

## 2022 State Board of Equalization

August 9, 2022

**File No.:** 2022-WILLIAMS-CAPITAL GAINS

**County or City:** Williams County

**Appellant:** Capital Gains LLC

**Issue:** Appellant appeals commercial property valuation.

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**Summary:** Capital Gains LLC represented by Martha Amdahl, Crowley Fleck PLLP, appeals the assessed value of commercial property located at 10855 HWY 2, Tioga. (Parcel ID 18-156-96-00-09-042)

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**Notes:**

600 E. BOULEVARD AVE., DEPT 127  
BISMARCK, ND 58505-0599

[WWW.ND.GOV/TAX](http://WWW.ND.GOV/TAX) | [TAXINFO@ND.GOV](mailto:TAXINFO@ND.GOV)  NORTH DAKOTA



### Appellant Information – 2022 State Board of Equalization

County or City: Williams County  
 Appellant: Capital Gains LLC  
 Type of Appeal: Commercial

Please complete this form in its entirety. The information provided will be taken into consideration when investigating and reaching a conclusion regarding the appeal presented. To provide ample time for investigation, all information to support the appeal (property information, pictures, income information, etc.) must be received by August 3, 2022 and is subject to open records. Please provide one questionnaire per property.

Please email or mail any supporting documentation to:

[propertytax@nd.gov](mailto:propertytax@nd.gov) or Office of State Tax Commissioner  
 Attn: Property Tax  
 600 E. Boulevard Ave.  
 Bismarck, ND 58505-0599

#### Information for Property Referenced in Appeal:

Address:	10855 Hwy 2		
City: Tioga	State: ND	Zip: 58852	
Township (if applicable): West Bank	County: Williams		
Parcel ID: 18-156-96-00-09-042	Legal Description: Sublot 1 in S2 Sec 9 T156 R96 #720305 (“the Property”)		

#### Appellant Contact Information:

Name:	Garth Sjue, Trevor Hunter, and Martha Amdahl		
Address:	1331 9th Ave NW – 2nd Fl., P.O. Box 1206		
City: Williston	State: ND	Zip: 58802-1206	
Phone number: (701) 572-2200	Email address: <a href="mailto:gsjue@crowleyfleck.com">gsjue@crowleyfleck.com</a> ; <a href="mailto:thunter@crowleyfleck.com">thunter@crowleyfleck.com</a> ; <a href="mailto:mamdahl@crowleyfleck.com">mamdahl@crowleyfleck.com</a>		

#### Answer the questions below that apply to the appeal:

Are you the owner of the property of this appeal?  Yes  No  
 (If No, please see the Consent to Release Financial Info)

Did you receive a notice of increase letter from the city/township? (use drop-down for all that apply)  
 Choose One Township/City Equalization Meeting  
 Choose One County Equalization Meeting  
 N/A  
 Did not receive a notice of increase letter from either.

At which meeting did you appeal your assessment? (choose all that apply)

Township  City  County  N/A

Please explain your appeal.

Capital Gains LLC (“Capital Gains”) appeals the 2022 assessment of the Property. The 2022 assessment was originally \$5,781,030, as shown by the property card maintained by Williams County. That assessment appears to have been reduced to \$3,514,980 following Capital Gains’ protest at the Williams County Board of Equalization meeting. Copies of a letter from the Williams County Office of Tax Equalization regarding the change to the assessment as well as a printout of the current valuation are enclosed. Capital Gains respectfully requests a valuation of \$110,000, including land and improvements.

The grounds for Capital Gains’ request are twofold. First, the current valuation exceeds the true and full value. All real property in North Dakota must be assessed at true and full value, meaning market value. N.D.C.C. §§ 57-02-01(15); 57-02-27.1. The best indicator of true and full value is Capital Gains’ purchase of the Property for \$110,000 on September 16, 2021. This is the most recent sale preceding the February 1, 2022 valuation date. N.D.C.C. § 57-02-11. The previous owner acquired the Property on December 31, 2020 for unpaid bills totaling far less than the current assessment. This is a clear indication the assessed value is no longer valid, and the assessment should be reduced accordingly.

Second, the Property was initially constructed as temporary workforce housing. The demand for this type of housing has disappeared. Capital Lodge, which operated the Property, closed its doors in November of 2015. All that is left is the hoop structure where the offices, dining hall, showers, recreational activity hall, and other sundry services were located and a number of other earthen, wooden, and steel structures which were built to facilitate the delivery of services as originally designed (i.e., sewage lagoons, kitchen facilities, electrical sheds, water storage building, etc.), as pictured on the property card.

This should have resulted in a marked decrease in valuation. However, as shown on the 2021 Williams County Real Estate Tax Statement, a copy of which is enclosed, the value of the Property actually increased by more than \$700,000 from 2019 even though the facility was unusable as temporary workforce housing. The 2022 valuation, before the reduction following the Williams County Board of Equalization meeting, resulted in a \$400,000 reduction in market value. However, the remaining improvements are not worth the value indicated on the property card and the land is also overvalued in today’s market. The value of the Property should be reduced accordingly.

For the foregoing reasons, Capital Gains respectfully requests a reduction in value to \$110,000.

Any evidence to validate your appeal of the assessment?

Along with this questionnaire, please see our letter outlining our position and the following documents: a copy of the property card for the Property, a copy of the letter from the Williams County Office of Tax Equalization regarding a reduction in the Property’s assessment, and a copy of the 2021 Williams County Real Estate Tax Statement.

Has a recent appraisal been completed on the property? Choose One (If so, please attach.)

Capital Gains is in the process of obtaining an appraisal for the Property and will hopefully be able to submit a copy of it prior to Tuesday’s meeting.

Please attach or email ([propertytax@nd.gov](mailto:propertytax@nd.gov)) the following:

1. A detailed explanation of your appeal
2. Evidence to validate the assessment appealed
3. Consent to Release Financial Information, if required

August 3, 2022

*Via E-mail Only*

State Board of Equalization  
propertytax@nd.gov

RE: Capital Gains LLC's written appeal/protest of the 2022 assessment for Parcel ID  
#18-156-96-00-09-042

Members of the State Board of Equalization:

Our firm represents Capital Gains LLC ("Capital Gains") regarding the assessment of the above-referenced property, hereinafter referred to as "the Property." Please consider this letter the written appeal by Capital Gains of the 2022 real property assessment. The 2022 assessment originally was \$5,781,030, as shown on the property card maintained by Williams County. That assessment appears to have been reduced to \$3,514,980 following Capital Gains' protest at the Williams County Board of Equalization meeting. Copies of a letter from the Williams County Office of Tax Equalization regarding the change to the assessment as well as a printout of the current valuation are enclosed. Capital Gains respectfully requests a valuation of \$110,000, including land and improvements.

The grounds for Capital Gains' request are twofold. First, the current valuation exceeds the true and full value. All real property in North Dakota must be assessed at true and full value, meaning market value. N.D.C.C. §§ 57-02-01(15); 57-02-27.1. The best indicator of true and full value is Capital Gains' purchase of the Property for \$110,000 on September 16, 2021. This is the most recent sale preceding the February 1, 2022 valuation date. N.D.C.C. § 57-02-11. The previous owner acquired the Property on December 31, 2020 for unpaid bills totaling far less than the current assessment. This is a clear indication the assessed value is no longer valid, and the assessment should be reduced accordingly.

Second, the Property was initially constructed as temporary workforce housing. The demand for this type of housing has disappeared. Capital Lodge, which operated the Property, closed its doors in November of 2015. Since its closure all the residential workforce housing on the Property has been removed. All that is left is the hoop structure where the offices, dining hall, showers, recreational activity hall, and other sundry services were located and a number of other earthen, wooden, and steel structures which were built to facilitate the delivery of services as originally designed (i.e., sewage lagoons, kitchen facilities, electrical sheds, water storage building, etc.), as pictured on the attached property card.

This should have resulted in a marked decrease in valuation. However, as shown on the 2021 Williams County Real Estate Tax Statement, a copy of which is enclosed, the value of the property actually increased by more than \$700,000 from 2019 even though the facility was unusable as temporary workforce housing. The 2022 valuation, before the reduction following the Williams County Board of Equalization meeting, resulted in a \$400,000 reduction in market value. However, the remaining improvements are not worth the value indicated on the property card and the land is also overvalued in today's market. The value of the Property should be reduced accordingly.

For the foregoing reasons, Capital Gains respectfully requests a reduction in value to \$110,000. Please contact me at the information above if you have any questions. An attorney from our office intends to attend the State Board of Equalization meeting on Tuesday, August 9<sup>th</sup> by remote means to present this appeal.

Sincerely,  
CROWLEY FLECK PLLP

*/s/ Martha Amdahl*  
Martha Amdahl

Enc.



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**Parcel#:** 18-156-96-00-09-042  
**MP#:** 29538  
**Status:** Current

**Mailing Address:**  
PO BOX 1107  
WILLISTON, ND 588021107

**Receipt:** 16578

**Legal Description:**  
SUBLOT 1 IN S2 SEC 9 T156 R96 #720305

**2022 Owner(s):**  
CAPITAL GAINS LLC

**2022 Value:**

**Market:** \$5,781,030  
**Taxable:** \$289,052  
**Disabled Vet Credit:** \$0  
**Homestead Credit:** \$0  
**Net Taxable:** \$289,052

[Detail](#)

**2021 Taxes:**

[View Pie Charts](#)

**First Half:** \$16,447.09 **Due:** 3/1/2022  
**Second Half:** \$16,447.08 **Due:** 10/17/2022  
**Total:** \$32,894.17

[Show Current Tax Bill](#)

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**2021 Payments:**

**First Half:** \$16,447.09  
**Second Half:** \$16,447.08  
**Discount:** \$1,644.71  
**Total:** \$31,249.46  
(May Include penalty & interest)

**2022 Legal Records:**

**Geo Code: Instru#:** 888982 **Doc Type:** WD **Date:** 2021-09-21

**Property address:** 10855 HWY 2, TIOGA ND 58852  
**TRS:** T156, R96, Sec. 9  
**Legal:** SUBLOT 1 IN S2  
SEC 9  
T156 R96 #720305

**Note:** The accuracy of this data is not guaranteed.  
Web data was last updated 03/31/2022 11:30 AM.

Note: \*Market Value = True & Full Value\*

If preparing a legal document, please contact the Recorder's Office at 701-577-4540 for how to obtain the full legal description.

To pay by check via USPS:  
Williams County Treasurer's Office  
PO Box 2047  
Williston, ND 58802-2047

To pay by check via FedEx or UPS:  
Williams County Treasurer's Office  
206 E Broadway  
Williston, ND 58801

Please make checks out to "Williams County Treasurer"

**Current Market Value: \$5,781,030**

**Current Taxable Value: \$289,052**

**Previous Market Value: \$6,185,420**

**Previous Taxable Value: \$309,272**

**Note:** The accuracy of this data is not guaranteed.  
Web data was last updated 03/31/2022 11:30 AM.

Note: \*Market Value = True & Full Value\*

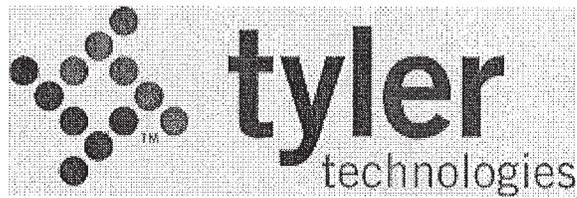
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**Parcel#:** 18-156-96-00-09-042

**Status:** Current

**Type:** RE

**Owner:** CAPITAL GAINS LLC

**Value Breakdown:**

Year	Parcel#	Class Code	Description	Market Value	Taxable Value
2022	18-156-96-00-09-042	CS	COMMERCIAL STRUCTURE	\$3,478,280	\$173,914
2022	18-156-96-00-09-042	CL	COMMERCIAL LAND	\$2,302,750	\$115,138
2021	18-156-96-00-09-042	CL	COMMERCIAL LAND	\$2,302,750	\$115,138
2021	18-156-96-00-09-042	CS	COMMERCIAL STRUCTURE	\$3,882,670	\$194,134
2020	18-156-96-00-09-042	CL	COMMERCIAL LAND	\$2,302,800	\$115,140
2020	18-156-96-00-09-042	CS	COMMERCIAL STRUCTURE	\$3,638,200	\$181,910
2019	18-156-96-00-09-042	CS	COMMERCIAL STRUCTURE	\$3,465,700	\$173,285
2019	18-156-96-00-09-042	CL	COMMERCIAL LAND	\$1,957,400	\$97,870
2018	18-156-96-00-09-042	CS	COMMERCIAL STRUCTURE	\$3,854,300	\$192,715
2018	18-156-96-00-09-042	CL	COMMERCIAL LAND	\$2,141,600	\$107,080
2017	18-156-96-00-09-042	RL	RESIDENTIAL LAND	\$216,800	\$9,756
2017	18-156-96-00-09-042	RS	RESIDENTIAL STRUCTURE	\$	\$
2017	18-156-96-00-09-042	CS	COMMERCIAL STRUCTURE	\$4,144,400	\$207,220
2017	18-156-96-00-09-042	CL	COMMERCIAL LAND	\$2,103,000	\$105,150
2016	18-156-96-00-09-042	RL	RESIDENTIAL LAND	\$216,800	\$9,756
2016	18-156-96-00-09-042	CL	COMMERCIAL LAND	\$2,103,000	\$105,150
2016	18-156-96-00-09-042	CS	COMMERCIAL STRUCTURE	\$5,406,700	\$270,335
2015	18-156-96-00-09-042	CL	COMMERCIAL LAND	\$2,090,400	\$104,520
2015	18-156-96-00-09-042	CS	COMMERCIAL STRUCTURE	\$4,974,200	\$248,710
2015	18-156-96-00-09-042	RL	RESIDENTIAL LAND	\$112,000	\$5,040
2014	18-156-96-00-09-042	RL	RESIDENTIAL LAND	\$112,000	\$5,040
2014	18-156-96-00-09-042	CL	COMMERCIAL LAND	\$2,272,200	\$113,610
2014	18-156-96-00-09-042	CS	COMMERCIAL STRUCTURE	\$4,505,400	\$225,270
2013	18-156-96-00-09-042	CS	COMMERCIAL STRUCTURE	\$1,932,000	\$96,600
2013	18-156-96-00-09-042	RL	RESIDENTIAL LAND	\$112,000	\$5,040
2013	18-156-96-00-09-042	CL	COMMERCIAL LAND	\$389,400	\$19,470
2013	18-156-96-00-09-042	RS	RESIDENTIAL STRUCTURE	\$24,568,200	\$1,105,569



Office of Tax Equalization  
P.O. Box 2047  
206 East Broadway  
Williston, ND 58802-2047  
701-577-4555  
Fax# 701-577-4559  
[www.williamsnd.com](http://www.williamsnd.com)

June 8, 2022

Capital Gains LLC.  
Po Box 1107  
Williston, ND 58802-1107

Parcel ID #: 18-156-96-00-09-042

Legal Description: Sublot in S2 Sec 9 T156 R96

Property Owner:

Your protest regarding the above noted property was considered by the Williams County Board of Equalization. We are writing to inform you that after review of the issue the board has decided to deny your protest.

Corrections regarding the above noted property were presented to the Williams County Board of Equalization. We are writing to inform you that after review of the issue the board has decided to change your assessment from \$5,781,030 to \$4,387,950.

If you have further questions, please feel free to contact us at the above number.

Thank you,

Lea Heiney  
Williams County Assessor



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**Parcel#:** 18-156-96-00-09-042  
**MP#:** 29538  
**Status:** Current

**Mailing Address:**  
PO BOX 1107  
WILLISTON, ND 588021107

**Receipt:** 34488

**Legal Description:**  
SUBLOT 1 IN S2 SEC 9 T156 R96 #720305

**2022 Owner(s):**  
CAPITAL GAINS LLC

**2022 Value:**

**Market:** \$3,514,980  
**Taxable:** \$175,750  
**Disabled Vet Credit:** \$0  
**Homestead Credit:** \$0  
**Net Taxable:** \$175,750

[Detail](#)

**2021 Taxes:**

[View Pie Charts](#)

**First Half:** \$14,013.46 **Due:** 3/1/2022  
**Second Half:** \$14,013.46 **Due:** 10/17/2022  
**Total:** \$28,026.92

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[Detail](#)

**2021 Payments:**

**First Half:** \$14,013.46  
**Second Half:** \$14,013.46  
**Discount:** \$1,401.35  
**Total:** \$26,625.57  
(May include penalty & interest)

**2022 Legal Records:**

**Geo Code: Instru#:** 888982 **Doc Type:** WD **Date:** 2021-09-21

**Property address:** 10855 HWY 2, TIOGA ND 58852  
**TRS:** T156, R96, Sec. 9  
**Legal:** SUBLOT 1 IN S2  
SEC 9  
T156 R96 #720305

**Note:** The accuracy of this data is not guaranteed.  
Web data was last updated 08/03/2022 03:00 PM.

Note: \*Market Value = True & Full Value\*

If preparing a legal document, please contact the Recorder's Office at 701-577-4540 for how to obtain the full legal description.

