

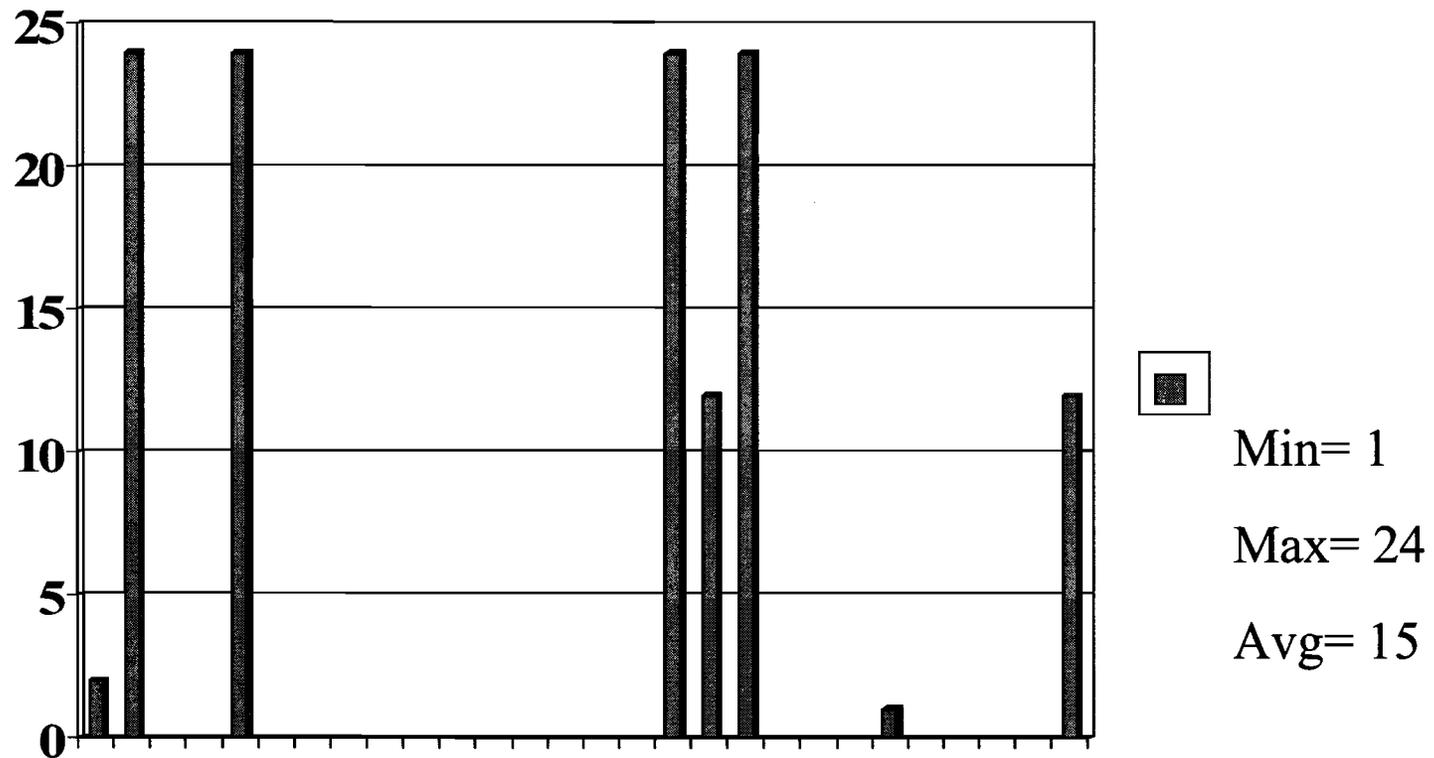
2009 DNRC Lease Lof Survey

Conducted by Montana State Leaseholders Association

Scope of This Presentation

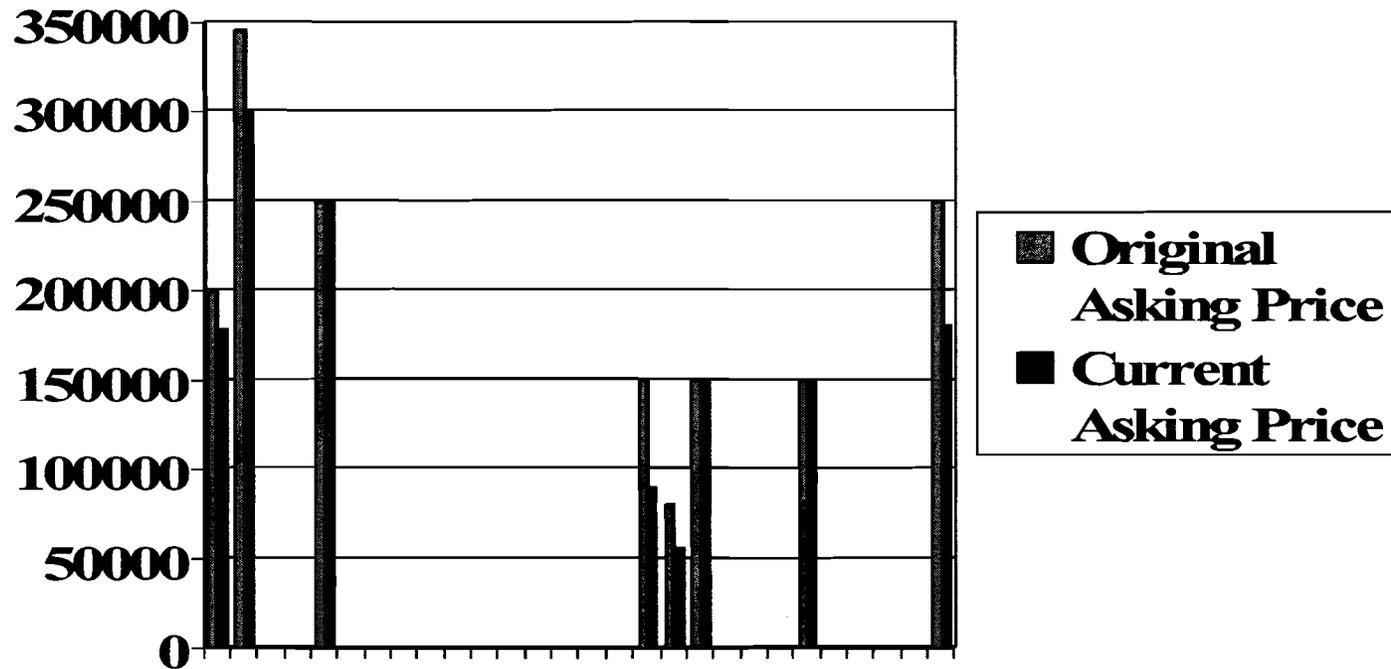
During August and September of 2009, the DNRC State Trust Land Lessees undertook their own internal survey. This survey was distributed by e-mail, through the group's own web site and through personal contacts. The point of the survey was to ascertain lessee reactions about doubling lease rates; intentions concerning their lease should lease rates double; marketing attempts by the lessees; what lessees consider to be fair lease rates for their lots; and gage interests by lessees to purchasing their lots from the state, should such a possibility exist.

8 Attempts to Sell, Months on the Market



8 of 46 respondents are currently trying to sell their leased properties.

