

**NEU REAL ESTATE
224 NW 2nd STREET
P. O. BOX 13
ORTONVILLE, MN 56278
Telephone 320-487-1003 Fax 320-487-1013**

**Transmittal Letter
11/17/2023**

**Chris McGrath
1101 West River Parkway, Suite 200
Minneapolis, MN 55415**

RE: Restricted Appraisal Report of Arlene Quam Property
Part of Pope County MN PID #20-0168-001 in 28-123-36
2,228 sf (.051 ac)
Driveway Easement Area
Pope County MN

Dear Mr McGrath,

As per your request, we have completed a review of the above property legally described as found in the appraisal report to follow. The objective of this report was to determine an estimated easement value of the property located in Pope County, MN. Based upon my investigation and analysis, it is my opinion that the market value of the property that is the subject of this appraisal as of 11/16/2023 is as follows:

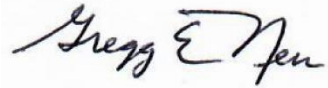
\$56.26 for 2,228 sf (.051 acres) or about \$1,100/acre (rounded)

This is a restricted appraisal report which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice (USPAP). As such, it does not present discussions of the data (including the sales), reasoning or analyses that were used in the appraisal process to develop the appraiser's opinion of value. A restricted appraisal is not sufficiently detailed for federally regulated lending purposes. The rationale for how the appraiser arrived at the opinions and conclusions set forth in the report may not be understood properly without additional information in the appraiser's workfile. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated below only. Use of the attached report is limited to the client. The appraiser is not responsible for unauthorized use of this report.

This letter and all pages of the report must remain attached in order for the value opinion set forth to be considered valid. The value opinion is subject to the Statement of Assumptions and Limiting Conditions and Certification set forth in this report. It is imperative that the report be read in its entirety, including anything found at the end of the report.

If any additional information is needed, please feel free to contact us. Thank you for letting us take care of this for you.

Respectfully submitted,

A handwritten signature in black ink that reads "Gregg E. Neu". The signature is written in a cursive style with a large, stylized "G" and "N".

Gregg E. Neu
Certified General Appraiser
License Numbers:
MN:40138097
SD:1132CG
ND: CG-223210

Restricted Appraisal Report

Part of SE1/4SW1/4 in 21-123-36 and
Part of NE1/4NW1/4 in 28-123-36
2,228 sf (.051 ac)
Driveway Easement Area
Pope County MN

Date of Value

11/17/2023

Prepared For

Christopher McGrath
1101 West River Parkway, Suite 200
Minneapolis, MN 55415

Intended User

Client

Prepared By

Neu Real Estate
Gregg E Neu
224 NW 2nd Street
Ortonville, MN 56278

Date Prepared

11/17/2023

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ASSUMPTIONS AND LIMITING CONDITIONS

This assignment was conducted, and the report presented, subject to the following assumptions and limiting conditions. The use and acceptance of this report indicates that the client accepts these assumptions and limiting conditions.

1. The Appraiser(s) assume no responsibility for matters of a legal nature affecting the property appraised or the title thereto, nor does the Appraiser(s) render any opinion as to title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership.
2. Sketches in the report may show approximate dimensions and are included only to assist the reader in visualizing the property. The Appraiser(s) have made no survey of the property. Drawings and/or plats are not represented as an engineer's work product, nor are they provided for legal reference.
3. The Appraiser(s) are not required to give testimony or appear in court because of having made the appraisal with reference to the property in question, unless arrangements have been previously made.
4. Any distribution of the valuation in the report applies only under the existing program of utilization. The separate valuations of components must not be used outside of this appraisal and are invalid if so used.
5. The Appraiser(s) have, in the process of exercising due diligence, requested, reviewed, and considered information provided by the ownership of the property and client, and the Appraiser(s) have relied on such information and assumes there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The Appraiser(s) assume no responsibility for such conditions, for engineering which might be required to discover such factors, or the cost of discovery or correction.
6. While the Appraiser(s) have inspected the subject property and have considered the information developed in the course of such inspection, together with the information provided by the ownership and client, the Appraiser(s) are not qualified to verify or detect the presence of hazardous substances by visual inspection or otherwise, nor qualified to determine the effect, if any, of known or unknown substances present. Unless otherwise stated, the final value conclusion is based on the subject property being free of hazardous waste contaminations, and it is specifically assumed that present and subsequent ownerships will exercise due diligence to ensure that the property does not become otherwise contaminated.
7. Information, estimates, and opinions furnished to the Appraiser(s), and contained in the report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished the Appraiser(s) can be assumed by the Appraiser(s).
8. Unless specifically cited, no value has been allocated to mineral rights or deposits.
9. Water requirements and information provided has been relied on and, unless otherwise stated, it is assumed that:
 - a. All water rights to the property have been secured or perfected, that there are no adverse easements or encumbrances, and the property complies with Bureau of Reclamation or other state and federal agencies;
 - b. Irrigation and domestic water and drainage system components, including distribution equipment and piping, are real estate fixtures;
 - c. Any mobile surface piping or equipment essential for water distribution, recovery, or drainage is secured with the title to real estate; and
 - d. Title to all such property conveys with the land.
10. Disclosure of the contents of this report is governed by applicable law and/or by the Bylaws and Regulations of the professional appraisal organization(s) with which the Appraiser(s) are affiliated.

