

Client	Hubbard County District Attorney			File No.	2573-B
Property Address	Section 21-141-33				
City	Nevis	County	Hubbard	State	MN
Owner	Duane Arndt			Zip Code	56467

TABLE OF CONTENTS

Effective 1-2-09



GP Land	1
Additional Comparables 4-6	3
Plat Map	4
Crow Wing Lake Map	5
Aerial Photo	6
Comparable Sales Map	7
Comparable Photos 1-3	8
Comparable Photos 4-6	9
GP Land Certifications Addendum	10
Appraiser's License	12
Appraiser's Resume	13

LAND APPRAISAL SUMMARY REPORT

Rachel Creeger

Main File No. 2573-B Page #1

File No.: 2573-B

Property Address: Section 21-141-33  
County: Hubbard

Legal Description: Gov Lot 1, Section 21, Township 141, Range 33  
City: Nevis

State: MN Zip Code: 56467

Assessor's Parcel #: 20.21.00500 Tax Year: 2009 R.E. Taxes: \$ 850.00 Special Assessments: \$ 0.00  
Market Area Name: Rural Nevis Map Reference: 20.21.00500 Census Tract: 9703  
Current Owner of Record: Duane Arndt Borrower (if applicable): Duane Arndt HOA: \$ per year per month

Project Type (if applicable): PUD De Minimis PUD Other (describe) If Yes, indicate current occupancy: Owner Tenant Vacant Not habitable  
Are there any existing improvements to the property? No Yes  
If Yes, give a brief description:

ASSIGNMENT  
The purpose of this appraisal is to develop an opinion of: Market Value (as defined), or other type of value (describe)  
This report reflects the following value (if not Current, see comments): Current (the Inspection Date is the Effective Date) Retrospective Prospective  
Property Rights Appraised: Fee Simple Leasehold Leased Fee Other (describe)  
Intended Use: This appraisal will be used by the client, Don Dearstyne, in evaluating the subject property in a tax appeal. The appraisal may be distributed by discretion of the District Attorney only, as it pertains to this case.  
Intended User(s) (by name or type): District Attorney Don Dearstyne, Bob Hanson County Assessor.

Client: Hubbard County District Attorney Address: 301 Court Ave, Park Rapids, MN 56470  
Appraiser: Rachel A. Creeger Address: 110 Pleasant Ave, Park Rapids, MN 56470

Location:	Characteristics		Predominant Occupancy	One-Unit Housing		Present Land Use		Change in Land Use	
	Urban	Suburban		PRICE \$(000)	AGE (yrs)	One-Unit	50 %	Not Likely	
Built up:	<input type="checkbox"/> Over 75%	<input checked="" type="checkbox"/> 25-75%	<input type="checkbox"/> Rural			2-4 Unit	%	<input type="checkbox"/> Likely	<input type="checkbox"/> In Process
Growth rate:	<input type="checkbox"/> Rapid	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Under 25%	45	Low	Multi-Unit	%	* To: %	
Property values:	<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Declining	380	High	Comm'l	%		
Demand/supply:	<input type="checkbox"/> Shortage	<input type="checkbox"/> In Balance	<input checked="" type="checkbox"/> Over Supply	160	Pred	Vacant	50 %		
Marketing time:	<input type="checkbox"/> Under 3 Mos.	<input type="checkbox"/> 3-6 Mos.	<input checked="" type="checkbox"/> Over 6 Mos.						

Item	Factors Affecting Marketability				Item			
	Good	Average	Fair	Poor	N/A			
Employment Stability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Adequacy of Utilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Convenience to Employment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Property Compatibility	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Convenience to Shopping	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Protection from Detrimental Conditions	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Convenience to Schools	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Police and Fire Protection	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Adequacy of Public Transportation	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	General Appearance of Properties	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Recreational Facilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Appeal to Market	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Market Area Comments: Defined neighborhood consists of rural properties surrounding Nevis, with pond or small lake frontage. Land use is about 50% residential property, on sites ranging from 2-acres to 40-acres. About 50% land use is vacant, private & public holdings. Adequacy of utilities is checked "average", which is most typical, to "poor" for landlocked parcels, which are few. The subject's school district is Nevis, 3-miles south. There is an oversupply of vacant land including smaller platted lots, larger acreage, and lake lots. Market time varies greatly for vacant land, from 120 days for functional, competitively priced properties, to 24-months for higher priced, or overpriced property. Closed sales data indicated that market values of rural acreage have declined in the past year, between 6 - 7%. Private owner has platted six lots on south shore of Crow Wing Lake (see Crow Wing Lake Map), and listed for sale in July 2008. Reduced prices in December from \$57,000 to \$125,000 each. Future sale of only one lot, Lot 2 (PIN 20.63.00200) for \$32,000.								

MARKET AREA DESCRIPTION  
Dimensions: 1,320' x 1,035' approximately Site Area: 27.75 Acres  
Zoning Classification: Hubbard Co SWCD, Natural Environment Description: Residential  
Uses allowed under current zoning: Residential Do present improvements comply with existing zoning requirements? Yes No No Improvements  
Are C&ERs applicable? Yes No Unknown Have the documents been reviewed? Yes No Ground Rent (if applicable) \$ /  
Comments:  
Highest & Best Use as improved: Present use, or Other use (explain)

Actual Use as of Effective Date: Vacant recreational Use as appraised in this report: Vacant recreational  
Summary of Highest & Best Use: Vacant recreational land is common in this neighborhood and throughout the expanded market area. Vacant land is also purchased for developing to single family dwellings.

