

# **APPRAISAL REVIEW REPORT**

Proposed Land Banking Sale of 48 Parcels in

Daniels County, Montana

Effective Dates: May 14 through 17, 2012

Prepared for:

State of Montana

Department of Natural Resources and Conservation

Trust Land Management Division

Real Estate Management Bureau

1625 11<sup>th</sup> Avenue

Helena, MT 59620

Prepared by:

John Grimm, Real Estate Section Supervisor

Department of Natural Resources and Conservation

Trust Land Management Division

Real Estate Management Bureau

1625 11<sup>th</sup> Avenue

Helena, MT 59620

## REVIEWER'S SUMMARY OF SALIENT FACTS

**Clients & Intended Users of Review:** The clients are the State of Montana, the Montana Board of Land Commissioners, and the Montana Department of Natural Resources and Conservation (DNRC). The intended users are the clients, the Real Estate Management Bureau of the DNRC Trust Land Management Division, and the Northeastern Land Office.

**Intended Use of Review:** The purpose of the review is to provide the clients and intended users with an opinion of the credibility of the appraiser's opinion of current fair market value of the appraised property, and if this appraisal should be reviewed by a Montana certified appraiser. The intended use of the review will be for utilization in the decision making process concerning the setting of a minimum bid amount for the potential sale of the subject property at public auction.

**Present Owner:** State of Montana

**Property Interest Appraised:** Fee Simple

**Subject Property, Acreage, Legal Description & Location:**

Sale #	Acres	Legal Description	Location
347	40	SE¼SW¼, Section 34, T37N-R50E	17 miles northeast of Scobey
365	80.24	Lot 4, SW¼NW¼, Section 3, T34N-R45E	19 miles southwest of Scobey
366	80	W½SW¼, Section 34, T35N-R45E	19 miles southwest of Scobey
633	80	S½NE¼, Section 14, T34N-R44E	25 miles southwest of Scobey
634	80	N½SW¼, Section 14, T34N-R44E	25 miles southwest of Scobey
635	16.81	Pt lying W of county rd r/w in W½SW¼, Section 3, T34N-R45E	19 miles southwest of Scobey
636	160.19	Lot 1, SE¼NE¼, E½SE¼, Section 4, T34N-R45E	19 miles southwest of Scobey
637	98.98	Pt lying W of county rd in W½, Section 10, T34N-R45E	19 miles southwest of Scobey
638	80	W½SW¼, Section 12, T34N-R45E	18 miles southwest of Scobey
639	160	N½NE¼, S½SE¼, Section 14, T34N-R45E	18 miles southwest of Scobey
640	160	N½NW¼, E½SW¼, Section 14, T34N-R45E	18 miles southwest of Scobey
641	160	NE¼, Section 24, T34N-R46E	12 miles southwest of Scobey
642	80	NE¼NW¼, NW¼SE¼, Section 33, T34N-R51E	19 miles southeast of Scobey
643	200	NE¼, NE¼SE¼, Section 7, T35N-R44E	7 miles west of Peerless
644	160	SW¼, Section 8, T35N-R44E	7 miles west of Peerless
645	160	NW¼, Section 34, T35N-R45E	19 miles southwest of Scobey
646	80	W½NW¼, Section 21, T35N-R47E	7 miles west of Scobey
647	40	SW¼SE¼, Section 23, T35N-R48E	2 miles southeast of Scobey
648	320	S½, Section 3, T36N-R43E	31 miles northwest of Scobey
649	320.16	Lots 1-4, S½N½, Section 3, T36N-R43E	31 miles northwest of Scobey
650	160	SE¼, Section 4, T36N-R43E	31 miles northwest of Scobey
651	160	NE¼, Section 4, T36N-R43E	31 miles northwest of Scobey
652	240	SE¼, E½NE¼, Section 9, T36N-R43E	31 miles northwest of Scobey
653	160	SW¼, Section 10, T36N-R43E	31 miles northwest of Scobey
654	160	NE¼, Section 10, T36N-R43E	31 miles northwest of Scobey
655	160	NW¼, Section 10, T36N-R43E	31 miles northwest of Scobey
656	160	NE¼, Section 11, T36N-R43E	31 miles northwest of Scobey
657	160	SW¼, Section 25, T36N-R44E	31 miles northwest of Scobey
658	132.50	N½SE¼, N½SW¼SE¼, SW¼SW¼SE¼, W½SE¼SW¼SE¼, W½E½SE¼SW¼SE¼, N½N½SE¼SE¼, N½S½N½SE¼SE¼, Section 25, T36N-R44E	21 miles west of Scobey
659	476.30	N½, SE¼, less 5 acres in S½SW¼SE¼SE¼, Section 36, T36N-R44E	21 miles west of Scobey
660	5	S½SW¼SE¼SE¼, Section 36, T36N-R44E	21 miles west of Scobey



