OFFICE OF
AITKIN COUNTY ASSESSOR
209 2nd ST N.W. Room 111
AITKIN, MINNESOTA 56431
Phone: 218/927-7327 – Fax: 218/927-7379
assessor@co.aitkin.mn.us

County Board of Equalization Appeal Information Sheet

Appointment Time: 5:00pm

Owner Name: Duane & Janet Soltau (Steven Soltau Representative)

Property ID#: 29-1-492200 & 29-1-492300 Double S Acres 2nd Addition lots 32 & 33

Physical Address: 51666 Long Point Place McGregor, Mn.

Estimated Market Value 2014 Assessment: $230,700

Classification 2014 Assessment: Seasonal Recreational Residential

Estimated Market Value 2015 Assessment: $228,400

Classification 2015 Assessment: Seasonal Recreational Residential

Reason for Appeal: The owner's representative contends the assessed value is too high based upon submitted appraisal. In addition, the e-mail addressed June 9, 2015 indicates that they feel the value is too high due to the fact that this lot falls in the flood plain and was impacted by the flood in 2012.

Assessor's Recommendation: No value change

Comments: On Pages 3 and 4 are email communication between staff and the property owner. Pages 5 and 6 include property location and parcel maps plus the location of comparable sales. On pages 7 and 8 are two comparable sales information sheets. Pages 9 through 14 include the current assessor's field card for the property. Pages 15 through 27 include a copy of the owner's appraisal that was submitted to prove that the assessor's value is incorrect.

The criteria used for private appraisals are different from what is used for mass appraisal which can result in a different opinion of value from the estimated market value. Bare land sales are very limited. There are 4 sales mentioned in the appraisal. They are not identified by parcel number. Of the 2 that we can identify, they are not at all comparable properties. One is an island and the other is a small triangular lot with roads on 2 sides that has frontage in a very poor lagoon.

There have been 2 neighboring properties that we feel support the current land values, (see aerial map). One of the sales occurred right after the flood in 2012. Our ratio was 82% at the time of the sale. The other neighboring sale just happened in May of 2015. Our ratio is 80%. Both properties have similar lot sizes and are in the floodplain. Both of the neighboring properties are improved properties with residences. Using the extraction method, we feel the land values are comparable.

Karen Ladd

From: Steve Soltau [ssoltau@visi.com]
Sent: Tuesday, June 09, 2015 3:34 PM
To: kladd@co.aitkin.mn.us
Subject: FW: Big Sandy appraisal
Attachments: Soltau Big Sandy Appraisal.pdf; 2012-07-21 12.56.47.jpg; 2012-07-21 13.00.00.jpg; 2012-07-21 12.57.24.jpg

Karen,

Thank you again for your assistance with the appeal of the assessed value of the lots on Big Sandy, PIDs 29-1-492200 and 29-1-492300. I have attached and forwarded the appraisal completed as of 4/30/2015 and included the original email sent to assessor Darcy Moore. I have also attached pictures showing the garage was approximately 4+ inches under water during the flood of 2012. One of the pictures is a saw horse leg inside the garage, demonstrating the height of the water for a sustained period. The other two are the exterior of the garage. Close examination of the pictures shows the lower level staining as the water level with the higher staining being from saturation.

My challenge is believing the real market value is accurately reflected in the assessment. The appraisal is a more accurate reflection of market value, and may even be high relative to the actual appropriate assessment date. Market activity has only recently picked up. Real market activity for the last five-six years has been non-existent and there has been no real construction of new high value homes. This property was 100% under water during the flood, and the staining on the garage reflects this. The attached pictures show this. These lots are no longer buildable to the higher value characterization that may have been appropriate pre-flood. No basement, no walk-out, no look-out character of construction would be appropriate. No slab on grade construction would be appropriate. Big Sandy, both in reputation and value, got hurt. Low level lots like these are clearly impacted the most. Knowing the undeniable history of the flood of 2012, these lots are still buildable, but not to the high potential that existed pre-flood. These are exactly the type of lots that are impacted the most by this history.

As noted in the appraisal, the Big Sandy market is out of balance. 4 sales with 12 active listings is a three year supply. The four lot sales are called out specifically, with one being an island and not comparable. The discussion in the appraisal relative to pending lot sales also reflects a discrepancy in value when compared to these lots.

The individual and combined assessed value for these lots is simply too high and this challenge is factually supported by the facts cited in the appraisal. Please consider not just the opinion of the professional appraiser, but consider the three comparable lot sales and the pending activity discussion. If these pending deals were closed even at asking values, these then pending deals also now support our appraiser's valuation opinion.

Respectfully submitted,
Steven D. Soltau

From: Steve Soltau [mailto:ssoltau@visi.com]
Sent: Thursday, April 16, 2015 10:58 AM
To: 'DMoore@co.aitkin.mn.us'
Subject: Big Sandy appraisal

Darcy,

It was pleasure talking to you yesterday. It is always interesting to better understand the process and perspective when reviewing appraisals, assessments, Board structure, personalities, etc. No matter what the outcome, I have always appreciated the opportunity for recognizing fairness in process. An open and honest dialogue always helps. I do understand the limited factual input an appraisal or market analysis can have in reviewing your process or any individual

property. I also believe if properly done, an appraisal is what it is: a third party evaluation of market value. With this in mind I have attached the appraisal on lots 32 and 33 Double S Acres Second Addition. I am interested in any initial thoughts you may have regarding this material, but as discussed, I am not expecting a cover to cover review or in depth analysis. I am simply trying to weigh the likely impact of further appeal through the open book process and site review, if necessary. I personally believe market activity is starting to recover, but pricing is not. I also believe the character of construction has changed dramatically for Big Sandy, post flooding, ultimately still impacting values and market velocity. I am just trying to be realistic in what we have and believe is the true market value.

Please let me know if you have any questions or thoughts. Again, I appreciate your time and consideration of my thoughts and questions during our discussion.