SITE DESCRIPTION		Off-site Improvements		Public Private		Frontage	
Utilities	Public Other	Provider/Description	Type				1,320' approximately
Electricity	<input checked="" type="checkbox"/>	Not available	No access	<input type="checkbox"/>	<input type="checkbox"/>	Topography	Sloping, rolling
Gas	<input type="checkbox"/>	Not available	N/A			Size	27.75-acres
Water	<input type="checkbox"/>	Private well available	N/A			Shape	Basically rectangular
Sanitary Sewer	<input type="checkbox"/>	Not available e	No	<input type="checkbox"/>	<input type="checkbox"/>	Drainage	Adequate
Storm Sewer	<input type="checkbox"/>	None	No	<input type="checkbox"/>	<input type="checkbox"/>	View	Lake, Trees
Telephone	<input type="checkbox"/>	No phone lines in	No	<input type="checkbox"/>	<input type="checkbox"/>		
Multimedia	<input type="checkbox"/>	Not available	No	<input type="checkbox"/>	<input type="checkbox"/>		
Other site elements: Inside Lot Corner Lot Cul de Sac Underground Utilities Other (describe) Landlocked, Lake frontage							
FEMA Spec'l Flood Hazard Area Yes No FEMA Flood Zone N/A FEMA Map # No flood maps in County FEMA Map Date N/A							
Site Comments: Per owner, there is a mix of tree cover, including mature red pines (visible from across the lake). No on-site inspection was made by the appraiser. Maps reveal some wetland area in the southeast section. Average shoreline on Crow Wing Lake, a 43-acre lake with maximum depth of 17'. There is no public access. Only legal access is by water from one of the other private lots. Five private owners front the lake. On the southeast shore, 6-lots were platted, of which one sold in 2009.							



LAND APPRAISAL SUMMARY REPORT

File No.: 2573-B

My research ☐ did ☒ did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

TRANSFER HISTORY			
Data Source(s):	Hubbard County Records	Analysis of sale/transfer history and/or any current agreement of sale/listing: No sales history to report the past three years. No active listing found on the subject property. No known sale agreement for the subject property.	
1st Prior Subject Sale/Transfer	Date:	No Prior Sale	
Price:	N/A		
Source(s):	County Record		
2nd Prior Subject Sale/Transfer	Date:	No Prior Sale	
Price:	N/A		
Source(s):	County Record		

FEATURE		SUBJECT PROPERTY		COMPARABLE NO. 1		COMPARABLE NO. 2		COMPARABLE NO. 3	
Address Section 21-141-33		25999 Houston Dr		TBD Jade Rose Dr		Section 1-137-34			
Nevis, MN 56467		Nevis, MN		Park Rapids, MN		Menauga, MN			
Proximity to Subject		2.16 miles NW		13.68 miles W		21.14 miles S			
Sale Price	\$	N/A		\$	193,000	\$	75,000	\$	50,000
Price/ Acre	\$			\$	120,300.00	\$	3,409.00	\$	1,470.00
Data Source(s)	Maps, Aerial, Owner	Site Inspection,MLS-177367		Street View, Aerial, MLS-172723		Aerial,Street View, MLS-166137		Wadena County Record	
Verification Source(s)	County Record			Hubbard County Record					
VALUE ADJUSTMENT	DESCRIPTION	+(-) \$ Adjust		+(-) \$ Adjust		+(-) \$ Adjust			
Sales or Financing	N/A	Conventional		Cash		Cash Equivalent		No Concessions	
Concessions	N/A	None disclosed		N/A		06/06/08		05/14/08	
Date of Sale/Time	N/A	08/08/08		Fee Simple					
Rights Appraised	Free Simple								
Location	Rural,Crow Wing L	West Crooked Lk		Superior		Rural,Private Pond		Free Simple	
Site Area (In Acres)	27.75-acres	1.33-acre,single lot		Inferior		30-acre(22-ac high)		+19,602	
Land Use	Woodlot,Lakeshore	Lakeshore		Woodlot,Pond				Rural,CrowWingRiv	
Access	None	Esmt trail,Seasonl		Superior		Township Road		Superior	
Site Improvements	None	Cabin,Well,Septic		-33,000		None		None	
PID	20.21.00500	20.08.00400 +		05.32.00321				07.001.4010	
Net Adjustment (Total, in \$)	<input type="checkbox"/> + <input checked="" type="checkbox"/> -	\$ -33,000		<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ 19,602		<input type="checkbox"/> + <input checked="" type="checkbox"/> -	\$ -9,188	

Adjusted Sale Price (in \$) Net 17.1 % Gross 17.1 % \$ 160,000 Net 26.1 % Gross 26.1 % \$ 94,602 Net 18.4 % Gross 18.4 % \$ 40,812

**SALES COMPARISON APPROACH**

Summary of Sales Comparison Approach Landlocked lakeshore & non-riparian acreage sales were researched for this assignment. Sales above bracket the subject in location & site size. Subdivision analysis with cost to cure (access) was considered; further data on following page. The "Price/acre" yield is calculated less improvements, and less acres in the water. Access to Comp #1 is by seasonal trail. This single lot has 577' frontage, ranging from v.good solid bottom to marshy. The improvements are estimated and extracted at \$33,000. West Crooked Lake is considered superior for size & depth. No site size adjustment is made due to the dissimilar nature of this property. Comp #2 is 30-acre site with private, picturesque pond. Elevation provides very good views, tree cover is a good mix of hardwoods & pines. Comp #3 is a landlocked Crow Wing River parcel. On the market for over 10-months, eventually sold to an adjoining property owner for less than list price. Accessibility is poor, legal by river only. Sales data suggests that this would sell for more than double if there were good access. Some weight is given to Comp #2 for views, topography, site size, but discounted for access. Subdivision analysis suggests a conservative value range of \$100,000 to \$128,000. This method is weighed in reconciliation. Comments continued on the following page.