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206 E Broadway  
Williston, ND 58801

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**2021 Williams County Real Estate Tax Statement**

Statement No: 16578

**Parcel Number**  
18-156-96-00-09-042  
**Owner**  
CAPITAL GAINS LLC

**Jurisdiction**  
West Bank Twp  
**Physical Location**  
10855 HWY 2  
TIOGA, ND58852

**Legal Description**  
SCT:9 TWN:156 RNG:96  
SUBLOT 1 IN S2  
SEC 9  
T156 R96 #720305

<b>Legislative tax relief (3-year comparison)</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Legislative tax relief	24,242.19	26,006.73	27,098.41

<b>Tax distribution (3-year comparison):</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
True and Full Value	5,423,100	5,941,000	6,185,420
Taxable Value	271,155	297,050	309,272
Less: Homestead credit	0	0	0
Disabled Veteran credit	0	0	0
Net Taxable Value	271,155	297,050	309,272
Total mill levy	110.320	108.840	106.360

<b>Taxes By District (in dollars):</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
County	10,539.78	11,047.30	11,520.38
West Bank Twp	4,108.00	3,921.06	1,465.94
Tioga SD #15	14,455.28	16,504.08	19,069.71
Soil Conservation District	268.44	264.38	219.58
Garrison Diversion	271.16	297.06	309.28
State	271.16	297.04	309.28

<b>Consolidated tax</b>	<b>29,913.82</b>	<b>32,330.92</b>	<b>32,894.17</b>
<b>Net effective tax rate</b>	<b>0.55%</b>	<b>0.54%</b>	<b>0.53%</b>

**2021 TAX BREAKDOWN**

Net consolidated tax	32,894.17
Plus: Special Assessments	0.00
<b>Total tax due</b>	<b>32,894.17</b>
Less: 5% discount, if paid by February 15, 2022	-1,644.71
<b>Amount due by February 15, 2022</b>	<b>31,249.46</b>

*(If your mortgage company pays your property taxes, then this is an informational statement only.)*

Or pay in two installments (with no discount)

Payment 1: Pay by March 1, 2022	16,447.09
Payment 2: Pay by October 17, 2022	16,447.08

<b>Penalty on 1st Installment &amp; Specials:</b>	
March 2, 2022	3%
May 1, 2022	6%
July 1, 2022	9%
October 15, 2022	12%
<b>Penalty on 2nd Installment:</b>	
October 18, 2022	6%

**FOR ASSISTANCE, CONTACT:**

Office: Williams County Treasurer  
Mailing: PO Box 2047  
Physical: 206 E Broadway  
Williston, ND 58802  
Phone: 701.577.4530  
Email: treasurer@co.williams.nd.us  
Website: www.williamsnd.com

**2021 Williams County Real Estate Tax Statement**

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



\*18-156-96-00-09-042\*

**Parcel Number:** 18-156-96-00-09-042  
**Statement Number:** 16578

Total tax due	32,894.17
Less: 5% discount	-1,644.71
<b>Amount due by February 15, 2022</b>	<b>31,249.46</b>

Or pay in two installments (with no discount):

Payment 1: Pay by March 1, 2022	16,447.09
Payment 2: Pay by October 17, 2022	16,447.08

CAPITAL GAINS LLC  
PO BOX 1107  
WILLISTON ND 58802-1107

**MAKE CHECK PAYABLE TO:**

Williams County Treasurer  
Mailing: PO Box 2047  
Physical: 206 E Broadway  
Williston, ND 58802  
Phone: 701.577.4530



**American Valuation Group  
Real Estate Appraisers &  
Consultants**

**REAL ESTATE APPRAISAL**

**FOR PROPERTY  
LOCATED AT:**

**10855 HIGHWAY 2  
WILLISTON, ND 58801**

**PREPARED FOR:  
MR. GARTH H. SJUE  
CROWLEY/FLECK  
1331 9<sup>th</sup> AVENUE NW, 2<sup>ND</sup> FLOOR  
WILLISTON, ND 58801**

**EFFECTIVE DATE OF APPRAISAL:  
JUNE 6, 2022**

**PREPARED BY:**

**AMERICAN VALUATION GROUP  
387 15<sup>TH</sup> ST WEST, #136  
DICKINSON, ND 58601**

**AMERICAN VALUATION GROUP**  
**REAL ESTATE APPRAISERS & CONSULTANTS**

**387 15<sup>TH</sup> ST. WEST, #136, DICKINSON, ND 58601**  
**(701) 580-9143 OFFICE**  
**[avgrend@gmail.com](mailto:avgrend@gmail.com)**

August 8, 2022

Mr. Garth H. Sjue  
Crowley/Fleck  
1331 9<sup>th</sup> Avenue NW, 2<sup>nd</sup> Floor  
Williston, ND 58801

Re: Abandoned workforce housing development located at 10855 Highway 2 Williston, ND 58801

Dear Mr. Sjue

At your request, we have inspected and appraised the subject property at the above address. This appraisal is made for internal planning purposes.

The purpose of the ensuing appraisal is to estimate the market value of the fee simple interest in the above referenced property as of the date of the inspection which was June 6, 2022. Briefly described, the subject consists of an abandoned workforce housing development with several buildings on approximately 69.25 ± acres.

The ensuing appraisal has been prepared in conformity with and is subject to the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute and the Uniform Standards of the Professional Appraisal Practice (USPAP) for an Appraisal Report. Accordingly, the report contains or considers all of the recognized appraisal methods and techniques that materially contribute to a proper evaluation of the real estate problem under analysis. The final estimate of market value is subject to the incorporated Basic Assumptions and Limiting Conditions and Definition of Market Value.

After considering the steps taken in the appraisal process and the value indication for each approach the market value of the fee simple interest of the subject property, based on the date of inspection of June 6, 2022, is:

**ONE MILLION EIGHT HUNDRED FIFTY THOUSAND DOLLARS**  
**(\$1,850,000)**

Mr. Sjue  
Crowley/Fleck  
July 8, 2022  
Page 2

We invite your attention to the ensuing report, which documents our conclusions. If you have any questions or require further explanation, please contact the undersigned.

Sincerely,

American Valuation Group



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Thomas J. Raynor, SRPA  
North Dakota Certified General Appraiser  
License No. CG-21377  
Expires 12/31/2022



**SUBJECT PROPERTY**



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### ADDENDA

**SUMMARY OF SALIENT FACTS AND CONCLUSIONS**

PROPERTY APPRAISED:	10855 Highway 2 Williston, ND
PURPOSE OF THE APPRAISAL:	To estimate the market value of the fee simple interest of the property as of the inspection date.
HIGHEST AND BEST USE AS IMPROVED:	Alternate use -
HIGHEST AND BEST USE AS VACANT:	Remain vacant for the foreseeable future
IMPROVEMENT DATA:	Abandoned workforce housing development
SITE DATA:	69.25 ± acres
ZONING:	Heavy Industrial – Conditional Use
DATE OF INSPECTION:	June 6, 2022
DATE OF VALUE ESTIMATES:	June 6, 2022

**FINAL VALUE CONCLUSION**

<b>COST APPROACH:</b>	<b>\$1,850,000</b>
<b>SALES COMPARISON APPROACH:</b>	<b>NA</b>
<b>INCOME CAPITALIZATION APPROACH:</b>	<b>NA</b>
<b>VALUE CONCLUSION:</b>	<b>\$1,850,000</b>

## ASSUMPTIONS AND QUALIFYING CONDITIONS

1. Unless otherwise specifically noted in the body of the report, it is assumed that title to the property or properties appraised is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. American Valuation Group is not aware of any title defects nor has it been advised of any unless such is specifically noted in the report. However, American Valuation Group has not examined title and makes no representations relative to the condition thereof. Documents dealing with liens, encumbrances, easements, deed restrictions, clouds and other conditions that may affect the quality of title have not been reviewed. Insurance against financial loss resulting in claims that may arise out of defects in the subject's title should be sought from a qualified title company that issues or insures title to real property.
2. Unless otherwise specifically noted in the body of this report, it is assumed: that the existing improvements on the property or properties being appraised are structurally sound, seismically safe and code conforming; that all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; that the roof and exterior are in good condition and free from intrusion by the elements; that the property or properties have been engineered in such a manner that the improvements, as currently constituted, conform to all applicable local, state, and federal building codes and ordinances. American Valuation Group professionals are not engineers and are not competent to judge matters of an engineering nature. American Valuation Group has not retained independent structural, mechanical, electrical, or civil engineers in connection with this appraisal and, therefore, makes no representations relative to the condition of improvements. Unless otherwise specifically noted in the body of the report: no problems were brought to the attention of American Valuation Group by ownership or management; American Valuation Group inspected less than 100% of the entire interior and exterior portions of the improvements; and American Valuation Group was not furnished any engineering studies by the owners or by the party requesting this appraisal. If questions in these areas are critical to the decision process of the reader, the advice of competent engineering consultants should be obtained and relied upon. It is specifically assumed that any knowledgeable and prudent purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems. Structural problems and/or building system problems may not be visually detectable. If engineering consultants retained should report negative factors of a material nature, or if such are later discovered, relative to the condition of improvements, such information could have a substantial negative impact on the conclusions reported in this appraisal. Accordingly, if negative findings are reported by engineering consultants, American Valuation Group reserves the right to amend the appraisal conclusions reported herein.
3. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present, on the property was not observed by the appraisers. American Valuation Group has no knowledge of the existence of such materials on or in the property. American Valuation Group, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The Client is urged to retain an expert in this field, if desired.

American Valuation Group has inspected, as thoroughly as possible by observation, the land; however, it was impossible to personally inspect conditions beneath the soil. Therefore, no representation is made as to these matters unless specifically considered in the appraisal.

4. All furnishings, equipment and business operations, except as specifically stated and typically considered as part of real property, have been disregarded with only real property being considered in the report unless otherwise stated. Any existing or proposed improvements, on or off-site, as well as any alterations or repairs considered, are assumed to be completed in a workmanlike manner according to standard practices based upon the information submitted to American Valuation Group. This report may be subject to amendment upon re-inspection of the subject subsequent to repairs, modifications, alterations and completed new construction. Any estimate of Market Value is as of the date indicated; based upon the information, conditions and projected levels of operation.
5. It is assumed that all factual data furnished by the Client, property owner, owner's representative, or persons designated by the Client or owner to supply said data are accurate and correct unless otherwise specifically noted in the appraisal report. Unless otherwise specifically noted in the appraisal report, American Valuation Group has no reason to believe that any of the data furnished contain any material error. Information and data referred to in this paragraph include, without being limited to, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any material error in any of the above data could have a substantial impact on the conclusions reported. Thus, American Valuation Group reserves the right to amend conclusions reported if made aware of any such error. Accordingly, the Client should carefully review all assumptions, data, relevant calculations, and conclusions within 30 days after the date of delivery of this report and should immediately notify American Valuation Group of any questions or errors.
6. The date of value to which any of the conclusions and opinions expressed in this report apply, is set forth in the Letter of Transmittal. Further, that the dollar amount of any value opinion herein rendered is based upon the purchasing power of the American Dollar on that date. This appraisal is based on market conditions existing as of the date of this appraisal. Under the terms of the engagement, we will have no obligation to revise this report to reflect events or conditions that occur subsequent to the date of the appraisal. However, American Valuation Group will be available to discuss the necessity for revision resulting from changes in economic or market factors affecting the subject.
7. American Valuation Group assumes no private deed restrictions, limiting the use of the subject in any way.
8. Unless otherwise noted in the body of the report, it is assumed that there are no mineral deposits or subsurface rights of value involved in this appraisal, whether they be gas, liquid, or solid. Nor are the rights associated with extraction or exploration of such elements considered unless otherwise stated in this appraisal report. Unless otherwise stated it is also assumed that there are no air or development rights of value that may be transferred.
9. American Valuation Group is not aware of any contemplated public initiatives, governmental development controls, or rent controls that would significantly affect the value of the subject.
10. The estimate of Market Value, which may be defined within the body of this report, is subject to change with market fluctuations over time. Market value is highly related to exposure, time promotion effort, terms, motivation, and conclusions surrounding the offering. The value estimate(s) consider the productivity and relative attractiveness of the property, both physically and economically, on the open market.
11. Any cash flows included in the analysis are forecasts of estimated future operating characteristics are predicated on the information and assumptions contained within the report. Any projections of income, expenses and economic conditions utilized in this report are not predictions of the future. Rather, they are estimates of current market expectations of future income and expenses. The achievement of the financial projections will be affected by fluctuating economic conditions and is dependent upon other future occurrences that cannot be assured. Actual results may vary from the projections considered herein. American Valuation Group does not warrant these forecasts will occur. Projections may be affected by circumstances beyond the current realm of knowledge or control of American Valuation Group.

12. Unless specifically set forth in the body of the report, nothing contained herein shall be construed to represent any direct or indirect recommendation of American Valuation Group to buy, sell, or hold the properties at the value stated. Such decisions involve substantial investment strategy questions and must be specifically addressed in consultation form.
13. Unless otherwise noted in the body of this report, it is assumed that no changes in the present zoning ordinances or regulations governing use, density, or shape are being considered. The property is appraised assuming that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report is based, unless otherwise stated.
14. This study may not be duplicated in whole or in part without the specific written consent of American Valuation Group nor may this report or copies hereof be transmitted to third parties without said consent, which consent American Valuation Group reserves the right to deny. Exempt from this restriction is duplication for the internal use of the Client-addressee and/or transmission to attorneys, accountants, or advisors of the Client-addressee. Also exempt from this restriction is transmission of the report to any court, governmental authority, or regulatory agency having jurisdiction over the party/parties for whom this appraisal was prepared, provided that this report and/or its contents shall not be published, in whole or in part, in any public document without the express written consent of American Valuation Group which consent American Valuation Group reserves the right to deny. Finally, this report shall not be advertised to the public or otherwise used to induce a third party to purchase the property or to make a “sale” or “offer for sale” of any “security”, as such terms are defined and used in the Securities Act of 1933, as amended. Any third party, not covered by the exemptions herein, who may possess this report, is advised that they should rely on their own independently secured advice for any decision in connection with this property. American Valuation Group shall have no accountability or responsibility to any such third party.
15. Any value estimate provided in the report applies to the entire property, and any pro ration or division of the title into fractional interests will invalidate the value estimate, unless such pro ration or division of interests has been set forth in the report.
16. The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. Component values for land and/or buildings are not intended to be used in conjunction with any other property or appraisal and are invalid if so used.
17. The maps, plats, sketches, graphs, photographs and exhibits included in this report are for illustration purposes only and are to be utilized only to assist in visualizing matters discussed within this report. Except as specifically stated, data relative to size or area of the subject and comparable properties has been obtained from sources deemed accurate and reliable. None of the exhibits are to be removed, reproduced, or used apart from this report.
18. No opinion is intended to be expressed on matters which may require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers. Values and opinions expressed presume that environmental and other governmental restrictions/conditions by applicable agencies have been met, including but not limited to seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, licenses, etc. No survey, engineering study or architectural analysis has been made known to American Valuation Group unless otherwise stated within the body of this report. If the consultant has not been supplied with a termite inspection, survey or occupancy permit, no responsibility or representation is assumed or made for any costs associated with obtaining same or for any deficiencies discovered before or after they are obtained. No representation or warranty is made concerning obtaining these items. American Valuation Group assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.

19. Acceptance and/or use of this report constitutes full acceptance of the Contingent and Limiting Conditions and special assumptions set forth in this report. It is the responsibility of the Client, or Client's designees, to read in full, comprehend and thus become aware of the aforementioned contingencies and limiting conditions. Neither the Appraiser nor American Valuation Group assumes responsibility for any situation arising out of the Client's failure to become familiar with and understand the same. The Client is advised to retain experts in areas that fall outside the scope of the real estate appraisal/consulting profession if so desired.
20. American Valuation Group assumes that the subject analyzed herein will be under prudent and competent management and ownership; neither inefficient nor super-efficient.
21. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined and considered in the appraisal report.
22. No survey of the boundaries of the property was undertaken. All areas and dimensions furnished are presumed to be correct. It is further assumed that no encroachments to the realty exist.
23. The Americans with Disabilities Act (ADA) became effective January 26, 1992. Notwithstanding any discussion of possible readily achievable barrier removal construction items in this report, American Valuation Group has not made a specific compliance survey and analysis of this property to determine whether it is in conformance with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the ADA. If so, this fact could have a negative effect on the value estimated herein. Since American Valuation Group has no specific information relating to this issue, nor is American Valuation Group qualified to make such an assessment, the effect of any possible non-compliance with the requirements of the ADA was not considered in estimating the value of the subject.
24. Client shall not indemnify Appraiser or hold Appraiser harmless unless and only to the extent that the Client misrepresents, distorts, or provides incomplete or inaccurate appraisal results to others, which acts of the Client proximately result in damage to Appraiser. The Client shall indemnify and hold Appraiser harmless from any claims, expenses, judgments or other items or costs arising as a result of the Client's failure or the failure of any of the Client's agents to provide a complete copy of the appraisal report to any third party. In the event of any litigation between the parties, the prevailing party to such litigation shall be entitled to recover from the other reasonable attorney fees and costs.
25. The report is for the sole use of the Client; however, Client may provide only complete, final copies of the appraisal report in its entirety (but not component parts) to third parties who shall review such reports in connection with loan underwriting or securitization efforts. Appraiser is not required to explain or testify as to appraisal results other than to respond to the Client for routine and customary questions. Please note that our consent to allow an appraisal report prepared by American Valuation Group or portions of such report, to become part of or be referenced in any public offering, the granting of such consent will be at our sole discretion and, if given, will be on condition that we will be provided with an Indemnification Agreement and/or Non-Reliance letter, in a form and content satisfactory to us, by a party satisfactory to us. We do consent to your submission of the reports to rating agencies, loan participants or your auditors in its entirety (but not component parts) without the need to provide us with an Indemnification Agreement and/or Non-Reliance letter.
26. Provision of an Insurable Value by the appraiser does not change the intended use or user of the appraisal. The appraiser assumes no liability for the Insurable Value estimate provided and does not guarantee that any estimate or opinion will result in the subject being fully insured for any possible loss that may be sustained. The appraiser recommends that an insurance professional be consulted. The Insurable Value estimate may not be a reliable indication of the replacement or reproduction cost for any date other than the effective date of this appraisal due to changing costs of labor and materials and due to the changing building codes and governmental regulations and requirements.

