



Application For Abatement Or Refund Of Taxes

North Dakota Century Code § 57-23-04

File with the County Auditor on or before November 1 of the year following the year in which the tax becomes delinquent.

State of North Dakota Assessment District _____
 County of Stark Property I.D. No. 41-0350-27000-400
 Name Tzadik Blue Hawk LLC Telephone No. _____
 Address 1022 W. Villard, Dickinson, ND 58601

Legal description of the property involved in this application:

SCT: 04 TWN: 139 RNG:096
 Lot:4 BLK:27
 YOUNGS 5TH L4-6 +9' OF VACATED ALLEY
 R??

Total true and full value of the property described above for the year 2021 is:

Land \$ 80,900
 Improvements \$ 3,338,700
 Total \$ 3,419,600
 (1)

Total true and full value of the property described above for the year 2021 should be:

Land \$ 80,900
 Improvements \$ 1,436,600
 Total \$ 1,517,500
 (2)

The difference of \$ 1,902,100.00 true and full value between (1) and (2) above is due to the following reason(s):

- ☐ 1. Agricultural property true and full value exceeds its agricultural value defined in N.D.C.C. § 57-02-27.2
- ☒ 2. Residential or commercial property's true and full value exceeds the market value
- ☐ 3. Error in
- ☐ 4. Nonexist
- ☐ 5. Complai
- ☐ 6. Duplica
- ☐ 7. Property
- ☐ 8. Error in
- ☐ 9. Property the appli
- ☒ 10. Other (ex

Filed to late
 Final day to file
 2021 Abatement
 would have been
 Nov 1st, 2023

The following fac question #5.

- 1. Purchase price
- Terms: Cash
- Was there pers

- 2. Has the propert

Asking price:

- 3. The property v

Market value estimate: \$

Appraisal was made by whom?

- 4. The applicant's estimate of market value of the property involved in this application is \$ 1,517,500

- 5. The estimated agricultural productive value of this property is excessive because of the following condition(s):

Applicant asks that the value of the improvements be adjusted downward to reflect the actual purchase price of the property in an arms-length transaction.

By filing this application, I consent to an inspection of the above-described property by an authorized assessment official for the purpose of making an appraisal of the property. I understand the official will give me reasonable notification of the inspection. See N.D.C.C. § 57-23-05.1.

I declare under the penalties of N.D.C.C. § 12.1-11-02, which provides for a Class A misdemeanor for making a false statement in a governmental matter, that this application is, to the best of my knowledge and belief, a true and correct application.

Signature of Preparer (if other than applicant)

Date

Signature of Applicant

Date

Recommendation of the Governing Body of the City or Township

Recommendation of the governing board of _____

On _____, _____, the governing board of this municipality, after examination of this application and the facts, passed a resolution recommending to the Board of County Commissioners that the application be _____

Dated this _____ day of _____, _____.

City Auditor or Township Clerk

Action by the Board of County Commissioners

Application was _____ by action of _____ County Board of Commissioners.
Approved/Rejected

Based upon an examination of the facts and the provisions of North Dakota Century Code § 57-23-04, we approve this application. The taxable valuation is reduced from \$ _____ to \$ _____ and the taxes are reduced accordingly. The taxes, if paid, will be refunded to the extent of \$ _____. The Board accepts \$ _____ in full settlement of taxes for the tax year _____.

We reject this application in whole or in part for the following reason(s). Written explanation of the rationale for the decision must be attached. _____

Dated _____, _____

County Auditor

Chairperson

Certification of County Auditor

I certify that the Board of County Commissioners took the action stated above and the records of my office and the office of the County Treasurer show the following facts as to the assessment and the payment of taxes on the property described in this application.

Year	Taxable Value	Tax	Date Paid (if paid)	Payment Made Under Written Protest?
				yes/no

I further certify that the taxable valuation and the taxes ordered abated or refunded by the Board of County Commissioner are as follows:

Year	Reduction in Taxable Valuation	Reduction in Taxes

County Auditor

Date

**Application For Abatement
Or Refund Of Taxes**

Name of Applicant

Tzadik Blue Hawk LLC

County Auditor's File No.

010-2025

Date Application Was Filed
With The County Auditor

7-9-25

Date County Auditor Mailed
Application to Township
Clerk or City Auditor

7-10-25

(must be within five business days of filing date)



Application For Abatement Or Refund Of Taxes

North Dakota Century Code § 57-23-04

File with the County Auditor on or before November 1 of the year following the year in which the tax becomes delinquent.

State of North Dakota
County of Stark
Name Tzadik Blue Hawk LLC
Address 1022 W. Villard, Dickinson, ND 58601

Assessment District _____
Property I.D. No. 41-0350-27000-400
Telephone No. _____

Legal description of the property involved in this application:

SCT: 04 TWN: 139 RNG:096
Lot:4 BLK:27
YOUNGS 5TH L4-6 +9' OF VACATED ALLEY
R77

Total true and full value of the property described above for the year 2022 is:

Land	\$ 80,900
Improvements	\$ 4,189,900
Total	\$ 4,210,800

(1)

Total true and full value of the property described above for the year 2022 should be:

Land	\$ 80,900
Improvements	\$ 2,169,100
Total	\$ 2,250,000

(2)

The difference of \$ 1,960,800.00 true and full value between (1) and (2) above is due to the following reason(s):

- ☐ 1. Agricultural property true and full value exceeds its agricultural value defined in N.D.C.C. § 57-02-27.2
- ☒ 2. Residential or commercial property's true and full value exceeds the market value
- ☐ 3. Error in property description, entering the description, or extending the tax
- ☐ 4. Nonexisting improvement assessed
- ☐ 5. Complainant
- ☐ 6. Duplicate assessment
- ☐ 7. Property improvement
- ☐ 8. Error in notice
- ☐ 9. Property qualified for the application
- ☒ 10. Other (explain)

Filed to late
Final day to file
2022 Abatements
would have been
Nov 1st, 2024

The following facts re question #5.

1. Purchase price of _____
Terms: Cash _____
Was there personal _____

2. Has the property been _____
Asking price: \$ _____

3. The property was _____
Appraisal was made _____

4. The applicant's estimate of market value of the property involved in this application is \$ _____

5. The estimated agricultural productive value of this property is excessive because of the following condition(s): _____

Exemption.

er (see N.D.C.C. § 57-23-04(1)(g))

N.D.C.C. § 57-02-08.8). Attach a copy of

cy.

For agricultural property, go directly to

ms-length purchase

00

Simonson Appraisals

Applicant asks that the true and full value of the improvements be adjusted downward to reflect the appraised value of the property.

By filing this application, I consent to an inspection of the above-described property by an authorized assessment official for the purpose of making an appraisal of the property. I understand the official will give me reasonable notification of the inspection. See N.D.C.C. § 57-23-05.1.

I declare under the penalties of N.D.C.C. § 12.1-11-02, which provides for a Class A misdemeanor for making a false statement in a governmental matter, that this application is, to the best of my knowledge and belief, a true and correct application.

Signature of Preparer (if other than applicant)

Date

Melissa Weiler
Signature of Applicant

8/20/2024
Date

Recommendation of the Governing Body of the City or Township

Recommendation of the governing board of _____

On _____, _____, the governing board of this municipality, after examination of this application and the facts, passed a resolution recommending to the Board of County Commissioners that the application be _____

Dated this _____ day of _____, _____, _____
City Auditor or Township Clerk

Action by the Board of County Commissioners

Application was _____ by action of _____ County Board of Commissioners.
Approved/Rejected

Based upon an examination of the facts and the provisions of North Dakota Century Code § 57-23-04, we approve this application. The taxable valuation is reduced from \$ _____ to \$ _____ and the taxes are reduced accordingly. The taxes, if paid, will be refunded to the extent of \$ _____. The Board accepts \$ _____ in full settlement of taxes for the tax year _____.

We reject this application in whole or in part for the following reason(s). Written explanation of the rationale for the decision must be attached. _____

Dated _____, _____

County Auditor

Chairperson

Certification of County Auditor

I certify that the Board of County Commissioners took the action stated above and the records of my office and the office of the County Treasurer show the following facts as to the assessment and the payment of taxes on the property described in this application.

Year	Taxable Value	Tax	Date Paid (if paid)	Payment Made Under Written Protest?
				yes/no

I further certify that the taxable valuation and the taxes ordered abated or refunded by the Board of County Commissioner are as follows:

Year	Reduction in Taxable Valuation	Reduction in Taxes

County Auditor

Date

**Application For Abatement
Or Refund Of Taxes**

Name of Applicant Tzadik Blue Hawk LLC

County Auditor's File No. 009-2025

Date Application Was Filed
With The County Auditor 7-9-25

Date County Auditor Mailed
Application to Township
Clerk or City Auditor 7-10-25
(must be within five business days of filing date)



State of North Dakota _____ Assessment District _____
County of Stark _____ Property I.D. No. 41-0350-27000-400
Name Tzadik Blue Hawk LLC _____ Telephone No. _____
Address 1022 W. Villard , Dickinson, ND 58601 _____

24775
(2-2016)

Recommendation of the Governing Body of the City or Township

Recommendation of the governing board of _____

On _____, _____, the governing board of this municipality, after examination of this application and the facts, passed a resolution recommending to the Board of County Commissioners that the application be _____

Dated this _____ day of _____, _____.

City Auditor or Township Clerk

Action by the Board of County Commissioners

Application was _____ by action of _____ County Board of Commissioners.
Approved Rejected

Based upon an examination of the facts and the provisions of North Dakota Century Code § 57-23-04, we approve this application. The taxable valuation is reduced from \$ _____ to \$ _____ and the taxes are reduced accordingly. The taxes, if paid, will be refunded to the extent of \$ _____. The Board accepts \$ _____ in full settlement of taxes for the tax year _____.

We reject this application in whole or in part for the following reason(s). Written explanation of the rationale for the decision must be attached. _____

Dated _____, _____

County Auditor

Chairperson

Certification of County Auditor

I certify that the Board of County Commissioners took the action stated above and the records of my office and the office of the County Treasurer show the following facts as to the assessment and the payment of taxes on the property described in this application.

Year	Taxable Value	Tax	Date Paid (if paid)	Payment Made Under Written Protest?
				yes/no

I further certify that the taxable valuation and the taxes ordered abated or refunded by the Board of County Commissioner are as follows:

Year	Reduction in Taxable Valuation	Reduction in Taxes

County Auditor

Date

Application For Abatement
Or Refund Of Taxes

Name of Applicant
Tzadik Blue Hawk LLC

County Auditor's File No.
008-2025

Date Application Was Filed
With The County Auditor
7-9-25

Date County Auditor Mailed
Application to Township
Clerk or City Auditor
7-10-25
(must be within five business days of filing date)

NYHUS LAW FIRM

Christopher J. Nyhus
Attorney at Law
chris@nyhuslaw.com

July 2, 2025

Nathan P. Stittleburg
Attorney at Law
nathan@nyhuslaw.com

Stark County Auditor
P. O. Box 130
51 3rd St. E.,
Dickinson, ND, 58602

Colton A. Martin
Attorney at Law
colton@nyhuslaw.com

Re: Abatement Request for Tzadik Blue Hawk, LLC – Parcel No. 41-0350-27000-400

Dear Stark County Auditor:

I am representing Tzadik Blue Hawk, LLC, in its request for a property tax abatement on the apartment building located at 1022 W. Villard, in Dickinson, ND, commonly known as Villard Commons (f.k.a Blue Hawk Square). Prior to my involvement, an abatement request was made in 2023 requesting abatement of the 2021 and 2022 taxes based, in part, on the fact that the property's assessed value exceeded its market value due to decreased rent rolls for the property. I have enclosed copies of emails acknowledging acceptance of the request in Exhibit 1, as well as further correspondence indicating that no action was taken on these earlier requests. It also includes the materials submitted with that request. It is my understanding that no action was taken by the City's Board of Equalization regarding that request. That request, which was based on reduced rent rolls and property damage, and the information submitted in support of it is still accurate, and is enclosed herein as Exhibit 1, and is one basis for the requested refund and abatement.

In addition, and separately, my client requests a property tax abatement and refund of excessive assessments for this property for the same years due to it's True and Full Value exceeding the actual market value of the property. The 2021 and 2022 applications supplement my client's prior applications for those years, and my client believes the window of time to evaluate that request remains open since the city took no action on it. The 2023 application stands alone.

True and Full Value Exceeds Market Value

My client is requesting an abatement and refund due to the over-statement of their property's True and Full Values for the year of 2023. This request applies to property taxes assessed in 2023, and is a request for a refund of excessive assessments as well as abatement of future assessments consistent with the market value of the property. The property tax statement for 2023 is attached as Exhibit 2.

My client purchased this property in an arms-length transaction from Dacotah Bank. The property was not acquired by my client through a foreclosure sale or other auction, as contemplated in N.D.C.C. §57-02-27. The purchase price was One Million Five Hundred Seventeen Thousand Five Hundred Dollars (\$1,517,500.00), as stated on the Warranty Deed, which I have enclosed as Exhibit 3 to this letter.

Bismarck Office
PO Box 2295
515 1/2 E. Broadway Ave., Ste. 101
Bismarck, North Dakota 58502
P: 701.751.2262 • F: 701.425.0228

Harvey Office
P.O Box 217
708 Lincoln Ave.
Harvey, North Dakota 58341
By appointment only
P: 701.324.4800 • F: 701.425.0228

I have enclosed an appraisal of this property that was completed on July 7, 2022, which my client acquired when the property was being refinanced. This appraisal, which was conducted by Mitchell Simonson, MAI and Grant Halonen of Simonson Appraisals out of Loretto, MN, is attached as Exhibit 4. The appraisal set the property's market value at \$2,250,000, as of that date. Since this appraisal was completed over half-way through the tax year, it would be inappropriate to apply any increased valuation until the following property tax year, which is 2023. Without any other evidence of an increase in the property's market value from the date of acquisition through the beginning of 2022.

The 2023 True and Full Value was listed at \$4,210,800.00. As stated above, the correct True and Full Value for 2023 should be the appraised value of \$2,250,000. The reduction that is being requested for the True and Full Value for 2023 property taxes is \$1,960,800.00. This reduction should be to the value of the improvements, as the land value has not changed in years.

The reduction is not only justified by the reduction in rent rolls for this property, as supported by the materials in the prior request to the City, but also by the actual market value of the property, as determined by the arms-length sale and the subsequent appraisal. My client has no information indicating that the property has been re-assessed for 2024, or that any other appraisal has occurred for the property since 2023. Moving forward, the property's 2024 True and Full Value should remain at the appraised value.

The North Dakota Supreme Court held, in RFM-TREI Jefferson Apartments, LLC v. Stark Cnty. Bd. of Commissioners, 2020 ND 204, that true and full values in excess of a property's market value are "invalid, inequitable or unjust." In that case, it relied on the plain language of N.D.C.C. §57-23-01, which states: "All assessments of any taxable property in excess of the full and true value in money are subject to correction and abatement and refund under the provisions of this chapter."

N.D.C.C. 57-02-01(15) defines "true and full value" as follows:

15. "True and full value" means the value determined by considering the earning or productive capacity, if any, the market value, if any, and all other matters that affect the actual value of the property to be assessed. This shall include, for purposes of arriving at the true and full value of property used for agricultural purposes, farm rentals, soil capability, soil productivity, and soils analysis.

N.D. C.C § 57-02-01(15)

In RFM-TREI Jefferson Apartments, LLC v. Stark Cnty. Bd. of Commissioners, 2020 ND 204, the North Dakota Supreme Court relied on these statutes in holding that a property's true and full value cannot exceed its market value. As this commission is likely aware, that case involved a consolidated appeal of the Stark County Board of Commissioners' denial of abatement requests for four separate properties in Dickinson which had true and full values in excess of their market value. In issuing its ruling, the North Dakota Supreme Court stated, "We have never affirmed a local taxing authority's decision to knowingly adopt an assessment greater than the true and full value of the property, and we decline to do so here." Id. at ¶13. Since Villard Commons is

commercial property, its market value is the same as true and full value, as stated in the following citation:

[¶12] Every property within North Dakota, including the properties at issue, must be assessed at its “true and full *166 value.” True and full value is “the value determined by considering the earning or productive capacity, if any, the market value, if any, and all other matters that affect the actual value of the property to be assessed.” N.D.C.C. § 57-02-01(15). The assessor's guidebook for North Dakota adopts the International Association of Assessing Officers' definition of “market value”:

the most probable price expressed in terms of money that a property would bring if exposed for sale in the open market in an arms-length transaction between a willing seller and a willing buyer, both of whom are knowledgeable concerning all the uses to which it is adapted and for which it is capable of being used.

Property Tax Guideline: Assessment Terms and Concepts, N.D. Office of State Tax Comm'r, July 2005. For commercial properties, “[m]arket value is the same as true and full value.” Id. “All assessments of any taxable property in excess of the full and true value in money are subject to correction and abatement and refund.” N.D.C.C. § 57-23-01.

Id. at ¶12.

The ND Supreme Court went on to state it's rationale for determining the Commission improperly denied the abatement requests in that case:

It is inequitable and unjust to assess property in excess of the true and full value. Whether the requests for abatement should have been granted can be answered with a single question statutorily required to be answered by the Board: were the assessments in excess of the true and full value? N.D.C.C. § 57-23-01. The answer to the question is yes. The only evidence before the Board was that the 2016 assessments exceeded the true and full value of the properties. The assessor conceded the properties could not have sold in 2016 for the value they were assessed; their market value was less than their assessed value. Because they are commercial properties, market value is synonymous with true and full value. Property Tax Guideline: Assessment Terms and Concepts, N.D. Office of State Tax Comm'r, July 2005. The Board adopted assessments that the assessor conceded were greater than the true and full value of the properties. Accepting assessments that exceed the true and full value of property and denying requests for abatement is contrary to N.D.C.C. § 57-23-01, which provides that “assessments of any taxable property in excess of the full and true value in money are subject to correction and abatement and refund.” When a Board acts contrary to a legislature's directive, those acts must be determined to be arbitrary and unreasonable.

Id. at ¶14.

Given the purchase price and the subsequent appraisal of Villard Commons, my client's abatement request should clearly be granted. In sum, my client is requesting a property tax abatement and

refund of over-payment of property taxes based on excessively high true and full values of 2023, as follows:

	Over-Stated True and Full Value	Correct True and Full Value	Requested Reduction Amount
2023	\$4,210,800	\$2,250,000	\$1,960,800

Inaccurate Property Description - East 9 feet of Vacated Alleyway

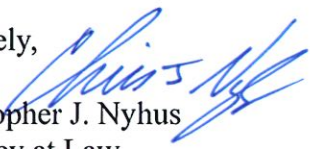
In addition to the request for reduction, refund and abatement described above, the vacated alley that is part of this parcel is not completely owned or possessed by my client. My client owns the east nine feet of the vacated alley. Skye and Romy Thompson own the west nine feet of the vacated alley and operate it along with the Oasis Motel. Prior to my client's ownership, a structure was put up on both sides of the vacated alley. Through a Common Use Agreement, which I have enclosed as Exhibit 5, my client has possession of only the basement of the building on that parcel. The Thompsons possess the ground floor and upper level of the building. The fact that my client only is the record owner of the east 9-feet (i.e., half) of the vacated alleyway parcel requires a reduction to the square footage included for that part of this parcel by half. The balance of the property taxes should be apportioned to the Thompsons for the west 9-feet (i.e., half) of the same vacated alleyway.

Splitting the tax parcels for this vacated alleyway in half between the current owners is consistent with state statute. N.D.C.C. 57-02-38 states, "When a building or structure covers two or more contiguous lots or parts of lots *owned by the same person* the assessment may not be entered separately as to each lot or part of lot, but the tract upon which the building is located must be described and assessed as one parcel." It may not have been improper to initially have the entire vacated alleyway listed as one common parcel for property tax purposes when it was platted, but Villard Commons is not owned by the same person as the Oasis, so now it must be separated.

Please present my client's abatement requests and refund requests to the City Auditor, per N.D.C.C. 57-23-05 and add it to the next regular commission agenda, so that a hearing can be set, as provided by N.D.C.C. 57-23-04 and 57-23-06. By copy of this letter to the Dickinson City Auditor, I am hereby requesting full copies of all property tax valuation information that the City possesses or has relied upon in setting the values stated on the 2023 property tax statements. In addition, I am requesting any other appraisals or valuations that have been prepared by the City, or its agent or designee, pursuant to my client's previous request for abatement, or this request. Please provide this information to me at least two weeks in advance of any hearing.

Please provide me with notice of the date of that hearing. Please note that I am unavailable the first ten days of September. Feel free to reach out to set a date that works for both the City, the Commission, and my client. Meanwhile, please forward all future correspondence on this matter to my attention.

Sincerely,


Christopher J. Nyhus
Attorney at Law

Patrick Slaughter

From: Quentin L. Riggins
Sent: Monday, April 10, 2023 4:41 PM
To: Christina Alletto; Lucas Grassano; Lu Li; Matthew Naasz; Mary Kennedy
Subject: FW: Tax appeals

See below, the appeal was accepted for Dickinson.

Quentin

From: Assessing <Assessing@dickinsongov.com>
Sent: Monday, April 10, 2023 4:39 PM
To: Quentin L. Riggins <qriggins@gpna.com>
Subject: RE: Tax appeals

Quentin,

I did receive this information, will review it and let you know.

Thank you,

JOE HIRSCHFELD
CITY ASSESSOR
ASSESSING

Tel: 701.456.7744 O: 701.456.7734
Joe.Hirschfeld@dickinsongov.com



From: Quentin L. Riggins <qriggins@gpna.com>
Sent: Monday, April 10, 2023 4:07 PM
To: Assessing <Assessing@dickinsongov.com>
Cc: Mary Kennedy <mkennedy@gpna.com>
Subject: Tax appeals

My clients wish to appeal the tax assessments for the attached properties. The basis is the decrease in revenue as shown on the attached rent roll information. Please let me know if you need anything else from me. Thanks

Quentin

Patrick Slaughter

From: Quentin L. Riggins
Sent: Monday, April 10, 2023 4:07 PM
To: assessing@dickinsongov.com
Cc: Mary Kennedy
Subject: Tax appeals
Attachments: Energy Portfolio Rent Roll Dec 2022.xlsx; ND Energy portfolio.2023.pdf; Energy Portfolio Rent Roll April 2023.xlsx; Villard Commons Tax Appeal 2021 T12.xlsx; Villard Commons Tax Appeal 2022 T12.xlsx; Villard Commons Rent Roll 2022 Dec.xlsx

My clients wish to appeal the tax assessments for the attached properties. The basis is the decrease in revenue as shown on the attached rent roll information. Please let me know if you need anything else from me. Thanks

Quentin

From: Quentin L. Riggins
Sent: Thursday, July 13, 2023 1:05 PM
To: Assessing <Assessing@dickinsongov.com>
Cc: Mary Kennedy <mkennedy@gpna.com>
Subject: RE: Tzadik Appeal

Is there anything new on the commercial revaluation?

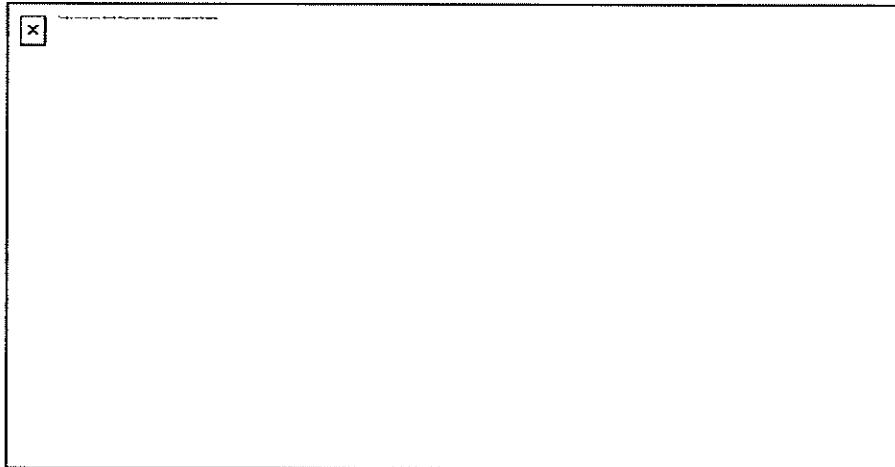
Quentin

From: Assessing <Assessing@dickinsongov.com>
Sent: Wednesday, May 3, 2023 9:21 AM
To: Quentin L. Riggins <qriggins@gpna.com>
Subject: RE: Tzadik Appeal

Good Morning Quentin,

At the BOE meeting on April 11, the Board elected to take no action. The expectation is that with the pending commercial revaluation, any adjustment that needs to be done will be completed at that time. With your permission, I will share what you have given me with Vanguard Appraisals, who is completing our revaluation.

Thank you,



From: Quentin L. Riggins <qriggins@gpna.com>
Sent: Tuesday, May 2, 2023 2:41 PM

To: Assessing <Assessing@dickinsongov.com>

Cc: Mary Kennedy <mkennedy@gpna.com>

Subject: Tzadik Appeal

I just wanted to check on the status of Tzadik property tax appeals. Do you have any update?

Quentin

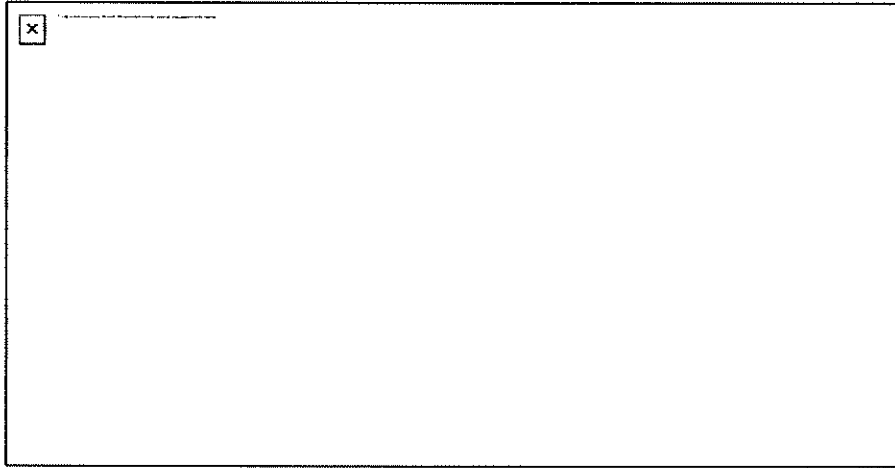
This email has been scanned for spam and viruses. Click [here](#) to report this email as spam.

From: Assessing <Assessing@dickinsongov.com>
Sent: Monday, April 10, 2023 4:39 PM
To: Quentin L. Riggins <griggins@gpna.com>
Subject: RE: Tax appeals

Quentin,

I did receive this information, will review it and let you know.

Thank you,



From: Quentin L. Riggins <griggins@gpna.com>
Sent: Monday, April 10, 2023 4:07 PM
To: Assessing <Assessing@dickinsongov.com>
Cc: Mary Kennedy <mkennedy@gpna.com>
Subject: Tax appeals

My clients wish to appeal the tax assessments for the attached properties. The basis is the decrease in revenue as shown on the attached rent roll information. Please let me know if you need anything else from me. Thanks

Quentin

This email has been scanned for spam and viruses. Click [here](#) to report this email as spam.

From: Quentin L. Riggins
Sent: Tuesday, April 11, 2023 10:09 AM
To: assessing@dickinsongov.com
Cc: Mary Kennedy <mkennedy@gpna.com>
Subject: Villard Commons appeal

I sent along appeal documents yesterday but my clients brought up a few other issues as noted below:

- Tzadik paid 1M for the properties even though they were assessed at 3M they feel this purchase price is indicative of the actual value of the properties.
- I have attached the closing statement as documentation to use
- Since purchase there have been significant damages to the properties that were discovered there was a huge claim for damages due to vandalism in the amount of \$70,866
I will send along this information when I receive it.
- Utilities have been excessively high for these properties which has contributed to the losses identified in the documents produced yesterday.
- The rent roll provided by the bank was not correct and listed people that were in not paying as paying tenants,
- Additional people listed as renters were in fact not living in the unit

Patrick Slaughter

From: Quentin L. Riggins
Sent: Tuesday, April 11, 2023 10:17 AM
To: Assessing
Cc: Mary Kennedy
Subject: Villard Commons
Attachments: Travelers VC Claim.PDF

Attached is proof of the insurance claim on the property.

PDF+PIN: 004+0350-2700-0400
1022 WEST VILLARD, DICKINSON

Dickinson City Assessor

Fri, 1/5/2024, 8:49 AM Page 1

Deed: TZADIK BLUE HAWK, LLC

Map Area: Apartments

Checks/Tags:

Contract:

Route: 013-050-170

Lister/Date: CW, 05/10/2023

CID#:

Tax Dist: Dickinson

Review/Date: CJ, 08/21/2023

DBA: APARTMENTS (46 UNITS) BLUE HAWK SQUARE

Plat Page:

Entry Status: Vacant Dwelling

MLS:

Subdiv: YOUNG'S 5TH(0350)

Urban / Commercial

Legal: LOTS 4, 5 & 6 PLUS E9' VACATED ALLEY, BLOCK 27, YOUNG'S 5TH ADDITION

Land

Land Basis	Front	Rear	Side 1	Side 2	R. Lot	SF	Acres	Depth/Unit	EFF/Type	Qual./Land						
SqFt Dim	150.00	150.00	154.00	154.00						C-3.50						
Sub Total						23,100.00	0.530									
Grand Total						23,100.00	0.530									

Street		Utilities		Zoning		Land Use	
SqFt Dim	Paved	City		General Commercial		Not Applicable	

Sales				Building Permits				Values					
Date	\$ Amount	NUTC	Recording	Date	Number	Tag	\$ Amount	Reason	Type	Appraised	Exempt Amount	Net Assmt	Pr Yr: 2022
				10/16/2017	102243	Y	\$2,500	Misc	Land		\$0	\$0	
				2/27/2017	102082	Y	\$3,500	Misc	LandC	\$80,900	\$0	\$0	\$80,900
				8/7/2012	P100078	N	\$3,200,000	New Bldg	Dwtg		\$0	\$0	
									Impr	\$4,129,900	\$0	\$0	\$4,129,900
									Total	\$4,210,800	\$0	\$0	\$4,210,800

Precomputed Structure

Occ. Code	702
Occ. Descr.	Apartment
Year Built	2012
EFF Age/Yr	10/ 2012
Condition	NML
Description	B1-4S B EIFS
Style	EIFS - Wood
Stories	4
Total Units	46
Grade	4
Base	10,959
Basement	3,450
Av SF/Unit	0
1st Flr Inset Adj	0
Calc Ave. SF/Unit	956

Verticals

Fig & Fdn	Reinforced Concrete w/ Bsmt	8"				
Exterior wall	EIFS - Wood Stud	41				
Interior wall	Drywall or Equiv.	32				
Pilasters						
Wall facing						
Windows	Incl. w / Base	0				
Fronts/Doors	Incl. w / Base	Average				

Horizontals

Basement	Incl. w / Base					
Roof	Asph. Shingle/ Wood Dk					
Ceiling	Drywall	1				
Struct. Floor	4" R'Concrete	1	Concrete Hollow Core - 8"	1	Wd Deck on Wood Truss	1
Floor Cover	Carpet	1	Vinyl Sheet	1		
Partitions	Apartment	1				
Framing	Wood - Average	1				
HVAC	Combination FHA - AC	1				
Electrical						
Sprinkler						

Plumbing

B	Ext
46	
46	
	2
	2
	1
	1

Adjustments

Concrete patio	890	AVG
Bsmt Finish	400	AVG
Canopy - attached	40	AVG

Bldg / Addn 1 of 3	Description	Units	Year						
Bldg	O 702 —Apartment								
Pre	P 702 —Apartment	10,959							
	Basement Adjustment	3,450							
	Uppers Adjustment	32,877							
V	Ftg & Fdtn								
	Reinforced Concrete w/ Bsmt - 8"								
V	Exterior Wall								
	EIFS - Wood Stud - 41	41							
V	Interior Wall								
	Drywall or Equiv. - 32	32							
V	Windows								
	Incl. w / Base - 0								
V	Fronts/Doors								
	Incl. w / Base - Average								
H	Basement								
	Incl. w / Base	3,450							
H	Roof								
	Asph. Shingle/ Wood Dk	10,959							
H	Ceiling								
	Drywall - 1	43,836							
H	Struct. Floor								
	4" R'Concrete - 1	7,509							
	Concrete Hollow Core - 8" - 1	3,450							
	Wd Deck on Wood Truss - 1	32,877							
H	Floor Cover								
	Carpet - 1	35,070							
	Vinyl Sheet - 1	1							
H	Partitions								
	Apartment - 1	43,836							
H	Framing								
	Wood - Average - 1	10,959							
H	HVAC								
	Combination FHA - AC - 1	43,836							
Pmb	Sink-Kitchen - Base	46							
Pmb	3-Fixture Bathroom - Base	46							
Pmb	Toilet Room - AVG	2							
Pmb	Lavatory - AVG	2							
Pmb	Water Closet - AVG	1							
Pmb	Urinal - Wall - AVG	1							
Adj	Concrete patio - AVG	890							
Adj	Bsmt Finish - AVG	400							
Adj	Canopy - attached - AVG	40							

Ex	Elevator - Pass. Hydraulic 110 Ft/Min, 5 Stops, 3,500 Lb Capacity
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2

2012

Precomputed Addition

Occ. Code	702
Occ. Descr.	Apartment
Year Built	2012
EFF Age/Yr	10/ 2012
Condition	NML
Description	A1-3S EIFS
Style	EIFS - Wood
Stories	3
Total Units	0
Grade	4
Base	40
Basement	0
Av SF/Unit	0
1st Flr Inset Adj	0
Calc Ave. SF/Unit	956

Verticals

Fig & Fdn					
Exterior wall	EIFS - Wood Stud	30			
Interior wall	Drywall or Equiv.	24			
Pilasters					
Wall facing					
Windows	Incl. w / Base	0			
Fronts/Doors					

Horizontals

Basement					
Roof	Asph. Shingle/ Wood Dk				
Ceiling	Drywall	1			
Struct. Floor	Wd Deck on Wood Truss	1			
Floor Cover	Carpet	1			
Partitions	Apartment	1			
Framing	Wood - Average	1			
HVAC	Combination FHA - AC	1			
Electrical	Apartment	1			
Sprinkler					

Plumbing

B Ext

Adjustments

Bldg / Addn	Description	Units	Year						
Addn 1	O 702 —Apartment								
Pre	P 702 —Apartment	40							
	Uppers Adjustment	80							
V	Exterior Wall								
	EIFS - Wood Stud - 30	30							
V	Interior Wall								
	Drywall or Equiv. - 24	24							
V	Windows								
	Incl. w / Base - 0								
H	Roof								
	Asph. Shingle/ Wood Dk	40							
H	Ceiling								
	Drywall - 1	120							
H	Struct. Floor								
	Wd Deck on Wood Truss - 1	120							
H	Floor Cover								
	Carpet - 1	120							
H	Partitions								
	Apartment - 1	120							
H	Framing								
	Wood - Average - 1	120							
H	HVAC								
	Combination FHA - AC - 1	120							
H	Electrical								
	Apartment - 1	120							

Precomputed Addition

Occ. Code	705
Occ. Descr.	Hotel / Motel Common Facilities
Year Built	2012
EFF Age/Yr	10/ 2012
Condition	NML
Description	A2-1S B CBLK
Style	C.Blk - Wood
Stories	1
Grade	4
Base	1,052
Basement	1,052
1st Flr Inset Adj	0
GBA	45008

Verticals

Ftg & Fdn	reinforced Concrete w/ Bsmt	8"				
Exterior wall	C'Blk or Tile - 8"	18				
Interior wall	Drywall or Equiv.	12				
Plasters						
Wall facing						
Windows	Incl. w / Base	0				
Fronts/Doors	Incl. w / Base	Average				

Horizontals

Basement	Incl. w / Base					
Roof	Rubber Membrane/Wood					
Ceiling	Drywall	1				
Struct. Floor	Concrete Hollow Core - 8"	1				
Floor Cover	Carpet	1				
Partitions	Hotel / Motel	1				
Framing	Wood - Average	1				
HVAC	Combination FHA - AC	1				
Electrical	Hotel/Motel Commons	1				
Sprinkler						

Plumbing

B Ext

Adjustments

Bldg / Addn	Description	Units	Year						
Addn 2	Adtn O 705 —Hotel / Motel Common Facilities								
	Pre P 705 —Hotel / Motel Common Facilities	1,052							
	Basement Adjustment	1,052							
	V Ftg & Fdtn								
	Reinforced Concrete w/ Bsmt - 8"								
	V Exterior Wall								
	C'Blk or Tile - 8" - 18	18							
	V Interior Wall								
	Drywall or Equiv. - 12	12							
	V Windows								
	Incl. w / Base - 0								
	V Fronts/Doors								
	Incl. w / Base - Average								
	H Basement								
	Incl. w / Base	1,052							
	H Roof								
	Rubber Membrane/Wood	1,052							
	H Ceiling								
	Drywall - 1	1,052							
	H Struct. Floor								
	Concrete Hollow Core - 8" - 1	1,052							
	H Floor Cover								
	Carpet - 1	1,052							
	H Partitions								
	Hotel / Motel - 1	1,052							
	H Framing								
	Wood - Average - 1	1,052							
	H HVAC								
	Combination FHA - AC - 1	1,052							
	H Electrical								
	Hotel/Motel Commons - 1	1,052							

Prior Year	Comment	Value Type	Location	Class	Land Value	Dwelling Value	Improvement Value	M & E Value	Total Value
2022		Appr	Urban	Comm	\$80,900	\$0	\$4,129,900	\$0	\$4,210,800
2021		Appr	Urban	Comm	\$80,900	\$0	\$3,338,700	\$0	\$3,419,600
2020		Appr	Urban	Comm	\$80,900	\$0	\$3,338,700	\$0	\$3,419,600
2019		Appr	Urban	Comm	\$80,900	\$0	\$3,338,700	\$0	\$3,419,600
2018		Appr	Urban	Comm	\$80,900	\$0	\$3,621,300	\$0	\$3,702,200
2017		Appr	Urban	Comm	\$80,900	\$0	\$4,104,100	\$0	\$4,185,000
2016	w/Ex: \$0 Total; \$0 Land; \$0 Dwlg; \$0 Impr.;	Appr	Urban	Ex	\$80,900	\$0	\$3,124,300	\$0	\$3,205,200
2015	w/Ex: \$0 Total; \$0 Land; \$0 Dwlg; \$0 Impr.;	Appr	Urban	Comm	\$80,900	\$0	\$5,793,900	\$0	\$5,874,800
2014		Appr	Urban	Comm	\$52,600	\$0	\$4,953,600	\$0	\$5,006,200
2013		Appr	Urban	Comm	\$52,600	\$0	\$4,572,500	\$0	\$4,625,100
2012		Appr	Urban	Res	\$34,600	\$54,700	\$0	\$0	\$89,300
2011		Appr	Urban	Res	\$7,100	\$41,500	\$0	\$0	\$48,600
2010		Appr			\$7,100	\$38,200	\$0	\$0	\$45,300
2009		Appr			\$7,100	\$34,600	\$0	\$0	\$41,700
2008		Appr			\$4,400	\$31,800	\$0	\$0	\$36,200
2007		Appr			\$4,400	\$27,800	\$0	\$0	\$32,200
2006		Appr			\$4,400	\$25,000	\$0	\$0	\$29,400
2005		Eq			\$4,400	\$21,600	\$0	\$0	\$26,000
2004		Appr			\$4,400	\$18,700	\$0	\$0	\$23,100

2003	BofR			\$4,400	\$15,100	\$0	\$0	\$19,500
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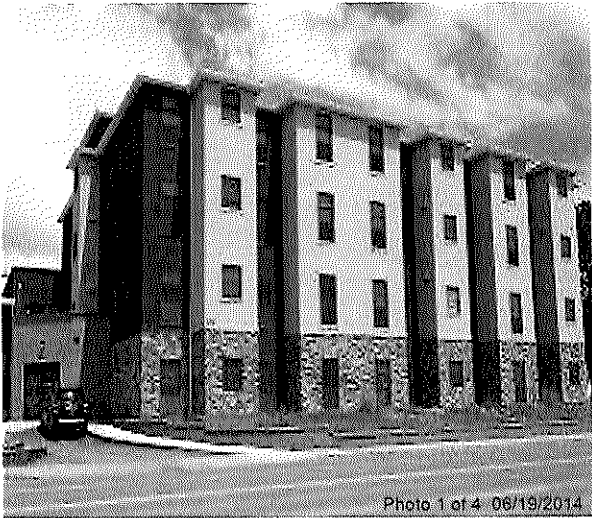


Photo 1 of 4 06/19/2014

FRONT

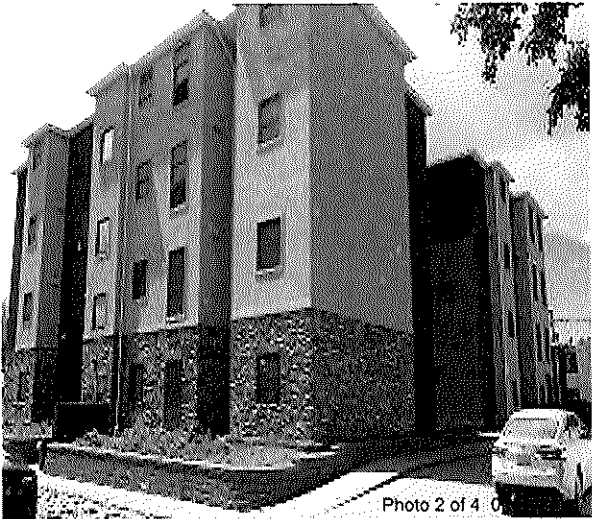


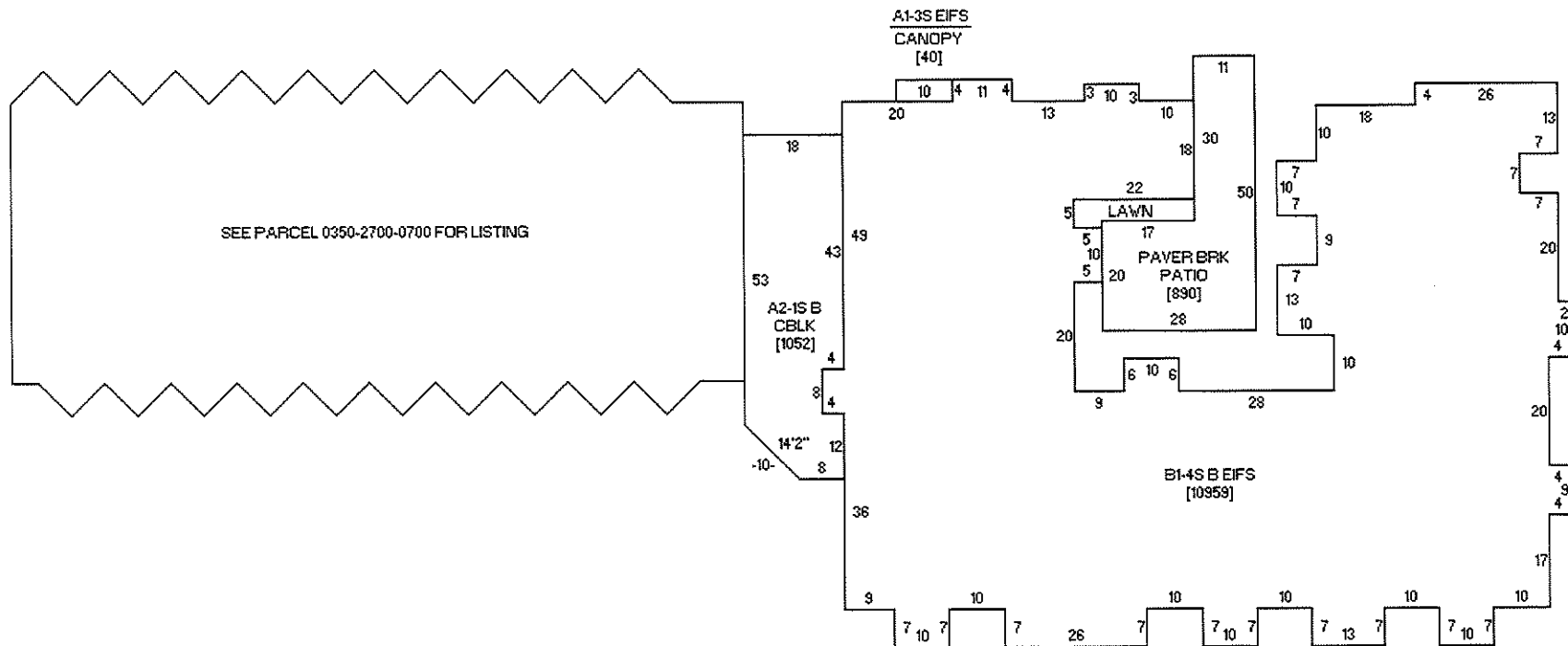
Photo 2 of 4 06/19/2014

EAST WALL & REAR



REAR





Income Statement - 12 Month

Roers Property Management LLC
Property Groups: Villard Commons Apartments
Period Range: Apr 2021 to Dec 2021
Accounting Basis: Accrual
Level of Detail: Detail View
Include Zero Balance GL Accounts: No

Account Name	Apr 2021	May 2021	Jun 2021	Jul 2021	Aug 2021	Sep 2021	Oct 2021	Nov 2021	Dec 2021	Total
Operating Income & Expense										
Income										
RENTAL INCOME										
Gross Potential Rent	31,585.50	31,585.50	31,585.50	31,585.50	31,107.97	28,920.86	28,233.00	28,504.80	28,504.80	271,613.43
Less- Vacancy	-7,720.00	-7,223.00	-9,655.00	-8,315.00	-15,402.41	-13,010.29	-13,289.00	-12,602.00	-8,207.00	-95,522.70
Total RENTAL INCOME	23,865.50	24,362.50	21,930.50	23,250.50	15,615.56	15,910.57	14,964.00	15,902.80	20,297.80	176,090.73
OTHER INCOME										
Late Fee	550.00	900.00	700.00	825.00	150.00	225.00	250.00	514.29	509.18	4,623.47
NSF Fees	0.00	30.00	30.00	30.00	0.00	0.00	0.00	12.86	14.69	117.55
Interest Income	0.00	0.00	0.04	0.00	0.03	0.05	0.00	0.00	0.00	0.12
Total OTHER INCOME	550.00	930.00	730.04	855.00	150.03	225.05	250.00	527.14	523.88	4,741.14
Total Operating Income	24,406.50	25,292.50	22,660.54	24,105.50	15,765.59	16,135.62	15,214.00	16,429.94	20,821.68	180,831.87
Expense										
REPAIRS & MAINTENANCE										
R&M General	219.30	1,590.00	248.25	42.44	686.85	10.16	0.00	232.34	80.83	3,110.16
R&M Plumbing	772.50	938.82	0.00	0.00	1,150.77	729.45	0.00	626.74	0.00	4,218.28
R&M Locks and Keys	858.99	211.26	0.00	596.07	73.49	23.97	1,305.93	467.80	0.00	3,537.50
R&M Interior Common	1,200.00	855.00	825.00	825.00	0.00	825.00	981.00	602.00	0.00	6,113.00
R&M Interior Turnover	1,319.36	591.48	1,599.71	1,680.84	4,030.29	2,287.35	198.89	2,172.18	776.40	14,656.48
Total REPAIRS & MAINTENANCE	4,370.15	4,166.56	2,672.96	3,144.35	5,941.40	3,875.93	2,485.82	4,101.05	857.23	31,635.42
UTILITIES										
Electricity - Owner	7,425.00	3,206.82	3,383.94	2,851.94	5,539.53	2,303.91	3,750.00	3,530.16	2,973.76	34,965.05
Gas - Owner	0.00	799.47	664.95	399.63	679.59	411.72	406.50	422.19	482.51	4,266.56
Water and Sewer - Owner	2,730.32	5,472.15	3,458.45	4,782.11	8,315.57	7,816.16	8,651.19	5,889.42	6,340.72	53,456.06
Garbage Owner	260.09	406.38	405.00	406.38	406.38	706.38	406.38	428.14	452.15	3,877.27
Cable/Internet	298.68	297.48	297.48	297.48	297.48	394.65	297.48	311.53	313.37	2,805.63
Total UTILITIES	10,714.08	10,182.30	8,209.82	8,737.53	15,238.55	11,632.82	13,511.55	10,581.45	10,562.50	99,370.58
GENERAL AND ADMINISTRATIVE EXPENSE										
Management Fees	2,205.56	2,188.95	2,088.52	2,273.95	1,806.07	1,590.19	1,298.59	1,632.34	1,966.28	17,050.48
Office Telephone	354.11	354.11	354.11	354.11	354.11	256.94	354.11	340.22	338.24	3,060.03
Office Supplies	0.00	198.15	0.00	21.63	53.27	8.75	14.69	42.35	48.40	387.23
Advertising	1,998.24	1,972.89	1,447.28	-191.52	1,226.46	1,739.60	1,992.00	1,454.99	1,377.38	13,017.32
Advertising - Events	27.98	0.00	71.01	15.06	0.00	0.00	0.00	16.20	14.62	144.96
Legal and Accounting	0.00	120.00	0.00	315.00	0.00	0.00	0.00	62.14	71.02	568.16
Total GENERAL AND ADMINISTRATIVE	4,585.90	4,834.10	3,960.91	2,788.22	3,438.90	3,595.47	3,659.38	3,548.35	3,815.96	34,228.18
OTHER										
Insurance	1,563.17	1,563.17	1,563.17	1,563.17	1,563.17	1,563.17	1,563.17	1,563.17	1,563.17	14,068.53
Property Tax	3,594.00	3,594.00	3,594.00	3,594.00	3,594.00	3,594.00	3,594.00	3,594.00	3,594.00	32,346.00
Total OTHER	5,157.17	5,157.17	5,157.17	5,157.17	5,157.17	5,157.17	5,157.17	5,157.17	5,157.17	46,414.53
Total Operating Expense	24,827.30	24,360.13	20,000.85	19,827.27	29,777.01	24,261.38	24,813.91	23,388.01	20,392.86	211,648.71
NOI - Net Operating Income	-420.80	932.37	2,659.69	4,278.23	-14,011.42	-8,125.76	-9,599.91	-6,958.07	428.82	-30,816.84