Kind Regards,
Steve

Steven D. Soltau
Office: 952-465-3939
Cell: 612-207-9506
ssoltau@visi.com

SHAMROCK
T49N-R23W

Aitkin County

0.5 0.25 0 0.5 1 Miles

Acres are approximate.

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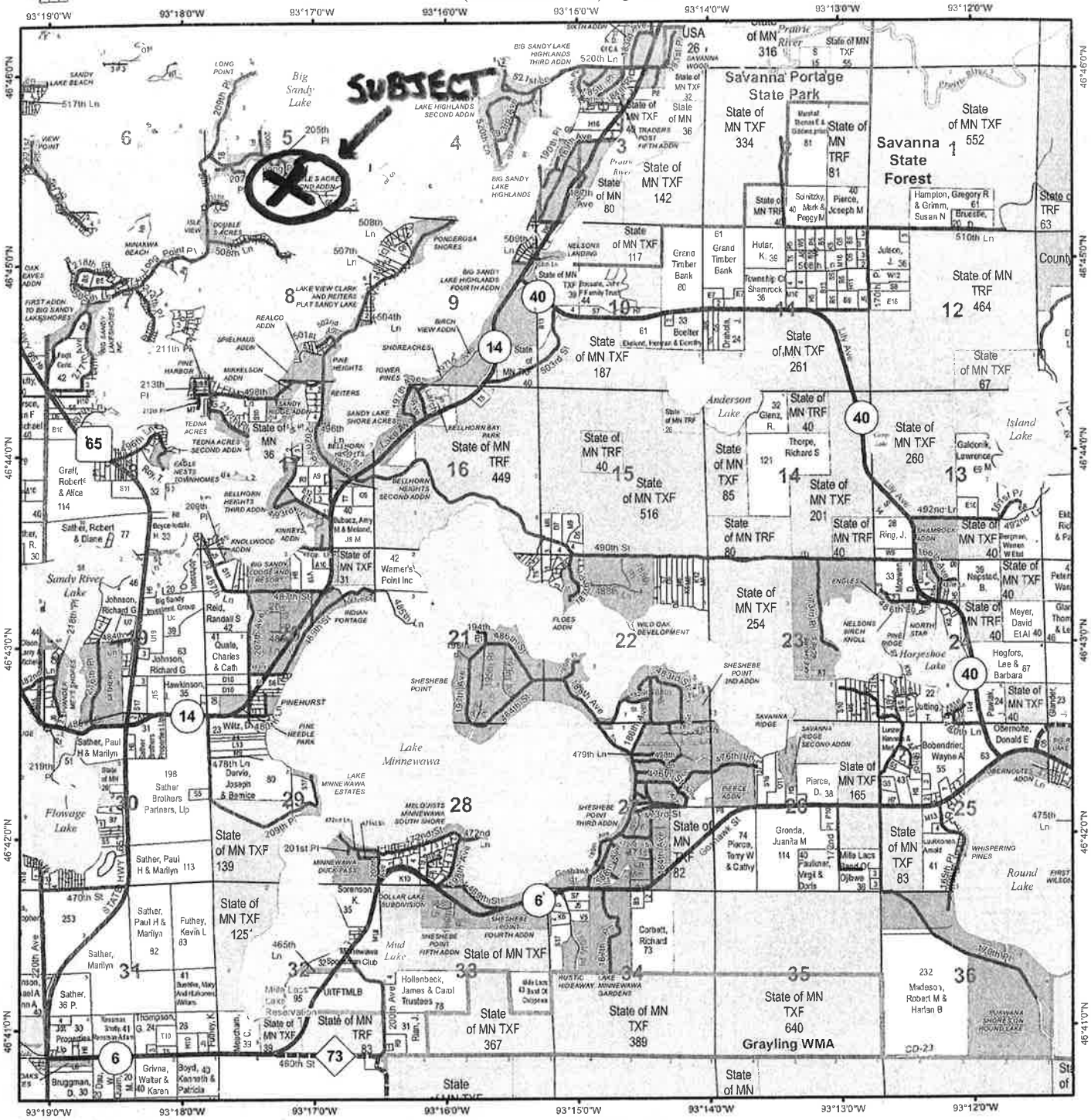
See (TURNER T50N-R23W) Page 54