661	72.18	Lots 3 & 4, Section 30, T36N-R45E	21 miles west of Scobey
663	40	SW¼SE¼, Section 25, T36N-R48E	3.7 miles northeast of Scobey
664	360	Lot 8, S½, Section 4, T37N-R43E	32.5 miles northwest of Scobey
665	120	W½SW¼, SE¼SW¼, Section 29, T37N-R43E	31 miles northwest of Scobey
666	160	NW¼, Section 29, T37N-R43E	31 miles northwest of Scobey
667	160	SE¼, Section 30, T37N-R43E	31 miles northwest of Scobey
668	360	NE¼NW¼, E½, Section 31, T37N-R43E	31 miles northwest of Scobey
669	67.44	E½SW¼, less 12.56 acres in S½NE¼SW¼, Section 32, T37N-R43E	31 miles northwest of Scobey
670	120	N½NW¼, SE¼NW¼, Section 32, T37N-R43E	31 miles northwest of Scobey
671	120	W½SW¼, SW¼NW¼, Section 32, T37N-R43E	31 miles northwest of Scobey
672	157.94	SE¼, Section 32, T37N-R43E	31 miles northwest of Scobey
673	12.56	Pt S½NE¼SW¼, Section 32, T37N-R43E	31 miles northwest of Scobey
674	160	Lots 7-10, Section 2, T37N-R42E	25 miles northwest of Scobey
675	280	SE¼NW¼, S½SE¼, SW¼, Section 27, T37N-R46E	14 miles northwest of Scobey
676	40	NW¼SE¼, Section 26, T37N-R50E	17 miles northeast of Scobey
677	40	SE¼SW¼, Section 14, T34N-R44E	25 miles southwest of Scobey
678	160	SE¼, Section 8, T35N-R44E	7 miles west of Peerless

**Present Use:** Grazing and dry crop land, with two parcels used as home sites.

**Highest and Best Use:** Continued use for Ag production and as two home sites

**Dates:** The effective dates of the appraised values and review is May 14 through 17, 2012.

**Purpose and Intended Use of the Appraisal:** The purpose of the appraisal is to provide the clients and intended users with a credible opinion of market value of the subject property, intended for use in the decision making process concerning potential sale of said subject property.

**Appraiser's Opinion of Value of Real Estate:** Parcels 347, 642, 647, 674 & 676 do not have legal access, and were only appraised with the "Hypothetical" condition of having legal access. The appraiser reported the current fair market value for the subject properties as of May 14 through 17, 2012 to be:

Sale #	Acres	Value	Appraisal Date
347	40	\$9,600	5/15/12
365	80.24	\$28,800	5/16/12
366	80	\$29,700	5/16/12
633	80	\$17,200	5/16/12
634	80	\$17,200	5/16/12
635	16.81	\$4,000	5/16/12
636	160.19	\$34,400	5/16/12
637	98.98	\$23,800	5/16/12
638	80	\$17,200	5/16/12
639	160	\$34,400	5/16/12
640	160	\$34,400	5/16/12
641	160	\$38,400	5/14/12
642	80	\$17,200	5/15/12
643	200	\$52,000	5/16/12
644	160	\$41,600	5/16/12
645	160	\$64,300	5/16/12
646	80	\$23,400	5/16/12
647	40	\$8,600	5/15/12
648	320	\$118,100	5/17/12