27. According to FEMA on March 13, 2020, President Donald Trump declared a nationwide emergency pursuant to Sec. 501(b) of Stafford Act to avoid governors needing to request individual emergency declarations. All 50 states, the District of Columbia, and 5 territories have been approved for major disaster declarations to assist with additional needs identified under the nationwide emergency declaration for COVID-19. Additionally, 32 tribes are directly with FEMA under the emergency declaration. The subject property is located in Region 8. During the appraisal process we have actively spoke with several area professional regarding the effect on real estate market conditions as a result of Covid. The conversations were consistent as no affect has been measured or noticed. The western part of North Dakota did not experience the negative issues experienced by other markets nationwide due to less populated area and the state ability to properly manage health concerns. This has been echoed by professionals from residential, industrial and commercial property. Large industrial property has been affected as major oil production companies felt the pressure of lower demand for gasoline due to nationwide drop in travel as a result of Covid. However, now that vaccines have been increasingly delivered to the population cases are dropping and most economist anticipate that nationally the economy and outlook will be improving significantly over the next several months as travel is expected to ramp up raising the demand for oil/gasoline.

## CERTIFICATE OF VALUE

I, Thomas J. Raynor, SRPA certify that:

- I, Thomas J. Raynor, SRPA, have inspected the subject property of this report on June 6, 2022.
- All market data pertaining to the final value estimate have been accumulated from various sources and, where possible, personally examined and verified as to details, motivation, and validity.
- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and is my personal, impartial, and unbiased, professional analyses, opinions, and conclusions.
- I have no present interest or prospective interest in the property that is the subject of this report, and no personal interest with respect to parties involved.
- I have performed no services, as an appraiser or any other capacity, regarding the property that is the subject of this report with-in the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- I am professionally competent to perform this appraisal assignment by virtue of previous experience with similar assignments and/or appropriate research and education regarding the specific property type being appraised.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.

## CERTIFICATION

(Continued)

- The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated herein. Neither the appraisers nor American Valuation Group are responsible for unauthorized use of this report.
- Assistance in the research of public data for this appraisal report was completed by JoAnne P. Hagacer. Thomas Raynor has made visual inspection of the land, buildings and comparables.
- 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, I Thomas J. Raynor, SRPA, have completed the continuing education program for Designated Members of the Appraisal Institute.

Sincerely,

American Valuation Group



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Thomas J. Raynor, SRPA  
North Dakota Certified General Appraiser  
License No. CG-21377  
Expires 12/31/2022



## **IDENTIFICATION OF THE SUBJECT PROPERTY**

The property is identified as a abandoned workforce housing development located at 10855 Highway 2, Williston North Dakota 58801

## **LEGAL DESCRIPTION**

Section: 9; Township: 156; Range: 96; Block: Lot; Deeded Acres: 69.250  
WEST BANK TWP | SEC 9 | SUBLLOT 1 IN S2

## **PURPOSE AND FUNCTION OF THE APPRAISAL**

The purpose of this appraisal is to estimate the market value of the fee simple interest in the subject property. The function or intended use of this appraisal is for internal planning purposes. The intended user of this report is Garth Sjue as representative to the current owners.

## **PROPERTY RIGHTS APPRAISED**

The subject is appraised based on a Fee simple Interest, which is defined as follows:

An absolute ownership unencumbered by any other interest or estate. The owner of a Fee Simple Interest title possesses all the rights and benefits of the real estate subject only to the powers of government, which include taxation, eminent domain, escheat, and police power. The owner of a Fee Simple Interest title possesses a complete bundle of rights.<sup>1</sup>

## **DATE OF VALUE**

This appraisal report with its analyses, conclusions, and final expression of market value is specifically applicable to the date of inspection June 6, 2022. The subject property was last inspected by Thomas J. Raynor on June 6, 2022.

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<sup>1</sup> *The Dictionary of Real Estate Appraisal*, 2nd edition, American Institute of Real Estate Appraisers, 1989, page 120.

## SCOPE OF THE APPRAISAL

In order to determine the type and extent of research and analyses necessary to develop credible assignment results, the appraiser:

- Gathered and analyzed information about the assignment elements necessary to properly address the appraisal problem to be solved and to specifically identify:
  - The client and any other intended users.
  - The intended use of the appraiser's opinions and conclusions.
  - The type and definition of market value.
  - The effective date of the appraiser's opinions and conclusions.
  - The subject of the assignment and its relevant characteristics; and
  - Any additional assignment conditions, extraordinary assumptions, and Hypothetical conditions.
- Communicated with our client and clarified the relevant information necessary for the assignment, as listed above, as well as specific conditions, assumptions, extraordinary assumptions and hypothetical conditions.
- Reach an agreement with our client regarding the appropriate scope of work for the assignment given the intended use.

### Property Identification

Descriptive information about the subject property is based on a physical inspection of the land and exterior improvements only, public records, building plans (if available) and conversations with property representatives.

The information used by an appraiser to identify the relevant property characteristics is from sources the appraiser reasonably believes are reliable and typically includes some or all of the following to the extent they are available:

- A property inspection (interior and exterior)
- Documents, such as:
  - A legal description,
  - Address,
  - Assessor's map reference or property identification number,
  - A copy of a plat of survey (if available),
  - A tax map or plat,
  - A property sketch (if available), and/or
  - Photographs.

This appraisal report is subject to receipt and review of a current certified Plat of Survey by the client.

### **Property Inspection**

An inspection was made by Thomas Raynor, from American Valuation Group. The interior and exterior of the subject property was inspected on June 6, 2022. Photographs were also taken on that date.

All observations are based on cursory walk-through; the inspection is not intended to, nor is the appraiser qualified to address structural integrity and code compliance. Not all units were inspected. We assume all building operating equipment's to be in normal operating condition. Operating individual pieces of equipment to test their status exceeded the scope of this assignment.

We appraise only the real property consisting of land, land improvements, building, and fixed building service equipment.

Excluded from the appraisal are personal property, supplies, inventories, company records, and any current or intangible assets that may exist.

The appraiser was accompanied at time of inspection by the some of the owners.

### **Type and Extent of Data Researched**

In developing the real property appraisal, the appraiser collected and analyzed all information necessary for credible assignment results.

Market data was obtained from one or more of the following sources: real estate professionals, public records and public record services, management agents, property owners, and the Bad Lands Board of Realtors' Multiple Listing Service and the Williston Board of Realtors' Multiple Listing Service.

Information gathered included available comparable data. We considered historical information and trends, current supply and demand factors affecting such trends, and anticipated events such as competition from developments under construction.

To the extent that information could be obtained during normal course of business, we analyzed all agreements of sale, options, and listings of the subject property current as of the effective date of the appraisal and analyzed all sales of the subject property that occurred within the three years prior to the effective date of the appraisal. We confirmed statements of facts through public records, with a party to the transaction or with sources deemed reliable and cross-referenced with data sources for accuracy.

The market data used in this report are the best indicators for the subject property. We retained additional data considered, but not reported, in our work files. Information supplied by others, which was considered in this valuation, came from sources believed to be reliable, and we assume no further responsibility for its accuracy. We reserve the right to amend the valuation herein reported as required by consideration of additional or more reliable data that may become available.

### *Type and Extent of Analyses to Arrive at Opinions*

Given the intended use of this appraisal and recognizing the need for a credible, cost-effective service, at the client's request, the scope of work involves an appraisal report with a summary analysis. Specifically, the value opinion is based on the application of the Sales Comparison Approach, and Income Capitalization Approach to value. The appraiser has determined that the appraisal process performed results in a credible result.

Although no appraisal conclusion is a guarantee, USPAP allows for different levels of reliability in real property and personal property appraisals. The client understands and accepts the appraisal report as a credible format.

Within the context of the assignments intended use, the appraiser performed the following specific analyses:

- Analyze the effect of land use restrictions, economic supply and demand, the physical adaptability of the real estates, and local/competitive market area trends.
- Analyze the relevant legal, physical, and economic factors necessary to develop an opinion of the highest and best use of the real estate.
- Analyze the effect on value, if any, of anticipated public or private improvements, located on or off the site to the extent they are reflected in market actions.
- Consider the quality and quantity of data available and analyzed within the approaches used and reconcile the applicability or suitability of the approaches used to arrive at a final opinion of value expressed as either a final range of value or a single point estimate.
- Prepare an Appraisal Report in accordance with the reporting requirements set forth under the Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation.

The estimate of value contained herein is subject to the condition that all necessary licenses, permits, and approvals have been secured and that the existing building has been constructed in accordance with local zoning ordinances, building codes, and all other applicable regulations.

We cannot guarantee the results of the prospective financial analyses contained herein, nor in any warranty intended or implied; however, based on the subject's location and competitive position in the market at this time, and emphasizing the need for aggressive and knowledgeable management and marketing, the estimates are considered reasonable.

Our Appraisal is prepared in conformance with the Code of Professional Ethics, the Standards of Professional Appraisal Practice, which included the Uniform Standards of Professional Appraisal Practice, Supplemental Standards and the Guide Notes of the Appraisal Institute.

### **Extraordinary Assumptions and Hypothetical Conditions**

An extraordinary assumption is an assumption, directly related to a specific assignment, which if found to be false, could alter the appraiser's opinions and conclusions. We assume in this report the extraordinary assumption that the subject property is free and clear of all hazardous materials. Hypothetical condition is defined as that which is contrary to what exists but is supposed for the purpose of the analysis. No hypothetical condition exists.

The subject property is located in a FEMA Disaster Area Region 8. The appraiser spoke with Keith Olson from the Williams County Economic Development Association. Demand for industrial buildings like the subject still exist. The near-term economic outlook for area real estate remains stable as North Dakota has not seen any serious negative impact on most real property due to Covid. It is anticipated to remain stable to good as long and a more serious strain does not affect the national economy again.

### **Disclosure**

Disclosure of the contents of this appraisal is governed by the Bylaws and Regulations of the Appraisal Institute. In furtherance of the aims of the Appraisal Institute to develop higher standards of professional performance by its members, the appraisers may be required to submit to authorized committees of the Appraisal Institute, copies of this report and any subsequent changes or modifications thereof.

### **Disclosure of Competency**

We assure the client the appraiser has the knowledge and experience to complete this assignment competently, having appraised similar properties in the past.

### **History of Property**

The Standards of Professional Practice of the Appraisal Institute require that we report and analyze any sale (offer or pending) transactions involving the subject during the past three years. According to the Williams County Assessor's office, the current owner is Capital Gains LLC and recently sold for \$110,000 on September 16, 2021.

### **Previous Property Appraised,**

American Valuation Group has not previously appraised the subject property.

## DEFINITION OF MARKET VALUE

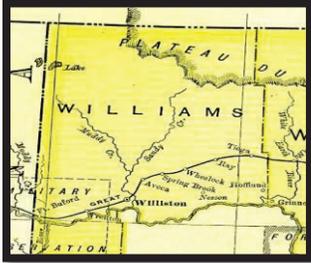
**Market Value:** As defined by the Office of the Comptroller of Currency (OCC) under 12 CFR, Part 34, Subpart C-Appraisals, 34.42 Definitions, the Board of Governors of the Federal Reserve System (FRS) and the Federal Deposit Insurance Corporation in compliance with Title XI of FIRREA, as well as by the Uniform Standards of Appraisal Practice as promulgated by the Appraisal Foundation, is as follows.

Market value means the most probable price which a property should bring in a competitive and open market under all condition's requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby,

1. Buyer and seller are typically motivated.
2. Both parties are well informed or well advised and acting in what they consider their own best interest.
3. A reasonable time is allowed for exposure in the open market.
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

## WILLIAMS COUNTY AREA ANALYSIS

Williams County is located in the Northwest portion of North Dakota, and borders Montana and the County seat, Williston, is 70 miles from Canada. Lake Sakakawea, a reservoir on the Missouri River, is situated on the southern boundary of the county.



Williams County is primarily dominated by agriculture and resource extraction- it is one of several western North Dakota counties with significant exposure to the Bakken formation. Besides being a widespread prolific source rock for oil when thermally mature, there are also significant producible reserves of oil within the Bakken formation itself. North Dakota oil drillers pump out more than 800,000 barrels of oil per day and continue to establish new crude production records.

According to the U.S. Census Bureau, the county has a total area of 2,14±square miles, of which, 2,070 square miles of it is land and 78 square miles of it is water. As of the 2010 census, the Williams County population was 22,398, which is a 13.3% increase from the 2000 census, which reported a population of 19,761. North Dakota as a whole was the nation's fastest-growing state in the past year, with the western counties seeing the highest increases in population.

There are 8,095 households in the county, and 5,261 families residing in the county. The median income for a household in the county was \$31,491, and the median home value is \$97,763. There are 18 public schools serving 3,462 within the Williams County School district: 11 elementary, 1 middle and 6 high schools.

The unemployment figure in January 2019 for Williams County was 2.0%; and the State of North Dakota was 3.0%. Source: US Census Bureau Report. Total employment and the distribution of employment among the various sectors provide a significant measure of activity in the area.

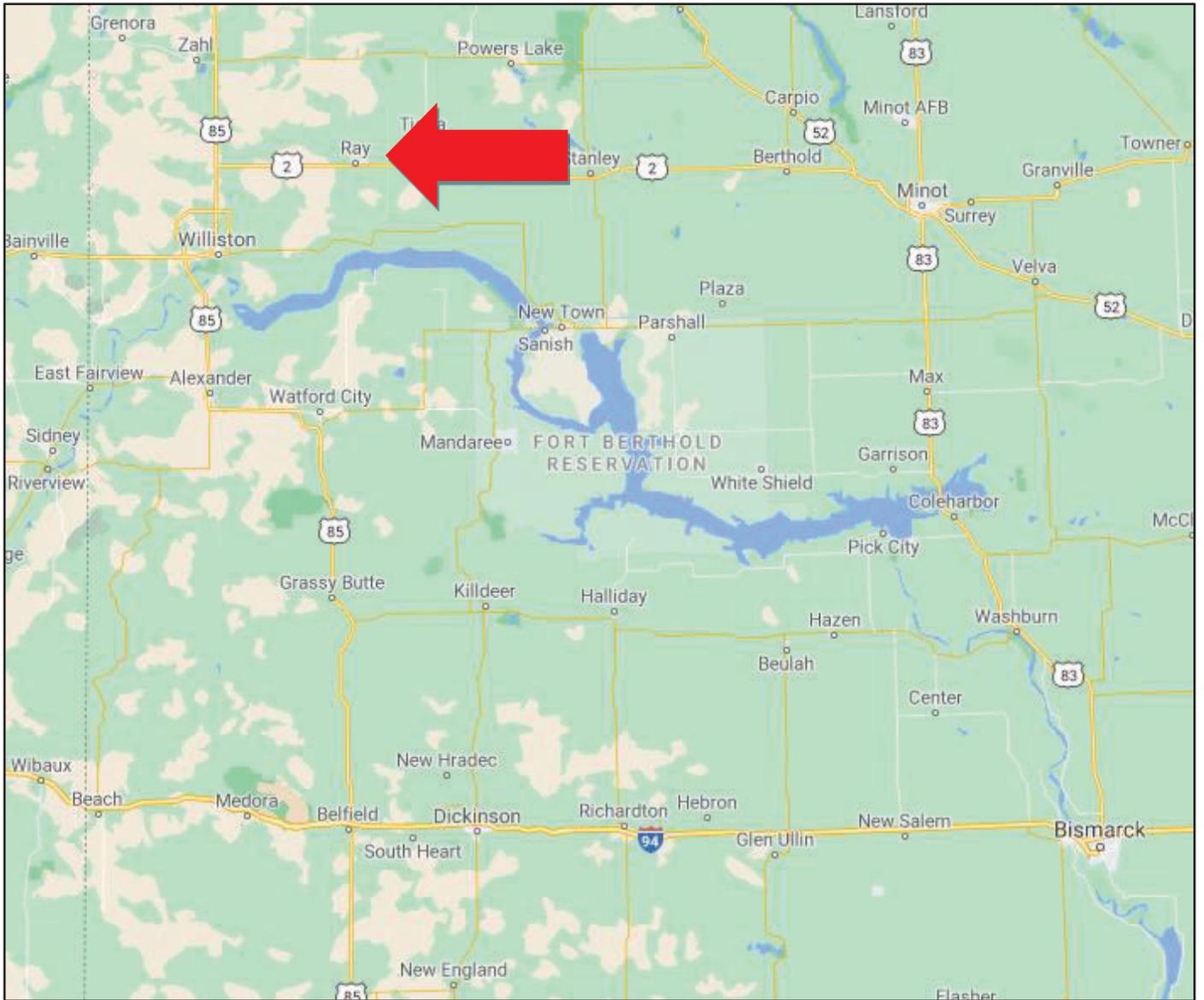


The major State Highways in Williams County are Interstate 2 and 50 which run east and west, and Interstate 85 which is the major north/south highway. Air transportation is provided by the city of Williston's public airport, Sloulin Field International Airport.

