

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

TABLE OF CONTENTS

Effective date 01/02/08



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

Rachel Creager

LAND APPRAISAL SUMMARY REPORT

File No.: 2573

Property Address: Section 21-141-33	City: Nevis	State: MN	Zip Code: 56467
County: Hubbard	Legal Description: Gov. Lot 1, Section 21, Township 141, Range 33		
Assessor's Parcel #: 20.21.00500	Tax Year: 2008	R.E. Taxes: \$ 654.00	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	HDA: \$ <input type="checkbox"/> per year <input type="checkbox"/> per month	
Project Type (if applicable): <input type="checkbox"/> PUD <input type="checkbox"/> De Minimis PUD <input type="checkbox"/> Other (describe)	Are there any existing improvements to the property? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes If Yes, indicate current occupancy: <input type="checkbox"/> Owner <input type="checkbox"/> Tenant <input type="checkbox"/> Vacant <input type="checkbox"/> Not habitable		
If Yes, give a brief description:			
The purpose of this appraisal is to develop an opinion of: <input checked="" type="checkbox"/> Market Value (as defined), or <input type="checkbox"/> other type of value (describe)			
This report reflects the following value (if not Current, see comments): <input type="checkbox"/> Current (the Inspection Date is the Effective Date) <input checked="" type="checkbox"/> Retrospective <input type="checkbox"/> Prospective			
Property Rights Appraised: <input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Leased Fee <input type="checkbox"/> 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. Creager		Address: 110 Pleasant Ave, Park Rapids, MN 56470		
Location: <input type="checkbox"/> Urban <input type="checkbox"/> Suburban <input checked="" type="checkbox"/> Rural	Predominant Occupancy: <input checked="" type="checkbox"/> Owner <input type="checkbox"/> Tenant <input type="checkbox"/> Vacant (>5%)	One-Unit Housing: PRICE \$1(000) 45 Low New 380 High 85 Multi-Unit Comm'l 160 Pred 25 Vacant	Present Land Use: One-Unit 50 % 2-4 Unit % Multi-Unit % Comm'l % Vacant %	Change in Land Use: <input checked="" type="checkbox"/> Not Likely <input type="checkbox"/> Likely * <input type="checkbox"/> In Process * * To: %
Built up: <input type="checkbox"/> Over 75% <input checked="" type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%	Growth rate: <input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow	Property values: <input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining	Demand/supply: <input type="checkbox"/> Shortage <input type="checkbox"/> In Balance <input checked="" type="checkbox"/> Over Supply	Marketing time: <input type="checkbox"/> Under 3 Mos. <input type="checkbox"/> 3-6 Mos. <input checked="" type="checkbox"/> Over 6 Mos.

Item	Good	Average	Fair	Poor	N/A	Item	Good	Average	Fair	Poor	N/A
Employment Stability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Adequacy of Utilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<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"/>	<input type="checkbox"/>	Property Compatibility	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Convenience to Shopping	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Protection from Detrimental Conditions	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Convenience to Schools	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Police and Fire Protection	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Adequacy of Public Transportation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	General Appearance of Properties	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Recreational Facilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Appeal to Market	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input 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 and larger acreage. Market time varies greatly for vacant land, from 120 days for functional, competitively priced properties, to 24-months for higher priced, or overpriced property. Based on the closed sales data, market values of rural acreage appear stable, but market time is increasing from prior years.											

