowing Well **NA**

Pumping Water Level **20** feet at **20** gal. per minute.

Discharge in gal. per min. of flowing well **NA**

How Tested **Ballor 1 hrs**

Length of Test **1 hrs**

Remarks: (Gravel packing, cementing, packers, type of shutoff)

Water is coming through perforations and end of pipe.

DE 1/4 Sec 16 T 5N R 2E
Indicate location of well and place of use, if possible. Each small square represents 40 acres.

(Continue on reverse side)

USE If used for irrigation, industrial, drainage or other. Explain, state number of acres and location or other data (i.e.: Lot, Block and Addition).

NA

Show exact depth of bottom.

This form to be prepared by driller, and three copies to be filed by the owner with the County Clerk and Recorder in the county in which the well is located, tissue copy to be retained by driller.

Please answer all questions. If not applicable, so state, otherwise the form will be returned.

NO. 179

Driller's License Number

Portier J. Barrus
Driller's Signature

M: 16704

File No.

TRIPlicate

007

T 5N

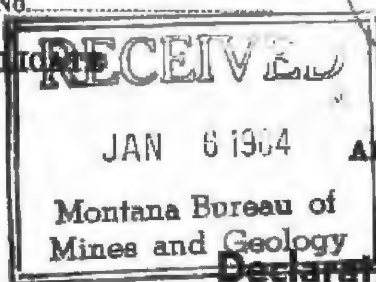
R 2E

16 B D

County Broadwater

Well # 1

173100



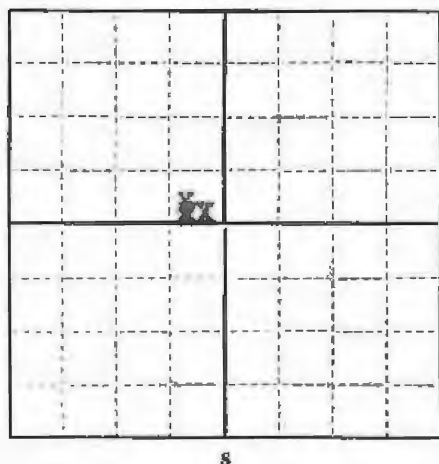
STATE OF MONTANA

ADMINISTRATOR OF GROUNDWATER CODE

OFFICE OF STATE ENGINEER

Declaration of Vested Groundwater Rights

(Under Chapter 237, Montana Session Laws, 1961)

1. John P. Smith, of Town (Name of Appropriator) (Address) (Town)County of Broadwater State of Montana
have appropriated groundwater according to the Montana laws in effect prior to January 1, 1962, as follows:

2. The beneficial use on which the claim is based

Livestock water and Domestic use3. Date or approximate date of earliest beneficial use; and how continuous the use has been 1924 continuous use
since that date4. The amount of groundwater claimed (in miner's inches or gallons per minute) 75 gallons per minute

5. If used for irrigation, give the acreage and description of the lands to which water has been applied and name of the owner thereof

6. The means of withdrawing such water from the ground and the location of each well or other means of withdrawal

Electric pumps

7. The date of commencement and completion of the construction of the well, wells, or other works for withdrawal of groundwater

Well no. 1 started and completed in 1924
Well no. 2 started July 18, 1947 completed July 23, 1947
Well no. 3 started August 14, 1952 completed August 20 19528. The depth of water table 16 feet in all three wells9. So far as it may be available, the type, size and depth of each well or the general specifications of any other works for the withdrawal of groundwater Well no. 1 dug to a depth of 22 feet cased with a 2 foot culvert. Well nos. 2 and 3 drilled with a 6 inch bit and cased with a 6 inch iron casing to a depth of 30 feet10. The estimated amount of groundwater withdrawn each year 700,000 gallons

11. The log of formations encountered in the drilling of each well if available

All 3 wells, 0 to 30 feet coarse gravel and sand

12. Such other information of a similar nature as may be useful in carrying out the policy of this act, including reference to book and page of any county record

Signature of Owner John P. SmithDate December 27, 1963

Three copies to be filed by the owner with the County Clerk and Recorder of the county in which the well is located.

Please answer all questions. If not applicable, so state, otherwise the form will be returned.

Original to the County Clerk and Recorder; Duplicate to the State Engineer; Triplicate to the Montana Bureau of Mines and Geology, and Quadruplicate for the Appropriator.

M:16705

File No.