### **SUMMARY**

In summary, Williams County North Dakota has been and is expected to continue as a thriving physical and economic area. The stability of the area will continue as the demand for oil is anticipated to continue into the foreseeable future until the transformation to more electrification is complete. With unemployment levels at a record lows and population levels increasing at an good pace, the North Dakota housing market remain strong.

**AREA MAP**



## WILLISTON CITY DATA

The subject property is located in the geographic area referred to as the Williston Statistical Area. Williston is the County seat of Williams County. The city of Williston North Dakota is located towards the southeastern part of North Dakota at the crossroads of U.S. Highways 2 and 85. Nearby, just west of Williston is the confluence of the Yellowstone and the Missouri River at the upper end of the Lake Sakakawea reservoir. The city has a total area of 7.56 square miles, of which, 7.50 square miles is land, and 0.06 square miles is water, according to the United States Census Bureau.

### **POPULATION**

According to the 2018 census the city of Williston has a total population of 27,096 which is up from the 2010 census which reported a population of 14,716. It has a population density of 1169.97 people/mi<sup>2</sup> (451.72 people/km<sup>2</sup>), and the overall median age is 30.4 years, 30.4 years for males, and 30.3 years for females. This earned the city as the sixth largest city in North Dakota based on the official 2017 estimates from the U.S. Census Bureau.

The last measured population count for Williston, ND was 25,072 in 2017. It experienced an average growth rate of 12.67% from the statistic record in 2019. If past trends continue, population count may reach 32,960 by 2020.

The ethnic composition of the population of Williston, ND is composed of White Alone residents (82.6%), Hispanic or Latino residents (6.09%), Two or More Races residents (3.72%), Black or African American Alone residents (3.39%), American Indian & Alaska Native Alone residents (2.8%), Some Other Race Alone residents (0.684%), Asian Alone residents (0.662%), and Native Hawaiian & Other Pacific Islander Alone residents (0.0304%).

### **EMPLOYMENT**

The economy of Williston, ND employs 17.8k people. The largest industries in Williston, ND are Mining, Quarrying, & Oil & Gas Extraction (3,275 people), Health Care & Social Assistance (2,033 people), and Construction (1,765 people), and the highest paying industries are Mining, Quarrying, & Oil & Gas Extraction (\$85,697), Agriculture, Forestry, Fishing & Hunting, Mining (\$84,000), and Information (\$82,885).

The unemployment rate in Williston is at 2%, which is 66% lower than the national average and the poverty rate is at 10% which is 31% lower than the national average.

### **INCOME**

Median household income in Williston, ND is \$89,874, which is more than the median annual income of \$60,336 across the entire United States. This is in comparison to a median income of \$90,080 in 2016, which represents a -0.229% annual growth. Males in Williston, ND have an average income that is 1.44 times higher than the average income of females, which is \$42,424.

### **EDUCATION**

The Williston Public School District #1 serves the city and the surrounding rural area is served by New Public School District #8. Also located in the city is a private K-12 school known as Trinity Christian School and a private K-6 school known as St. Joseph Catholic School.

Williston State College is in the city and founded as the University of North Dakota-Williston, is a two-year public college affiliated with the North Dakota University System. Students who attend can earn an Associate in Arts, Associate in Science, and/or an Associate of Applied Science degree.

The percentage of people aged 25 years or older who have graduated from High school or higher is at 93.7% and 24.4% have graduated from college with a bachelor's degree.

Most students graduating from Universities in Williston, ND are White (82.2%), followed by Hispanic or Latino (6.96%), Two or More Races (5.22%), and American Indian or Alaska Native (2.61%). The largest university in Williston, ND by number of degrees awarded is Williston State College.

## **TRANSPORTATION**

The major highways of Williams County include U.S. Highway 2, and 85, and North Dakota Highway 40, 50, and 1804. U.S. 2 and U.S. 85 run concurrent through the city of Williston, and Highway ND 1804 runs through the southern portion of the city and is concurrent with U.S. 2 and U.S. 85 west of Main St. The city of Williston's public airport, Williston Basin International Airport, is provided by a codeshare partner with United Airlines and Frontier Airlines, known as Great Lakes Airlines. Flights are six times daily on weekdays, five times on Saturdays, and four times on Sundays. The service is either direct to Denver, CO or with a stop in Gillette, WY. FedEx Express of Memphis, TN, provides cargo flights to and from the Williston, ND airport and Grand Forks, ND airport utilizing Cessna 208B Caravans with Cargo Master and cargo pods, in which these flights run from Monday through Saturday. The national passenger rail system, known as Amtrak, serves a station in Williston via its Empire Builder, a once-daily train in each direction between Portland, Oregon, Seattle, Washington, and Chicago, Illinois.

Williston's economy is being supported by the oil industry, while historically agricultural. The city lends its name to Williston Basin, a very large subterranean geologic feature known for its rich deposits of petroleum, coal, and potash. Williston also sits atop the Bakken formation, predicted to be producing more oil than any other site in the United States, even surpassing Alaska's Prudhoe Bay, the longtime leader in the U.S. for domestic output. During the last several years with the expanded drilling and using the 'frac' petroleum extraction technique in the Bakken formation and Three Forks Groups.

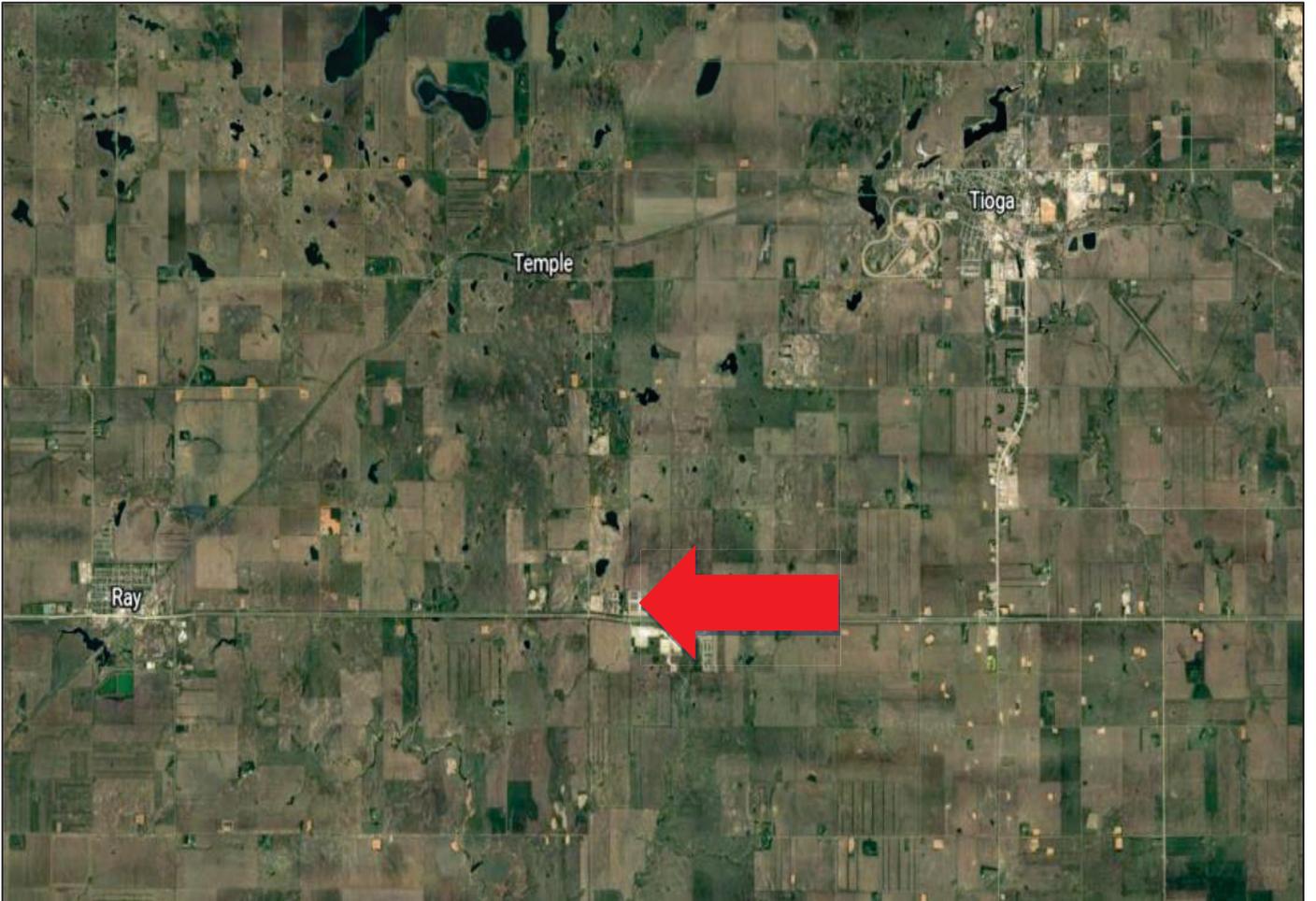
## **INDUSTRIAL MARKET TRENDS**

The current industrial market is stable and has been this way for the past couple years. The current rental rates and vacancy rates are not quite the levels from the period of 2012 to 2015 when industrial rental rates were between \$20 and \$30 per square foot on a net basis. Vacancies were also nonexistent during this period. With the drop in the price of oil came lower rental rates, higher vacancies, and slower demand for industrial space. This lasted a few years from 2016 through 2018 and has seen much improved market all of 2019 to today. According to area brokers supply has once again are becoming an issue as market participants are struggling to locate properties that meet all their needs and settle for space that is less than ideal for their operation.

Current rental rates for industrial space are between \$15 and \$20 per square foot on a net basis depending on building type and vacancies are 5% to 10%. The 5-year average rental rate is \$14.00 per square foot on a net basis with a 5-year average vacancy rate of 9.9%.

In conclusion, as long as the price of oil remains above \$45 per barrel and the economy remains robust enough to stave off a recession the industrial market should remain strong into the foreseeable future.

NEIGHBORHOOD MAP



## SITE DESCRIPTION

A land or site description is a detailed listing of factual data, including a legal description, other title and record data, and information on pertinent physical characteristics. A land or site analysis is a careful study of factual data in relation to other neighborhood characteristics that create, enhance, or detract from the utility and marketability of the land or site as compared with competing comparable land or site.

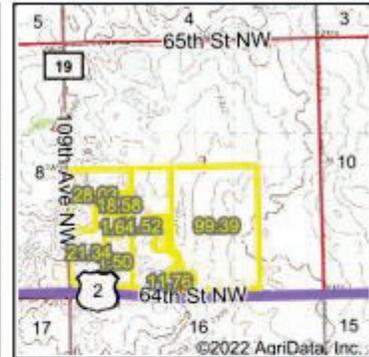
LOCATION:	10855 Highway 2 Williston, ND 58801
LOT SIZE/ SHAPE:	According to the Williams County Assessor office the subject property is 69.25 ± acres
FRONTAGE:	The site has frontage along Highway 2.
ACCESS:	Property exposure and access are considered good.
EASEMENTS:	Easements, encroachments, and restrictions were considered typical for the subject property type. Ingress and egress were not impaired at the time of inspection. All easements should be reviewed by certified surveyor and legal professional.
SOILS CONDITIONS:	No soil tests were provided; however, we assume the bearing capacity is adequate for most structures.
TOPOGRAPHY:	Generally level main parcel to slightly sloping and with lower-lying land along the street.
DRAINAGE:	Appears adequate
STREET:	Highway is a two-lane asphalt paved road which is a divided highway.
UTILITIES:	Public utilities include electric, rural water, and septic
ZONING:	HI - Heavy Industrial – Conditional Use
FLOOD PLAIN:	Assumed the subject site is not in the flood zone.
WETLANDS:	There are no wetlands observed on the subject parcels
PARKING PROVISIONS:	Adequate
SITE IMPROVEMENTS:	Scoria and gravel yard, fenced, concrete aprons, manufactured/recreational vehicle hook ups. Because the property has been abandoned for several years the condition of all site improvement is uncertain and given no value in this report.

**GIS MAP**



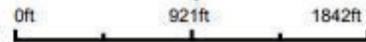
# WETLANDS MAP

## Wetlands Map



**State:** North Dakota  
**Location:** 9-156N-96W  
**County:** Williams  
**Township:** West Bank  
**Date:** 7/24/2022

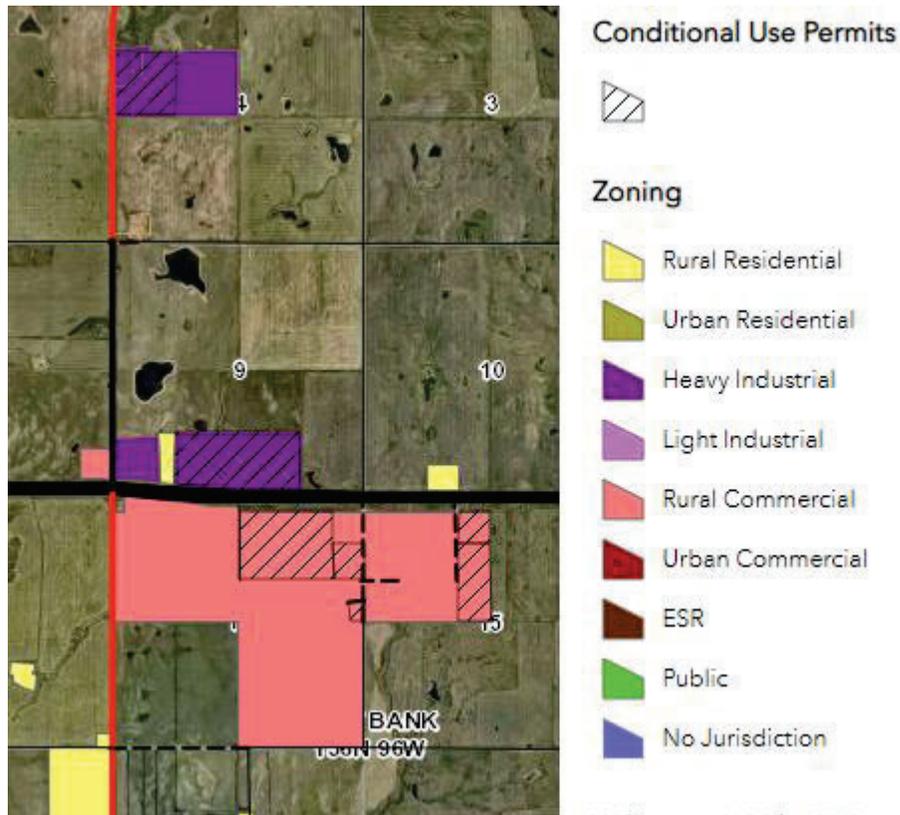
Maps Provided by  
  
CUSTOMIZED ONLINE MAPPING  
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Classification Code	Type	Acres
PEM1C	Freshwater Emergent Wetland	9.42
PEM1Cd	Freshwater Emergent Wetland	1.76
R4SBC	Riverine	0.40
PEM1Cx	Freshwater Emergent Wetland	0.01
Total Acres		11.59

Data Source: National Wetlands Inventory website. U.S. DoI, Fish and Wildlife Service, Washington, D.C. <http://www.fws.gov/wetlands/>

## ZONING MAP



According to the Williams County Planning Department online zoning map the subject property is zoned Heavy Industrial with conditional use permit. Based on a review of the current zoning requirements, the subject was a legal conforming use. However, due to the change in the industrial market conditions along with the improvement in housing conditions in the Williams County area a continued use of the subject property as workforce housing would likely have to be brought before the zoning board for a similar use. However, as it will be explained further in this report the need for a similar use would not likely be feasible and a likely use would be yard and building storage which would considered legally permissible.

### Chapter 2-8 Heavy Industrial (HI)

#### 2-8-1 Purpose

The purpose of this district is to provide for areas containing land uses that may create undesirable conditions or impacts or which are not compatible with residential or certain types of commercial uses. This district is intended to provide for the production, storage and handling of hazardous wastes, heavy manufacturing, heavy equipment usage, and extractive industries. This district's uses may be acceptable along specified highway corridors with minimum access permitted along such highways and in areas of existing similar uses.