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? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> No Improvements
Are CC&Rs applicable? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unknown	Have the documents been reviewed? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Ground Rent (if applicable) \$ /
Comments:	
Highest & Best Use as improved: <input checked="" type="checkbox"/> Present use, or <input type="checkbox"/> 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								
Utilities	Public	Other	Off-site Improvements					
Electricity	<input checked="" type="checkbox"/>	<input type="checkbox"/> Not available	Street	No access	Public	Private	Frontage	1,320' approximately
Gas	<input type="checkbox"/>	<input type="checkbox"/> Not available	Width	N/A			Topography	Sloping, rolling
Water	<input type="checkbox"/>	<input type="checkbox"/> Private well available	Surface	N/A			Size	27.75-acres
Sanitary Sewer	<input type="checkbox"/>	<input type="checkbox"/> Not available e	Curb/Gutter	No	<input type="checkbox"/>	<input type="checkbox"/>	Shape	Basically rectangular
Storm Sewer	<input type="checkbox"/>	<input type="checkbox"/> None	Sidewalk	No	<input type="checkbox"/>	<input type="checkbox"/>	Drainage	Adequate
Telephone	<input type="checkbox"/>	<input type="checkbox"/> No phone lines in	Street Lights	No	<input type="checkbox"/>	<input type="checkbox"/>	View	Lake, Trees
Multi-media	<input type="checkbox"/>	<input type="checkbox"/> Not available	Alley	No	<input type="checkbox"/>	<input type="checkbox"/>		
Other site elements:	<input type="checkbox"/> Inside Lot <input type="checkbox"/> Corner Lot <input type="checkbox"/> Cul de Sac <input type="checkbox"/> Underground Utilities <input checked="" type="checkbox"/> Other (describe)	Landlocked, Lake frontage						
FEMA Spec'l Flood Hazard Area	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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). 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.								



LAND APPRAISAL SUMMARY REPORT

File No.: 2573

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 Nevis, MN 56467	2241 Inspiration Dr Park Rapids, MN	Section 20-139-32 Akeley, MN	14255 452nd St SW Becida, MN
Proximity to Subject		2.84 miles NW	12.04 miles SE	23.41 miles NW
Sale Price	\$	N/A	\$	\$
Price/ Acre	\$	8,567.00	3,250.00	6,250.00
Data Source(s)	Maps, Aerial, Owner	Ext. Inspection, M.L.S-154443	Aerial Maps, M.L.S-139695	Aerial, M.L.S-141349
Verification Source(s)	County Record	County Record, Office Files	Hubbard County Record	Hubbard County Record
VALUE ADJUSTMENT	DESCRIPTION	DESCRIPTION	DESCRIPTION	DESCRIPTION
Sales or Financing	N/A	Conventional	Cash	Conventional
Concessions	N/A	No Concessions	N/A	None noted
Date of Sale/Time	N/A	05/22/07	05/12/06	04/25/06
Rights Appraised	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Location	Rural, Crow Wing L	Superior	Rural Akeley, Pond	Inferior Rural, Assawa Lake
Site Area (in Acres)	27.75-acres	35.95-acres	40-acre (20-high)	+25.188 20-acre (8-ac high)
Land Use	Woodlot, Lakeshore	Wood, Wetland, Short	Woodlot, Pond	Meadow, Lakeshore
Access	None	Township&Easemt	1-mile/16.5' easemt	-6,500 Township Road
Site Improvements	None	Cabin, Well, Dry, Ele	None	Elec, Older MH
PID	20.21.00500	20.18.00800	03.20.01000	18.02.00310

SALES COMPARISON APPROACH

Net Adjustment (Total in \$)	<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$	-29,000	<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$	18,688	<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$	59,687
Adjusted Sale Price (in \$)	Net 8.8 %	301,000	Net 28.8 %	83,688	Net 119.4 %	109,687
	Gross 8.8 %		Gross 48.8 %		Gross 137.4 %	

Summary of Sales Comparison Approach Four sales considered most similar to the subject are included in this report. Non-riparian properties which are landlocked were also considered in extracting the value of access or easements. Further sales data is retained in the workfile than is presented in this document, which could provide the reader with additional understanding. Quantitative adjustments are provided when supported by market data. Due to lack of ample sales data which is more similar to the subject, several adjustments are made by qualitative reasoning. Sales are viewed, as "similar", "superior", or "inferior" to the subject. A "cost to cure" approach is also considered to gain access from the public street, utilizing documented data from Hubbard County Natural Resources and private owners. Paired sales analysis has been applied to several non-riparian acreage of vacant landlocked & accessible land. Further data is retained in the work file. Additional commentary is on the following page.