See (WORKMAN T49N-R24W) Page 47

See (HAUGEN T49N-R22W) Page 49

See (MC GREGOR T48N-R23W) Page 42

www.mn4H.org

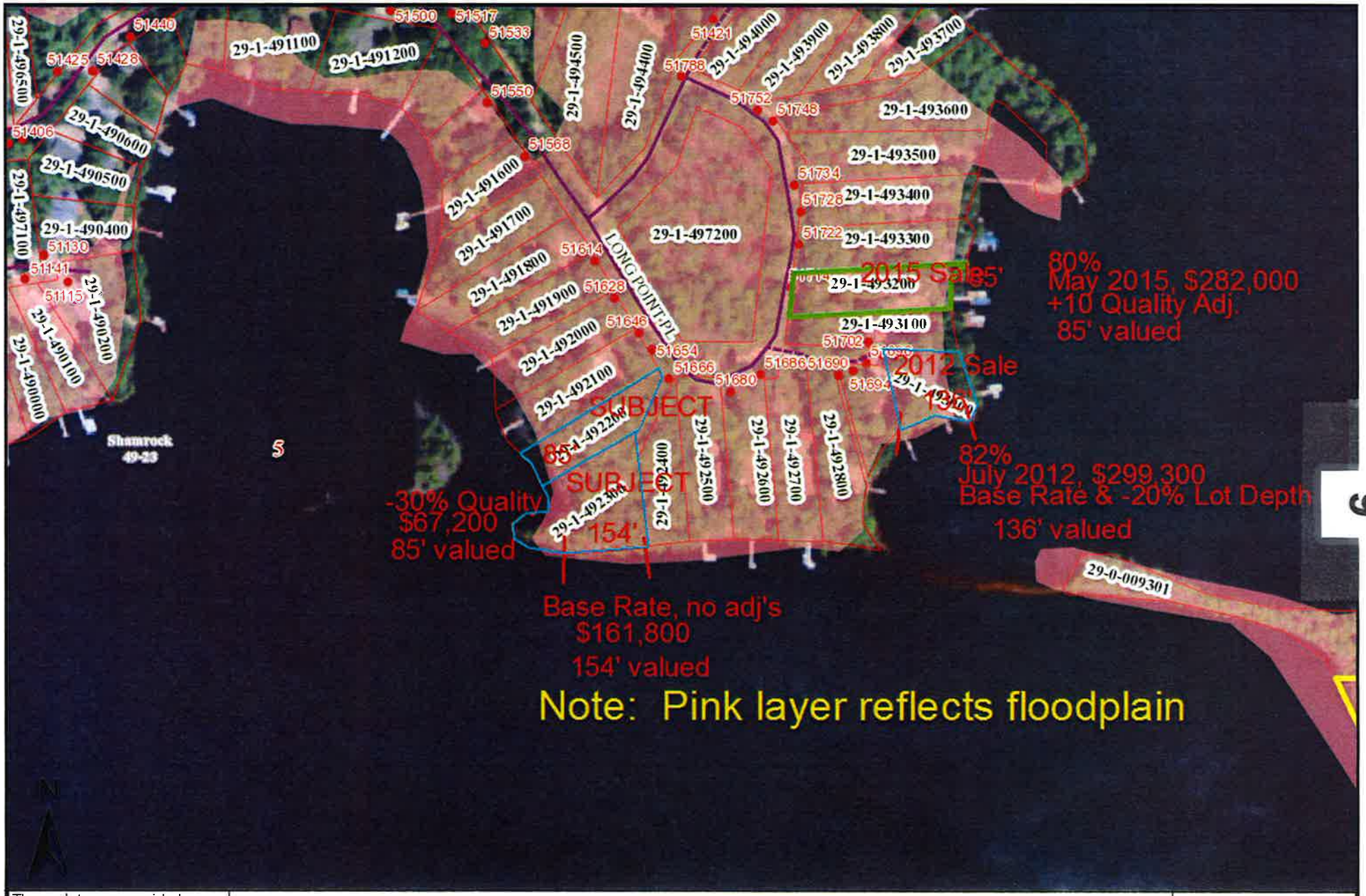
18 USC 707

SHARI S. LARSON

ATTORNEY AT LAW

McGregor Professional Bldg.
Hwys. 65 & 210 • P.O. Box 456
McGregor, MN 55760

218-768-4005 • 218-768-4006 Fax
email: larsonlw@mcgregormn.com



These data are provided on an "AS-IS" basis, without warranty of any type, expressed or implied, including but not limited to any warranty as to their performance, merchantability, or fitness for any particular purpose.

29-1-492200 & 492300

0 140 280 ft 1 inch = 369 feet

Aitkin County

Date: 6/10/2015

Lot 46 Double S, 2nd Addtn

29-1-493200	
Parcel No.	Parcel No.
Miller	
Buyer	Buyer
Harris Trust	
Seller	Seller
May 2015	
Date of Sale	Date of Sale
$299,000	
Sale Price	Sale Price
$ 17,000	
Personal Property	Personal Property
$282,000	
Adjusted Sale Price	Adjusted Sale Price
$227,500	
Assessor's EMV at Sale	Assessor's EMV at Sale
80.7%	
Sale Ratio	Sale Ratio
Big Sandy Lake	
Lake	Lake
Front Feet:	**85'**
Frontage Quality:	**Good Quality +10 % Qual Adj. 110% Copg**
Square Area/Acreage:	**.60 Ac.**
Res. Quality:	**D6.5, 1 Stry on slab 984 s.f.**
Effective Age:	**Built 1998 90% Good**
Outbuildings:	**Att. Gar4. 576 s.f. Insul. and lined**

29-1-493000	
Parcel No.	Parcel No.
Parker, C.	
Buyer	Buyer
Maas, G.	
Seller	Seller
July 2012	
Date of Sale	Date of Sale
$315,000	
Sale Price	Sale Price
$ 15,700	
Personal Property	Personal Property
$299,300	
Adjusted Sale Price	Adjusted Sale Price
$246,700	**2013 Assmt: N/A (has NC)**
Assessor's EMV at Sale	Assessor's EMV at Sale
82.4%	
Sale Ratio	Sale Ratio
Big Sandy Lake	
Lake	Lake

Front Feet: **136'**

Frontage Quality: **Good Qual @ base rate**
-20% shallow lot adj
Partial Point; one side valued.

Square Area/Acreage: **.48 Acre**

Res. Quality: **D6; 1 stry on CS**
1120 s.f.

Effective Age: **1971 Built; .60 EA**
Res showed quite a bit of depreciation at time of sale. Res has been remodeled subsequent to sale.

Outbuildings:

SKETCH NOT AVAILABLE

Fee Owner: 14074
SOLTAU, DUANE & JANET
Taxpayer: 14074 FALCO:F.O.
SOLTAU, DUANE & JANET
1998 SHADYWOOD ROAD
WAYZATA MN 55391

DISTRICTS:
Twp/City . : 29 SHAMROCK TWP
Plat . . . : 46 DOUBLE S ACRES SECOND ADDI
School . . : 4 MCGREGOR
Lake . . . : 10062 BIG SANDY LAKE

LEGAL DESCRIPTION:
Sec/Twp/Rge : 5 49.0 23 Acres: .00
LOT 33

Parcel notes:
06/09/2015: DM LT, R/A NOT HERE, SALVAGE SCREEN HOUSE REMAINS. CURRENT PHOTOS.

4/27/2015 SHAMROCK LBAE STEVEN SOLTAU(SON) VALUE APPEAL (PRIVATE APPRAISAL). NO VALUE CHANGE MADE. LBAE DETERMINED MR. SOLTAU COULD PROCEED TO COUNTY BOARD. REQUESTED FOLLOW UP FOR UPCOMING REASSESSMENT YEAR.