Income Statement - 12 Month

Exported On: 2020-04-09 13:29:37 -0500

West Property Management
Properties: Vland Commons -
Fund Type: All
Period Range: Jan 2022 to Dec
Accounting Basis: Accrual
Level of Detail: Detail View
Include Zero Balance GL

Account Name	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022	Total
Operating Income & Expense													
Income													
RENTS													
Rent Income	23,825.88	17,901.09	14,663.55	22,285.54	23,299.70	25,870.17	22,685.48	22,025.20	20,070.11	20,689.68	16,403.59	22,645.55	253,495.10
Total RENTS	23,825.88	17,901.09	14,663.55	22,285.54	23,299.70	25,870.17	22,685.48	22,025.20	20,070.11	20,689.68	16,403.59	22,645.55	253,495.10
FEES													
Mow Out Charges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,425.00	0.00	200.00	0.00	0.00	1,625.00
Application Fee Income	0.00	0.00	0.00	0.00	80.00	-40.00	-40.00	150.00	0.00	-150.00	35.00	0.00	145.00
Late Fee	200.00	200.00	200.00	400.00	198.00	200.00	100.00	1,000.00	400.00	425.00	190.00	425.00	4,100.00
Total FEES	200.00	200.00	200.00	400.00	218.00	260.00	60.00	2,615.00	585.00	585.00	135.00	425.00	5,870.00
Miscellaneous Income	700.00	0.00	0.00	160.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	860.00
Total Operating Income	23,825.88	18,101.09	14,863.55	22,685.54	23,517.70	26,130.17	22,745.48	24,640.20	20,655.11	21,199.68	16,538.59	23,070.55	260,220.50
Expense													
Internet	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	621.79
CLEANING AND MAINTENANCE													
Carpet Cleaning	0.00	0.00	0.00	265.00	150.00	230.00	0.00	1,175.00	120.00	1,425.00	475.00	175.00	4,035.00
Janitorial Expense	0.00	0.00	250.00	550.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	800.00
General Maintenance Lab	2,000.11	0.00	100.00	150.00	200.00	0.00	990.00	1,400.00	275.00	2.50	44.00	4.00	4,915.00
Landscaping	0.00	0.00	0.00	0.00	0.00	0.00	0.00	900.00	1,040.00	0.00	0.00	0.00	1,980.00
Cleaning and Maintenance	0.00	0.00	100.00	50.00	0.00	0.00	0.00	20.00	300.00	0.00	275.00	0.00	745.00
Mow Out Clean	895.00	895.00	0.00	200.00	50.00	500.00	30.00	1,400.00	120.00	90.00	155.00	450.00	5,550.00
Total CLEANING AND MAINTENANCE	2,895.11	895.00	450.00	1,215.00	400.00	730.00	1,025.00	4,900.00	1,640.00	2,387.50	625.00	649.00	18,825.00
INSURANCE													
Property Insurance	3,126.17	3,126.17	3,126.17	3,126.17	3,126.17	3,126.17	3,126.17	3,126.17	3,126.17	3,126.17	3,126.17	3,126.17	37,312.85
Total INSURANCE	3,126.17	3,126.17	3,126.17	3,126.17	3,126.17	3,126.17	3,126.17	3,126.17	3,126.17	3,126.17	3,126.17	3,126.17	37,312.85
LEGAL AND OTHER PROFESSIONAL FEES													
Legal	0.00	0.00	0.00	2,040.00	1,020.00	0.00	0.00	1,300.00	1,045.00	200.00	0.00	0.00	5,605.00
Other	0.00	0.00	0.00	0.01	0.00	0.00	4,750.00	35.37	0.00	0.00	0.00	330.00	5,115.38
Total LEGAL AND OTHER	0.00	0.00	0.00	2,040.01	1,020.00	0.00	4,750.00	1,305.37	1,045.00	200.00	0.00	330.00	10,790.38
MANAGEMENT FEES													
Management Fees	1,284.50	1,284.50	1,284.50	1,284.50	1,335.21	1,463.73	1,304.50	1,225.31	1,306.61	1,213.09	1,000.40	1,302.50	15,379.35
Commissions/Placement f	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total MANAGEMENT FEES	1,284.50	1,284.50	1,284.50	1,284.50	1,335.21	1,463.73	1,304.50	1,225.31	1,306.61	1,213.09	1,000.40	1,302.50	15,379.35
REPAIRS													
Painting	2,000.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,891.18	7,891.29
HVAC (Heat, Ventilation, /	0.00	0.00	0.00	0.00	0.00	0.00	490.40	0.00	165.25	0.00	0.00	0.00	655.65
Key/Lock Replacement	0.00	159.75	0.00	65.00	65.00	350.60	70.00	165.00	0.00	0.00	0.00	894.43	894.43
Roof Repair	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,100.00	0.00	0.00	0.00	0.00	3,100.00
Repairs - Other	163.00	0.00	319.96	0.00	197.61	0.00	0.00	84.85	0.00	39.95	0.00	804.67	804.67
Fire Alarm System	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	209.44	402.30	215.00	816.74
Total REPAIRS	2,163.11	159.75	319.96	65.00	262.61	350.60	70.00	3,661.88	9,015.50	375.69	922.25	6,106.18	21,296.33
Supplies													
IT & M Supplies	558.06	8.51	726.16	423.98	1,604.30	0.00	355.18	910.71	113.85	0.00	0.00	0.00	4,700.85
Total Supplies	558.06	8.51	726.16	423.98	1,604.30	0.00	355.18	910.71	113.85	0.00	0.00	0.00	4,700.85
TAXES													
Property Tax	3,594.00	3,594.00	3,594.00	3,594.00	3,594.00	3,594.00	3,594.00	3,594.00	3,594.00	3,594.00	3,594.00	3,594.00	43,128.00
Total TAXES	3,594.00	3,594.00	3,594.00	3,594.00	3,594.00	3,594.00	3,594.00	3,594.00	3,594.00	3,594.00	3,594.00	3,594.00	43,128.00
UTILITIES													
Electricity	8,235.26	0.00	10,220.90	3,755.05	2,667.00	2,751.35	2,661.17	5,127.20	0.00	0.00	0.00	17,887.77	59,613.01
Gas	5,072.90	0.00	1,320.87	628.58	0.00	777.45	0.00	1,014.78	0.00	0.00	0.00	8,814.58	8,814.58
Water	4,000.68	3,824.08	2,905.12	3,340.00	3,911.02	4,500.00	8,095.63	3,767.32	0.00	0.00	0.00	17,357.07	51,702.38
Sewer	1,284.20	1,231.38	938.71	1,057.87	1,170.78	0.00	2,574.84	1,181.78	650.00	650.00	650.00	12,564.94	12,564.94
Garbage and Recycling	328.69	360.69	328.69	360.69	328.69	0.00	705.13	300.47	300.47	300.47	300.47	300.47	3,854.45
Cable/Internet	0.00	0.00	0.00	0.00	0.00	0.00	644.73	415.94	0.00	0.00	0.00	0.00	1,060.67
Total UTILITIES	18,922.93	5,416.75	15,714.29	9,142.25	8,067.07	8,026.80	14,881.50	11,867.49	1,010.47	1,010.47	1,010.47	35,894.84	137,095.64
OTHER													
Security Service	0.00	0.00	0.00	0.00	0.00	0.00	604.54	0.00	0.00	0.00	0.00	0.00	604.54
Total OTHER	0.00	0.00	0.00	0.00	0.00	0.00	604.54	0.00	0.00	0.00	0.00	0.00	604.54
GENERAL ADMINISTRATIVE EXPENSE													
Leasing Commissions	700.00	800.00	800.00	450.00	200.00	700.00	650.00	900.00	900.00	300.00	650.00	650.00	7,700.00
Office Supplies	0.00	0.00	0.00	50.00	0.00	0.00	0.00	158.64	0.00	0.00	0.00	209.24	209.24
Accounting Report	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	3,000.00
Technology Fee	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.00	0.00	0.00	0.00	0.00	5.00
Office Wages	2,350.00	2,350.00	2,350.00	2,350.00	2,350.00	2,350.00	2,350.00	2,350.00	2,350.00	2,350.00	2,350.00	2,350.00	28,200.00
Total GENERAL ADMINISTRATIVE EXPENSE	3,300.00	3,400.00	3,400.00	3,100.00	2,800.00	3,300.00	3,250.00	3,863.64	3,500.00	2,900.00	3,250.00	3,250.00	39,164.24
R&M													
R&M General	70.00	0.00	0.00	0.00	0.00	0.00	0.00	104.50	0.00	0.00	0.00	0.00	239.50
R&M Plumbing	0.00	1,700.75	664.95	0.00	0.00	474.75	0.00	0.00	0.00	1,872.50	80.00	0.00	4,032.95
R&M Electrical	0.00	0.00	0.00	0.00	0.00	361.14	498.35	0.00	0.00	0.00	0.00	0.00	859.49
R&M HVAC	105.00	0.00	0.00	0.00	0.00	0.00	400.00	0.00	0.00	0.00	105.25	0.00	610.25
R&M Elevators	0.00	0.00	6,883.76	0.00	0.00	0.00	0.00	0.00	0.00	450.00	0.00	7,224.96	14,304.72
R&M Interior Corr	700.00	1,050.00	500.00	0.00	625.00	600.00	950.00	635.00	500.00	1,125.00	500.00	7,235.00	7,235.00
R&M Interior Turn	0.00	0.00	0.00	0.00	0.00	807.44	0.00	0.00	0.00	0.00	0.00	807.44	807.44
R&M Snow Remov	87.50	0.00	1,786.70	1,401.50	677.75	0.00	0.00	0.00	0.00	0.00	229.00	200.00	4,881.00
Repair Wages	212.50	1,150.00	0.00	2,100.00	2,125.00	2,602.50	1,970.00	2,422.50	1,375.00	2,075.00	1,975.00	20,487.50	20,487.50
Total R&M	1,174.55	3,400.75	9,581.41	4,001.50	3,427.75	4,002.50	3,823.30	3,557.50	2,043.50	4,247.50	3,325.00	10,089.21	53,378.91
CAPITAL EXPENSES													
Appliances	0.00	0.00	467.16	0.00	0.00	86.00	1,275.98	0.00	0.00	200.55	0.00	0.00	2,032.39
Total CAPITAL EXPENSES	0.00	0.00	467.16	0.00	0.00	86.00	1,275.98	0.00	0.00	200.55	0.00	0.00	2,032.39
Total Operating Expense	37,024.43	21,260.43	38,664.45	27,968.01	25,691.51	25,690.99	37,660.99	34,901.90	27,223.39	19,259.20	23,484.43	64,884.52	363,968.33
NOI - Net Operating Income	-13,098.55	-3,159.34	-23,800.90	-5,142.47	-2,083.81	509.21	-15,115.42	-10,261.79	-6,048.48	-1,940.48	-4,945.84	-41,913.97	-123,747.83

2023 Stark County Real Estate Tax Statement

Statement No: 12209

Parcel Number
41-0350-27000-400

Jurisdiction
Dickinson

Owner
TZADIK BLUE HAWK LLC

Physical Location
1022 W VILLARD
DICKINSON, ND58601

Legal Description
SCT:04 TWN:139 RNG:096
LOT:4 BLK:27
YOUNGS 5TH L4-6 +E9' OF VACATED ALLEY
B27

	2021	2022	2023
Legislative tax relief (3-year comparison)	23,957.73	29,368.23	29,566.14

	2021	2022	2023
Tax distribution (3-year comparison):			
True and Full Value	3,419,600	4,210,800	4,210,800
Taxable Value	170,980	210,540	210,540
Less: Homestead credit	0	0	0
Disabled Veteran credit	0	0	0

Net Taxable Value	170,980	210,540	210,540
-------------------	---------	---------	---------

Total mill levy	240.620	232.710	230.750
-----------------	---------	---------	---------

Taxes By District (in dollars):	2021	2022	2023
County45	10,337.45	11,604.96	11,461.78
Dickinson	8,037.78	9,398.50	8,937.44
Dickinson Park	2,983.60	3,631.82	3,823.40
Dickinson School	19,440.42	23,938.40	23,938.40
Soil Conservation District	170.98	210.54	210.54
StateND	170.98	210.54	210.54

Consolidated tax	41,141.21	48,994.76	48,582.10
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Net effective tax rate	1.20%	1.16%	1.15%
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2023 TAX BREAKDOWN

Net consolidated tax	48,582.10
Plus: Special Assessments	0.00
Total tax due	48,582.10

Less: 5% discount, if paid by February 15, 2024	-2,429.11
-------------------------------------------------	-----------

Amount due by February 15, 2024	46,152.99
---------------------------------	-----------

Or pay in two installments (with no discount)

Payment 1: Pay by March 1, 2024	24,291.05
Payment 2: Pay by October 15, 2024	24,291.05

Escrow Company Name:
DAKOTA WEST CREDIT UNION

Penalty on 1st Installment & Specials:

March 2, 2024	3%
May 1, 2024	6%
July 1, 2024	9%
October 15, 2024	12%

Penalty on 2nd Installment:

October 16, 2024	6%
------------------	----

FOR ASSISTANCE, CONTACT:

Office: Stark County Auditor
PO Box 130
Dickinson, ND 58602
Phone: 701.456.7630
Website: <https://itax.tylertech.com/StarkND/>

This bill is for informational purposes only. Our records show an escrow company will be remitting payment on your behalf.
2023 Stark County Real Estate Tax Statement

Your canceled check is your receipt for your payment.
No receipt will be issued.

Parcel Number: 41-0350-27000-400
Statement Number: 12209



41-0350-27000-400

Total tax due	48,582.10
Less: 5% discount	-2,429.11
Amount due by February 15, 2024	46,152.99

Or pay in two installments (with no discount):

Payment 1: Pay by March 1, 2024	24,291.05
Payment 2: Pay by October 15, 2024	24,291.05

Enter the amount you are paying on this parcel if less than full amount: _____

TZADIK BLUE HAWK LLC
4601 SHERIDAN ST STE 415
HOLLYWOOD FL 33021

MAKE CHECK PAYABLE TO:

Stark County Auditor
PO Box 130
Dickinson, ND 58602
Phone: 701.456.7630

Exhibit 2



RETURN TO:
NORTHERN TITLE
DIVISION OF THE NILLES LAW FIRM
PO BOX 2626
FARGO, ND 58108

Kimberly Kasian

3165008
04/14/2021 11:06:24 AM Page: 1 of 2
Warranty Deed \$20.00 Northern Title
Kimberly Kasian, Stark County, ND Recorder



WARRANTY DEED

THIS INDENTURE, made this 29 day of March 2021, between Dacotah Banks, Inc. aka Dacotah Bank, a South Dakota corporation, Grantor, and Tzadik Blue Hawk, LLC, a North Dakota limited liability company, Grantee, whose post office address is 11098 Biscayne Blvd., Suite 203, Miami, FL 33161.

WITNESSETH, for and in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration, the Grantor does hereby grant to the Grantee all of the Grantor's interest in and to the following real property lying and being in the County of Stark and State of North Dakota and described as follows:

Lots 4, 5, 6, and the East 9 feet of vacated alley of Block 27, Youngs Fifth Addition to the City of Dickinson, Stark County, North Dakota.

The legal description was obtained from a previously recorded instrument.

TOGETHER WITH all the tenements, hereditaments, and appurtenances thereto belong or in anywise appertaining.

SUBJECT TO easements and mineral reservations and conveyances of record

And the said Grantor for itself, its successors and assigns, does covenant with the Grantee that it is well seized in fee of the land and premises aforesaid and has good right to sell and convey the same in the manner and form aforesaid; that the same is free from all encumbrances, except installments of special assessments or assessments for special improvements which have not been certified to the County Auditor for collection, and the above granted lands and premises in the quiet and peaceable possession of said Grantee, against all persons lawfully claiming or to claim the whole or any part thereof, the said Grantor will warrant and defend.

I certify that the full consideration paid for the property described in this deed is \$1,517,500.00

[Signature]
Grantee or Agent

3-31-2021
Date

3165008

04/14/2021 11:06:24 AM Page: 2 of 2
Warranty Deed \$20.00 Northern Title
Kimberly Kasian, Stark County, NO Recorder



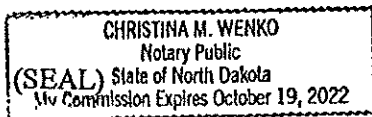
WITNESS, the hands of the Grantor:

DACOTAH BANKS, INC.
AKA DACOTAH BANK

By: Travis Ellison
Its: Market President

STATE OF NORTH DAKOTA)
 : ss.
COUNTY OF STARK)

The foregoing instrument was executed before me this 29 day of March, 2021, by Travis Ellison, the Market President for Dacotah Banks, Inc. aka Dacotah Bank, for and on behalf of the corporation.


Notary Public

Auditor's Office, Stark Co., N.D.
Taxes and Special Assessments paid and Transfer Accepted
Date 4/14/21
By [Signature] CO. AUDITOR
Deputy



SIMONSON APPRAISALS
COMMERCIAL VALUATION SERVICES



VILLARD COMMONS

1022 W Villard St
Dickinson, North Dakota 58601

Date of Valuation: July 7, 2022

Date of Report: July 22, 2022

PREPARED FOR

Darla Grabinger
Member Service Representative
Dakota West Credit Union
118 Main Street PO Box 99
Turtle Lake, ND 58575

PREPARED BY

Simonson Appraisals
Mitchell Simonson, MAI and Grant Halonen
P.O. Box 331
Loretto, MN 55357
File No: 2022-170



SIMONSON APPRAISALS

COMMERCIAL VALUATION SERVICES

Simonson Appraisals
P.O. Box 331
Loretto, MN 55357
+1 (612) 618-3726

July 22, 2022

Darla Grabinger
Member Service Representative
Dakota West Credit Union
118 Main Street PO Box 99
Turtle Lake, ND 58575

RE: Villard Commons
1022 W Villard St, Dickinson, North Dakota 58601

Simonson Appraisals File No: 2022-170

Ms. Grabinger:

Simonson Appraisals is proud to present the appraisal that satisfies the agreed upon scope of work with Dakota West Credit Union.

The subject property is a four-story apartment building located at 1022 West Villard Street, Dickinson, North Dakota. The building has a reinforced concrete basement foundation and is EIFS/wood frame construction. The subject was reportedly built in 2012 and has been maintained in average condition. Each unit comes with a stacked washer/dryer, refrigerator, stove, microwave and dishwasher.

The appraised property is a multi-family property containing 47 units comprised of four studio units, 10, one-bedroom/one-bath units, nine, two-bedroom/two-bath units, 21, three-bedroom/three-bath units, and three, four-bedroom/four-bath units. The majority of the units are rented at market rents and have been recently leased as new management has been working to stabilize the property over the past six to eight months.

The purpose of this appraisal is to develop an opinion of the As-Is Market Value (Fee Simple). The following table conveys the final opinion of value that is developed in this appraisal:

MARKET VALUE CONCLUSION

VALUATION SCENARIO	INTEREST APPRAISED	DATE	VALUE
As-Is Market Value	Fee Simple	July 7, 2022	\$2,250,000

This report conforms to the current Uniform Standards of Professional Appraisal Practice (USPAP), the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA) standards, and the appraisal guidelines of Dakota West Credit Union.

Extraordinary Assumptions

The use of an extraordinary assumption(s) may have impacted the results of the assignment. We have relied on information provided by the client as well as from public records as it relates to building size, year of construction, land size, and other physical, financial, and economic characteristics. It is an extraordinary assumption of this appraisal that this information is accurate and was not misrepresented.



Hypothetical Conditions

No Hypothetical Conditions were made for this assignment.

If there are any specific questions or concerns regarding the attached appraisal report, or if Simonson Appraisals can be of additional assistance, please contact the individuals listed below.

Sincerely,

SIMONSON APPRAISALS

Mitchell Simonson, MAI
Owner/Appraiser
Certified General Real Estate Appraiser
North Dakota License No. CG-21245
Expiration Date 12/31/2022
612-618-3726
mitch@simonsonap.com

TABLE OF CONTENTS

LETTER OF TRANSMITTAL

INTRODUCTION

Executive Summary	2
Subject Property Photographs	4
Identification of Appraisal Assignment	7
Taxes & Assessment	7
Scope of Work	11

DESCRIPTIONS & EXHIBITS

Regional Area Analysis	14
Local Area Analysis	28
Site Description	37
Zoning	41
Improvement Description	44
Market Analysis	47
Highest & Best Use Analysis	55
As Vacant Analysis	55
As-Improved Analysis	56

VALUATION METHODS

Sales Comparison Approach	58
Income Capitalization Approach	70
Income Approach Conclusion	88
Reconciliation of Value Conclusions	89
Certification	91

ADDENDA

Qualifications of Appraisers & Appraiser Licenses	94
Legal Description	
Engagement Letter	

EXECUTIVE SUMMARY

PROPERTY IDENTIFICATION

Name	Villard Commons
Property	Multi-Family - Garden Low-Rise
Address	1022 W Villard St
City, State Zip	Dickinson, North Dakota 58601
County	Stark County
MSA	Dickinson, ND Micro MSA
Market / Submarket	Minot-Bismarck-Dickinson / Dickinson ND Micropolitan Statistical Area
Geocode	46.87941,-102.80062
Census Tract	38-089-963501

SITE DESCRIPTION

Number of Parcels	1	
Assessor Parcel Number	41-0420-01000-601	
Land Area	Square Feet	Acres
Usable	23,083	0.53
Total	23,083	0.53
Zoning	General Commercial (GC)	
Shape	Generally Rectangular	
Topography	Level at street grade	
Flood Zone	Zone X (Unshaded)	

IMPROVEMENT DESCRIPTION

Tenancy	Multi-Tenant Occupied By Third Party Tenants - 47 Units
Net Rentable Area (NRA)	29,995
Gross Building Area (GBA)	45,008
Ground Floor SF	10,959
Units	47
Density (Units/Acre)	89
Total Buildings	1
Floors	4
Year Built	2012
Actual Age	10 Years
Effective Age	8 Years
Economic Life	50 Years
Remaining Economic Life	42 Years
Land To Building Ratio	0.51 : 1
Site Coverage Ratio	47.5%
Parking	- / Unit
Project Amenities	Elevators
Laundry	Washer/Dryer
Security Features	Secured Entry

QUALITATIVE ANALYSIS

Site Quality	Average
Site Access	Average
Site Exposure	Average
Site Utility	Average
Building Quality	Average
Building Condition	Average
Building Appeal	Average

It is important to note that we have opined that the FF&E package in place at the subject has contributory value. For this reason, we have provided an allocation of this contribution as required by USPAP. We have estimated the contributory value of the FF&E at the subject to be \$56,400, or \$1,200 per unit. This estimate is

EXECUTIVE SUMMARY

(CONTINUED)

supported by indications in the market and as such has been relied upon herein as the allocation to the subject's FF&E. Again, this figure is included in our market value reported herein.

HIGHEST & BEST USE

Proposed Construction	No
As Vacant	Hold for future commercial or multi-family development
As Improved	Continued multi-family use

EXPOSURE & MARKETING TIME

Exposure Time	Six to Nine Months
Marketing Time	Six to Nine Months

INVESTMENT INDICATORS

Current Occupancy / Current Vacancy	91.49%	8.51%
Stabilized Occupancy / Stabilized Vacancy & Credit Loss	92.29%	7.7%
RUBS	No	
Occupied SF / Vacant SF	29,995	2,553
Occupied Units / Vacant Units	43	4
Current Rent/Unit / Concluded Rent/Unit	\$685	\$755
Total Contract Rent (Occupied Space)	\$353,275	\$8,216/Unit
Total Market Rent (Occupied Space)	\$389,745	\$9,064/Unit
Contract Rent As % of Market Rent	90.64%	
Expense Ratio (Expenses/EGR)	58.73%	
Direct Capitalization NOI	\$168,337	\$3,582/Unit
Capitalization Rate (OAR) Conclusion	7.50%	

VALUE CONCLUSION

VALUATION SCENARIOS	AS-IS MARKET VALUE
Interest	Fee Simple
Date	July 7, 2022
Site Value	Not Presented
Cost Approach	Not Presented
Sales Comparison Approach	\$2,260,000
Income Capitalization Approach	\$2,240,000
FINAL VALUE CONCLUSION	\$2,250,000

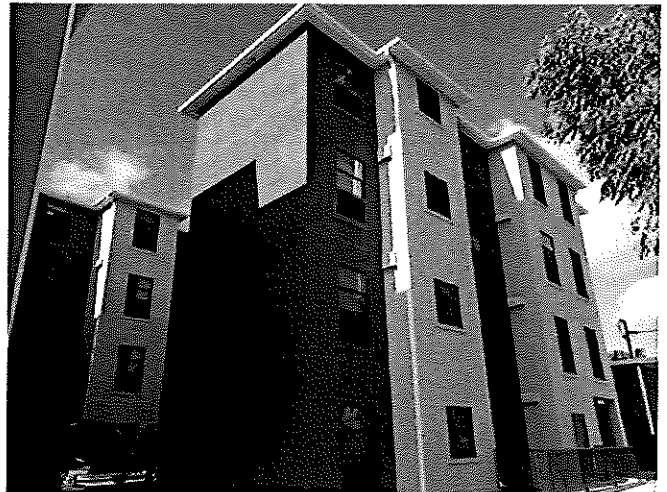
AERIAL PHOTOGRAPH



SUBJECT PROPERTY PHOTOGRAPHS



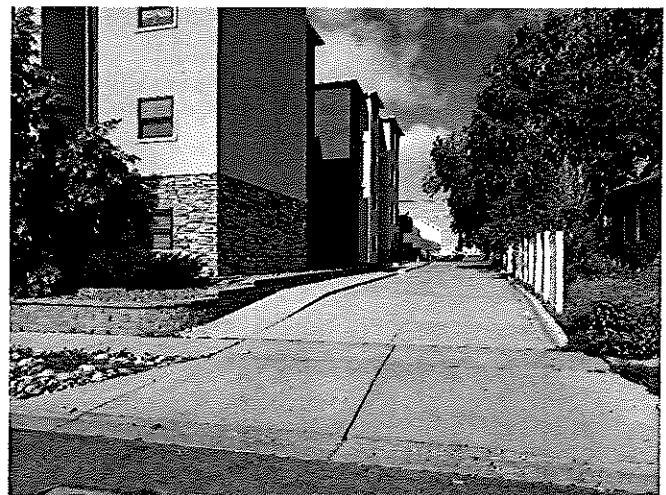
Building elevation facing southeasterly



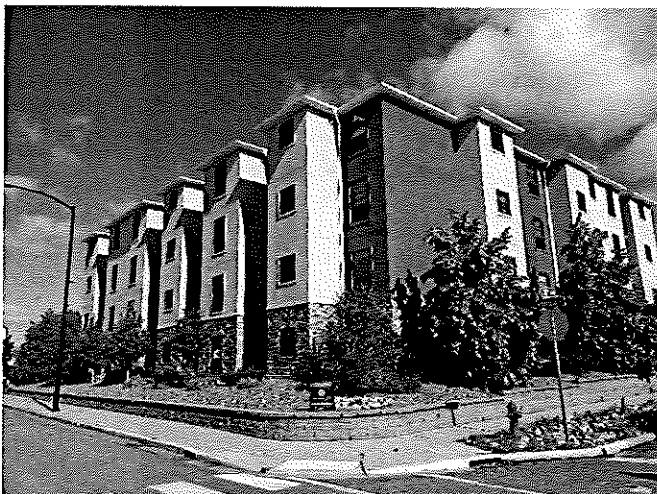
Building elevation facing southwesterly



Building elevation facing southwesterly



Alley (north of subject property)



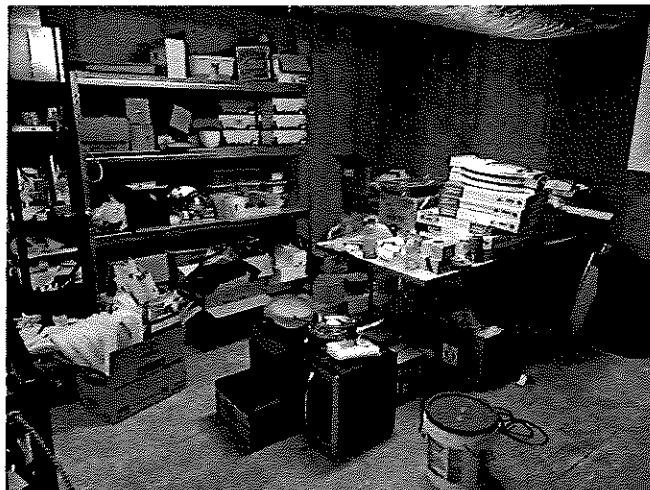
Building elevation facing northwesterly



Building elevation facing northeasterly



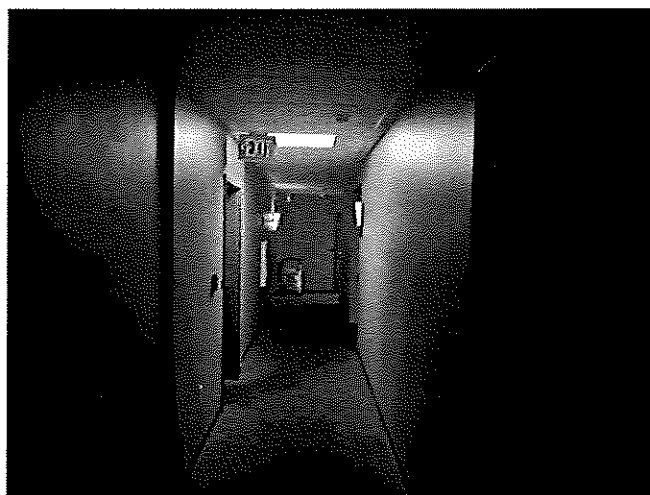
Roof



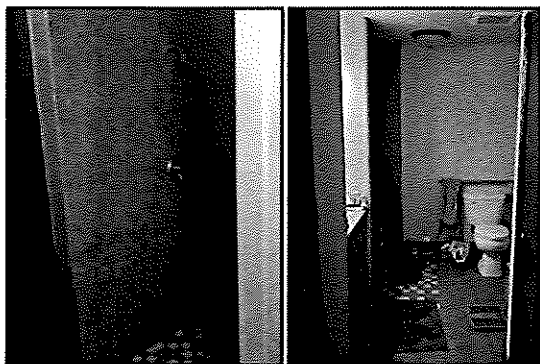
Basement



Entryway



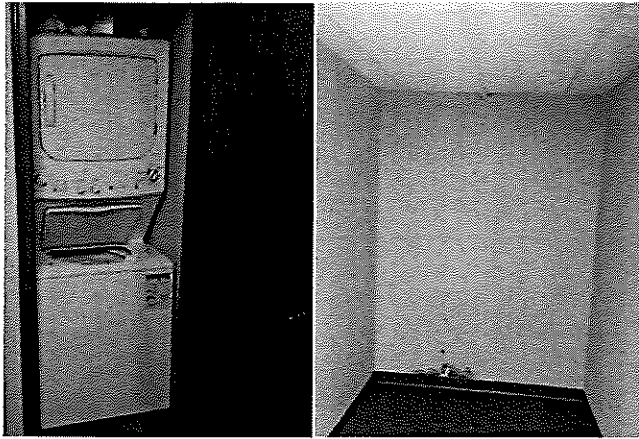
Hallway



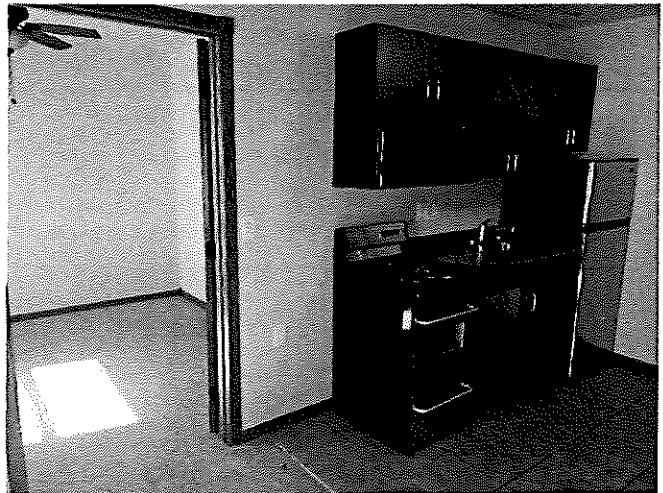
Bathroom shower (left); bathroom buildout (right)



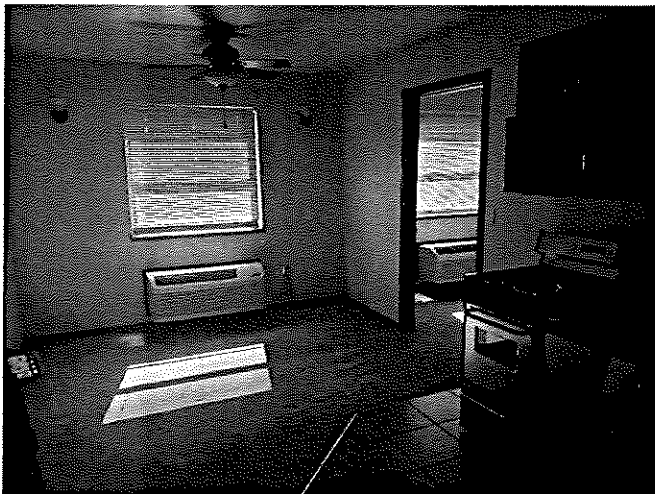
Elevator



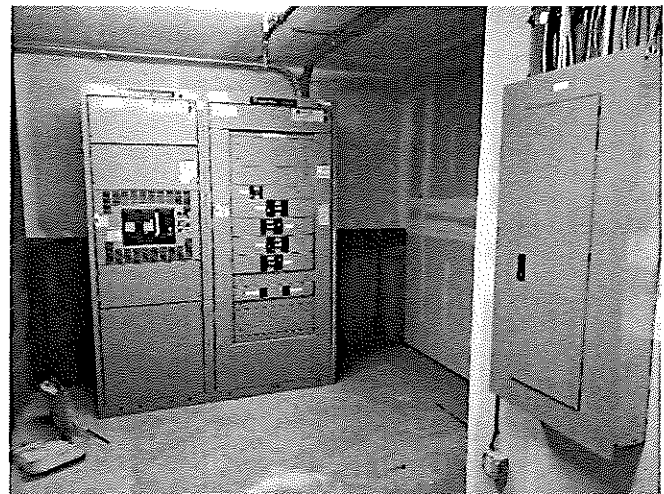
Wash and dryer (left); water stain (right)



Kitchen buildout



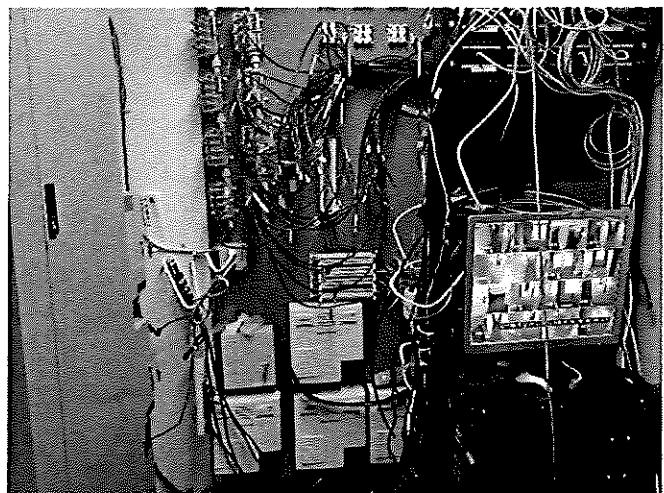
Living room buildout



Mechanicals



Mechanicals



Mechanicals

IDENTIFICATION OF ASSIGNMENT

PROPERTY IDENTIFICATION

The subject property is a four-story apartment building located at 1022 West Villard Street, Dickinson, North Dakota. The building has a reinforced concrete basement foundation and is EIFS/wood frame construction. The subject was reportedly built in 2012 and has been maintained in average condition. Each unit comes with a stacked washer/dryer, refrigerator, stove, microwave and dishwasher.

The appraised property is a multi-family property containing 47 units comprised of four studio units, 10, one-bedroom/one-bath units, nine, two-bedroom/two-bath units, 21, three-bedroom/three-bath units, and three, four-bedroom/four-bath units. The majority of the units are rented at market rents and have been recently leased as new management has been working to stabilize the property over the past six to eight months.

The assessor parcel number is: 41-0420-01000-601.

LEGAL DESCRIPTION

The legal description of the subject property is presented in the Addenda.

CLIENT IDENTIFICATION

The client of this specific assignment is Dakota West Credit Union.

INTENDED USE & INTENDED USERS

The intended use of this appraisal is to assist the client with a potential loan that would be collateralized by this asset. Dakota West Credit Union is the only intended user of this report.

PURPOSE

The purpose of this appraisal is to develop an opinion of the As-Is Market Value (Fee Simple).

PERSONAL PROPERTY & BUSINESS INTANGIBLE

There is personal property (FF&E) with significant contributory value included in the conclusion reported herein. Further details are provided later in this report. There is not any business or intangible value included in the value conclusion reported herein.

PROPERTY AND SALES HISTORY

Current Owner

The subject property is currently under the ownership of Tzadik Blue Hawk, LLC, according to the Stark County records. The property was purchased in March of 2021 from Dacotah Bank.

Three-Year Sales History

The subject property is currently under the ownership of Tzadik Blue Hawk, LLC, according to the Stark County records. The property was purchased on March 29, 2021, from Dacotah Bank. The sale price was \$1,517,500 or \$32,287/unit. The most recent sale transaction was not reflective of market due to the subject property being bank owned and requiring stabilization.

TAXES & ASSESSMENT

Residential properties in North Dakota are taxed at about 1.0% to 2.5% of the assessor's estimated market value of the property each year. Taxes are paid one year in arrears in North Dakota, which means that the taxes payable in 2022 relate to the February 1, 2021, assessor's estimated market values.

IDENTIFICATION OF ASSIGNMENT

(CONTINUED)

The subject's assessed values and property taxes for the current year are summarized in more detail in the following table.

ASSESSMENT & TAXES (2022)						
TAX RATE AREA					TAX RATE	1.2031%
ASSESSOR PARCEL #	LAND	IMPROVEMENTS	TOTAL	EXEMPTIONS	TAXABLE	BASE TAX
41-0420-01000-601	\$80,900	\$3,338,700	\$3,419,600	\$0	\$3,419,600	\$41,141
Subtotal	\$80,900	\$3,338,700	\$3,419,600	\$0	\$3,419,600	\$41,141
Subtotal \$/Unit	\$1,721.28	\$71,036.17	\$72,757.45	\$0.00	\$72,757.45	\$875.34
TOTAL BASE TAX \$/UNIT / \$ TOTAL					\$875.34	\$41,141

Source: Stark County Assessment & Taxation

According to Stark County, the first half of the current year real estate taxes are paid. There are no prior year taxes due on the property.

Based on our estimate of market value included herein the AEMV and real estate taxes are considered generally above market, but within range of most comparable properties. Thus, the existing real estate taxes are utilized in the income capitalization approach.

Tax History

The subject's assessment history is shown in the following table:

SUBJECT PROPERTY ASSESSMENT AND TAX HISTORY					
YEAR	TOTAL ASSESSED VALUE	TAX RATE	TAXES	TAXES/SF	CHANGE
2022	\$3,419,600	0.01203	\$41,141	\$875.34	-1.4%
2021	\$3,419,600	0.01220	\$41,707	\$887.39	-0.3%
2020	\$3,419,600	0.01223	\$41,827	\$889.93	0.0%

Conclusion

In this section, we analyzed the subject's historical and current assessment, as well as considered the subject's tax burden as it relates to its current stabilized market value on a fee simple basis. The conclusion shown above is supported by comparable data and utilized going forward in the analyses that is to follow.

EXPOSURE & MARKETING TIME

Marketing time and exposure time are both influenced by price. That is, a prudent buyer could be enticed to acquire the property in less time if the price were less. Hence, the time span cited below coincides with the value opinion(s) formed herein.

USPAP Standard rule 1-2(c)(iv) requires an opinion of exposure time, not marketing time, when the purpose of the appraisal is to estimate market value. In the recent past, the volume of competitive properties offered for sale, sale prices, and vacancy rates have fluctuated little. Sale concessions have not been prevalent. The following information is used to estimate exposure time and marketing time for the subject:

IDENTIFICATION OF ASSIGNMENT

(CONTINUED)

EXPOSURE & MARKETING TIME				
SOURCE		YEAR/QUARTER	MONTHS RANGE	AVERAGE
National Apartment	PwC			
Current Quarter		2022 Q1	1.0 to 12.0	4.3
Last Quarter		2021 Q4	1.0 to 12.0	4.2
Four Quarters Ago		2021 Q1	1.0 to 12.0	5.3
Improved Sales			4.4 to 47.7	26.0
General Trend			6.0 to 18.0	12.0
OVERALL AVERAGE				14.1
Exposure Period Conclusion			Six to Nine Months	
Marketing Time Conclusion			Six to Nine Months	
Most Probable Buyer			Regional Investor	

Exposure Time Conclusion

The subject is a multi-family (garden low-rise) use totaling 29,995 SF (NRA) on 0.5299-acres (23,083 SF) located at 1022 W Villard St in Dickinson, Stark County, North Dakota. Considering these factors, a reasonable estimate of exposure time for the subject As-Is Market Value (Fee Simple) is six to nine months.

Marketing Time Conclusion

A marketing time estimate is a forecast of a future occurrence. History should be considered as a guide, but anticipation of future events & market circumstances should be the prime determinant. Overall market conditions are expected to remain stable, so a marketing time of six to nine months is predicted for the subject.

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 that 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 United States 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.¹

PROPERTY RIGHTS APPRAISED

The property rights appraised constitute the fee simple interest.

¹ Office of Comptroller of the Currency (OCC), Title 12 of the Code of Federal Regulation, Part 34, Subpart C -Appraisals, 34.42 (g); Office of Thrift Supervision (OTS), 12 CFR 564.2 (g); This is also compatible with the FDIC, FRS and NCUA definitions of market value.

IDENTIFICATION OF ASSIGNMENT

(CONTINUED)

Fee Simple Interest

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat.²

VALUE SCENARIOS

As-Is Value

The estimate of the value of real property in its current physical condition, use, and zoning as of the appraisal date.²

² The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, Chicago, Illinois, 2015

SCOPE OF WORK

The scope of work for this appraisal assignment is outlined below:

- ▶ The appraisal analyzes the regional and local area profiles including employment, population, household income and real estate trends. The local area was inspected to consider external influences on the subject.
- ▶ The appraisal analyzes legal and physical features of the subject including site size, improvement size, flood zone, site zoning, easements, encumbrances, site access and site exposure.
- ▶ The appraisal includes an apartment market analysis for the Dickinson market using vacancy, absorption, supply and rent data. Conclusions were drawn for the subject's competitive position given its physical and locational features, current market conditions and external influences.
- ▶ The appraisal includes a Highest and Best Use analysis and conclusions have been completed for the highest and best use of the subject property As Vacant and As Improved. The analysis considered legal, locational, physical and financial feasibility characteristics of the subject site and existing improvements.
- ▶ In selecting applicable approaches to value, the appraiser considered the agreed upon appraisal scope and assessed the applicability of each traditional approach given the subject's characteristics and the intended use of the appraisal. As a result, this appraisal developed Sales Comparison and Income (Direct Capitalization) approaches. The values presented represent the As-Is Market Value (Fee Simple).
- ▶ The assignment was prepared as an Appraisal Report in accordance with USPAP Standards Rules 2, with the analysis stated within the document and representing a summarized level of analysis.
- ▶ The author of this report are aware of the Competency Rule of USPAP and meets the standards.

ASSISTANCE PROVIDED

Spencer Karvonen and MaryAlice Beevore provided significant real property appraisal assistance to the appraisers signing this certification, including verifying rent & sale comparables, interviewing brokers for appropriate market rent, cap rates and sale prices for the subject and similar property type. It is noted that the responsibilities of parties providing assistance is not considered to be significant in terms of any value determination. All parties conducted assistance under the direct supervision of the appraiser's signing this report in compliance with State regulations.

SOURCES OF INFORMATION

The following sources were contacted to obtain relevant information:

INFORMATION PROVIDED	
Property/Tax	Stark County Assessor
Zoning	City of Dickinson Zoning
Site Size	Stark County Assessor
Building Size	Stark County Assessor & Field Measurements
Supply & Demand	CoStar
Flood Map	FEMA
Demographics	STDB On-Line
Comparable Information	CoStar and confirmed by participants as applicable
Legal Description	Tax Assessor
Rent Roll	Property Owner
Operating Statements	Property Owner
Income/Expense Statements	Property Owner

SCOPE OF WORK

(CONTINUED)

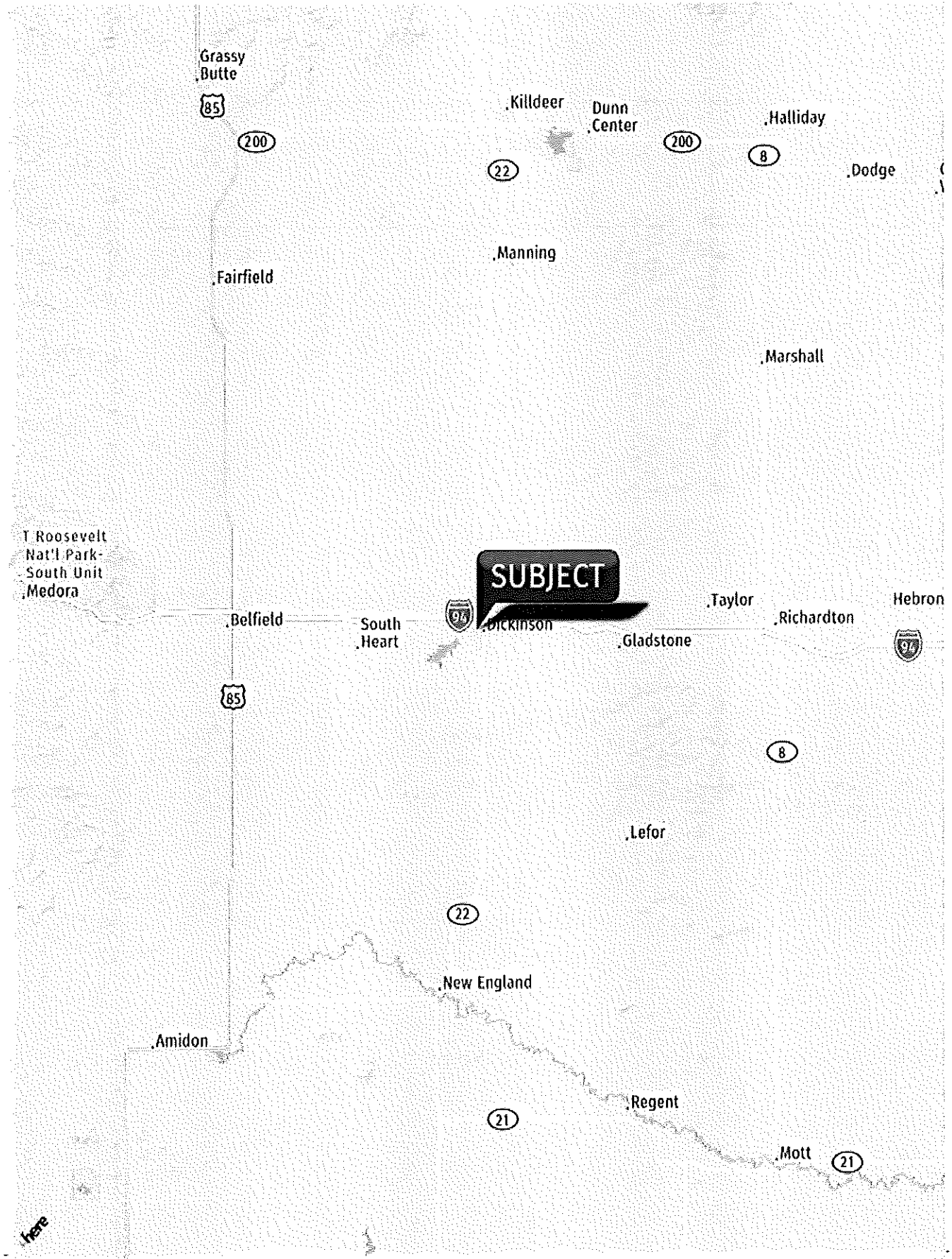
The lack of the unavailable items could affect the results of this analysis. As part of the general assumptions and limiting conditions, the subject is assumed to have no adverse easements, significant items of deferred maintenance, or be impacted by adverse environmental conditions.

SUBJECT PROPERTY INSPECTION

PROPERTY INSPECTION					
APPRAISER	INSPECTED	EXTENT	ALL UNITS INSPECTED	DATE	ROLE
Mitchell Simonson, MAI	Yes	Interior & Exterior	No	July 7, 2022	Primary Appraiser

UNITS INSPECTED		
UNIT #	TYPE	STATUS
121	1BR	Original-Ready
402	4BR	Original-Ready
403	2BR	Original-Being Turned
408	3BR	Original-Being Turned
217	Studio	Original-Ready

REGIONAL AREA MAP



REGIONAL AREA ANALYSIS

INTRODUCTION

In order to understand the subject's position in the area or region, we have undertaken a brief analysis in order to determine how trends—both historical and projected—in population, employment, personal income, consumer spending, and housing impact supply and demand and influence the subject's area directly and indirectly. This analysis first begins on a broader spectrum, and without respect to the subject itself, and is highlighted in the Regional Area Analysis. Secondly, we undertake a more narrowly focused study of the aforementioned attributes as they relate directly to the subject and the subject's neighborhood. This discussion is presented in the forthcoming Local Area Analysis.