PROJECT INFORMATION FOR PUDs (if applicable)

Legal Name of Project: ☐ The Subject is part of a Planned Unit Development.

Describe common elements and recreational facilities:

PUD

Indicated Value by: Sales Comparison Approach \$ 118,000

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. The subject's estimated market time is 6 - 12 months.

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

RECONCILIATION

☐ 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: \$ 118,000 , as of: 01/02/2008

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

ATTACH.

Client Contact: Don Dearthne Client Name: Hubbard County District Attorney

E-Mail: Address: 301 Court Ave, Park Rapids, MN 56470

APPRAISER

Appraiser Name: Rachel A. Creager

Company: Clack Appraisal

Phone: 218-732-0486 Fax: 218-732-1400

E-Mail: ra59@unitec.com

Date of Report (Signature): 04/17/2010

License or Certification #: 20111143 State: MN

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: Fax:

E-Mail:

Date of Report (Signature):

License or Certification #: State:

Designation:

Expiration Date of License or Certification:

Inspection of Subject: ☐ Did Inspect ☐ Did Not Inspect

Date of Inspection:

SIGNATURES



ADDITIONAL COMPARABLE SALES

File No.: 2573

FEATURE	SUBJECT PROPERTY	COMPARABLE NO.4	COMPARABLE NO.5	COMPARABLE NO.6
Address Section 21-141-33 Nevis, MN 56467	Section 24-143-34 Lake George, MN			
Proximity to Subject	12.71 miles N			
Sale Price	\$ N/A	\$ 150,000	\$	\$
Price/ Acre	\$ 5,357.00	\$	\$	\$
Data Source(s)	Maps, Aerial, Owner	Aerial Maps, Buyer, County/Nat. Re		
Verification Source(s)	County Record	Hubbard County Record		
VALUE ADJUSTMENT	DESCRIPTION	+(-) \$ Adjust	DESCRIPTION	+(-) \$ Adjust
Sales or Financing	N/A	Cash Equivalent		
Concessions	N/A	N/A		
Date of Sale/Time	N/A	01/23/06		
Rights Appraised	Fee Simple	Fee Simple		
Location	Rural, Crow Wing L	Rural, Shanty Lake	Similar	
Site Area (In Acres)	27.75-acres	40-acre (28-ac high		
Land Use	Woodlot, Lakeshore	Woodlot, Lakeshore		
Access	None	None		
Site Improvements	None	None		
PID	20.21.00500	17.24.00300		
Net Adjustment (Total, in \$)	<input type="checkbox"/> + <input type="checkbox"/> - \$	<input type="checkbox"/> + <input type="checkbox"/> - \$	<input type="checkbox"/> + <input type="checkbox"/> - \$	<input type="checkbox"/> + <input type="checkbox"/> - \$
Adjusted Sale Price (in \$)	Net % Gross % \$ 150,000	Net % Gross % \$	Net % Gross % \$	Net % Gross % \$
<p>Summary of Sales Comparison Approach Comp #1 is chosen for superior lake size and site area. After extracting the site improvements, the price paid per acre is \$8,567. An \$5,500 adjustment is made for superior access across private land from the township road, based on the transaction of State of Minnesota to William H. Louks, Jr in 2009, plus an estimated \$1,500 for the cost of a basic trail. The contributory value of improvements were deducted. No adjustment is made for excess acreage, as about 13-acres are unusable bog/wetland. This property had sold in 2005 for \$241,500.</p>				

SALES COMPARISON APPROACH

Comp #2 is a 40-acre parcel in Badoura Township, 1-mile from a township road. This property has a legal 16.5' easement through Potlatch land. Superior legal easement and cost of trail are valued at \$6,500. The parcel consists of 20-acres in a large pond, and 20-acres mixed land use including woodland. The price paid per acre is based on 20-acres high ground. The difference in site area is adjusted at \$3,250 per acre. This pond is considered inferior to the Crow Wing Lake location. Site size difference is adjusted as 7.75-acre @ \$3,250 per acre. This sale is considered the low range of value, but is weighed for remote access, views, and open market exposure.