649	320.16	\$131,100	5/17/12
650	160	\$34,400	5/17/12
651	160	\$67,900	5/17/12
652	240	\$98,000	5/17/12
653	160	\$60,200	5/17/12
654	160	\$67,500	5/17/12
655	160	\$64,800	5/17/12
656	160	\$69,800	5/17/12
657	160	\$38,400	5/16/12
658	132.50	\$40,800	5/16/12
659	476.30	\$196,900	5/16/12
660	5	\$3,000	5/16/12
661	72.18	\$15,500	5/16/12
663	40	\$8,600	5/15/12
664	360	\$93,600	5/17/12
665	120	\$39,100	5/17/12
666	160	\$56,400	5/17/12
667	160	\$64,700	5/17/12
668	360	\$143,600	5/17/12
669	67.44	\$16,200	5/17/12
670	120	\$28,800	5/17/12
671	120	\$38,300	5/17/12
672	157.94	\$67,300	5/17/12
673	12.56	\$7,500	5/17/12
674	160	\$68,300	5/17/12
675	280	\$72,800	5/15/12
676	40	\$8,600	5/15/12
677	40	\$17,200	5/16/12
678	160	\$34,400	5/16/12

**Reviewer:** This reviewer is not a Montana certified appraiser and makes a recommendation to the DNRC if the report should be reviewed by a Montana certified appraiser. This reviewer checks the accuracy of information and analysis of the report.

**Reviewer's Comments:** This reviewer finds the report appears credible and that it is acceptable. This review is not a stand alone document and is expressly interrelated to the appraisal report.

**Reviewer's Conclusion of Value:** It is this reviewer's opinion that the appraiser's opinions of value for the subject sale parcels is appropriately supported.



## APPRAISAL REVIEW REPORT

### Client & Intended Users of Review:

The clients are the State of Montana, the Montana Board of Land Commissioners, and the Montana Department of Natural Resources and Conservation (DNRC). The intended users are the clients, the Real Estate Mgmt Bureau of the DNRC Trust Land Mgmt Div., and the Northeastern Land Office.

### Purpose and Intended Use of Review:

The purpose of the review is to provide the clients and intended users with an opinion of the credibility of the appraiser's opinion of current fair market values of the appraised properties, and if this appraisal should be reviewed by a Montana certified appraiser. The intended use of the review will be for utilization in the decision making process concerning the setting of a minimum bid amount for the potential sale of the subject properties at public auction.

### Scope of Review:

The reviewer will be reviewing and making an opinion of the quality of the appraisal, along with providing an opinion of the credibility of the values reported. The reviewer's opinion of appraisal quality and opinion of the credibility of the values reported will be based mostly on the material submitted in the report. Limited use will also be made of information on the cadastral system, (such as legal descriptions, maps, aerial photos and topography maps, etc...), and limited information on the subject properties in this reviewer's file. This reviewer did not perform a physical viewing of the subject properties. The comparable sales were not inspected and were only "viewed" through use of the appraisal report and cadastral system. No in-depth market research was done. The reviewer's valuation opinion is limited to an orientation prospective of the appraiser's opinions, i.e., "the appraiser's opinions of value appear high, low, appropriate, or unsupported", etc. In the development of this reviewer's opinion of the credibility of the values estimated, an extraordinary assumption has been made that the material about the subject properties and on the comparable sales, along with other market information submitted in the appraiser's report is credible. USPAP defines Extraordinary Assumption as: an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Use of the extraordinary assumption mentioned here and elsewhere in the report might have affected the assignment results. This review is not a stand alone document and is expressly interrelated to the appraisal report, which the reader may need to refer to for further detail.

### Subject Property, Acres, Legal Description, Location & Owner of Record:

The State of Montana has owned the property for at least five years. Additional information about the subject properties along with photos and maps are contained in the appraisal report.