See addenda for permitted uses and conditional uses.

## REAL ESTATE TAXES

According to Williams County Tax Equalization office web site indicates the subject's assessed market value is \$3,514,980. The current real-estate taxes for 2021 are \$28,026.92.

**Parcel#:** 18-156-96-00-09-042  
**MP#:** 29538  
**Status:** Current

**Mailing Address:**  
 PO BOX 1107  
 WILLISTON, ND 588021107

**Receipt:** 34488

**Legal Description:**  
 SUBLOT 1 IN S2 SEC 9 T156 R96 #720305

**2022 Owner(s):**  
 CAPITAL GAINS LLC

### 2022 Value:

**Market:** \$3,514,980  
**Taxable:** \$175,750

**Disabled Vet Credit:** \$0  
**Homestead Credit:** \$0  
**Net Taxable:** \$175,750

 [Detail](#)

### 2021 Taxes:

 [View Pie Charts](#)

**First Half:** \$14,013.46 **Due:** 3/1/2022  
**Second Half:** \$14,013.46 **Due:** 10/17/2022  
**Total:** \$28,026.92

 [Show Current Tax Bill](#)

 [Detail](#)

### 2021 Payments:

**First Half:** \$14,013.46  
**Second Half:** \$14,013.46  
**Discount:** \$1,401.35  
**Total:** \$26,625.57  
 (May include penalty & interest)

### History:

Tax Year	Statement#	Bill Date	Bill Amount	Date Paid	** Paid Amount	Notes
<a href="#">2021</a>	<a href="#">34488</a>	06/08/2022	\$28,026.92	6/5/2022 6/5/2022	\$14,013.46 \$12,612.11	
<a href="#">2020</a>	<a href="#">200134705</a>	06/08/2022	\$27,349.85	6/5/2022 6/5/2022	\$13,674.93 \$12,307.43	
<a href="#">2019</a>	<a href="#">190216717</a>	11/21/2019	\$29,913.82	2/18/2020 2/18/2020	\$13,461.22 \$14,956.91	
<a href="#">2018</a>	180216686	12/03/2018	\$33,199.31	2/11/2019 2/11/2019	\$14,939.69 \$16,599.65	
<a href="#">2017</a>	170216684	01/31/2018	\$35,926.72	1/29/2018 1/29/2018	\$16,167.02 \$17,963.36	
<a href="#">2016</a>	160216711	12/06/2016	\$39,379.64	2/7/2017 2/7/2017	\$17,720.84 \$19,689.82	
<a href="#">2015</a>	150242917	12/04/2015	\$37,404.54	2/4/2016 2/4/2016	\$16,832.04 \$18,702.27	
<a href="#">2014</a>	140215904	12/01/2014	\$43,100.31	2/9/2015 2/9/2015	\$19,395.14 \$21,550.15	
<a href="#">2013</a>	130115850	08/20/2014	\$87,853.30	1/31/2014 1/31/2014	\$39,533.98 \$43,926.65	
<a href="#">2012</a>	1210655	12/07/2012	\$120,789.13	2/25/2013 9/22/2013	\$60,394.57 \$60,394.56	

## IMPROVEMENT DESCRIPTION

In this section, all building and improvement data relevant to the appraisal problem are presented and discussed. Although we may have considered and processed various data for the appraisal, only significant property characteristics that influence the value conclusions are presented herein.

General Description – At the time of inspection the subject property was vacant. The appraiser also observed that it has been unused and for sale for quite some time before it was recently purchased.

The prior use was a workforce housing complex that offered housing units that were modular and included RV pads. There was also supporting facility for administration, recreation, laundry and eating.

At the time of inspection that appraiser observed only six buildings. Two of the buildings were identical in size and looked to be utilized as storage, equipment maintenance and some office use. There was also metal building according to the owners that was used as water tank storage and filtering facility. This is the building that the main piping to the entire complex was located and has been removed. The largest building was the recreation/meeting/kitchen/laundry building that was basically a large hoop building. There is a support building contiguous to the hoop building the appeared to be used for dishwashing and kitchen support. The last building was a site equipment pole building. These buildings were in blow average condition due to lack of routine maintenance. As a result, the buildings exhibited a faster pace of deterioration. Besides the deferred maintenance, according to the current owner's utilities in one of the buildings and as well as underground utilities throughout the site were removed in some areas.

There was also a small security gate building at the entrance to the complex that was in poor condition. Two earth lagoons were located on the west part of the parcel and appeared to be non-functioning due to lack of maintenance and exposure to the elements.

The buildings will be further described below.

**IMPROVEMENT DESCRIPTION- TANK BUILDING**

**TYPE:** Metal Building (B5 - Assessor Card)

**CONSTRUCTION:** Steel Frame

**CLASS:** S

**RATING:** Average

**SIZE:** 3,400 ± sq. ft. warehouse

**STORIES:** One

**EXTERIOR DETAIL:**

Superstructure -	Steel frame with columns, beams and purlins. 12-foot sidewalls
Walls -	Metal siding wall with insulation
Roof -	Metal roof cover with insulation
Foundation -	Reinforced concrete foundation walls with spread and strip footings
Downspouts -	None
Windows -	None
Insulation -	Average

**GENERAL INTERIOR DETAIL:**

Floors -	Concrete
Walls -	Open
Trim -	None
Ceilings -	Insulation
Doors -	Exterior service and overhead sectional door (12 x 14)

**MECHANICAL DETAIL:**

Lighting -	Fluorescent assumed energy efficient
Wiring -	Assumed adequate electrical service
Heat -	None
Air Conditioning -	None

**CONDITION:** Average

**ACTUAL AGE:** 12 YEARS **BUILT:** 2010

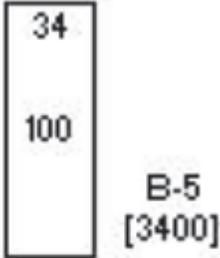
**EFFECTIVE AGE:** 12 Years

**REMAINING ECONOMIC LIFE:** 23 Years

**COMMENTS:**

The subject property is a light industrial building once used as water tank storage for the entire complex. According to the current owners since the property was vacated the connections to the water systems was disconnected. At the time of inspection, it appears that the insulation was dislocated in places throughout the building since the property was vacant for several years.

**BUILDING FOOTPRINT SKETCH**



**TANK BUILDING PHOTOGRAPHS**



**Tank Building**



**Tank Building Interior**



**Main Water Supply Removed**

**IMPROVEMENT DESCRIPTION- STORAGE BUILDING SOUTH**

**TYPE:** Metal Building (B3 - Assessor Card)

**CONSTRUCTION:** Steel Frame

**CLASS:** S

**RATING:** Average

**SIZE:** 8,125 ± sq. ft. warehouse

**STORIES:** One

**EXTERIOR DETAIL:**

Superstructure -	Steel frame with columns, beams and purlins. 16-foot sidewalls
Walls -	Metal siding with insulation
Roof -	Metal roof cover with insulation
Foundation -	Reinforced concrete foundation walls with spread and strip footings
Downspouts -	None
Windows -	Fixed
Insulation -	Average

**GENERAL INTERIOR DETAIL:**

Floors -	Concrete
Walls -	Open no insulation
Trim -	None
Ceilings -	Insulation only
Doors -	Exterior service and overhead sectional door opening

**MECHANICAL DETAIL:**

Lighting -	Fluorescent assumed energy efficient
Wiring -	Some
Heat -	None
Air Conditioning -	None

**CONDITION:** Average

**ACTUAL AGE:** 12 YEARS **BUILT:** 2010

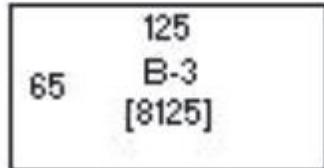
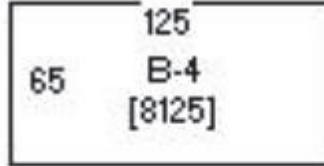
**EFFECTIVE AGE:** 15 Years

**REMAINING ECONOMIC LIFE:** 20 Years

**COMMENTS:**

The subject property is a light industrial building once used for unheated storage use. At the time of inspection, it appears that the insulation was dislocated in places throughout the ceiling since the property was vacant for several years. The overhead sectional door was knocked off the track and laying on the floor. There was also damaged siding on the south side of the building.

**FOOTPRINT SKETCH FOR BOTH STORAGE BUILDINGS**



**STORAGE BUILDING SOUTH PHOTOGRAPHS**



**Storage Building South**



**Building Interior View**



**Building Interior View**



**Building Interior View**



**Building Interior View**



**Wall Damage**

## IMPROVEMENT DESCRIPTION- STORAGE BUILDING NORTH

**TYPE:** Metal Building (B4 - Assessor Card)

**CONSTRUCTION:** Steel Frame

**CLASS:** S

**RATING:** Average

**SIZE:** 8,125 ± sq. ft. warehouse

**STORIES:** One

**OFFICE AREA:** 1,625 ± sq. ft.

### **EXTERIOR DETAIL:**

Superstructure -	Steel frame with columns, beams and purlins. 16-foot sidewalls
Walls -	Metal siding wall with insulation
Roof -	Metal roof cover with insulation
Foundation -	Reinforced concrete foundation walls with spread and strip footings
Downspouts -	None
Windows -	None
Insulation -	Average

### **GENERAL INTERIOR DETAIL:**

Floors -	Concrete
Walls -	Storage area Open Office area drywall
Trim -	Vinyl
Ceilings -	Insulation
Doors -	Exterior service and overhead sectional door (12 x 14)

### **MECHANICAL DETAIL:**

Lighting -	Fluorescent assumed energy efficient
Wiring -	Assumed adequate electrical service
Heat -	Radiant Heat
Air Conditioning -	None

**CONDITION:** Below Average

**ACTUAL AGE:** 12 YEARS **BUILT:** 2010

**EFFECTIVE AGE:** 18 Years

**REMAINING ECONOMIC LIFE:** 17 Years

### **COMMENTS:**

The subject property is a light industrial building once used as storage and office. At the time of inspection, it appears that the insulation was dislocated in places throughout the building since the property was vacant for several years. The office area in the building would likely have to be razed as most of the walls and ceiling have black mold. There is a storage mezzanine above the office at the rear of the building.

**NORTH STORAGE BUILDING PHOTOGRAPHS**



**Storage Building North**



**Building Interior View**



**Building Interior View**



**Office Area**



**Restroom**



**Mold In Office Areas**



**Rear Storage Area**



**Mezzanine**



**Mezzanine**

## IMPROVEMENT DESCRIPTION

**TYPE:** Hoop Building (B1 - Assessor Card)

**CONSTRUCTION:** Tubular Metal

**CLASS:**

**RATING:** Below Average

**SIZE:** 26,200 ± sq. ft. warehouse

**STORIES:** One

### **EXTERIOR DETAIL:**

Superstructure -	Pole frame
Walls -	Vinyl with insulation
Roof -	Vinyl with insulation
Foundation -	Assumed reinforced concrete foundation walls with spread and strip footings
Downspouts -	None
Windows -	None
Insulation -	Average

### **GENERAL INTERIOR DETAIL:**

Floors -	Concrete
Walls -	Open and some finish areas for office and miscellaneous support rooms
Trim -	None
Ceilings -	Insulation
Doors -	Exterior service doors

### **MECHANICAL DETAIL:**

Lighting -	Fluorescent assumed energy efficient
Wiring -	Assumed adequate electrical service
Water-	None
Heat -	Originally Propane – Currently None
Air Conditioning -	Electric Unit

**CONDITION:** Poor

**ACTUAL AGE:** 12 YEARS **BUILT:** 2010

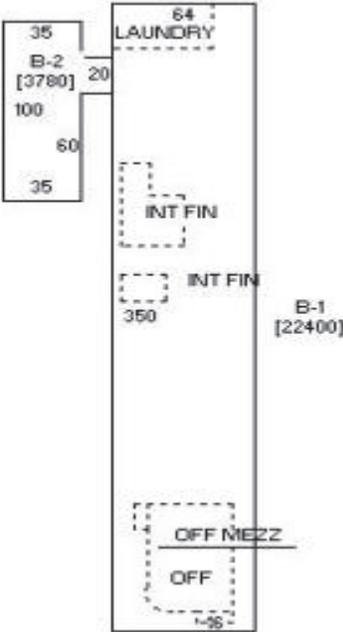
**EFFECTIVE AGE:** 20 Years

**REMAINING ECONOMIC LIFE:** 0 Years

### **COMMENTS:**

The subject property is a hoop building that was originally utilized for a meeting place/recreation/dining for occupants at the complex. Based on the inspection the property exhibits several signs of deferred maintenance to the point that the building likely does not function as it was originally intended. Some of the deferred items include detachment of insulation in the exterior walls, unknown working condition of the entire mechanical system, and possibly mold on interior walls. There is no water because the system was dismantled. Connected to the building is 3,780 sq. ft. and 20 ft. walk through. This is a metal insulated building with 9 ft. sidewall height. It has a steel frame, HVAC system, some interior finish. This part of the building was considered average. THE HOOP BUILDING WILL BE GIVEN NO VALUE IN THIS REPORT.

**BUILDING FOOTPRINT SKETCH**



## HOOP BUILDING PHOTOGRAPHS



**Hoop Building**



**Hoop Building Interior**



**Hoop Building Interior**



**Hoop Building Interior**



**Ceiling View/Seperation**



**Kitchen Area**



**Kitchen Area**



**Interior Kitchen Area**



**Interior Mold Damage**



**Dishwasher Area**



**Insulation Seperation**



**Exterior**



**Interior Finished Area**



**Interior Finished Area**



**Hoop Building Interior**

**IMPROVEMENT DESCRIPTION- SUPPORT BUILDING**

**TYPE:** Metal Building (B2 - Assessor Card)

**CONSTRUCTION:** Steel Frame

**CLASS:** S

**RATING:** Average

**SIZE:** 3,780 ± sq. ft.

**STORIES:** One

**EXTERIOR DETAIL:**

Superstructure -	Steel frame with columns, beams and purlins. 9-foot sidewalls
Walls -	Metal siding wall with insulation
Roof -	Metal roof cover with insulation
Foundation -	Reinforced concrete foundation walls with spread and strip footings
Downspouts -	None
Windows -	None
Insulation -	Average

**GENERAL INTERIOR DETAIL:**

Floors -	Concrete vinyl
Walls -	Panels
Trim -	Vinyl
Ceilings -	Insulation
Doors -	Exterior service door

**MECHANICAL DETAIL:**

Lighting -	Fluorescent assumed energy efficient
Wiring -	Assumed adequate electrical service
Heat -	Package system
Air Conditioning -	Yes

**CONDITION:** Below Average

**ACTUAL AGE:** 12 YEARS **BUILT:** 2010

**EFFECTIVE AGE:** 18 Years

**REMAINING ECONOMIC LIFE:** 17 Years

**COMMENTS:**

The subject property is a light industrial building once used as support to the larger hoop building. At the time of inspection, it appears that the insulation was dislocated in places throughout the building since the property was vacant for several years. The finish areas appear to have mold and will have to be razed.

## **IMPROVEMENT DESCRIPTION- EQUIPMENT STORAGE BUILDING**

**TYPE:** Metal Building (B6 - Assessor Card)

**CONSTRUCTION:** Steel Frame

**CLASS:** S

**RATING:** Average

**SIZE:** 7,200 ± sq. ft. warehouse

**STORIES:** One

### **EXTERIOR DETAIL:**

Superstructure -	Steel frame with columns, beams and purlins. 12-foot sidewalls
Walls -	Metal siding
Roof -	Metal roof cover
Foundation -	Reinforced concrete foundation walls with spread and strip footings
Downspouts -	None
Windows -	None
Insulation -	None

### **GENERAL INTERIOR DETAIL:**

Floors -	None - dirt
Walls -	Open
Trim -	None
Ceilings -	None
Doors -	Exterior service and overhead sectional door (12 x 14)

### **MECHANICAL DETAIL:**

Lighting -	None
Wiring -	None
Heat -	None
Air Conditioning -	None

**CONDITION:** Average

**ACTUAL AGE:** 12 YEARS **BUILT:** 2010

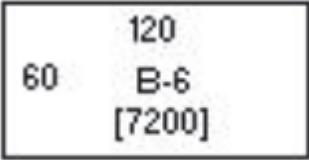
**EFFECTIVE AGE:** 12 Years

**REMAINING ECONOMIC LIFE:** 23 Years

### **COMMENTS:**

The subject property is a metal building that appears to be used as storage. This is a basic metal building. The main door and frame appear to have been damaged.

**BUILDING FOOTPRINT SKETCH**



**STORAGE BUILDING PHOTOGRAPHS**



**Storage Building**



**Interior View**



**Damaged Door**

## HIGHEST AND BEST USE

Highest and best use may be defined as:

- 1) The reasonable and probable use that supports the highest present value of vacant land or improved property, as defined, as of the date of the appraisal.
- 2) The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability.
- 3) The most profitable use.<sup>2</sup>

Implied in these definitions is that the determination of highest and best use takes into account the contribution of a specific use to the community and community development goals as well as the benefits of that use to individual property owners. Hence, in certain situations, the highest and best use of land may be for parks, greenbelts, preservation, conservation, wildlife habitats and the like.