**PROJECT INFORMATION FOR PUDs (if applicable)** ☐ The Subject is part of a Planned Unit Development.

Legal Name of Project: Describe common elements and recreational facilities:

**INDICATED VALUE BY SALES COMPARISON APPROACH \$ 114,000**

Final Reconciliation The Sales Comparison approach is most reasonable means of estimating market value. Cost Approach and Income Approach are not relevant methods for this assignment. Market time is estimated at 6 - 18 months.

This appraisal is made ☒ "as is", or ☐ subject to the following conditions:

☐ This report is also subject to other Hypothetical Conditions and/or Extraordinary Assumptions as specified in the attached addenda.

Based upon an inspection of the subject property, defined Scope of Work, Statement of Assumptions and Limiting Conditions, and Appraiser's Certifications, my (our) Opinion of the Market Value (or other specified value type), as defined herein, of the real property that is the subject of this report is: \$ 114,000 , as of: 01/02/2009 , which is the effective date of this appraisal.

If indicated above, this Opinion of Value is subject to Hypothetical Conditions and/or Extraordinary Assumptions included in this report. See attached addenda.

A true and complete copy of this report contains 13 pages, including exhibits which are considered an integral part of the report. This appraisal report may not be properly understood without reference to the information contained in the complete report, which contains the following attached exhibits:

☒ Limiting cond./Certifications ☐ Narrative Addendum ☒ Location Map(s) ☐ Flood Addendum ☒ Scope of Work

☒ Photo Addenda ☐ Parcel Map ☐ Hypothetical Conditions ☐ Extraordinary Assumptions ☐ Additional Sales

Client Contact: Don Dearslyne Client Name: Hubbard County District Attorney Address: 301 Court Ave, Park Rapids, MN 56470

**APPRAISER** SUPERVISORY APPRAISER (if required) or CO-APPRAISER (if applicable)

Appraiser Name: Rachel A. Creager  
Company: Clack Appraisal  
Phone: 218-732-0486  
E-Mail: ra59@unitec.com  
Date of Report (Signature): 04/20/2010  
License or Certification #: 20111143  
Designation: Certified General, Certified Residential  
Expiration Date of License or Certification: 8/31/2011  
Inspection of Subject: ☐ Did Inspect ☒ Did Not Inspect (Desktop)  
Date of Inspection: 04/09/2010

Supervisory or Co-Appraiser Name:  
Company:  
Phone:  
E-Mail:  
Date of Report (Signature):  
License or Certification #:  
Designation:  
Expiration Date of License or Certification:  
Inspection of Subject: ☐ Did Inspect ☐ Did Not Inspect  
Date of Inspection:

Fax: 218-732-1400  
State: MN

Fax:  
State:

## ADDITIONAL COMPARABLE SALES

**File No.: 2573-B**

FEATURE	SUBJECT PROPERTY	COMPARABLE NO. 4	COMPARABLE NO. 5	COMPARABLE NO. 6
Address Section 21-141-33 Nevis, MN 56467		Section 28-139-35 Menahga, MN		
Proximity to Subject		17.89 miles SW		
Sale Price	\$ N/A	\$ 75,000	\$	\$
Price/ Acre	\$	1,875.00	\$	\$
Data Source(s)	Maps, Aerial, Owner	Aerial Photo, Realtor		
Verification Source(s)	County Record	Hubbard County Record		
VALUE ADJUSTMENT	DESCRIPTION	DESCRIPTION	+(+) \$ Adjust	DESCRIPTION
Sales or Financing	N/A	Cash Equivalent		
Concessions	N/A	No Concessions		
Date of Sale/Time	N/A	09/17/08		
Rights Appraised	Fee Simple	Fee Simple		
Location	Rural Crow Wing L	Rural PR-Menahga		
Site Area (in Acres)	27.75-acres	40-acres		
Land Use	Woodlot, Lakeshore	Wood, Meadow, Low		
Access	None	None		
Site Improvements	None	None		
PID	20.21.00500	25.28.00700		