REGIONAL AREA ANALYSIS

The subject property is located in Dickinson, North Dakota. The map presented on the previous page illustrates the subject property location relative to the Dickinson, ND Micro MSA metropolitan area. Stark County is also located within the Dickinson Micropolitan Statistical Area (MSA).

According to the U.S. Census Bureau, Stark County has a total area of 1,340 square miles of which 1,335 square miles (99.6%) is land and 5.5 square miles (0.4%) is water.

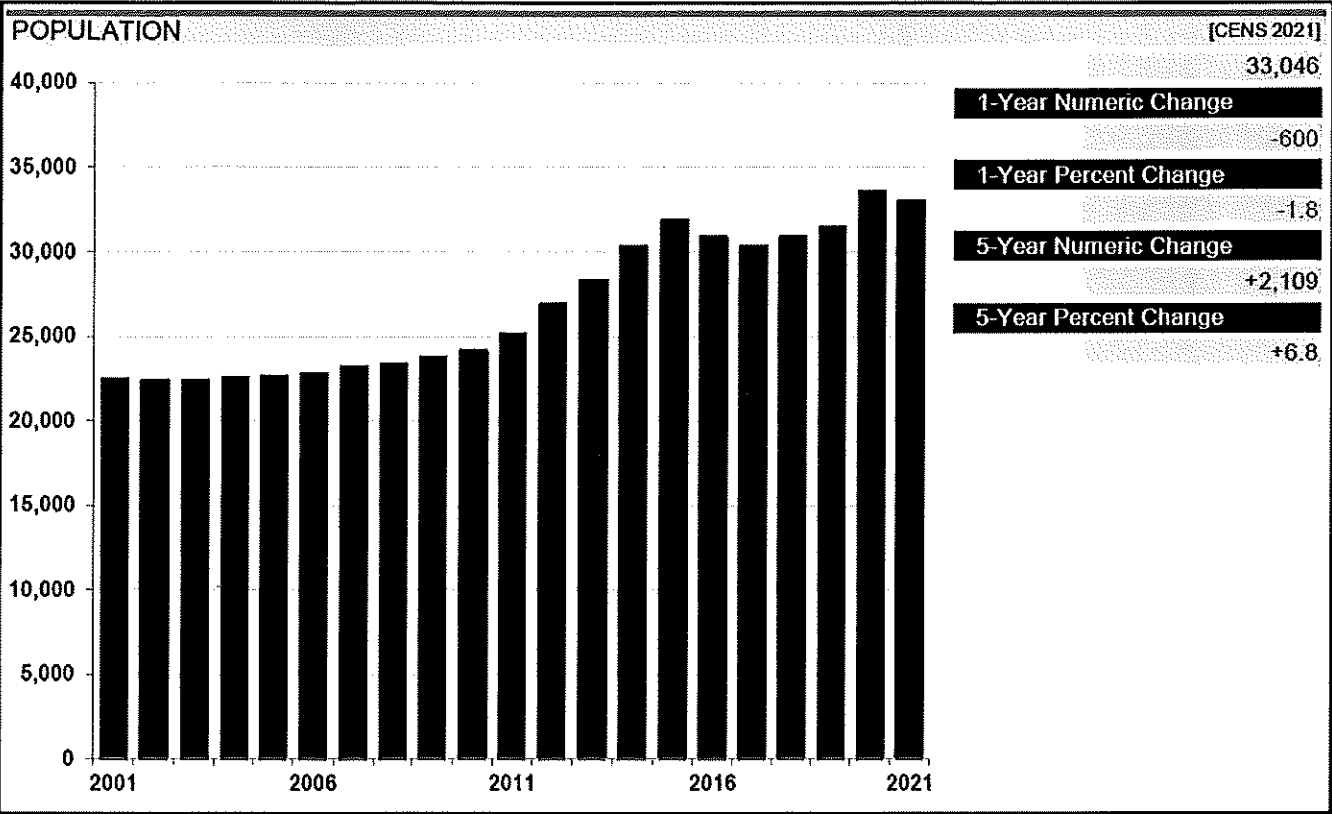
DEMOGRAPHICS

A Site To Do Business demographic profile of the Stark County area, including population, households, and income data, is presented in the following table.

Summary	Census 2010	Census 2020	2022	2027
Population	24,199	33,646	35,560	38,097
Households	10,085	13,561	14,283	15,213
Families	6,167	-	8,307	8,776
Average Household Size	2.31	2.43	2.44	2.46
Owner Occupied Housing Units	6,860	-	8,361	9,115
Renter Occupied Housing Units	3,225	-	5,922	6,098
Median Age	38.3	-	40.0	41.4
Trends: 2022-2027 Annual Rate	Area	State	National	
Population	1.39%	0.31%	0.25%	
Households	1.27%	0.37%	0.31%	
Families	1.10%	0.19%	0.28%	
Owner HHs	1.74%	0.67%	0.53%	
Median Household Income	2.41%	2.32%	3.12%	
Households by Income	2022		2027	
	Number	Percent	Number	Percent
<\$15,000	1,205	8.4%	1,313	8.6%
\$15,000 - \$24,999	588	4.1%	607	4.0%
\$25,000 - \$34,999	1,052	7.4%	1,035	6.8%
\$35,000 - \$49,999	1,491	10.4%	1,150	7.6%
\$50,000 - \$74,999	2,555	17.9%	1,912	12.6%
\$75,000 - \$99,999	991	6.9%	2,320	15.3%
\$100,000 - \$149,999	2,497	17.5%	1,461	9.6%
\$150,000 - \$199,999	1,129	7.9%	763	5.0%
\$200,000+	2,775	19.4%	4,652	30.6%
Median Household Income	\$80,350		\$90,492	
Average Household Income	\$131,883		\$166,733	
Per Capita Income	\$52,993		\$66,601	

As shown above, the current population in Stark County is estimated at 35,560 and the average household size is 2.44. Population in the area has grown since the 2010 census by 46.95% and is projected to grow about 7.1% over the next five years. The median household income is \$80,350, which is higher than the North Dakota state median (\$69,218).

The following table depicts recent population trends for Stark County.



Source: Labor Market Information Center, Job Service North Dakota, Quarterly Census of Employment and Wages (QCEW)

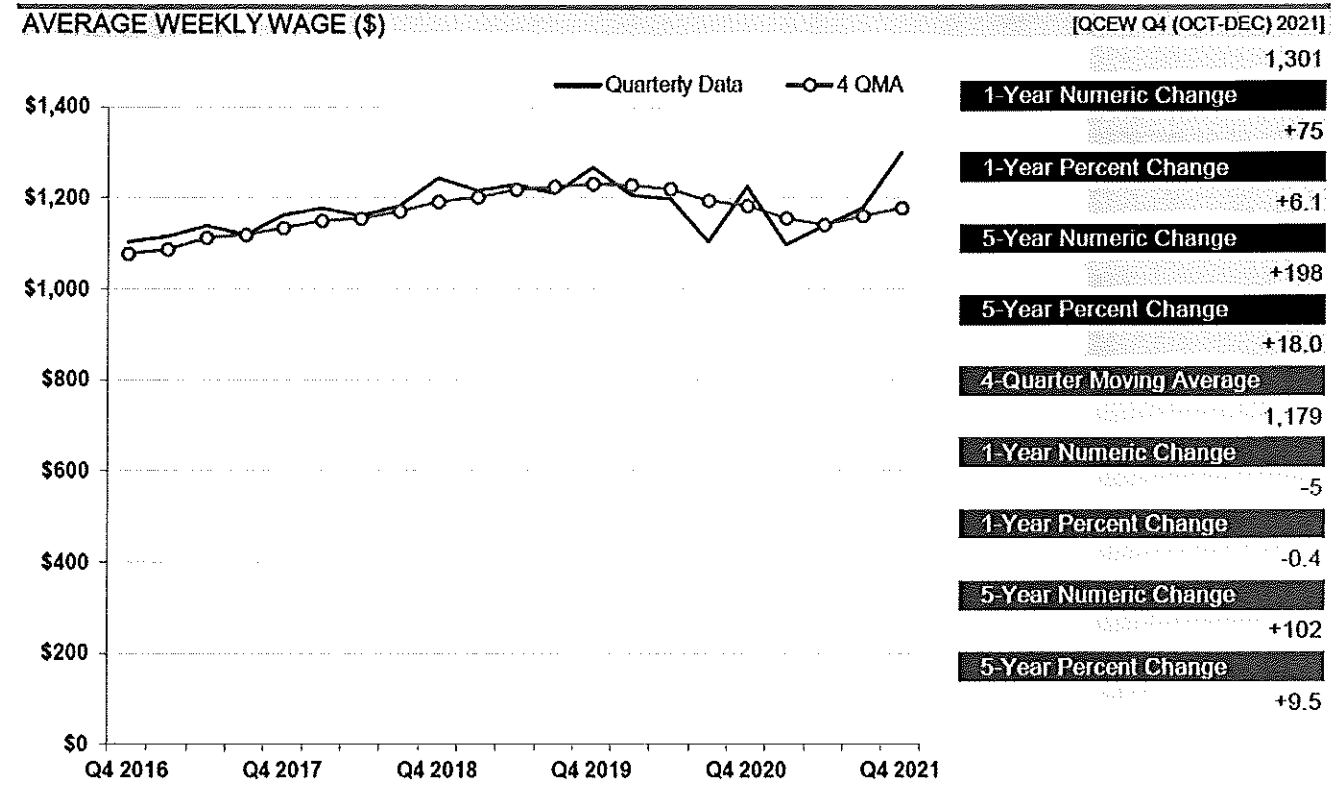
INCOME

According to Site To Do Business, 2019 median household income for Stark County was estimated at \$68,397, which is more than the household income for the State of North Dakota. Data provided by the Labor Market Information Center, Job Service North Dakota, Quarterly Census of Employment and Wages (QCEW) suggests the average weekly wage was \$1,209 (Q3 2019) or about \$62,868 on an annualized basis in Stark County.

The table on the next page depicts average weekly wage trends over the past several years in Stark County

REGIONAL AREA ANALYSIS

(CONTINUED)



Source: Labor Market Information Center, Job Service North Dakota, Quarterly Census of Employment and Wages (QCEW)

ECONOMIC BASE

The following are the top 10 major employers in Stark County. It is noted that Stark County is one of several western North Dakota counties with exposure to the Bakken Foundation in the Williston Basin.

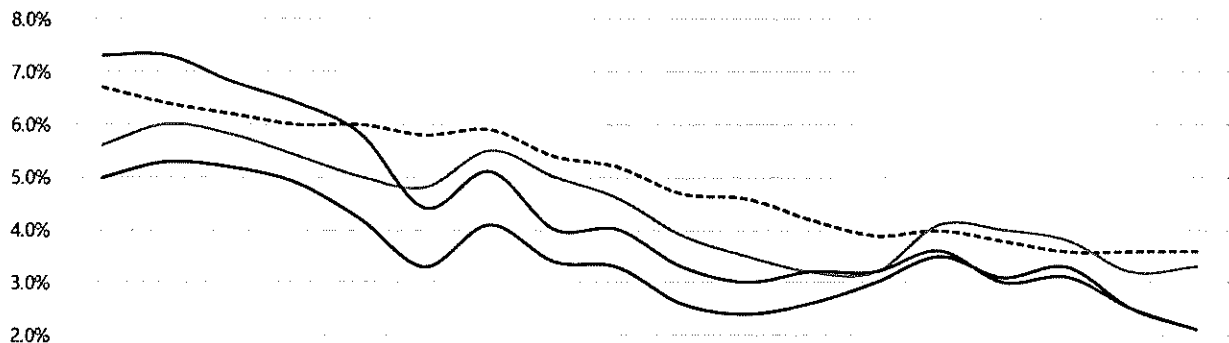
LARGEST EMPLOYERS		[QCEW 2020]
Stark County		
1	DICKINSON PUBLIC SCHOOL DISTRICT	Educational Services
2	WALMART	General Merchandise Stores
3	CHI ST ALEXIUS HEALTH - DICKINSON	Hospitals
4	STEFFES SOLUTIONS	Primary Metal Manufacturing
5	MARATHON PETROLEUM LOGISTICS	Truck Transportation
6	KILLDEER MOUNTAIN MANUFACTURING	Computer and Electronic Product Manufacturing
7	TMI CORPORATION	Furniture and Related Product Manufacturing
8	DICKINSON STATE UNIVERSITY	Educational Services
9	CITY OF DICKINSON	Executive, Legislative and General Government
10	BAKER BOY INC	Food Manufacturing

Source: Labor Market Information Center, Job Service North Dakota, Quarterly Census of Employment and Wages (QCEW)

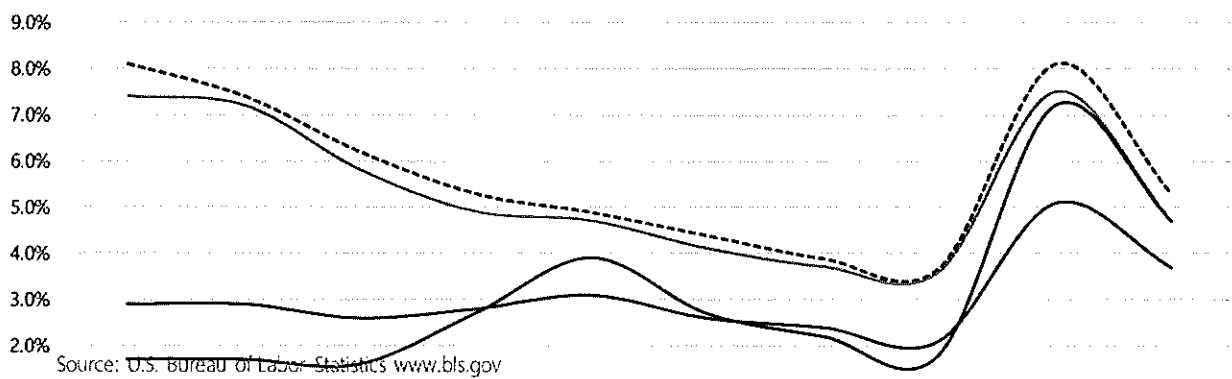
The economy in Stark County is heavily influenced by the oil and gas industry.

UNEMPLOYMENT

The following graphs charts the trailing 18 months and trailing 10 years unemployment rate for the United States, Midwest Region, North Dakota, Dickinson, ND Micro MSA, and Stark County.

MONTHLY UNEMPLOYMENT RATE (18 MONTHS)

	Dec	Jan	Feb	Mar	Apr	2021 May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	2022 May
----- Nation	6.7%	6.4%	6.2%	6.0%	6.0%	5.8%	5.9%	5.4%	5.2%	4.7%	4.6%	4.2%	3.9%	4.0%	3.8%	3.6%	3.6%	3.6%
----- Region	5.6%	6.0%	5.8%	5.4%	5.0%	4.8%	5.5%	5.0%	4.6%	3.9%	3.5%	3.2%	3.2%	4.1%	4.0%	3.8%	3.2%	3.3%
----- State	5.0%	5.3%	5.2%	4.9%	4.2%	3.3%	4.1%	3.4%	3.3%	2.6%	2.4%	2.6%	3.0%	3.5%	3.1%	3.3%	2.5%	2.1%
----- County	7.3%	7.3%	6.8%	6.4%	5.8%	4.4%	5.1%	4.0%	4.0%	3.3%	3.0%	3.2%	3.2%	3.6%	3.0%	3.1%	2.5%	2.1%

ANNUAL UNEMPLOYMENT RATE (10 YEARS)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
----- Nation	8.1%	7.4%	6.2%	5.3%	4.9%	4.4%	3.9%	3.7%	8.1%	5.3%
----- Region	7.4%	7.2%	5.8%	4.9%	4.7%	4.1%	3.7%	3.6%	7.5%	4.7%
----- State	2.9%	2.9%	2.6%	2.8%	3.1%	2.6%	2.4%	2.1%	5.1%	3.7%
----- County	1.7%	1.7%	1.6%	2.7%	3.9%	2.7%	2.2%	1.8%	7.2%	4.7%

EMPLOYMENT

The following chart shows the trailing 10 years employment for the state of North Dakota, Dickinson, ND Micro MSA, and Stark County.

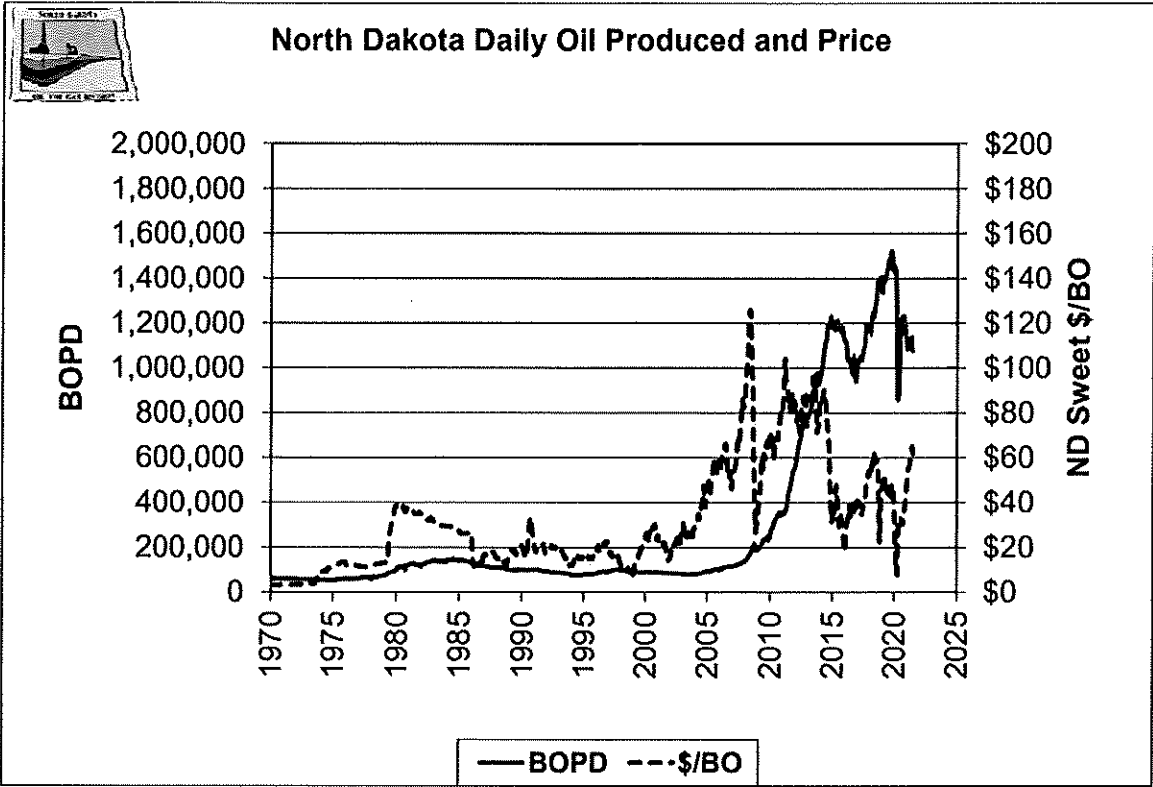
STATE & REGIONAL EMPLOYMENT				
YEAR	STATE	% CHG.	COUNTY	% CHG.
2012	383,888	2.5%	17,846	12.1%
2013	389,928	1.5%	18,931	5.7%
2014	398,783	2.2%	20,757	8.8%
2015	399,296	0.1%	19,583	(6.0%)
2016	399,001	(0.1%)	17,341	(12.9%)
2017	404,901	1.5%	17,719	2.1%
2018	403,002	(0.5%)	18,179	2.5%
2019	406,304	0.8%	18,709	2.8%
2020	390,504	(4.0%)	17,132	(9.2%)
2021	391,255	0.2%	16,695	(2.6%)
CAGR	0.2%	-	-0.7%	-

Source: U.S. Bureau of Labor Statistics www.bls.gov

OIL TRENDS

The subject is located in Dickinson, which is heavily influenced by the oil industry. Through late 2014 and extending into 2015, the area experienced unprecedented growth due to the increase in oil drilling activity. This led to significant job creation, real estate development and a robust economy. However, from about late summer 2014 and extending into 2017, oil prices dropped substantially, and the amount of active drilling rigs was significantly reduced. This reduction has impacted other parts of the economy. Prices recovered some in 2018-2019 into the approximate range of \$50-\$70 per barrel.

Following the COVID-19 epidemic in early 2020, prices dropped substantially, going negative in April 2020. Prices have since recovered and are now exceed \$100/barrel as of July 2022. The following chart summarizes the daily oil produced and price per barrel of oil since 1970 in North Dakota.

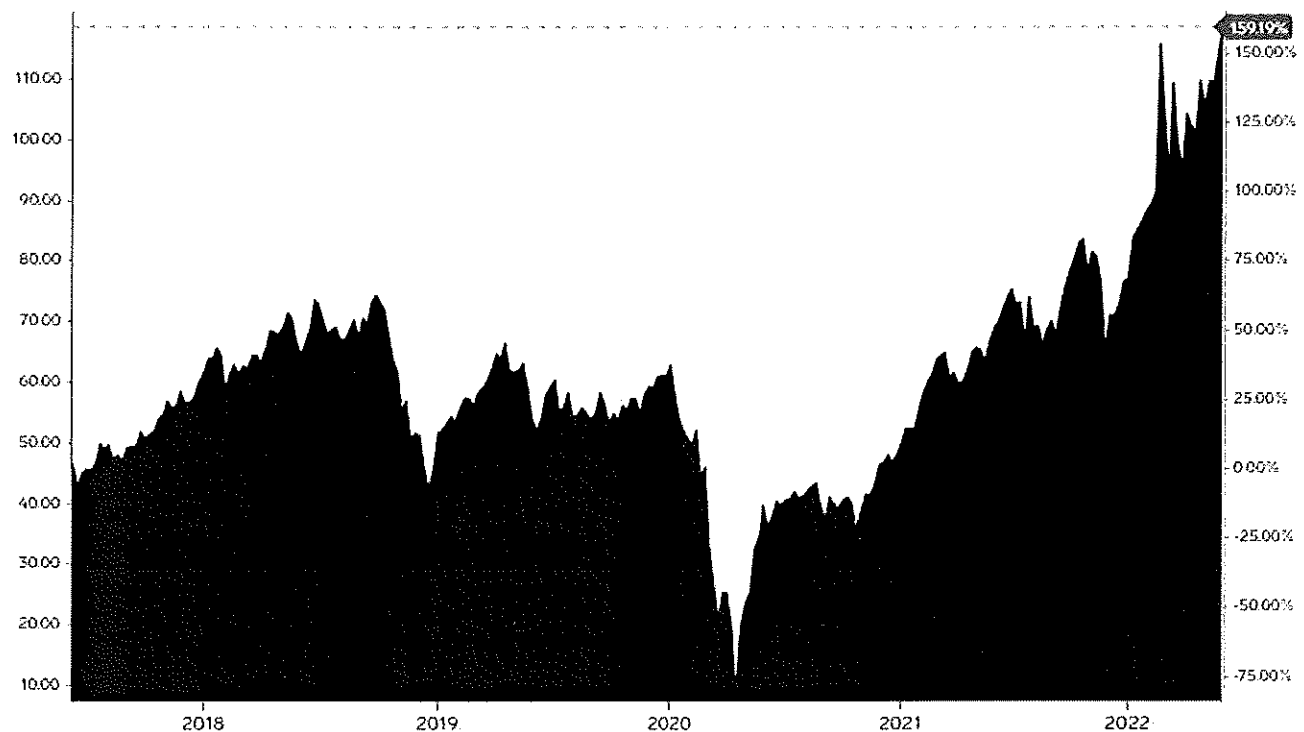


Source: North Dakota Department of Mineral Resources

REGIONAL AREA ANALYSIS

(CONTINUED)

The following chart depicts price trends for West Texas Intermediate (WTI) crude oil prices over the past five years.



Source: *Business Insider*

As shown in the previous chart, oil prices fell drastically in late 2014 and reached a low point around \$30.00 per barrel in early 2016. From 2016-2020 the price slowly rebounded, and reached prices over \$75.00 in October 2018. However, the COVID-19 pandemic triggered a significant drop in oil prices in early 2020. The WTI crude oil per barrel was \$118.96 as of June 2022. With rebounding oil prices, drilling activity had again increased, and this had helped other parts of the economy, including residential and commercial real estate markets. However, with high volatility in oil prices, drilling had dropped to a quarter of the rigs that were being used in 2019. This price volatility has contributed to a slower recovery as oil prices have climbed. This has resulted in uncertain market conditions in the Bakken region over the past several years.

North Dakota has 17 active oil and gas producing counties. An oil and gas producing county is a county that has had oil and gas production in the last five calendar years. This designation is reviewed for each county at the beginning of each calendar year and adjusted as necessary. Four counties are considered core oil and gas producing counties. Core counties must be top oil and gas producers and, when combined, account for at least 75 percent of North Dakota's oil and gas production. The remaining 13 non-core counties generate 25 percent or less of North Dakota's oil and gas production.

[illegible]

North Dakota produced an average of 1,120,021 barrels of oil per day in March 2022, a change of +2.8 percent from the prior month and +1.0 percent from one year ago. Average daily gas production was at 3,001,535 MCF (thousand cubic feet) in March 2022, a change of +4.6 percent from the prior month and +4.5 percent from one year ago. Unsold natural gas accounted for 9.7 percent of all gas produced in March 2022. The four core oil and gas producing counties accounted for 96.5 percent of all oil and gas production in North Dakota. The transportation of Williston Basin oil via pipeline accounted for 83 percent of volume while rail accounted for 11 percent.

The number of oil and gas wells in production in North Dakota was 17,070 in March 2022, a change of +1.9 percent from the prior month and +5.3 percent from one year ago. Approximately 8 in 10 oil and gas wells are located in the four core oil and gas producing counties. There were 65 oil and gas permits issued in North Dakota for March 2022, a change of +124.1 percent from the prior month and +20.4 percent from one year ago. The drilling rig count was 36 in March 2022, which is higher than the prior month's 34 count and higher than last year's 16 count. A vast majority (94.4 percent) of drilling rigs were located in the four core oil and gas producing counties.

The North Dakota crude oil first purchase price was \$105.14 per barrel in March 2022, a change of +20.0 percent from the prior month and +83.9 percent from one year ago. Retail fuel prices for regular gasoline in the Midwest region averaged \$3.97 per gallon (including taxes) in March 2022, which is +19.6 percent higher than last month and +47.0 percent higher than last year. Diesel fuel prices averaged \$4.91 per gallon in the Midwest region, which is a change of +26.2 percent from last month and +57.4 percent higher than last year.

Data current as of June 8, 2012. Data are not seasonally adjusted, unless noted. Asterisks (***) indicate data cannot be released due to reliability, availability or confidentiality restrictions.

NORTH DAKOTA'S OIL AND GAS ECONOMY**REPORT HIGHLIGHTS cont'd**

The unemployment rate for the core oil and gas producing counties was 3.0 percent in April 2022, down from 3.8 percent last month and down from 7.1 percent one year ago. The unemployment rate for the balance counties was 2.8 percent in April 2022, down from 3.8 percent last month and down from 5.0 percent one year ago. North Dakota's unemployment rate for April 2022 was 2.5 percent. The rate for non oil counties was 2.4 percent.

There were 1,846 job openings in the core oil and gas producing counties in May 2022, a change of -3.9 percent from the prior month and +19.3 percent from one year ago. There were 2,786 job openings in the balance counties, a change of +8.2 percent from the prior month and +1.1 percent from one year ago. Together, the seventeen core and balance counties accounted for 23.9 percent of North Dakota's total job openings. The April 2022 rate of unemployed persons per job opening was 0.60 for core counties, while one year prior the rate was 2.24. The rate was 0.77 for balance counties, versus 1.35 one year prior. North Dakota's rate was 0.52.

There were 265 active résumés in the core oil and gas producing counties in May 2022, a change of -14.2 percent from the prior month and -87.2 percent from one year ago. There were 413 active résumés in the balance counties, a change of -13.6 percent from the prior month and -81.6 percent from one year ago. Together, core and balance counties accounted for 37.1 percent of North Dakota's total active résumés. The May 2022 rate of active résumés per job opening was 0.14 for core counties, while one year prior the rate was 1.34. The rate was 0.15 for balance counties, compared to 0.82 one year prior. North Dakota's rate was 0.09.

Employment in core oil and gas producing counties for Q4 (Oct-Dec) 2021 averaged 39,802, a change of +2.9 percent over the year for a difference of +1,123 jobs. For balance counties, employment was 64,254, a change of +3.2 percent over the year for a difference of +2,013 jobs. Over the year, North Dakota's change in average employment was +3.0 percent. Together, core and balance counties accounted for 25.4 percent of North Dakota's total employment. Jobs specifically in the Mining, Quarrying, and Oil and Gas Extraction industry accounted for 13.2 percent of total employment in the 17 oil and gas producing counties, up from 12.3 percent a year earlier.

Wages in core oil and gas producing counties for Q4 (Oct-Dec) 2021 totaled \$798,268,025, a change of +10.3 percent over the year. For balance counties, total wages were \$988,893,685, a change of +7.7 percent over the year. North Dakota's over-the-year change in total wages was +8.1 percent. Together, core and balance counties accounted for 28.2 percent of North Dakota's total wages. The Mining, Quarrying, and Oil and Gas Extraction industry accounted for 22.3 percent of total wages in the 17 oil and gas producing counties, up from 20.5 percent a year earlier. Total wages in non oil and gas counties changed +7.5 percent over the year.

The average weekly wage in core oil and gas producing counties for Q4 (Oct-Dec) 2021 was \$1,543, a change of +7.2 percent over the year. For balance counties, the average weekly wage was \$1,184, a change of +4.3 percent over the year. The average weekly wage in core counties was 29.3 percent higher than the statewide average of \$1,193. For balance counties, the average weekly wage was 0.8 percent lower than the statewide average. The average weekly wage in non oil and gas counties was \$1,141, 4.4 percent lower than the statewide average. For jobs specifically in the Mining, Quarrying, and Oil and Gas Extraction industry, average weekly wages in the core and balance counties were \$2,258 and \$2,210, respectively.

Taxable sales and purchases in core oil and gas producing counties for Q4 (Oct-Dec) 2021 were \$419,593,970, a change of +28.3 percent over the year. For the balance of oil and gas counties, taxable sales and purchases were \$625,206,821, a change of +16.6 percent over the year. Taxable sales and purchases in non oil and gas counties recorded a change of +9.7 percent over the year.

Data current as of June 8, 2022. Data are not seasonally adjusted, unless noted. Asterisks (*) indicate data cannot be released due to reliability, availability or confidentiality restrictions.

REGIONAL AREA ANALYSIS

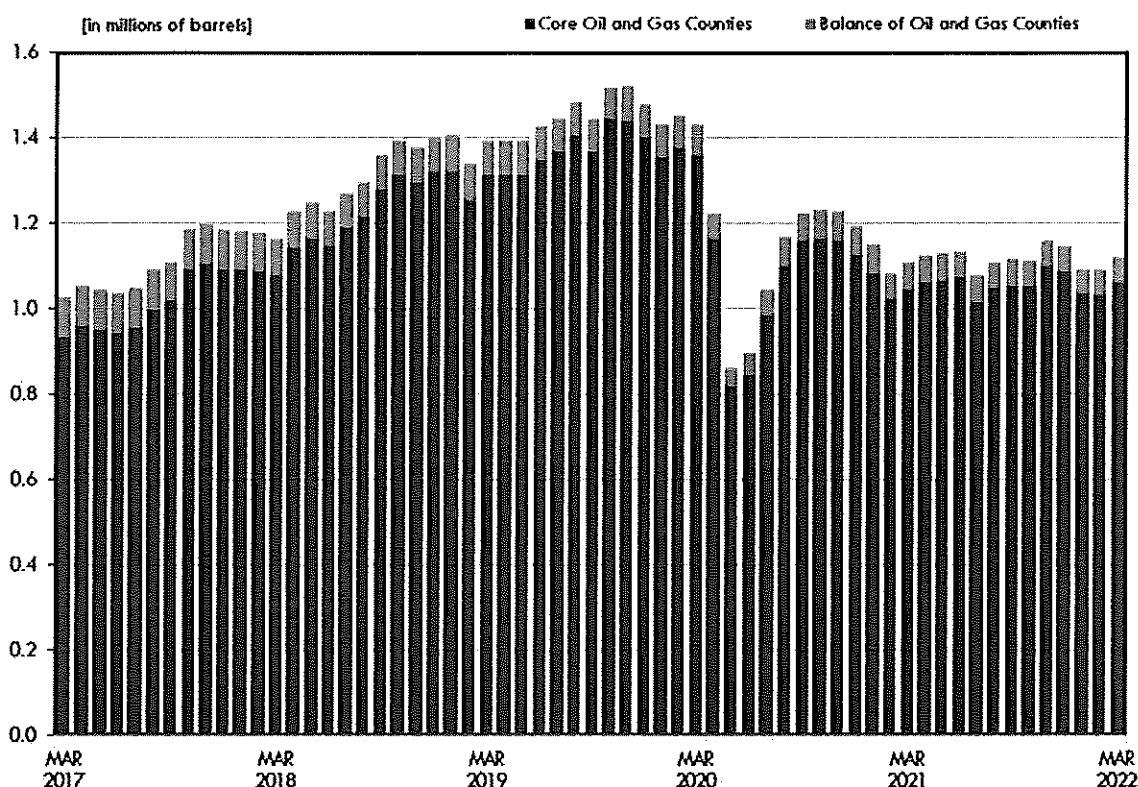
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The major spike in oil rigs starting in 2009 coincided with the rise in real estate prices and development. With the decline in oil prices from late 2014 into 2017, much of the speculative real estate development had slowed. A few new speculative industrial developments again commenced in late 2018. The following chart depicts average daily oil production in North Dakota.

NORTH DAKOTA'S OIL AND GAS ECONOMY

AVERAGE DAILY OIL PRODUCTION (in barrels)

[OGD MAR 2022]



CORE COUNTIES	PCT OF ND	BALANCE COUNTIES	PCT OF ND	NORTH DAKOTA	
1,065,653	95.1	54,368	4.9	1,120,021	
M/M # CHG	M/M % CHG	M/M # CHG	M/M % CHG	M/M # CHG	M/M % CHG
+29,694	+2.9	+1,236	+2.3	+30,930	+2.8
Y/Y # CHG	Y/Y % CHG	Y/Y # CHG	Y/Y % CHG	Y/Y # CHG	Y/Y % CHG
+16,510	+1.6	-5,395	-9.0	+11,115	+1.0
5YR # CHG	5YR % CHG	5YR # CHG	5YR % CHG	5YR # CHG	5YR % CHG
+129,053	+13.8	-34,722	-39.0	+94,331	+9.2

12 MO MOV AVG	PCT OF ND	12 MO MOV AVG	PCT OF ND	12 MO MOV AVG	
1,060,201	95.0	56,044	5.0	1,116,245	
M/M # CHG	M/M % CHG	M/M # CHG	M/M % CHG	M/M # CHG	M/M % CHG
+1,376	+0.1	-450	-0.8	+926	+0.1
Y/Y # CHG	Y/Y % CHG	Y/Y # CHG	Y/Y % CHG	Y/Y # CHG	Y/Y % CHG
+1,160	+0.1	-1,080	-1.9	+80	0.0
5YR # CHG	5YR % CHG	5YR # CHG	5YR % CHG	5YR # CHG	5YR % CHG
+141,339	+15.4	-38,516	-40.7	+102,823	+10.1

Sources: OGD North Dakota Dept of Mineral Resources, Oil and Gas Division

Data current as of June 8, 2022. Data are not seasonally adjusted, unless noted. Asterisks (*) indicate data cannot be released due to reliability, availability or confidentiality restrictions.

REGIONAL AREA ANALYSIS

(CONTINUED)

The following table shows the amount of active drilling rigs in North Dakota over the past five years as of July 8th of each year (last time reported for five-year history), according to the North Dakota Department of Mineral Resources. The current rig count is 43 as of June 6, 2022.

6/6/2022 – 43 ACTIVE RIGS

	7/8/2021	07/08/2020	07/08/2019	07/08/2018	07/08/2017
Active Rigs	21	10	59	64	56

Source: North Dakota Department of Mineral Resources

The Drilling Productivity Report provided by U.S. Energy Information Administration uses recent data on the total number of drilling rigs in operation along with estimates of drilling productivity and estimated changes in production from existing oil and natural gas wells to provide estimated changes in oil and natural gas production for seven key regions. EIA's approach does not distinguish between oil-directed rigs and gas-directed rigs because once a well is completed it may produce both oil and gas; more than half of the wells do that.

eia Bakken Region

Drilling Productivity Report

July 2022

drilling data through June
projected production through August

Oil
+2
barrel/day
month over month

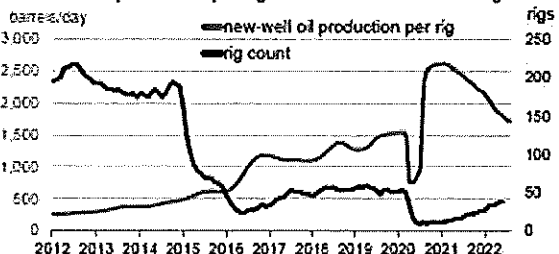
1,726 August
1,724 July
barrel/day

Monthly
additions
from one
average rig

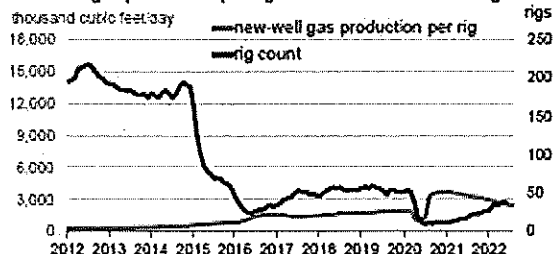
August **2,503**
July **2,499**
thousand cubic feet/day

Gas
+4
thousand cubic feet/day
month over month

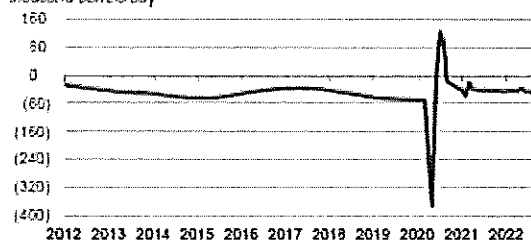
Bakken Region
New-well oil production per rig



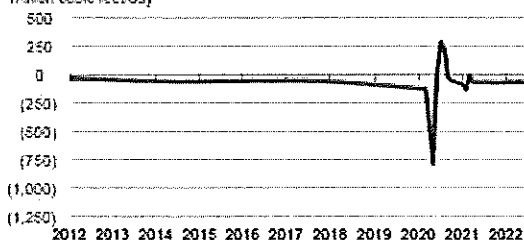
Bakken Region
New-well gas production per rig



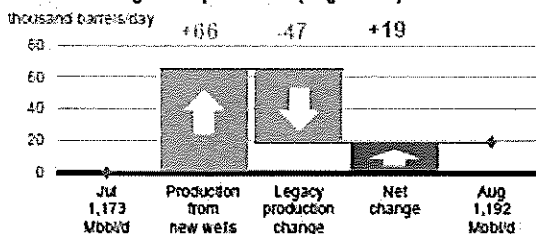
Bakken Region
Legacy oil production change



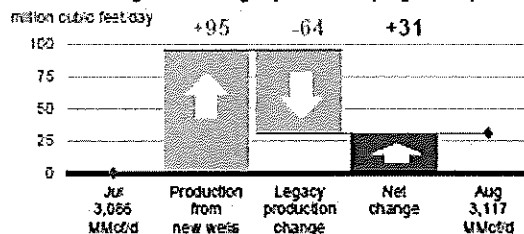
Bakken Region
Legacy gas production change



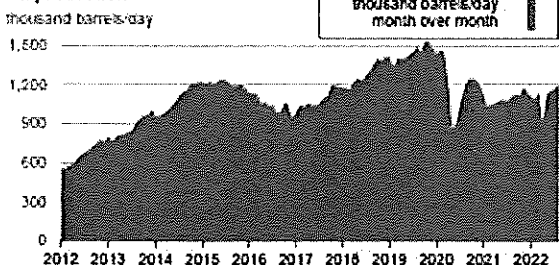
Bakken Region
Indicated change in oil production (Aug vs. Jul)



Bakken Region
Indicated change in natural gas production (Aug vs. Jul)

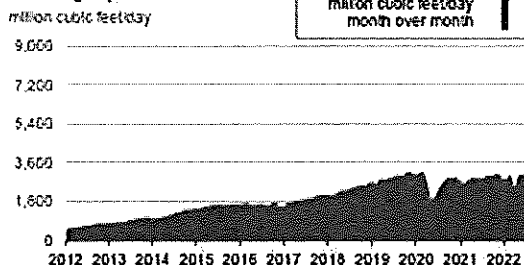


Bakken Region
Oil production



Oil +19
thousand barrel/day
month over month

Bakken Region
Natural gas production

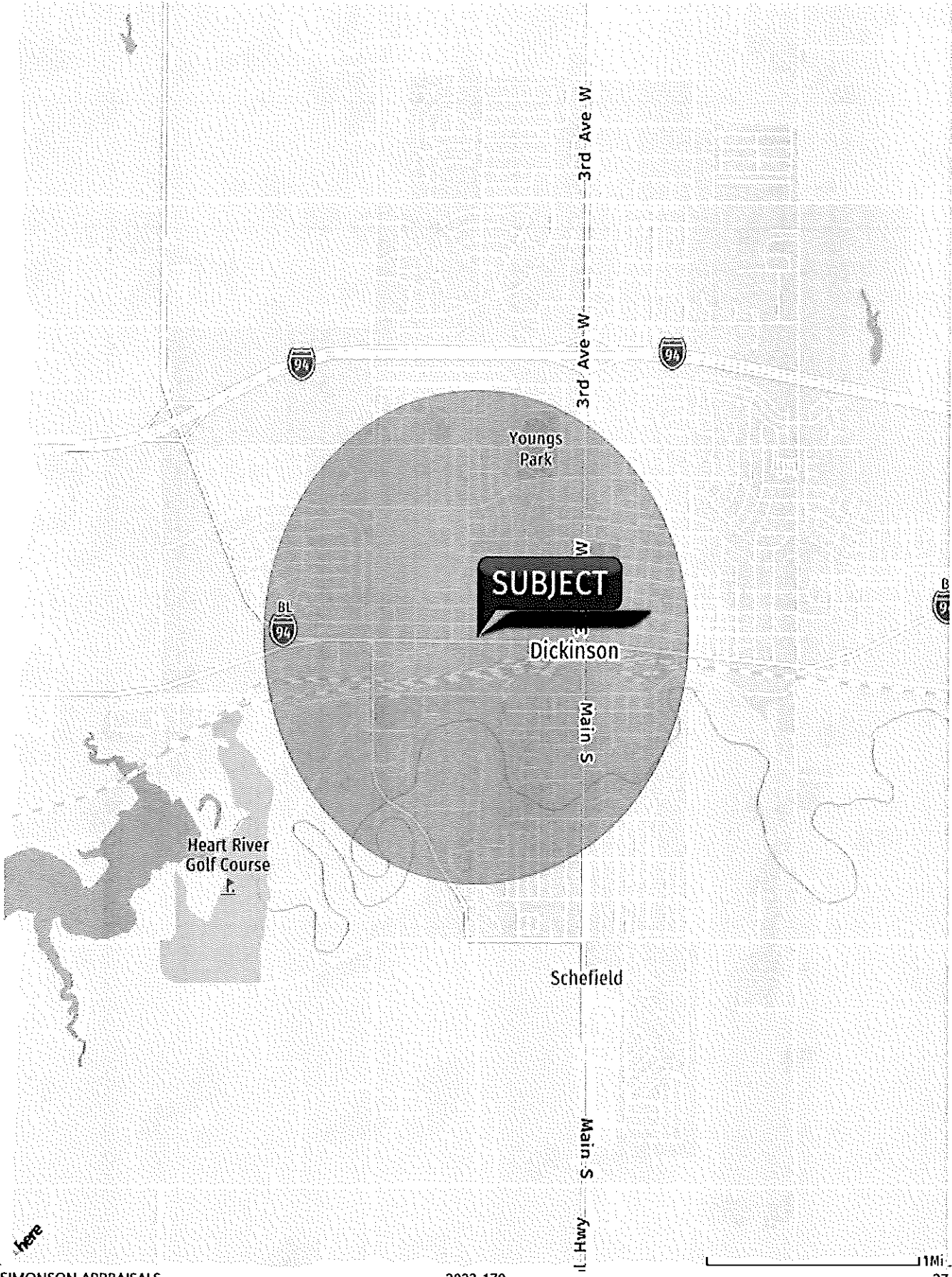


Gas +31
million cubic feet/day
month over month

CONCLUSION

Until fall 2014, oil drilling and fracking had been growing at a steady clip with close to 200 active rigs. Starting in late 2014, rig count dropped to well below 50 rigs in 2016, then stabilized around 50 to 60 until 2nd quarter 2020 when the rig count declined into the range of 10-15 active rigs. With increasing oil prices again, the June 2022 rig count has grown to 43 rigs. Some of the reduction in rigs is offset by greater efficiencies per individual rig. Declining oil prices had a significant impact on oil producing jobs from late 2014 into early 2017. Market trends reversed to the positive from 2018-2019. However, impacts from the COVID-19 pandemic had led to a significant decline in the demand for oil. In 2022, supply chain shortages and resulting inflation pushed oil above historical averages. A greater degree of caution is expressed as constantly changing oil prices appear to be impact real estate values in the short to medium term. Based on these factors, it is anticipated that the Stark County economy and employment base will continue to experience long-term volatility in real estate with current short-term trends indicating positive growth due to current demand for oil.

LOCAL AREA MAP



LOCAL AREA ANALYSIS

INTRODUCTION

The subject property is located in the Dickinson area of the Dickinson ND Micropolitan Statistical Area submarket. The immediate area of the subject is characterized by a mix of residential and commercial uses in the surrounding area.

Demographics

The following information reflects the demographics for the subject's area.

LOCAL AREA DEMOGRAPHICS							
DESCRIPTION	1 MILE	3 MILE	5 MILE	DESCRIPTION	1 MILE	3 MILE	5 MILE
POPULATION TOTAL				HOUSEHOLDS			
2000 Census	6,755	16,894	17,812	2000 Census	2,747	6,825	7,134
2010 Census	7,057	18,691	19,651	2010 Census	2,966	7,853	8,209
2021 Estimate	7,787	26,243	27,455	2021 Estimate	3,357	11,509	11,957
2026 Projection	8,254	29,534	30,926	2026 Projection	3,565	13,040	13,557
Δ 2000-2010	4.47%	10.64%	10.32%	Δ 2000-2010	7.97%	15.06%	15.07%
Δ 2010-2021	10.34%	40.40%	39.71%	Δ 2010-2021	13.18%	46.56%	45.66%
Δ 2021-2026	6.00%	12.54%	12.64%	Δ 2021-2026	6.20%	13.30%	13.38%
Total Daytime Population	8,619	13,177	13,820	HOUSEHOLDS BY INCOME (2021 ESTIMATE)			
HOUSING UNITS				<\$15,000	10.8%	12.0%	11.8%
Total (2021 Estimate)	3,550	12,113	12,601	\$15,000 - \$24,999	5.9%	4.9%	4.8%
Owner Occupied	55.1%	56.3%	57.0%	\$25,000 - \$34,999	8.7%	7.8%	7.7%
Renter Occupied	39.4%	38.7%	37.9%	\$35,000 - \$49,999	11.6%	10.9%	10.8%
Vacant Housing Units	5.4%	5.0%	5.1%	\$50,000 - \$74,999	19.2%	19.4%	19.4%
Total (2026 Projection)	3,756	13,675	14,236	\$75,000 - \$99,999	10.6%	8.9%	9.0%
Owner Occupied	57.7%	58.1%	58.7%	\$100,000 - \$149,999	19.3%	20.0%	20.0%
Renter Occupied	37.2%	37.3%	36.5%	\$150,000 - \$199,999	3.9%	6.2%	6.4%
Vacant Housing Units	5.1%	4.6%	4.8%	\$200,000+	9.9%	9.8%	10.2%
AVERAGE HOUSEHOLD INCOME				AVERAGE HOUSEHOLD SIZE			
2021 Estimate	\$93,689	\$96,130	\$97,673	2021 Estimate Estimate	2.24	2.24	2.25
2026 Projection	\$100,076	\$101,775	\$103,657	2026 Projection Projection	2.24	2.23	2.24
Δ 2021-2026	6.82%	5.87%	6.13%	Δ 2021-2026	0.00%	(0.45%)	(0.44%)
MEDIAN HOUSEHOLD INCOME				MEDIAN HOME VALUE			
2021 Estimate	\$64,597	\$66,497	\$67,448	2021 Estimate	\$222,059	\$238,599	\$240,928
2026 Projection Projection	\$65,034	\$66,969	\$68,185	2026 Projection	\$227,150	\$245,308	\$248,212
Δ 2021-2026	0.68%	0.71%	1.09%	Δ 2021-2026	2.29%	2.81%	3.02%
PER CAPITA INCOME				AVERAGE HOME VALUE			
2021 Estimate	\$40,307	\$42,041	\$42,601	2021 Estimate	\$256,173	\$289,603	\$296,848
2026 Projection	\$43,156	\$44,792	\$45,501	2026 Projection	\$275,150	\$317,613	\$327,031
Δ 2021-2026	7.07%	6.54%	6.81%	Δ 2021-2026	7.41%	9.67%	10.17%

Source: Sites To Do Business Online

Population

The estimate provided by ESRI for the current 2021 population within the subject neighborhood's 3 mile radius is 26,243 representing a 40.40% change since 2010. ESRI's 2020 population estimate for the subject's 5 mile radius is 27,455, which represents a 39.71% change since 2010.