Comp #3 is a 20-acre parcel of land, with 12-acres in Assawa Lake and 8-acres high ground. Total lake frontage is 660'. The price per acre is based on 8-acres. No lake data is found on this lake; assumed to be very shallow. At 8-acres high ground, it is unlikely that this lot would be split. This parcel has half the total lake frontage of the subject property. The difference in site area (above water line) is 19.75-acres, valued at an estimated \$3,250 per acre (Comp #2 unit price per acre). This sale is not weighed, but is included to show the market appeal of a small, private lake. Additional single lot sales on Upper Bass, Lost, Little Bass, and Mary Lakes were also considered, which range in price from \$25,000 to \$125,000 per lot.

Comp #4 was not an open market transaction, but was purchased by a local treator. This property was landlocked at the time of sale. The buyer was responsible for gaining legal access from the county, as well as constructing a road. The cost to purchase a 66' easement was \$6,555 plus timber value. Associated costs are surveys, and legal fees. Shanty Lake maintains fish population. This property has been subdivided and marketed since 02/2008, but only one lot has sold. As this property was landlocked, has comparable lake frontage and site area, this sale would be given considerable weight. However, this sale appeared to be on the very high end of value at the time of purchase for development property, in light of other lake properties purchased for development, and given the high cost to develop a road to the property.

A range of value is suggested from \$84,000 for Comp #2, to \$150,000 for Comp #4. Comp #4 must be discounted for overpayment, and Comp #2 should be raised for pond vs. lake location. The estimated market value of the subject property is estimated to be in the middle of these two sales, or \$118,000.

Additional data pertaining to costs in acquiring easements is retained in the workfile:

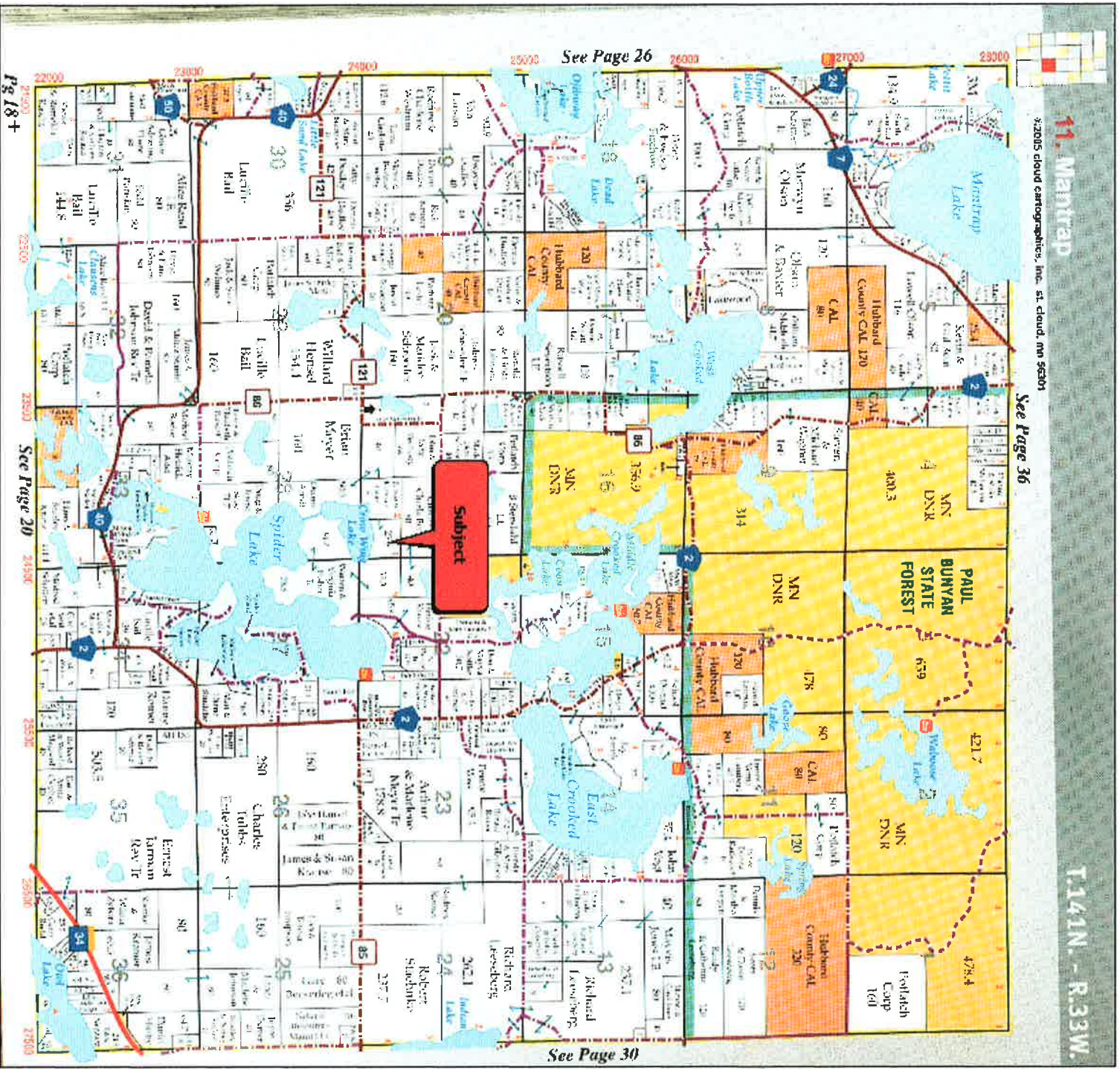
[illegible]