Sale #	Acres	Legal Description	Location
347	40	SE¼SW¼, Section 34, T37N-R50E	17 miles northeast of Scobey
365	80.24	Lot 4, SW¼NW¼, Section 3, T34N-R45E	19 miles southwest of Scobey
366	80	W½SW¼, Section 34, T35N-R45E	19 miles southwest of Scobey
633	80	S½NE¼, Section 14, T34N-R44E	25 miles southwest of Scobey
634	80	N½SW¼, Section 14, T34N-R44E	25 miles southwest of Scobey
635	16.81	Pt lying W of county rd r/w in W½SW¼, Section 3, T34N-R45E	19 miles southwest of Scobey
636	160.19	Lot 1, SE¼NE¼, E½SE¼, Section 4, T34N-R45E	19 miles southwest of Scobey
637	98.98	Pt lying W of county rd in W½, Section 10, T34N-R45E	19 miles southwest of Scobey
638	80	W½SW¼, Section 12, T34N-R45E	18 miles southwest of Scobey
639	160	N½NE¼, S½SE¼, Section 14, T34N-R45E	18 miles southwest of Scobey
640	160	N½NW¼, E½SW¼, Section 14, T34N-R45E	18 miles southwest of Scobey
641	160	NE¼, Section 24, T34N-R46E	12 miles southwest of Scobey
642	80	NE¼NW¼, NW¼SE¼, Section 33, T34N-R51E	19 miles southeast of Scobey
643	200	NE¼, NE¼SE¼, Section 7, T35N-R44E	7 miles west of Peerless
644	160	SW¼, Section 8, T35N-R44E	7 miles west of Peerless



645	160	NW¼, Section 34, T35N-R45E	19 miles southwest of Scobey
646	80	W½NW¼, Section 21, T35N-R47E	7 miles west of Scobey
647	40	SW¼SE¼, Section 23, T35N-R48E	2 miles southeast of Scobey
648	320	S½, Section 3, T36N-R43E	31 miles northwest of Scobey
649	320.16	Lots 1-4, S½N½, Section 3, T36N-R43E	31 miles northwest of Scobey
650	160	SE¼, Section 4, T36N-R43E	31 miles northwest of Scobey
651	160	NE¼, Section 4, T36N-R43E	31 miles northwest of Scobey
652	240	SE¼, E½NE¼, Section 9, T36N-R43E	31 miles northwest of Scobey
653	160	SW¼, Section 10, T36N-R43E	31 miles northwest of Scobey
654	160	NE¼, Section 10, T36N-R43E	31 miles northwest of Scobey
655	160	NW¼, Section 10, T36N-R43E	31 miles northwest of Scobey
656	160	NE¼, Section 11, T36N-R43E	31 miles northwest of Scobey
657	160	SW¼, Section 25, T36N-R44E	31 miles northwest of Scobey
658	132.50	N½SE¼, N½SW¼SE¼, SW¼SW¼SE¼, W½SE¼SW¼SE¼, W½E½SE¼SW¼SE¼, N½N½SE¼SE¼, N½S½N½SE¼SE¼, Section 25, T36N-R44E	21 miles west of Scobey
659	476.30	N½, SE¼, less 5 acres in S½SW¼SE¼SE¼, Section 36, T36N-R44E	21 miles west of Scobey
660	5	S½SW¼SE¼SE¼, Section 36, T36N-R44E	21 miles west of Scobey
661	72.18	Lots 3 & 4, Section 30, T36N-R45E	21 miles west of Scobey
663	40	SW¼SE¼, Section 25, T36N-R48E	3.7 miles northeast of Scobey
664	360	Lot 8, S½, Section 4, T37N-R43E	32.5 miles northwest of Scobey
665	120	W½SW¼, SE¼SW¼, Section 29, T37N-R43E	31 miles northwest of Scobey
666	160	NW¼, Section 29, T37N-R43E	31 miles northwest of Scobey
667	160	SE¼, Section 30, T37N-R43E	31 miles northwest of Scobey
668	360	NE¼NW¼, E½, Section 31, T37N-R43E	31 miles northwest of Scobey
669	67.44	E½SW¼, less 12.56 acres in S½NE¼SW¼, Section 32, T37N-R43E	31 miles northwest of Scobey
670	120	N½NW¼, SE¼NW¼, Section 32, T37N-R43E	31 miles northwest of Scobey
671	120	W½SW¼, SW¼NW¼, Section 32, T37N-R43E	31 miles northwest of Scobey
672	157.94	SE¼, Section 32, T37N-R43E	31 miles northwest of Scobey
673	12.56	Pt S½NE¼SW¼, Section 32, T37N-R43E	31 miles northwest of Scobey
674	160	Lots 7-10, Section 2, T37N-R42E	25 miles northwest of Scobey
675	280	SE¼NW¼, S½SE¼, SW¼, Section 27, T37N-R46E	14 miles northwest of Scobey
676	40	NW¼SE¼, Section 26, T37N-R50E	17 miles northeast of Scobey
677	40	SE¼SW¼, Section 14, T34N-R44E	25 miles southwest of Scobey
678	160	SE¼, Section 8, T35N-R44E	7 miles west of Peerless