8 Attempts to Sell, Original Asking Price and Current Asking Price

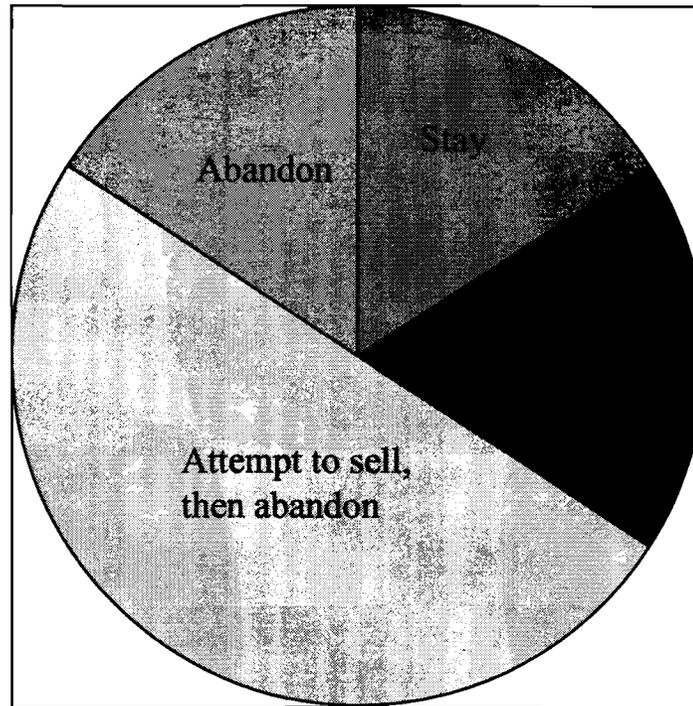


Percentage Decrease in Asking Price:
Max= 40%, Min= 0, Avg= 18%

Reasons Stated by Interested Parties for NOT Making an Offer to Purchase a Lease Lot

- Instability of lease rate system**
- Uncertainty of future lease rates**
- Lease fees presently too high**
- Lease sales prices too high**
- State leased property**

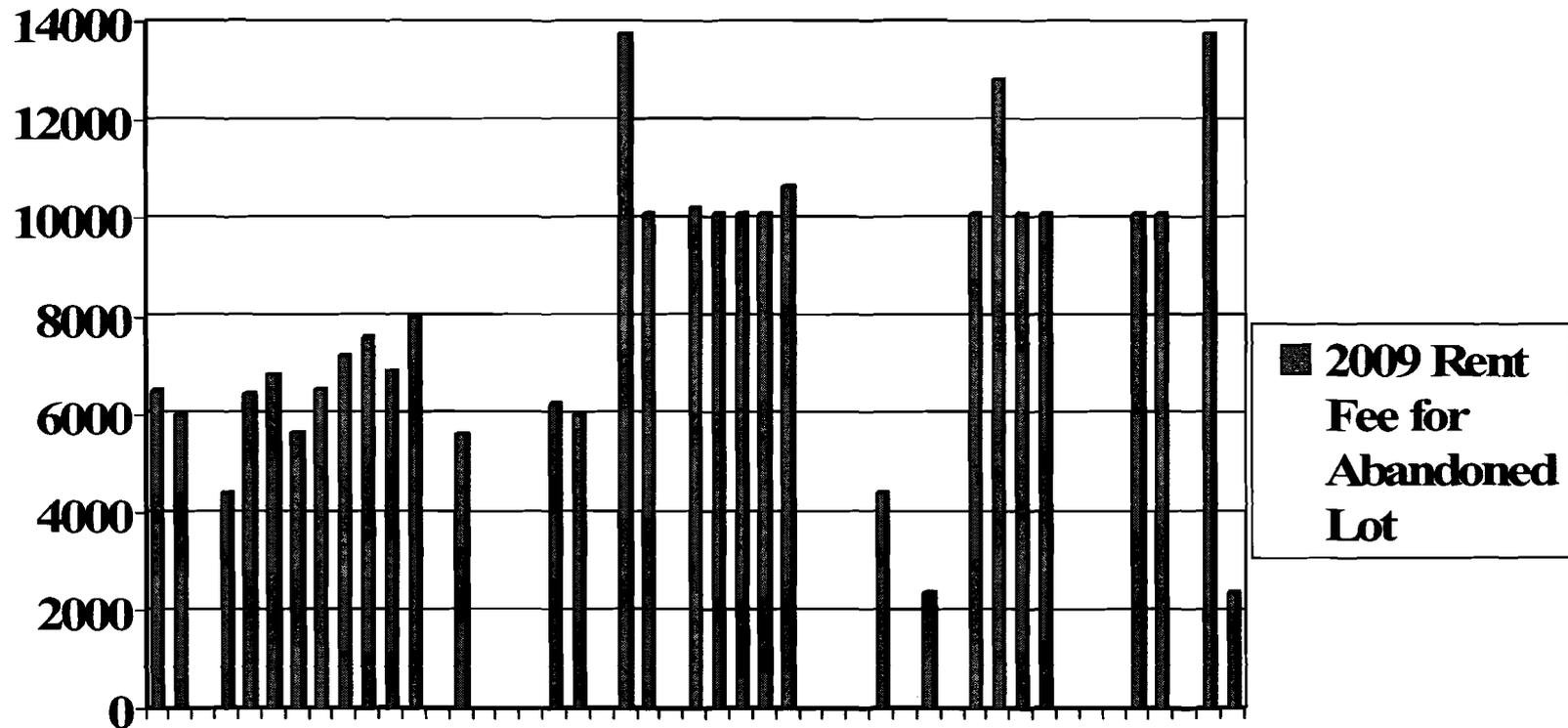
What Action Lessees Will Take if Their Lease Fee Doubles