Looking forward, ESRI estimates that the population within the subject neighborhood's 3 mile radius is forecasted to change to 29,534 by the year 2026. As for the broader area, ESRI forecasts that the population within the subject's 5 mile radius will change to 30,926 over the next five years. The population estimates for

LOCAL AREA ANALYSIS

(CONTINUED)

the next five years within the subject's 5 mile radius represents a 12.64% change as well as a 6.00% change within the subject's 1 mile radius for the same period.

Households

The estimates provided by ESRI indicate that the number of households within the subject neighborhood's 3 mile radius is 11,509, which is a 46.56% change since 2010. Within the subject's broader 5 mile radius, ESRI estimates that the number of households is 11,957, a 45.66% change over the same period of time.

By the year 2026, the estimates provided by ESRI indicate that the number of households within the subject neighborhood's 3 mile radius will change by 13.30% to 13,040 households. Additionally, ESRI's estimate for total households over the next five years within the subject's broader 5 mile radius indicates an expected change of 13.38% which will result in a total household estimate of 13,557.

Looking back, the number of households in the subject neighborhood's 3 mile radius changed 15.06% during the ten-year period of 2000 to 2010. Since then, it has changed by 46.56%.

Income

Income estimates provided by ESRI for the subject neighborhood's 3 mile radius indicates that the median household income is \$66,497 and that the average household income is \$96,130. Further, the estimates provided by ESRI indicate that, for the subject's broader 5 mile radius the median household income is \$67,448, and the average household income is \$97,673. Given that there are reportedly 11,957 households in the subject's 5 mile radius, it is estimated that the local effective buying income is around \$1,167,876,061.

CONCLUSION

Based on our observation and the data provided by ESRI, it is perceived that the income and population demographics for the subject neighborhood exhibit below average characteristics in terms of reported population growth and income levels. As previously mentioned, the population growth for the subject's 3 mile radius has increased 40.40% since 2010 and based on the projections provided by ESRI, it is expected to continue to increase another 12.54% during the next 5 years. Lastly, we perceive that, since average household incomes are above the national average (\$96,130, for the subject's 3 mile radius) and given that the area is sparsely-populated (11,509 households in a 3 mile radius), developments like the subject should be adequately supported.

SURROUNDING LAND USES

The following tables and maps highlight the development in and around the subject.

LOCAL AREA OFFICE - THREE-MILE RADIUS				
CLASS	RBA	YEAR BUILT	PERCENT LEASED	PROPERTIES
A	0 SF	-	-	0
B	260,713 SF	1982	100.0	15
C	178,600 SF	1954	89.4	30
TOTAL	439,313 SF	1972	95.7	45

Source: CoStar

LARGEST OFFICE DEVELOPMENTS - THREE-MILE RADIUS



PIN	NAME	ADDRESS, CITY	DIST TO SUBJ	RBA	BUILT	CLASS	%LEASED
A		528 21st St W, Dickinson	1.9 mi	91,096	1996	B	100
B		41 E Villard St, Dickinson	0.8 mi	35,562	1954	B	100
C		1463 194 Business Loop E, Dickinson	1.8 mi	24,404	2015	B	100
D	Historical Masonic Lodge	42 Sims St, Dickinson	0.7 mi	21,000	1912	C	100
E		99 2nd St E, Dickinson	0.8 mi	18,379	1999	C	0
F	Oliver Commons	766 Elks Dr W, Dickinson	1.4 mi	16,792	2014	B	100
G		1251 S 1st St, Dickinson	0.2 mi	16,302	1961	B	100
H	Oil for America Office Building	28 1st Ave W, Dickinson	0.6 mi	15,831	1918	C	100
I		38 S State Ave, Dickinson	0.5 mi	15,750	1978	C	100
J		40 1st Ave W, Dickinson	0.7 mi	15,020	1954	B	100

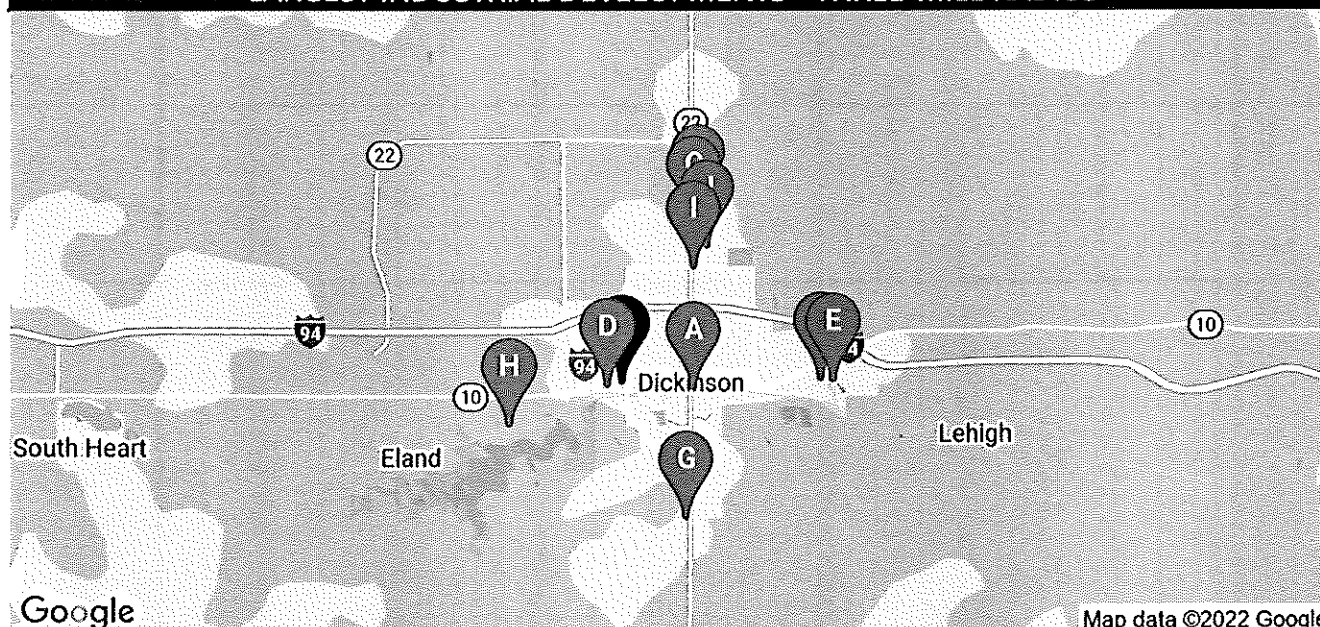
Source: CoStar

LOCAL AREA INDUSTRIAL - THREE-MILE RADIUS

TYPE	RBA	YEAR BUILT	PERCENT LEASED	PROPERTIES
Flex	291,936 SF	2010	100	8
Gen-Ind <25,000 FT	463,722 SF	1995	96	43
Gen-Ind >25,000 FT	293,711 SF	1987	100	6
TOTAL	1,049,369 SF	2000	98.2	57

Source: CoStar

LARGEST INDUSTRIAL DEVELOPMENTS - THREE-MILE RADIUS



PIN	NAME	ADDRESS, CITY	DIST TO SUBJ	RBA	BUILT	TYPE	%LEASED
A	TMI Systems Corporation	50 S 3rd Ave W, Dickinson	0.6 mi	152,095	0	Industrial	100
B		270 34th St W, Dickinson	2.7 mi	113,830	2013	Flex	100
C		272 34th St W, Dickinson	2.5 mi	111,366	2011	Flex	100
D		2225 W Villard St, Dickinson	0.8 mi	34,177	2013	Industrial	100
E		545 28th Ave E, Dickinson	2.8 mi	28,000	1981	Industrial	100
F		11109 30 G St SW, Dickinson	2.6 mi	27,200	0	Industrial	100
G		1796 Main S, Dickinson	2.2 mi	26,378	1972	Industrial	100
H		4855 Gta Dr, Dickinson	2.4 mi	25,861	1976	Industrial	100
I		250 21st St, Dickinson	1.8 mi	22,214	1969	Industrial	100
J		2564 Sims St, Dickinson	2.2 mi	22,100	2010	Industrial	100

Source: CoStar

LOCAL AREA RETAIL - THREE-MILE RADIUS

SIZE	RBA	YEAR BUILT	PERCENT LEASED	PROPERTIES
<5,000 FT	107,248 SF	1968	100.0	38
>5,000 FT - <20,000 FT	531,554 SF	1981	98.5	56
>20,000 FT	1,155,917 SF	1986	96.7	14
TOTAL	1,794,719 SF	1984	97.4	111

Source: CoStar

LARGEST RETAIL DEVELOPMENTS - THREE-MILE RADIUS



PIN	NAME	ADDRESS, CITY	DIST TO SUBJ	RBA	BUILT	CLASS	%LEASED
A	Prairie Hills Mall	1681-1761 3rd Ave W, Dickinson	1.5 mi	267,527	1978	C	100
B	Menards	4411 W Ridge Dr, Dickinson	2.1 mi	179,095	2014	B	100
C	Wal-Mart Supercenter	2456 3rd Ave W, Dickinson	2.1 mi	150,000	0	B	100
D	T-Rex Plaza	465 12th St W, Dickinson	1.1 mi	97,065	1965	C	100
E		2003 W 3rd Ave, Dickinson	2.1 mi	91,830	1990	B	100
F	T-Rex Plaza	1173 W 3rd Ave, Dickinson	1.0 mi	89,465	1965	C	100
G	American Bank Center	220 1st Ave W, Dickinson	0.7 mi	47,200	2010	C	100
H		446 18th St W, Dickinson	1.7 mi	37,918	1981	C	0
I	John Deere	2430 I94 Business Loop E, Dickinson	2.4 mi	37,392	1965	B	100
J		3275 W Ridge Dr, Dickinson	1.9 mi	36,700	2015	B	100

Source: CoStar

LOCAL AREA MULTI-FAMILY - THREE-MILE RADIUS

CLASS	RBA	YEAR BUILT	UNITS	PROPERTIES
A	286,541 SF	2015	281	3
B	2,217,666 SF	2009	2,136	25
C	927,538 SF	1993	642	22
TOTAL	3,431,745 SF	2007	3,069	51

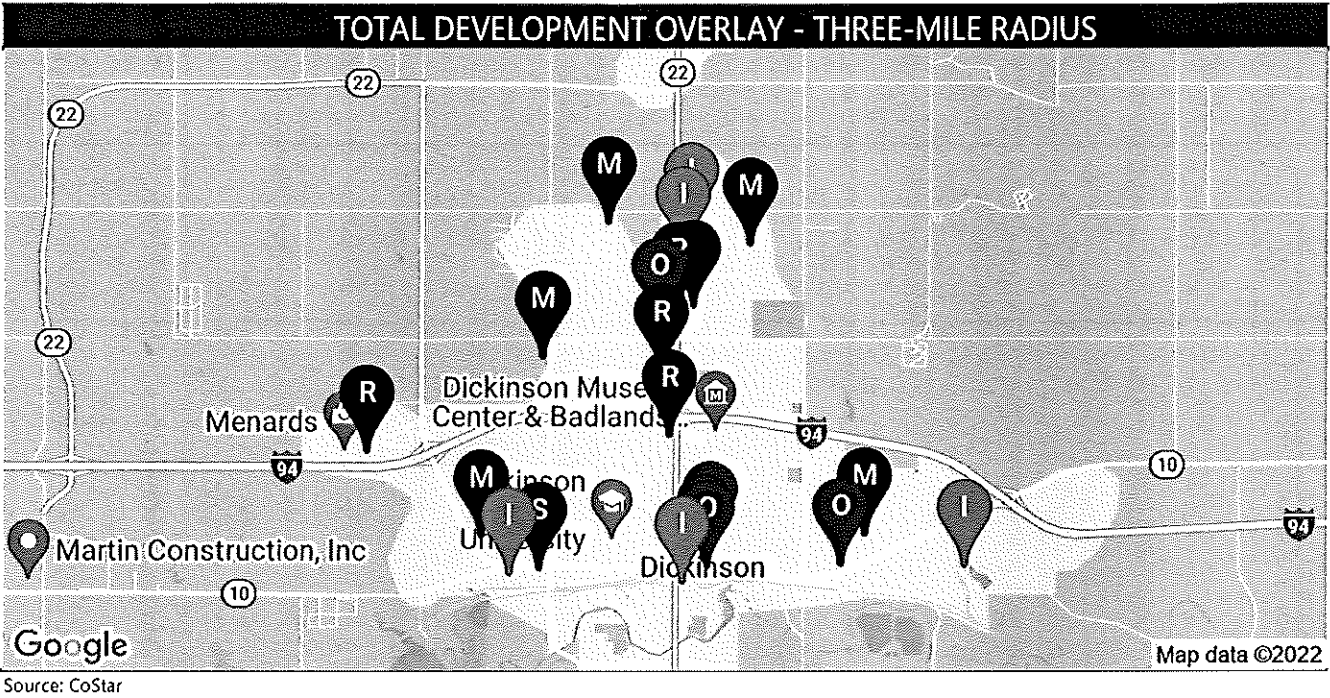
Source: CoStar

LARGEST MULTI-FAMILY DEVELOPMENTS - THREE-MILE RADIUS

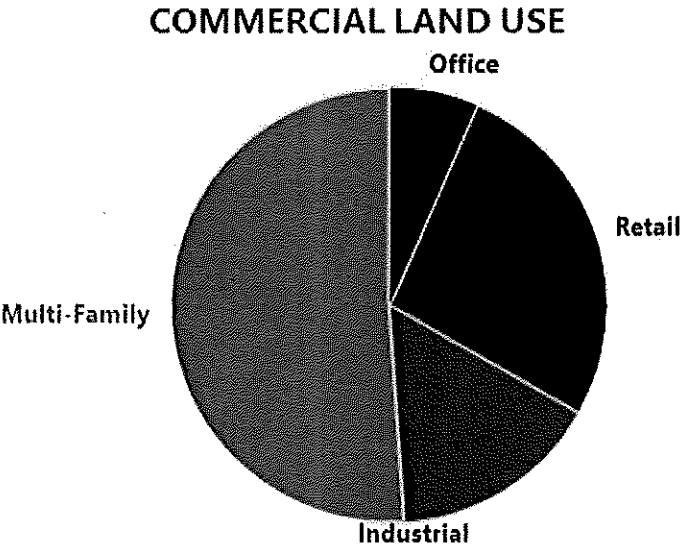


PIN	NAME	ADDRESS, CITY	DIST TO SUBJ	RBA	BUILT	CLASS	STORIES
A	Lincoln Meadows	3372 4th Ave E, Dickinson	2.7 mi	341,431	2012	B	2
B	Sierra Ridge Apartment Homes	2004 Sierra Commons Rd, Dickinson	1.7 mi	300,000	2015	B	3
C	West River at Dickinson	2540 4th St W, Dickinson	1.0 mi	283,467	2011	B	3
D	Lincoln Park Townhomes	1701 Abraham Pky, Dickinson	2.0 mi	204,244	2000	C	2
E	Raven Ridge Apartments	1156 Donna Ln, Dickinson	2.7 mi	192,195	0	B	3
F	West Ridge Apartments	1425-1465 Roughrider Blvd, Dickinson	2.1 mi	155,000	2015	A	4
G	Falcon & Mallard Heights Apartm	1350 Mike St, Dickinson	2.7 mi	148,100	2013	B	3
H	Dickinson Meadows	1600 Mike St, Dickinson	2.7 mi	130,552	2015	B	3
I	Century Apartments	1156 21st St W, Dickinson	1.8 mi	128,902	1980	B	3
J	Custer Crossing Apartments	1541-1763 Carroll St, Dickinson	1.8 mi	115,275	2013	B	3

Source: CoStar



The land use in the subject’s immediate neighborhood consists of commercial property, comprising of a mix of many property types. Commercial uses in the area include small retail and industrial properties, strip malls, gas stations, convenience stores, pharmacies, banks, restaurants, religious facilities, and schools. The following chart illustrates the high concentration of multifamily and retail compared to industrial and office properties.

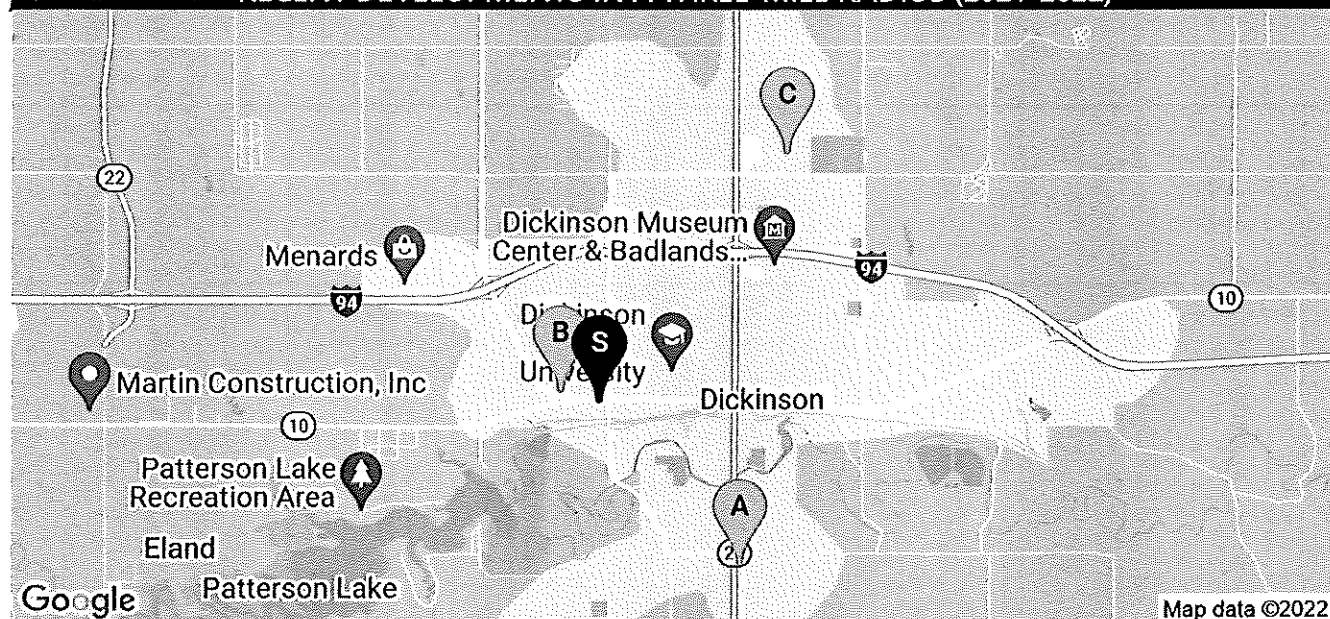


RECENT DEVELOPMENT

Based on our research, there appears to be about 3 projects that have been recently developed. All of these projects are perceived to be within 2.5 miles of the subject. The range in size of developments is 4,464 SF to the largest development of 10,566 SF. Overall, the average size of recent developments in the area is 8,043 SF. Further, it appears that most of the developments are retail in nature.

The following table details our findings:

RECENT DEVELOPMENTS IN A THREE-MILE RADIUS (2021-2022)



PIN	NAME	ADDRESS, CITY	DIST TO SUBJ	RBA	TYPE	CLASS
A	Dollar General	S Main Ave, Dickinson	1.4 mi	10,566	Retail	C
B	Dollar General	78 23rd Ave W, Dickinson	0.9 mi	9,100	Retail	C
C		318 24th St E, Dickinson	2.1 mi	4,464	Retail	B

Source: CoStar

DEVELOPMENT PIPELINE

Under Construction

There are currently no major developments in the pipeline at this time according to Costar.

ECONOMIC INFLUENCES

The local area economic status is important to recognize as the measurement of income levels provides an indication of the ability of the area population to buy, rent and maintain property. The economic status of an area also provides an indication of the population's appetite for goods and services. Relevant economic information includes income levels, property ownership vs. rent, property rent levels, rent level trends, property vacancy and new construction.

The vast majority of the housing units within the area are owner occupied.

GOVERNMENT INFLUENCE

Governmental considerations relate to zoning, building codes, regulations, flood plain restrictions, special assessment, property tax and empowerment zones.

Zoning in the area is mixed, including commercial, residential and industrial designations. Zoning code is enforced by the municipality and enforcement in all areas of City of Dickinson is considered to be strong. Rezoning is typically discouraged and requires public input in all municipalities. Building codes are in force and require a certain standard of construction quality and design. This is a typical influence on properties similar to the subject and falls in line with the zoning classification.

Property taxes in the area are established by Stark County and are assessed based on valuation. Considering broad authority of the county administration, the assessments in the neighborhood are similar to other

neighborhoods in the metropolitan area. There are no known special assessments that affect property in the neighborhood.

ACCESS/PUBLIC TRANSPORTATION

Primary access to the Dickinson area is provided by Interstate 94, a major east/west thoroughfare that connects with Bismarck and Fargo to the east and State Highway 22, a major north/south thoroughfare. Overall, vehicular access and visibility is adequate.

The major north/south streets in the neighborhood include 11th Ave W and 10th Ave W. The major east/west streets include Villard St W and 1st St W. With the existing transportation system, most areas of metropolitan Dickinson are accessible from the subject neighborhood and access is considered for the metropolitan area. Overall, access within the neighborhood is adequate for the metropolitan area.

ENVIRONMENTAL INFLUENCES

The subject area is considered to be a typical neighborhood with average building size and density. There are no extraordinary topographical features, nuisances or hazards. Public utilities are available in most all areas in quantities from public and private sources. The area has both public and private schools in adequate supply and quality.

LOCAL AREA SUMMARY

Recent development in the market area has been modest. It is anticipated that the Dickinson economy and employment base will continue to experience volatility due to the dependence on oil in the region which will likely impact real estate values. Over the long-term, the outlook for Dickinson is projected to be more moderate.

SITE DESCRIPTION

The subject site consists of one parcel and has 23,083 SF (0.5299 AC) of land area. The size of the site area was estimated based on the assessor's parcel map. It is perceived that there is no surplus or excess land at the subject. If a professional survey is provided, then precise measurements may be available. Unless otherwise noted, the usable site area has been utilized herein.

Address 1022 W Villard St, Dickinson, North Dakota.

Census Tract 38-089-963501

Number of Parcels	1
Assessor Parcel	41-0420-01000-601
Land Area	Square Feet Acres
Economic Unit (Primary) Site Size	23,083 0.53
Usable Site Size	23,083 0.53
Total Land Area	23,083 0.53
Excess/Surplus Land	No
Corner	Yes
Permitted Building Height	60 Feet
Floor Area Ratio (FAR)	Not Available
Site Topography	Level At street grade
Site Shape	Generally Rectangular
Site Grade	At street grade
Site Quality	Average
Site Access	Average
Site Exposure	Average
Site Utility	Average
Utilities	All available

Adjacent Properties

North	Residential
South	Commercial/Dental Office, Auto shop
East	Residential
West	Commercial/Hotel

Accessibility Access to the subject site is considered average overall.

STREET & TRAFFIC DETAIL

Street Improvements	Type	Direction	Lanes	Lights	Curbs	Sidewalks	Signals	Median	Parking	Center Lane	Bike Lane
Villard St W	Minor Arterial	Two-Way	2			x	x			x	
10th Ave W	Neighborhood Street	Two-Way	2								
Frontage											
Villard St W	150 feet										
10th Ave W	132 feet										

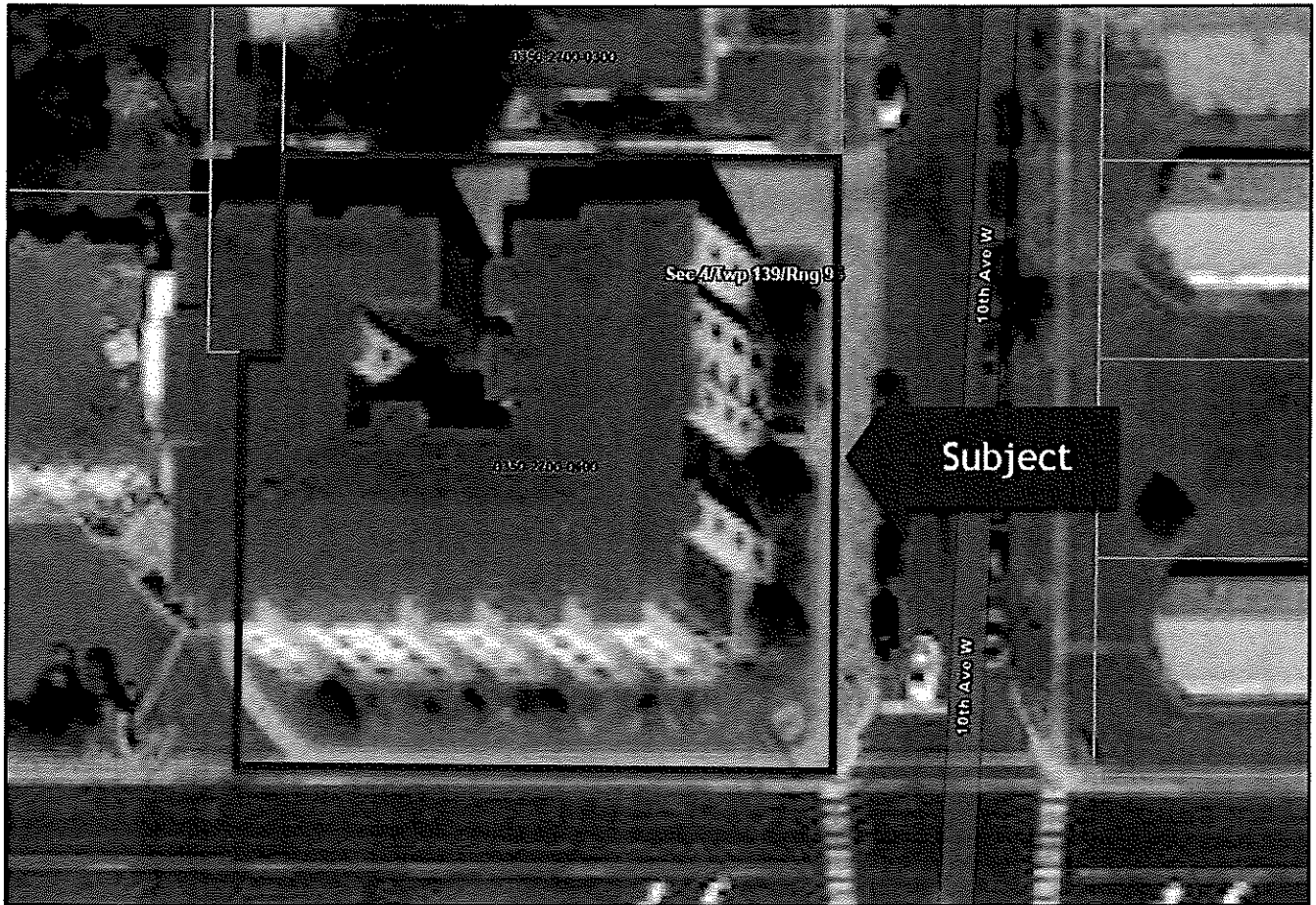
Exposure & Visibility Exposure of the subject is average.

SITE DESCRIPTION

(CONTINUED)

Flood Plain	Zone X (Unshaded). This is referenced by Panel Number 38089C0193E, dated November 04, 2010. Zone X (unshaded) is a moderate and minimal risk area. Areas of moderate or minimal hazard are studied based upon the principal source of flood in the area. However, buildings in these zones could be flooded by severe, concentrated rainfall coupled with inadequate local drainage systems. Local storm water drainage systems are not normally considered in a community's flood insurance study. The failure of a local drainage system can create areas of high flood risk within these zones. Flood insurance is available in participating communities but is not required by regulation in these zones. Nearly 25% of all flood claims filed are for structures located within these zones. Minimal risk areas outside the 1% and 0.2% annual chance floodplains. No BFEs or base flood depths are shown within these zones. (Zone X (unshaded) is used on new and revised maps in place of Zone C.)
Easements	A preliminary title report was not available for review. During the property inspection, no adverse easements or encumbrances were noted. This appraisal assumes that there are no adverse easements present. If questions arise, further research is advised.
Soils	A detailed soils analysis was not available for review. Based on the development of the subject, it appears the soils are stable and suitable for the existing improvements.
Hazardous Waste	We have not conducted an independent investigation to determine the presence or absence of toxins on the subject property. If questions arise, the reader is strongly cautioned to seek qualified professional assistance in this matter. Please see the Assumptions and Limiting Conditions for a full disclaimer.
Site Rating	Overall, the subject site is considered average as a multi-family site in terms of its location, exposure and access to employment, education and shopping centers, recognizing its location along minor arterial.

PLAT MAP



FLOOD MAP



ZONING

The subject is located in the General Commercial (GC) zoning area. This district accommodates a variety of commercial uses, some of which have significant traffic or visual effect. These districts may include commercial uses which are oriented to services, including automotive services, rather than retail activities. These uses may create land use conflicts with adjacent residential areas, requiring provision of adequate buffering. This district is most appropriately located along major arterial streets or in areas that can be adequately buffered from residential districts.

The subject is also part of the West Villard Overlay District. The purpose of the West Villard Overlay District is to allow existing residential dwelling units in commercial districts within a designated overlay district and to allow the conversion of existing single-family residential structures in commercial districts into limited nonresidential uses that support existing residential uses, and to promote connections between the subject area and the West Villard Street commercial district.

The West Villard Overlay District boundary shall be as follows: one block north of Villard Street between State Avenue and 5th Avenue West; and one block south of Villard Street between State Avenue and 8th Avenue West.

All residential dwelling units in commercial districts within the West Villard Overlay District existing on the effective date of this Ordinance (January 2022) shall be considered to be lawfully conforming permitted uses. No additional residential dwelling units in commercial districts shall be permitted, unless established prior to the effective date of this Ordinance. Any residential dwelling unit in a commercial district that has been converted into a nonresidential use from that point on may only be used for nonresidential uses. Any existing residential structure that is damaged to the extent that the cost of restoration exceeds 50 percent of the replacement cost of the structure may be rebuilt as long as the structure does not exceed the existing building's original footprint.

It is the intent of the overlay district to allow for the continued use of residential structures on commercially zoned properties. Development standards for residential uses on commercially zoned properties shall be those of the R-3, High Density Residential residential zoning district.

ZONING

Designation	General Commercial (GC)
Zoning Authority	City of Dickinson
Permitted Uses	Permitted Uses: horticulture; accessory structures and accessory dwelling units commercial; clubs; convalescent services; cultural services; day care (group and family); government offices; group care facility; group home; guidance services; hospitals; health care; public libraries; maintenance facilities; park and recreation; postal facilities; public assembly; religious assembly; safety services; utilities; general offices; financial services; ag sales/services; auto rental/sales; auto services; body repair; equipment rental/sales; equipment repair; short-term vehicle storage; bed and breakfast; business support services; business/trade school; cocktail lounge; commercial recreation (indoor and outdoor); communication service; construction sale/service; consumer service; microbrewery pub and distillery; food sales (convenience, limited, and general); funeral service; limited retail services; gaming facility; general retail services; laundry services; liquor sales; lodging; personal improvement; personal services; pet day care; pet services; research services; residential-commercial; restaurants (drive-in and general); surplus sales; trade services; veterinary services; off-street parking; custom manufacturing; warehousing (closed); recycling collection; amateur radio tower.
Current Use	Garden Low-Rise
Current Use Legally Permitted	Yes
Conforming Use	No, due to setbacks and parking requirements
Zoning Change	Not Likely
Max Permitted Height	60
Maximum Building Area	70%
Parking Requirement Spaces/Unit	1.5 spaces per efficiency or 1-BR unit; 2 spaces per other units; 1 space per 2 units for elderly housing.
Parking Spaces Provided	
Max Permitted Site Coverage	90%
Min Permitted Site Area (SF)	12,000
Min Permitted Yard Setbacks	
Front (Feet)	20
Rear (Feet)	20
Side (Feet)	Street Side Yard: 10 Interior Side Yard: 0

Source: City of Dickinson Planning & Zoning Department

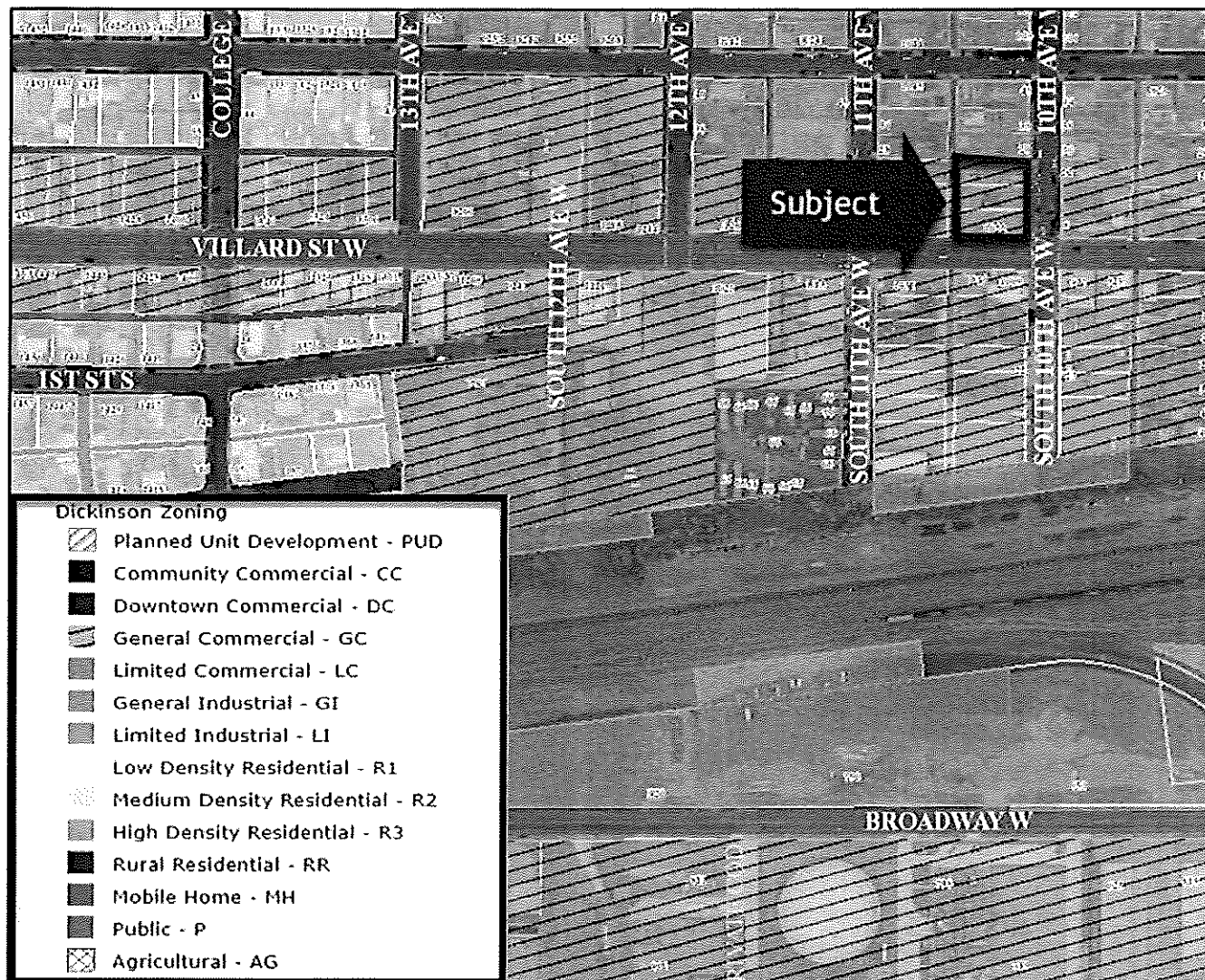
Parking Requirements

Parking varies by use but is stated as 1.5 spaces per studio/1BR, and 2 spaces for any other unit type. The subject provides 0 parking spaces and is therefore not conforming to zoning requirements.

Zoning Conclusion

The current use for the subject property is garden low-rise and is a permitted use based on the current zoning guidelines due to the West Villard Street Overlay guidelines. A zoning change for the subject does not appear likely. Based on the foregoing, it appears that the subject's improvements are a legally non-conforming use of the subject site.

ZONING MAP



IMPROVEMENT DESCRIPTION

The information presented below is a basic description of the existing improvements that is used in the valuation of the property. Reliance is placed on information provided by sources deemed dependable for this analysis. It is assumed that there are no hidden defects, and that all structural components are functional and operational, unless otherwise noted. If questions arise regarding the integrity of the improvements or their operational components, it may be necessary to consult additional professional resources.

OVERVIEW

The subject property is a four-story apartment building located at 1022 West Villard Street, Dickinson, North Dakota. The building has a reinforced concrete basement foundation and is EIFS/wood frame construction. The subject was reportedly built in 2012 and has been maintained in average condition. Each unit comes with a stacked washer/dryer, refrigerator, stove, microwave and dishwasher.

The appraised property is a multi-family property containing 47 units comprised of four studio units, 10, one-bedroom/one-bath units, nine, two-bedroom/two-bath units, 21, three-bedroom/three-bath units, and three, four-bedroom/four-bath units. The majority of the units are rented at market rents and have been recently leased as new management has been working to stabilize the property over the past six to eight months.

Property Type	Multi-Family - Garden Low-Rise
Tenancy	Multi-Tenant Occupied By Third Party Tenants - 47 Units
Net Rentable Area (NRA)	29,995
Gross Building Area (GBA)	45,008
Total Buildings	1
Density Per Unit (AC)	88.7
Floors	4
Year Built	2012
Age/Life Analysis	
Actual Age	10
Effective Age	10
Economic Life	50
Remaining Economic Life	40
Overall Building Quality	Average
Overall Building Condition	Average
Overall Building Appeal	Average
Land to Building Ratio	0.51 : 1
Site Coverage Ratio	47.48% (Based On Total Overall Site Area)
Floor Area Ratio (FAR)	1.95
Total Parking Spaces	- On-Street spaces

Size The net rentable area (NRA) and gross building area (GBA) are shown in the following table. The GBA sizes are taken from public records and unit sizes confirmed during site inspection.

IMPROVEMENT DESCRIPTION

(CONTINUED)

UNIT MIX					
TYPE	DESCRIPTION	UNIT DETAIL			NRA
		UNITS	% TOT	SIZE	SF
Studio / 1 Bath		4	9%	308	1,232
Flat 1 Bed / 1 Bath		10	21%	458	4,580
Flat 2 Bed / 2 Bath		9	19%	520	4,680
Flat 3 Bed / 3 Bath		21	45%	795	16,695
Flat 4 Bed / 4 Bath		3	6%	936	2,808
TOTAL / AVERAGE		47	100%	638	29,995
NET RENTABLE AREA		47		638	29,995
Common Areas					4,054
Basement					10,959
GROSS BUILDING AREA		47		958	45,008

COMPONENT DESCRIPTION

Foundation	Reinforced concrete basement
Exterior Walls/Framing	EIFS exterior over wood framing
Roof	Assumed Asphalt/Built-up
Elevator	Two elevators
Heating & AC (HVAC)	Forced Air and PTAC units
Insulation	Assumed to be standard and to code for both walls and ceilings
Lighting	Various
Electrical	Assumed adequate and to code
Interior Walls	Drywall
Doors and Windows	Double hung and casement windows
Ceilings	Drywall
Plumbing	Standard plumbing for a multi-family building
Floor Covering	A variety of commercial floor coverings including laminate, tile and carpet
Fire Protection	The subject has a wet fire sprinkler system
Interior Finish/Build-Out	The subject is finished as 47-unit apartment building
Site Improvements	Asphalt paving, raised garden beds, landscaping, concrete sidewalks and curbs.
Landscaping	Low maintenance shrubs and grass.
Signage	There is a monument style sign along W Villard St
Parking	Parking varies by use but is stated as minimum of 1.5 spaces per studio/1-bedroom unit and one space for all other unit sizes. The subject provides zero parking spaces and is not conforming to zoning requirements
Site Coverage Ratio	47.5% (10,959 SF footprint / 23,083 SF site), which is above market standards (20-35%) for similar Mid/High-Rise Housing buildings in the area.

IMPROVEMENT DESCRIPTION

(CONTINUED)

Deferred Maintenance	The subject property is newer construction. Based on an interview with the property contact and the onsite inspection by the field appraiser, no observable deferred maintenance exists.
Functional Design	The building feature a functional Garden Low-Rise design with above average site coverage and no off-street parking.
ADA Comment	This analysis assumes that the subject complies with all ADA requirements. Please refer to the Assumptions and Limiting Conditions section.
Hazardous Materials	A Phase I report was not provided. This appraisal assumes that the improvements are constructed free of all hazardous waste and toxic materials, including (but not limited to) unseen asbestos and mold. Please refer to the Assumptions and Limiting Conditions section regarding this issue.

FURNITURES, FIXTURES & EQUIPMENT

The subject's FF&E package is perceived to have contributory value in this instance. Since these items are included generally in construction costs, we have included this component within this analysis. The value conclusion/s reported herein for the FF&E includes in the estimate shown in the table below.

FF&E COST SCHEDULE				
FF&E ITEMS	UNIT COUNT	RCN	LIFE	TOTAL
Washer, Dryer, Refrigerator, Microwave, Dishwasher, Stove	47	\$3,000	10 Year/s	\$141,000
Subtotal / Average				\$141,000
Total				\$141,000
Estimated FF&E Cost New				\$141,000
Less: Salvage 10%				\$14,100
Depreciable FF&E Cost				\$126,900
DEPRECIATION				
FF&E ITEMS	LIFE	AGE	DEP %	TOTAL
Washer, Dryer, Refrigerator, Microwave, Dishwasher, Stove	10 Year/s	6 Year/s	60.0%	\$84,600
Depreciated FF&E				\$42,300
Add: Salvage Value				\$14,100
DEPRECIATED FF&E COST		<i>Per Unit: \$1,200</i>		\$56,400

MARKET ANALYSIS

In this section, market conditions which influence the subject property are analyzed. An overview of Apartment supply and demand conditions for the Minot-Bismarck-Dickinson market and Dickinson ND Micropolitan Statistical Area submarket are presented. Key supply and demand statistics for the most recent quarter, last year and historical averages over the past 10 years are summarized in the tables below.

APARTMENT MARKET AND SUBMARKET DATA SUMMARY (10 YEARS)					
INVENTORY SUPPLY (UNITS)				VACANCY (%)	
QTR	YEAR	MARKET	SUBMARKET	MARKET	SUBMARKET
Q2	2022	19,338	3,153	5.8%	12.4%
Q1	2022	19,338	3,153	5.8%	12.4%
Q4	2021	19,338	3,153	5.7%	12.3%
Q3	2021	19,338	3,153	5.7%	12.9%
	2021	19,338	3,153	5.7%	13.8%
	2020	19,253	3,153	7.0%	13.4%
	2019	19,166	3,153	6.9%	9.3%
	2018	19,166	3,153	7.8%	9.9%
	2017	19,166	3,153	9.5%	11.9%
	2016	18,880	3,082	11.5%	20.3%
	2015	18,611	3,082	12.7%	20.3%
	2014	17,295	2,418	12.5%	19.2%
	2013	15,602	2,418	11.0%	21.9%
	2012	14,396	1,878	10.4%	22.1%
RENT \$/UNIT/MONTH				NET ABSORPTION (UNITS)	
QTR	YEAR	MARKET	SUBMARKET	MARKET	SUBMARKET
Q2	2022	\$927.00	\$847.00	10	2
Q1	2022	\$908.00	\$816.00	(14)	(3)
Q4	2021	\$906.00	\$808.00	(5)	20
Q3	2021	\$898.00	\$809.00	36	13
	2021	\$906.00	\$812.00	319	35
	2020	\$884.00	\$821.00	56	(128)
	2019	\$883.00	\$881.00	164	17
	2018	\$878.00	\$844.00	315	66
	2017	\$862.00	\$796.00	629	319
	2016	\$876.00	\$819.00	454	1
	2015	\$924.00	\$958.00	1,119	507
	2014	\$976.00	\$1,142.00	1,267	64
	2013	\$966.00	\$1,120.00	995	429
	2012	\$951.00	\$1,118.00	994	269

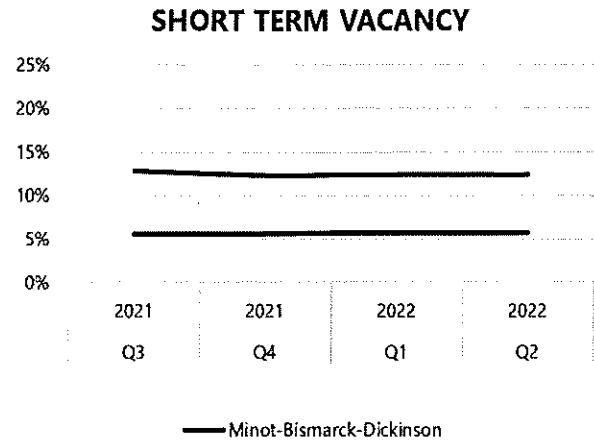
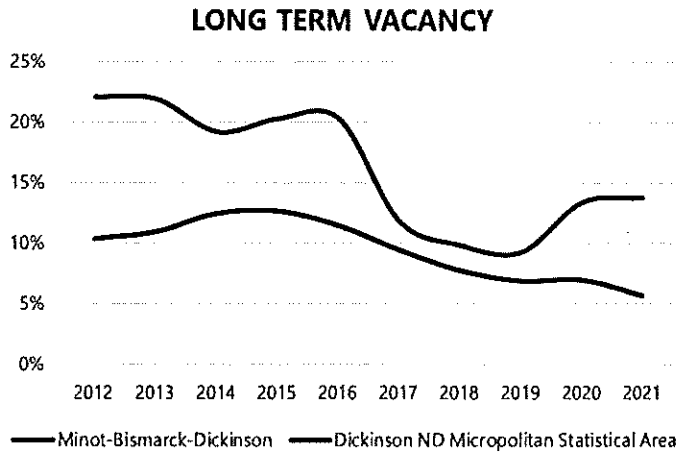
Source: CoStar Property®

The Minot-Bismarck-Dickinson Apartment market demonstrates positive conditions. There has been little variance in supply over the last year. Vacancy has been steady over the last year to the most recent figure at 5.8%. Asking rents increased over the last year with a current average of \$927 per unit/per month. Net absorption was neutral for the last year.

The Dickinson ND Micropolitan Statistical Area Apartment submarket demonstrates mostly stable conditions. Vacancy had only minor fluctuations between 12.9% and 12.4%. Asking rents were relatively stable as well with the Q2 average rent per unit of \$847 per month. It is noted that rents in this submarket are historically below that of the Minot-Bismarck-Dickinson market area. Net absorption was slightly positive over the last four quarters.

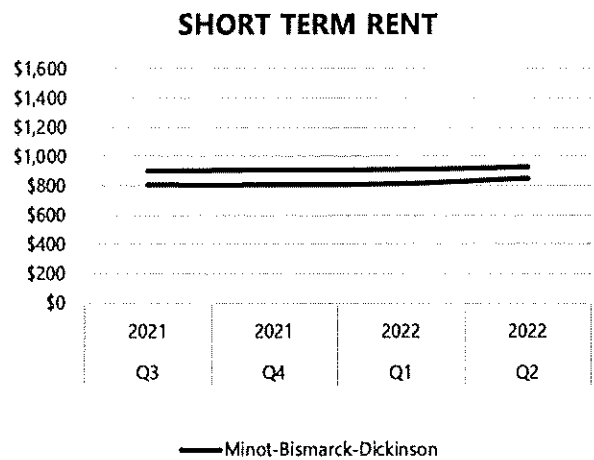
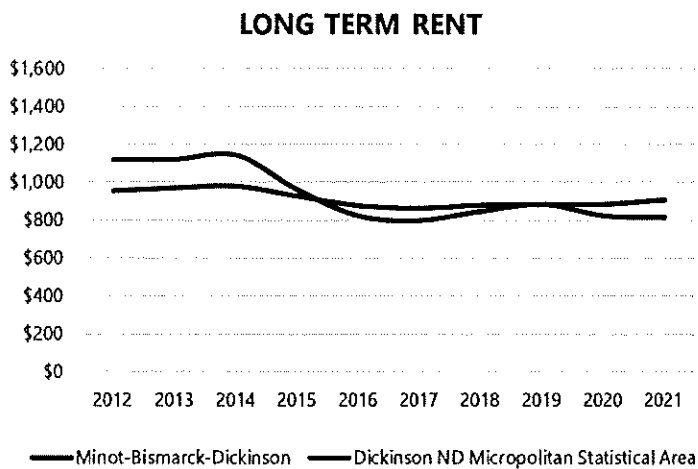
VACANCY

The following tables provide visual illustration of the long term and short term Apartment vacancy for the Minot-Bismarck-Dickinson market and Dickinson ND Micropolitan Statistical Area submarket.