Summary of Sales Comparison Approach	Additional sales of non-riparian landlocked parcels were researched. In some instances, the price paid is near market price of unaffected parcels when competitive bidding by adjoining property owners takes place. Comp #4 is an example of this occurrence. A Realtor (also one of the adjoining property owners) facilitated this sale between Pollatch and the other adjoining property owners. A difference of 6.6% was found based on paired sales analysis. No adjustments are made to this sale. It is included for reference only.
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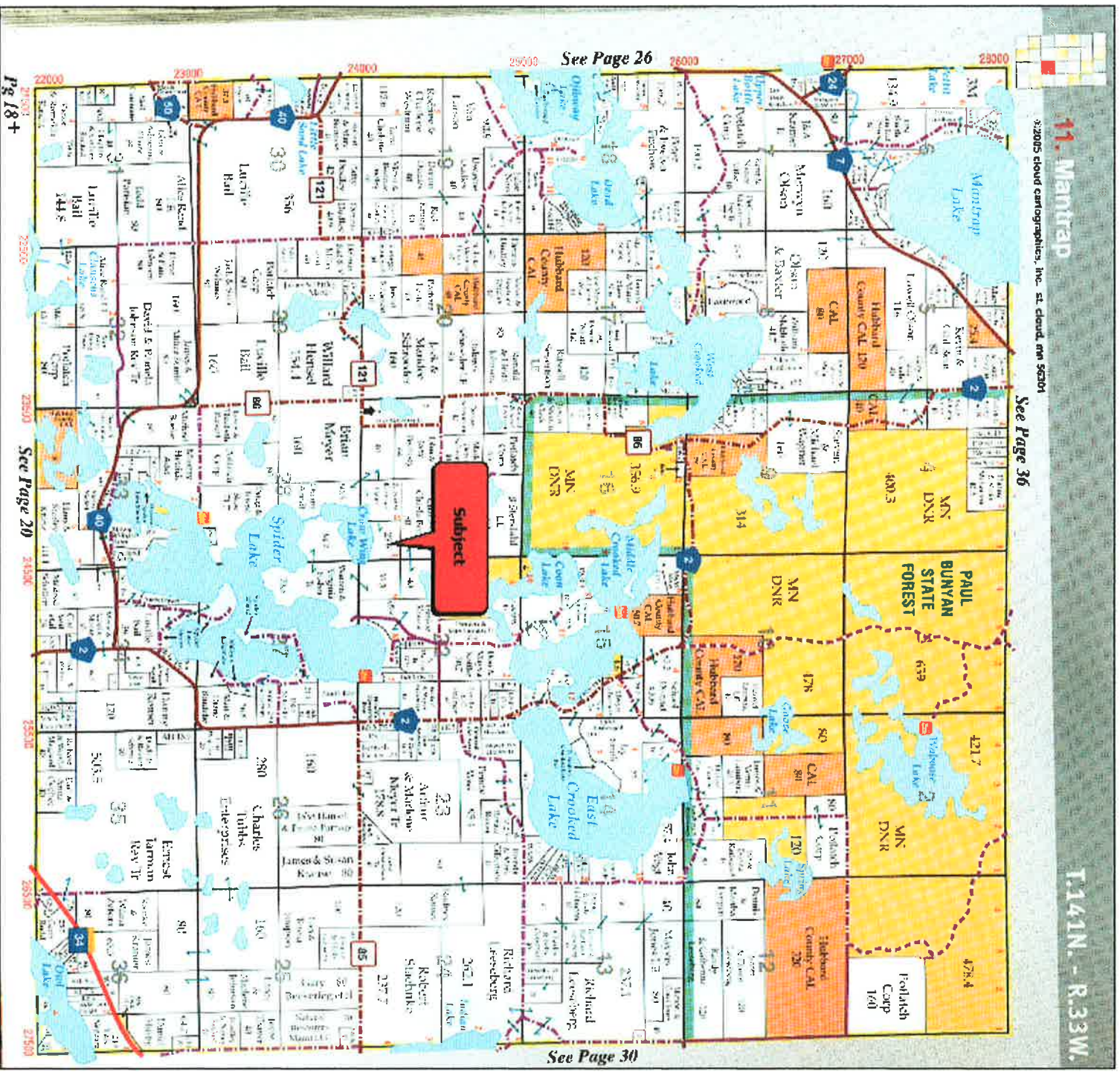
Subdivision analysis with access cost to cure was considered, which supports a value range of \$100,000 to \$128,000. Plat of Fisher Park, on the south shore of Crow Wing Lake, has 6 lots for sale, reduced in price from \$57,000 to \$125,000. Future sale of only one lot, Lot 2 and PIN 20.63.00200, sold for \$32,000. Additional data pertaining to subdivision analysis is in the workfile. There is an oversupply of lake lots. Sales activity of vacant lake lots has diminished from prior years. This approach suggests a value of \$114,000 for the subject. Other single lot sales considered from Luebeck Lake, Mary Lake, Lost Lake.

## SALES COMPARISON APPROACH

This image shows a single sheet of white paper with horizontal blue or grey ruling lines. The lines are evenly spaced and run across the width of the page. There is no handwriting or other markings on the paper.