007 T 52 R 22 16 BD

TRIPPLICATE

County

STATE OF MONTANA

ADMINISTRATOR OF GROUNDWATER CODE

OFFICE OF STATE ENGINEER

Montana Bureau of
Mines and Geology

Declaration of Vested Groundwater Rights

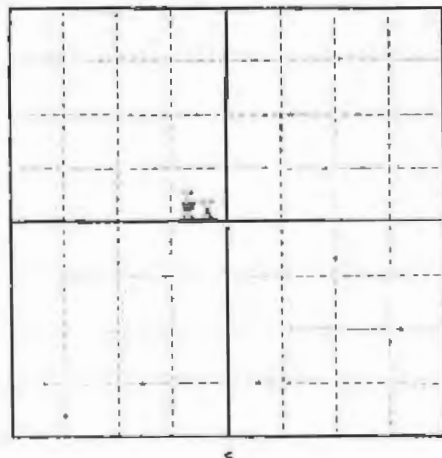
(Under Chapter 237, Montana Session Laws, 1961)

Well # 2

173101

I, John P. Smith, of Toston (Name of Appropriator) (Address) (Town)

County of Blaine State of Montana have appropriated groundwater according to the Montana laws in effect prior to January 1, 1962, as follows:



2. The beneficial use on which the claim is based

Livestock water and domestic use

3. Date or approximate date of earliest beneficial use; and how continuous the use has been 1924 continuous use

since that date

4. The amount of groundwater claimed (in miner's inches or gallons per minute) 75 gallons per minute

5. If used for irrigation, give the acreage and description of the lands to which water has been applied and name of the owner thereof

6. The means of withdrawing such water from the ground and the location of each well or other means of withdrawal

Electric pump

7. The date of commencement and completion of the construction of the well, wells, or other works for withdrawal of groundwater

well no. 1 started and completed in 1924

well no. 2 started July 18, 1947 completed July 23, 1947

well no. 3 started August 14, 1952 completed August 20 1952

8. The depth of water table 16 feet in all three wells

9. So far as it may be available, the type, size and depth of each well or the general specifications of any other works for the withdrawal of groundwater well no. 1 dug to a depth of 22 feet cased with a 2-foot culvert, well nos. 2 and 3 drilled with a 6-inch bit and cased with a 6-inch iron casing to a depth of 30 feet

10. The estimated amount of groundwater withdrawn each year 700,000 gallons

11. The log of formations encountered in the drilling of each well if available

All 3 wells, 0 to 30 feet coarse gravel and sand

12. Such other information of a similar nature as may be useful in carrying out the policy of this act, including reference to book and page of any county record

Signature of Owner

Date

Three copies to be filed by the owner with the County Clerk and Recorder of the county in which the well is located.

Please answer all questions. If not applicable, so state, otherwise the form will be returned.

Original to the County Clerk and Recorder; Duplicate to the State Engineer; Triplicate to the Montana Bureau of Mines and Geology, and Quadruplicate for the Appropriator.

M:16706

File No.

TRIPPLICATE

RECEIVED

JAN 6 1964

Montana Bureau of
Mines and Geology

STATE OF MONTANA

ADMINISTRATOR OF GROUNDWATER CODE

OFFICE OF STATE ENGINEER

Declaration of Vested Groundwater Rights

(Under Chapter 237, Montana Session Laws, 1961)

007 T

5

R

22

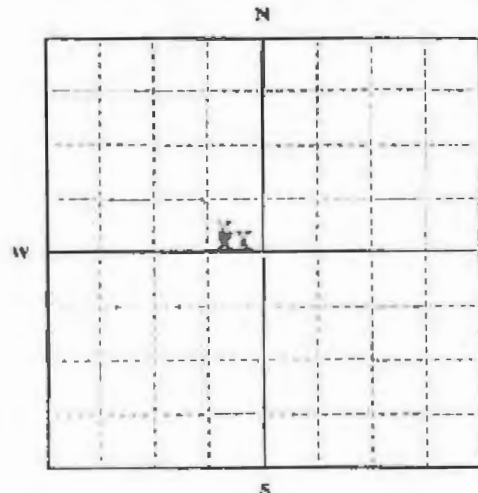
16 B D

County

Well #3

123102

1. John P. Smith (Name of Appropriator), of (Address) Toston (Town)

County of Fergus State of Montana
have appropriated groundwater according to the Montana laws in effect prior to January 1, 1962, as follows:

2. The beneficial use on which the claim is based

Livestock water and domestic use

3. Date or approximate date of earliest beneficial use; and how continuous the use has been 1924 continuous use

since that date

4. The amount of groundwater claimed (in miner's inches or gallons per minute) 75 gallons per minute

5. If used for irrigation, give the acreage and description of the lands to which water has been applied and name of the owner thereof

1/4 Sec. 16 T. 53 R. 23

Indicate point of appropriation and place of use, if possible. Each small square represents 10 acres.