In order for the subject property to fulfill its highest and best use, this use must meet four criteria: (1) physically possible, (2) legally permissible, (3) financially feasible, and (4) maximally productive. Further consideration must then be given to the dynamic attributes of the subject site as well as past, present, and future market conditions in order to determine the subject's highest and best use, as vacant.

## HIGHEST AND BEST USE AS VACANT

The Highest and Best Use of land as though vacant is the use that brings the highest return to the land after the three other agents of production have been compensated.<sup>3</sup>

**LEGAL USE:** The site is currently zoned heavy industrial with a conditional use. The conditional use was for workforce housing. However, this use would most likely not be permitted today as the market conditions have changed as there was limited housing when the conditional use was approved. Since the market conditions are much different today and housing and apartments are more prevalent the need for alternate housing does not exist. All uses that meet the current zoning requirements would be a legal conforming use of the site. Probability of change in zoning is unlikely given the limited industrial uses in the area.

**PHYSICAL:** The site is level to slightly rolling and has public utilities and private well and septic. Access is via a public two-lane asphalt paved road, Highway 2. Uses in the neighborhood include light industrial and agricultural uses. Some of these uses would be physically possible due to the size of the parcel. Of these uses industrial uses would be physically possible and considered further due to the subjects site size and location.

**FINANCIALLY FEASIBLE:** The highest and best use of this site, as if vacant, would be to develop with some form of industrial use or specific use based on the economic needs of the community once it is economically feasible to build. Currently demand is insufficient to support new construction as there are several existing vacant industrial buildings in the area and the rent necessary to support new construction is

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<sup>2</sup> Appraisal Institute, Dictionary of Real Estate Appraisal, Third Edition (Chicago, Illinois: 1993), Page 149.

<sup>3</sup> The Appraisal of Real Estate, 10<sup>th</sup> Edition, The Appraisal Institute, Chicago, IL 1992, Page 45.

not sufficient and not financially feasible. Ideally the subject site could be utilized by a user for a specific use, however, guessing this use would be speculative and not supportive. The appraiser also notes that the subject property is located in between the small cities of Ray and Tioga away from supporting services which makes the location less desirable.

**MAXIMALLY PRODUCTIVE:** To develop with an industrial or specific use based on economic support when economically feasible to build.

### **HIGHEST AND BEST USE AS IMPROVED**

Highest and best use may be defined as:

- 1) The reasonable and probable use that supports the highest present value of vacant land or improved property, as defined, as of the date of the appraisal.
- 2) The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability.
- 3) The most profitable use.<sup>4</sup>

Implied in these definitions is that the determination of highest and best use considers the contribution of a specific use to the community and community development goals as well as the benefits of that use to individual property owners. Hence, in certain situations, the highest and best use of land may be for parks, greenbelts, preservation, conservation, wildlife habitats and the like.

In order for the subject property to fulfill its highest and best use, this use must meet four criteria: (1) physically possible, (2) legally permissible, (3) financially feasible, and (4) maximally productive. Further consideration must then be given to the dynamic attributes of the subject site as well as past, present, and future market conditions in order to determine the subject's highest and best use, as improved.

The subject site is improved with an abandoned workforce facility that has been vacant and for sale for several years prior to purchase. Currently the property exhibits severe deferred maintenance and much of the original development no longer exists. Supporting infrastructure and buildings are either deteriorated to a point that the cost to cure no longer is supported by demand, exceeds any return on investment, or no longer functions for the use intended. Today's market conditions indicate that the need for new development in the subject's rural location does not exist. This is supported by several near shovel ready developments in the Williams County and have been for sale for several years due to the lack of demand. As a result, the property should remain vacant until it is economically feasible to redevelop. The user for the subject property would eventually be a company that provides services, materials, parts, or storage for the area once its economically feasible to build. The likely owner of the property would be an investor with a long-term hold horizon.

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<sup>4</sup> Appraisal Institute, Dictionary of Real Estate Appraisal, Third Edition (Chicago, Illinois: 1993), Page 149.

## **APPRAISAL PROBLEM AND VALUATION APPROACH**

The objective of this appraisal report is to estimate the market value of the Fee simple Interest in the subject property. In determining the value estimates, the three most widely used and accepted methods of evaluation were considered: The Cost Approach, Sales Comparison Approach, and the Income Capitalization Approach. If any of the approaches to value are not utilized, we will further explain the basis for its elimination.

### **Cost Approach**

The Cost Approach is based upon the principle of substitution, which states that a prudent investor would pay no more for a property than the cost of constructing a property of equal desirability and utility without undue delay. This approach to value is devoted to an analysis of the physical value of the property; that is, the current value of the land, assuming it to be vacant, to which is added the depreciated value of the improvements. The latter is derived based upon an estimate of the cost to reproduce or replace the improvements from which must be deducted accrued depreciation, if any, in terms of physical deterioration, functional obsolescence, and external obsolescence.

### **Sales Comparison Approach**

The Sales Comparison Approach is based on the premise that the market value of a property is directly related to the prices of comparable, competitive properties. Also implicit in this approach, the principle of substitution holds that the value of a property tends to be set by the price that would be paid to acquire a substitute property of similar desirability and utility. Application of the Sales Comparison Approach involves a systematic procedure whereby market data of similar properties (comparables) are obtained, researched and verified, relevant units of comparison are identified, a comparative analysis is developed, and appropriate adjustments are applied to the market prices of the comparables for their significant differences in comparison to the subject to produce adjusted prices. The adjusted prices of the comparables are then reconciled to produce a value indication for the subject property.

### **The Income Capitalization Approach**

The Income Capitalization Approach is based upon the assumption that there is a definite relationship between the amount of income the property will earn and its value. This approach is based upon the principle that value is created by the expectation of benefits derived in the future. To solve the appraisal problem at hand via the Income Capitalization Approach requires estimates of potential income and expenses, and the selection of the most appropriate capitalization method. This procedure then converts the anticipated future economic benefits to be derived from a property into a present value estimate through a capitalization process.

### **Reconciliation and Value Conclusion**

The final step in the valuation process is the reconciliation of the value indications. In the reconciliation, the relative applicability of each of the three approaches used is analyzed, the range between the value indications examined, and major emphasis placed on the approach that appears to produce the most reliable solution to the specific appraisal problem.

## **COST APPROACH**

Value by this approach is found by estimating the value of land from comparable land sales in the vicinity of the subject, estimating the depreciated value of the site improvements, and estimating the depreciated value of the building as follows:

1. The replacement cost of the subject building is estimated.
2. Curable physical deterioration refers to items of deferred maintenance; the estimate of curable physical deterioration applies only to items in need of repair on the effective appraisal date.
3. An observed condition in the improvements being appraised is considered curable if the cost of correcting the condition, including any reasonable profit, would be offset by an equal or greater increase in value.
4. Incurable physical deterioration identifies items of deterioration that cannot be practically or economically corrected at present. This type of depreciation is calculated for all structural components that are not included in the curable physical category.
5. Functional obsolescence is a loss in value resulting from defects in design. It can also be caused by changes that, over time, have made some aspect of a structure, such as its materials or design, obsolete by current standards. The defect may be curable or incurable.
6. External obsolescence, the diminished utility of a structure due to negative influences emanating from outside the building is usually incurable on the part of the owner, landlord, or tenant. External obsolescence can be caused by a variety of factors – e.g., neighborhood decline, the property's location in a community, increase in value, state or region, or local conditions.

The value of the land, the depreciated site improvements, and depreciated building give the value by the Cost Approach.

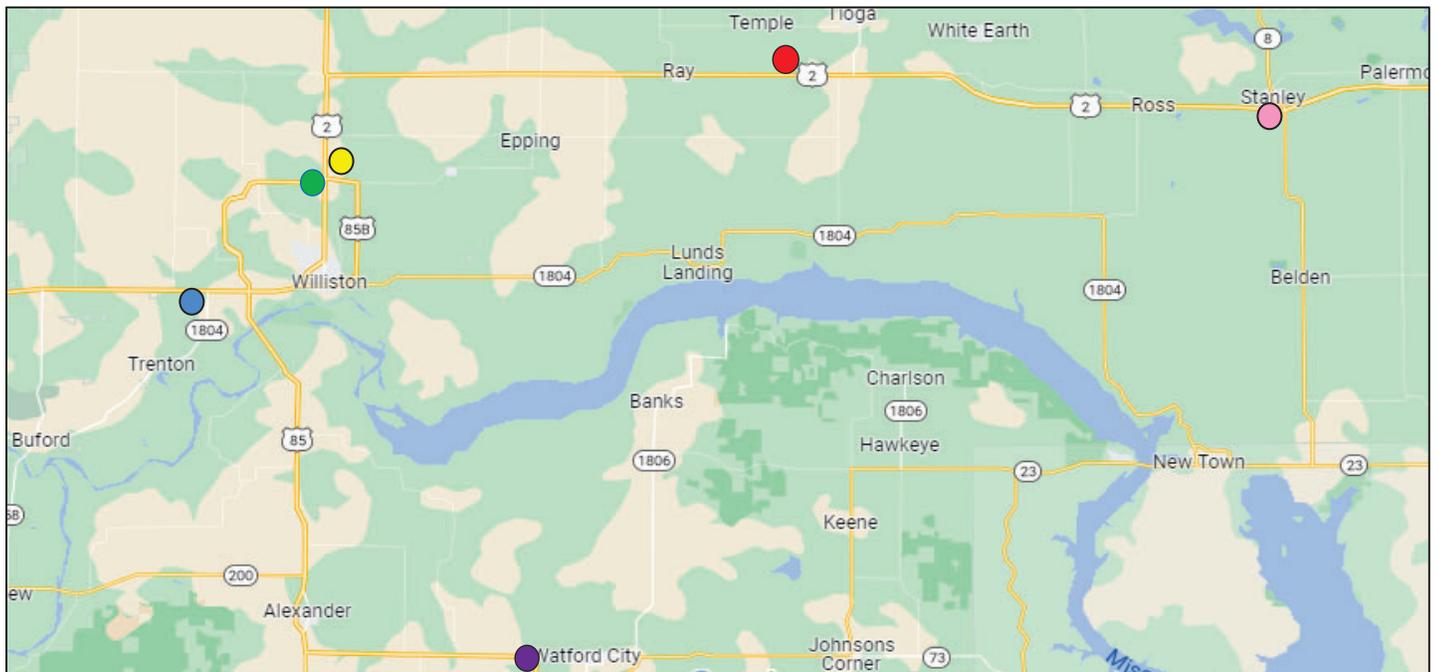
## **LAND SALE DATA**

The search for land sales to compare to the subject property proved difficult. As explained earlier, the subject property is in a rural area that is less desirable than similar property located near the larger cities of Williston and Tioga. As a result, the appraiser utilized listings of larger tracts of land that could be developed and performed an allocation of land value based on recent industrial sales in the area to develop a unit value range. The value of the subject property would likely fall within this data range.

## Analysis of Available Data

### ACTIVE LISTINGS IN WILLIAMS COUNTY

No.	LOCATION	List Price	Land Size Acres	Price Per Acre	Zoning	Utilities	Confirmation	Location
1	137th Ave NW & 58th St W. Williston, ND	\$7,000,000	322.50	\$21,705	PUD	E,W,S	Broker	Superior
2	SWC 1804 & Highway 2 . Williston, ND	TBD	54.83		Commercial	E,W,S	Broker	Superior
3	13589 57th St NW, Williston, ND	\$900,000	38.60	\$23,316	Commercial	E,W,S	Broker	Superior
4	8267 61st Street NW Stanley, ND	\$259,000	19.00	\$13,632	Industrial	E,W,S	Broker	Superior
5	Watford City Area, ND (Confidential)	\$250,000	18.00	\$13,889	Industrial	E,W,S	Broker	Superior



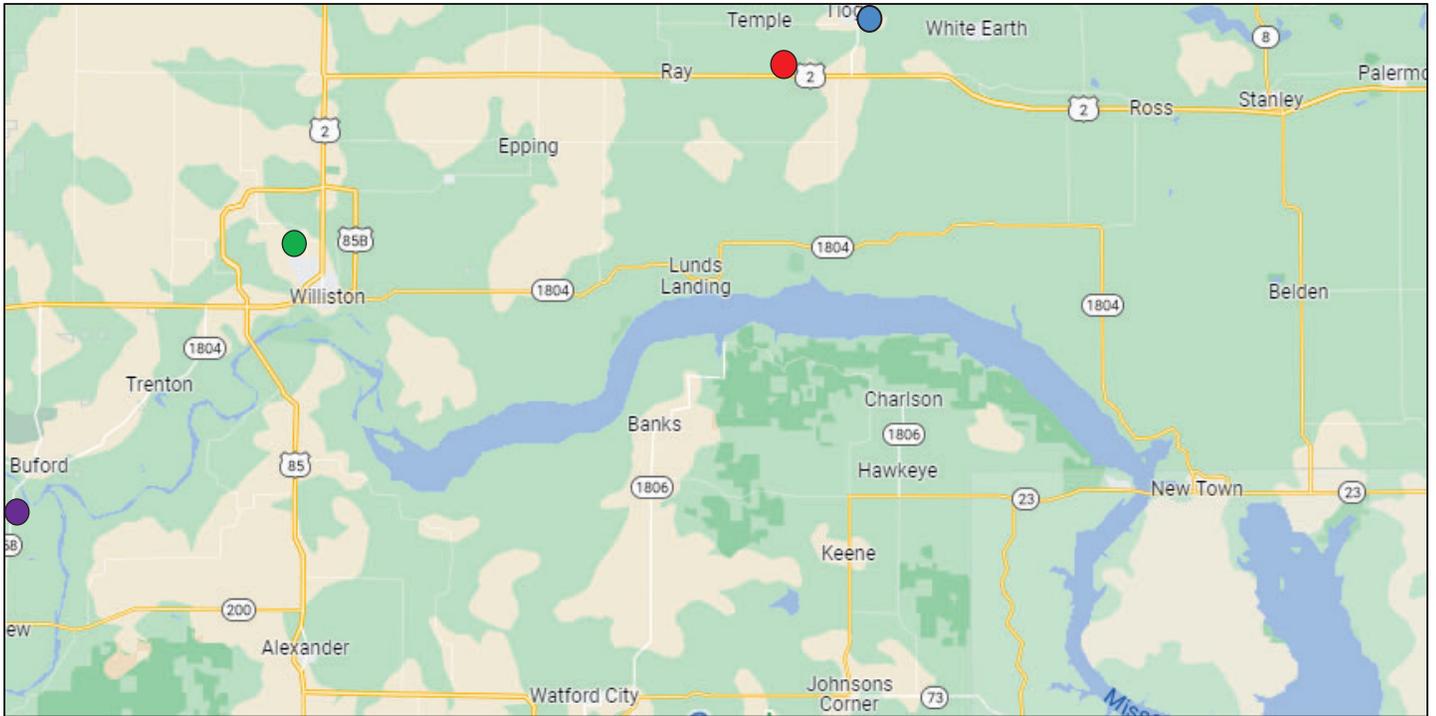
Comparable #	Identification
1	●
2	●
3	●
4	●
5	●
<b>Subject</b>	●

The five listing comparables utilized above provide a unit value range between \$13,632 per acre and \$23,316 per acre. These are larger tracts of land in the Williams County and Mountrail County area that are available to market participants looking to develop or build in the area. Comparables 1 through 3 are superior locations and have received substantial improvement to the land or have already been platted or zoned for potential development. Comparable 3 was a workforce housing property like the subject property. Discussions with the brokers about each of these comparables all indicated that interest simply did not exist. It is plausible to conclude that the value of the subject parcel that is an inferior location to all these comparables due to its rural location and significant unknown condition of the infrastructure at a minimum fall within this unit value range. Further weight is given to Comparable 3 which has been developed similarly to the subject parcel and is smaller in size and a superior location indicating a unit value less than \$23,316 per acre. Comparable 4 is located near Highway 2 in Stanley and is inferior in location to the first three comparables. Further consideration is given to the range provided by Comparables 3 and 4 as it most likely is the range a market participant would focus on given the subject property characteristic compared to these available comparables.

For further consideration and support the appraiser utilized a few industrial sales and estimated an improvement value and allocated the remaining portion of the value to the land and developed a unit value for the industrial land. Given the subject's industrial zoning this would at least capture market forces for industrial land. This is less than ideal as the appraiser did not physically inspect each property and utilized assessor records and available pictures of each property to develop a cost estimate for the improvements. Nationally recognized Marshall Valuation Service cost manual was utilized for the estimates. The breakdown for each building is presented in the addendum of the report.