11. Neither all nor any part of the report, or copy thereof, shall be used for any purposes by anyone but the client specified in the report without the written consent of the Appraiser.
12. Where the appraisal conclusions are subject to satisfactory completion, repairs, or alterations, the appraisal report and value conclusion are contingent upon completion of the improvements in a workmanlike manner consistent with the plans, specifications and/or scope of work relied upon in the appraisal.
13. Acreage of land types and measurements of improvements are based on physical inspection of the subject property unless otherwise noted in this appraisal report.
14. EXCLUSIONS. The Appraiser(s) considered and used the three independent approaches to value (cost, income, and sales comparison) where applicable in valuing the resources of the subject property for determining a final value conclusion. Explanation for the exclusion of any of the three independent approaches to value in determining a final value conclusion has been disclosed in this report.
15. SCOPE OF WORK RULE. The scope of work was developed based on information from the client. This appraisal and report was prepared for the client, at their sole discretion, within the framework of the intended use. The use of the appraisal and report for any other purpose, or use by any party not identified as an intended user, is beyond the scope of work contemplated in the appraisal, and does not create an obligation for the Appraiser.
16. Acceptance of the report by the client constitutes acceptance of all assumptions and limiting conditions contained in the report.
17. Other Contingent and Limiting Conditions:
18. The appraiser did not look at the FSA grain bases and did not take them into consideration when determining value. An adequate grain base is assumed and was indicated during the site visit with borrower.

Scope of Work: The subject was identified as parcel id #20-0168-001 and NOT inspected per client request. The client indicated a site visit was not required but a current effective date of value was required. The subject description was obtained from the survey, GIS map and tax statement, all provided by the client. Current public records and other aerial maps were obtained and reviewed, and further discussions with the client were held.

The subject is a bare land driveway used for access by both The Nature Conservancy and Arlene Quam. The land needs to be kept in grass to allow vehicle access and not be allowed to grow trees. Sales were researched that were reasonably similar to the subject physical characteristics of bare grasses. There were adequate land sales from the current (2022 - 2023) time frame; therefore, older sales were not used so a market adjustment did not need to be developed.

As detailed below, only the sales comparison approach was developed: The sales comparison approach used the methods of land-mix and qualitative analysis to develop an indicated value by breaking down and grouping the sales data. There are no buildings to depreciate and no reliable land rent to analyze; therefore, the cost approach and the Income approach were not developed. Comparable sales for unimproved properties were obtained from county assessors and various real estate broker/auctioneer websites. Sales were confirmed via public records and discussions with parties to the transactions. The appraiser has inspected, verified and analyzed the sales contained in the workfile.

Explanation for a Restricted Use Report: Use of this report is limited to the client(s) and other **named** intended users because it may not contain supporting rationale for all of the opinions and conclusions that are set forth. This report is completed as a restricted appraisal report

because 1. the client is an experienced reader of appraisal reports of similar land use as this subject; 2. The client understands the valuation process; and 3. The overall size of the subject is small with resulting insignificant market value as noted below.

Problem Identification Information

Subject Address: There are no structural improvements; therefore, no physical address.

Legal Description: The survey description is lengthy and contained in the appraisers workfile. The abbreviated legal description is: Part of SE1/4SW1/4 in 21-123-36 and Part of NE1/4NW1/4 in 28-123-36.

Parcel Identification #: 20-0168-001 & 20-0123-001

Property Type: The easement area is noted in the survey as 2,228 sf. This land is recreational grassland with no trees and no structural improvements allowed. It is zoned as A-2 Agricultural Protection District,.

Client: Christopher McGrath, 1101 West River Parkway, Suite 200, Minneapolis, MN 55415

Intended Use: Estimate the value of an access easement. No other uses of this appraisal are intended by the appraiser.

Intended User: Client. No other users of this report are intended by the appraiser.

Property Rights: Servient Estate-this property is burdened by this easement.