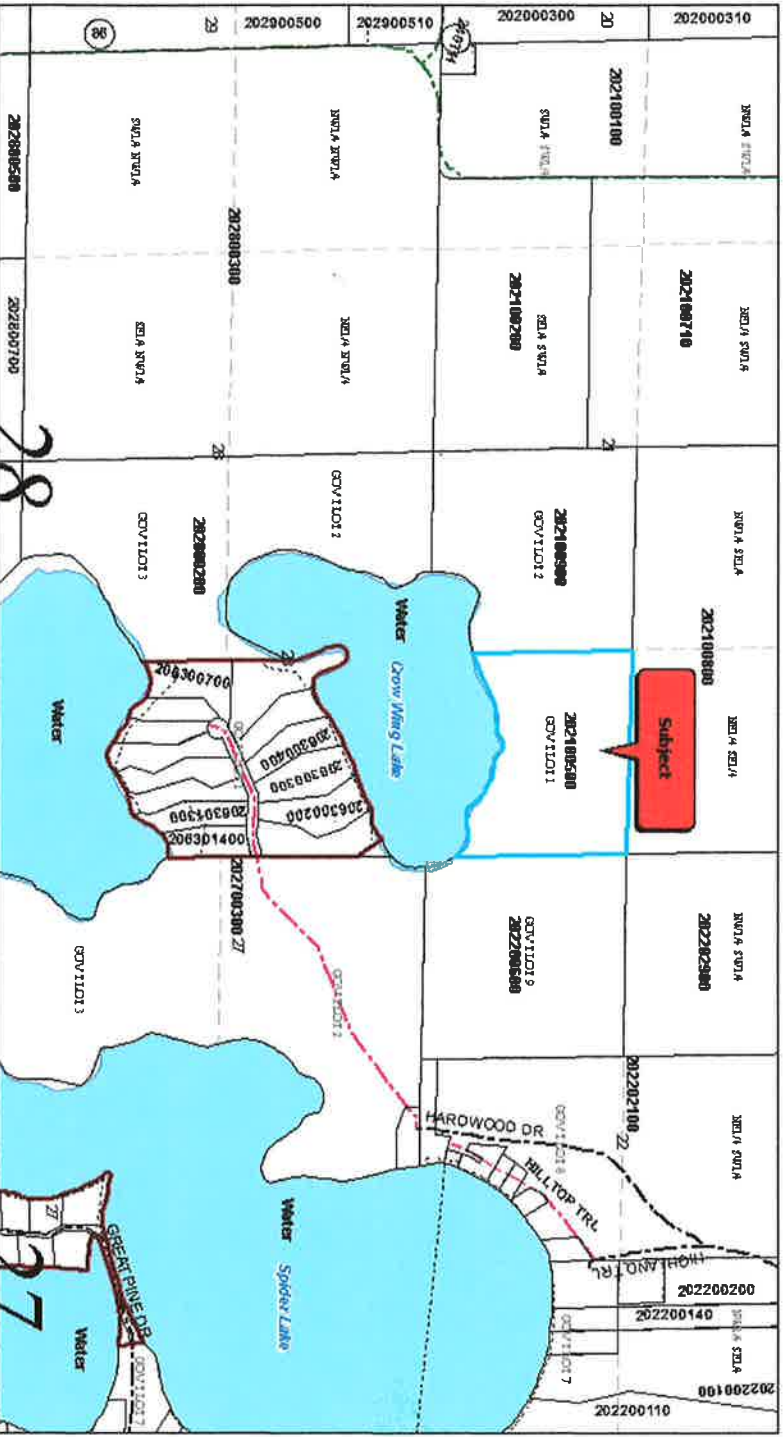


Client	Hubbard County District Attorney		
Property Address	Section 21-141-33		
City	Nevis	County	Hubbard
Owner	Duane Arndt	State	MIN
		Zip Code	56467



## Crow Wing Lake Map

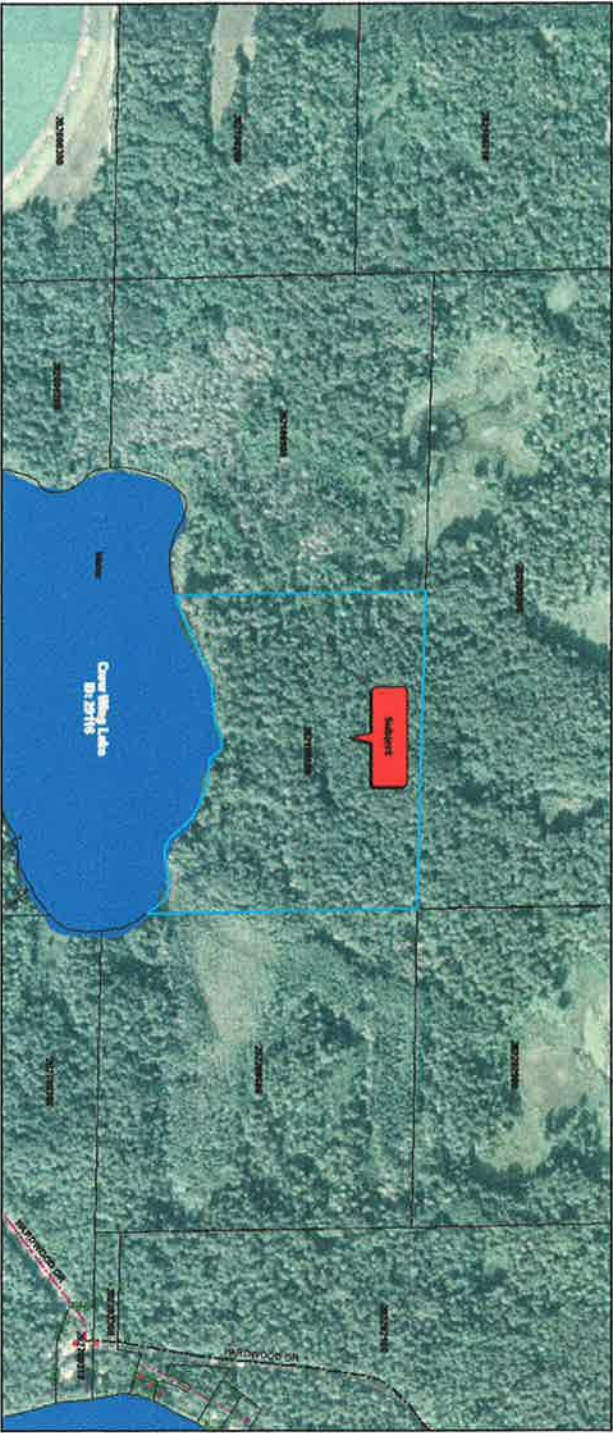
Client	Hubbard County District Attorney		
Property Address	Section 21-141-33		
City	Nevis	County	Hubbard
Owner	Duane Arndt	State	MIN
		Zip Code	56467