- Stay
- Sell
- Try to Sell/
Abandon
- Abandon

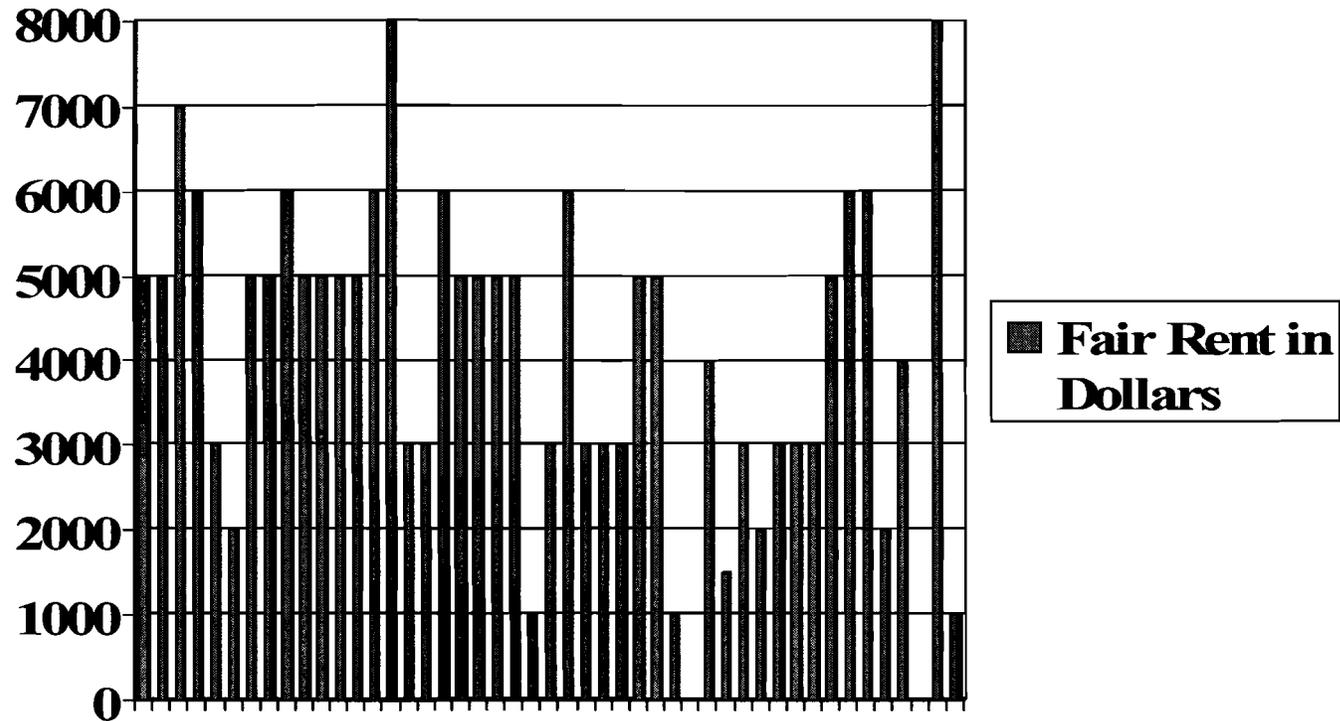
Stay=7=16%
Sell=8=18%
Try to Sell, then Abandon=
22=51%
Abandon=7=16%
Total Abandon= 67%