5/25/2010 LT DM, R/A - NOT HERE, NO CHG

ASSESSMENT DETAILS:

		Acres	CAMA	Estimated	Deferred	Taxable
2015 Rcd: 1 Class: 151 Non-Comm Seasonal Residential Recreationa	Land	2.59	161,100	161,100		161,100
Hstd: 0 cabin	Building		80	100		100
MP/Seq: 29-1-492300 000	Total MKT		161,180	161,200		161,200
Own% Rel AG% Rel NA% Dsb%						
2014 Rcd: 1 Class: 151 Non-Comm Seasonal Residential Recreationa	Land		162,800	162,800		162,800
Hstd: 0 cabin	Building		80	100		100
MP/Seq: 29-1-492300 000	Total MKT		162,880	162,900		162,900
Own% Rel AG% Rel NA% Dsb%						
2013 Rcd: 1 Class: 151 Non-Comm Seasonal Residential Recreationa	Land		162,800	162,800		162,800
Hstd: 0 cabin	Building		80	100		100
MP/Seq: 29-1-492300 000	Total MKT		162,880	162,900		162,900
Own% Rel AG% Rel NA% Dsb%						

ASSESSMENT SUMMARY:

Year	Class	Hstd	Land Mkt	Land Dfr	Building	Total Mkt	Total Dfr	Limited Mkt	Limited Dfr	Exemptions	Taxable	New Imp
2015	151	0	161,100	0	100	161,200		161,200			161,200	0
2014	151	0	162,800	0	100	162,900		162,900			162,900	0
2013	151	0	162,800	0	100	162,900		162,900			162,900	0

TAX SECTION:

		Taxes			Credits					
Tax Year	Rec Class	NTC	RMV	St Gen	Disaster	Powerline	Ag	Res	Tac	Net Tax
2016		.00	.00	.00	.00	.00	.00	.00	.00	.00
2015		1,245.40	.00	254.60	.00	.00	.00	.00	.00	1,500.00
2014		1,234.12	.00	267.88	.00	.00	.00	.00	.00	1,502.00
2013		1,352.60	.00	327.40	.00	.00	.00	.00	.00	1,680.00

CAMA LAND DETAILS:
Land market: 29-62 SHAMROCK / ZONE 3 / BIG SANDY Last calc date/env: 03/11/15 B
Neighborhood: 29-62 BIG SANDY LAKE PARCELS 1.00 Asmt year: 2016
COG: 14074 1 Ac/FF/SF: 3.47 Lake: 10062 BIG SANDY LAKE
Wid: .00 Dth: 450.00 Avg CER:

NOTES:
POINT PROP.: VALUING ONE SIDE ONLY @ 154'
2 PARCELS 239' COPG @ -5%
NO QUALITY ADJUSTMENTS ON THIS PARCEL.

5-25-10: THE POORER QUALITY FRONTAGE IS NOT BEING VALUED AT ALL ON THIS PARCEL, THE PREV. -10% QUALITY ADJ IS BEING REMVD. CHANGED THE COPG FOR 2011 ASST. FROM EACH PARCEL BEING AS SEP. SALEABLE LOTS TO A COMBINED COPG.

Land/Unit Type		Units Size	Qlt/Acc	-Other- Comment	OV Df	Base Rate Est/Dfr	Adj Rate Est/Dfr	Value Est/Dfr	Asmt Cd Typ	New	Acreage	PTR Value	Improvement	CER Factors
01-0062	FF	154.00				1150.00	1035.00	159400	1	151	1.59			
		239.00							OV					
FSITE	AC	1.00		90		17000.00	1700.00	1700	1	151	1.00			
		3.47							SV					

Front feet: 154.00 Other Acres: 1.00 Totals: 161,100
FF/SF acres: 1.59 CAMA acres: 2.59
Mineral:

CAMA SUMMARY: ----------

Schedule: 2016 Insp/By/Cmp: 06/09/2015 LT R
Neighborhood: 29-62 BIG SANDY LAKE PARCELS

Nbr	Typ	Subtype	Description	Size	Class	Qlt	Last Calc	H/G	Est Value	New Imp
1	OTH	SALVAGE	SCREEN HSE	1		7	6/10/2015	I	40	

Estimated land value : 161,100
Mineral value . . . . :
Improvement value . . : 40
Total value . . . . . : 161,140

CAMA IMP DETAILS: 1 OTH SALVAGE SCREEN HSE

House/Garage: Schedule: 2016
Construction class/Quality: 7
Actual/Effective year built:
Condition:

DEPRECIATION PCT GOOD FACTORS:
Physical: 1.00
Functional incurable . . .
Economic: 29-62 .80
Additional . . . . . .
Total percent good 80

NOTES: ----------
* 10X24 NAT. SCREEN HOUSE SALVAGE COND *

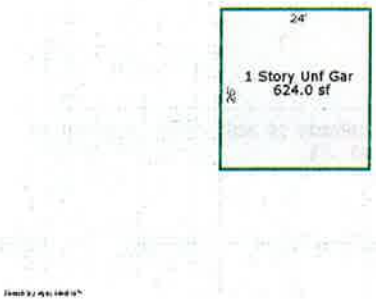
---- Characteristics/Areas ---	Wid	Len	Units	Str	Fdt	Wal	OV	Rate	RCN	Sum	PD	Curable	%Cmp	%New	New Imp	RCNLD
_BAS SALVAGE 7			1					50.00	50	1			1.00			40

Ground BAS area: 1 Totals: 50 40
Effective ground BAS rate: 40.00

Field check value: Appraiser's initials: Date of inspection:

Jun 9, 2015

Jun 9, 2015



Fee Owner: 14074
SOLTAU, DUANE & JANET
Taxpayer: 14074 FALCO:F.O.
SOLTAU, DUANE & JANET
1998 SHADYWOOD ROAD
WAYZATA MN 55391
Primary Address/911 #:
51666 Long Point Pl
MCGREGOR

DISTRICTS:

Twp/City . :	29	SHAMROCK TWP
Plat . . . :	46	DOUBLE S ACRES SECOND ADDI
School . . :	4	MCGREGOR
Lake . . . :	10062	BIG SANDY LAKE

LEGAL DESCRIPTION:
Sec/Twp/Rge : 5 49.0 23 Acres: .00
LOT 32
Parcel notes:
On 05/25/2010 at 15:15, LDT1 wrote:
LT, DM, R/A - NOT HERE

ASSESSMENT DETAILS:

		Acres	CAMA	Estimated	Deferred	Taxable
2015 Rcd: 1 Class: 151 Non-Comm Seasonal Residential Recreationa	Land	.88	61,600	61,600		61,600
Hstd: 0 cabin	Building		5,616	5,600		5,600
MP/Seq: 29-1-492200 000	Total MKT		67,216	67,200		67,200
Own% Rel AG% Rel NA% Dsb%						
2014 Rcd: 1 Class: 151 Non-Comm Seasonal Residential Recreationa	Land		62,200	62,200		62,200
Hstd: 0 cabin	Building		5,616	5,600		5,600
MP/Seq: 29-1-492200 000	Total MKT		67,816	67,800		67,800
Own% Rel AG% Rel NA% Dsb%						
2013 Rcd: 1 Class: 151 Non-Comm Seasonal Residential Recreationa	Land		62,200	62,200		62,200
Hstd: 0 cabin	Building		5,616	5,600		5,600
MP/Seq: 29-1-492200 000	Total MKT		67,816	67,800		67,800
Own% Rel AG% Rel NA% Dsb%						

ASSESSMENT SUMMARY:

Year	Class	Hstd	Land Mkt	Land Dfr	Building	Total Mkt	Total Dfr	Limited Mkt	Limited Dfr	Exemptions	Taxable	New Imp
2015	151	0	61,600	0	5,600	67,200		67,200			67,200	0
2014	151	0	62,200	0	5,600	67,800		67,800			67,800	0
2013	151	0	62,200	0	5,600	67,800		67,800			67,800	0

TAX SECTION:

		Taxes			Credits					
Tax Year	Rec Class	NTC	RMV	St Gen	Disaster	Powerline	Ag	Res	Tac	Net Tax
2016		.00	.00	.00	.00	.00	.00	.00	.00	.00
2015		519.09	.00	58.91	.00	.00	.00	.00	.00	578.00
2014		514.06	.00	61.94	.00	.00	.00	.00	.00	576.00
2013		560.20	.00	75.80	.00	.00	.00	.00	.00	636.00

CAMA LAND DETAILS:
Land market: 29-62 SHAMROCK / ZONE 3 / BIG SANDY Last calc date/env: 03/11/15 B
Neighborhood: 29-62 BIG SANDY LAKE PARCELS 1.00 Asmt year: 2016
COG: 14074 1 Ac/FF/SF: 3.47 Lake: 10062 BIG SANDY LAKE
Wid: .00 Dth: 450.00 Avg CER:

NOTES:
2 PARCELS 239' COPG @ -5%
-30% QUAL.(VERY WEEDY BAY, LOW, WET LOT)
(PREV. -20% QUALITY. EQUALIZED SIMILAR TO RECENT SALE)

CHANGED THE COPG FOR 2011 ASST. FROM EACH PARCEL BEING AS SEP. SALEABLE LOTS TO A COMBINED COPG.

Land/Unit Type	Units Size	Qlt/Acc	-Other- Comment	OV Df	Base Rate Est/Dfr	Adj Rate Est/Dfr	Value Est/Dfr	Asmt Cd Typ	New	Acreage	PTR Value	Improvement	CER Factors
01-0062 FF	85.00	N			1150.00	724.50	61600	1	151	.88			
	239.00							OV					

Front feet: 85.00 Other Acres: .00 Totals: 61,600
FF/SF acres: .88 CAMA acres: .88
Mineral:

CAMA SUMMARY: ----------

Schedule: 2015 Insp/By/Cmp: 05/25/2010 DM R

Neighborhood: 29-62 BIG SANDY LAKE PARCELS

Nbr	Typ	Subtype	Description	Size	Class	Qlt	Last Calc	H/G	Est Value	New Imp
1	RES	GAR		624	D	3	3/11/2015	B	5,616	

Estimated land value :	61,600
Mineral value . . . . :	
Improvement value . . :	5,616
Total value . . . . . :	67,216

CAMA IMP DETAILS: 1 RES GAR

House/Garage: Schedule: 2015

Construction class/Quality: D 3

Actual/Effective year built: 1985

Condition:

DEPRECIATION PCT GOOD FACTORS:

Physical:		.75
Functional incurable . . .		
Economic:	29-62	.80
Additional		
Total percent good		.60