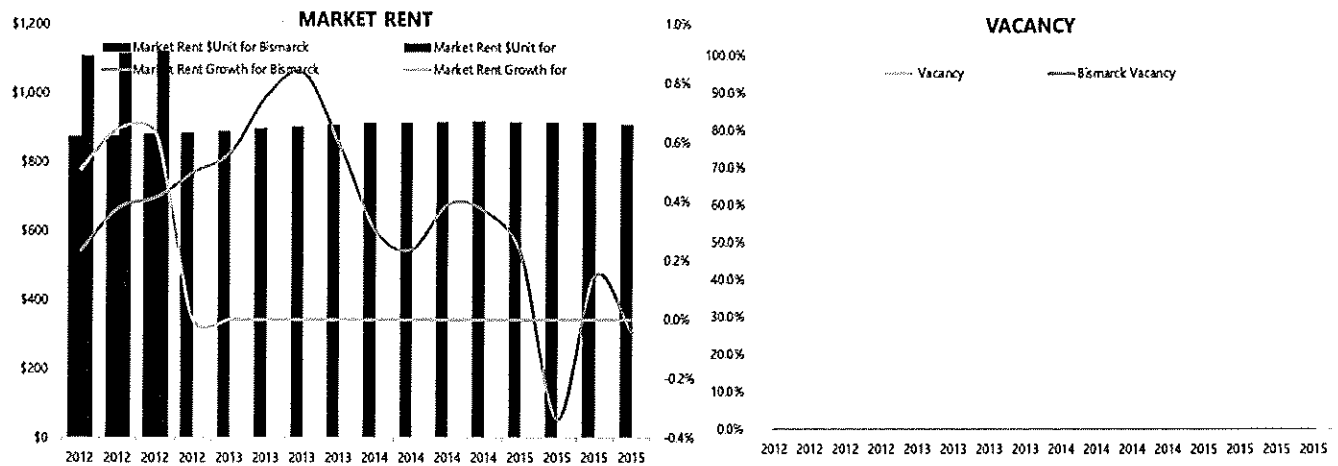


RENTAL RATES

The following tables provide a visual illustration of rental Apartment trends for the Minot-Bismarck-Dickinson market and Dickinson ND Micropolitan Statistical Area submarket in the short and long term:



MARKET RENT & VACANCY



DELIVERIES

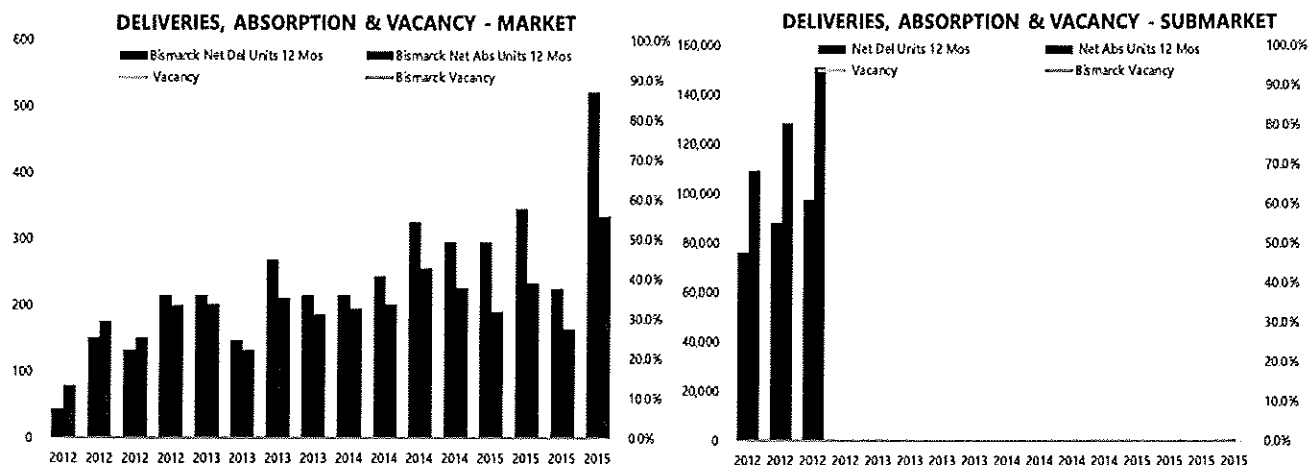
The following tables provides the recently delivered and under construction Apartment supply for the Minot-Bismarck-Dickinson market and Dickinson ND Micropolitan Statistical Area submarket:

DELIVERIES (UNITS)					
QTR	YEAR	MARKET	% OF TOTAL	SUBMARKET	% OF TOTAL
Q2	2022	0	0.0%	0	0.0%
Q1	2022	0	0.0%	0	0.0%
Q4	2021	0	0.0%	0	0.0%
Q3	2021	0	0.0%	0	0.0%
	2021	85	0.4%	0	0.0%
	2020	87	0.5%	0	0.0%
	2019	0	0.0%	0	0.0%
	2018	0	0.0%	0	0.0%
	2017	286	1.5%	71	2.3%

UNDER CONSTRUCTION (UNITS)					
QTR	YEAR	MARKET	BUILDINGS	SUBMARKET	BUILDINGS
Q2	2022	143	0	0	0
Q2	2021	228	0	0	0
Q2	2020	143	0	0	0
Q2	2019	0	0	0	0
Q2	2018	0	0	0	0

MARKET ANALYSIS

(CONTINUED)



According to Costar, there have been no recently constructed or proposed multi-family projects in the area.

PROPERTY ANALYTICS

Property Analytics



1022 W Villard St - Villard Commons

★★★★☆

Apartments - North Dakota Area Submarket | Dickinson, ND 58601

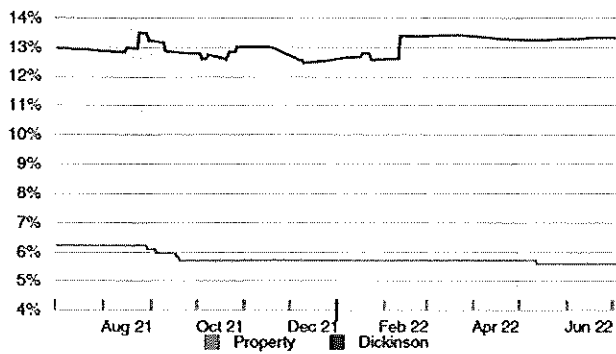
47 Units 85,000 SF GBA 2017 Built 5.4% Vacancy \$669 Asking Rent/Unit \$0.96 Asking Rent/SF

Key Metrics

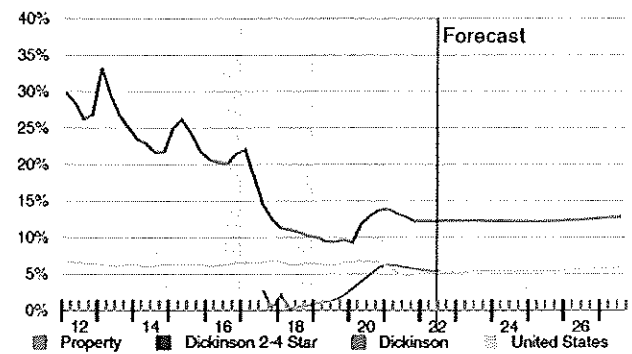
AVAILABILITY				SALES			
	Property	Market 2-4 Star	Market		Property	Market 2-4 Star	Market
Vacancy Rate	5.4%	12.2%	12.2%	Market Sale Price/Unit	-	\$76.3K	\$76.3K
Vacant Units	3	320	320	12 Mo Asking Sale Price/Unit	-	\$54.2K	\$54.2K
Market Asking Rent/Unit	\$669	\$885	\$885	12 Mo Sale to Asking Price Diff	-	0%	0%
Market Effective Rent/Unit	\$664	\$878	\$878	Market Cap Rate	-	9.5%	9.5%
Concession Rate	0.7%	0.8%	0.8%	12 Mo Sales Volume	-	\$19.2M	\$19.2M
Studio Asking Rent	\$402	\$675	\$675	12 Mo Transactions	-	3	3
1 Bedroom Asking Rent	\$512	\$739	\$739	Months To Sale Past Year	-	25.7	25.7
2 Bedroom Asking Rent	\$693	\$915	\$915	For Sale Listings	-	1	1
3 Bedroom Asking Rent	\$761	\$1,137	\$1,137	For Sale Units	-	12	12
INVENTORY				DEMAND			
	Property	Market 2-4 Star	Market		Property	Market 2-4 Star	Market
Inventory Units	47	2,629	2,629	12 Mo Absorption Units	0	27	27
Existing Buildings	1	41	41	12 Mo Absorption % of Inv	0%	1.0%	1.0%
Avg Units Per Bldg	47	64	64	Median Household Income	\$93.4K	-	\$72.4K
12 Mo Demolished Units	-	0	0	Population Growth 5 Yrs	12.9%	-	12.5%
12 Mo Occupancy % At Delivery	-	-	-	Pop Growth 5 Yrs 20-29	8.7%	-	9.7%
Under Construction Units	-	0	0	Pop Growth 5 Yrs 30-39	0.3%	-	1.9%
12 Mo Construction Starts Units	-	0	0	Pop Growth 5 Yrs 40-54	32.1%	-	28.5%
12 Mo Delivered Units	-	0	0	Pop Growth 5 Yrs 55+	16.2%	-	15.2%
12 Mo Avg Delivered Units	-	-	-				

Property Analytics

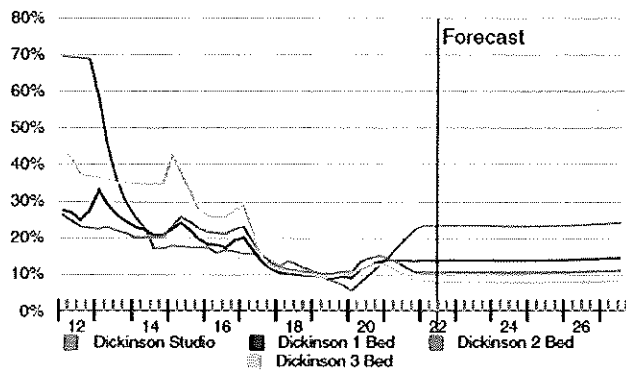
Daily Vacancy Rate



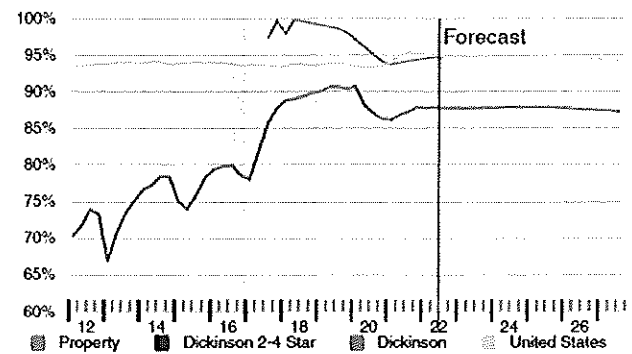
Vacancy Rate



Vacancy By Bedroom

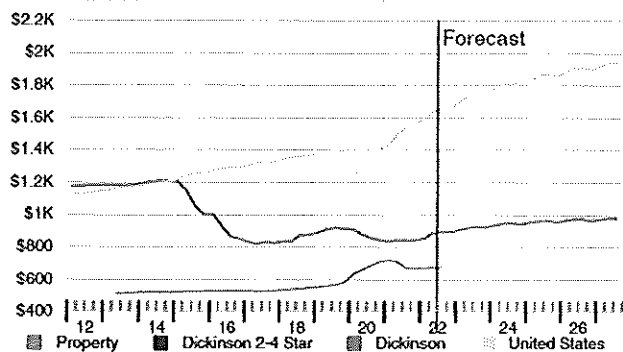


Occupancy Rate

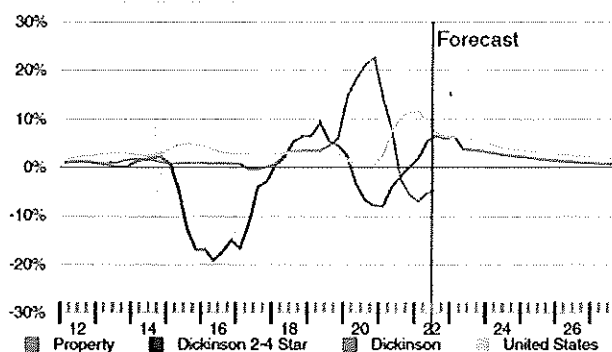


Property Analytics

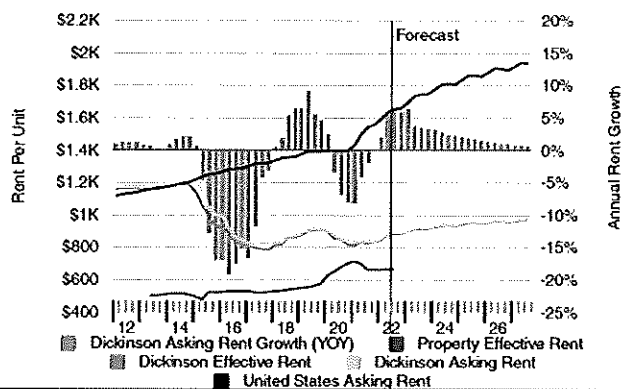
Market Rent Per Unit



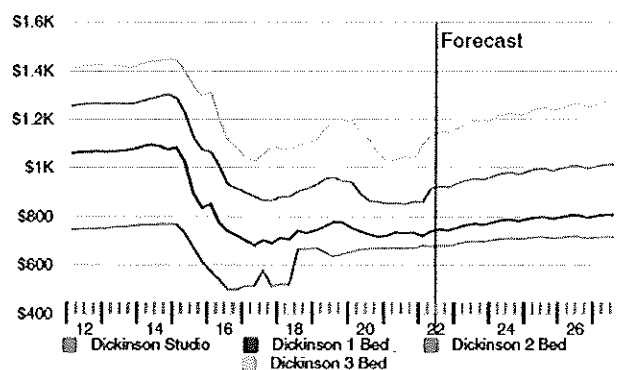
Market Rent Growth (YOY)



Market Rent Per Unit & Rent Growth

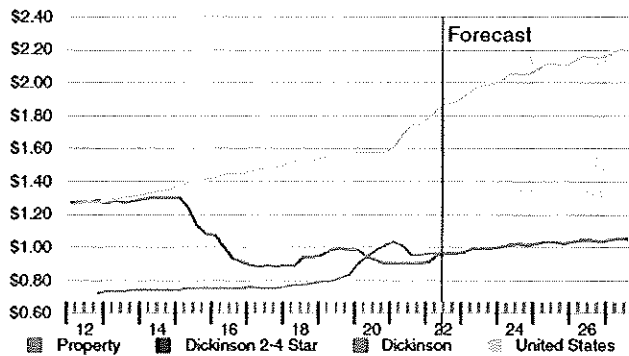


Market Rent Per Unit By Bedroom

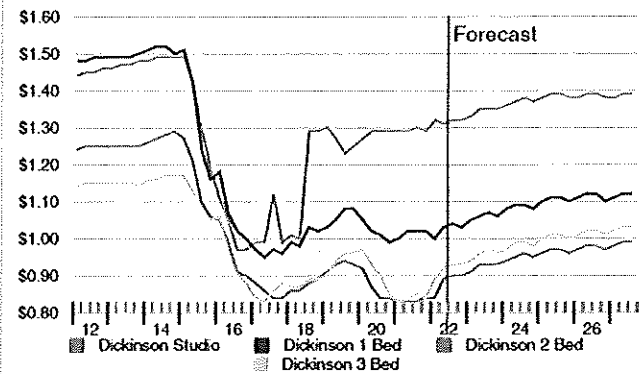


Property Analytics

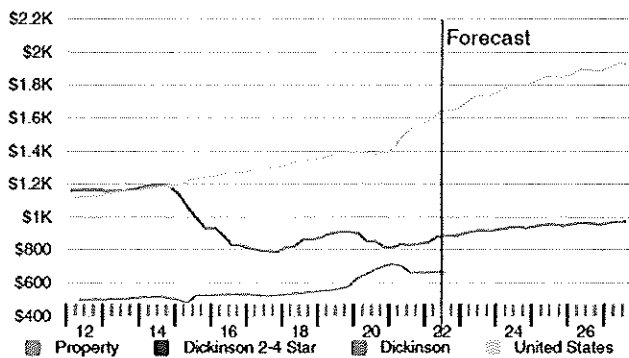
Market Asking Rent Per SF



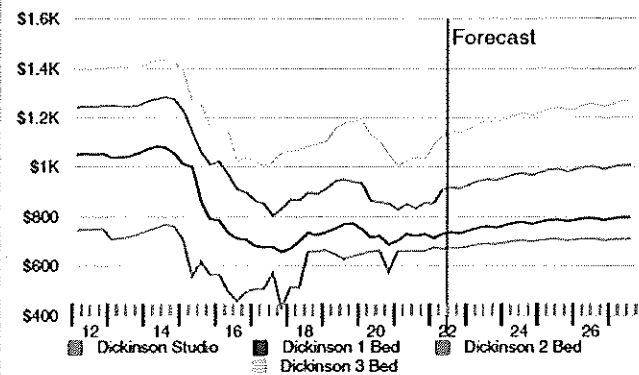
Market Asking Rent Per SF By Bedroom



Market Effective Rent Per Unit



Market Effective Rent Per Unit By Bedroom



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CoStar Page

CONCLUSION

Overall, investors would recognize these general retail conditions and the subject's positioning in the immediate market area as having a positive overall influence when contemplating purchase of the subject.

SUBJECT PROPERTY ANALYSIS

The subject property is a four-story apartment building located at 1022 West Villard Street, Dickinson, North Dakota. The building has a reinforced concrete basement foundation and is EIFS/wood frame construction. The subject was reportedly built in 2012 and has been maintained in average condition. Each unit comes with a stacked washer/dryer, refrigerator, stove, microwave and dishwasher.

The appraised property is a multi-family property containing 47 units comprised of four studio units, 10, one-bedroom/one-bath units, nine, two-bedroom/two-bath units, 21, three-bedroom/three-bath units, and three, four-bedroom/four-bath units. The majority of the units are rented at market rents and have been recently leased as new management has been working to stabilize the property over the past six to eight months.

The subject property lacks off-street parking and garages are not available for tenants to rent. This is atypical for the market. Most recently constructed apartments offer off-street parking and one-car or two-car detached garages available for tenants.

The subject has a multi-tenant design that is currently occupied by third party tenants, and has an analyzed occupancy of 91.5%, which is below the stabilized occupancy level estimate of 92.3% developed in this appraisal. A more recent rent roll indicates the current subject occupancy is approximately 95.7%.

The market generally classifies the subject as a standard Apartment investment property that if exposed to the open market would command average interest from local and regional buyers that are actively pursuing similar investment properties in the \$1 Million to \$5 Million price range. Currently there is average buyer demand, while there is limited availability for this property type on the supply side.

Based on the above factors the subject is considered to have average investment appeal. Further, the subject is considered to have average overall tenant appeal with a typical competitive position for attracting and retaining tenants.

The following SWOT Analysis chart summarizes the major property strengths and weaknesses while outlining potential opportunities or threats to the subject's competitive position and overall marketability.

STRENGTHS, WEAKNESSES, OPPORTUNITIES & THREATS	
STRENGTHS	WEAKNESSES
One bathroom per bedroom is unique to the market.	Lack of off-street and garage parking for tenants
OPPORTUNITIES	THREATS
Potential to push rents as the the occupancy has improved and market is improving.	Continued uncertainties due to governmental economic and energy policies.

HIGHEST & BEST USE

The highest and best use of the subject property provides the foundation for the valuation section. Highest and best use is defined in the 6th edition of *The Dictionary of Real Estate Appraisal* (Appraisal Institute, Chicago, 2015), as follows:

The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.

Highest and best use analysis uses the following steps for the subject:

- ▶ Highest & Best Use As Vacant
- ▶ Determination of the ideal improvements
- ▶ Highest & Best Use As Improved
- ▶ Conclusion of the Highest & Best Use

The analysis of highest and best use can be thought of as the logical end of a spectrum of market analysis procedures, running from the macroeconomic overview of a general market study, through more detailed marketability studies and analyses of financial feasibility, to the formal analysis of highest and best use. In theory, the highest and best use is commonly described as that reasonable and most profitable use that will support its highest present value. The highest and best use, or most profitable use, must be legally permissible, physically possible, financially feasible, and maximally productive.

This section develops the highest and best use of the subject property As-Vacant and As Improved.

AS VACANT ANALYSIS

In this section the highest and best use of the subject as vacant is concluded after taking into consideration financial feasibility, maximal productivity, marketability, legal, and physical factors.

Legally Permissible

Private restrictions, zoning, building codes, historic district controls, and environmental regulations are considered, if applicable to the subject site. The legal factors influencing the highest and best use of the subject site are primarily government regulations such as zoning ordinances. Permitted uses of the subject's General Commercial (GC) and West Villard Overlay District were discussed in the zoning section.

Zoning change is not likely; therefore, uses outside of those permitted by the GC zoning are not considered moving forward in the as-vacant analysis.

Physical Possible

The test of what is physically possible for the subject site considers physical and locational characteristics that influence its highest and best use. In terms of physical features, the subject site totals 0.5299-acres (23,083 SF), it is generally rectangular in shape and has a level topography. The site has average exposure and average overall access. There are no physical limitations that would prohibit development of any of the by-right uses on the site.

Financial Feasibility

Based on the analysis of the subject's market and an examination of costs, a newly constructed building similar to the subject would likely have a value commensurate with its cost; however, a speculative build is not prudent, and the site should only be developed for an identified user.

Maximum Productivity

There is only one use that creates value and at the same time conforms to the requirements of the first three tests. Financial feasibility, maximal productivity, marketability, legal, and physical factors have been considered and the highest and best use of the subject site as-vacant concluded to be hold for future commercial or multi-family development.

AS IMPROVED ANALYSIS

The legal factors influencing the highest and best use of the subject property are primarily governmental regulations such as zoning and building codes. The subject's improvements were constructed in 2012 and are a legal, non-conforming use. The physical and location characteristics of the subject improvements have been previously discussed in this report. The project is of average quality construction and in average condition, with below average site coverage and parking ratios. Therefore, the property as improved, meets the physical and location criteria as the highest and best use of the property.

In addition to legal and physical considerations, analysis of the subject property as-improved requires consideration of alternative uses. The five possible alternative treatments of the property are demolition (not warranted as the improvements contribute substantial value to the site), expansion (not warranted, no excess or surplus land), renovation (not warranted), conversion (not applicable), and continued use "as-is".

Among the five alternative uses, continued multi-family use is the Highest and Best Use of the subject As Improved.

MOST PROBABLE BUYER

Based on the type of property and the income generating potential of the improvements, it is our opinion that the most probable buyer for the subject would be local or regional investor.

VALUATION METHODS

SITE VALUATION

The site value is not a specific scope requirement of this assignment. Characteristics specific to the subject property do not warrant that a site value is developed. Therefore, this appraisal does not provide valuation of the subject site.

COST APPROACH

The Cost Approach is not a specific scope requirement of this assignment. Characteristics specific to the subject property do not warrant that this valuation technique is developed. Based on the preceding information, the Cost Approach will not be presented.

IMPROVED SALES COMPARISON APPROACH

The Sales Comparison Approach is a specific scope requirement of this assignment. Characteristics specific to the subject property warrant that this valuation technique to be developed. Based on this reasoning, the Sales Comparison Approach is presented within this appraisal.

INCOME APPROACH

The Income Approach is a scope requirement for this assignment. The subject is a leased investment property making this valuation technique particularly applicable. Therefore, the Income Approach is developed. The Direct Capitalization method is used in this analysis. The Discounted Cash Flow analysis does not contribute substantially to estimating value beyond the direct capitalization method and is not used in this analysis.

Based on the agreed upon scope with the client, the subject's specific characteristics and the interest appraised, this appraisal developed Sales Comparison and Income (Direct Capitalization) approaches. The values presented represent the As-Is Market Value (Fee Simple) This appraisal does not develop the Cost Approach, the impact of which is addressed in the reconciliation section.

The Valuation will be presented in the following order:

- ▶ Sales Comparison Approach
- ▶ Income Approach
- ▶ Reconciliation of Value Conclusion

SALES COMPARISON APPROACH

In the Sales Comparison Approach, the value of a property is estimated by comparing it with similar, recently sold properties in the surrounding or competing areas. Inherent in this approach is the principle of substitution, which holds that when a property is replaceable in the market, its value tends to be set by the cost of buying an equally desirable property, assuming that no costly delay occurs in making the substitution.

Through the analysis of sales of verified arm's-length transactions, market value and price trends are identified. The sales utilized are comparable to the subject in physical, functional, and economic characteristics.

Comparable Selection

Comparable sales are presented, which were selected due to their similarity in physical, locational, and qualitative attributes. They represent the most recent and relevant comparable sale available for this analysis. Emphasis was given to the subject's location and similarly positioned properties.

All sales have been researched, viewed and verified through numerous sources by Simonson Appraisals.

Unit of Comparison

The most relevant unit of comparison is the price per Unit. This best reflects the unit of comparison used by buyers and sellers in this market for the subject property type.

IMPROVED SALES SUMMARY							
	DATE OF SALE	LOCATION	CITY	YR. BLT	Unit	TRANSACTION PRICE	\$/UNIT
1	4/15/2022	1275-1276, 1350-1351,	Dickinson	2013	396	\$21,400,000	\$54,040
2	2/18/2022	1167 14th St W	Dickinson	2012	48	\$2,000,000	\$41,667
3	1/5/2022	055, 1056, 1156 Donna L	Dickinson	2012	126	\$6,048,549	\$48,004
4	12/22/2021	124 Park Ave	Killdeer	2015	42	\$2,650,000	\$63,095

Presentation

The subject and comparable property attributes are presented on the following Improved Sales Comparison Table, location map and photographs. This is followed by analysis of the subject and comparable sales and the value conclusion indicated using the Sales Comparison Approach.

SALES COMPARISON APPROACH

(CONTINUED)

Falcon & Mallard Heights

Comparable 1

Sale Information

Buyer	Falcon Heights Owner LLC and Mallard Heights Owner LLC
Seller	Falcon Apartments Dickinson LLC & Mallard Apartments Dickinson LLC & Brent Olson
Sale Date	4/15/2022
Transaction Status	Recorded
Sale Price	\$21,400,000 \$54,040 /Unit
Recording Number	3171991 & 3172127
Rights Transferred	Fee Simple
Financing	New Mortgage
Conditions of Sale	Normal

Income Analysis

Occupancy	75.2%
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Property

Type	Multi-Family, Apartments
Rent Type	Market
Gross Building Area (GBA)	298,692 SF
Net Rentable Area (NRA)	233,093 SF
Units	396
Buildings	3 Buildings, 3 Floors
Parking	141 Spaces (0.4/Unit)
Year Built	2013
Land Area	14.7364 Acres (641,916 SF)
Site Coverage Ratio	15.68%
Zoning	R3
Flood Zones	Zone X (Unshaded)
Project Amenities	Exercise Facilities, On-Site Manager
Security Features	Secured Entry
Laundry	On Site
Unit Amenities	Air Conditioning, Dishwasher, Garbage Disposal, Microwave, Range/Stove, Refrigerator, Walk-in Closets
Parking Type	Garage - Detached, Off-Street

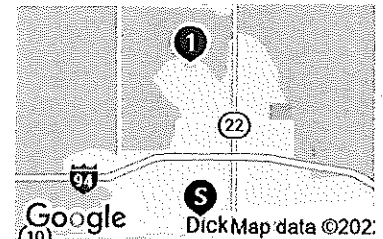
Unit Mix		Units	Avg. Size	Rent
Studio	0 Bed / 1 Bath	74	450 SF	\$599.00
Studio	0 Bed / 1 Bath	191	550 SF	\$725.00
Flat	1 Bed / 1 Bath	81	645 SF	\$745.00
Flat	1 Bed / 1 Bath	25	825 SF	\$795.00
Flat	1 Bed / 1 Bath	25	875 SF	\$825.00



1275-1276, 1350-1351, 1430-1431 Mike St
Dickinson, ND 58601

County
Stark

APN
1189-0500-0100, 1189-0700-0100



Confirmation

Name	Confirmed from public records and Costar.
Date	7/20/2022

Remarks

Unit mix breakdown for studios and 1 BR units is believed to be accurate, but the specific unit count mix for three different 1 BR sizes is approximate. Thus, the NRA is estimated by appraiser.

Sale included two separate transactions for two parcels that closed on the same day. Same buyer and same seller (different LLCs) Both tax parcels had three apartment buildings on each. Falcon Heights has 207 units and sold for \$11,200,000 or \$54,106/unit. Mallard Heights has 189 units and sold for \$10,200,000 or \$53,968/unit. Total sale price was \$21,400,000 or \$54,040/unit.

SALES COMPARISON APPROACH

(CONTINUED)

Legend Apartments

Comparable 2

Sale Information

Buyer	The Bakken Lodge LLC	
Seller	Cavalier Energy LLC	
Sale Date	2/18/2022	
Transaction Status	Recorded	
Sale Price	\$2,000,000	\$41,667 /Unit
Analysis Price	\$2,000,000	\$41,667 /Unit
Recording Number	3171055	
Rights Transferred	Fee Simple	
Financing	New Mortgage	
Conditions of Sale	Normal	
Marketing Time	132 days	



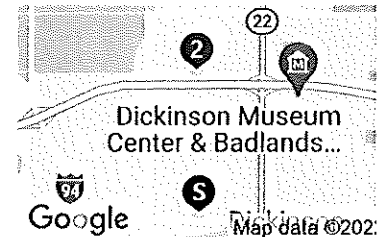
Property

Type	Multi-Family, Apartments
Rent Type	Market
Gross Building Area (GBA)	44,190 SF
Net Rentable Area (NRA)	44,190 SF
Units	48
Buildings	1 Building, 3 Floors
Parking	57 Spaces (1.2/Unit)
Year Built	2012
Land Area	1.89 Acres (82,328 SF)
Site Coverage Ratio	17.84%
Zoning	R-3
Corner	No
Flood Zones	Zone X (Unshaded)
Building Class	C
Project Amenities	Elevators
Security Features	Secured Entry
Laundry	On Site
Unit Amenities	Air Conditioning, Dishwasher, Microwave, Range/Stove, Refrigerator
Parking Type	Off-Street, Surface

1167 14th St W
Dickinson, ND 58601

County
Stark

APN
41-1140-07000-103



Confirmation

Name	Confirmed from broker materials and Costar.
Date	7/19/2022

Remarks

Property was originally built as corporate housing / extended stay hotel.

On 2/15/2022 Cavalier Energy LLC sold a 48-unit multifamily building in Dickinson, ND to The Bakken Lodge LLC for \$2,000,000 or \$41,667 per unit. Chance Lindsey and Kyle Ferderer with CBRE represented the seller and Theresa Hart with Meyer Real Estate Group represented the buyer.

Unit Mix		Units	Avg. Size	Rent
Flat	2 Bed / 1.5 Bath	48	700 SF	\$895.00

SALES COMPARISON APPROACH

(CONTINUED)

Raven Ridge Apartments

Comparable 3

Sale Information

Buyer	Raven Ridge Owner LLC
Seller	Badlands Dev II LLC
Sale Date	1/5/2022
Transaction Status	Recorded
Sale Price	\$6,048,549 \$48,004 /Unit
Recording Number	3170267
Rights Transferred	Fee Simple
Financing	New Mortgage
Conditions of Sale	Normal
Marketing Time	1430 days

Property

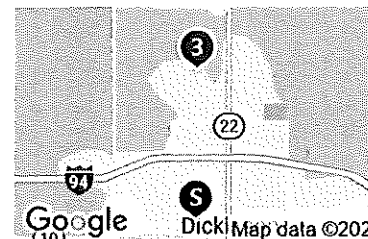
Type	Multi-Family, Apartments
Rent Type	Market
Gross Building Area (GBA)	158,472 SF
Net Rentable Area (NRA)	120,870 SF
Units	126
Buildings	3 Buildings, 3 Floors
Parking	88 Spaces (0.7/Unit)
Year Built	2012
Land Area	9.79 Acres (426,452 SF)
Site Coverage Ratio	12.39%
Zoning	R-3
Corner	Yes
Flood Zones	Zone X (Unshaded)
Building Class	B
Project Amenities	On-Site Manager
Security Features	Secured Entry
Laundry	Washer/Dryer
Unit Amenities	Air Conditioning, Deck/Patio, Dishwasher, Microwave, Range/Stove, Refrigerator
Parking Type	Garage - Detached, Off-Street, On-Street



1055, 1056, 1156 Donna Ln
Dickinson, ND 58601

County
Stark

APN
41-1188-03000-100



Confirmation

Name	Confirmed from Costar and public records.
Date	7/20/2022

Remarks

Property consists of three 3-story apartment buildings with 126 total units. There are 154 garage units. A foundation for a fourth building is also on the site.

Sale was part of a three-property portfolio. Sale price was allocated.

Unit Mix		Units	Avg. Size	Rent
Flat	1 Bed / 1 Bath	46	776 SF	\$824.00
Flat	2 Bed / 2 Bath	73	1,050 SF	\$1,025.00
Flat	3 Bed / 2 Bath	7	1,400 SF	\$1,174.00

SALES COMPARISON APPROACH

(CONTINUED)

Killdeer Highlands

Comparable 4

Sale Information

Buyer	Killdeer Holdings, LLC	
Seller	Killdeer Highlands Owner LLC	
Sale Date	12/22/2021	
Transaction Status	Recorded	
Sale Price	\$2,650,000	\$63,095 /Unit
Analysis Price	\$2,650,000	\$63,095 /Unit
Recording Number	3095663	
Rights Transferred	Fee Simple	
Financing	New Mortgage	
Conditions of Sale	Normal	

Income Analysis

Occupancy	100.0%
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Property

Type	Multi-Family, Apartments
Rent Type	Market
Gross Building Area (GBA)	46,662 SF
Net Rentable Area (NRA)	41,595 SF
Units	42
Buildings	1 Building, 3 Floors
Parking	60 Spaces (1.4/Unit)
Year Built	2015
Land Area	6.88 Acres (299,693 SF)
Site Coverage Ratio	5.19%
Zoning	Commercial
Corner	No
Flood Zones	Zone X (Unshaded)
Building Class	B
Project Amenities	No Amenities
Security Features	Secured Entry
Laundry	Washer/Dryer
Unit Amenities	Air Conditioning, Deck/Patio, Dishwasher, Garbage Disposal, Microwave, Range/Stove, Refrigerator, Walk-in Closets
Parking Type	Garage - Detached, Off-Street

Unit Mix		Units	Avg. Size
Flat	1 Bed / 1 Bath	15	775 SF
Flat	2 Bed / 2 Bath	25	1,100 SF
Flat	3 Bed / 2 Bath	2	1,350 SF



124 Park Ave
Killdeer, ND 58640

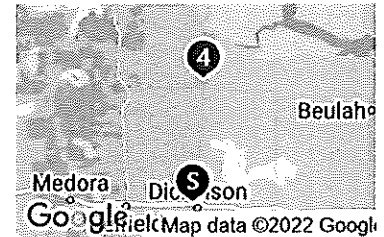
County
Dunn

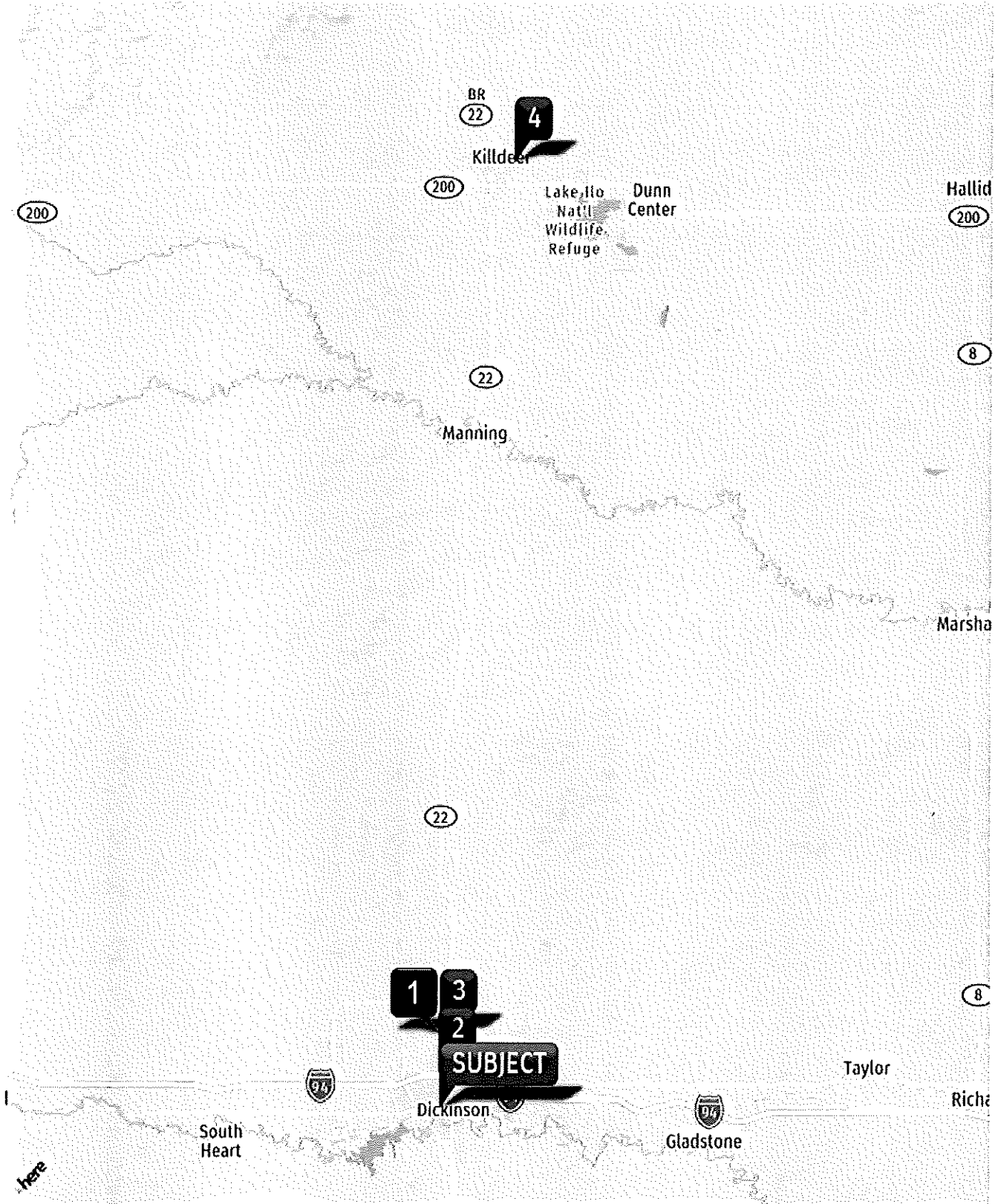
Submarket
Dickinson North Dakota

APN
108300501

Remarks

Location next to a dog park.





COMPARABLE	LABEL	ADDRESS	MILES FROM SUBJECT
COMPARABLE 1	1	1275-1276, 1350-1351, 1430-1431 Mike St, Dickinson, ND, 58601	
COMPARABLE 2	2	1167 14th St W, Dickinson, ND, 58601	1.2
COMPARABLE 3	3	1055, 1056, 1156 Donna Ln, Dickinson, ND, 58601	2.6
COMPARABLE 4	4	124 Park Ave, Killdeer, ND, 58640	34.0

SALES COMPARISON APPROACH

(CONTINUED)

IMPROVED SALES COMPARISON TABLE

	SUBJECT	COMP 1	COMP 2	COMP 3	COMP 4
Name	Villard Commons	Falcon & Mallard Heights	Legend Apartments	Raven Ridge Apartments	Killdeer Highlands
Address	1022 W Villard St	1275-1276, 1350-1351, 1430-1431 Mike St	1167 14th St W	1055, 1056, 1156 Donna Ln	124 Park Ave
City	Dickinson	Dickinson	Dickinson	Dickinson	Killdeer
State	ND	ND	ND	ND	ND
Zip	58601	58601	58601	58601	58640
County	Stark	Stark	Stark	Stark	Dunn
Submarket	Dickinson ND Micropolitan Statistical Area	-	-	-	Dickinson North Dakota

SALE INFORMATION

Transaction Price	\$21,400,000	\$2,000,000	\$6,048,549	\$2,650,000
Transaction Price\$/Unit	\$54,040	\$41,667	\$48,004	\$63,095
Property Rights ¹	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Financing ²	New Mortgage	New Mortgage	New Mortgage	New Mortgage
Sale Conditions ³	Normal	Normal	Normal	Normal
Expenditures After Sale ⁴	-	\$0	-	\$0
Market Conditions ⁵	4/15/2022	2/18/2022	1/5/2022	12/22/2021
Sale Status	Recorded	Recorded	Recorded	Recorded
Recording Number	3171991 &	3171055	3170267	3095663
Marketing Status	Open Market	Open Market	Open Market	Open Market
Total Transactional Adjustments	\$0 0%	\$0 0%	\$0 0%	\$0 0%
Adjusted \$/Unit	\$54,040	\$41,667	\$48,004	\$63,095

PHYSICAL INFORMATION

Units	47	396	48	126	42
Unit SF Average	638	589	700	969 (5%)	996 (5%)
GBA (SF)	45,008	298,692	44,190	158,472	46,662
NRA (SF)	29,995	233,093	44,190	120,870	41,595
Year Built/Ren	2012	2013 (2%)	2012 0%	2012 0%	2015 (3%)
Location	Average	Average	Average	Average	Below Average 5%
Building Quality/Condition	Average	Average	Average	Average	Average
Parking Type	On-Street	Garage - Detached, Off-Street (10%)	Off-Street, Surface (5%)	Detached, Off-Street, On-Street (10%)	Garage - Detached, Off-Street (10%)
Site Coverage	47.5%	15.7%	17.8%	12.4%	5.2%
Proj. Amenities	Elevators	Exercise Facilities, On-Site Manager	Elevators	On-Site Manager	No Amenities
Unit Amenities	Air Conditioning, Dishwasher, Microwave, Range/Stove, Refrigerator	Air Conditioning, Dishwasher, Garbage Disposal, Microwave, Range/Stove, Refrigerator, Walk-in Closets (5%)	Air Conditioning, Dishwasher, Microwave, Range/Stove, Refrigerator	Air Conditioning, Dishwasher, Microwave, Range/Stove, Refrigerator (5%)	Air Conditioning, Deck/Patio, Dishwasher, Garbage Disposal, Microwave, Range/Stove, Refrigerator, Walk-in Closets (5%)
Unit Mix	4 Studios, 101, 1-BR, 9, 2-BR, 21, 3-BR, 3, 4-BR	265 Studios 131 1-Bedroom 25%	48 2-Bedroom 7%	46 1-Bedroom 73 2-Bedroom 11%	15 1-Bedroom 75 2-Bedroom 11%
Economics			Inferior 10%		

Quantitative Adjustment

The sales are compared to the subject and adjusted to account for significant differences that affect value. Adjustments are considered in the sequence as shown below.

Transactional Adjustments

The transactional adjustments are applied in a specific sequence:

1. Real Property Rights Conveyed
2. Financing Terms
3. Conditions of Sale
4. Expenditures After Sale
5. Market Conditions

Real Property Rights Conveyed

This analysis accounts for differences, if any in real property rights conveyed including leased fee, fee simple, leasehold, partial interest, etc. The subject's fee simple interest is appraised. In this analysis, all of the sales are similar and no adjustments are required.

Financing Terms

The transaction price of similar properties may differ depending on the type of financing terms involving the buyer and seller. Examples include seller financing, or assumption of existing financing, at non-market terms. In this analysis, all of the sales involved cash to seller terms or cash equivalent terms and no adjustments are required.

Conditions of Sale

A market value appraisal implies buyers and sellers have typical motivation to complete a transaction where there is no duress on either party to consummate the sale. Examples of extraordinary motivation of buyer or seller may include a 1031 exchange transaction, assemblage, or forced sale

Based on confirmation with the buyer and seller representatives, broker and/or public records, all Sales sold under normal circumstances and conditions of sale adjustments are not warranted.

Expenditures Made Immediately After Purchase

This adjustment category recognizes an informed buyer considers expenditures that will be necessary upon purchase of a property because these costs influence the amount the buyer pays. Such expenditures may include:

- Costs to cure deferred maintenance
- Cost to demolish and remove any portion of the improvements
- Cost to petition for a zoning change
- Cost to remediate environmental contamination

In this analysis, no adjustments are required.

Market Conditions

The market conditions adjustment reflects changes in the economic environment over time that affects the appreciation and depreciation of real estate. An adjustment for change in market conditions is usually measured as a percentage of previous prices. The best source for measuring this change is to analyze sales and resales of the same properties provided the physical and economic characteristics remain generally unchanged.

The sales took place from December 2021 to April 2022. Over this time period, market conditions have remained generally flat for apartment properties in the Dickinson, ND area. In this analysis, no adjustment is applied for market conditions.

Property Adjustments

Property adjustments do not need to be applied in an exact sequence like the transactional adjustments but are based on the adjusted sale price after market conditions. For purposes of this analysis, the property adjustments include

- Location/Access
- Project Size
- Year Built - Age/Condition
- Building Quality
- Parking Type
- Unit Features/Project Amenities
- Unit Size/Mix
- Economics

Location/Access

Adjustments for location within a market area are required when the locational characteristics for the comparable properties differ from the subject property. Location has a great impact on property values. This adjustment category considers general market area influences as well as a property's accessibility and visibility from a main thoroughfare. Differing rent levels or land values are typically good indications that a location adjustment is required.

The subject is located at 1022 W Villard St, Dickinson, North Dakota. For this analysis, an upward adjustment is applied to Sale #4 for inferior location compared to the subject. The remaining sales are generally similar, and no adjustment is required.

Project Size

An inverse relationship often exists between building size and unit value. The smaller the improvement size the higher the per-unit value, and a larger size improvement will place downward pressure on the per-unit value. For this analysis, no adjustments are applied for project size. Sales 3 and 4 are adjusted down for larger average unit size.

Year Built - Age/Condition

Buildings generally show less depreciation in the first few years and the rate of depreciation increases as the building ages. Adjustments for age/condition are based on the age differential between the comparable sales (as of the date of sale) and the subject property as of the date of valuation. The effective age of the subject is made following the property tour, with primary considerations based on age of construction and renovations; quality of the overall finishes, and market appeal. The effective age of the comparable sales is estimated after viewing the buildings and reviewing file data on the year of original construction and any subsequent additions or major renovations.

The difference in age is first considered with a straight-line depreciation charge of 2.0% for a building with a life of 50 years, which is typical for apartment buildings. This number is then adjusted to account for land value that does not depreciate. Therefore, we utilize an annual depreciation of 1.5% to account for this factor. The following table summarizes our calculations, and our final adjustment is rounded from these numbers.

DERIVATION OF AGE/CONDITION ADJUSTMENT

	SALE 1	SALE 2	SALE 3	SALE 4
Date of Sale	4/15/2022	2/18/2022	1/5/2022	12/22/2021
Date of Construction	2013	2012	2012	2015
Effective Age at Sale	9	10	10	8
Effective Age of Subject	10	10	10	10
Difference in Age	-1	0	0	-2
Annual Depreciation	1.50%	1.50%	1.50%	1.50%
Adjustment for Age (rounded)	-1.50%	0.00%	0.00%	-3.00%

Building Quality

The building quality adjustment addresses construction quality, amenities, market appeal and functional utility. The subject improvements are of average quality construction and in average condition. The overall layout is suited for multi-tenant use and has adequate functional utility.

In this analysis, Sales were adjusted for building age. Building quality tends to be similar with adjustments being reflected in the unit and project amenities categories.

Parking Type

The subject has no off-street parking or garages. All the comparables required downward adjustments for the availability of off-street parking and/or detached garages.

Unit Features/Project Amenities

Unit features include unit amenities such as appliances and balconies/patios. Project amenities include garage parking, community rooms, exercise room, library, etc.

The subject's unit amenities include dishwashers, refrigerators, stoves, microwaves, a washer/dryer in-unit, and wall A/C.

The subject property has very limited project amenities. Sales #1, #3 and #4 offer more amenities/appeal than the subject and downward adjustments were applied.

Unit Size/Mix

The more bedrooms an apartment contains, the more rent that can generally be achieved. Complexes with a greater percentage of two- and three-bedroom units should sell for more on a per unit basis than complexes with mostly efficiencies and one-bedroom units. Adjustments based on differences in gross potential income were made to account for this factor. The following table summarizes the unit mix adjustment process.

DERIVATION OF UNIT MIX ADJUSTMENT											
Market Derived Variables		Subject		Sale #1		Sale #2		Sale #3		Sale #4	
Type of Unit	Rent/ Month	Unit Mix	Monthly Income	Unit Mix	Monthly Income	Unit Mix	Monthly Income	Unit Mix	Monthly Income	Unit Mix	Monthly Income
Studio	\$550	4	\$2,200	265	\$145,750	0	\$0	0	\$0	0	\$0
One Bedroom	\$600	10	\$6,000	131	\$78,600	0	\$0	46	\$27,600	15	\$9,000
Two Bedroom	\$700	9	\$6,300	0	\$0	48	\$33,600	73	\$51,100	25	\$17,500
Three Bedroom	\$850	21	\$17,850	0	\$0	0	\$0	7	\$5,950	2	\$1,700
Four Bedroom	\$1,050	3	\$3,150	0	\$0	0	\$0	0	\$0	0	\$0
Total Units / GPI		47	\$35,500	396	\$224,350	48	\$33,600	126	\$84,650	42	\$28,200
Monthly GPI / Unit			\$755.32		\$566.54		\$700.00		\$671.83		\$671.43
% Difference w/ Subject					25.0%		7.3%		11.1%		11.1%

Economics

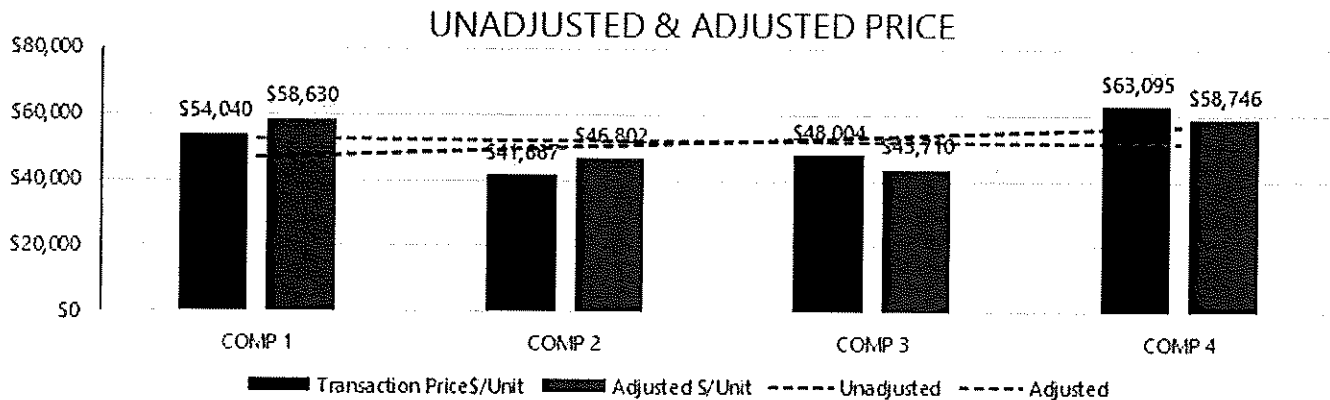
Non-stabilized occupancy, above/below market rents, rent control and other economic factors. The subject is appraised as a market rate apartment complex. In this analysis, an adjustment is applied to Sale #2 for inferior occupancy at time of sale. No other adjustments are required.

