Assumptions and Limiting Conditions (continued)

7. MANAGEMENT OF THE PROPERTY: The property is appraised as though under prudent and competent ownership and management. Further, the appraisal is based on the premise that there is full compliance with all applicable federal, state, and local statutes and/or environmental regulations, unless otherwise stated in the report.

8. HAZARDOUS OR TOXIC MATERIALS: The appraiser is not qualified to verify or detect the presence of hazardous substances by visual inspection or otherwise, nor qualified to determine the effect, if any, of known or unknown substances present. Unless otherwise stated in this report or an attachment hereto, the final value conclusion is based on the subject property being free of hazardous waster contaminations, and it is specifically assumed that present subsequent ownership will exercise due diligence to ensure that the property does not become otherwise contaminated.

9. HIDDEN COMPONENTS: The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, excessive topography, sinkholes, or structures, which would render it more or less valuable. The appraiser assumes no responsibility for such conditions or for engineering, which might be required to discover such factors.

10. INFORMATION USED: Information, estimates, and options furnished to the appraiser, and contained in this report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for the accuracy of such items is assumed by the appraiser. It is suggested that the client independently verify the information provided prior to entering into transaction that would significantly impact the property or would require a substantial commitment of funds. Unless otherwise noted, no one provided significant professional assistance to the undersigned.

11. COURT TESTIMONY: The appraiser is note required to give testimony or appear in court because of having made this appraisal with reference to the property in question, unless arrangements have been made previously therefore.

12. COMPONENT VALUES: The distribution of the total valuation in this report between land and improvements applies only under the existing program utilization. The separate valuations for land and building must not be used in conjunction with any other appraisal and are invalid if used.

Assumptions and Limiting Conditions (continued)

13. TIME EFFECT ON VALUES: The market value estimated, the cost estimates, and other estimates used in arriving at the final estimate of value are as of the effective date of the appraisal. Because the markets upon which these estimates and conclusions are based are dynamic in nature, they are subject tot change over time. Further, the appraisal report and value estimates are subject to change if physical, legal, financial, and other conditions differ from conditions on the appraisal date.

14. CHANGES AND MODIFICATIONS: The appraiser reserves the right to alter statements, analysis conclusions, or value estimates in the appraisal if facts become known that are pertinent to he appraisal process that were unknown to the appraiser at the time of report preparation.

15. DISTRIBUTION AND USE OF REPORT: Neither all nor any part of the contents of this report, or copy thereof shall be distributed without the prior written consent of the appraiser. Possession of this report or any copy thereof does not carry with it the right of publication, nor may it be used for other than its intended use. Neither all nor any part of the appraisal report shall be conveyed to the general public through advertising, public relations, news, sales, or other media, without the written consent and approval of the appraiser. The physical report remains the property of the appraiser for the use of the client.

16. FEE: The fee (if any) for this appraisal or study is for the service rendered and not for the physical report or the time spent preparing the physical report itself. The fee for provision of this report is for analytical services provide by the appraiser and has no relation to the final values report.

17. ACCEPTANCE OF, AND/OR USE OF, THE APPRAISAL REPORT BY THE CLIENT OR ANY THIRD PARTY CONSTITUTES ACCEPTANCE OF THE ABOVE CONDITIONS.

OTHER CONDITIONS: Subject mobile home was not included in this valuation.

Area, Regional, and Neighborhood Analysis

LOCATION AND ACCESS

Oldland County is located in the southeastern part of Oklahoma. It borders Water River on the south, Liquid Lake on the east, Anyland County on the north, and Ourland County on the west. U.S. Highway 44 runs east/west and U.S. Highway 75 runs north/ south through the county to provide the primary access through the county. These highways and other county paved and gravel roads provide good access throughout the county.

LABOR MARKET AREA

Gender distribution

Oldland:	48.5% male	51.5% female
Surrounding labor area:	48.5% male	51.5% female

Ethnic distribution

Oldland:	92.2% male	7.8% female
Surrounding labor area:	88.0% male	12.0% female

Civilian Labor Force (2005)

Oldland:.....61,574
Surrounding labor area: 198,707
Total: 260,281

Labor Force Participation (2000 Census)

Oldland:.....64.5%
Surrounding labor area: 63.1%

Unemployment

Unemployment rate (May 2006)

Oldland:.....2.52%
Surrounding labor area: 2.69%
Statewide: 2.86%

Unemployed (2005)