ALLOCATED VALUES BASED ON INDUSTRIAL SALES

No.	LOCATION	Sale Price	Sale Date	Building Size	Land Size Acres	Allocated Value of Improvements	Allocated Value of Land	Indicated Price Per Acre	Property Type	Confirmation	Location
1	5216 22nd Ave, Williston, ND	\$1,798,460	9/8/21	9,972	14.46	\$710,733	\$1,087,727	\$75,223	Industrial	Broker	Superior
2	6502 103 Rd Ave NW Tioga, ND	\$1,275,000	8/12/21	20,000	19.64	\$1,070,474	\$204,526	\$10,414	Industrial	Broker	Superior
3	3629 160Q Fairview, ND	\$300,000	12/28/21	10,200	5.00	\$420,479	-\$120,479	-\$24,096	Industrial	Broker	Similar
							<b>Average</b>	<b>\$20,514</b>			
							<b>Median</b>	<b>\$10,414</b>			



Comparable #	Identification
1	●
2	●
3	●
<b>Subject</b>	●

The three industrial comparables utilized above provide a unit value range between \$75,223 per acre and -\$24,096 per acre. The comparables utilized provide a wide range in unit value and certainly indicate the premium prices that are attributed to a Williston location where more convenience and amenities are available. Allocation of several industrial sales could have been performed and likely provide the same range in outcomes. The appraiser chose these locations as they better reflect the divergence of the area and illustrate values more reflective of lesser desirable locations. Comparable 3 indicates a negative value and indicates that due to the location of this sale the buyer was able to purchase this property less than the cost to build a similar building. This property, like the subject location, likely indicate external forces outside the physical property itself are impacting the land and improvement value.

After considering the steps taken in both methods to determine the unit value for the subject parcel the final unit value is estimated to fall within the range provided by Comparable 3 from the first table at \$23,316 per acre and the allocated unit value from industrial sales or Comparable 2 at \$10,414 per acre. The final unit value is as follows:

$$69.25 \text{ Acres} \times \$15,000/\text{Acre} = \$1,038,750$$

## **VALUATION OF THE IMPROVEMENTS**

The second step involved in the Cost Approach is an estimation of the cost of the subject improvements. Two forms of costs are available: reproduction and replacement.

Reproduction cost is defined by the Dictionary of Real Estate Appraisal, published by the American Institute of Real Estate Appraisers, 1989, as: “The estimated cost to construct, at current prices, an exact duplicate, or replica of the building being appraised, using the same materials, construction standards, design, layout, and quality of workmanship, and embodying all the subject’s deficiencies, super adequacies, and obsolescence.”

Replacement cost is defined by the Dictionary of Real Estate Appraisal, published by the American Institute of Real Estate Appraisers, 1989, as: “The estimated cost to construct, at current prices, a building with utility equivalent to the building being appraised, using modern materials and current standards, design, and layout.”

The subject improvements were designed and constructed according to contemporary standards for properties of their type. The replacement cost will be used.

## **COST ESTIMATE**

There are various methods by which to estimate the replacement cost of the subject improvements. The principal methods include the comparative method, also known as the square foot and cubic foot methods, the segregated cost method, the unit-in-place method, and the quantity survey method. Due to the nature of the subject property, we have utilized the segregated cost method.

We have estimated the cost of the improvements by calculating the cost using a national cost service. The pertinent data required has been obtained from Marshall Valuation Service, published and periodically updated by Marshall and Swift Publication Company of Los Angeles, California. The cost manual is recognized as a reliable indicator of construction costs and is widely used in the real estate industry by engineers, contractors, lenders, architects, investors, appraisers, etc. The estimates contain contractor’s overhead and profit; supervision; workmen’s compensation, fire, and liability insurance during construction; sales taxes on materials; normal interest on construction funds including service charges; architects’ fees except where noted; plans; permits; survey to establish building lines; and building construction costs. Information specific to the subject property as found through this service, such as section number and indicated costs, is found in the cost approach summary.

## **ENTREPRENEURIAL PROFIT**

Entrepreneurial profit is a return to the investor based on his entrepreneurial skills and abilities. An investor in real property, especially a developer, gives up a certain amount of liquidity in development of real estate. The developer’s risk is based upon his past experience in the field, forecasting ability with respect to the real estate/business cycle and expertise in management and timing. These items are speculative and tend to be within a fairly wide profit range depending on a combination of the preceding items.

We estimate the profit for a project similar to the subject, to be approximately 10% of the cost new of the improvements. Building will not be built without a profit motive.

## **DEPRECIATION**

Depreciation in terms of real estate is considered as a loss in value. The depreciation loss in value results from three factors, physical deterioration, functional obsolescence, and external obsolescence.

### **Physical Deterioration**

Physical deterioration (curable) is that impairment of condition, which the cost of curing would be no more than the anticipated addition to utility. It is commonly referred to as deferred maintenance.

Physical deterioration (incurable) is that which in terms of market conditions as of the date of the appraisal is not considered feasible or economically justified to correct. It reflects the loss in value due to the wearing out of the physical parts of the building improvements. We utilized the age/life method of depreciation for each building and will be expressed in the tables for each building.

### **Functional Obsolescence**

Functional obsolescence is defined as the impairment of functional capacity or efficiency. Functional obsolescence reflects the loss in value brought about by such factors as over-capacity, inadequacy, and changes in construction techniques, which affect the property item, itself, or its relationship with other items comprising a larger property. No functional obsolescence exists in the subject property.

### **External Obsolescence**

External obsolescence is the impairment of desirability or useful life arising from factors external to the property such as economic forces or environmental changes which affect the supply/demand relationship in the market. This is usually reflected in the amount in which the net income is lower than the amount required to support a structure of this type. External obsolescence exist in the subject area as oil production has dropped compared to the recent past.

## **SITE IMPROVEMENTS**

The subject property site improvements are in poor condition as they were not utilized or maintained over the past few years. No value given to the site improvements.

See the final Cost Approach breakdown and final value in the table below.

REPLACEMENT COST NEW ESTIMATE  
TANK BUILDING - B5  
10855 HIGHWAY 2 WILLISTON, ND 58801

SITE PREP, EXCAVATION AND BACKFILL

Site Preparation	(	6,480 sq ft @	\$0.57 )	3,694	
Excavation	(	4,204 cu ft @	\$0.75 )	3,153	
Subtotal					6,847

FOUNDATION

Concrete	(	3,400 sq ft @	\$2.60 )	8,840	
Story height adj	(	average height=	12.00 )	-354	
Subtotal					8,486

FRAME

Steel	(	3,400 sq ft @	\$11.30 )	38,420	
Story height adj	(	average height=	12.00 )	-2,305	
Subtotal					36,115

FLOOR STRUCTURE

Conc on ground	(	3,400 sq ft @	\$7.34 )	24,956	
Elevate flat slab & joist	(	0 sq ft @	\$16.60 )	0	
Subtotal					24,956

FLOOR COVER

Vinyl composition	(	0 sq ft @	\$3.54 )	0	
Ceramic tile	(	0 sq ft @	\$0.00 )	0	
Carpet	(	0 sq ft @	\$6.87 )	0	
Subtotal					0

CEILING

Acoustical panels	(	0 sq ft @	\$3.43 )	0	
Suspension system	(	0 sq ft @	\$2.30 )	0	
Board Ceiling	(	0 sq ft @	\$2.30 )	0	
Gyp bd/taped/painted	(	0 sq ft @	\$2.58 )	0	
Subtotal					0

FRAME INTERIOR PARTITIONS

Warehouse	(	0 sq ft @	\$57.50 )	0
Ceiling height adj	(	average height=	12 )	0
Subtotal				0

PLUMBING

Warehouse	(	0 sq ft @	\$3.56 )	0
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SPRINKLERS

Wet system	(	0 sq ft @	\$6.31 )	0
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HEATING,COOLING,VENT

Package heat & cool	(	0 sq ft @	\$12.95 )	0
Subtotal				6

ELECTRICAL

Warehouse	(	3,400 sq ft @	\$5.53 )	18,802
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EXTERIOR WALLS

Metal	(	3,216 sq ft @	\$13.20 )	42,451
Insulation	(	3,216 sq ft @	\$1.34 )	4,309

BASEMENT WALLS

Concrete	(	0 sq ft @	\$23.00 )	0
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ROOF STRUCTURE

Open steel with purlins	(	3,400 sq ft @	\$7.22 )	24,548
Other	(	0 sq ft @	\$0.00 )	0

ROOF COVER

Metal	(	3,400 sq ft @	\$6.95 )	23,630
Insulation	(	3,400 sq ft @	\$2.85 )	9,690
Subtotal				33,320

CANOPIES

Wood frame	(	613 sq ft @	\$0.00 )	0
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SUB TOTAL

199,840

x story/height multiplier	1.000 =	\$0.00
x Architectural Fees (Sec. 99 p.2)	1.069 =	\$0.00
x Current Cost Multiplier ( Sec. 99 p.3)	1.000 =	\$0.00
x Local Cost Multiplier (Sec. 99 pp.5-10)	1.050 =	\$0.00
x Final Multiplier & Value	1.122 =	
Final Replacement Cost		\$224,310

**DIRECT COST:**

Entrepenurial Profit	10%	\$22,431
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**TOTAL COST NEW:** \$246,741

**DEPRECIATION:**

The loss in value is based on the age/life concept. The effective age of the property takes into account all forms of loss as they affect the age/life relationship. It is divided by the estimated economic life of a typical building of this type.

Average effective age of subject:	15 years	
Remaining Economic Life	20 years	
Estimated Economic Life	35 years	
Indicated Loss =	43%	\$105,746
External depreciation:	20%	\$49,348

**DEPRECIATED COST OF BUILDING:** \$91,647

REPLACEMENT COST NEW ESTIMATE  
SUPPORT BUILDING - B2  
10855 HIGHWAY 2 WILLISTON, ND 58801

SITE PREP, EXCAVATION AND BACKFILL

Site Preparation	(	6,880 sq ft @	\$0.57 )	3,922	
Excavation	(	4,590 cu ft @	\$0.75 )	3,443	
Subtotal					7,365

FOUNDATION

Concrete	(	3,780 sq ft @	\$4.29 )	16,216	
Story height adj	(	average height=	9.00 )	-1,622	
Subtotal					14,594

FRAME

Steel	(	3,780 sq ft @	\$11.30 )	42,714	
Story height adj	(	average height=	9.00 )	-6,407	
Subtotal					36,307

FLOOR STRUCTURE

Conc on ground	(	3,780 sq ft @	\$7.34 )	27,745	
Elevate flat slab & joist	(	0 sq ft @	\$16.60 )	0	
Subtotal					27,745

FLOOR COVER

Vinyl composition	(	3,780 sq ft @	\$8.82 )	33,340	
Ceramic tile	(	0 sq ft @	\$0.00 )	0	
Carpet	(	0 sq ft @	\$6.87 )	0	
Subtotal					33,340

CEILING

Acoustical panels	(	3,780 sq ft @	\$18.35 )	69,363	
Suspension system	(	0 sq ft @	\$2.30 )	0	
Board Ceiling	(	0 sq ft @	\$2.30 )	0	
Gyp bd/taped/painted	(	0 sq ft @	\$2.58 )	0	
Subtotal					69,363

FRAME INTERIOR PARTITIONS

Cafeteria	(	3,780 sq ft @	\$24.95 )	94,311	
Ceiling height adj	(	average height=	9 )	-23,578	
Subtotal					70,733

PLUMBING

Cafeteria	(	3,780 sq ft @	\$16.65 )		62,937
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SPRINKLERS

Wet system	(	0 sq ft @	\$6.31 )		0
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HEATING,COOLING,VENT

Package heat & cool	(	3,780 sq ft @	\$12.95 )	48,951	
Subtotal					48,970

ELECTRICAL

Cafeteria	(	3,780 sq ft @	\$19.00 )		71,820
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EXTERIOR WALLS

Metal	(	2,502 sq ft @	\$13.20 )		33,026
Insulation	(	2,502 sq ft @	\$1.34 )		3,353

BASEMENT WALLS

Concrete	(	0 sq ft @	\$23.00 )		0
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ROOF STRUCTURE

Open steel with purlins	(	3,780 sq ft @	\$7.22 )		27,292
Other	(	0 sq ft @	\$0.00 )		0

ROOF COVER

Metal	(	3,780 sq ft @	\$6.95 )	26,271	
Insulation	(	3,780 sq ft @	\$2.85 )	10,773	
Subtotal					37,044

CANOPIES

Other	(	0 sq ft @	\$0.00 )		0
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SUB TOTAL	543,889
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x story/height multiplier	1.000 =	\$0.00
x Architectural Fees (Sec. 99 p.2)	1.069 =	\$0.00
x Current Cost Multiplier ( Sec. 99 p.3)	1.000 =	\$0.00
x Local Cost Multiplier (Sec. 99 pp.5-10)	1.050 =	\$0.00
x Final Multiplier & Value	1.122 =	
Final Replacement Cost		\$610,488

**DIRECT COST:**

Entreprenurial Profit	10%	\$61,049
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**TOTAL COST NEW:** \$671,537

**DEPRECIATION:**

The loss in value is based on the age/life concept. The effective age of the property takes into account all forms of loss as they affect the age/life relationship. It is divided by the estimated economic life of a typical building of this type.

Average effective age of subject:	18 years	
Remaining Economic Life	17 years	
Estimated Economic Life	35 years	
Indicated Loss =	51%	\$345,362
External depreciation:	20%	\$134,307

**DEPRECIATED COST OF BUILDING:** \$191,868

REPLACEMENT COST NEW ESTIMATE  
METAL BUILDING - B3  
10855 HIGHWAY 2 WILLISTON, ND 58801

SITE PREP, EXCAVATION AND BACKFILL

Site Preparation	(	12,325 sq ft @	\$0.57 )	7,025	
Excavation	(	9,265 cu ft @	\$0.75 )	6,949	
Subtotal					13,974

FOUNDATION

Concrete	(	8,125 sq ft @	\$4.29 )	34,856	
Story height adj	(	average height=	16.00 )	1,394	
Subtotal					36,250

FRAME

Steel	(	8,125 sq ft @	\$11.30 )	91,813	
Story height adj	(	average height=	16.00 )	5,509	
Subtotal					97,322

FLOOR STRUCTURE

Conc on ground	(	8,125 sq ft @	\$7.34 )	59,638	
Elevate flat slab & joist	(	0 sq ft @	\$16.60 )	0	
Subtotal					59,638

FLOOR COVER

Vinyl composition	(	0 sq ft @	\$3.54 )	0	
Ceramic tile	(	0 sq ft @	\$0.00 )	0	
Carpet	(	0 sq ft @	\$6.87 )	0	
Subtotal					0

CEILING

Acoustical panels	(	0 sq ft @	\$3.43 )	0	
Suspension system	(	0 sq ft @	\$2.30 )	0	
Board Ceiling	(	0 sq ft @	\$2.30 )	0	
Gyp bd/taped/painted	(	0 sq ft @	\$2.58 )	0	
Subtotal					0

FRAME INTERIOR PARTITIONS

Warehouse	(	0 sq ft @	\$57.50 )	0
Ceiling height adj	(	average height=	12 )	0
Subtotal				0

PLUMBING

Warehouse	(	0 sq ft @	\$3.56 )	0
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SPRINKLERS

Wet system	(	0 sq ft @	\$6.31 )	0
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HEATING,COOLING,VENT

Package heat & cool	(	0 sq ft @	\$12.95 )	0
Subtotal				6

ELECTRICAL

Warehouse	(	8,125 sq ft @	\$5.53 )	44,931
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EXTERIOR WALLS

Metal	(	6,080 sq ft @	\$13.20 )	80,256
Insulation	(	6,080 sq ft @	\$1.34 )	8,147

BASEMENT WALLS

Concrete	(	0 sq ft @	\$23.00 )	0
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ROOF STRUCTURE

Open steel with purlins	(	8,125 sq ft @	\$7.22 )	58,663
Other	(	0 sq ft @	\$0.00 )	0

ROOF COVER

Metal	(	8,125 sq ft @	\$6.95 )	56,469
Insulation	(	8,125 sq ft @	\$2.85 )	23,156
Subtotal				79,625

CANOPIES

Other	(	0 sq ft @	\$0.00 )	0
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SUB TOTAL 478,812

x story/height multiplier	1.000 =	\$0.00
x Architectural Fees (Sec. 99 p.2)	1.069 =	\$0.00
x Current Cost Multiplier ( Sec. 99 p.3)	1.000 =	\$0.00
x Local Cost Multiplier (Sec. 99 pp.5-10)	1.050 =	\$0.00
x Final Multiplier & Value	1.122 =	
Final Replacement Cost		\$537,443

**DIRECT COST:**

Entreprenurial Profit	10%	\$53,744
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**TOTAL COST NEW:** \$591,187

**DEPRECIATION:**

The loss in value is based on the age/life concept. The effective age of the property takes into account all forms of loss as they affect the age/life relationship. It is divided by the estimated economic life of a typical building of this type.