#### **Appraiser's Estimates of Value:**

Parcels 347, 642, 647, 674 & 676 do not have legal access, and were only appraised with the "Hypothetical" condition of having legal access. The appraiser reported the current fair market value for the subject properties as of May 14 through 17, 2012 to be:

Sale #	Acres	Value	Appraisal Date
347	40	\$9,600	5/15/12
365	80.24	\$28,800	5/16/12
366	80	\$29,700	5/16/12
633	80	\$17,200	5/16/12
634	80	\$17,200	5/16/12
635	16.81	\$4,000	5/16/12
636	160.19	\$34,400	5/16/12

637	98.98	\$23,800	5/16/12
638	80	\$17,200	5/16/12
639	160	\$34,400	5/16/12
640	160	\$34,400	5/16/12
641	160	\$38,400	5/14/12
642	80	\$17,200	5/15/12
643	200	\$52,000	5/16/12
644	160	\$41,600	5/16/12
645	160	\$64,300	5/16/12
646	80	\$23,400	5/16/12
647	40	\$8,600	5/15/12
648	320	\$118,100	5/17/12
649	320.16	\$131,100	5/17/12
650	160	\$34,400	5/17/12
651	160	\$67,900	5/17/12
652	240	\$98,000	5/17/12
653	160	\$60,200	5/17/12
654	160	\$67,500	5/17/12
655	160	\$64,800	5/17/12
656	160	\$69,800	5/17/12
657	160	\$38,400	5/16/12
658	132.50	\$40,800	5/16/12
659	476.30	\$196,900	5/16/12
660	5	\$3,000	5/16/12
661	72.18	\$15,500	5/16/12
663	40	\$8,600	5/15/12
664	360	\$93,600	5/17/12
665	120	\$39,100	5/17/12
666	160	\$56,400	5/17/12
667	160	\$64,700	5/17/12
668	360	\$143,600	5/17/12
669	67.44	\$16,200	5/17/12
670	120	\$28,800	5/17/12
671	120	\$38,300	5/17/12
672	157.94	\$67,300	5/17/12
673	12.56	\$7,500	5/17/12
674	160	\$68,300	5/17/12
675	280	\$72,800	5/15/12
676	40	\$8,600	5/15/12
677	40	\$17,200	5/16/12
678	160	\$34,400	5/16/12

**Date of Appraisal, Estate Appraised & Date of Review:**

The effective date of the appraisals is May 14-17, 2012 and the date of the report is June 13, 2012. Property rights appraised are unencumbered surface rights, including water rights, using the hypothetical condition that no leases or licenses exist on the parcel. USPAP defines hypothetical condition as: that which is contrary to what exists but is supposed for the purposes of analysis. Use of this hypothetical condition mentioned here in the report might have affected the assignment results. The appraisal report provides more detail about the rights appraised and also the market value definition. The reader is referred to the report for more information. The effective date of the review is May 14-17, 2012, with the review report date being June 15, 2012.



**Client & Intended Users and Purpose & Intended Use of Appraisal Report:**

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

**Appraiser's Subject Property Data & Analysis Summary:**

The appraiser appears to have provided sufficient information on and done an adequate analysis of, the subject property, the neighborhood and the market in general. To state again, in the development of this reviewer's opinion of the credibility of the value estimated, an extraordinary assumption has been made by this reviewer that this material is credible. This review is not a stand alone document and is expressly interrelated to the appraisal report.

**Appraiser's Highest and Best Use Analysis:**


The subject property is currently used as grazing and dry crop land, with two parcels used as home sites. The appraiser determined that the Highest and Best Use of the subject property is continued use for ag production and as two home sites. This reviewer concurs with the Highest and Best Use determination made. The reader is referred to the appraisal report for the appraiser's analysis and conclusions.