SALES COMPARISON APPROACH

(CONTINUED)

SALES COMPARISON APPROACH CONCLUSION

The comparable sales indicate an overall unadjusted unit value range from \$41,667/Unit to \$63,095/Unit, and an average of \$51,702/Unit. After adjustments, the comparables indicate a narrower range for the subject property from \$43,710/Unit to \$58,746/Unit, and \$51,972/Unit on average. The adjustment process is summarized below.



Based on general bracketing, the comparable sales support an adjusted unit value range from \$43,710/Unit to \$58,746/Unit, with a unit value of \$48,000/Unit concluded for the subject property. The following table summarizes the analysis of the comparables, reports the reconciled price per Unit value conclusion, and presents the concluded value of the subject property by the Sales Comparison Approach.

IMPROVED SALES COMPARISON APPROACH CONCLUSION (UNIT)							
TRANSACTION	ADJUSTMENT				NET	GROSS	
	PRICE	TRANSACTIONAL	ADJUSTED	PROPERTY ²	ADJ	ADJ	
1	\$54,040	0%	\$54,040	8%	\$58,630	8%	41%
2	\$41,667	0%	\$41,667	12%	\$46,802	12%	22%
3	\$48,004	0%	\$48,004	(9%)	\$43,710	(9%)	31%
4	\$63,095	0%	\$63,095	(7%)	\$58,746	(7%)	39%
HIGH	\$63,095	0%	\$63,095	12%	\$58,746	12%	41%
AVG	\$51,702	0%	\$51,702	1%	\$51,972	1%	33%
MED	\$51,022	0%	\$51,022	1%	\$52,716	1%	35%
LOW	\$41,667	0%	\$41,667	(9%)	\$43,710	(9%)	22%
SUBJECT UNIT		\$/UNIT CONCLUSION			VALUE		
47		x	\$48,000	=	\$2,256,000		
INDICATED VALUE (ROUNDED TO NEAREST \$10,000)			\$48,085		\$2,260,000		

¹Cumulative ²Additive

INCOME APPROACH

The Income Approach is based on the premise that properties are purchased for their income producing potential. It considers both the annual return on the invested principal and the return of the invested principal. The two fundamental methods of this valuation technique include Discounted Cash Flow and Direct Capitalization. The subject is a market rate apartment complex and is 91.5% leased and occupied. A more recent rent roll showed occupancy has improved to 95.7% (two vacant units). This appraisal is based on fee simple market rents which is the basis of the income projection and only the direct capitalization method is applied. This valuation technique best represents the decision-making process of an investor.

DIRECT CAPITALIZATION METHOD

The first step in direct capitalization is to estimate the durable rental income through analysis of the in-place leases and market rent terms. Next, reimbursements and other revenue are analyzed. Then, vacancy and operating expenses are estimated. Finally, the net operating income is capitalized at a supported rate. The implied value may be adjusted to account for non-stabilized conditions or required capital expenditures to reflect an as-is value. In this analysis, no below the line-item adjustments are required.

Subject Unit Mix and Rent Roll

The following tables summarize the subject's unit mix, rent roll showing asking and in place contract rents and compares the existing contract rents to market.

UNIT MIX					
TYPE	DESCRIPTION	UNIT DETAIL			NRA
		UNITS	% TOT	SIZE	SF
Studio / 1 Bath		4	9%	308	1,232
Flat 1 Bed / 1 Bath		10	21%	458	4,580
Flat 2 Bed / 2 Bath		9	19%	520	4,680
Flat 3 Bed / 3 Bath		21	45%	795	16,695
Flat 4 Bed / 4 Bath		3	6%	936	2,808
TOTAL / AVERAGE		47	100%	638	29,995
NET RENTABLE AREA		47		638	29,995
Common Areas					4,054
Basement					10,959
GROSS BUILDING AREA		47		958	45,008

RENT ROLL													
TYPE	UNIT DETAIL							ASKING RENT		RECENT LEASES		ACTUAL RENT	
	OCC	VAC	TOT	% TOT	SIZE	VAC %	OCC %	\$/UNIT	\$/SF	\$/UNIT	\$/SF	\$/UNIT	\$/SF
Studio / 1 Bath	4	0	4	9%	308	0.0%	100.0%	\$400	\$1.30	\$525	\$1.70	\$481	\$1.56
Flat 1 Bed / 1 Bath	10	0	10	21%	458	0.0%	100.0%	\$570	\$1.24	\$590	\$1.29	\$506	\$1.11
Flat 2 Bed / 2 Bath	8	1	9	19%	520	11.1%	88.9%	\$690	\$1.33	\$690	\$1.33	\$636	\$1.22
Flat 3 Bed / 3 Bath	18	3	21	45%	795	14.3%	85.7%	\$785	\$0.99	\$785	\$0.99	\$787	\$0.99
Flat 4 Bed / 4 Bath	3	0	3	6%	936	0.0%	100.0%	\$1,050	\$1.12	\$1,050	\$1.12	\$983	\$1.05
TOTAL / AVERAGE	43	4	47	100%	638	8.5%	91.5%	\$705	\$1.11	\$720	\$1.13	\$685	\$1.07

CONTRACT VERSUS MARKET

TYPE	UNITS	ASKING RENT		ACTUAL RENT		CONCLUDED		CONTRACT V MARKET
		\$/UNIT	\$/SF	\$/UNIT	\$/SF	\$/UNIT	\$/SF	
Studio / 1 Bath	4	\$400	\$1.30	\$481	\$1.56	\$550	\$1.79	87.5%
Flat 1 Bed / 1 Bath	10	\$570	\$1.24	\$506	\$1.11	\$600	\$1.31	84.4%
Flat 2 Bed / 2 Bath	9	\$690	\$1.33	\$636	\$1.22	\$700	\$1.35	90.8%
Flat 3 Bed / 3 Bath	21	\$785	\$0.99	\$787	\$0.99	\$850	\$1.07	92.5%
Flat 4 Bed / 4 Bath	3	\$1,050	\$1.12	\$983	\$1.05	\$1,050	\$1.12	93.7%
TOTAL / AVERAGE	47	\$705	\$1.11	\$685	\$1.07	\$755	\$1.18	90.6%

The subject includes one building. Current occupancy is 91.5%.

The subject has four studio units, 10, 1-bedroom/1-bath units, nine, 2-bedroom/2-bath units, 21, 3-bedroom/3-bath units and three 4-bedroom/4-bath units. The current asking rates vary from \$400 to \$1,050 per month. Based on a review of the rent roll, the average contract rents range from \$481 to \$983 per month.

The majority of the subject tenant leases are 12-month leases. Security deposit fees for the property range from \$0-\$915. The landlord pays for water, sewer, garbage, electric, and heat utilities, with all other utilities being directly billed to each tenant.

Utilities Expense Structure

The allocation of expenses between the tenants and the owner is summarized as follows:

UTILITIES ALLOCATION

EXPENSE	Tenant-Paid Utilities	Owner-Paid Utilities
Electric		X
Heat		X
Cable	X	
Internet	X	
Telephone	X	
Water		X
Sewer		X
Trash		X

MARKET RENT SURVEY ANALYSIS

This section examines comparable properties within the marketplace to estimate market rent for the subject. Our search for comparable rentals focused on transactions most similar to the subject in terms of location, age, transaction date and use. In addition to the comparable rentals, we also spoke with multiple market participants including brokers and property owners to better understand current market conditions, confirm comparable market data and analyze the appropriate comparables.

We have researched five comparables for this analysis; these are documented on the following pages followed by a location map and analysis grid. All rents have been researched through numerous sources, viewed by the appraisers and verified as indicated in the rent sheets.

INCOME APPROACH

(CONTINUED)

Raven Ridge Apartments

Comparable 1

Property

Type	Multi-Family, Apartments
Rent Type	Market
Gross Building Area (GBA)	158,472 SF
Net Rentable Area (NRA)	120,870 SF
Units	126
Buildings	3 Buildings, 3 Floors
Parking	88 Spaces (0.7/Unit)
Year Built	2012
Land Area	9.79 Acres (426,452 SF)
Site Coverage Ratio	12.39%
Corner	Yes
Building Class	B
Project Amenities	On-Site Manager
Security Features	Secured Entry
Laundry	Washer/Dryer
Unit Amenities	Air Conditioning, Deck/Patio, Dishwasher, Microwave, Range/Stove, Refrigerator
Included Parking	Garage, Open
Included Utilities	Electricity, Garbage, Sewer, Water
Average RUBS/Unit	\$0
Average Concessions/Unit	\$25
Occupancy	94.4%

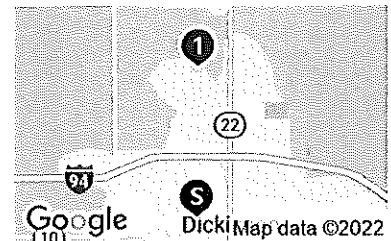
Unit Mix	Units	Avg. Size	Rent
Flat 1 Bed / 1 Bath	46	776 SF	\$824.00
Flat 2 Bed / 2 Bath	73	1,050 SF	\$1,025.00
Flat 3 Bed / 2 Bath	7	1,400 SF	\$1,174.00
Total / Average	126	969 SF	\$959.90



1055, 1056, 1156 Donna Ln
Dickinson, ND 58601

County
Stark

APN
41-1188-03000-100



Confirmation

Name	Confirmed from Costar
Date	7/19/2022

Remarks

Property consists of three 3-story apartment buildings with 126 total units. There are 154 garage units. A foundation for a fourth building is also on the site.

There are 49 detached one-car garages and 105 detached two-car garages available for tenants to rent. Currently offering one-month free rent on 1 BR units. Single stall garage included with one bedroom, double stall garage included with all two and three bedrooms.

INCOME APPROACH

(CONTINUED)

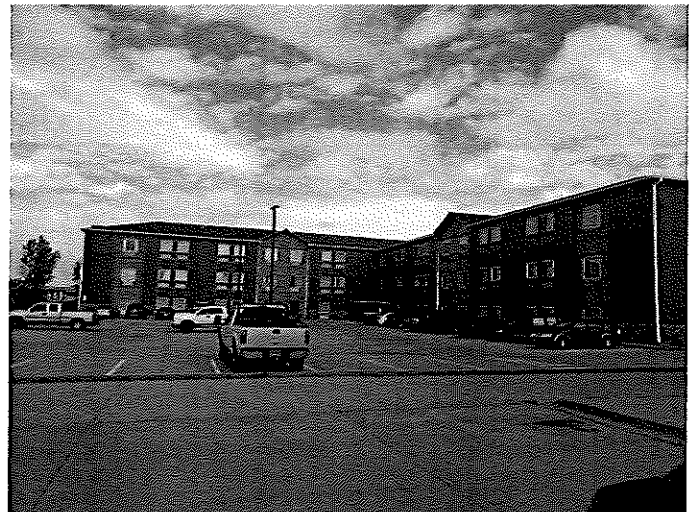
Legend Apartments

Comparable 2

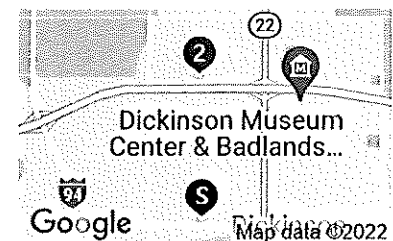
Property

Type	Multi-Family, Apartments
Rent Type	Market
Gross Building Area (GBA)	44,190 SF
Net Rentable Area (NRA)	44,190 SF
Units	48
Buildings	1 Building, 3 Floors
Parking	57 Spaces (1.2/Unit)
Year Built	2012
Land Area	1.89 Acres (82,328 SF)
Site Coverage Ratio	17.84%
Corner	No
Building Class	C
Project Amenities	Elevators
Security Features	Secured Entry
Laundry	On Site
Unit Amenities	Air Conditioning, Dishwasher, Microwave, Range/Stove, Refrigerator
Included Parking	Open
Included Utilities	Electricity, Garbage, Gas, Sewer, Water
Average RUBS/Unit	\$0
Average Concessions/Unit	\$0
Occupancy	100.0%

Unit Mix	Units	Avg. Size	Rent
Flat 2 Bed / 1.5 Bath	48	700 SF	\$895.00
Total / Average	48	700 SF	\$895.00



1167 14th St W
Dickinson, ND 58601
County
Stark
APN
41-1140-07000-103



Confirmation

Date 7/19/2022

Remarks

Property was originally built as corporate housing / extended stay hotel.

Property is currently running a \$99 deposit promotion on apartments.com. Apartments are rented with full furnishings. Currently asking \$895 to \$1,095 per unit with higher rates for month to month. Utilities include gas/heat, water, sewer, trash, electric.

INCOME APPROACH

(CONTINUED)

Falcon & Mallard Heights

Comparable 3

Property

Type	Multi-Family, Apartments
Rent Type	Market
Gross Building Area (GBA)	298,692 SF
Net Rentable Area (NRA)	233,093 SF
Units	396
Buildings	3 Buildings, 3 Floors
Year Built	2013
Land Area	14.7364 Acres (641,916 SF)
Site Coverage Ratio	15.68%
Project Amenities	Exercise Facilities, On-Site Manager
Security Features	Secured Entry
Laundry	On Site
Unit Amenities	Air Conditioning, Dishwasher, Garbage Disposal, Microwave, Range/Stove, Refrigerator, Walk-in Closets
Included Parking	Garage, Open
Included Utilities	Garbage, Gas, Sewer, Water
Average RUBS/Unit	\$0
Average Concessions/Unit	\$59
Occupancy	98.2%

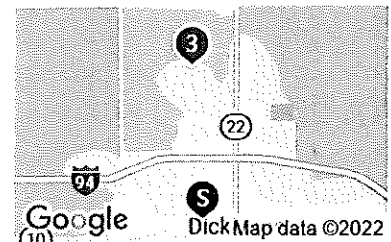
Unit Mix		Units	Avg. Size	Rent
Studio	0 Bed / 1 Bath	74	450 SF	\$599.00
Studio	0 Bed / 1 Bath	191	550 SF	\$725.00
Flat	1 Bed / 1 Bath	81	645 SF	\$745.00
Flat	1 Bed / 1 Bath	25	825 SF	\$795.00
Flat	1 Bed / 1 Bath	25	875 SF	\$825.00
Total / Average		396	589 SF	\$716.28



1275-1276, 1350-1351, 1430-1431 Mike St
Dickinson, ND 58601

County
Stark

APN
1189-0500-0100, 1189-0700-0100



Confirmation

Name	Costar and websites
Date	7/19/2022

Remarks

Unit mix breakdown for studios and 1 BR units is believed to be accurate, but the specific unit count mix for three different 1 BR sizes is approximate. Thus, the NRA is estimated by appraiser.

1 assigned detached garage per unit and open surface parking included in rent. RENT SPECIAL: 1st month of rent free with a 12-month lease. Water, Sewer, Garbage, Gas Heat included in Rent.

INCOME APPROACH

(CONTINUED)

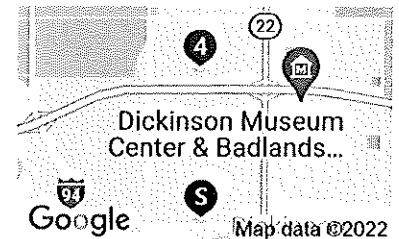
Jefferson Creek Apartment Homes Comparable 4

Property

Type	Multi-Family, Apartments
Rent Type	Market
Gross Building Area (GBA)	51,402 SF
Net Rentable Area (NRA)	40,275 SF
Units	45
Buildings	1 Building, 3 Floors
Foundation	Type Not Specified
Year Built	1984
Land Area	0.357 Acres (15,551 SF)
Site Coverage Ratio	110.18%
Corner	Yes
Laundry	On Site, Washer/Dryer
Unit Amenities	Deck/Patio, Dishwasher, Range/Stove, Walk-in Closets, Air-conditioning, Garbage Disposal
Included Parking	Garage, Open
Included Utilities	Garbage, Gas, Sewer, Water
Average RUBS/Unit	\$0
Average Concessions/Unit	\$0
Occupancy	84.4%



1119 14th Ave W
Dickinson, ND 58601
County
Stark
APN
41-1090-02000-500



Confirmation

Name	Ashley & Costar and website
Affiliation	Property manager
Date	7/20/2022

Remarks

Landlord covers water, sewer, trash and gas heat. Tenant pays electric.

Unit Mix	Units	Avg. Size	Rent
Flat 1 Bed / 1 Bath	1	660 SF	\$775.00
Flat 1 Bed / 1 Bath	9	672 SF	\$775.00
Flat 1 Bed / 1 Bath	10	765 SF	\$775.00
Flat 2 Bed / 1 Bath	10	898 SF	\$875.00
Flat 2 Bed / 2 Bath	10	1,057 SF	\$925.00
Flat 3 Bed / 2 Bath	5	1,269 SF	\$1,049.00
Total / Average	45	895 SF	\$861.00

INCOME APPROACH

(CONTINUED)

West River

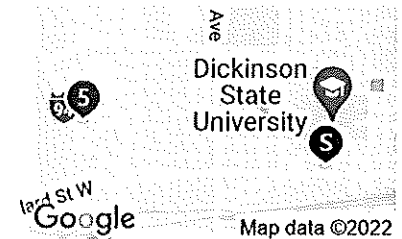
Comparable 5

Property

Type	Multi-Family, Apartments
Rent Type	Market
Gross Building Area (GBA)	283,467 SF
Net Rentable Area (NRA)	234,234 SF
Units	234
Buildings	1 Building, 3 Floors
Year Built	2011
Land Area	4.9 Acres (213,444 SF)
Site Coverage Ratio	38.96%
Corner	Yes
Project Amenities	Exercise Facilities, On-Site Manager
Laundry	Washer/Dryer
Unit Amenities	Air Conditioning, Deck/Patio, Dishwasher, Microwave, Range/Stove, Vaulted Ceilings, Walk-in Closets
Included Parking	Garage, Open
Included Utilities	Garbage, Sewer, Water
Average RUBS/Unit	\$0
Average Concessions/Unit	\$2
Occupancy	98.7%



2540 4th St W
Dickinson, ND 58601
County
Stark
APN
41-1674-01000-100

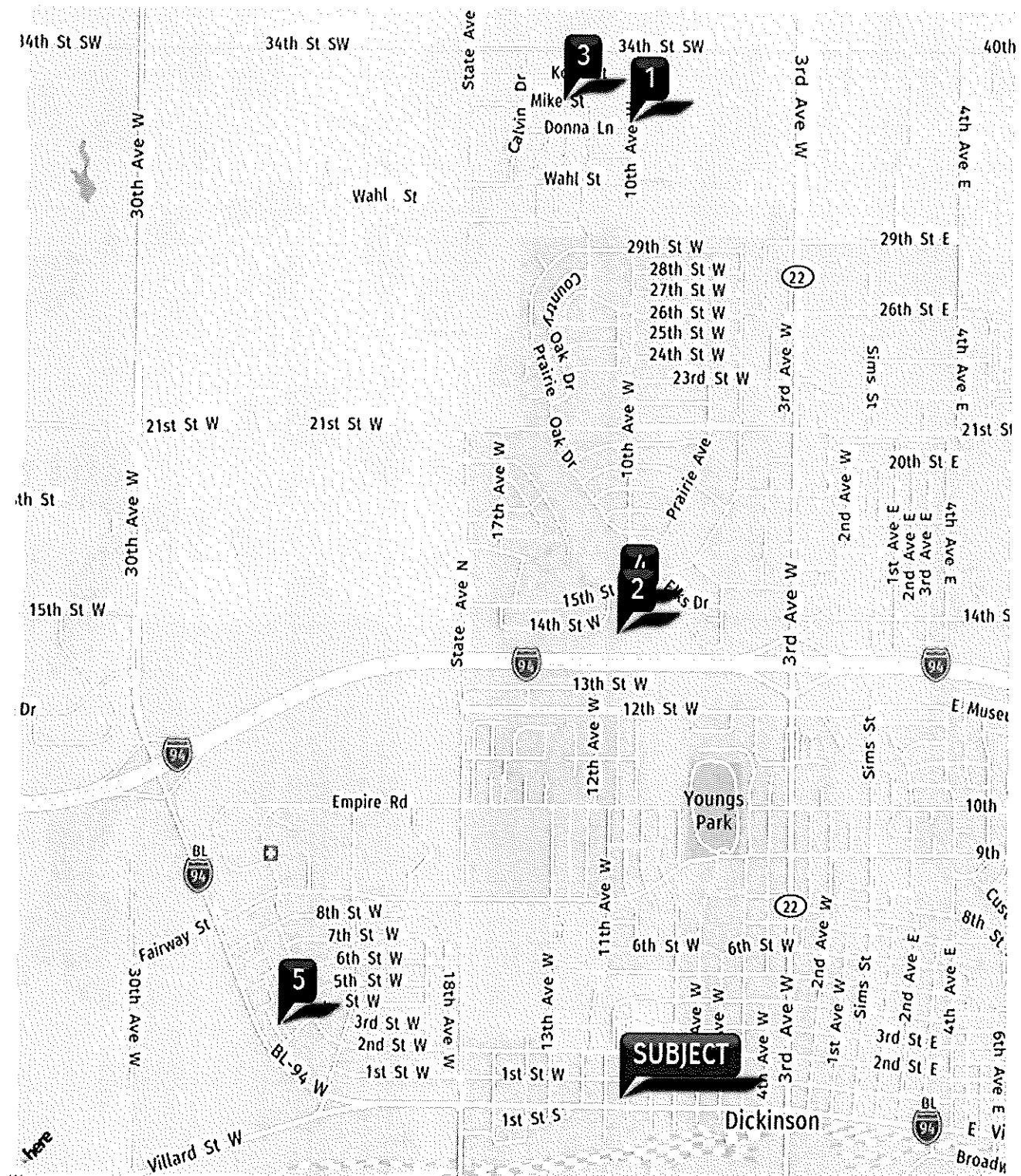


Confirmation

Name	Costar
Date	7/20/2022

Unit Mix		Units	Avg. Size	Rent
Studio	0 Bed / 1 Bath	1	302 SF	\$731.00
Flat	1 Bed / 1 Bath	78	778 SF	\$821.00
Flat	2 Bed / 1 Bath	39	1,050 SF	\$883.00
Flat	2 Bed / 2 Bath	39	1,065 SF	\$961.00
Flat	3 Bed / 2 Bath	77	1,179 SF	\$1,243.00
Total / Average		234	1,001 SF	\$993.15

Rent Comparable Map



COMPARABLE	LABEL	ADDRESS	MILES FROM SUBJECT
COMPARABLE 1	1	1055, 1056, 1156 Donna Ln, Dickinson, ND, 58601	2.6
COMPARABLE 2	2	1167 14th St W, Dickinson, ND, 58601	1.2
COMPARABLE 3	3	1275-1276, 1350-1351, 1430-1431 Mike St, Dickinson, ND, 58601	2.6
COMPARABLE 4	4	1119 14th Ave W, Dickinson, ND, 58601	1.3
COMPARABLE 5	5	2540 4th St W, Dickinson, ND, 58601	1.1

INCOME APPROACH

(CONTINUED)

Below is a rental comparison grid displaying the subject property, the comparables and the adjustments applied.

SURVEY COMPARISON TABLE						
	SUBJECT	COMP 1	COMP 2	COMP 3	COMP 4	COMP 5
Name	Villard Commons	Raven Ridge Apartments	Legend Apartments	Falcon & Mallard Heights	Jefferson Creek Apartment Homes	West River
Address	1022 W Villard St	1055, 1056, 1156 Donna Ln	1167 14th St W	1275-1276, 1350-1351, 1430-1431 Mike St	1119 14th Ave W	2540 4th St W
City	Dickinson	Dickinson	Dickinson	Dickinson	Dickinson	Dickinson
State	ND	ND	ND	ND	ND	ND
Zip	58601	58601	58601	58601	58601	58601
County	Stark	Stark	Stark	Stark	Stark	Stark
RENT SURVEY INFORMATION						
Rent Type	Market	Market	Market	Market	Market	Market
Rent/Unit Avg	\$688	\$960	\$895	\$716	\$861	\$993
Rent/SF Avg	\$1.08	\$0.99	\$1.28	\$1.22	\$0.96	\$0.99
Avg Concessions	\$0	\$25 (\$25)	\$0	\$59 (\$59)	\$0	\$2
Unit Amenities	Air Conditioning, Dishwasher, Microwave, Range/Stove, Refrigerator	Air Conditioning, Deck/Patio, Dishwasher, Microwave, Range/Stove, Refrigerator	Air Conditioning, Dishwasher, Microwave, Range/Stove, Refrigerator	Conditioning, Dishwasher, Garbage Disposal, Microwave, Range/Stove, Refrigerator, Walk-in Closets	Conditioning, Deck/Patio, Dishwasher, Garbage Disposal, Microwave, Range/Stove, Refrigerator, Walk-in Closets	Conditioning, Deck/Patio, Dishwasher, Microwave, Range/Stove, Vaulted Ceilings, Walk-in Closets
Utilities Incl.*	E, T, S, W	E, T, S, W	E, T, G, S, W	T, G, S, W	T, G, S, W	T, S, W
Parking Incl.	None	Garage, Open	Open	Garage, Open	Garage, Open	Garage, Open
Subtotal Survey Adjustments		(\$25.00)	\$0.00	(\$59.00)	(\$35.00)	(\$35.00)
*Electricity = E Garbage = T Gas = G Hot-Water = HW Sewer = S Water = W Cable/Satellite = C Internet = I						
BUILDING INFORMATION						
Subtype	Garden Low-Rise	Apartments	Apartments	Apartments	Apartments	Apartments
GBA (SF)	45,008	158,472	44,190	298,692	51,402	283,467
NRA (SF)	29995	120,870	44,190	233,093	40,275	234,234
Units	47	126	48	396	45	234
Avg Unit SF	638	969 (\$33)	700 (\$6)	589 \$5	895 (\$26)	1,001 (\$36)
Occupancy	91%	94.4%	100.0%	98.2%	84.4%	98.7%
Year Built/Ren	2012	2012	2012	2013	1984	2011
Location	Average	Average	Average	Average	Average	Average
Project Amenities	Elevators	On-Site Manager -\$5.00	Elevators	Facilities, On-Site Manager -\$15.00	-	Facilities, On-Site Manager -\$15.00
Security Features	Secured Entry	Secured Entry	Secured Entry	Secured Entry	Secured Entry	-
Laundry	Washer/Dryer	Washer/Dryer	On Site	On Site	On Site, Washer/Dryer	Washer/Dryer
Parking Ratio	0	0.7	1.2	0.4	2.2	-
Parking Type	On-Street	Garage - Detached, Off-Street, On-Street (\$25)	Off-Street, Surface (\$15)	Garage - Detached, Off-Street (\$25)	Garage - Detached, Off-Street (\$25)	Garage, Off-Street (\$25)
Subtotal Building Adjustments		(\$63.12)	(\$21.18)	(\$35.04)	(\$50.63)	(\$76.29)
Total Adjustments		(\$88.12)	(\$21.18)	(\$94.04)	(\$85.63)	(\$111.29)
CONFIRMATION INFORMATION						

COMPARABLE RENT ADJUSTMENTS

Concessions

In this analysis, Rent Comps 1 and 3 are adjusted down for current rent concessions.

Utility Expenses

This adjustment category accounts for differences in tenant and owner paid utility expenses. The table below identifies the utility expense allocation for the subject.

UTILITIES ALLOCATION		
EXPENSE	Tenant-Paid Utilities	Owner-Paid Utilities
Electric		X
Heat		X
Cable	X	
Internet	X	
Telephone	X	
Water		X
Sewer		X
Trash		X

In this analysis, Comparables #4, and #5 are adjusted down for fewer tenant utility expense responsibilities. The remaining comparables are generally similar and no adjustment is applied.

Market Conditions

All the comparables reflect current rental rates as of the as-is effective date of appraisal. Therefore, no adjustments for market conditions are required.

Location

The location adjustment accounts for market or submarket area influences on rent. It also considers convenience to transportation facilities, ease of site access and visibility from main thoroughfares. In this analysis, no adjustments are required as all of the comparables are located in Dickinson.

Unit Size

Differences in floor area in square feet can affect the rental rate owners can charge tenants. Adjustments for size differences are based on the assumption that rent will vary at less than a one-to-one ratio to unit size differences. In this analysis, varying degrees of adjustments are applied to the comparables for differences in size. In this analysis, a value ratio of 10% is applied.

Age/Condition

Newer multifamily properties are generally able to command higher rental rates in comparison to older properties. In this analysis, all of the comparables are a similar age, no adjustments were made.

Appeal/Unit Features and Project Amenities

Unit features include features specific to individual dwelling units such as patio/balcony, fireplace, and appliances. Examples of project amenities include garage parking, hot tub/sauna, fitness room, community room, library, etc. In this analysis, downward adjustments are applied to Comparables #1, #3, and #5 for on-site management and/or an indoor exercise facility. Additionally, downward adjustments are applied to all of Comparables for superior off-street parking and/or detached garage parking.

CONCLUSION OF MARKET RENT

The following table summarizes the various indicators of market rent for each unit type, and provides the market rent analysis and the conclusions for the subject property.

INCOME APPROACH

(CONTINUED)

STUDIO UNITS

COMP TYPE	AVERAGE UNIT SIZE	UNADJUSTED RENT	ADJUSTMENTS		ADJUSTED RENT	NET ADJ
			SURVEY	BUILDING		
3 Studio / 1 Bath	450	\$599	(\$59)	(\$35)	\$505	(16%)
3 Studio / 1 Bath	550	\$725	(\$59)	(\$35)	\$631	(13%)
5 Studio / 1 Bath	302	\$731	(\$35)	(\$76)	\$620	(15%)
HIGH	550	\$731	(\$35)	(\$35)	\$631	(13%)
AVG	434	\$685	(\$51)	(\$49)	\$585	(15%)
MED	450	\$725	(\$59)	(\$35)	\$620	(15%)
LOW	302	\$599	(\$59)	(\$76)	\$505	(16%)

UNIT TYPE ANALYSIS & CONCLUSIONS

TYPE	UNIT SIZE	RENT	ASKING	CONCLUSION
Studio / 1 Bath	308	\$481	\$400	\$550

1 BED UNITS

COMP TYPE	AVERAGE UNIT SIZE	UNADJUSTED RENT	ADJUSTMENTS		ADJUSTED RENT	NET ADJ
			SURVEY	BUILDING		
1 Flat 1 Bed / 1 Bath	776	\$824	(\$25)	(\$63)	\$736	(11%)
3 Flat 1 Bed / 1 Bath	645	\$745	(\$59)	(\$35)	\$651	(13%)
3 Flat 1 Bed / 1 Bath	825	\$795	(\$59)	(\$35)	\$701	(12%)
3 Flat 1 Bed / 1 Bath	875	\$825	(\$59)	(\$35)	\$731	(11%)
4 Flat 1 Bed / 1 Bath	660	\$775	(\$35)	(\$51)	\$689	(11%)
4 Flat 1 Bed / 1 Bath	672	\$775	(\$35)	(\$51)	\$689	(11%)
4 Flat 1 Bed / 1 Bath	765	\$775	(\$35)	(\$51)	\$689	(11%)
5 Flat 1 Bed / 1 Bath	778	\$821	(\$35)	(\$76)	\$710	(14%)
HIGH	875	\$825	(\$25)	(\$35)	\$736	(11%)
AVG	750	\$792	(\$43)	(\$50)	\$700	(12%)
MED	771	\$785	(\$35)	(\$51)	\$695	(11%)
LOW	645	\$745	(\$59)	(\$76)	\$651	(14%)

UNIT TYPE ANALYSIS & CONCLUSIONS

TYPE	UNIT SIZE	RENT	ASKING	CONCLUSION
Flat 1 Bed / 1 Bath	458	\$506	\$570	\$600

INCOME APPROACH

(CONTINUED)

2 BED UNITS

COMP TYPE	AVERAGE UNIT SIZE	UNADJUSTED RENT	ADJUSTMENTS		ADJUSTED RENT	NET ADJ
			SURVEY	BUILDING		
1 Flat 2 Bed / 2 Bath	1,050	\$1,025	(\$25)	(\$63)	\$937	(9%)
2 Flat 2 Bed / 2 Bath	700	\$895	\$0	(\$21)	\$874	(2%)
4 Flat 2 Bed / 1 Bath	898	\$875	(\$35)	(\$51)	\$789	(10%)
4 Flat 2 Bed / 2 Bath	1,057	\$925	(\$35)	(\$51)	\$839	(9%)
5 Flat 2 Bed / 1 Bath	1,050	\$883	(\$35)	(\$76)	\$772	(13%)
5 Flat 2 Bed / 2 Bath	1,065	\$961	(\$35)	(\$76)	\$850	(12%)
HIGH	1,065	\$1,025	\$0	(\$21)	\$937	(2%)
AVG	970	\$927	(\$28)	(\$56)	\$843	(9%)
MED	1,050	\$910	(\$35)	(\$57)	\$845	(10%)
LOW	700	\$875	(\$35)	(\$76)	\$772	(13%)

UNIT TYPE ANALYSIS & CONCLUSIONS

TYPE	UNIT SIZE	RENT	ASKING	CONCLUSION
Flat 2 Bed / 2 Bath	520	\$636	\$690	\$700

3 BED UNITS

COMP TYPE	AVERAGE UNIT SIZE	UNADJUSTED RENT	ADJUSTMENTS		ADJUSTED RENT	NET ADJ
			SURVEY	BUILDING		
1 Flat 3 Bed / 2 Bath	1,400	\$1,174	(\$25)	(\$63)	\$1,086	(8%)
4 Flat 3 Bed / 2 Bath	1,269	\$1,049	(\$35)	(\$51)	\$963	(8%)
5 Flat 3 Bed / 2 Bath	1,179	\$1,243	(\$35)	(\$76)	\$1,132	(9%)
HIGH	1,400	\$1,243	(\$25)	(\$51)	\$1,132	(8%)
AVG	1,283	\$1,155	(\$32)	(\$63)	\$1,060	(8%)
MED	1,269	\$1,174	(\$35)	(\$63)	\$1,086	(8%)
LOW	1,179	\$1,049	(\$35)	(\$76)	\$963	(9%)

UNIT TYPE ANALYSIS & CONCLUSIONS

TYPE	UNIT SIZE	RENT	ASKING	CONCLUSION
Flat 3 Bed / 3 Bath	795	\$787	\$785	\$850

4 BED UNITS

UNIT TYPE ANALYSIS & CONCLUSIONS

TYPE	UNIT SIZE	RENT	ASKING	CONCLUSION
Flat 4 Bed / 4 Bath	936	\$983	\$1,050	\$1,050

Market Rent vs. Contract Rent

Based on the previous conclusions, the subject's average contract rent is 90.6% of market rents. Note that the vacant units are assumed at the average contract rent of the occupied units when calculating the overall average actual rent.

Market rents are applied in our fee simple analysis.

CONTRACT VERSUS MARKET								
TYPE	UNITS	ASKING RENT		ACTUAL RENT		CONCLUDED		CONTRACT V MARKET
		\$/UNIT	\$/SF	\$/UNIT	\$/SF	\$/UNIT	\$/SF	
Studio / 1 Bath	4	\$400	\$1.30	\$481	\$1.56	\$550	\$1.79	87.5%
Flat 1 Bed / 1 Bath	10	\$570	\$1.24	\$506	\$1.11	\$600	\$1.31	84.4%
Flat 2 Bed / 2 Bath	9	\$690	\$1.33	\$636	\$1.22	\$700	\$1.35	90.8%
Flat 3 Bed / 3 Bath	21	\$785	\$0.99	\$787	\$0.99	\$850	\$1.07	92.5%
Flat 4 Bed / 4 Bath	3	\$1,050	\$1.12	\$983	\$1.05	\$1,050	\$1.12	93.7%
TOTAL / AVERAGE	47	\$705	\$1.11	\$685	\$1.07	\$755	\$1.18	90.6%

Due to the subject's age, construction quality and recent leasing activity in 2022, the subject's current contract and asking rents are considered the best indicator of market rent. On balance, the subject's market rent conclusions are considered reasonable.

Gross Rental Income (GRI)

The gross rental income equals the total gross income based on the rent conclusions presented above and is summarized in the following table.

UNIT MIX							
TYPE	UNITS	CATEGORY	CONTRACT	MARKET	CONT V MKT	\$/UNIT	\$/YEAR
Studio / 1 Bath	4	Studio	\$481	\$550	88%	\$550	\$26,400
Flat 1 Bed / 1 Bath	10	1 Bed	\$506	\$600	84%	\$600	\$72,000
Flat 2 Bed / 2 Bath	9	2 Bed	\$636	\$700	91%	\$700	\$75,600
Flat 3 Bed / 3 Bath	21	3 Bed	\$787	\$850	93%	\$850	\$214,200
Flat 4 Bed / 4 Bath	3	4 Bed	\$983	\$1,050	94%	\$1,050	\$37,800
UNIT MIX SUBTOTAL	47	-	\$685	\$755	91%	\$755	\$426,000

Miscellaneous Income

The following table summarizes the miscellaneous income projected for the subject property. Miscellaneous income generators based on the historicals include pet fees, application fees and late fees.

OTHER REVENUE CONCLUSIONS				
OTHER REVENUE	%PRR	\$/UNIT	TOTAL	COMMENT
Miscellaneous Income	3.8%	\$340	\$16,000	The concluded amount is based on historical income.
TOTAL OTHER REVENUE	3.8%	\$340	\$16,000	

Potential Gross Income (PGI)

The potential gross income equals the gross rental income and miscellaneous income. The total potential gross income for the subject is \$442,000 which is \$9,404 /Unit.

Vacancy and Credit Loss

This category accounts for the time period between occupants, as well as possible prolonged vacancies under slow market conditions. Market participants typically expect a vacancy and credit loss of 5% to 10% of potential gross income for similar property types. This assignment reflects the probable vacancy during the economic life of the property and not necessarily the current or short-term vacancy. The findings of the Market Analysis section support a typical vacancy and credit loss allocation. As of the effective date, the subject is 91.5% occupied. Based on current and perceived long-term market conditions and the subject's current and anticipated tenancy over a typical holding period, a vacancy and credit loss of 7.7% is concluded.

INCOME APPROACH

(CONTINUED)

ALL VACANCY LOSS	%PGR	%EGR	\$/UNIT	\$/YEAR
Vacancy	8.0%	8.4%	(\$725)	(\$34,080)
Concessions			\$0	\$0
Bad Debt			\$0	\$0
TOTAL VACANCY & CREDIT LOSS	7.7%	8.4%	(\$725)	(\$34,080)

Effective Gross Income (EGI)

Effective gross income equals the potential gross income less vacancy and credit loss. The total effective gross income for the subject is \$407,920 which is \$8,679 /Unit.

Operating Income and Expense History

The subject's operating history is shown in the following chart.

OPERATING HISTORY												
YEAR	Trailing 12 Months			ANNUALIZE 2022			PRO FORMA			PROJECTION		
RENTAL REVENUE	TOTAL	\$/UNIT	%PRR	TOTAL	\$/UNIT	%PRR	TOTAL	\$/UNIT	%PRR	TOTAL	\$/UNIT	%PRR
Total Multifamily Revenue	\$286,659	\$6,099	100%	\$328,112	\$6,981	100%	\$381,734	\$8,122	100%	\$426,000	\$9,064	100%
TOTAL RENTAL REVENUE	\$286,659	\$6,099	100%	\$328,112	\$6,981	100%	\$381,734	\$8,122	100%	\$426,000	\$9,064	100%
REIMBURSEMENT REVENUE	TOTAL	\$/UNIT	%PRR	TOTAL	\$/UNIT	%PRR	TOTAL	\$/UNIT	%PRR	TOTAL	\$/UNIT	%PRR
MISCELLANEOUS REVENUE	TOTAL	\$/UNIT	%PRR	TOTAL	\$/UNIT	%PRR	TOTAL	\$/UNIT	%PRR	TOTAL	\$/UNIT	%PRR
Miscellaneous Income	\$25,706	\$547	9%	\$14,820	\$315	5%	\$18,900	\$402	5%	\$16,000	\$340	4%
TOTAL MISCELLANEOUS REVENUE	\$25,706	\$547	9%	\$14,820	\$315	5%	\$18,900	\$402	5%	\$16,000	\$340	4%
POTENTIAL GROSS REVENUE	\$312,365	\$6,646	109%	\$342,932	\$7,296	105%	\$400,634	\$8,524	105%	\$442,000	\$9,404	104%
ALL VACANCY LOSS	TOTAL	\$/UNIT	%PGR	TOTAL	\$/UNIT	%PGR	TOTAL	\$/UNIT	%PGR	TOTAL	\$/UNIT	%PGR
Vacancy	\$0	-	0%	\$0	-	0%	(\$37,073)	(\$1.24)	(9%)	(\$34,080)	(\$725)	(8%)
Concessions	\$0	-	0%	\$0	-	0%	\$0	-	0%	\$0	-	0%
EFFECTIVE GROSS REVENUE	\$312,365	\$6,646	100%	\$342,932	\$7,296	100%	\$363,561	\$7,735	91%	\$407,920	\$8,679	92%
OPERATING EXPENSES	TOTAL	\$/UNIT	%EGR	TOTAL	\$/UNIT	%EGR	TOTAL	\$/UNIT	%EGR	TOTAL	\$/UNIT	%EGR
Taxes	(\$42,564)	(\$906)	(14%)	(\$42,000)	(\$894)	(12%)	(\$43,128)	(\$918)	(12%)	(\$41,141)	(\$875)	(10%)
Insurance	(\$18,757)	(\$399)	(6%)	(\$18,756)	(\$399)	(5%)	(\$18,758)	(\$399)	(5%)	(\$17,625)	(\$375)	(4%)
Utilities	(\$85,482)	(\$1,819)	(27%)	(\$85,370)	(\$1,816)	(25%)	(\$84,334)	(\$1,794)	(23%)	(\$84,600)	(\$1,800)	(21%)
Repairs & Maintenance	(\$25,568)	(\$544)	(8%)	(\$22,828)	(\$486)	(7%)	(\$19,812)	(\$422)	(5%)	(\$28,200)	(\$600)	(7%)
Payroll	(\$19,699)	(\$419)	(6%)	(\$39,398)	(\$838)	(11%)	\$0	-	-	(\$23,500)	(\$500)	(6%)
Advertising	(\$5,097)	(\$108)	(2%)	\$0	-	-	(\$10,000)	(\$213)	(3%)	(\$7,050)	(\$150)	(2%)
Administrative Fees	(\$641)	(\$14)	(0%)	(\$430)	(\$9)	(0%)	(\$4,500)	(\$96)	(1%)	(\$9,400)	(\$200)	(2%)
Management Fees	(\$12,117)	(\$258)	(4%)	(\$10,146)	(\$216)	(3%)	(\$10,907)	(\$232)	(3%)	(\$16,317)	(\$347)	(4%)
Reserves	\$0	-	-	\$0	-	-	\$0	-	-	(\$11,750)	(\$250)	(3%)
TOTAL OPERATING EXPENSES	(\$209,925)	(\$4,466)	(67%)	(\$218,928)	(\$4,658)	(64%)	(\$191,439)	(\$4,073)	(53%)	(\$239,583)	(\$5,098)	(59%)
NET OPERATING INCOME	\$102,440	\$2,180	33%	\$124,004	\$2,638	36%	\$172,122	\$3,662	47%	\$168,337	\$3,582	41%

Expense Comparables

The following table summarizes the expense comparables deemed to be applicable to the subject property.

INCOME APPROACH

(CONTINUED)

EXPENSE COMPARABLES

COMPARABLE	COMP 1		COMP 2		COMP 3		COMP 4		COMP 5		LOW	HIGH	AVG
City	Minot		Williston		Mandan		Dickinson		Williston		-	-	-
State	ND		ND		ND		ND		ND		-	-	-
Building Class	Garden		Garden		Garden		Garden		Garden		-	-	-
Expense Year	T-12, 2017		T-12, 2018		2018		2019		2021		-	-	-
Actual/Budget	Actual		Actual		Actual		Pro-Forma		Pro-Forma		-	-	-
Units	276		288		136		155		84		84	288	188
Net Rentable Area	267,432		-		138,477		172,586		87,410		87,410	267,432	166,476
Year Built	2016		-		2015-2017		2013-2014		2012		2012	2016	2014
EFFECTIVE GROSS REVENUE	\$12,672	-	\$10,206	-	\$9,185	-	\$10,538	-	\$9,100	-	\$9,100	\$12,672	\$10,340
OPERATING EXPENSES	\$/UNIT	%EGR	\$/UNIT	%EGR	\$/UNIT	%EGR	\$/UNIT	%EGR	\$/UNIT	%EGR	LOW	HIGH	AVG
Taxes	\$944	7.4%	\$790	7.7%	\$1,261	13.7%	\$1,054	10.0%	\$818	9.0%	\$790	\$1,261	\$973
Insurance	\$252	2.0%	\$539	5.3%	\$280	3.0%	\$300	2.8%	\$350	3.8%	\$252	\$539	\$344
Utilities	\$554	4.4%	\$1,409	13.8%	\$901	9.8%	\$1,000	9.5%	\$1,200	13.2%	\$554	\$1,409	\$1,013
Repairs & Maintenance	\$753	5.9%	\$1,702	16.7%	\$512	5.6%	\$1,000	9.5%	\$850	9.3%	\$512	\$1,702	\$963
Payroll	\$1,128	8.9%	\$711	7.0%	\$521	5.7%	\$900	8.5%	\$500	5.5%	\$500	\$1,128	\$752
Advertising	\$310	2.4%	\$172	1.7%	\$163	1.8%	\$100	0.9%	\$200	2.2%	\$100	\$310	\$189
Administrative Fees	\$477	3.8%	\$183	1.8%	\$127	1.4%	\$250	2.4%	\$150	1.6%	\$127	\$477	\$237
Management Fees	\$351	2.8%	\$433	4.2%	\$484	5.3%	\$474	4.5%	\$455	5.0%	\$351	\$484	\$439
Reserves	\$150	1.2%	\$250	2.4%	-	-	\$250	2.4%	\$250	2.7%	\$150	\$250	\$225
TOTAL OPERATING EXPENSES	\$4,919	38.8%	\$6,189	60.6%	\$4,249	46.3%	\$5,328	50.6%	\$4,773	52.5%	\$4,249	\$6,189	\$5,092

Expense Conclusions

The individual expense conclusions for the subject are summarized below. The analysis relies upon the subject's historical data, expense comparables and general market parameters.

EXPENSE CONCLUSIONS

OPERATING EXPENSES	%EGR	\$/UNIT	TOTAL	COMMENT
Taxes	10.1%	\$875	\$41,141	The concluded amount is based within the historical expense.
Insurance	4.3%	\$375	\$17,625	The concluded amount is based within the historical expense.
Utilities	20.7%	\$1,800	\$84,600	The concluded amount is based within the historical expense.
Repairs & Maintenance	6.9%	\$600	\$28,200	The concluded amount is based on the historical expenses and the expense comparable information.
Payroll	5.8%	\$500	\$23,500	The concluded amount is based on the historical expenses and the expense comparable information.
Advertising	1.7%	\$150	\$7,050	The concluded amount is based on the expense comparable information.
Administrative Fees	2.3%	\$200	\$9,400	The concluded amount is based on the expense comparable information.
Management Fees	4.0%	\$347	\$16,317	The concluded amount is based on market parameters and expense comparable information.
Reserves	2.9%	\$250	\$11,750	The concluded amount is based on market parameters and expense comparable information.
TOTAL OPERATING EXPENSES	48.6%	\$4,222	\$198,442	

INCOME APPROACH

(CONTINUED)

Net Operating Income (NOI)

The net operating income equals the effective gross income less the total expenses. The net operating income for the subject is \$168,337 which is \$3,582/Unit and IA_DirCap_NOIPSF/SF.

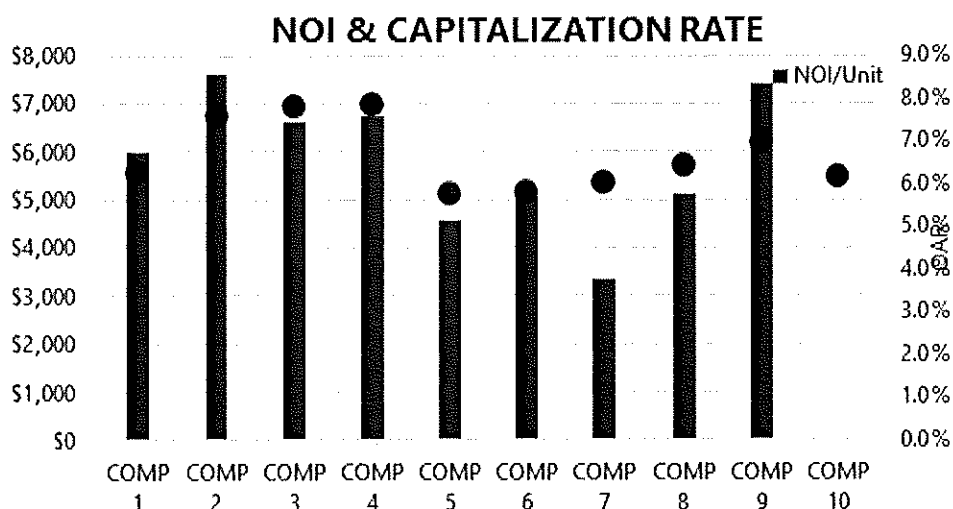
Capitalization Rate

In this section, a capitalization rate for the subject is developed based upon market extraction, national survey data, and band of investments analysis.

Market Extraction

The following capitalization table restates the information for the sales previously presented in the Sales Comparison Approach.