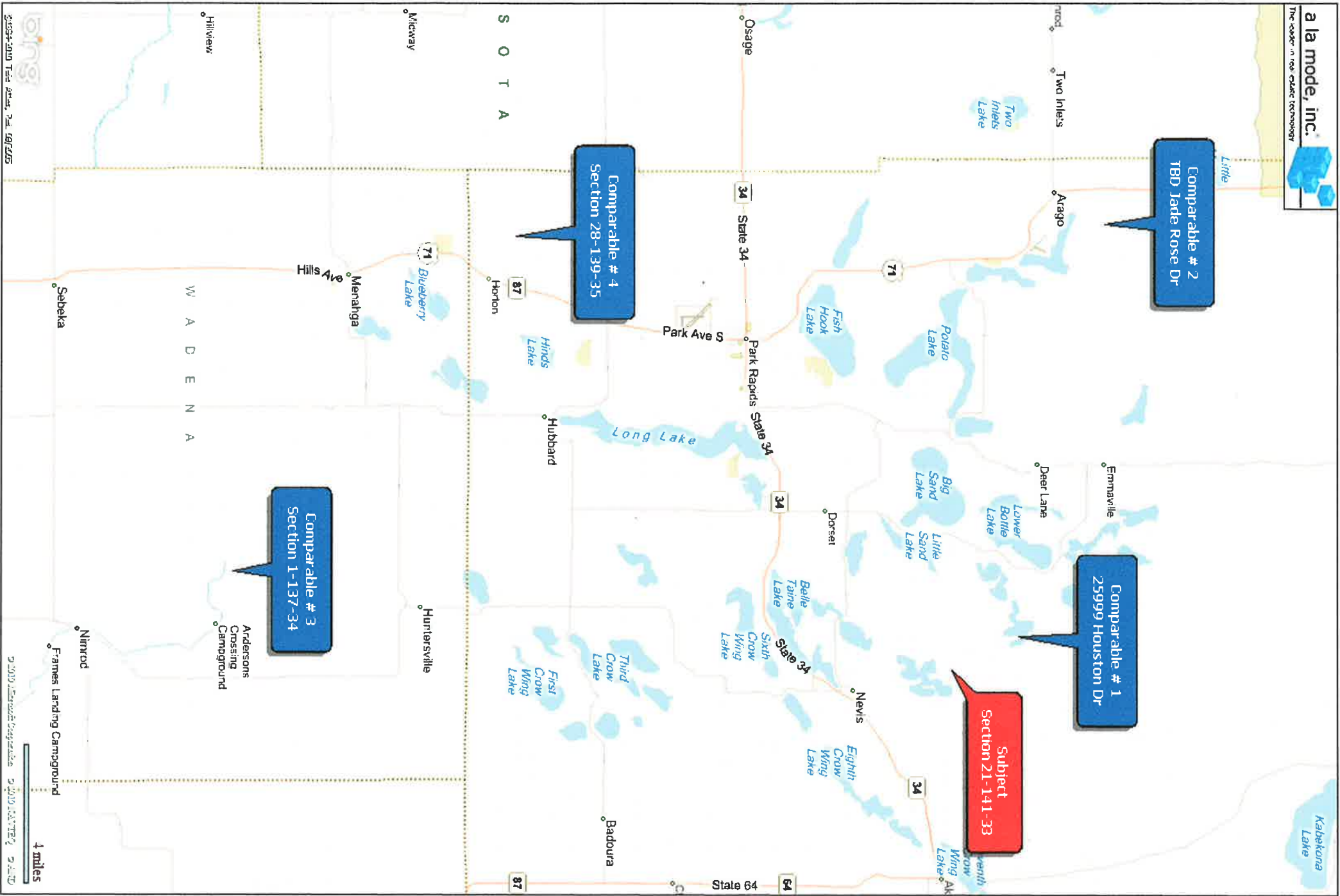
Aerial Photo

Client	Hubbard County District Attorney		
Property Address	Section 21-141-33		
City	Nevis	County	Hubbard
Owner	Duane Arndt	State	MN
		Zip Code	56467



Comparable Sales Map

Client	Hubbard County District Attorney		
Property Address	Section 21-141-33		
City	Nevis	County	Hubbard
Owner	Duane Arndt	State	MN
		Zip Code	56467





Comparable Photo Page

Client	Hubbard County District Attorney		
Property Address	Section 21 - 141-33		
City	Nevis	County	Hubbard
State	MN	Zip Code	56467
Owner	Duane Arndt		



Comparable 1

25999 Houston Dr  
Prox. to Subj. 2.16 miles NW  
Sales Price 193,000  
G.L.A.  
Tot. Rooms  
Tot. Bedrms.  
Tot. Bathrms.  
Location West Crooked Lk  
View  
Site 1.33-acre, single lot  
Quality  
Age



Comparable 2

TBD Jade Rose Dr  
Prox. to Subj. 13.68 miles W  
Sales Price 75,000  
G.L.A.  
Tot. Rooms  
Tot. Bedrms.  
Tot. Bathrms.  
Location Rural, Private Pond  
View  
Site 30-acre(22-ac high)  
Quality  
Age



Comparable 3

Section 1-137-34  
Prox. to Subj. 21.14 miles S  
Sales Price 50,000  
G.L.A.  
Tot. Rooms  
Tot. Bedrms.  
Tot. Bathrms.  
Location Rural, CrowWing Riv  
View  
Site 40-acre(34-ac high)  
Quality  
Age

Comparable Photo Page

Client	Hubbard County District Attorney		
Property Address	Section 21-141-33		
City	Nevis	County	Hubbard
Owner	Duane Arndt		
		State	MN
		Zip Code	56467



Comparable 4

Section 28-139-35  
Prox. to Subj. 17.89 miles SW  
Sales Price 75,000  
G.L.A.  
Tot. Rooms  
Tot. Bedrms.  
Tot. Bathrms.  
Location Rural PR-Menahga  
View  
Site 40-acres  
Quality  
Age