Type of Value: Market Value

Definition of Market Value: Although the appraisal communicated in this report was not prepared for a financial institution, the definition of market value specified in regulations published pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) has been used in this assignment.

Conditions of Appraisal: This restricted appraisal report was performed as is; no extraordinary assumptions, hypothetical conditions or jurisdictional exceptions were used.

Sale & Listing History: There is no current agreement of sale, listing, or option regarding the subject property. There have been no sales or other transfers of the subject property within three years prior to the effective date of this appraisal.

Personal Property, Fixtures and Intangible Items: None

OPINIONS AND CONCLUSIONS

Highest and Best Use as Currently Used (as of effective date): Continued recreational use by outdoor enthusiasts who are the most probable buyer/tenant of the land.

Highest and Best Use as Vacant: The existing use as recreational land is the highest and best use.

Highest and Best Use as Improved: N/A since there are no improvements.

Highest and Best Use as Used in This Report: Recreational

Exposure Time: The appraiser's opinion of reasonable exposure time for the subject property is 3 months.

Marketing Time: The appraiser's opinion of reasonable marketing time for the subject property is 3 months.

Inspection Date: No inspection per client request
Effective Date: 11/17/2023
Report Date: 11/17/2023

Valuation: In the Sales Comparison Approach, the appraiser analyzed closed bare recreational land sales from Pope, Swift, Stearns, and Kandiyohi counties that had reasonably similar characteristics of location and recreational land use. These were considered the most relevant indicators of value for the subject property. The subject access easement area was a total of 2,228 sf in size. The sales indicated: 1) sales sizes ranged from about 30.00 – 185 acres; and 2) a \$/recreational acre range of about \$1,047 – \$2,500. This analysis indicated a value of about \$2,200/deeded acre. The easement access is shared with the client with both having equal access and NOT a single ownership; therefore, half the value is rationalized as the value of this access easement. $.5 \times \$2,200 = \$1,100$. $\$1,100/43,560 \text{ sf} = \$.02525252525$. $\$.02525252525 \times 2,228 \text{ sf} = \56.26 .

Result of Approaches to Value:

Cost Approach: n/a
Sales Comparison: \$56.26
Income Approach: n/a

Final Reconciliation:

Cost Approach: This approach was not developed.

Income Approach: This approach was not developed.

Sales Comparison Approach: Because the strongest demand for the subject is by owner users, most weight was placed on this approach. Enough comparable sales were available in the subject neighborhood to develop a credible indication of value by the sales comparison approach.

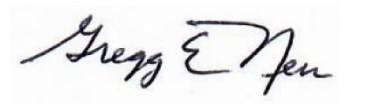
The supporting documentation for the analyses and the development of the approaches to value is retained in the appraiser's workfile.

Opinion of Market Value: \$56.26

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 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 performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.
- 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.
- I have made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the person signing this certification.



Gregg E. Neu
Appraiser's Signature

November 17, 2023

Date of Report/Certification

Appraiser Curriculum Vitae

PERSONAL INFORMATION

Name: Gregg Neu	Phone Number: 320-487-1003
Address: 224 NW 2nd Street	Fax Number: 320-487-1013
PO Box 13	Certified General
Ortonville, MN 56278	Licenses: MN #40138097
Email: appraisals@midconetwork.com	SD #1132CG-R
Company Name: Neu Inc, DBA Neu Real Estate	ND #223210

EDUCATION

Name of Institution	Dates Attended	Type of Degree or Certificate
South Dakota State University	1990-1991	None
St Cloud State University	1996-1998	B.S. Finance with Minor in Economics

Professional Appraisal Courses	Dates Completed	Sponsoring Organization
USPAP	Current	Various Online & Classroom
Valuation of Conservation Easements and Other Partial Interests in Real Estate	6/15/2023	ASFMRA (Hybrid)
Valuation of Residential Solar	7/28/2022	McKissock LLC (Online)
Valuation Bias: Bias and Fair Housing	6/22/2022	B&B Professionals (Classroom)
Practical Rural Appraisal: New Methodology	1/27/2022	ASFMRA (Classroom)
Appraising Ag Facilities: Swine Confinement	9/1/2021	ASFMRA (Classroom)
Farmland Drainage Tile-Valuation & Usage	1/30/2020	ASFMRA (Classroom)
Valuing Specialty Livestock Facilities: Dairy	1/24/2019	ASFMRA (Classroom)
Market Area and Industry Analysis	1/18/2018	ASFMRA (Classroom)
Advanced Residential App/Case Study	7/28/2016	Appraisal Institute (Classroom)
Advanced Residential Report Writing	8/2/2016	Appraisal Institute (Classroom)
MN Appraiser Supervisor Class	11/10/2015	Appraisal Institute (classroom)
SD Appraiser Supervisor Class	11/23/2015	PAASD (classroom)
IRS Seminar: RE Donations Including Conservation Easements	6/23/2015	North Star Chapter Appraisal Institute (classroom)
Uniform Standards for Federal Land Acquisitions	10/15/2014	Appraisal Institute (classroom)
Appraising Manufactured Homes	6/27/2014	McKissock (online)
Mold, Pollution and the Appraiser	6/14/2014	McKissock (online)
Appraising FHA Today	6/14/2014	McKissock (online)
Appraising Self-Storage Facilities	6/12/2014	McKissock (online)
Qualifying Education from Trainee through the Certified General License	2009-2013	Kaplan University (classroom) Appraisal Institute & McKissock (online)