**Appraiser's Valuation Process:** The appraiser determined the Cost Approach and Income Approach were not appropriate for these types of properties, and applied only the Sales Comparison Approach to calculate value indicators for the subject properties. In reconciling those approaches into a final opinion of value, the appraiser concluded that the Comparable Sales approach had the most credence in determining a value of the parcel, and this reviewer concurs. The appraiser appears to have done a thorough search of the subjects' market area for comparable sales and market data, done a sufficient job in the descriptions and explanations, done a rational examination of the various elements involved with the various value approaches and done a reasonable analysis of the sales information. The reader is referred to the actual appraisal report for the appraiser's descriptions, analysis and conclusions. Again, in the development of this reviewer's opinion of the credibility of the value estimated, this reviewer has made the **extraordinary assumption** that the elements in the value approaches, the comparable land sales and other market information is credible.

**Reviewer:** This reviewer is not a Montana certified appraiser and makes a recommendation to the DNRC if the report should be reviewed by a Montana certified appraiser. This reviewer checks the accuracy of information and analysis of the report.

**Comments and Conclusions:** This reviewer finds the report appears credible and that it is acceptable given the intended use. The material appears sufficient, the data appears adequate and relevant, the adjustments appear proper, the appraisal methods and techniques appear appropriate, and the analysis, opinions and conclusions appear appropriate and generally reasonable. This review is not a standalone document and is expressly interrelated to the appraisal report.

**Conclusions of Values:** This reviewer did not replicate the steps completed by the original appraiser. This reviewer has concluded that the work under review is credible and in general compliance with the applicable development standards. It is this reviewer's opinion that the appraiser's estimate of value for the subject parcels is appropriately supported.

  
John Grimm, Reviewer/Lands Section Supervisor  
Montana Dept of Natural Resources & Conservation, Trust Land Mgt Div

Dated: June 15, 2012



## ASSUMPTIONS AND LIMITING CONDITIONS

The certification of the reviewer appearing in the appraisal review report is subject to the following conditions and to such other specific and limiting conditions as set forth in the review report.

1. The reviewer is not a certified appraiser in the State of Montana. The reviewer is familiar with appraisal standards and principles. This review follows the standard review format for land appraisals.
2. The reviewer will not be responsible for matters of a legal nature affecting either the property being appraised or the title to it. Except for information that was provided or uncovered during the research involved in performing the appraisal review and ordinarily employed by real estate appraisers, no opinion is intended to be expressed for legal matters or that would require specialized knowledge or investigation. The reviewer assumes that the title is good and marketable, ("free and clear"), and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership and/or competent management. Unless otherwise mentioned in this review report, the property is appraised as if owned in fee simple title without encumbrances.
3. The reviewer assumes that the legal descriptions furnished are correct and the reviewer has not surveyed the property. Acreage of land types and measurements of improvements are based on physical inspection of the property or information provided unless otherwise noted in the report. Sketches or drawings in this report are included to assist the reader in visualizing the property. They are not to be considered a legal survey or engineer's plan of any kind. Any and all other sketches, drawings, maps, etc., are also provided for informational purposes only and are not for any legal reference. Access has been investigated only to the satisfaction of the appraiser. No assurance of legal access, or lack of, is expressed or implied as a legal opinion. The same is true of encroachment and trespass issues.
4. The reviewer has noted in the appraisal review report any adverse conditions, (such as, but not limited to, needed repairs, depreciation, the presence of hazardous wastes, toxic substances, flood planes, etc), observed during the routine inspection of the subject property, and/or adjacent properties, or that was discovered during the normal research involved in performing the appraisal review. Unless otherwise stated in this report, the reviewer has no knowledge of any hidden or unapparent conditions of the property, and/or adjacent properties, or adverse environmental conditions, (including, but not limited to, the presence of hazardous wastes, toxic substances, etc), that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The reviewer will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the reviewer is not an expert in the field of environmental hazards, the appraisal review report must not be considered as an environmental assessment of the property. Concerns about soil conditions, actual condition of improvements or systems, or property conformity to zoning, building, fire, ADA, and other such applicable laws, regulations, rules and codes, should all be referred to the proper experts.
5. The reviewer is not an expert in minerals, mineral rights, timber, timber volumes, crops, farm programs or water requirements and rights. Unless otherwise noted, only surface rights will be appraised or reviewed with no value specifically allotted to the mineral rights or deposits. Timber values, if considered a part of the report, will rely on proper experts, as will farm programs. Typically, growing crops are not considered in the appraisal report. Usually it is assumed the water rights have been secured or perfected, with their value generally considered an inherent part of the land value, with any deviation from this to be included in the report. Rental and lease agreements, conservation plans, options and other situations may also require reliance on proper experts.
6. The reviewer has obtained information, opinions, estimates, surveys, plans, maps and information on regulations, restrictions and studies, etc., from various sources including the property owner, agent, or



manager, as well as from real estate professionals, government agencies, appraisers and other sources. Unless otherwise noted, the sources are considered reliable and the information is complete and correct. However, the reviewer does not assume responsibility for the accuracy of such items that were furnished by other parties.