Comparable 5

Prox. to Subj.  
Sales Price  
G.L.A.  
Tot. Rooms  
Tot. Bedrms.  
Tot. Bathrms.  
Location  
View  
Site  
Quality  
Age

Comparable 6

Prox. to Subj.  
Sales Price  
G.L.A.  
Tot. Rooms  
Tot. Bedrms.  
Tot. Bathrms.  
Location  
View  
Site  
Quality  
Age



# Assumptions, Limiting Conditions & Scope of Work

File No.: 2573-B

Property Address: Section 21-141-33

City: Nevis

State: MN

Zip Code: 56467

Client: Hubbard County District Attorney

Address: 301 Court Ave, Park Rapids, MN 56470

Appraiser: Rachel A. Creager

Address: 110 Pleasant Ave, Park Rapids, MN 56470

## STATEMENT OF ASSUMPTIONS & LIMITING CONDITIONS

— The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.

— The appraiser may have provided a plat and/or parcel map in the appraisal report to assist the reader in visualizing the lot size, shape, and/or orientation. The appraiser has not made a survey of the subject property.

— If so indicated, the appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.

— The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.

— The appraiser has noted in the appraisal report any adverse conditions (including, but not limited to, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property, or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property, or adverse environmental conditions (including, but not limited to, the presence of hazardous wastes, toxic substances, etc.) that would make the property more or 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 appraiser 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 appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.

— The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.

— The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice, and any applicable federal, state or local laws.

— An appraiser's client is the party (or parties) who engage an appraiser in a specific assignment. Any other party acquiring this report from the client does not become a party to the appraiser-client relationship. Any persons receiving this appraisal report because of disclosure requirements applicable to the appraiser's client do not become intended users of this report unless specifically identified by the client at the time of the assignment.

— The appraiser's written consent and approval must be obtained before this appraisal report can be conveyed by anyone to the public, through advertising, public relations, news, sales, or by means of any other media, or by its inclusion in a private or public database. Possession of this report or any copy thereof does not carry with it the right of publication.

— Forecasts of effective demand for the highest and best use or the best fitting and most appropriate use were based on the best available data concerning the market and are subject to conditions of economic uncertainty about the future.

— Possession of this report, or a copy thereof, does not carry with it the right of publication.

The Scope of Work is the type and extent of research and analyses performed in an appraisal assignment that is required to produce credible assignment results, given the nature of the appraisal problem, the specific requirements of the intended user(s) and the intended use of the appraisal report. Reliance upon this report, regardless of how acquired, by any party or for any use, other than those specified in this report by the Appraiser, is prohibited. The Opinion of Value that is the conclusion of this report is credible only within the context of the Scope of Work, Effective Date, the Date of Report, the Intended User(s), the Intended Use, the stated Assumptions and Limiting Conditions, any Hypothetical Conditions and/or Extraordinary Assumptions, and the Type of Value, as defined herein. The appraiser, appraisal firm, and related parties assume no obligation, liability, or accountability, and will not be responsible for any unauthorized use of this report or its conclusions.

Don Dearslyne requested this appraisal on April 5, 2010. The effective date of the appraisal is to be January 2, 2009. Greater Lakes MLS and Bemidji MLS have been utilized, in addition to office files, from that time period.

Additional Comments (Scope of Work, Extraordinary Assumptions, Hypothetical Conditions, etc.): Property owner, several DNR and County maps were utilized in the description of the subject property. The site was viewed by the appraiser from the opposite shore only, as boat access is the only means of reaching the subject property.

Certifications & Definitions

File No.: 2573-B

Property Address: Section 21-141-33	City: Nevis	State: MN	Zip Code: 56467
Client: Hubbard County District Attorney	Address: 301 Court Ave, Park Rapids, MN 56470		
Appraiser: Rachel A. Creager	Address: 110 Pleasant Ave, Park Rapids, MN 56470		

**APPRAISER'S CERTIFICATION**

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

- The statements of fact contained in this report are true and correct.
- The credibility of this report, for the stated use by the stated user(s), of the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- 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.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice that were in effect at the time this report was prepared.
- I did not base, either partially or completely, my analysis and/or the opinion of value in the appraisal report on the race, color, religion, sex, 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.
- I have made a personal inspection of the property that is the subject of this report. The subject is a landlocked parcel; no means of completing an on-site inspection was made possible.
- Unless otherwise indicated, no one provided significant real property appraisal assistance to the person(s) signing this certification.

DEFINITION OF MARKET VALUE \*:

Market value means 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 own best interests;
- 3. A reasonable time is allowed for exposure in the open market;
- 4. Payment is made in terms of cash in U.S. 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.

\* This definition is from regulations published by federal regulatory agencies pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989 between July 5, 1990, and August 24, 1990, by the Federal Reserve System (FRS), National Credit Union Administration (NCUA), Federal Deposit Insurance Corporation (FDIC), the Office of Thrift Supervision (OTS), and the Office of Comptroller of the Currency (OCC). This definition is also referenced in regulations jointly published by the OCC, OTS, FRS, and FDIC on June 7, 1994, and in the Interagency Appraisal and Evaluation Guidelines, dated October 27, 1994.

