

SALES AND RENTAL DATA COLLECTION, CONFIRMATION, AND

REPORTING: Sales information searches have been conducted with, and prior to, the current appraisal. Research of public records, Northstar MLS, interviews with area real estate agents, county government officials and other individuals knowledgeable in the real estate market were used to find market data which is then verified, analyzed, and used in this report. Detailed analyses of the comparable sales, used to determine the value of the subject property, are part of the addenda of this report. Every sale in Crane Lake for the past 4 years has been researched for this report.

VALUATION METHODS:

In the Cost Approach, market sales are used to independently value the individual resources of the subject property (land, building and/or related equipment). These values are then added for a total Market Value of the subject property.

The Income Approach is a method which measures the present value, of the future benefits, of property ownership (conversion of anticipated future income into an indication of value). Annualized net income is estimated, then divided by a Market derived Capitalization Rate, to estimate the Market Value of the subject property.

In the Sales Comparison Approach, similar market sales are compared to the subject property to determine its Market Value. When compared to the subject, the superior characteristics of the comparable sales are adjusted downward and inferior characteristics of the comparable sales are adjusted upward. The adjusted sales prices of all the comparables sales are then reconciled to arrive at an indicated Market Value of the subject property.

OWNERSHIP:

The subject property is owned by Voyageur Lakes Development Inc, except the property in tax parcel #308-0095-00001 which is listed by the St Louis County as owned by Crane Lake Shores Owners Association. This parcel is that land encompassed by the interior access road, lake frontage and excess land (generally the wooded land not in platted lots). This parcel is assumed to have been set up in condominium ownership where each lot owner would have equally but undivided shares. NO acres are calculated for the 308-0095-00001 by the county assessor but the appraiser estimates this parcel to be roughly 15 acres. For the purpose of this appraisal an assumption has been made that the subdivision and ownership of the subject land can be returned to an undivided fee simple single parcel with all rights attached. As per St Louis County tax records, the property has been owned by Voyageur Lake Development for more than ten years.

PROPERTY RIGHTS APPRAISED

This appraisal considers all the rights available under FEE SIMPLE title. This appraisal also excludes any liens, encumbrances or other restrictions on the subject property ownership.

Additional Comments

Lots One (1) through Fifteen (15), EXCEPT LOT THIRTEEN (13) thereof
Amendment to Common Interest Community (CIC) No. 84, Crane Lake Shores, together with undivided interest
in the common elements appurtenant thereto.