Oldland:.....1,841
Surrounding labor area: 6,326
Total: 8,167

Commuting Patterns (2000 Census)

Live and work in Oldland	46,368	73%
Total In-Commuters	11,175	17.6%
Total Out-Commuters	6,015	9.5%
Net In-Commuters	5,160	

Additional Labor Resources

High school graduates not continuing (2004-2005):	325
Two-year college graduates (Spring 2005):	482
Other college and university graduates (2003-2004):	4,590
Total:	5,397

Educational Attainment

Percentage of Oldland 2001-2002 ninth-graders graduating in 2004-2005:	76.6%
Percentage of Oldland population age 25+ who are high school graduates:	73.6%
Percentage of Oldland population age 25+ who have earned a bachelor's degree or higher:	21.4%

Employment Sector* (4th quarter 2005)

Natural resources	756	1.3%
Construction	4,342	7.4%
Trade	10,172	17.4%
Transportation utilities	2,325	4.0%
Manufacturing	11,549	19.7%
Information	1,319	2.3%
Financial	2,021	3.4%
Services	17,149	29.3%
Government	8,978	15.3%
Total	**58,611**	**100%**

*** By XYZ Establishment**

Employment by Occupation* (4th quarter 2005)

Construction, extraction, and maintenance	6,226	10.9%
Farming, fishing, and forestry	528	0.9%
Managerial, professional, and related	13,122	23.0%
Production, transportation, and material moving	12,474	21.8%
Sales and office	14,757	25.8%
Service	10,024	17.5%
Total	**57,131**	**100%**

*** By XYZ Establishment**

Union Activity (January 2004 – December 2005)

No union activity

Estimated Earnings (November 2004)

Occupation	Med. Wage	Mean Wage	Med. Salary	Mean Salary
Laborers and freight, stock and material movers, hand	$9.48	$10.00	$19,727	$20,800
Industrial truck and tractor operators	$13.25	$13.29	$27,556	$27,653
Truck drivers, light or delivery services	$10.10	$10.72	$21,009	$22,304
Truck drivers, heavy and tractor-trailer	$15.86	$16,34	$32,990	$33,982
Team assemblers	$14.60	$15.10	$30,378	$31,416
1st-line supervisors/managers, production and operating	$20.70	$22.05	$43,060	$45,860
Maintenance and repair workers, general	$14.89	$15.22	$30,972	$31,662
Carpenters	$15.13	$15.61	$31,460	$32,464
Office clerks, general	$10.07	$10.38	$20,941	$21,596
Secretaries, except legal, medical, and executive	$11.88	$12.24	$24,711	$25,461
Stock clerks and order fillers	$10.10	$11.54	$21,014	$24,004
Customer service representatives	$11.90	$12.16	$24,752	$25,285
Bookkeeping, accounting, and auditing clerks	$13.33	$13.74	$27,736	$28,571
1st-line supervisors/managers, office and admin support	$16.58	$18.79	$34,487	$39,090
Sales reps, wholesale & manufctrng, ex tech & scientific	$12.48	$16.86	$25,956	$35,065
Nursing aides, orderlies, and attendants	$9.74	$9.73	$20,262	$20,243
Registered nurses	$23.99	$24.48	$49,906	$50,914
Elementary school teachers, except special education	$21.96	$22.24	$45,667	$46,258
General and operations managers	$33.34	$38.74	$69,349	$80,580

Per Capita Personal Income (2003)