Client Contact: Don Dearstyne	Client Name: Hubbard County District Attorney
E-Mail: _____	Address: 301 Court Ave, Park Rapids, MN 56470

<b>APPRAISER</b>	<b>SUPERVISORY APPRAISER (if required) or CO-APPRAISER (if applicable)</b>
Appraiser Name: Rachel A. Creager	Supervisory or Co-Appraiser Name: _____
Company: Clack Appraisal	Company: _____
Phone: 218-732-0486	Phone: _____
Fax: 218-732-1400	Fax: _____
E-Mail: ra59@uniteic.com	E-Mail: _____
Date Report Signed: 04/20/2010	Date Report Signed: _____
License or Certification #: 20111143	License or Certification #: _____
State: MN	State: _____
Designation: Certified General, Certified Residential	Designation: _____
Expiration Date of License or Certification: 8/31/2011	Expiration Date of License or Certification: _____
Inspection of Subject: <input type="checkbox"/> Did Inspect <input checked="" type="checkbox"/> Did Not Inspect (Desktop)	Inspection of Subject: <input type="checkbox"/> Did Inspect <input type="checkbox"/> Did Not Inspect
Date of Inspection: 04/09/2010	Date of Inspection: _____





Appraiser's License

Client	Hubbard County District Attorney						
Property Address	Section 21-141-33						
City	Nevis	County	Hubbard	State	MN	Zip Code	56467
Owner	Duane Arndt						

STATE OF MINNESOTA



RACHEL ANN ELIZABETH CREAGER  
19486 STATE 34  
PARK RAPIDS, MN 56470

Department of Commerce

The Undersigned COMMISSIONER OF COMMERCE for the State of Minnesota hereby certifies that  
RACHEL ANN ELIZABETH CREAGER

19486 STATE 34  
PARK RAPIDS, MN 56470

has complied with the laws of the State of Minnesota and is hereby licensed to transact the business of

Resident Appraiser : Certified General

License Number: 20111143

unless this authority is suspended, revoked, or otherwise legally terminated. This license shall be in effect until August 31, 2011.

IN TESTIMONY WHEREOF, I have hereunto set my hand this August 08, 2009.

A handwritten signature in dark ink, appearing to read "Duane Arndt".

COMMISSIONER OF COMMERCE

Minnesota Department of Commerce

Licensing Division

85 7th Place East, Suite 500  
St. Paul, MN 55101-3165

Telephone: (651) 296-6319

Email: [licensing.commerce@state.mn.us](mailto:licensing.commerce@state.mn.us)

Website: [commerce.state.mn.us](http://commerce.state.mn.us)

Continuing Education:

<u>CE Requirement Type</u>	<u>CE Required Hours</u>
Total - Appraiser	30
USPAP	7

Notes:

Continuing Education: 15 hours is required in the first renewal period, which includes a 7 hour USPAP course. 30 hours is required for each subsequent renewal period, which includes a 7 hour USPAP course.

Appraisers: You must hold a licensed Residential, Certified Residential, or Certified General qualification in order to perform appraisals for federally-related transactions. Trainees do not qualify. For further details, please visit our website at [commerce.state.mn.us](http://commerce.state.mn.us).

## Appraiser's Resume

Client	Hubbard County District Attorney			
Property Address	Section 21-141-33			
City	Nevis	County	Hubbard	State
Owner	Duane Arndt		MIN	Zip Code
				56467

**Rachel A. Creager**  
 110 Pleasant Avenue  
 Park Rapids, MN 56470  
 Office Phone: 218-732-0486

## EDUCATION

- 2009 15.0 hr Residential Building Analysis: Inspection & Valuation
- 2009 7.5 hr HVCC and 1004MC Form – Kaplan Professional Schools
- 2008 7.5 hr USPAP – Kaplan Professional Schools
- 2007 16 hr Apartment Appraisal – Appraisal Institute
- 2007 40 hr General Applications – Appraisal Institute
- 2006 7.5 hr Advanced URAR and Fannie Mae Guidelines Update - Kaplan
- 2006 7.5 hr USPAP Update - Kaplan
- 2005 15 hr How to Perform FHA Appraisals Within New HUD Guidelines – ProSource
- 2004 7 hr Foreclosure – National Association of Independent Fee Appraisers -
- 2004 7.5 hr USPAP - ProSource
- 2003 39 hr Basic Income Capitalization – Appraisal Institute
- 2002 8 hr USPAP – McKissock, Inc.
- 2001 16 hr Conservation Easements Seminar – American Society of Farm Managers & Rural Appraisers
- 2001 7.5 hr When Good Houses Go Bad – Real Estate Essentials
- 2000 4 hr USPAP Update - ProSource
- 1999 15 hr Appraisal 203: Investment & Financial Analysis – ProSource
- 1999 15 hr Appraisal 202: Investment Property Appraisal – ProSource
- 1998 4 hr USPAP Update – National Association of Independent Fee Appraisers
- 1997 90 hr Pre-appraisal courses through ProSource
- 1995 General coursework in PC software – Palomar Junior College, San Marcos, CA

## EMPLOYMENT

- 1997 – Real estate appraiser. Primarily residential and commercial assignments. Commercial training under supervision of David J. Johnson and Dolores Clack. Certified General Real Property Appraisers.
- 1996-1997 Cashier – J&B Foods, Park Rapids, MN
- 1987-1996 General Contractor & Project Manager, San Diego, CA
- Light commercial and extensive residential remodeling; repair and maintenance.
- Approximately 50% of the projects were on historical residences or apartment building.
- 1985-1987 General Contractor, Fairbanks, AK
- Light commercial and residential remodeling and repair. Some new construction projects.
- Remodeling work for the State of Alaska and HUD.
- 1982-1987 Draftsman and Residential Designer, Fairbanks, AK
- Design & drafting of residential remodeling and new construction projects.
- Some new design work for the State of Alaska Farmers Home Administration.

## COUNTIES SERVED

Hubbard, Wadena, Eastern Becker, Beltrami, Cass