NOTES: ----------

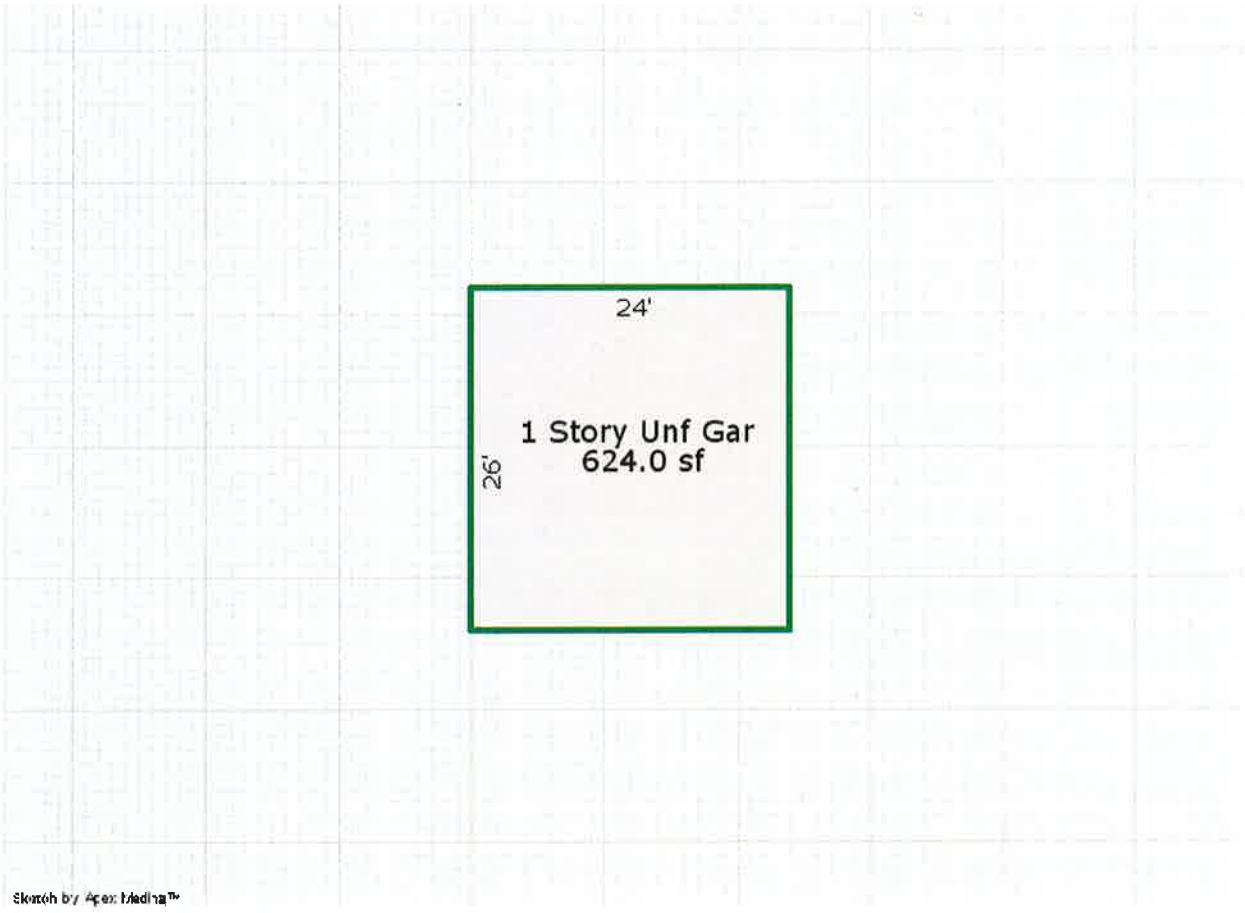
5-25-10: GARAGE IS NOT WIRED. LOWERED EA FROM.80 TO .75.

---- Characteristics/Areas ---	Wid	Len	Units	Str	Fdt	Wal	OV	Rate	RCN	Sum	PD	Curable	%Cmp	%New	New Imp	RCNLD
_005 COLOR NAT NATURAL																
_010 TYPE DET DETACHED																
_015 STORY HGT																
_020 FLOOR CON CONCRETE																
_025 CONST FR FRAME																
_030 ELECTRIC N NO																
_040 LINING N NO																
_050 INSULATION N NO																
_060 HEAT																
_100 LIVING-1																
_110 LIVING-2																
_BAS BASE AREA 3 AVERAGE	24	26	624					15.00	9,360	1		1.00				5,616

Ground BAS area: 624 Totals: 9,360 5,616

Effective ground BAS rate: 9.00

Field check value: Appraiser's initials: Date of inspection:


24'
1 Story Unf Gar
624.0 sf
26'
Sketch by Apex Medina™

APPRAISAL OF REAL PROPERTY

LOCATED AT

xxx Long Point Pl
McGregor, MN 55760
Lots 32 and 33 Double S Acres Second Addition

FOR

Steven Soltau
7116 Fleetwood Dr
Edina, MN 55439

AS OF

04/03/2015

BY

Patrick J Perrine
Perrine and Dad Appraisals
47 2nd Ave SE
Aitkin, MN 56431
(218) 429-0115
jperrine@charter.net

Perrine and Dad Appraisals
47 2nd Ave SE
Aitkin, MN 56431
(218) 429-0115

April 06, 2015

Steven Soltau
7116 Fleetwood Dr
Edina, MN 55439

Re: Property: xxx Long Point Pl
McGregor, MN 55760
Borrower:
File No.: 0004193

Opinion of Value: $ 180,000
Effective Date: 04/03/2015

In accordance with your request, we have appraised the above referenced property. The report of that appraisal is attached.

The purpose of the appraisal is to develop an opinion of market value for the property described in this appraisal report, as improved, in unencumbered fee simple title of ownership.

This report is based on a physical analysis of the site and improvements, a locational analysis of the neighborhood and city, and an economic analysis of the market for properties such as the subject. The appraisal was developed and the report was prepared in accordance with the Uniform Standards of Professional Appraisal Practice.

The opinion of value reported above is as of the stated effective date and is contingent upon the certification and limiting conditions attached.

It has been a pleasure to assist you. Please do not hesitate to contact me or any of my staff if we can be of additional service to you.

Sincerely,

Patrick J Perrine
License or Certification #: 4001145
State: MN Expires: 08/31/2016
jperrine@charter.net

RESTRICTED APPRAISAL REPORT

File No. 0004193

Restriction on Use of this Appraisal: This is a Restricted Appraisal Report as defined and permitted by the Uniform Standards of Professional Appraisal Practice (USPAP). This Restricted Appraisal Report is intended for use only by the client for the stated use. The client understands the limited utility of the Restricted Appraisal Report and its limited application to only the specified use. This report cannot be properly understood without additional information contained in the appraiser's work file. Use by anyone other than the client is prohibited.