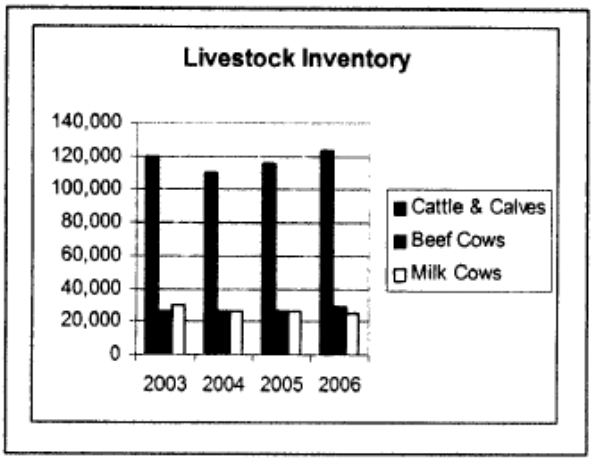
$24,240

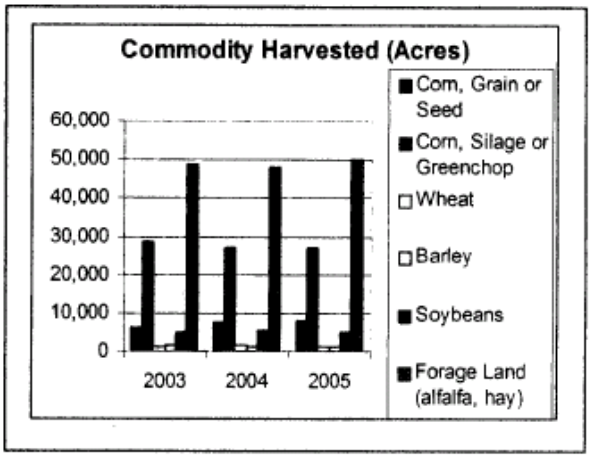
AGRICULTURE

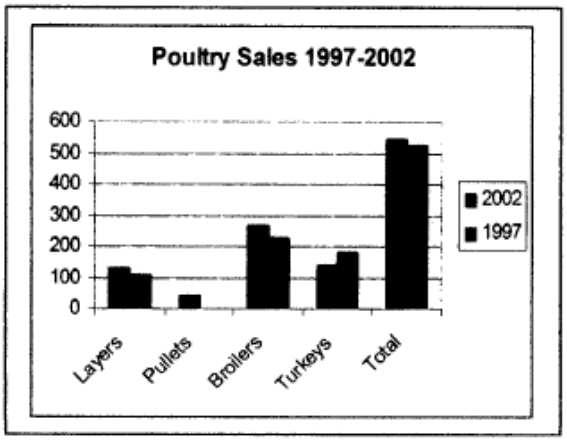
Agriculture has long been one of Oldland County's major industries. In the 2002 Census of Agriculture, Oldland County was ranked second in the state for total value of agricultural products sold. In 2002, there were approximately 2,011 farms in the county, totaling 239,102 acres, with the average farm size being 119 acres. The average estimated market value of land and buildings was $498,534. The average estimated market value of land per acre was $4,043.

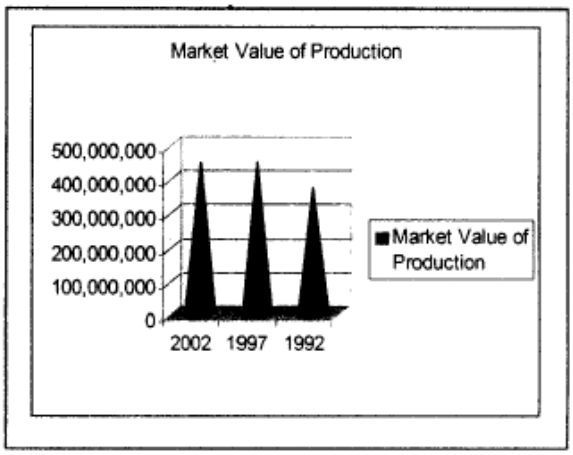
In 2002, the approximate market value of agricultural products sold by Oldland County farmers was $446,663,000. Livestock, poultry, and their products accounted for over $433 million which accounted for approximately 96% of the total market value of the products sold. The other major product group was crops. This accounted for $13.3 million of the total.

AGRICULTURE (CONTINUED)









EDUCATION

Public School Enrollment

LEVEL	NUMBER	FALL 2005 ENROLLMENT
Elementary	17	7,946
Middle	5	3,527
High school	4	4,797

Student Teacher Ratio (2004-2005)

Elementary ..... 12.4 : 1
Secondary ..... 9.9 : 1

Percentage of 2001-2002 ninth grade membership graduating 2004-2005 ..... 76.6%
Percentage of high school graduates continuing education 2004-2005
(including military) 66.9%

Per Pupil Expenditure (FY 2005)

$8,818.41

GOVERNMENTAL CONSIDERATIONS

Taxes and Trends

Property taxes have been stable in the county with no major projects planned for schools or community facilities. Recent increases in land values have forced the assessment values up and consequently taxes have also gone up slightly in recent years. The county is planning a new court house and law enforcement center expansion which is expected to go to a bonding vote in the near future.

Zoning

Oldland County is zoned and all building in the rural areas of the county must be approved by the zoning board. The City of Oldland is zoned and permits are required for all construction within the city limits from the Planning Office in Oldland.