[illegible][illegible]

County Hubbard

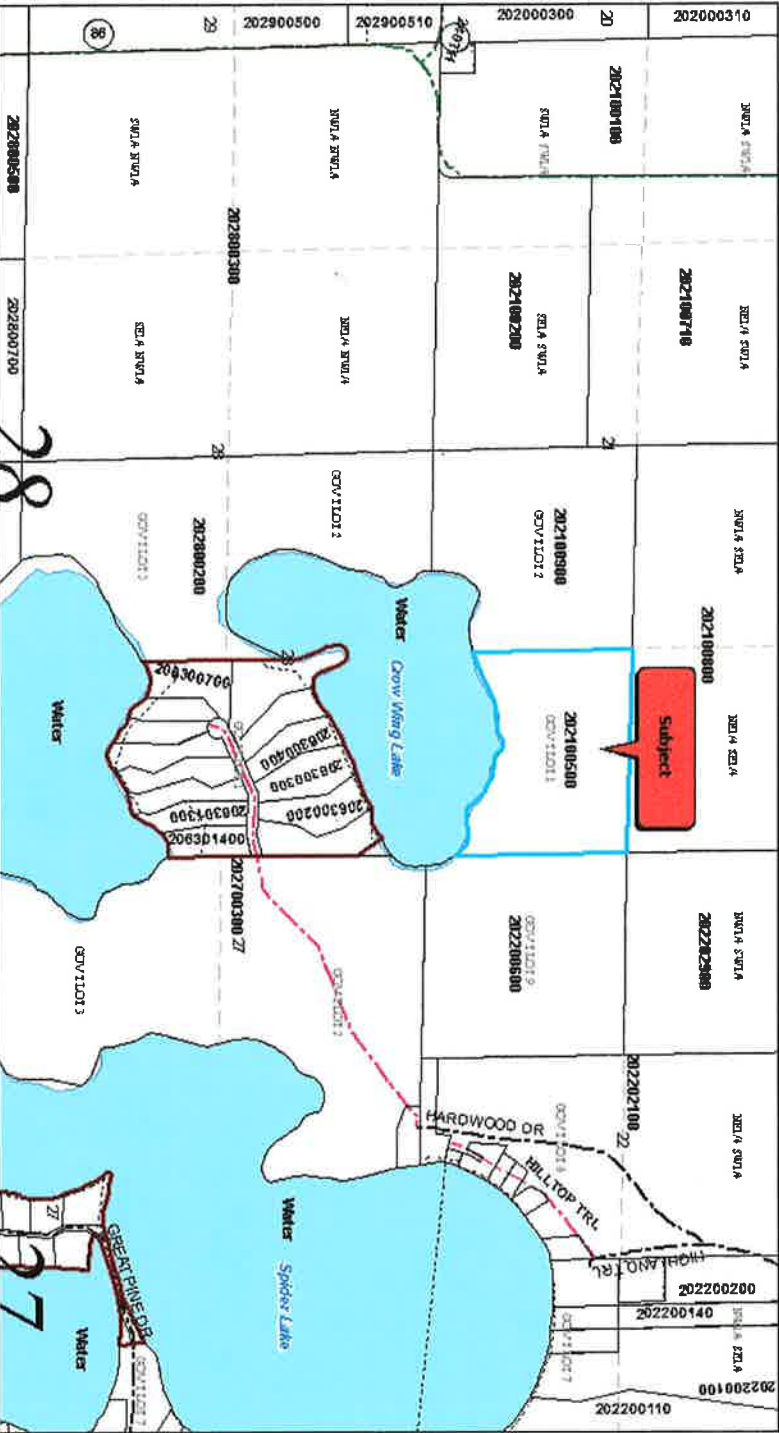
Zip Code 56467

1000000



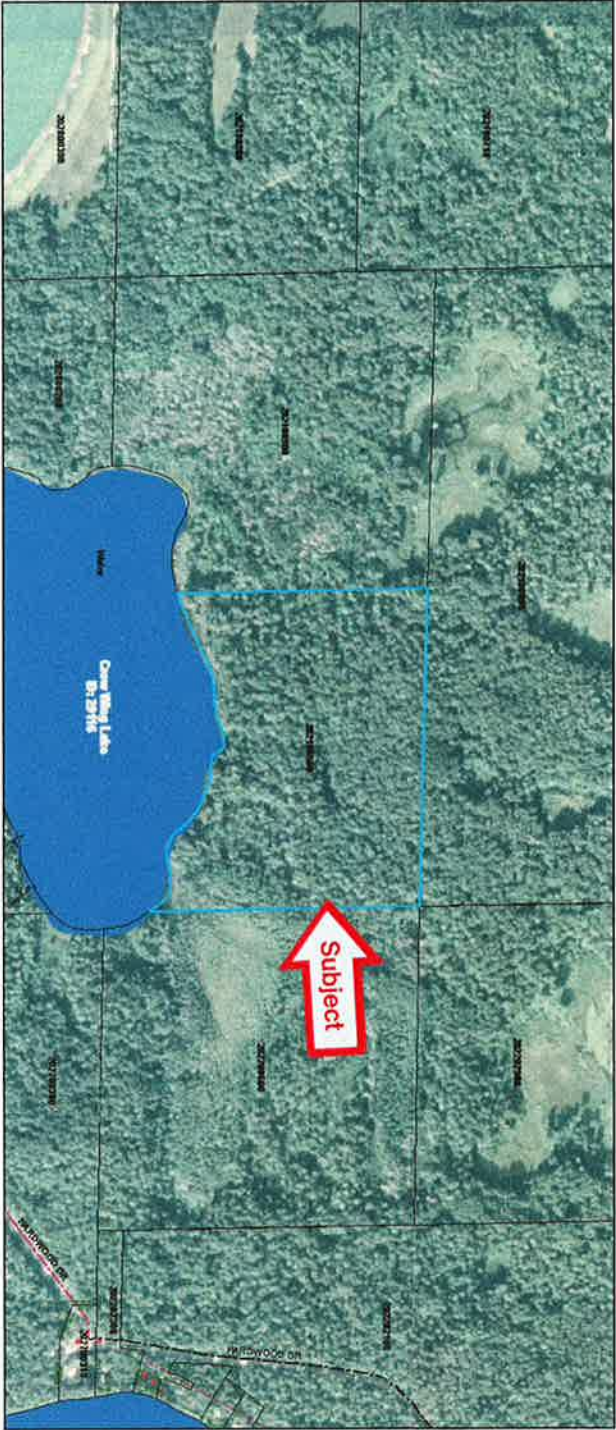
Crow Wing Lake Map

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



a la mode, inc.
The leader in real estate technology



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 1

22411 Inspiration Dr
Prox. to Subj. 2.84 miles NW
Sales Price 330,000
G.L.A.
Tot. Rooms
Tot. Bedrms.
Tot. Bathrms.
Location Rural, West Croke
View
Site 35.95-acres
Quality
Age