MARKET EXTRACTION METHOD										
	COMP 1	COMP 2	COMP 3	COMP 4	COMP 5	COMP 6	COMP 7	COMP 8	COMP 9	COMP 10
Name	South Ridge Apartments	Dakota Commons	Williston Gardens	Renaissance Heights	Dakota Ridge Apartments	Prairie Vista Apartment Homes	Manor Apartments	Terrace Point Apartments	Hawk Pointe Apartments	5 Bldg Portfolio
Address	3709 7th St W	123 30th St E	10 42nd St E	4615 11th Ave W	5963 Highway 85	1100 42nd St W	1423 N 20th St	425 East Calgary	4201 Montreal St	Multiple
City	Williston	Williston	Williston	Williston	Williston	Williston	Bismarck	Bismarck	Bismarck	Bismarck
State	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
NRA (SF)	331,233	48,308	148,255	313,149	185,264	58,554	14,482	36,300	178,501	N/A
Units	392	44	145	288	180	81	23	36	167	413
Year Built/Ren	2016	2014	2012	2015	2015	2013	1966	2004	2008	1979-1994
Sale Date	12/17/2018	7/26/2018	7/26/2018	7/26/2018	6/26/2018	2/18/2020	1/31/2020	7/22/2020	1/1/2020	10/29/2019
Sale Price	\$38,220,000	\$4,420,000	\$12,310,000	\$24,770,000	\$16,500,000	\$7,100,000	\$1,250,000	\$2,850,000	\$17,750,000	\$24,000,000
Price/SF	\$115	\$91	\$83	\$79	\$89	\$121	\$86	\$79	\$99	N/A
Price/Unit	\$97,500	\$100,455	\$84,897	\$86,007	\$91,667	\$87,654	\$54,348	\$79,167	\$106,287	\$58,111
NOI/Unit	\$5,986.00	\$7,615.00	\$6,631.00	\$6,734.00	\$4,571.00	\$5,099.00	\$3,328.00	\$5,133.00	\$7,417.00	N/A
Occupancy	92%	95%	92%	92%	89%	93%	N/A	N/A	N/A	N/A
Capitalization Rate	6.24%	7.58%	7.81%	7.83%	5.75%	5.82%	6.01%	6.44%	6.97%	6.14%
HIGH	7.83%									
AVERAGE	6.66%									
LOW	5.75%									



The cap rate comps indicate a range from 5.75% to 7.83% with an average of 6.66%.

Market Extraction Conclusion

In conclusion, the market extraction method brackets the subject's applicable capitalization rate from 5.75% to 7.83%, and is supportive of a capitalization rate conclusion for the subject presented in the Capitalization

INCOME APPROACH

(CONTINUED)

Rate Conclusion section. A cap rate near the upper end of the range is supported, particularly due to lack of on-site parking, smaller average unit size and location in Dickinson (compared to the comparables).

National Survey

The investor pool for the subject property likely includes regional or local investors. Data pertaining to investment grade properties from the PwC and Real Estate Research Corporation (RERC) surveys are summarized below. Given the subject's building size and location in the Dickinson MSA greater emphasis is placed on published survey data from RERC.

NATIONAL INVESTOR SURVEY					
CAPITALIZATION RATE (OAR)	YEAR/QUARTER	RANGE			AVERAGE
National Apartment Market					PwC
Current Quarter	2022 Q2	3.00%	to	7.00%	4.45%
Last Quarter	2022 Q1	3.00%	to	7.00%	4.40%
Four Quarters Ago	2021 Q2	3.50%	to	7.00%	4.96%
Midwest Going-In Cap Rate Apartment Tier 1					RERC
Current Quarter	2022 Q1	4.00%	to	7.50%	5.50%
Last Quarter	2021 Q4	4.00%	to	7.50%	5.60%
Four Quarters Ago	2021 Q1	4.80%	to	7.50%	5.80%
Midwest Going-In Cap Rate Apartment Tier 2					RERC
Current Quarter	2022 Q1	5.00%	to	8.50%	6.60%
Last Quarter	2021 Q4	5.00%	to	8.50%	6.70%
Four Quarters Ago	2021 Q1	5.80%	to	8.50%	6.80%
Midwest Going-In Cap Rate Apartment Tier 3					RERC
Current Quarter	2022 Q1	6.00%	to	9.50%	7.50%
Last Quarter	2021 Q4	6.30%	to	9.50%	7.70%
Four Quarters Ago	2021 Q1	6.50%	to	9.50%	7.80%

Band of Investment Technique

To analyze the capitalization rate from a financial position, the Band of Investment Technique is used. Available financing information from lenders and the sales comparables indicates the following terms. Equity dividend rates vary depending upon motivations of buyers and financing terms. The terms, appreciation, and other rates used in the Band of Investment calculations along with the Band of Investment conclusions are presented in the following table:

SIMPLE BAND OF INVESTMENT					
ASSUMPTIONS					
Interest Rate	5.64%	Ten Year Treasury	250 bp		
Loan Amortization Period	20 Years	Current 10-Yr. Treasury	3.14% (as of report date)		
Loan-To-Value-Ratio	75.00%	6-Mos Trend			
Mortgage Constant	0.08350	Current SOFR	1.54% (as of report date)		
		6-Mos Trend			
CALCULATION					
Mortgage Component	75%	x	8.35%	=	0.0626
Equity Component	25%	x	7.00%	=	0.0175
INDICATED CAPITALIZATION RATE					8.01%

Capitalization Rate Conclusion

Taking all factors into consideration, the following table summarizes the various capitalization rate indicators and provides the final capitalization rate conclusion. Primary emphasis was placed on the Market Extraction Method, with support from the balance of the data.

CAPITALIZATION RATE CONCLUSION				
COMPONENT	RANGE			AVERAGE
Market Extraction	5.75%	to	7.83%	6.66%
National PwC Investor Surveys Average	3.00%	to	7.00%	4.40%
National RERC Average	6.00%	to	9.50%	7.50%
Simple Band of Investment Calculation				8.01%
CONCLUDED CAPITALIZATION RATE				7.50%

INCOME APPROACH

(CONTINUED)

DIRECT CAPITALIZATION CONCLUSION

The table below summarizes the Direct Capitalization Method and its value conclusion.

DIRECT CAPITALIZATION							
UNIT MIX							
TYPE	UNITS	CATEGORY	CONTRACT	MARKET	CONT V MKT	\$/UNIT	\$/YEAR
Studio / 1 Bath	4	Studio	\$481	\$550	88%	\$550	\$26,400
Flat 1 Bed / 1 Bath	10	1 Bed	\$506	\$600	84%	\$600	\$72,000
Flat 2 Bed / 2 Bath	9	2 Bed	\$636	\$700	91%	\$700	\$75,600
Flat 3 Bed / 3 Bath	21	3 Bed	\$787	\$850	93%	\$850	\$214,200
Flat 4 Bed / 4 Bath	3	4 Bed	\$983	\$1,050	94%	\$1,050	\$37,800
UNIT MIX SUBTOTAL	47	-	\$685	\$755	91%	\$755	\$426,000
RENTAL REVENUE			%PRR	%PGR	%EGR	\$/UNIT	\$/YEAR
Total Multifamily Revenue			100%	96%	104%	\$9,064	\$426,000
TOTAL RENTAL REVENUE						\$9,064	\$426,000
OTHER REVENUE (MISCELLANEOUS)							
Miscellaneous Income			4%	4%	4%	\$340	\$16,000
TOTAL OTHER REVENUE (MISCELLANEOUS)			4%	4%	4%	\$340	\$16,000
POTENTIAL GROSS REVENUE						\$9,404	\$442,000
ALL VACANCY LOSS				%PGR	%EGR	\$/UNIT	\$/YEAR
Vacancy				8.0%	8.4%	(\$725)	(\$34,080)
Concessions						\$0	\$0
Bad Debt						\$0	\$0
TOTAL VACANCY & CREDIT LOSS				7.7%	8.4%	(\$725)	(\$34,080)
EFFECTIVE GROSS REVENUE						\$8,679	\$407,920
OPERATING EXPENSES				%PGR	%EGR	\$/UNIT	\$/YEAR
Taxes				9.3%	10.1%	(\$875)	(\$41,141)
Insurance				4.0%	4.3%	(\$375)	(\$17,625)
Utilities				19.1%	20.7%	(\$1,800)	(\$84,600)
Repairs & Maintenance				6.4%	6.9%	(\$600)	(\$28,200)
Payroll				5.3%	5.8%	(\$500)	(\$23,500)
Advertising				1.6%	1.7%	(\$150)	(\$7,050)
Administrative Fees				2.1%	2.3%	(\$200)	(\$9,400)
Management Fees				3.7%	4.0%	(\$347)	(\$16,317)
Reserves				2.7%	2.9%	(\$250)	(\$11,750)
TOTAL OPERATING EXPENSES				54.2%	58.7%	(\$5,098)	(\$239,583)
NET OPERATING INCOME						\$3,582	\$168,337
Capitalization Rate							7.50%
Capitalized Value							\$2,244,496
INDICATED VALUE (ROUNDED TO NEAREST \$10,000)						\$47,660/Unit	\$2,240,000

RECONCILIATION OF VALUE CONCLUSIONS

Based on the agreed upon scope with the client, the subject's specific characteristics and the interest appraised, this appraisal developed Sales Comparison and Income (Direct Capitalization) approaches. The values presented represent the As-Is Market Value (Fee Simple).

The Reconciliation of Value Conclusions is the final step in the appraisal process and involves the weighing of the individual valuation techniques in relationship to their substantiation by market data, and the reliability and applicability of each valuation technique to the subject property. Below, the individual strengths and weaknesses of each approach are analyzed.

As previously discussed, the **Cost Approach** was not presented in this analysis. This approach has limited application due to the age of the improvements and lack of market-based evidence to support accrued depreciation. Additionally, investors typically do not place emphasis on replacement cost in establishing value for properties with stabilized income in place such as the subject. The exclusion of the Cost Approach does not diminish the credibility of the value conclusion.

The price per unit method has been presented in the **Sales Comparison Approach**. There have been limited recent sales of properties similar to the subject in the market area in the current market conditions, which decreases the validity of this approach. The most likely buyer for the subject would be an investor and this approach is given less weight.

The **Income Approach** to value is generally considered to be the best and most accurate measure of the value of income-producing properties. The value estimate by this approach best reflects the analysis that knowledgeable buyers and sellers carry out in their decision-making processes regarding this type of property. Sufficient market data was available to reliably estimate gross income, vacancy, expenses and capitalization rates for the subject property. The subject is leased to multiple tenants and the most likely buyer is an investor, suggesting this approach deserves primary emphasis.

After considering all factors relevant to the valuation of the subject property, greater emphasis is placed on the Income Approach in the following As-Is market value.

RECONCILIATION OF VALUE CONCLUSIONS

(CONTINUED)

RECONCILIATION OF VALUES

VALUATION SCENARIOS

AS-IS MARKET VALUE

Interest

Fee Simple

Date

July 7, 2022

SALES COMPARISON APPROACH

SALES COMPARISON APPROACH

Indicated Value	\$2,260,000
\$/Unit	\$48,085

INCOME CAPITALIZATION APPROACH

DIRECT CAPITALIZATION

NOI	\$168,337
NOI \$/Unit	\$3,581.64
Capitalization Rate (OAR)	7.50%
Indicated Value	\$2,240,000
\$/Unit	\$47,660

INCOME CAPITALIZATION CONCLUSION	\$2,240,000
\$/Unit	\$47,660

FINAL VALUE CONCLUSION

FINAL VALUE CONCLUSION	\$2,250,000
\$/Unit	\$47,872

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 of the signer are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- ▶ The signer of this report has 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.
- ▶ Mitchell Simonson, MAI has performed no services, specifically 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 acceptance of this assignment.
- ▶ The signer is not biased with respect to the property that is the subject of this report or to the parties involved with this assignment.
- ▶ The engagement in this assignment was not contingent upon developing or reporting predetermined results.
- ▶ The 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.
- ▶ The reported analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the *Code of Professional Ethics and Standards of Professional Appraisal Practice* of the Appraisal Institute, and the *Uniform Standards of Professional Appraisal Practice*, as set forth by the Appraisal Standards Board of the Appraisal Foundation.
- ▶ Mitchell Simonson, MAI inspected the property that is the subject of this report.
- ▶ Spencer Karvonen and MaryAlice Beevore provided significant real property appraisal assistance to the appraisers signing this certification, including verifying rent & sale comparables, interviewing brokers for appropriate market rent, cap rates and sale prices for the subject and similar property type. It is noted that the responsibilities of parties providing assistance is not considered to be significant in terms of any value determination. All parties conducted assistance under the direct supervision of the appraiser's signing this report in compliance with State regulations.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives. As of the date of this report, Mitchell Simonson, MAI has completed the Appraisal Institute Standards and Ethics Education Requirements as a Candidate for Designation.



Mitchell Simonson, MAI
Certified General Real Estate Appraiser
State of North Dakota License No. CG-21245
Expiration Date 12/31/2022

July 22, 2022
Date

ASSUMPTIONS & LIMITING CONDITIONS

- ▶ Information presented in this report has been obtained from reliable sources, and it is assumed that the information is accurate.
- ▶ This analysis assumes that the information provided for this appraisal accurately reflect the current condition of the subject property.
- ▶ This report shall be used for its intended purpose only, and by the party to whom it is addressed. Possession of this report does not include the right of publication.
- ▶ The appraiser may not be required to give testimony or to appear in court by reason of this appraisal, with reference to the property in question, unless prior arrangements have been made.
- ▶ The statements of value and all conclusions shall apply as of the dates shown herein.
- ▶ There is no present or contemplated future interest in the property by the appraiser which is not specifically disclosed in this report.
- ▶ Without the written consent or approval of the author neither all, nor any part of, the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media. This applies particularly to value conclusions and to the identity of the appraiser and the company with which the appraiser is connected.
- ▶ This report must be used in its entirety. Reliance on any portion of the report independent of others, may lead the reader to erroneous conclusions regarding the property values. Unless approval is provided by the author no portion of the report stands alone.
- ▶ We assume no responsibility for matters legal in character, nor do we render any opinion as to title, which is assumed to be marketable. All existing liens, encumbrances, and assessments have been disregarded, unless otherwise noted, and the property is appraised as though free and clear, under responsible ownership, and competent management.
- ▶ The appraisal has provided exhibits to assist the client(s)/intended user(s) to understand from a graphical standpoint some of the salient issues which impact the subject property. We have made no survey of the property and if further verification is required, a survey by a registered surveyor is advised.
- ▶ The appraiser assumes no responsibility for determining if the property requires environmental approval by the appropriate governing agencies, nor if it is in violation thereof, unless otherwise noted herein. This analysis assumes that no asbestos or other hazardous materials are stored or found in or on the subject property. If evidence of hazardous materials of any kind occurs, the reader should seek qualified professional assistance. If hazardous materials are discovered and if future market conditions indicate an impact on value and increased perceived risk, a revision of the concluded values may be necessary.
- ▶ The valuation stated herein assumes professional management and operation of the buildings throughout the lifetime of the improvements, with an adequate maintenance and repair program.
- ▶ The liability of Simonson Appraisals, its principals, agents, and employees is limited to the client. Further, there is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The appraiser is in no way responsible for any costs incurred to discover or correct any deficiency in the property.
- ▶ The appraiser is not qualified to detect the presence of toxic or hazardous substances or materials which may influence or be associated with the property or any adjacent properties, has made no investigation or analysis as to the presence of such materials, and expressly disclaims any duty to note the degree of fault. Simonson Appraisals and its principals, agents, employees, shall not be liable for any costs, expenses, assessments, or penalties, or diminution in value, property damage, or personal injury (including death) resulting from or otherwise attributable to toxic or hazardous substances or materials, including without limitation hazardous waste, asbestos material, formaldehyde, or any smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids, solids or gasses, waste materials or other irritants, contaminants or pollutants.
- ▶ The appraiser assumes no responsibility for determining if the subject property complies with the *Americans with Disabilities Act (ADA)*. Simonson Appraisals, its principals, agents, and employees, shall not be liable for any costs, expenses, assessments, penalties or diminution in value resulting from non-compliance.
- ▶ This appraisal assumes that the subject meets an acceptable level of compliance with ADA standards; if the subject is not in compliance, the eventual renovation costs and/or penalties would negatively impact the present value of the subject. If the magnitude and time of the cost were known today, they would be reduced from the reported value conclusion.

ASSUMPTIONS & LIMITING CONDITIONS

(CONTINUED)

- ▶ Unless otherwise noted herein, a detailed soils study was not provided for this analysis. The subject's soils and sub-soil conditions are assumed to be suitable based upon a visual inspection of the subject property and surrounding properties, which did not indicate evidence of excessive settling or unstable soils. No certification is made regarding the stability or suitability of the soil or sub-soil conditions.

PROFESSIONAL QUALIFICATIONS OF MITCHELL E. SIMONSON, MAI



EXPERIENCE:

- Simonson Appraisals – Owner/Certified General Appraiser – January 2019 to present
- Chadwick Appraisals – Managing Principal, Certified General Appraiser – August 2012 to December 2018
- Integra Realty Resources- Minneapolis / St. Paul – Associate Director, Senior Real Estate Appraiser and Expert Witness Consultant – March 2006 to July 2012
- Integra Winium Realty Analysts – Phoenix, Arizona – Real Estate Appraiser and Expert Witness Consultant – February 2005 to February 2006

APPRAISAL:

Experience includes valuation and analysis of all types of real estate ranging from commercial, industrial, residential, and special purpose properties. Clients served include private and public agencies, lenders, law firms, and investment firms. Valuations have been performed for condemnation and property tax purposes, estates, financing, equity participation and due diligence support. Valuations and market studies have been done on proposed, partially completed, renovated and existing structures. Valuations have been performed on various properties including, but not limited to, neighborhood and community shopping centers, apartment complexes, single and multi-tenant industrial buildings, low to high rise office buildings, mixed use facilities, and vacant land for different uses. Specialized real estate valued includes mobile home parks, limited-service and full-service hotels, campgrounds, places of worship, marinas, auto dealerships, medical offices, and residential land subdivisions. Mr. Simonson is qualified as an Expert Witness at Condemnation Proceedings.

PROFESSIONAL ASSOCIATIONS AND LICENSES:

- Appraisal Institute, Member (MAI)
- Certified General Appraiser, Minnesota License No. 20573344, Expires August 2023
- Certified General Appraiser, Wisconsin License No. 1561-10, Expires December 2023
- Certified General Appraiser, North Dakota License No. CG-21245, Expires December 2022
- Speaker at Minnesota Bankers Association/SBA Workshops - Helping Lenders Navigate the Appraisal Process
- Moderator/Speaker at Minnesota Real Estate Journal, NAIOP, Bisnow, Minnesota Real Estate Exchanges (MREE) events
- Participant – 2012 Co-Chair NAIOP MN Communications Committee
- Member – St. Cloud State University Real Estate Alumni Association
- Participant – Appraisal Institute Leadership Development and Advisory Council, Washington DC, 2012
- Past Member: Realtors Toastmasters 2512

EDUCATION:

St. Cloud State University, Bachelor of Science Degree in Business, Real Estate Appraisal

Along with his formal real estate education, Mr. Simonson has successfully completed numerous investment education offerings along with multiple real estate appraisal related courses sponsored by the Appraisal Institute, and other valued educators.

Currently certified by the Appraisal Institute's voluntary program of continuing education for its designated members.

North Dakota Real Estate Appraiser Qualifications and Ethics Board



Mitchell E. Simonson

Is fully qualified
in the State of North Dakota as a

CERTIFIED GENERAL APPRAISER
ND Permit Number: CG-21245

Date of Issuance: 01/01/2022
Expiration Date: 12/31/2022

Unless sooner suspended or revoked, as provided by law.

Mitchell Simonson

Appraiser Signature

LEGAL DESCRIPTION

Lots 4, 5, & 6 Plus E9' Vacated Alley, Block 27, Young's 5th Addition

ENGAGEMENT LETTER



Request for Quote to Perform an Appraisal

Date: 06/03/2022

Dear Mitchell,

Dakota West Credit Union is requesting a quote to perform an appraisal of the real property listed below. The appraisal, at a minimum, shall (a) conform to generally accepted appraisal standards as evidenced by the Uniform Standards of Professional Appraisal Practice (USPAP) promulgated by the Appraisal Standards Board of the Appraisal Foundation, and the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) Title XI, unless principals of safe and sound banking require compliance with stricter standards, (b) be written and contain sufficient information and analysis to assist Dakota West Credit Union's review and analysis of the real property, (c) analyze and report appropriate deductions and discounts for proposed construction or renovation, partially leased buildings, non-market lease terms, and tract developments with unsold units as applicable, (d) be based upon the definition of market value as set forth in this request, (e) for agricultural or commercial loan request, be performed by certified appraiser who has no direct or indirect interest, financial or otherwise, in the real property or the loan transaction, (f) for residential loan request, be performed by either state licensed or certified appraiser or a Merchants Bank approved appraiser, who has no direct or indirect interest, financial or otherwise, in the real property or the loan transaction, and the appraisal will be completed on Forms 1004 or 1004C and 1004MC, and (g) the appraiser will inspect the real property. The appraisal is to be engaged between Dakota West Credit Union and the appraiser (or appraisal firm).

Owner of Real Property to be appraised:

Tzadik Blue Hawk, LLC

Buyer:

Property Physical Address:

1022 West Villard Dickinson, ND 58601County: StarkParcel ID #: 0350-2700-0400

Acreage: _____

Legal Description (can be attached as a separate sheet):

Lots 4, 5, & 6 Plus E9' Vacated Alley, Block 27, Young's 5th Addition

Type of Transaction:

☐ Purchase ☒ Refinance ☐ Construction ☐ Foreclosure

Property Rights to be appraised:

☒ Fee Simple ☐ Leased Fee ☐ Leasehold ☐ Other

If other, please state property rights to be appraised:

Appraisal Format (check all that apply):

☐ Self-contained ☒ Summary
☐ Residential (with income approach) ☐ Residential (without income approach)

Frequency:

- ☐ One time appraisal of land (no improvements included)
- ☒ One time appraisal of land and existing improvements
- ☐ One time appraisal of land and existing improvements, and proposed additional improvements
- ☐ Appraisal of land and existing improvements, proposed additional improvements, and follow-up
Completion certificate of the completed construction to confirm or adjust the initial appraisal valuation and provide the client with the final market value of the property.

Value Determined:

☒ As Is ☐ As Completed ☐ As Is & As Completed

Type of Property: (Check all that apply)

Residential	Agricultural	Commercial
<input type="checkbox"/> Raw Land	<input type="checkbox"/> Raw Land	<input type="checkbox"/> Raw Land
<input type="checkbox"/> Improved Lot	<input type="checkbox"/> Farm Land (for crops)	<input type="checkbox"/> Improved Lot
<input type="checkbox"/> Existing Home with Lot	<input type="checkbox"/> Farm Land (for pasture)	<input checked="" type="checkbox"/> Land with Building(s)
<input type="checkbox"/> Construction (to-be-built)	<input type="checkbox"/> Farm Land with Home	<input type="checkbox"/> Construction (to-be-built)
<input type="checkbox"/> 1-4 Family Unit	<input type="checkbox"/> Farm Land with Building(s)	<input type="checkbox"/> Retail Use
<input type="checkbox"/> Manufactured Home (Forms 1004C/1004MC)	<input type="checkbox"/> Farm Land with Home and Buildings(s)	<input type="checkbox"/> Office Use
<input type="checkbox"/> Secondary Market Loan (check if yes)	<input type="checkbox"/> Construction (to-be-built)	<input type="checkbox"/> Industrial Use
		<input type="checkbox"/> Apartments/Multi-family

Contact Information for Inspection of Property:

☐ Property Owner
 ☒ Realtor/Agent
 ☐ Borrower (Buyer)

Name: Nico Pepia, Banyan Commercial Capital, LLC

Phone Number: 561-740-6346

Other Comments:

This property was acquired in 2020. They are looking for a cashout refinance

Loan Officer at Dakota West CU: Brock Romine

Phone Number: 701-444-7372

Email Address: appraisals@dakotawestcu.org

The loan officer will provide a copy of the purchase agreement, construction plans and specs, plat map, and/or land survey, if available, with this request.

Definitions for Use with this Quote Request:

Appraisal means a written statement independently and impartially prepared by a qualified appraiser setting forth an opinion as to the market value of an adequately described property as of a specific date(s), supported by the presentation and analysis of relevant market information.

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:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interest;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- 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.

Real Estate or Real Property means an identified parcel or tract of land, with improvements, and includes easements, rights of way, undivided or future interests and similar rights in a tract of land, but does not include mineral rights, timber rights, growing crops, water rights, and similar interests severable from the land when the transaction does not involve that associated parcel or tract of land.

Real Estate-Related Financial Transaction means any transaction involving:

- The sale, lease, purchase, investment in or exchange of real property, including interests in property, or the financing thereof; or
- The refinancing of real property or interests in real property; or
- The use of real property or interests in property as security for a loan or investment, including mortgage-backed securities.

State Certified Appraiser means any individual who has satisfied the requirements for certification in a state or territory whose criteria for certification as a real estate appraiser currently meet the minimum for certification issued by the Appraiser Qualifications Board of the Appraisal Foundation. No individual shall be a state certified appraiser unless such individual has achieved a passing grade upon a suitable examination administered by a state or territory that is consistent with and equivalent to the Uniform State Certification Examination issued or endorsed by the Appraiser Qualifications Board. In addition, the Appraisal Subcommittee must not have issued a finding that the policies, practices, or procedures of the state or territory are inconsistent with Title XI of FIRREA.

State Licensed Appraiser means any individual who has satisfied the requirements for licensing in a state or territory where the licensing procedures comply with Title XI of FIRREA and where the Appraisal Subcommittee has not issued a finding that the policies, practices, or procedures of the state or territory are inconsistent with Title XI.

Tract Development means a project of five units or more that is constructed or is to be constructed as a single development.

Transaction Value means:

- For loans or other extensions of credit, the amount of the loan or extension of credit;
- For sales, leases, purchases, and investments in or exchanges of real property, the market value of the real property interest involved.

Appraisal Quote

Please complete this section, sign, and return your quote to perform the described appraisal as contained in this quote request.

I agree to perform the following:

- ☐ One time appraisal of land (no improvements included)
- ☐ One time appraisal of land and existing improvements
- ☐ One time appraisal of land and existing improvements, and proposed additional improvements
- ☐ Appraisal of land and existing improvements, proposed additional improvements, and follow-up
Completion certificate of the completed construction to confirm or adjust the initial appraisal valuation and provide the client with the final market value of the property.

Total cost of the appraisal (including any follow up completion certificate):

\$ _____

The initial appraisal will be completed within the following time frame (once engaged):

☐ 3 weeks ☐ 4 weeks ☐ 5 weeks ☐ 6 weeks

☐ Other (specify): 6-7 weeks

This appraisal, along with any follow up completion certificate, will be completed by the following:

☒ Certified Appraiser ☐ Licensed Appraiser ☐ Merchants Bank Approved Appraiser

Name of Appraiser or Firm: Simonson Appraisals

Phone Number: 612-618-3726 Fax: _____

Email Address: mitch@simonsonap.com

Acceptance by Appraiser

Mitchell Simonson
Signature of Appraiser

Date: 6/3/2022

Acceptance by Dakota West Credit Union

Signature of Dakota West Credit Union Authorized Signer

Date: _____

Please return this quote request to Dakota West Credit Union by email, fax, or mail as outlined below.

Dakota West Credit Union
Attn: Appraisal Department
PO Box 1496, Watford City ND
Phone: 701-444-6484
Fax: 701-444-3829
Email: appraisals@dakotawestcu.org

COMMON USE AGREEMENT

THIS AGREEMENT, made and entered into this 29 day of March 2021, by and between SKYE THOMPSON, a single person and ROMY THOMPSON, a single person (hereinafter collectively referred to as "THOMPSON"), and DACOTAH BANKS, INC. aka DACOTAH BANK, a South Dakota corporation, (hereinafter referred to as "DACOTAH");

WHEREAS, Thompson owns the following property commonly referred to as the Oasis Motel:

Lots 7, 8 and 9 Less N10' Lot 9 Right of Way Plus W9' Feet Vacated Alley, Block 27, Young's 5th Addition in the City of Dickinson, Stark County, North Dakota.

WHEREAS, Dacotah owns the following property commonly referred to as Blue Hawk Square:

Lots 4, 5, 6, and the East 9 feet of vacated alley of Block 27, Youngs Fifth Addition to the City of Dickinson, Stark County, North Dakota.

WHEREAS, the Oasis Motel and Blue Hawk Square share a common space approximately eighteen (18) feet between both structures with approximately nine (9) feet on each side ("Common Space").

WHEREAS, Thompson and Dacotah find it mutually beneficial to memorialize the terms of use for the Common Space.

NOW THEREFORE, the Parties hereby stipulate and agree as follows:

1. Grant of Easements.

A. Dacotah does hereby grant unto Thompson, its successors, heirs and assigns, an exclusive easement to use the ground level and mezzanine level of the interior building space located on the eighteen (18) foot Common Space area located between the westerly wall of Blue Hawk Square and the easterly wall of the Oasis Motel; provided, however, Dacotah retains the right to access and use the basement of the Common Space area. Oasis shall have no access to

the basement. In the event Thompson were to need access to the basement, Thompson must obtain permission from Dacotah. Dacotah, its successor and assigns, has the absolute right, in its sole discretion, to withhold permission in the event it deems the request for access unnecessary or unlawful. A decision by Dacotah to not grant access is not a breach of this Agreement. It is expressly understood that if Dacotah were to grant access it is only temporary access which must be mutually agreed upon by the parties at the time the request is made and does not in any way convey or grant to Thompson any ownership in the basement or any utilities in the basement. This easement shall be effective as long as Thompson or its successor and assigns operates the Oasis as a motel or similar use which meets the necessary zoning approvals from the City of Dickinson and does not affect Dacotah's ability to use Blue Hawk Square or increase any liability to Dacotah or Blue Hawk Square. Thompson shall have no access to the elevator located on Blue Hawk Square property.

B. The parties acknowledge that a portion of an asphalt driveway which serves the Oasis Motel encroaches onto the southwest corner of the Blue Hawk Square as shown on the Survey prepared by Steven Rude with Advanced Engineering and Environmental Services, Inc. dated March 24, 2021 (the "Survey"). Thompson and Dacotah agree, acknowledge and admit that the true boundary line between the Oasis Motel and the Blue Hawk Square is as shown and located on the Survey, that Thompson has acquired no rights whatsoever to or upon the property of Dacotah, and that the portion of the asphalt driveway shown on the Survey is in fact located upon Blue Hawk Square. Subject to the terms of this Agreement, Dacotah hereby grants and conveys to Thompson, their successors and assigns, a non-exclusive easement over, across, and upon that portion of the southwest corner of Blue Hawk Square upon which a portion of the asphalt driveway is located as shown on the Survey to use and maintain the asphalt driveway until this easement is terminated as provided herein. This easement for use and maintenance of the encroaching asphalt driveway shall automatically and without further notice or act terminate when the asphalt driveway is moved off of Blue Hawk Square, is destroyed by Thompson or by act of nature, is no longer used or deteriorates in physical condition to such extent that the asphalt driveway cannot remain in good and sound state of repair without reconstruction. Thompson, their heirs, successors and assigns agree to use the encroaching asphalt driveway in its current manner and agree that the use made thereof may not be intensified or changed to cause any greater, further or additional encroachment than is indicated by and on the Survey.

C. Oasis shall have sole possession, control and use of the barbeque area that is located on the south side of the Oasis Motel near the entrance.

D. The parties acknowledge that there is an existing water line that runs parallel to the north property line of Blue Hawk Square ("Water Line") as identified on the Survey. Dacotah makes no representations or warranties that it owns the Water Line or that it has the authority to grant Thompson any use or access to use or to tie into the Water Line. In the event Thompson desires to access the Water Line for any lawful purpose, Dacotah will not oppose such request to do so as long as the use is determined not to be detrimental to Blue Hawk Square, and Thompson complies with all local, state and federal laws related to the use and the construction of the Water Line and any appurtenances thereto. If the following conditions are met and Thompson is allowed to access and use the Water Line, the parties agree to execute a mutually-acceptable Access Easement outlining the terms and conditions of use, and confirming

the applicability of the insurance and hold harmless provisions contained herein as it relates to the Water Line.

2. **Scope of Easement.** The easement identified in Section (1)(A) above is limited to the use of the existing interior building space on the ground level and mezzanine level of the building constructed on the eighteen (18) foot Common Space and does not extend to or authorize the use of the remainder of said premises, specifically Blue Hawk Square; and provided, Dacotah retains the right to access and use the basement of the building constructed on the eighteen (18') foot Common Space. Dacotah shall not be required to provide access to the Common Space from its most westerly party wall located on Blue Hawk Square property or through the elevator located on Blue Hawk Square property. Oasis must access the Common Space from the entrance located on the south side of the building near Villard Street or on its easterly party wall adjacent to the Common Space. In addition, Thompson may enter the Common Space utilizing any entrances that are located on its property.

3. **Use of Property.** Both parties shall comply with all statutes, ordinances, rules, orders, regulations, and requirements of all federal, state, city, and local governments, and with all rules, orders, and regulations related to the use of the Common Space. The Common Space may be used in connection with any lawful business purpose of the Oasis Motel or any other permitted use as identified in Section (1)(A).

4. **Improvements.** Thompson shall be responsible and pay, at its own cost and expense, all improvements to the interior and exterior of the building constructed on the Common Space required by it to make the Common Space suitable for its purpose. Thompson shall provide to Dacotah, prior to the commencement of the making of any improvements, a copy of any plans, drawings and specifications showing the improvements to be made to the Blue Hawk side of the Common Space. All such improvements shall be made in such a manner as will not damage or impair the structural integrity of the Common Space or Blue Hawk Square. In making said improvements, Thompson shall keep the same free and clear of any and all liens, mortgages or encumbrances of any kind. All work performed by Thompson or its agents or employees shall be performed in a good and workmanlike manner.

5. **Maintenance.** Thompson shall maintain the Common Space in good order and repair and all necessary repairs as well as take good care of the fixtures, equipment and appurtenances located in or on the Common Space. All damage or injury to the Common Space or any of its fixtures caused by Thompson, its guests, invitees or agents shall be repaired, restored or replaced promptly by Thompson to the reasonable satisfaction of Dacotah at Thompson's expense. All repairs and replacements required in connection therewith shall be of quality and class at least equal to the original work or installations and done in a good and workmanlike manner. Thompson shall be responsible for all snow removal from the sidewalks, parking lot and areas adjoining the Common Space. Dacotah shall not be required to make any repairs. Dacotah shall maintain the fire suppression system and only those utilities that service Blue Hawk Square. Thompson shall maintain and be responsible for repairs to the roof above the Common Space.

6. **Utilities.** Thompson shall pay all utilities, including heat, water, electricity, telephone and any other service used in connection with the Common Space.

7. **Alterations, Installation And Fixtures.** Except as hereinafter provided, Thompson shall not make any alterations, additions or improvements in or to the Common Space or add, disturb or in any way change the plumbing or wiring therein without the prior written consent of Dacotah. Plans for the same must be submitted to Dacotah for approval at least 30 days prior to the proposed date for starting these alterations. Alterations or additions by Thompson must be built in compliance with all laws, ordinances and governmental regulations affecting the Common Space, and Thompson shall warranty to Dacotah that all such alterations, additions or improvements shall be in strict compliance with all relevant laws, ordinances, governmental regulations and insurance requirements. Construction of such alterations or additions shall be commenced only upon Thompson obtaining and exhibiting to Dacotah the requisite approvals, licenses and permits and indemnification against liens. All alterations, installations, physical additions or improvements to the Common Space made by Thompson shall at once become the joint property of Dacotah; however, this clause shall not apply to the movable equipment or furniture owned by Thompson which may be removed by Thompson.

8. **Signs.** Any sign, lettering or advertisement installed on or in any part of the Common Space and visible from the exterior shall be installed and maintained at Thompson's sole cost and expense and will be anchored to and removed from the Common Space without causing any damage to the same.

9. **Dacotah's Access.** Dacotah, or its agents may enter the Common Space at reasonable hours to examine the Common Space to do anything Dacotah may be required to do hereunder or which Dacotah may deem necessary for the good of the Common Space or any part thereof. Whenever possible Dacotah shall provide Thompson twenty-four (24) hours advance notice.

10. **Assignment and Subletting.** Thompson shall not assign any of the rights granted herein or any part thereof, or sublet any portion of the Common Space, without the written consent of Dacotah. Dacotah and its successors and assigns has the absolute right, in its sole discretion, to withhold consent if it determines the assignment or sublet is not in the best interest of Blue Hawk Square or prohibited by local, state or federal law. A decision by Dacotah to not grant an assignment or sublet is not a breach of this Agreement.

11. **Damage Or Destruction.** In the event of any damage or destruction to the Common Space by fire or other cause during the term hereof which damage shall materially affect the Common Space so as to render it unsuitable in whole or in part, the easement in Section (1)(B) shall remain and the easement in Section (1)(A) shall terminate immediately unless the parties mutually agree to reconstruct the Common Space with any insurance proceeds received. In the event the Common Space is rebuilt, the new Common Space shall be governed by the terms and conditions set forth in this Agreement.

12. **Liability Insurance.** Thompson shall, during the term hereof, keep in full force and effect and at Thompson's expense, a policy or policies of public liability insurance with respect to the Common Space on terms and with companies approved in writing by Dacotah, in which both Thompson and Dacotah shall be covered by being named as insured parties under a general commercial liability policy with limits of not less than \$1,000,000 per occurrence, and

\$2,000,000 in the aggregate. Such policy or policies shall provide that 30 days written notice must be given to Dacotah prior to cancellation thereof. Thompson shall furnish evidence satisfactory to Dacotah at the time this Agreement is executed that such coverage is in full force and effect. Thompson shall be added as an additional insured on Dacotah's liability policy.

13. **Casualty Insurance.** Thompson shall at all times during the term of this Agreement, at its expense, maintain a policy or policies of insurance with premiums paid in advance issued by an insurance company licensed to do business in the State of North Dakota insuring the Common Space against loss or damage by fire, explosion or other insurable hazards and contingencies for the full replacement value, which has been approved by Dacotah. Thompson shall not carry any stock of goods or do anything in or about the Common Space which will in any way impair or invalidate the obligation of the insurer under any policy of insurance required by this Agreement. Dacotah shall carry and maintain a policy or policies of insurance insuring the Common Space against loss or damage by fire, explosion or other insurable hazards and contingencies for the full replacement value.

14. **Covenant to Hold Harmless.** Unless the liability for damage or loss is caused by the negligence of Dacotah, Dacotah's agents or employees, Thompson shall hold harmless Dacotah from any liability for damages to any person or property in or upon the Common Space, including the person and property of Thompson and its employees and all persons in the Common Space through invitation of Thompson or the Oasis Motel, and from all damages resulting from Thompson's failure to perform the covenants of this Agreement. All property kept, maintained or stored in the Common Space shall be so kept, maintained or stored at the sole risk of Thompson. Thompson agrees to pay all sums of money in respect of any labor, service, materials, supplies or equipment furnished or alleged to have been furnished to Thompson in or about the Common Space and not furnished on order of Dacotah which may be secured by any mechanic's, materialmen's or other lien to be discharged at the time performance of any obligation secured thereby matures, provided that Thompson may contest such lien, but if such lien is reduced to final judgment and if such judgment or process thereon is not stayed, or if stayed and said stay expires, then and in each such event, Thompson shall forthwith pay and discharge said judgment. Dacotah shall have the right to post and maintain on the Common Space notice of non-responsibility under the laws of the State of North Dakota.

In the event Dacotah is found to be liable for any damage to the Common Space, Dacotah shall hold harmless Thompson from such liability and from all damages resulting from Dacotah's acts or failure to perform the covenants of this Agreement.

15. **Waiver of Subrogation.** Dacotah and Thompson mutually release and discharge each other from all claims and liabilities arising from or caused by any hazard covered by insurance on the Common Space or covered by insurance in connection with the property on or activities conducted on the Common Space regardless of the cause of damage or loss, unless such release or discharge voids insurance coverage or causes a loss or decrease in insurance coverage.

16. **Default.** In the event of any failure of either party to perform any of the other terms, conditions or covenants of this Agreement for more than 30 days after written notice of such failure, either party shall be in default hereunder, or this Agreement shall terminate immediately.

Either party shall have the authority to exercise any legal remedies available to it under North Dakota law. In the event of a default and the non-breaching party must pursue legal proceedings, that party shall be entitled to its attorney's fees if successful.

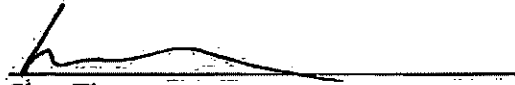
17. **Binding Effect.** All of the rights and obligations of the parties under this Agreement and the Settlement Agreement and Release executed in conjunction herewith shall bind and inure to the benefit of the successors and assigns of the parties.

18. **Amendment.** This Agreement may be amended at any time by mutual agreement of the Parties without additional consideration, provided that before any amendment shall become effective it shall be reduced to writing and signed by both parties.

19. **Entire Agreement.** This Agreement contains the sole and entire agreement between the parties regarding the subject matter hereof, and supersedes any and all prior agreements between the Parties.

IN WITNESS WHEREOF, the Parties have respectively executed this Agreement as of the day and year first above written.

[The balance of the page is intentionally left blank]



Skye Thompson

STATE OF California)
: ss.
COUNTY OF San Francisco)

On this 30th day of March, 2021, before me, a Notary Public in and for said County and State, personally appeared Skye Thompson, to me known to be the person who is described in and that executed the foregoing instrument, and acknowledged to me that he executed the same.

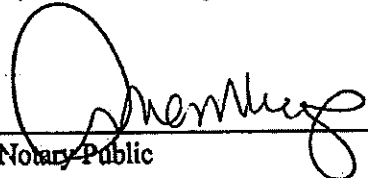



Notary Public


Romy Thompson

STATE OF Louisiana)
COUNTY OF Orleans) : ss.

On this 30 day of March, 2021, before me, a Notary Public in and for said County and State, personally appeared Romy Thompson, to me known to be the person who is described in and that executed the foregoing instrument, and acknowledged to me that she executed the same.


Notary Public

NOTARY PUBLIC
IS ATTESTING TO
SIGNATURES ONLY

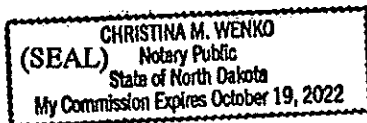
Anna M. Vieages
Notary Public, #64900
Orleans Parish, Louisiana
Commission expires at death

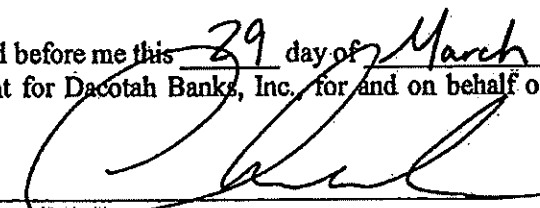
DACOTAH BANKS, INC.

By: 
Travis Ellison, Market President

STATE OF NORTH DAKOTA)
 : ss.
COUNTY OF STARK)

The foregoing instrument was executed before me this 29 day of March, 2021, by Travis Ellison, the Market President for Dacotah Banks, Inc. for and on behalf of the corporation.




Notary Public

CONSENT TO COMMON USE AGREEMENT

Stephen Edward Peters, as lender for Romy Thompson and Skye Thompson, does hereby acknowledge and consent to the foregoing Common Use Agreement by and between Dacotah Banks, Inc. aka Dacotah Bank, and Skye Thompson and Romy Thompson as owners of the Oasis Motel. Stephen Edward Peters agrees to be bound by all the terms and conditions set forth in the Common Use Agreement.

LENDER


Stephen Edward Peters

STATE OF CALIFORNIA)

: ss.

See attached

COUNTY OF _____)

On this _____ day of March 2021, before me, a Notary Public in and for said County and State, personally appeared Stephen Edward Peters, to me known to be the person who is described in and that executed the foregoing instrument, and acknowledged to me that he executed the same.

Notary Public

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

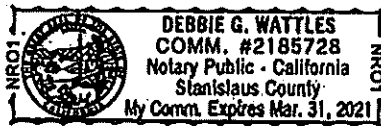
State of California

County of Stanislaus

On March 30, 2021 before me, Debbie B Wattles Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Stephen Edward Peters
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: Debbie B Wattles
Signature of Notary Public

Place Notary Seal and/or Stamp Above

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Consent to Common Use Agreement

Document Date: 3/30/2021 Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____
☐ Corporate Officer – Title(s): _____
☐ Partner – ☐ Limited ☐ General
☐ Individual ☐ Attorney In Fact
☐ Trustee ☐ Guardian of Conservator
☐ Other: _____
 Signer Is Representing: _____

Signer's Name: _____
☐ Corporate Officer – Title(s): _____
☐ Partner – ☐ Limited ☐ General
☐ Individual ☐ Attorney In Fact
☐ Trustee ☐ Guardian of Conservator
☐ Other: _____
 Signer Is Representing: _____

BOARD OF COMMISSIONERS
DEAN FRANCHUK, Chairman
NEAL MESSER, Vice-Chair
BERNIE MARSH
PAUL CLARYS
CORY WHITE



AUDITOR
KAREN RICHARD

DEPUTY AUDITOR
Lana Jahner

OFFICIAL PROCEEDINGS OF THE STARK COUNTY COMMISSION
June 6, 2023

Chairman Franchuk called the regular meeting of the Stark County Board of Commissioners to order at 9:00 a.m. Commissioners Present: Dean Franchuk, Paul Clarys, Bernie Marsh, Neal Messer, and Cory White. Department Heads Present: Auditor Karen Richard, Sheriff Corey Lee, Road Superintendent Al Heiser, Human Resources Joetta Percy, Emergency Manager Shawn Davenport, Tax Director Natalie Wandler, and County Park Lisa Helser.