Market Area Trends

The subject property is located in the northeaster section of the County of Oldland. The area consists of agricultural farms/lands and single-family homes. The subject property is compatible with the surrounding area.

The local real estate market continues to be stable, with balanced sales to listings with level land values. The local economy and employment opportunities are stable with slightly rising unemployment. The close proximity to business routes lends easy access to schools, business, employment, and recreation in the town of Leafyville and surrounding Oldland county.

Site Data

The subject property is irregular in shape, consisting of 25 acres, with approximately 20 acres of pasture and the balance being the home site and building waste. The subject has a small amount of frontage on Farmer Road. Subject topography is described as moderately rolling and draining appears to be adequate. The subject property is served by a drilled well, sanitary septic systems, and public electricity. Wells, sprints, and septic fields are typical for rural home sand farms in the market area.

Improvement Data

Subject is a farm operation with a dwelling, three operating poultry units, litter storage building, and other farm-related outbuildings. The primary home, built in 1988, is approximately 2,112 square feet that is one and one-half stories. Exterior finish is vinyl siding and a shingle roof. Interior includes three bedrooms, two full baths and one half bath, kitchen, dining room, office/den, and living room. Interior finish includes laminate wood and carpet floors, with gypsum board walls and ceilings that are painted. Heat is provided by gas and heat pump and the home has central air conditioning. Water is provided by a drilled well and serviced by a septic system. The dwelling is in good condition. The two poultry units are 31 x 350 and have metal siding, metal roof, and dirt floor. Both units have feed lines and drinkers; these units are in average condition. The litter storage unit is 5,775 square feet with wood frame knee walls, metal siding, metal roof, and a dirt floor; this improvement is in average condition. A stationary generator and a small equipment storage building have been given lump sum values that have been market derived fro their contributory value to the subject; both of these improvements are in fair condition.

Zoning and Other Restrictions

The subject is zoned A-1, prime agriculture, by the County of Oldland, Oklahoma. Representative uses permitted under this classification are as follows:

- Agricultural
- Animal husbandry
- Silviculture
- Orchards
- Nurseries
- Aquaculture
- Flood control or watershed structures
- Greenhouse
- Intensive poultry operations
- Hog operations
- Fish hatchery
- Hunting or fishing club
- Domestic animals
- Public utilities
- Single-family residences
- Water filling stations
- Storage of agricultural products
- Residential human care facility
- Special uses by permit

Flood Hazard Area

To assist the citizens in a potential or actual emergency, the U.S. federal government has created the Federal Emergency Management Agency (FEMA). Among the many responsibilities of FEMA, one is to determine the high hazard areas where the probability of periodic flooding is high. Through the National Flood Insurance Program, FEMA has compiled flood insurance rate maps, which rate areas according to the probability of period flooding. Areas where potential flooding occurs within a 100-year timeframe are considered to be in a flood hazard area. FEMA's flood hazard map indicates that the subject property is not located in a flood hazard area.

Environmental Hazards

The value estimated is based on the assumption that the property is not negatively affected by the existence of hazardous substances or detrimental environmental conditions unless otherwise stated in this report. The appraiser is not an expert in the identification of hazardous substances or detrimental environmental conditions. The appraiser's routine inspection of and inquiries about the subject property did not develop any information that indicated any apparent, significant hazardous substances or detrimental environmental conditions, which would affect the property negatively unless otherwise stated in this report. It is possible that Phase I or II test and inspections made by a qualified hazardous substance and environmental expert would reveal the existence of hazardous substances or detrimental environmental conditions on or around the property that would negatively affect its value.

Highest and Best Use

Highest and best use (HBU) is the basic foundation for the valuation process. It is typically defined as the reasonably probable and legal use, which, at the time of the appraisal, is the most profitable and likely use for the property. The criteria that the HBU of the property must meet are: 1-legal permissibility, 2-physical possibility, 3-financial feasibility, 4-maximum profitability or maximally productive.

- **Physically possible.** The site must possess adequate size, shape, soil, and other physical conditions to support potential use.

- **Legally permissible.** The potential use of the property must conform to all private, local, and state zoning and use restrictions for the site.

- **Financially feasible.** The potential use must be capable of providing a net return to the property owner.

- **Maximally productive.** Of those physically possible, legally permissible, and financially feasible uses, the highest and best use for a property is that use which provides the greatest net return to the property owner over a given period.