6. The means of withdrawing such water from the ground and the location of each well or other means of withdrawal

Electric pumps

7. The date of commencement and completion of the construction of the well, wells, or other works for withdrawal of groundwater

Well no. 1 started and completed in 1924

Well no. 2 started July 18, 1947 completed July 23, 1947

Well no. 3 started August 14, 1952 completed August 20, 1952

8. The depth of water table 16 feet in all three wells

9. So far as it may be available, the type, size and depth of each well or the general specifications of any other works for the withdrawal of groundwater Well no. 1 dug to a depth of 22 feet cased with a 2 foot culvert. Well nos. 2 and 3 drilled with a 6 inch bit and cased with a 6 inch iron casing to a depth of 30 feet

10. The estimated amount of groundwater withdrawn each year 700,000 gallons

11. The log of formations encountered in the drilling of each well if available

All 3 wells, 0 to 30 feet coarse gravel and sand

12. Such other information of a similar nature as may be useful in carrying out the policy of this act, including reference to book and page of any county record

Signature of Owner

Date

Three copies to be filed by the owner with the County Clerk and Recorder of the county in which the well is located.

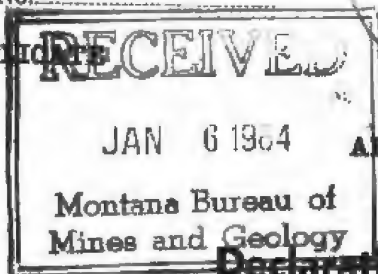
Please answer all questions. If not applicable, so state, otherwise the form will be returned.

Original to the County Clerk and Recorder; Duplicate to the State Engineer; Triplicate to the Montana Bureau of Mines and Geology, and Quaduplicate for the Appropriator.

M:16707

File No.

TRIPPLICATE



STATE OF MONTANA

ADMINISTRATOR OF GROUNDWATER CODE

OFFICE OF STATE ENGINEER

Declaration of Vested Groundwater Rights

(Under Chapter 237, Montana Session Laws, 1961)

007 T. 58 R. 23 16 B7

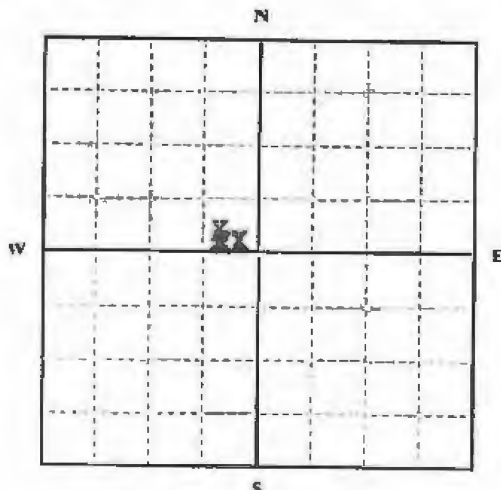
County BROWN

Well # 1

123100

1. John F. Smith, of Butte (Name of Appropriator) (Address) Butte (Town)

County of Brown State of Montana
 have appropriated groundwater according to the Montana laws in effect prior to January 1, 1962, as follows:



2. The beneficial use on which the claim is based

Livestock water and Domestic use

3. Date or approximate date of earliest beneficial use; and how continuous the use has been 1924 continuous use
since that date

4. The amount of groundwater claimed (in miner's inches or gallons per minute) 75 gallons per minute

5. If used for irrigation, give the acreage and description of the lands to which water has been applied and name of the owner thereof

6. The means of withdrawing such water from the ground and the location of each well or other means of withdrawal

Electric pumps

7. The date of commencement and completion of the construction of the well, wells, or other works for withdrawal of groundwater

Well no. 1 started and completed in 1924

Well no. 2 started July 18, 1947 completed July 23, 1947

Well no. 3 started August 14, 1952 completed August 20 1952

8. The depth of water table 16 feet in all three wells

9. So far as it may be available, the type, size and depth of each well or the general specifications of any other works for the withdrawal of groundwater

Well no. 1 dug to a depth of 22 feet cased with a 2 foot culvert. Well nos. 2 and 3 drilled with a 6 inch bit and cased with a 6 inch iron casing to a depth of 30 feet

10. The estimated amount of groundwater withdrawn each year 700,000 gallons

11. The log of formations encountered in the drilling of each well if available

All 3 wells, 0 to 30 feet coarse gravel and sand

12. Such other information of a similar nature as may be useful in carrying out the policy of this act, including reference to book and page of any county record

Signature of Owner J. F. Smith

Date September 7, 1963

Three copies to be filed by the owner with the County Clerk and Recorder of the county in which the well is located.