RATIFY AGENDA

Franchuk Industries.
MO County BOE 2023 Commissioner Clarys
To ratify
DIS Minutes stating

MIN No Comment from
Chairman May 2, 2023.
MO Commissioner White
To ratify
DIS anyone representing

AC Tzadik
MO County BOE left
To ratify
DIS amount at
Franchuk \$3,696,500
Commissioner White

White - aye, Marsh - aye, Clarys - aye, Chairman

ABC FENCING	35TH ST SW FENCE RENEW	\$ 748.80	96383	6/6/2023
ADVANCED ENGINEERING	RESTROOM FINAL DESIGN	\$ 4,800.00	96384	6/6/2023
AED EVERYWHERE INC	PADS & BATTERIES	\$ 281.70	96385	6/6/2023
AP - ABM	MAY PRINTER/EMAIL FIX	\$ 2,484.37	1239	6/7/2023
AP - BALCO	UNIFORMS	\$ 2,130.80	1239	6/7/2023
AP - BOSS	OFFICE SUPPLIES	\$ 1,213.55	1239	6/6/2023
AP - BRAUNS	WATER.CLEAN SUPPLIES	\$ 1,598.24	1239	6/7/2023
AP - CENTRAL MECHANICAL	PAY EST 3 HVAC 2023	\$ 98,100.00	1239	6/7/2023
AP - CENTRAL SQUARE	CAD MAINTENANCE	\$ 2,475.42	1239	6/7/2023
AP - CHS SW GRAIN	FUEL	\$ 12,928.12	1239	6/7/2023
AP - CONSOLIDATED	PHONE	\$ 108,704.06	1220	5/25/2023
AP - HEART RIVER CLEAN	APRIL CLEANING	\$ 500.00	1239	6/7/2023
AP - HIGHLANDS ENG	BRIDGE REPLACEMENTS	\$ 8,680.00	1239	6/7/2023
AP - INFORMATION TECH	USER FEES	\$ 7,582.83	1239	6/7/2023
AP - J LORAE	MAY CLEANING	\$ 750.00	1239	6/7/2023
AP - JAM PEST CONTROL	APRIL MARCH FEES	\$ 430.00	1239	6/7/2023
AP - JUST IN GLASS	UNIT 11	\$ 50.00	1239	6/7/2023
AP - KLI	HWY 10 CHIP/FOG SEAL	\$ 3,651.77	1239	6/7/2023
AP - KOHLER COMM	MICROPHONES	\$ 685.00	1239	6/7/2023
AP - LOGO MAGIC	UNIFORMS	\$ 616.00	1239	6/7/2023
AP - NELSON INTL	EQUIPMENT REPAIR	\$ 2,056.78	1239	6/7/2023
AP - NORTHERN PLAINS	PROJECT REPAIRS	\$ 19,032.50	1239	6/7/2023

AP - WEST DAKOTA OIL	FUEL	\$ 2,941.70	1239	6/7/2023
AP - WEX FLEET	FLEET	\$ 11,627.35	1220	5/25/2023
AP - WEX HEALTHCARE	FSA APRIL	\$ 93.50	1220	5/25/2023
AP - ZONAR	VT/FUEL/IGNITION TRACK	\$ 148.96	1239	6/7/2023
AP- HEART RIVER CLEAN	MAY CLEANING	\$ 500.00	1239	6/7/2023
APCO	DISPATCH ONLINE	\$ 384.00	96386	6/6/2023
ARAMARK	MATS	\$ 241.54	96387	6/6/2023
ARCA SEARCH	PRESERVE MINUTES	\$ 2,191.26	96388	6/6/2023
ARK METAL WORKS	STEEL SHERIFF SIGN	\$ 2,250.00	96389	6/6/2023
ARMOR INTERACTIVE	STORAGE/DISABLE USERS	\$ 128.50	96390	6/6/2023
AT&T MOBILITY	PHONE	\$ 36.65	96363	5/23/2023
B & G EXCAVATION INC	WATER LEAK REPAIR FG	\$ 1,500.00	96391	6/6/2023
BADLANDS TRAILERS	TANDEM TRAILER 16'X83"	\$ 5,000.00	96392	6/6/2023
BCBSND	JUNE PREM	\$ 156.80	96380	5/30/2023
BERGER ELECTRIC INC	SECURITY PANELS	\$ 474.90	96394	6/6/2023
BIG HORN TIRE INC	TIRES	\$ 3,120.00	96395	6/6/2023
BCBSND	JUNE PREM CR	\$ 175.80	96364	5/23/2023
BRAVERA BANK,	EXPOSURE -TRACTOR PULL	\$ 117.00	96396	6/6/2023
BURLEIGH COUNTY	NOTICE OF FORECLOSURE	\$ 90.00	96397	6/6/2023
BURLEIGH-MORTON COUNTY	MH SCRIPT REIMBURSE	\$ 33.23	96398	6/6/2023
BUTLER	EQUIPMENT REPAIR	\$ 59,149.71	96399	6/6/2023
CASS COUNTY SHERIFF	TAX LEIN PAPERS SO	\$ 102.00	96400	6/6/2023
CENTURY LINK	PHONE	\$ 151.72	96365	5/23/2023
CERTIFIED POWER	EQUIP REPAIR	\$ 35.27	96401	6/6/2023
CITY OF BELFIELD	UTILITIES	\$ 28.11	96352	5/10/2023
CITY OF DICKINSON	DISPATCHERS , UTILITIES	\$ 26,327.66	96366	5/23/2023
CITY OF RICHARDTON	UTILITIES	\$ 116.80	96353	5/10/2023
CLINT DIEDER	2022 COUNTY FENCE LABOR	\$ 851.00	96404	6/6/2023
CREATIVE ENERGY	FUEL	\$ 961.48	96405	6/6/2023
CLIFTON, JESSICA	MAY & APRIL OUTREACH	\$ 327.50	1239	6/7/2023
FRANCHUK, DEAN	MOTT ROOS CUSTER MTG	\$ 77.95	1239	6/7/2023
PEARCY JOETTA	SHRM DUES CC REIMBURSE	\$ 244.00	1239	6/7/2023
DENNY'S ELECTRIC	REPLACE THERMOSTAT	\$ 62.35	96406	6/6/2023
DEPT OF CORRECTIONS	NOV 2022	\$ 150.00	96407	6/6/2023
DICKINSON CHAMBER	STATE OF CITY 2023	\$ 80.00	96354	5/10/2023
DICKINSON STEEL BUILDERS	BELFIELD/DIX SHOP REPAIR	\$ 17,220.00	96408	6/6/2023
DICKINSON TIRE	UNIT 32	\$ 865.12	96409	6/6/2023
DIX ANIMAL SHELTER	ANIMAL BOARDING	\$ 460.00	96403	6/6/2023
DUNN COUNTY TREAS	MAY CORONER TRAVEL	\$ 288.20	96410	6/6/2023
EAR PHONE CONNECTION	LAPEL MICROPHONES	\$ 2,388.20	96455	6/6/2023
EAST END AUTO	UNITS 10 & 14	\$ 760.00	96411	6/6/2023
ELECTRIC SALES	HOOK UP DIESEL TANK	\$ 996.15	96412	6/6/2023
FEDEX	STATE LAB SHIPPING	\$ 39.42	96367	5/23/2023
FORUM	PUBLISHING	\$ 1,034.11	96413	6/6/2023
GOLDMARK DESIGN	RESTROOM FACILITY	\$ 1,815.00	96414	6/6/2023
GOOSENECK	EQUIP REPAIRS, OIL	\$ 2,112.86	96415	6/6/2023
GREGORY SVIHL	EASEMENT CP-45(22)01 #13	\$ 600.00	96368	5/23/2023
G5 PUBLISHING	TAXPAYER NOTICES	\$ 14.82	96416	6/6/2023
HLEBECHUK CONST	CP-45(22)01 PAY EST #5	\$ 47,281.81	96417	6/6/2023

LEGEND AUTO BODY INC	2022 DURANGO/2017 TAHOE	\$ 18,904.71	96425	6/6/2023
LOCATORS & SUPPLIES	UNIFORMS	\$ 148.30	96426	6/6/2023
MACKOFF KELLOGG LAW	APRIL/MAY FEE	\$ 4,000.00	96428	6/6/2023
MAC'S	BOLTS, NUTS, WASHERS	\$ 98.33	96427	6/6/2023
MDU	UTILITIES	\$ 7,146.28	96355	5/10/2023
MENARDS	CLEANING SUPPLIES	\$ 1,232.26	96430	6/6/2023
MGM RURAL SANITATION	2 YARD CONTAINERS	\$ 278.01	96356	5/10/2023
MIDAS	UNIT 17 BRAKES	\$ 773.97	96431	6/6/2023
MIDWEST DOORS	SHOP SUPPLIES	\$ 51.00	96432	6/6/2023
MILLER MACHINE & WELDING	SPEEDWAY BLEACHER REPAIR	\$ 165.00	96433	6/6/2023
NAPA BELFIELD	SHOP SUPPLIES	\$ 144.95	96434	6/6/2023
NAPA DICKINSON	CITROL	\$ 72.67	96435	6/6/2023
NDACO	PRE EMPLOY D&A SH	\$ 146.00	96436	6/6/2023
NDLTAP - UGPTI/ND SU	WORK ZONE SAFETY CLASS	\$ 250.00	96437	6/6/2023
ND SU - NANCY SMITH	MAR-MAY MOTOR POOL	\$ 998.20	96438	6/6/2023
NDVAA	2023 DUES	\$ 50.00	96439	6/6/2023
NEWBY'S	MOWER, HUMIDIFIER	\$ 904.54	96440	6/6/2023
NUTRIEN AG	CHEMICALS	\$ 19,876.00	96441	6/6/2023
PHARM CHEM INC	APRIL SCREENS	\$ 1,989.70	96442	6/6/2023
PUMP SYSTEMS LLC	VAC PUMP OIL	\$ 108.03	1/18/64	6/6/2023
ROUGH RIDER COMM	PERFECT WAVE PROD	\$ 21,850.00	96445	6/6/2023
ROUGH RIDER ELECTRIC	UTILITIES	\$ 2,046.30	96357	5/10/2023
ROUGH RIDER MOTORSPORT	LATE MODEL EVENT PURSE	\$ 5,000.00	96374	5/25/2023
RUDY'S LOCK & KEY	CHANGE MASTER LOCKS FG	\$ 1,541.00	96446	6/6/2023
SERVICE PRINTERS	PAPER, ENVELOPES	\$ 765.15	96447	6/6/2023
SHRED ND LLC	SHREDDING	\$ 53.75	96448	6/6/2023
SIGN SOLUTIONS	ROAD SIGNS	\$ 3,451.66	96449	6/6/2023
SOUTHWEST WATER	UTILITIES	\$ 167.89	96358	5/10/2023
SUPERIOR WATER	WATER	\$ 81.00	96450	6/6/2023
TAYLOR NURSERY	TREES	\$ 880.00	96452	6/6/2023
TENNANT SALES	M20-6111	\$ 735.06	96453	6/6/2023
THE DICKINSON PRESS	2023 RENEW	\$ 183.49	96454	6/6/2023
THE UPS STORE	MAIL PATCHES	\$ 14.88	96456	6/6/2023
T-REX CONOCO INC	FUEL, CARWASH	\$ 128.42	96451	6/6/2023
VERIZON WIRELESS	PHONE	\$ 2,983.57	96370	5/23/2023
VISA	COUNTY EXPENSES	\$ 4,695.67	96457	6/6/2023
WALMART	COUNTY EXPENSES	\$ 270.35	96458	6/6/2023
WELLCARE	MAY PREMIUM	\$ 7.50	96359	5/10/2023
WEST RIVER CONFERENCE	WEST RIVER CONF	\$ 420.00	96360	5/10/2023
WESTLIES	EQUIP REPAIR	\$ 5,441.35	96459	6/6/2023
XEROX CORPORATION	PRINTERS	\$ 379.10	96460	6/6/2023
GENERAL FUND	PAYROLL MAY	\$ 472,377.29		MAY
COUNTY ROAD	PAYROLL MAY	\$ 194,098.90		MAY
VETERAN SERVICE	PAYROLL MAY	\$ 14,085.32		MAY
COUNTY AGENT	PAYROLL MAY	\$ 4,722.46		MAY
WEED CONTROL	PAYROLL MAY	\$ 10,622.50		MAY
E-911	PAYROLL MAY	\$ 3,889.54		MAY
VICTM WITNESS	PAYROLL MAY	\$ 6,719.62		MAY

Reg Stops 27 Other Calls for Service • Transports: 10 Prisoner, 24 Court, 0 Juvenile, 5 Medical, 2 MH • Responded to 16 accidents: 2 pedestrians, 0 fatalities, 2 hit & run, 3 injury, and 9 property • 90 Total Arrests and 51 Warrants served • Civil Division – 209 attempts / 35 Subpoenas / 161 Civil Papers / 19 Criminal Papers.

Lee reports their booth at the Kid's Safety Fair received the best interaction. Canine Jerry Lee sustained an ACL tear and is out for a while. Lee has approved additional Overtime for the Roughrider Days, Opryland in Richardton, and Belfield Harvest Hoedown, which will be reflected in the budget.

Last year the monthly contract fee was waived for the city of Richardton for Little Opryland Days, Lee recommends waiving that \$1000.00 / month fee again for August.

MOTION BY: Commissioner Messer **SECONDED BY:** Commissioner Clarys

To waive a 1-month fee for the city of Richardton in the amount of \$1000, for the month of August.

DISPOSITION: Roll call: Commissioners: Messer - aye, Clarys - aye, Marsh - aye, White - aye, Chairman Franchuk - aye. Motion Carried.

AL HEISER – COUNTY ROAD

Heiser reports he received an email regarding the roundabout on 116th and Hwy 10 that construction has been approved, but construction is out to 2027. He believes if funding becomes available, we might be able to push that date up a bit. This intersection has been identified as a high crash intersection and is ranked number 11 in the state of ND.

The road crew is graveling on 107th and 32nd. This spring the roads are really dry, and they are struggling with blading and have been hauling lots of water.

AL HEISER – SIGNAGE FOR STARK COUNTY VACANT LOTS

Heiser reports on the county-owned vacant lots in the city of Dickinson, kids have been tearing up the lots with motorized vehicles. Messer states he has looked at the lots and there is obvious traffic on them, we can post them, but it won't stop people from going on the lots and he doesn't want to incur a bunch of expenses. Marsh thinks we should put up a no-trespass sign saying no motorized vehicles and Clarys agrees that we should limit our liability. Engelstad will look at this and let Heiser know what he can do.

AL HEISER – AWARD RFP BRJ-0045(078) TO INTERSTATE ENGINEERING

Heiser recommends selecting Interstate Engineering for RFP BRJ-0045(078).

MOTION BY: Commissioner Messer **SECONDED BY:** Commissioner White

To approve the Chair to sign BRJ-0045(078) to Interstate Engineering.

DISPOSITION: Roll call: Commissioners: Messer - aye, White - aye, Marsh - aye, Clarys - aye, Chairman Franchuk - aye. Motion Carried.

Heiser asked the commission to approve posting the following bills under Capital Improvements: Dickinson Steel (repair on shops) - \$17,220.00, grinder pump for lift station at county shop - \$3743.01 and \$825.00, electrical work on buildings - \$1147.25.

MOTION BY: Commissioner Marsh **SECONDED BY:** Commissioner Messer

To take \$37,683.01 from Capital Improvements to repair the shop.

DISPOSITION: Roll call: Commissioners: Marsh - aye, Messer - aye, Clarys - aye, White - aye, Chairman Franchuk - aye. Motion Carried.

AL HEISER – COOPERATIVE PURCHASING

Heiser addresses SB2370 which amends the Century Code to allow cooperative purchasing, with the approval of the Commission.

MOTION BY: Commissioner Messer **SECONDED BY:** Commissioner Clarys

To authorize the Cooperative Purchasing Agreement under SB2370 and authorize the Chair to sign.

DISPOSITION: Roll call: Commissioners: Messer - aye, Clarys - aye, Marsh - aye, White - aye, Chairman Franchuk - aye. Motion Carried.

JAMES KADRMAS – INTERSTATE ENGINEERING

- RIR-0045(075) - 38TH St SW Bridge Replacement

Working to schedule the preconstruction meeting for mid-June. The contractor is currently anticipating July construction. The completion date is October 1, 2023.

- **BRJ-0045(076) PCN 23725 Bridge Replacement 83rd Ave SW – 3 miles east & 7 miles north of Richardton (HES Project #210271)**

The final environmental document (DCE) and the USACE permit have been submitted and approved. We are currently working on the final plans which are due 8/4/23. The bid letting is scheduled for October 2023 with construction completion in October 2024.

- **BRJ-0045(077) PCN 23737 3 Each Bridge Removals & Replace with Low-Water Crossings (HES Project #220900)**

The draft environmental document was submitted to the NDDOT on 2/9/23. We are currently working to finalize the hydraulic report requested by the NDDOT. PS&E review plans are due 7/7/23 and final plans are due 8/4/23. The bid letting is scheduled for October 2023 with construction completion in October 2024.

JEREMY WOOD – NORTHERN PLAINS ENGINEERING PROJECT REPORT

- **BRP-0045(072) 131st Ave Bridge Replacements near Belfield**

The DOT has approved HB 1505 funding for this project. One of the bridges is located three miles south and one mile west of Belfield. The other bridge is located one mile north and one mile west of Belfield. The project was bid January 13th with Edward H Schwartz Construction the low bidder at \$823,364.69. Construction is expected to begin in late fall.

- **CP-45(22)01 32nd St and 107th Ave Grading northeast of Dickinson**

The general scope of work will consist of widening the roadway and graveling in preparation for paving at a later date. The project recently resumed and is expected to be complete in the next two weeks.

James Kiedrowski - KLJ

- **CBP-0045(17)02 Site 1 Wetland Mitigation Monitoring 47th St SW**

USACE responded with an email requiring mitigation monitoring to continue in 2023. No other remedial actions are proposed at this time.

- **Hwy 10 & 116th Ave SW Intersection Improvements**

Application for Highway Safety Improvement Program (HSIP) funding to install a roundabout was submitted to NDDOT on 12/29/22 and was approved last Friday with a construction date of 2027.

- **SC-4500(020) PCN 23927 2024 Chip & Fog Seal Hwy 10 East of Dickinson**

The draft environmental document is complete and was submitted to the NDDOT for review. Will submit the final after comments are received from the NDDOT. KLJ is currently working on plan preparation. Bid opening is scheduled for November 17, 2023, thru the NDDOT with 2024 construction.

NATALIE WANDLER – CITY OF TAYLOR ASSESSOR FEE

Wandler advises the Tax Department currently does the assessing for all small cities, except for the City of Taylor. Taylor is now asking the county to contract with them to do their assessment. Belfield and Richardton currently pay \$2,500.00 a year and South Heart and Gladstone currently pay \$2000.00 a year. Wandler recommends approving at \$2,000.00 per year. The fee schedule has not changed in many years, Wandler will put together a fee schedule proposal and bring it to the board.

MOTION BY: Commissioner Messer **SECONDED BY:** Commissioner Clarys

To approve the contract for the City of Taylor assessor fee in the amount of \$2,000.00.

DISPOSITION: Roll call: Commissioners: Messer - aye, Clarys – aye, Marsh - aye, White - aye, Chairman Franchuk – aye. Motion Carried.

9:30 AM – PALM BEACH ROAD FENCE

Jack Moorhead of Palm Beach Road addressed the commission regarding putting up a fence on his property on the county easement, lining it up with how the neighbor's fence is built. Messer advises this had previously been brought to the attention of the commission regarding the neighbor to the south, Mr. Splichal, putting his fence on the county right of way. A letter had been issued to Mr. Splichal regarding the location of the fence. Engelstad advises the commission does not have the authority to give permission to build a fence on the county right of way. Messer states in November we did nothing, to avoid controversy, do we turn the other cheek and allow the fence to be built on our right of way?

Froehlich provided the proposed contract revisions. Froehlich sent the revisions to Engelstad to review, and she said it looks fine. Richard questioned #11 regarding separate checks for the deposit and fee and that they are made payable to Stark County as it was in the previous contract.

MOTION BY: Commissioner Marsh **SECONDED BY:** Commissioner Clarys

To accept the new contract with the change of adding Stark County to #11

DISPOSITION: Roll call: Commissioners: Marsh - aye, Clarys - aye, Messer - aye, White - aye, Chairman Franchuk - aye. Motion Carried.

Froehlich also addressed the previous contract and #19 regarding the Auditor depositing the room's funds into a Dakota Room fund that will be used to pay for consumables for the room. He states the intent with the previous commission was to keep those funds separate, but they are currently being deposited in an account that zeros out at the end of the year. He would like the money to go into a fund that accumulates each year so there is a balance available for things like tables, etc. Richard advises the room does have a fund line but is a general fund line item. This room is a Stark County room and the utilities, etc. are coming out of the general, so that is why it is in the general. We can pull the revenue each year if needed. Messer states if we can report how much we have made each year - then he is fine with how it is currently done. Franchuk states that having special funds could become an issue for the state auditor and no additional action is needed because we can track the total balance if needed.

10:00 AM - BOARD OF EQUALIZATION

Franchuk recessed the County Commission Meeting and opened the Board of Equalization at 10:05 a.m. Those present: Commissioner Paul Clarys, Commissioner Neal Messer, Commissioner Corey White, Commissioner Bernie Marsh, Commission Chair Dean Franchuk, Tax Director Natalie Wandler, Assistant Tax Director Sarah Ruffin, Auditor Karen Richard, Deb Kirschenheiter and Heather Avers-Davis - City of Dickinson, Industrial Appraiser Dustin Bakken, Robert Stockert, Michael & Andrene Hermanson, Sally Paul (phone), Darrell Dickson (phone), and Eron Bringham (phone). The sign-in sheet is on file with the Stark County Tax Director's office.

Tax Director Natalie Wandler reported the City of Belfield's market value for 2023 at \$59,393,100 and the taxable value at \$2,766,678. New residential construction of \$116,100 and no new commercial construction. There were no comments from the public regarding the City of Belfield's assessment.

MOTION BY: Commissioner Messer **SECONDED BY:** Commissioner Clarys

To set the City of Belfield market value at \$59,393,100 with a taxable value of \$2,766,678.

DISPOSITION: Roll call: Commissioners: Messer - aye, Clarys - aye, Marsh - aye, White - aye, Chairman Franchuk - aye. Motion Carried.

Tax Director Natalie Wandler reported the City of South Heart's market value for 2023 at \$39,526,300 and the taxable value at \$1,825,017. New residential construction of \$490,100 and no new commercial construction. There were no comments from the public regarding the City of South Heart's assessment.

MOTION BY: Commissioner Messer **SECONDED BY:** Commissioner White

To set the City of South Heart market value for 2023 at \$39,526,300 with a taxable value of \$1,825,017.

DISPOSITION: Roll call: Commissioners: Messer - aye, White - aye, Marsh - aye, Clarys - aye, Chairman Franchuk - aye. Motion Carried.

Tax Director Natalie Wandler reported the City of Gladstone's market value for 2023 at \$15,329,300 and the taxable value at \$695,706. No new residential construction and no new commercial construction.

Michael Hermanson addressed the commission regarding his real estate assessment for clarification, Wandler advised that the Mobile Home and property statements were combined instead of separately.

MOTION BY: Commissioner Messer **SECONDED BY:** Commissioner White

To set the 2023 market value for Gladstone at \$15,329,300 with a taxable value of \$695,706.

DISPOSITION: Roll call: Commissioners: Messer - aye, White - aye, Marsh - aye, Clarys - aye, Chairman Franchuk - aye. Motion Carried.

Tax Director Natalie Wandler reported the City of Richardton's market value for 2023 at \$81,240,680 and the taxable value at \$3,901,339. New residential construction of \$6,500 and Wandler needs to check on the new commercial construction value. There were no comments from the public regarding the City of Richardton's assessment.

MOTION BY: Commissioner Messer **SECONDED BY:** Commissioner White

To set the 2023 market value of Richardton at \$81,240,680 with a taxable value of \$3,901,339.

DISPOSITION: Roll call: Commissioners: Messer - aye, White - aye, Marsh - aye, Clarys - aye, Chairman Franchuk - aye. Motion Carried.

Tax Director Natalie Wandler reported on the City of Dickinson and presented a list of parcels that had previous contact and the City of Dickinson acted on:

Walmart: no comments from anyone representing Walmart and the City of Dickinson had no change on Walmart.

MOTION BY: Commissioner Messer **SECONDED BY:** Commissioner Clarys

To set parcel 41-0986-01000-100, the Walmart parcel, for 2023 at \$24,641,800.

DISPOSITION: Roll call: Commissioners: Messer - aye, Clarys - aye, Marsh - aye, White - aye, Chairman Franchuk - aye. Motion Carried.

Daniel Duletski: no comments from anyone representing Daniel Duletski and Wandler states she believes he was satisfied with the amount the city changed his property to.

MOTION BY: Commissioner Messer **SECONDED BY:** Commissioner White

To have parcel 41-1690-01000-100, Daniel Duletski be established at \$660,300.

DISPOSITION: Roll call: Commissioners: Messer - aye, White - aye, Marsh - aye, Clarys - aye, Chairman Franchuk - aye. Motion Carried.

Holiday Gas Station: Sally Paul representing Holiday Gas Station appeared via phone. She states she spoke with Joe Hirschfeld from the City of Dickinson, and he advised her that he would not be looking at these values until 2024 when they would be re-evaluated and advised her to withdraw the appeal. It is currently on the tax roll for \$1,237,400 and she has done a Marshall Swift cost analysis for this property and the value should be \$1,016,972 - she believes the market value is overstated. Wandler advises the City of Dickinson had no change and Joe's recommendation to Wandler was no change as the city is going thru a reappraisal of commercial properties in 2024. Wandler recommends taking no action due to the reappraisal happening next year. Wandler provided an overview of how the commercial percent is set based on sales and mass appraisals.

MOTION BY: Commissioner Messer **SECONDED BY:** Commissioner White

To have parcel 41-0810-00000-100 be valued at \$1,237,400.

DISPOSITION: Roll call: Commissioners: Messer - aye, White - aye, Marsh - aye, Clarys - aye, Chairman Franchuk - aye. Motion Carried.

Tzadik Energy Portfolio: no comments from anyone representing Tzadik Energy Portfolio and the City of Dickinson had no change.

MOTION BY: Commissioner Messer **SECONDED BY:** Commissioner Clarys

To establish the Tzadik Energy Portfolio in the amount of \$3,696,500.

DISPOSITION: Roll call: Commissioners: Messer - aye, Clarys - aye, Marsh - aye, White - aye, Chairman Franchuk - aye. Motion Carried.

Exponetial Enterprise LLC/RubyAnn Stiegelmeier: no comments from anyone representing Exponetial Enterprise LLC/ RubyAnn Stiegelmeier. Wandler advises Stiegelmeier bought the property 2 years ago and paid \$140,000 and the property had a tax value of \$49,200 for 2 years and this year was increased to \$88,000. Stiegelmeier claims she didn't get her change notice, but she hadn't changed her mailing address with the city.

housing which restricts rent amount based on income. They had an appraisal done by a national appraisal company and it came back at \$1,860,000. He also states that based on the current tax value, rent restrictions, and 6 vacant units they cannot operate with those in place.

MOTION BY: Commissioner Messer **SECONDED BY:** Commissioner White

To have the valuation on 41-1182-02000-201-245 for the calendar year of 2023 be established at \$5,220,700.

DISPOSITION: Roll call: Commissioners: Messer - aye, White - aye, Marsh - aye, Clarys - aye, Chairman Franchuk - aye. Motion Carried.

Riley, Kuntz: no comments from anyone representing Riley Kuntz and the City of Dickinson had no change.

MOTION BY: Commissioner Messer **SECONDED BY:** Commissioner Clarys

To have parcel 41-0020-09001-100 be established for the 2023 calendar year at \$245,100.

DISPOSITION: Roll call: Commissioners: Messer - aye, Clarys - aye, White - aye, Marsh - aye, Chairman Franchuk - aye. Motion Carried.

Chancellor Hensley: they filed an abatement for the 2022 taxes but didn't own it until May of 2023 - Wandler called his representative and advised they can't file an abatement on something they didn't own. The City of Dickinson looked at this property after the 2022 value and changed the value down to \$224,000 and they can file an abatement at the end of 2023 if needed. No action needs to be taken.

Lufkin US Acquisition Company LLC: Wandler states they questioned an obsolescence and once Wandler corrected that they were then fine with the value that was set. No action needs to be taken.

Landtech Enterprises LLC: Wandler received an email before this meeting that they were pulling their appeal and no action needs to be taken.

Tax Director Natalie Wandler reported the City of Dickinson's market value for 2023 at \$2,838,285,520 and the taxable value at \$133,244,581. There were no comments from the public regarding the City of Dickinson's assessment.

MOTION BY: Commissioner Messer **SECONDED BY:** Commissioner White

To have the total valuation of the City of Dickinson be established at \$2,838,285,520 with a taxable valuation of \$133,244,581.

DISPOSITION: Roll call: Commissioners: Messer - aye, White - aye, Marsh - aye, Clarys - aye, Chairman Franchuk - aye. Motion Carried.

Tax Director Natalie Wandler reported the Stark County market value for 2023 at \$1,364,977,259, and the small cities at \$209,654,480 resulting in a total county value of \$1,574,631,739. Adding in the City of Dickinson at \$2,838,285,520 results in a total value for the county of \$4,412,917,259. The taxable value is \$208,954,630. There were no comments from the public regarding the Stark County assessment.

MOTION BY: Commissioner Messer **SECONDED BY:** Commissioner Clarys

To have the total market value for Stark County for 2023 set at \$4,412,917,259 with a taxable valuation of \$208,954,630.

DISPOSITION: Roll call: Commissioners: Messer - aye, Clarys - aye, Marsh - aye, White - aye, Chairman Franchuk - aye. Motion Carried.

BREAK 10:54 a.m. to 11:06 a.m.

PARK BOARD 11:06 a.m. to 11:39 a.m.

Franchuk called the commission meeting back to order at 11:40 a.m.

Josephson presented a request from Fisher Sand and Gravel to extend the conditional use permits on the following: a gravel pit operation on a 30-acre parcel located in the SE ¼ of Section 27, Township 140, Range 95; and a gravel pit operation on a 10-acre site located in the NE ¼ of Section 27, Township 140, Range 95. Both permits were approved in May 2013 and require annual renewal.

MOTION BY: Commissioner Clarys **SECONDED BY:** Commissioner Messer

To renew the Conditional Use Permit for the 30-acre parcel located in the SE ¼ of Section 27, Township 140, Range 95W.

DISPOSITION: All voted aye. Motion Carried.

MOTION BY: Commissioner Clarys **SECONDED BY:** Commissioner White

To renew the Conditional Use Permit for the gravel pit located on the 10-acre site located on the SE ¼ of Section 27, Township 140, Range 95W.

DISPOSITION: All voted aye. Motion Carried.

JULY 3RD HOLIDAY DISCUSSION

Richard advised some county employees have requested the commission grant them 8 hours of vacation on July 3rd, making this a holiday day. The last time the 4th of July fell on a Tuesday was in 2017 and the commission granted it then. About half of the other counties in the state already grant this day as a holiday. Franchuk states there were quite a few storm holidays this past winter. Messer states the calendar was brought before them earlier and there have been several paid storm days already, he believes if someone wants to take off July 3rd, then they could use vacation hours, and feels this should have been requested on the calendar at the beginning of the year. No further action was taken.

MEMORIAL TREE COURTHOUSE GROUNDS

Franchuk advises he has been approached by the Wallace family regarding putting up a tree on the courthouse grounds in memory of Sargent Jason Wallace. There would be no expense to the county.

MOTION BY: Commissioner Messer **SECONDED BY:** Commissioner Marsh

To approve the tree on the courthouse grounds and a potential plaque if they would choose.

DISPOSITION: Roll call: Commissioners: Messer - aye, Marsh - aye, White - aye, Clarys - aye, Chairman Franchuk - aye. Motion Carried.

BEER SPECIAL EVENT PERMITS (EAGLES)

MOTION BY: Commissioner White **SECONDED BY:** Commissioner Clarys

To issue the permit for the Fairgrounds for multiple dates in July.

DISPOSITION: Roll call: Commissioners: White - aye, Clarys - aye, Marsh - aye, Messer - aye, Chairman Franchuk - aye. Motion Carried.

BEER SPECIAL EVENT PERMITS (ESQUIRE)

MOTION BY: Commissioner Messer **SECONDED BY:** Commissioner Clarys

To approve the Special Events Permit.

DISPOSITION: Roll call: Commissioners: Messer - aye, Clarys - aye, White - aye, Marsh - abstain, Chairman Franchuk - aye. Motion Carried.

DDM UPDATE & APPROVED SIGNERS – AUDITOR

Richard updates the commission that DDM accounts have been opened at both Dakota Community Bank and Bravera. She advises that with the higher rate earned April's interest was earned \$64,870 and in May we earned \$133,495. Richard also provided an updated Bank Account Signing list with the DDM accounts added.

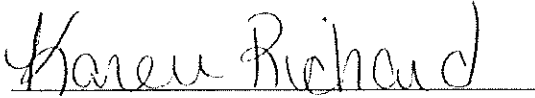
MOTION BY: Commissioner Clarys **SECONDED BY:** Commissioner Messer

To approve Karen Richard, Lana Jahner, and Pam Winhold as signatory parties for the DDM accounts at Dakota Community Bank and Bravera Bank.

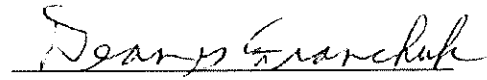
DISPOSITION: All voted aye. Motion Carried.

Davenport addressed the commission regarding the recent 911 outages, she advises that most of those have been carrier-specific wireless companies having issues. The procedure is to put in tickets with those companies as soon as an outage comes in and let the public know of the outage. The NDACO has been working with those companies to try to hold them more accountable regarding the number of outages.

Commissioner Messer made **MOTION** to adjourn at 12:19 p.m., Commissioner White **SECONDED**, Adjourned.



Karen Richard, Auditor



Dean Franchuk, Chairman

State Board of Equalization
August 8, 2023

The State Board of Equalization met in the Coteau Room and the Pioneer Room of the North Dakota State Capitol and virtually through Microsoft TEAMS, Tuesday, August 8, 2023.

The following members were present:

Lieutenant Governor Tammy Miller, Chairperson

Thomas Beadle, State Treasurer

Doug Goehring, Commissioner of Agriculture

Brian Kroshus, Commissioner of Tax

Josh Gallion, State Auditor

Lt. Governor Miller called the meeting to order at 10:00 a.m.

All participants were asked to take the Pledge of Allegiance.

It was moved by Auditor Gallion to approve the agenda. Upon motion seconded by Auditor Gallion to approve the agenda. Motion carried.

It was moved by Auditor Gallion to approve the minutes of the meeting. Upon motion seconded by Auditor Gallion to approve the minutes of the meeting. Motion carried.

Lt. Governor Miller announced that she had received a letter from Derek Simonsen regarding the issue of valuations throughout the state. The Griggs County District superintendent reported on the issues he sees due to the inequitable valuations across county lines. Mr. Baron continued, stating that the issue is causing underfunding, which in turn impacts how much the school can offer for salaries, and limiting the number of staff that can be retained for the school district. Commissioner Goehring stated that the school board should just submit their budget as they normally do. Mr. Simonsen stated that he is intending to submit his budget but has concerns because he will be maxing out the mills available. Further discussion was had.

Commissioner Kroshus provided information on the hearing for telecommunications carriers' gross receipts taxes. Commissioner Kroshus further explained that a company had not filed information for tax year 2021 and 2022, therefore three years of information needed to be certified. It was moved by Auditor Gallion and seconded by Treasurer Beadle to amend and approve the telecommunication carriers' gross receipts tax increase of \$612.93 for a total of

\$6,288,954.90 for the year of 2021. Upon roll call vote, all participating members voted "aye". Motion carried.

It was moved by Treasurer Beadle and seconded by Auditor Gallion to amend and approve the telecommunications carriers' gross receipts tax increase of \$2,571.32 to \$4,952,639.34 for the year of 2022. Upon roll call vote, all participating members voted "aye". Motion carried.

It was moved by Commissioner Goehring and seconded by Treasurer Beadle to approve the telecommunications carriers' gross receipts tax total of \$4,831,526.02 for the year of 2023. Upon roll call vote, all participating members voted "aye". Motion carried.

Commissioner Kroshus provided information regarding a company that was late in filing their electric tax return, and the 10% penalty they were assessed. It was moved by Treasurer Beadle and seconded by Auditor Gallion to amend and approve the electric tax increase of \$3,520.00 for a total of \$2,008,981.99 for the year of 2023. Upon roll call vote, all participating members voted "aye". Motion carried.

Lt. Governor Miller introduced the next agenda item and turned the meeting over to Commissioner Kroshus. Commissioner Kroshus gave a brief introduction and explained that each appeal will be investigated following the meeting and a final decision will be made in October. Commissioner Kroshus then turned the meeting over to State Supervisor of Assessments, Shelli Myers. Ms. Myers explained that tolerance levels would be reviewed first then the Board will move to individual appeals. The tolerance level was established as 90 – 100 % during the December 1, 2022, State Board of Equalization meeting.

Ms. Myers first addressed counties that have not completed their sales ratio study as required.

Incomplete Sales Ratio Study

Foster County: Sales Ratio Study not completed as required. Ms. Myers stated that the sales ratio was received on August 3, 2023, but the Property Tax Division has not had the opportunity to review the information. No one presented additional information for Foster County.

Griggs County: Sales Ratio Study not completed as required. Allan Vietmeier, Burleigh County Director of Tax Equalization, stated that he has just signed a contract to complete the required sales ratio study for Griggs County and asked that the deadline for submission be postponed

until October 5, 2023, State Board of Equalization meeting. Treasurer Beadle asked when Mr. Vietmeier began having conversations with Griggs County.

Ms. Myers stated that there are six counties whose sales ratios fall outside the approved tolerance levels: Emmons County, LaMoure County, McIntosh County, Ransom County, Sargent County, and Williams County.

Tolerance Issues

Emmons County: Tolerance level of 87% on their commercial properties. Emmons County Auditor, Marlys Ohlhauser, explained that they have been without a Director of Tax Equalization since February, and asked that nothing be done with their valuation until a new Tax Director can be hired. Ms. Ohlhauser stated that there were no sales of commercial business in the last year, and the sales ratio is only based on the sale of vacant lots. Ms. Ohlhauser further asked if that wasn't possible that the residential values in Emmons County not be raised along with the commercial values. Emmons County Commissioner, Erin Magrum, asked that allowable tolerance levels change to 85 – 100% in following years.

LaMoure County: Tolerance level of 89% on their residential properties. No one presented additional information for LaMoure County.

McIntosh County: Tolerance level of 89% on their commercial properties and 88% on their residential properties. No one presented additional information for McIntosh County.

Ransom County: Tolerance level of 101% on their commercial properties. No one presented additional information for Ransom County.

Sargent County: Tolerance level of 89% on their residential properties. No one presented additional information for Sargent County.

Williams County: Tolerance level of 101% on their commercial properties. No one presented additional information for Williams County.

Ms. Myers moved to the next agenda item and introduced the appeal portion of the meeting. Ms. Myers gave brief technology instructions for those participants who were participating via Microsoft Teams and those participants who were on the phone. Ms. Myers invited appellants located in the Pioneer Room to come to the Coteau Room and reminded appellants that they are asked to keep their presentation to seven minutes. Ms. Myers further reminded appellants that no decision would be made today. Investigations will follow and decisions would be made during the October 5, 2023, State Board of Equalization Meeting.

Appeals, Public Comments

No appeals: Burke County, Burleigh County, or the City of Bismarck.

Cass County: Howard Rasmusson stated that his property is barely in Cass County, located 50 miles away from the Cass County Courthouse, and that there is no paved highway in his township. Mr. Rasmusson further stated that the assessment increased by 103% in the past three years. Mr. Rasmusson stated that his home has a wood basement and was built in 1990 with old barn wood and cost him \$20,000. Commissioner Kroshus asked if Mr. Rasmusson's property was a farm residence. Mr. Rasmusson said that it has never been exempt as a farm residence. Commissioner Goehring asked how the value of Mr. Rasmusson's property compared to similar homes, and further stated that Mr. Rasmusson's mill levy increased significantly. Mr. Rasmusson agreed that the mills did increase significantly, but that his house wasn't fancy.

The State Board of Equalization recessed the meeting at 9:58 A.M. for a break.

The State Board of Equalization meeting was brought back to order at 10:10 A.M.

City of Fargo: Alex Summers with Grant Thornton LLP, representing Loves Travel Stop & Country Shops, presented an appeal stating that the value of the 13-year-old property jumped

from \$5.7 million in 2022 to \$7.5 million for 2023. Mr. Summer's gave a brief description of the property as a 17,000 square foot travel stop with a service garage on 11.5 acres. Mr. Summer's stated that they disagree with how Marshall and Swift values were applied to the costs, how land values were applied to the cost, and comparable properties used during the valuation process by the City of Fargo. Mr. Summer's also stated that they have comparable valuations of new Loves Travel Stop & Country Shops that are a good indicator of value.

City of Fargo: Foxtail Creek Townhomes, Summit Point Apartment, and Willow Park Apartments, all owned by Sterling Properties LLLP, are appealing their commercial valuations. No one presented additional information to the Board.

City of Fargo: Tim Nasheim is appealing the value of his 2016, 3 bedroom, 2 ½ bathroom 3,100 square foot residential property in the City of Fargo. Mr. Nasheim stated that he didn't feel that the comparable sales the City of Fargo are using are truly comparable to his parcel as they were newer and had more bedrooms and bathrooms.

City of West Fargo: Tami Norgard with Vogel Law Firm, representing Tevye, LLC, presented an appeal for the reduction in value for a residential property located on Sheyenne Street. Ms. Norgard stated that the increase of \$423,000 in the last year is not supported by the market, and that if the value is continually increased at this rate, it will be valued at \$9,000,000 in 5 years. Ms. Norgard further stated that the computer model the City of West Fargo is using to value the Tevye, LLC, parcel doesn't account for exceptional property like Tevye, LLC. Commissioner Kroshus asked what caused the increase in value. City of West Fargo Assessor, Nick Lee, stated that the entire city saw an increase of 9 – 12% this past year, while this parcel only saw a 3% increase.

No appeals: Cavalier County, Dickey County, Divide County, Dunn County, Eddy County, Emmons County, or Foster County.

Golden Valley County: Owen and Nona Niece are appealing the residential property of their parcel. No additional information was presented to the Board by the appellants. Golden Valley Director of Tax Equalization, Patricia Davis, stated that the appeal was not seen or heard by the Golden Valley County Board of Equalization. Commissioner Kroshus asked if the appellant

submitted any paperwork regarding an appeal prior to the County Board of Equalization meeting.

No appeals: Grand Forks County or the City of Grand Forks.

Grant County: Randall Binegar, President, Heart Butte Association, is representing himself as well as all homeowners around Lake Tschida located within the Heart Butte Association. Randall states he believes Grant County is double taxing the homeowners because the county is taxing the land which is owned by the United States and the county receives PILOT payments, therefore Grant County is unjustly enriching themselves. Mr. Binegar also stated that the homeowners are required to sign highly restrictive permit agreements which limit the use of the land and access to the land to only 7 out of 12 months. Commissioner Goehring asked for clarification on the lease, permit, and payment amount.

Grant County: Chad Nodland is appealing the residential valuation on his parcel on Lake Tschida. Mr. Nodland clarified a previous question, stating that they are permit holders, not lease holders. Mr. Nodland further explained that if the permittee does not abide by all of the restrictions, the permit can be revoked, and the homeowner would be required to pull everything off the land, including the foundation and septic system. Mr. Nodland provided a copy of a permit and an AG opinion that addressed possessory interest.

Grant County: William Schneider, owner of Red Rock Resort, presented an appraisal for his commercial property. Mr. Schneider clarified that his property is separate from the Heart Butte Association and is owned privately. Further, Mr. Schneider stated that his value has increased by over 400% in this last year. Additionally, Wade Bachmeier, appraiser, addressed the Board and explained details contained in his appraisal and how he determined the value. Mr. Bachmeier stated that Mr. Schneider asked him to complete the appraisal utilizing the discounted cash flow method. Commissioner Kroshus asked how many lots made up Red Rock Resort. Grant County representative, Robert Ehler from Vanguard Appraisal Inc., addressed the Board and discussed the mass appraisal that occurred in Grant County beginning in 2022.

Discussion continued with other homeowners, Scott Ressler, Rick Olson, Ronald Brandt, and Dennis Prindiville, from Grant County. Mr. Ressler stated that the only value to the property

surrounding Lake Tschida is the land, and the land cannot be taxed because Grant County receives a PILOT payment. Mr. Ressler also stated that the value should reflect that in a few years the homeowners may not be able to reach the lake. Further, Mr. Ressler stated that Grant County does not maintain the road surrounding Lake Tschida. Mr. Olson stated that 95% of the cabins sold from Lake Tschida are sold "turnkey", therefore the sale price includes personal property. Mr. Brandt described a sale of a cabin that occurred recently. Mr. Prindiville clarified that permit holders sign a 5-year agreement, and that practice started in 1951. Mr. Olson continued the discussion and gave additional history on the transfer of ownership between the Bureau and ND Game and Fish.

No appeals: Griggs County, Hettinger County, Kidder County, LaMoure County, Logan County, McHenry County, McIntosh County, McKenzie County, the City of Watford, McLean County, Mercer County, or Morton County

City of Mandan: Trent Jackson, representing Jason Frank, presented information to the Board. Mr. Jackson stated that Mr. Frank did not receive a notice of increase until after the Mandan City Board of Equalization meeting. Mr. Frank explained that he is a home builder in both Morton and Burleigh Counties, and that his clients in Morton County frequently call to complain that their property in Morton County is taxed 30% higher than the actual market value.

No appeals: Mountrail County, Nelson County, or Oliver County.

Pembina County: Dennis Biliske is appealing his agricultural land, stating that soil modifiers should have been applied. No additional information was presented to the Board.

Pembina County: Curtis and Pamela Christenson are appealing their agricultural land, stating that soil modifiers should have been applied. No additional information was presented to the Board.

Pembina County: Ted Juhl is appealing his agricultural land, and the land for those he represents: Kevin Juhl, Lyndon Juhl, Angela Juhl, stating that soil modifiers should have been applied. Mr. Juhl stated that water stands on his land, roads are not repaired quickly enough, the

sale price of his land is lower than other agricultural land, and townships applied a blanket 30% flood modifier, but the Pembina County Board of Equalization denied the modifier.

Commissioner Kroshus asked how many of the last 20 years he was unable to crop his land and if he practiced tiling on his land to help with the water. Commissioner Goehring asked if there was anything preventing Mr. Juhl from tiling his land, and if Mr. Juhl considered applying for relief through the Emergency Conservation Program. Commissioner Goehring further asked if he requested a soil modifier from the county due to flooding.

Pembina County: Darren Olafson is appealing his agricultural land, and the agricultural land for those he represents: Curtis Olafson, Roger Olafson, and Waldemar Melsted. Mr. Olafson explained that he was not happy with how the County Board of Equalization meeting was conducted. Mr. Olafson stated that he is unsure why an artificial line drawn at 35 PI (productivity index) whereas any soil above 35 PI is "crop" and any soil below 35 PI is "non-crop". Mr. Olafson stated his appeal is based on the increase in land value which is directly related to the lack of use of soil modifiers. Commissioner Goehring stated that if there are different soil types on one parcel, those different soil types should be listed with their PI and different value per acre. Commissioner Kroshus clarified that 1 in 3 counties do not implement soil modifiers.

Lieutenant Governor Miller recessed for lunch at 12:03 P.M.

Lieutenant Governor Miller called the meeting back to order at 1:01 P.M.

Lieutenant Governor Miller noted that a date was incorrect on the approved July 11, 2023, minutes. It was moved by Commissioner Goehring and seconded by Auditor Gallion to amend and approve the minutes of the July 11, 2023, meeting. Upon voice vote, all participating members voted "aye". Motion carried.

Pembina County: Mark Myrdal is appealing his agricultural land, stating that soil modifiers should have been applied. No additional information was presented to the Board.

Pembina County: Rosemarie Myrdal is appealing her agricultural land, stating that soil modifiers should have been applied. No additional information was presented to the Board.

Pembina County: Bradley Schuster is appealing his agricultural land, and the land of those he represents: Charles & Arlene Schuster, Francis & Debra Bellamy, Randall Emanuelson, Raney Family Farm Management Agency, Richard Halcrow, Ronald & Roberta Corrick, and Triple E Farms, stating that soil modifiers should have been applied. Mr. Schuster stated that modifiers must be used throughout Pembina County because of the flooding in the East and excessive rocks in the West. Mr. Schuster further gave details on how the frequent flooding affects crop lands in Pembina County, and his intention to abate for the use of soil modifiers. Commissioner Goehring asked if the issues stated in the appeals all surrounding the prior Pembina County Tax Director. Auditor Gallion asked if the Pembina County Commission wouldn't even entertain the idea of implementing modifiers. Commissioner Kroshus asked if the prior Pembina County Tax Director dissuaded the Commission from using soil modifiers.

Pembina County: Jeff and Jane Stevenson are appealing their agricultural land value stating that the different values assigned by the county for participation in different government programs is creating inequity and that their value should be decreased to that of their neighbors. No additional information was presented to the Board.

Discussion continued with another Pembina County resident, Loren Estad. Mr. Estad gave a history of the interactions between the Townships and Pembina County Board of Commissioners. Mr. Estad continued by stating that with the newly approved values, his taxes will go down, but that isn't fair or equal for those other property owners. Commissioner Kroshus asked who Mr. Estad was representing. Commissioner Goehring asked who Mr. Estad is representing and if he is on the soil committee.

Discussion continued with Dustin Bakken, Komplex Assessment Solutions LLC. Mr. Bakken stated that his company was retained in 2020 to help fix the soil valuations issue that has been present in Pembina County for years. Mr. Bakken gave a detailed history of the process he has taken in working with Pembina County in implementing updated values and soil modifiers. Mr. Bakken stated that he has a complete document regarding soil modifiers and soil valuations and asked the Board not to reinvent the wheel, and instead to use his information. Lieutenant Governor Miller asked what the status of the document is and asked for clarity if the document was presented and implemented. Commissioner Kroshus asked if Pembina County prepared the document, or if Komplex Assessment Solutions, LLC created it at the expense of Pembina County taxpayers. Commissioner Goehring asked about times when modifiers don't need to be

used. Bradley Schuster, Loren Estad, and Darren Olafson continued with further discussion regarding their thoughts on soil modifiers and soil conditions in Pembina County.

No appeals: Pierce County, Ramsey County, the City of Devils Lake, Ransom County, Renville County, Richland County, the City of Wahpeton, Rolette County, Sargent County, Sheridan County, Sioux County, Slope County, **Stark County**, or the City of Dickinson.

Steele County: Jeffery Nelson is appealing the valuation on two parcels, stating that they should be classified as agricultural instead of commercial. No additional information was presented to the board.

No appeals: Stutsman County, the City of Jamestown, Towner County, Traill County, Walsh County, the City of Grafton, Ward County, the City of Minot, or Wells County.

Williams County: Trevor Hunter, an attorney with Crowley Fleck, representing JMAC, is appealing a total of seven commercial properties. Mr. Hunter stated that three of the parcels were purchased in May of 2022 for \$4,195,000 and the other four were purchased in September of 2022 for \$2,000,000. Mr. Hunter clarified that the appraisals completed were both fee appraisals and not lease appraisals. Mr. Hunter stated that the sales the City and County are using as comparable sales are not good sales, and therefore shouldn't be used as comparisons.

Williams County: Kimberly King, representative for Energy Property Partners LLC; 826 48th Ave, stated that this is a property with eight buildings. Ms. King stated that Jones Lang completed an appraisal that determined a value of \$11,500,000 which is approximately \$84 per square foot. Ms. King further stated that she reviewed sales of comparable properties, and they showed a land value of \$60 per square foot, while this parcel is valued at \$126.19 per square foot.

Williams County: Kimberly King, representative for Energy Property Partners LLC, 36 S Ave, stated that this property has increased in value by 30% compared to last year's value. Ms. King is asking that the value be reverted to last year's value. Ms. King further stated that the value on this property increased from \$89 per square foot last year to \$117 per square foot for 2023.

Additionally, Ms. King stated that comparable sales indicate a value of \$75 to \$88 per square foot.

Williams County: Craig and Christine Hoglund are appealing their residential property value. No additional information was presented to the Board.

Williams County: Hal Hickel is appealing his residential property value located in Ray, North Dakota. Mr. Hickel stated that he had an appraiser completed an appraisal of his property which determined a value of \$80,000 while it is assessed at \$109,000. Mr. Hickel continued, stating that he recently sold that property for less than both the appraised and assessed value. Mr. Hickel stated that the only property being sold in the City of Ray is property that is owned by the city. Mr. Hickel continued by stating that a road was removed near his father's property. Mr. Hickel stated that the cops were called because he was taking his cows on to school lands that he rents. Commissioner Kroshus asked if Mr. Hickel had any specific parcels that he was appealing. Williams County Tax Director, Darcy Anderson, stated that she will be working with Ms. Myers and Property Tax Division staff through these appeals.

No appeals: Adams County, Barnes County, Valley City, Benson County, Billings County, Bottineau County, or Bowman County.

Ms. Myers turned the meeting over to Commissioner Kroshus. Commissioner Kroshus gave a brief description of the next steps to include investigations by the Property Tax Division, written reports given to the State Board Members, and a final decision would be made by the State Board of Equalization after reviewing the provided reports. Commissioner Kroshus further thanked Property Tax Division staff for their hard work. Commissioner Kroshus confirmed the next State Board of Equalization meeting will be held on Thursday, October 5, 2023, in the Peace Garden Room. Treasurer Beadle also stated his thanks for the hard work completed by the Property Tax Division. The meeting was turned over to Lt. Governor Miller.

Lieutenant Governor Miller asked for any other business.

It was moved by Treasurer Beadle and seconded by Commissioner Goehring to adjourn the meeting. Upon a voice vote, all participating members voted "aye". Motion carried.