EMPLOYMENT HISTORY

Employer Name	Business Title	Dates of Employment
Neu Real Estate	Real Estate Appraiser	2009-Current
Self-Employed Farm Cleanups	Metal Recycling	2007-2009
US Bancorp	Internal Auditor	2006-2007
Steams Bank	Internal Auditor	2002-2006
Dacotah Bank	Internal Auditor	2001-2002
FM Bank	Personal Banker	2000-2001
Horace Mann Insurance	Sales Agent	1999-2000
US Marine Corps	Radio Operater	1992-1996

APPRAISAL EXPERIENCE, COVERAGE AREAS AND TYPES OF REAL ESTATE

I have appraised real estate since 2009 with the early years being generally residential appraisal and subsequent, greater majority of the years appraising agricultural and commercial properties. The appraisal coverage area is about 150 mile radius from Ortonville, MN within the states of Minnesota and South Dakota, depending on complexity. The types of real estate appraised are residential, agricultural and commercial. Agricultural appraisal work relates to bare land with and without conservation easements/programs, farm sites, highly improved grain handling facilities, hog barns, dairy facilities, cattle yards, etc. Commercial appraisal work relates to apartments, self-storage units, free-standing single tenant buildings and other general commercial properties.

NONAPPRAISAL EXPERIENCE SUMMARY

Various internal bank auditing responsibilities:

Reviewed commercial, agriculture and consumer real estate loan file documents and appraisals along with their credit analysis. Reviewed the bank's loan loss adequacy, delinquent loans, overdrafts, supervisory loan to value exceptions and collateral perfection practices. Performed asset / liability management reviews including interest rate risk and liquidity, investments, disaster recovery, general ledger balancing, electronic funds, physical and electronic security, internet banking, computer network systems, deposit product reviews, proof and teller functions.

Reviewed, on a risk based perspective, the Personal Trust Risk Management, Insurance and Investment Broker / Dealer Risk Management, Corporate Trust, Institutional Trust and Private Banking functions covering regulatory compliance, employee system access, risk validations, reconciliations, general ledger review, new and established account reviews, wire/ACH transactions, management reporting, vendor contracts, safeguarding customer information and various office function procedure reviews.

Reviewed Partnership and Operating Agreements focusing on risk areas, past due loans. Analyzed and approved construction draws using third party inspection reports. Built various reports from scratch that summarized the areas of risk and construction draw information into a useable format.

REFERENCES

Cenbank
113 NW 1st Ave
Ortonville, MN 56278
Drew Dohman (320-) 839-6123

MN FSA
1485 Industrial Drive NW
Rochester, MN 55901
Terry Smith (507) 405-3674

First Bank and Trust
110 North Minnesota Avenue, Suite 100
Sioux Falls, SD 57104
Mandy Priebe (605) 978-9307

SD FSA
2914 Broadway
Yankton, SD 57078
Chip Horton (605) 665-2662

Dacotah Bank
300 S. Phillips Ave, Suite 100
Sioux Falls, SD 57104
Kevin Ulvestad (605) 331-4000 Ext 6465

AgCountry Farm Credit Services
1900 44th St S, Box 6020
Fargo, ND 58108
Tim Kreft (701)-499-2611

Appraiser License

STATE OF MINNESOTA



Department of Commerce

GREGG NEU
224 NW 2ND STREET
PO BOX 13
ORTONVILLE, MN 56278

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

224 NW 2ND STREET
PO BOX 13
ORTONVILLE, MN 56278

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: 40138097

unless this authority is suspended, revoked, or otherwise legally terminated. This license shall be in effect until August 31, 2024.

IN TESTIMONY WHEREOF, I have hereunto set my hand this August 02, 2022.

A handwritten signature in cursive script that reads "Grace Arnold".

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:

- **Individual Licensees Only - 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.