Please answer all questions. If not applicable, so state, otherwise the form will be returned.

Original to the County Clerk and Recorder; Duplicate to the State Engineer; Triplicate to the Montana Bureau of Mines and Geology, and Quadruplicate for the Appropriator.

M:16705

EXHIBIT 5

KATIE RICKETT, A.R.A.

P.O. Box 691

Belgrade, MT 59714

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

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

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

Katie@JKranchappraisals.com; www.montanaappraiserllc.com



EDUCATION

Colorado State University, Fort Collins, Colorado

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

University of Colorado at Boulder Continuing Education, Boulder, Colorado

Registered Real Estate Appraiser.

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

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

* A-10, 6/20-26/1999, Austin, TX (40 Hours) * A-20, 8/23-28/1999, St. Cloud, MN (44 Hours) * A-12, 1/14-15/00, Billings, MT (16 Hours) * ALL215, 9/7-9/00, Manhattan Beach, CA (30 Hours) * A-12 Part 1 ASFMRA Ethics & Part 3- USPAP (7 Hours); 2/4-5/03 * ASFMRA- Federal Land Exchange & Acquisitions Course 4/7-9/03 (20 Hours) * A-25, 4/27-29/04, Boise, Idaho (20 Hours) * A-29, 4/30- 5/1/04, Boise, Idaho (15 Hours) * ASFMRA- Timber & Timberland Valuation, 1/31/05, Portland, OR (8 Hours) * UASFLA- "Yellow Book", 2/1/05, Portland, OR (8 Hours) * ASFMRA- Appraising Agricultural Land in Transition, 2/28-3/1/06 (12 Hours) * A-27- Income Capitalization, Indianapolis, IN, 3/15-18/06 (28 Hours) * A-114, USPAP Course, 10/27/06, Great Falls, MT (7 Hours) * A-30, 6/3-9/07, Denver, CO. (47.5 Hours) * Valuation of Conservation Easements, 1/ 14-18/08, ASFMRA & AI (33 Hours) * A-114, 7 Hour USPAP Update Course, 2/6/08, Billings, MT (7 Hours) * UASFLA- "Yellow Book", 10/14-16/08, Billings, MT (22 Hours) * Uniform Agricultural Appraisal Report, 5/8-9/08, Piedmont, SD (16 Hours) *What's Missing in Appraisal Reports, 2/ 4/09, Bozeman, MT (4 Hours) *Wind Leases-The Basic Rights of Ownership, 2/4/09, Bozeman, MT (2 Hours) * Update of Montana Water Rights, 2/4/09, Bozeman, MT (2 Hours) *ASFMRA- Code of Ethics Webinar, 8/11/09 (4 Hours) * A-114, 7 Hour USPAP 2010-2011 Update Course, 2/4/10, Billings, MT (7 Hours) * iKuw Adobe Acrobat 9 Professional, 4/16/2011 (12 Hours) * ASFMRA AFO/CAFO, 2/9/11, Bozeman, MT (4 Hours) * ASFMRA- Ag Trends in Ag Finance, 2/9/11, Bozeman, MT (2 Hours) * McKissock-Appraising Manufactured Homes, 9/8/11, Online, (7 Hours) *McKissock- Appraising FHA Today, 9/7/11, Online, (7 Hours) *GIS for Real Estate and Appraisal, 2/8/2012 Billings, MT (4 Hours) * Montana Access and Easement Law, 2/8/2012 Billings, MT (4 Hours) * A-114, 2012-2013 USPAP Update Course 2/7/2012 , Billings, MT (7 Hours)* Cost Approach Online, 6/13 (A120) (30 Hours) * ASFMRA Ethics, 2/14 (4 Hours) * DNRC Water Rights, 2/2014 (4 Hours) * 7- Hour National USPAP Update 2/14 (7 Hours) * 7-Hour National USPAP Update 2/16 (7 Hours) * Rural Case Studies 2/16 (8 Hours) *CE Valuation Workshop 4/16 (5 Hours) *BBER Seminar 2/17 (5 Hours) *The Valuation of Intangible & Non-Financial Assets 2/17 (11 Hours) * Income Approach Applications 2/17 (4 Hours)

EXPERIENCES

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

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

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

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

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

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

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

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

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

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

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

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