CLIENT AND PROPERTY IDENTIFICATION

Client: Steven Soltau

Client's Address: 7116 Fleetwood Dr, Edina, MN 55439

Identification of Property being Appraised

- ☒ Address: xxx Long Point Pl City: McGregor St: MN Zip: 55760
- ☒ Legal Description: Lots 32 and 33 Double S Acres Second Addition
- ☐ Property Survey (See Attached)
- ☐ Property Sketch (See Attached)

Statement of the Real Property Interest being Appraised

☒ Fee Simple ☐ Leasehold ☐ Other

APPRAISAL APPROACH

Statement of Purpose of Appraisal

- ☒ To estimate the market value of the subject property.
- ☐ To estimate

Statement of Intended Use of Appraisal

This appraisal is for the sole use of the client, for estate valuation purposes.

Statement of the Appraisal Procedures followed

☐ This is a Complete Appraisal assignment. All of the procedures of the Valuation Process as required by the Uniform Standards of Professional Appraisal Practice (USPAP) specific guidelines for a Complete Appraisal were performed. This Restricted Appraisal Report is made based on client instructions.

☐ This is a Limited Appraisal assignment. All of the procedures of the Valuation Process as required by the Uniform Standards of Professional Appraisal Practice (USPAP) specific guidelines for a Complete Appraisal were performed except for those departures permitted by USPAP and requested by the client. The client understands the limitations of this appraisal and agrees that the performance of this limited appraisal is appropriate. Departures from the USPAP specific guidelines are identified and explained in this Restricted Appraisal Report or in the addenda of this report.

Statement of All Assumptions and Limiting Conditions that Affect the Analyses, Opinion, and Conclusion

- ☒ A statement of typical or ordinary assumptions and limiting conditions is attached to this report.
- ☐ Extraordinary assumptions or limiting conditions are disclosed with statements of each opinion and value conclusion that is affected.

Description of the Extent of the Process of Collecting, Confirmation and Reporting Data The subject property was inspected, public records consulted, appraiser files, appraiser experience and market knowledge, Multiple Listing Service (MLS) used for sales and listings information, and local real estate agents consulted as needed.

Statement of the Exclusion of any of the Usual Approaches to Value The cost approach was not used because there is no house, and the income approach was not used because the subject is located in an area of primarily single family, owner occupied housing.

VALUE CONCLUSIONS

Statement of the Appraiser's Opinion of the Highest and Best Use of Subject Property

☒ Present Use ☐ Other

Statement of Definition of the Value to be Estimated

- ☒ A definition of value being estimated is attached to this report
- ☐ A definition of value estimated is

Statement of Value Conclusions

Cost Approach	$ n/a
Income Approach	$ n/a
Sales Comparison Approach	$

Reconciliation: The sales comparison approach was used for the subject valuation.

Estimated Value as of the Date of Appraisal 04/03/2015 **is** $ 180,000

Supporting Documentation

☒ Supporting documentation for this appraisal is maintained on file by the appraiser. The file is available for inspection by the client, such third parties as may be authorized by due process of law, and as required by USPAP guidelines.

Report Attachments

☐ Sales Comp. Approach	☐ Limited Appraisal Disclosure	☐ Comparable Photos	☐ Property Survey
☐ Cost Approach	☒ Definition of Value & Cert.	☒ Location Map	☐ Environmental Addendum
☐ Income Approach	☒ Subject Photos	☐ Property Sketch	☒ Comment/Valuation Addndm

The analyses, opinions and conclusions used to prepare this Restricted Appraisal Report were developed in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of The Appraisal Standards Committee of the Appraisal Foundation.

APPRAISER	SUPERVISORY APPRAISER
Signature	Signature
Name: Patrick J. Perpich	Name
Date Report Signed: April 06, 2015	Date Report Signed
☒ Did ☐ Did not inspect subject property.	☐ Did ☐ Did not inspect subject property.
Cert./Lic.# 4001145 St: MN Exp: 08/31/2016	Cert./Lic.# St: Exp:

Comment/Valuation Addendum File No. 0004193

Owner	Duane and Janet Soltau				
Property Address	xxx Long Point Pl				
City	McGregor	County Aitkin	State MN	Zip Code 55760	
Client	Steven Soltau				

Highest and Best Use:
The subject consists of 2 adjoining lots on Big Sandy Lake. Lot 32 has poor lake frontage (beach area) and would be of little value as a "stand-alone" lot because of that factor. Lot 33 has average quality lake frontage and the addition of Lot 32 would add privacy and include the garage. The combining of the 2 lots into one building site is considered the highest and best use of the subject.

Description of Improvements:
The subject has an older garage that is useable. There is an old building (portion of building) near the lake on Lot 33. It has no value. There is a well head (see photo) but it has not been used in a number of years and its condition or useability is not known. It has no value. There is a driveway bed that is somewhat overgrown. It does enhance the site, as it could be used as a driveway foundation.

Lot Description:
The subject lot (2 lots combined) offer a useable building site with approximately 150 FF of average quality beach and approximately 215 FF of poor lake frontage (marshy on the channel between the main land and the small island).

FEMA Map Information:
The subject lot is in an identified flood hazard area. The map number is 2706280205C - dated 02/02/1996 - the subject is in Zone AE (base elevation determined). Building would be permitted, but the foundation would have to be raised to the appropriate base elevation, and that would be determined by the County Planning and Zoning Dept. A basement would likely not be possible, so there would be some limits on the building.

Valuation:
The Big Sandy market is out of balance, with many sellers and few buyers. This is true of both improved lots and bare lots. (A balanced market is one which has an approximate 6 month supply of inventory. Based on the numbers {4 sales over the past year and 12 active listings} there is a 3 year supply). There were 4 lot sales over the past year (2 were purchased by the same party), and one was on an island. They are described here --
1. $65,000 - Island - not at all comparable
2. $50,000 - 500+ front feet of very marshy water front and 1.56 acres - 10/03/2014 - EMV (estimate market value - County Assessor) of $64,200. The subject is superior because it has some nicer lake front. This lot would be similar to the subject Lot 32 if sold individually (would be superior because of its size, but has the same type of beach front)
3. $130,000 - 75 front feet of sand beach a bit superior to the best of the subject beach, less than 1/2 acre - 11/10/2014 0 EMV $107,900.
4. $70,000 - 85 front feet of poor beach - inlet of small bay - 10/01/2014 - EMV $31,300. This sale was a split of a 2 parcel property, with the primary parcel on the main lake across the road. Since there was common ownership the assessor placed minimal value on this particular lot, so it was essentially under valued by the assessor (per discussion with assessor on 04/06/2015).