2009 Dollars Lost if Lease is Abandoned



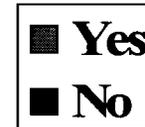
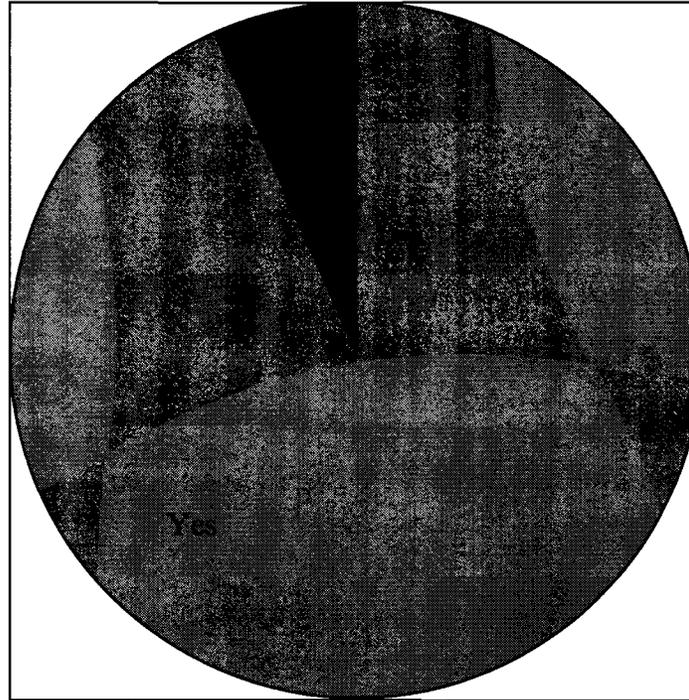
67% of lessees state they will abandon their leases if lease fees double. The average lease payment for this group is \$8,097 per year, accounting for 29 leases and \$234,837 in lease payments

Rent Considered Fair by Lessees



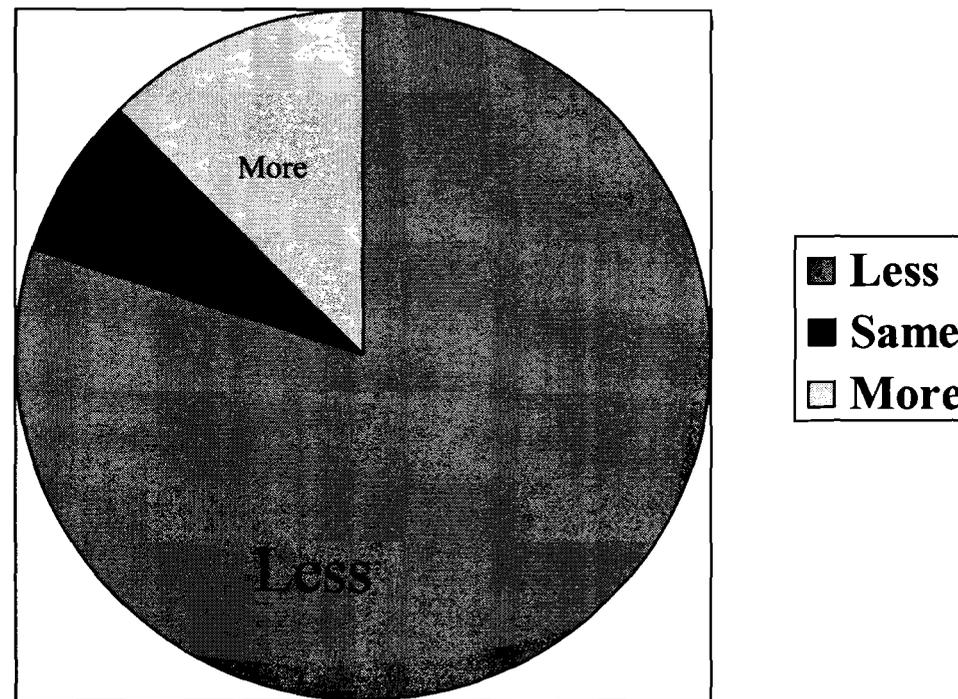
Rent considered fair by lessees:
Max= \$8,000
Min= \$1,000
Avg= \$4,244

Lessees Interested in Buying Their Lot



Yes = 93%
No = 7%

Lessees Who Consider a Fair Lease Rate to be Less, Same, or More Than Their Current Lease



Fair lease is less, same or more than current lease
Less= 74%, Same= 7%, More= 19%