Comparable 2

Section 20-139-32
Prox. to Subj. 12.04 miles SE
Sales Price 65,000
G.L.A.
Tot. Rooms
Tot. Bedrms.
Tot. Bathrms.
Location Rural Akeley, Pond
View
Site 40-acre (20-high)
Quality
Age

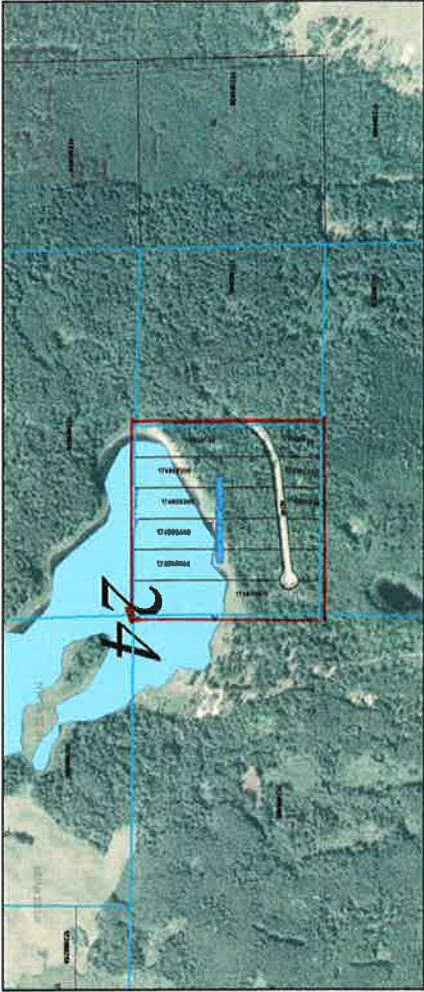


Comparable 3

14255 452nd St SW
Prox. to Subj. 23.41 miles NW
Sales Price 50,000
G.L.A.
Tot. Rooms
Tot. Bedrms.
Tot. Bathrms.
Location Rural, Assawa Lake
View
Site 20-acre(8-ac high)
Quality
Age

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 Amdt			



Comparable 4
Section 24-143-34
Prox. to Subj. 12.71 miles N
Sales Price 150,000
G.L.A.
Tot. Rooms
Tot. Bedrms.
Tot. Bathrms.
Location Rural, Shanty Lake
View
Site 40-acre (28-ac high
Quality
Age

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

Assumptions, Limiting Conditions & Scope of Work

File No.: 2573

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 Dearstynne requested this appraisal on April 5, 2010. The effective date of the appraisal is to be January 2, 2008. Greater Lakes MLS and Bernidji 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

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.

Additional Certifications:

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

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

APPRAISER	SUPERVISORY APPRAISER (if required) or CO-APPRAISER (if applicable)
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@unitec.com	E-Mail: _____
Date Report Signed: 04/17/2010	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: _____

GPLAND

Appraiser's License

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

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: 201111143

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.

COMMISSIONER OF COMMERCE

Minnesota Department of Commerce

Licensing Division

85 7th Place East, Suite 500

St. Paul, MN 55101-3165

Telephone: (651) 296-8319

Email: licensing.commerce@state.mn.us

Website: commerce.state.mn.us

Continuing Education:

CE Requirement Type	CE Required Hours
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.

Appraiser's Resume

Client	Hubbard County District Attorney			
Property Address	Section 21-141-33	County	Hubbard	State
City	Nevis			MN
Owner	Duane Amdt			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 Clark, 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 Design, 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