There is 1 pending sale of a large (19 ac) lot on the north side of the lake with very poor beach (would need very long boardwalk to get to water). List price is $49,000. EMV $66,000.

There are 12 active listings, ranging in price from $105,900 (lot close to the pending sale but a bit better lake frontage) - $289,000. The highest priced lot has 300 front feet of average quality beach, a 28'x38' garage built in 2013, a new septic system, a cleared building area with good lake views and a driveway. It is located on Long Point Pl, not too far from the subject. It has an EMV of $243,400 and has been on the market for 42 days. It is superior to the subject. Another lot superior to the subject is listed at $235,000 and has been on the market for 329 days. It has 210 front feet of beach similar to the subject best quality beach, a boathouse, a septic, well and driveway, and a 38'x50' concrete slab with in floor heat ready (was tested and does work - former owner was going to build).

Subject EMV:
The subject EMV is $228,400.

Valuation:
All of the above information was considered in determining a value estimate of the subject property. The estimate of value, as of 04/03/2015, is $180,000.

Photograph Addendum

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Garage

Clearing near lake - path to beach

Beach

Photograph Addendum

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Beach

Beach (bay area)

Point

Photograph Addendum

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Path from garage to older building by lake

View from closer to the lake back to street

Portion of lot

Photograph Addendum

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Well

County Assessor PID Aerial Map

Aerial Map

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Client	Steven Soltau				

RESTRICTED APPRAISAL REPORT

File No. 0004193

Definition of Market Value
Ordinary Assumptions and Limiting Conditions
Certification

DEFINITION OF MARKET VALUE:

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, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale 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 each acting in what he considers his own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of 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.

ORDINARY ASSUMPTIONS AND LIMITING CONDITIONS:

1. 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.
2. If the appraiser has provided a sketch in the appraisal report, the sketch shows approximate dimensions and is included only to assist the reader of the report in visualizing the property and understanding the appraiser's determination of its size.
3. If 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 that the subject site is (or is not) located in an identified Special Flood Hazard Area, as the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless required to do so by a court.
5. The appraiser has noted in the appraisal report any significant adverse conditions (such as needed repairs, depreciation, 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 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.
6. 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.
7. The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice.
8. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that completion of the improvements will be performed in a workmanlike manner.
9. I have agreed to enter into this assignment requested by the client named in the report for the use specified by the client which is stated in the report, which calls for things that are different from the work that would otherwise be required by the specific guidelines of the USPAP. The client has agreed that the performance of this limited appraisal service is appropriate for their intended use.

Other:

CERTIFICATION:

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.
3. I have no (or the specified) present or prospective interest in the property that is the subject of this report, and I have no (or the specified) personal interest or bias with respect to the parties involved.
4. My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
5. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Practice.
6. I have (or have not) as indicated on the report made a personal inspection of the property that is the subject of this report. If more than one person has signed the report, each person has indicated on the report whether they did or did not make an inspection of the appraisal property.
7. Unless otherwise indicated below, no one provided me with significant professional assistance in the completion of this appraisal assignment.

SUPERVISORY APPRAISER'S CERTIFICATION:

If a supervisory appraiser signed the appraisal report, he or she certifies and agrees that: I directly supervise the appraiser who prepared the appraisal report, have reviewed the appraisal report, agree with the statements and conclusions of the appraiser, agree to be bound by the appraiser's certifications, and am taking full responsibility for the appraisal and the appraisal report.

APPRAISER	SUPERVISORY APPRAISER
Signature	Signature
Name Patrick J Perrine	Name
Date Report Signed April 06, 2015	Date Report Signed
☒ Did ☐ Did Not Inspect Property	☐ Did ☐ Did Not Inspect Property
Cert./Lic. #: 4001145 St MN Exp: 08/31/2016	Cert./Lic. #: St Exp:

License

STATE OF MINNESOTA

PATRICK J PERRINE
47 2ND AVE SE
AITKIN, MN 56431

Department of Commerce

The Undersigned COMMISSIONER OF COMMERCE for the State of Minnesota hereby certifies that

PATRICK J PERRINE

47 2ND AVE SE
AITKIN, MN 56431

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

Resident Appraiser : Certified Residential

License Number: 4001145

unless this authority is suspended, revoked, or otherwise legally terminated. This license shall be in effect until August 31, 2016.

IN TESTIMONY WHEREOF, I have hereunto set my hand this August 04, 2014.

COMMISSIONER OF COMMERCE

Minnesota Department of Commerce

Licensing Division
85 7th Place East, Suite 500
St. Paul, MN 55101-3165
Telephone: (651) 539-1599
Email: licensing.commerce@state.mn.us
Website: commerce.state.mn.us

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.

Resume'

Patrick J Perrine
Perrine and Dad Appraisals

47 2nd Ave SE
Aitkin, MN 56431
218-429-0115 (office)
218-428-1884 (cell)
jperrine@charter.net

Education:

May 1979	Bachelor of Science Major: Music Education (Magna Cum Laude) Minnesota Teaching Licensure, K-12 Music St Cloud State University

Appraisal Experience:

September 1984 - Present	Real Estate Appraiser – All types of residential appraisals Counties Covered – Aitkin, Crow Wing, Cass, Itasca, Pine, Carlton, parts of Mille Lacs, St Louis Perform between 250 -300 appraisals per year FHA approved License #4001145 – Certified Residential Appraiser Real Estate Education – Real Estate Sales prelicense courses I, II and III. 15 hours of continuing education per year.

Other Job Experience:

1984 – 1990	Licensed Real Estate Sales Agent
1979 – 1987	Loan and Operations Officer – State Bank of McGregor
1987 – 2013	Instrumental Music Teacher – McGregor & Aitkin Schools