7. The reviewer assumes no responsibility or liability for future conditions, about which information was not supplied or readily available or was not public knowledge at the time the appraisal is made, nor for the effect of events, which might concern the value of the subject property subsequent to date of appraisal. Montana is a non-disclosure state and as such sales prices of real estate are not publicly recorded. Therefore, with few consolidated sources of sales information existing, and no obligation to release or verify information by many of the parties associated with the transactions, sales of comparable properties may not be known by this reviewer, and absolute verification of the sales found may not be possible.

8. The scope of work has been disclosed in the report and is specific to the needs of the clients and intended users and the intended use. All extraordinary assumptions and hypothetical conditions, including, but not limited to, satisfactory completion and repairs or alterations, will be noted in the appraisal report. It is assumed there will be consistency with all the plans, estimates, specifications, planned work, projections, or requirements, initially provided. Deviation from those items may affect the value reported. Great effort has been taken to eliminate all error in identifying, developing and processing the report. However, if errors or omissions are found, they will have to be reviewed to see if they will affect the opinion of value reported.

9. The reviewer will not disclose the contents of this appraisal review report except as provided for in the Uniform Standards of Professional Appraisal Practice, and/or applicable federal, state, or local laws, rules or regulations. The reviewer is not obligated to/by any unauthorized use of this report by third parties or the "extraction" of only parts of the report and attempting to apply those parts in any other process or to reach a conclusion.

10. It is assumed that there has not been any significant change, physical or otherwise, to the subject property between the inspection date and date the report is signed.

**REVIEWER'S CERTIFICATION:** This reviewer certifies and agrees that:

1. The reviewer is not a certified appraiser in the State of Montana. The reviewer is familiar with appraisal standards and principles. This review follows the standard review format for land appraisals.

2. I have no present or prospective interest in the property that is the subject of this report and review, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in the appraisal review report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.


3. My employment and/or compensation for performing this appraisal review or any future or anticipated appraisal reviews was not conditioned on any agreement or understanding, written or otherwise, that I would report (or develop or present any analysis, opinions or conclusions supporting) a predetermined specific value, a predetermined minimum or maximum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific event or action, or the subsequent event directly related to the use of this appraisal review report.



4. I have taken into consideration the factors that have an impact on value in the development of my opinion of market value for the subject property. I have noted in the appraisal review report any adverse conditions, (such as, but not limited to, needed repairs, depreciation, the presence of hazardous materials, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing the appraisal review. I have considered these adverse conditions in my analysis of the property value to the extent that I had market evidence to support them, and have commented about the effect of the conditions on the marketability of the subject property.

5. I have not knowingly withheld any significant information from the appraisal review report that would have an impact on value and I believe, to the best of my knowledge, that all statements and information in the appraisal review report are true and correct. I have stated in this appraisal review report only my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the limiting conditions specified in this appraisal review report.

6. To the best of my knowledge as lands program manager, I have preformed this appraisal review in conformity with the Uniform Standards of Professional Appraisal Practice. I have personally analyzed and prepared all the conclusions and opinions about the real estate that are set forth in this appraisal review report. If I have relied on significant real property appraisal or review assistance from any individual(s) in the performance of the appraisal review or preparation of the appraisal review report, I have named such individual(s) and disclosed the specific tasks preformed in the appraisal review report. I certify that any individual(s) so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in the appraisal review report; therefore, any change made to the appraisal review is unauthorized and I take no responsibility for it.

  
\_\_\_\_\_  
John Grimm, Reviewer/Lands Section Supervisor  
Montana Dept of Natural Resources & Conservation, Trust Land Mgt Div

Dated: June 15, 2012