Average effective age of subject:	15 years	
Remaining Economic Life	20 years	
Estimated Economic Life	35 years	
Indicated Loss =	43%	\$253,366
External depreciation:	20%	\$118,237

**DEPRECIATED COST OF BUILDING:** \$219,584

REPLACEMENT COST NEW ESTIMATE  
METAL BUILDING - B4  
10855 HIGHWAY 2 WILLISTON, ND 58801

SITE PREP, EXCAVATION AND BACKFILL

Site Preparation	(	12,325 sq ft @	\$0.57 )	7,025	
Excavation	(	9,265 cu ft @	\$0.75 )	6,949	
Subtotal					13,974

FOUNDATION

Concrete	(	8,125 sq ft @	\$4.29 )	34,856	
Story height adj	(	average height=	16.00 )	1,394	
Subtotal					36,250

FRAME

Steel	(	8,125 sq ft @	\$11.30 )	91,813	
Story height adj	(	average height=	16.00 )	5,509	
Subtotal					97,322

FLOOR STRUCTURE

Conc on ground	(	8,125 sq ft @	\$7.34 )	59,638	
Elevate flat slab & joist	(	0 sq ft @	\$16.60 )	0	
Subtotal					59,638

FLOOR COVER

Vinyl composition	(	1,625 sq ft @	\$3.54 )	5,753	
Ceramic tile	(	0 sq ft @	\$0.00 )	0	
Carpet	(	0 sq ft @	\$6.87 )	0	
Subtotal					5,753

CEILING

Acoustical panels	(	0 sq ft @	\$3.43 )	0	
Suspension system	(	0 sq ft @	\$2.30 )	0	
Board Ceiling	(	0 sq ft @	\$2.30 )	0	
Gyp bd/taped/painted	(	1,625 sq ft @	\$3.31 )	5,379	
Subtotal					5,379

FRAME INTERIOR PARTITIONS

Warehouse storage	(	1,625 sq ft @	\$4.02 )	6,533	
Ceiling height adj	(	average height=	12 )	-1,307	
Subtotal					5,226

PLUMBING

Warehouse	(	8,125 sq ft @	\$3.56 )		28,925
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SPRINKLERS

Wet system	(	0 sq ft @	\$6.31 )		0
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HEATING,COOLING,VENT

Radiant	(	8,125 sq ft @	\$3.64 )	29,575	
Package office only	(	1,625 sq ft @	\$12.95 )	21,044	
Subtotal					50,619

ELECTRICAL

Warehouse	(	8,125 sq ft @	\$5.53 )		44,931
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EXTERIOR WALLS

Metal	(	6,080 sq ft @	\$13.20 )		80,256
Insulation	(	6,080 sq ft @	\$1.34 )		8,147

BASEMENT WALLS

Concrete	(	0 sq ft @	\$23.00 )		0
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ROOF STRUCTURE

Open steel with purlins	(	8,125 sq ft @	\$7.22 )		58,663
Other	(	0 sq ft @	\$0.00 )		0

ROOF COVER

Metal	(	8,125 sq ft @	\$6.95 )	56,469	
Insulation	(	8,125 sq ft @	\$2.85 )	23,156	
Subtotal					79,625

CANOPIES

Other	(	0 sq ft @	\$0.00 )		0
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SUB TOTAL	574,708
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x story/height multiplier	1.000 =	\$0.00
x Architectural Fees (Sec. 99 p.2)	1.069 =	\$0.00
x Current Cost Multiplier ( Sec. 99 p.3)	1.000 =	\$0.00
x Local Cost Multiplier (Sec. 99 pp.5-10)	1.050 =	\$0.00
x Final Multiplier & Value	1.122 =	
Final Replacement Cost		\$645,081

**DIRECT COST:**

Entreprenurial Profit	10%	\$64,508
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**TOTAL COST NEW:** \$709,589

**DEPRECIATION:**

The loss in value is based on the age/life concept. The effective age of the property takes into account all forms of loss as they affect the age/life relationship. It is divided by the estimated economic life of a typical building of this type.

Average effective age of subject:	18 years	
Remaining Economic Life	17 years	
Estimated Economic Life	35 years	
Indicated Loss =	51%	\$364,932
External depreciation:	20%	\$141,918

**DEPRECIATED COST OF BUILDING:** \$202,740

REPLACEMENT COST NEW ESTIMATE  
EQUIPMENT BUILDING - B6  
10855 HIGHWAY 2 WILLISTON, ND 58801

SITE PREP, EXCAVATION AND BACKFILL

Site Preparation	(	11,200 sq ft @	\$0.57 )	6,384	
Excavation	(	1,080 cu ft @	\$0.75 )	810	
Subtotal					7,194

FOUNDATION

Concrete	(	7,200 sq ft @	\$1.70 )	12,240	
Story height adj	(	average height=	12.00 )	-490	
Subtotal					11,750

FRAME

Steel	(	7,200 sq ft @	\$11.30 )	81,360	
Story height adj	(	average height=	12.00 )	-4,882	
Subtotal					76,478

FLOOR STRUCTURE

Conc on ground	(	0 sq ft @	\$7.34 )	0	
Elevate flat slab & joist	(	0 sq ft @	\$16.60 )	0	
Subtotal					0

FLOOR COVER

Vinyl composition	(	0 sq ft @	\$3.54 )	0	
Ceramic tile	(	0 sq ft @	\$0.00 )	0	
Carpet	(	0 sq ft @	\$6.87 )	0	
Subtotal					0

CEILING

Acoustical panels	(	0 sq ft @	\$3.43 )	0	
Suspension system	(	0 sq ft @	\$2.30 )	0	
Board Ceiling	(	0 sq ft @	\$2.30 )	0	
Gyp bd/taped/painted	(	0 sq ft @	\$2.58 )	0	
Subtotal					0

FRAME INTERIOR PARTITIONS

Warehouse	(	0 sq ft @	\$57.50 )	0
Ceiling height adj	(	average height=	12 )	0
Subtotal				0

PLUMBING

Warehouse	(	0 sq ft @	\$3.56 )	0
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SPRINKLERS

Wet system	(	0 sq ft @	\$6.31 )	0
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HEATING,COOLING,VENT

Package heat & cool	(	0 sq ft @	\$12.95 )	0
Subtotal				6

ELECTRICAL

Warehouse	(	0 sq ft @	\$5.53 )	0
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EXTERIOR WALLS

Metal	(	4,320 sq ft @	\$13.20 )	57,024
Insulation	(	0 sq ft @	\$1.34 )	0

BASEMENT WALLS

Concrete	(	0 sq ft @	\$23.00 )	0
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ROOF STRUCTURE

Open steel with purlins	(	7,200 sq ft @	\$7.22 )	51,984
Other	(	0 sq ft @	\$0.00 )	0

ROOF COVER

Metal	(	7,200 sq ft @	\$6.95 )	50,040
Insulation	(	0 sq ft @	\$2.85 )	0
Subtotal				50,040

CANOPIES

Wood frame	(	613 sq ft @	\$0.00 )	0
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SUB TOTAL

254,476

x story/height multiplier	1.000 =	\$0.00
x Architectural Fees (Sec. 99 p.2)	1.069 =	\$0.00
x Current Cost Multiplier ( Sec. 99 p.3)	1.000 =	\$0.00
x Local Cost Multiplier (Sec. 99 pp.5-10)	1.050 =	\$0.00
x Final Multiplier & Value	1.122 =	
Final Replacement Cost		\$285,637

**DIRECT COST:**

Entreprenurial Profit	10%	\$28,564
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**TOTAL COST NEW:** \$314,200

**DEPRECIATION:**

The loss in value is based on the age/life concept. The effective age of the property takes into account all forms of loss as they affect the age/life relationship. It is divided by the estimated economic life of a typical building of this type.

Average effective age of subject:	15 years	
Remaining Economic Life	20 years	
Estimated Economic Life	35 years	
Indicated Loss =	43%	\$134,657
External depreciation:	20%	\$62,840

**DEPRECIATED COST OF BUILDING:** \$116,703

Assesor Id	Description		Value
B1	Hoop Building		\$0
B2	Support Building		\$191,868
B3	Storage Building South		\$219,584
B4	Storage Building North		\$202,740
B5	Tank Building		\$91,647
B6	Equipment Building		\$116,703
	Site Improvements		\$0
	Site Value		\$1,038,750
			\$1,861,292
	ROUNDED		\$1,850,000

#### RECONCILIATION OF THE COST APPROACH

Based on the steps taken in the site valuation and utilizing Marshall Valuation Services for cost estimates applying depreciation estimates to the improvements an indication of value for the subject property via the cost approach is found, as follows:

**Estimated Market Value Cost Approach: \$1,850,000**

## **SALES COMPARISON APPROACH**

The Sales Comparison Approach is a method of estimating market value whereby the subject property is compared with similar properties that have recently sold. The Sales Comparison Approach is possibly the most easily understood by the general public because purchasers generally familiarize themselves with the marketplace as they look for properties to purchase and make comparisons of relative values and amenities.

This approach could not be used as similar properties have not sold due to lack of demand. Also, the sales of properties with multiple buildings could not be used as the building at the subject property suffer from significant deferred maintenance and functional obsolescence. Using superior building sales and deducting for all of the deferred maintenance and functional conditions present at the subject property would likely render a misleading and inflated value therefore this approach was not utilized.

## **INCOME CAPITALIZATION APPROACH**

The income approach to value anticipates the future economic benefits of the subject, which are converted into a present value estimate through a capitalization process. This underlying value concept: is that of anticipation, which holds that a likely buyer will value a property, based on an opinion of the present worth of future income. Future benefits are the net operating income an informed investor can assume the property will produce over a specific period.

Future income benefits for the subject property are unlikely in the foreseeable future due to lack of a demand for the area and the subject's current condition. As a result, this approach will not be utilized.

## RECONCILIATION

In the preceding sections of this report an performing the valuation process an indication of value based upon the Cost Approach. As a result of our analysis and appraisal approaches to value the indications of value by each approach were as follows:

<b>Final Value Conclusion</b>	
<b>COST APPROACH</b>	<b>\$1,850,000</b>
<b>SALES COMPARISON APPROACH</b>	<b>NA</b>
<b>INCOME CAPITALIZATION APPROACH</b>	<b>NA</b>

In each of these approaches we have attempted to thoroughly document all the input data and have briefly explained our methodology in processing and/or analyzing this data. As far as we have been able to determine, this data has been furnished to us from reliable sources and has been accepted as being accurate. We have also attempted to give full recognition to the inherent strengths and weaknesses in each of the approaches.

The Cost Approach was the only approach utilized as the appraiser supported the value of the improvements to the property using the Marshall Valuation Manual to estimate the value of the improvements that contributed to value. The land value was established using listings and the allocation method. Actual land sales in the subject market did not exist and as a result the approach taken provided a unit value range likely to bracket the subject property value.

The Sale Comparison Approach could not be used as sales did not exist that also exhibited the similar deferred maintenance and functional obsolescence. The Income Approach was not used as the property could not generate income benefits.

After performing the necessary steps for each appraisal method developed during the appraisal process and considering the value from each method, the market value of the fee simple interest in the subject property based on the date of inspection of June 6, 2022, is:

**ONE MILLION EIGHT HUNDRED FIFTY THOUSAND DOLLARS  
(\$1,850,000)**

## MARKETING PERIOD

The value conclusions as set forth in this appraisal are based on projected marketing periods. The estimated market value is based upon a marketing time of no more than six to eighteen months from the date of value assuming that the subject is appropriately priced and aggressively marketed. The reasonably achievable exposure period is six to eighteen months preceding the date of value.

The projected marketing and exposure periods are based on marketing times of other similar properties in the area, and our own analysis of marketing and exposure periods in this area.

**ADDENDA**

# North Dakota Real Estate Appraiser Qualifications and Ethics Board



**Thomas Raynor**

Is fully qualified  
in the State of North Dakota as a

**CERTIFIED GENERAL APPRAISER**

**ND Permit Number: CG-21377**

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

*Unless sooner suspended or revoked, as provided by law.*

  
Appraiser Signature

**PROFESSIONAL QUALIFICATIONS**  
**THOMAS J. RAYNOR, SRPA**  
**701-580-9143**

- Company:** American Valuation Group  
Thomas J. Raynor, Founder & President since 1989  
310 58<sup>th</sup> St West, PMB 136, Williston, North Dakota 58801-7217
- Education:** B.S. Construction Technology, Purdue University, Indiana  
Numerous real estate courses and seminars sponsored by the Appraisal Institute  
Specialized Courses Include Impairment Testing & Fair Value, Convenient Store Valuation, Lodging Valuation, Conservation Easements, and Components of a Business Enterprise
- Classes & Seminars:** Appraising the Appraisal; Global condition of the European Market.  
Valuation for Financial Reporting
- Professional Development Programs:** Valuation of the Components of a Business Enterprise  
Valuation of Conservation Easements
- Professional Affiliations:** Appraisal Institute -SRPA Member 1990. The SRPA designation is held by appraisers with expertise in commercial, industrial, retail, residential, special-use, and various other types of properties.
- Professional Licensing:** North Dakota Certified General Real Estate Appraiser #CG-21377  
Indiana Certified General Real Estate Appraiser #CG69201012  
Illinois Certified General Real Estate Appraiser #553.000729

**Experiences:**

I have been involved with numerous types of valuation assignments over the past twenty-five years. Valuation assignments were conducted for various asset types including real property, equipment, and businesses. Allocation studies related to cost segregation for tax purposes were also extensively completed. Many of these assignments have been conducted throughout the United States. Signature assignments include such properties as the Corporate Headquarters for a major pharmaceutical company in the Research Triangle of North Carolina; EDS corporate headquarters in Plano Texas; Downtown Chicago Skyscraper; Multi-story Bank Building in South Carolina; +500,000 Square Foot plant in Flint Michigan; Ice Cream Plant in Michigan; Numerous restaurants throughout the United States for McDonalds, Burger King, Taco Bell, Kentucky Fried Chicken, Steak & Ale, Red Robin, and Jack In The Box; Safeway grocery chain on the West Coast; Mays Department Stores; Marriott, Holiday Inn and Ramada Inns; and numerous industrial plants and special-use buildings throughout the United states.

More recently appraisal assignments have mainly been confined to the Bakken area of North Dakota and Chicago Metropolitan area, involving single and small multi-family residential, office buildings, industrial buildings, apartment buildings, subdivisions, motels, vacant land, and numerous other property types.

**Types Of Property Appraised:**

Apartment Complex	Heavy Industrial	Daycare Buildings
Bowling Alleys	Hotels & Motels	Outlet Mall
Condemnation – Various	Large Churches	Rail Right of Way
Distribution	Light Industrial	Shopping Centers
Fast Food Restaurants	Mixed Use Commercial	Subdivision Analysis
Family Style Restaurants	Mobile Home Parks	Vacant Land
Golf Courses	Movie Theatres	Wetlands

**Partial List Of Clients Served:**

1 <sup>st</sup> Source Bank	Fifth Third	State Farm
Allegiance Bank	First Midwest Bank	the Union Bank
American National Bank	First National Bank	the Nature Conservancy
American Savings Bank	MB Financial	Union State Bank
Castle Bank	Mercantile Bank	US Bank
Centier Bank	Nature Conservancy	
Chase Bank	Northern Trust Bank	
Chemical Bank	PNC Bank	
Cushman Wakefield	Palos Bank & Trust	

**Corporate:**

Amoco	General Motors	Mays Department Stores
ARCO	ISPAT Inland	Ni Source
Beatrice Foods	KFC	Steak & Ale
Cargill	Kenner Toys	Taco Bell
DeBartolo Development	Kennicott	Tube Turns
Duke	McDonalds	Wendy's

**Qualified As Expert Witness:**

Cook County, Illinois  
Lake County, Indiana  
Porter County, Indiana

REPLACEMENT COST NEW ESTIMATE

5216 22nd Ave WILLISTON, ND 58801

SITE PREP, EXCAVATION AND BACKFILL					
Site Preparation	(	12,288	sq ft @	\$0.57	) 7,004
Excavation	(	11,238	cu ft @	\$0.75	) 8,429
Subtotal					15,433
FOUNDATION SHOP					
Concrete	(	4,500	sq ft @	\$4.29	) 19,305
Story height adj	(	average height=		21.00	) 2,703
Subtotal					22,008
FRAME SHOP					
Wood	(	4,500	sq ft @	\$7.23	) 32,535
Story height adj	(	average height=		21.00	) 9,110
Subtotal					41,645
FOUNDATION OFFICE					
Concrete	(	5,472	sq ft @	\$4.29	) 23,475
Story height adj	(	average height=		16.00	) 939
Subtotal					24,414
FRAME OFFICE					
Wood	(	5,472	sq ft @	\$7.23	) 39,563
Story height adj	(	average height=		16.00	) 3,165
Subtotal					42,728
FLOOR STRUCTURE					
Conc on ground	(	9,972	sq ft @	\$7.34	) 73,194
Elevate flat slab & joist	(	0	sq ft @	\$16.60	) 0
Subtotal					73,194
FLOOR COVER					
Vinyl composition	(	0	sq ft @	\$3.54	) 0
Ceramic tile	(	0	sq ft @	\$0.00	) 0
Carpet	(	5,472	sq ft @	\$6.88	) 37,647
Subtotal					37,647
CEILING					
Acoustical panels	(	0	sq ft @	\$3.43	) 0
Suspension system	(	0	sq ft @	\$2.30	) 0
Board Ceiling	(	0	sq ft @	\$2.30	) 0
Gyp bd/taped/painted	(	5,472	sq ft @	\$3.31	) 18,112
Subtotal					18,112



x story/height multiplier			1.000 =	\$765,104.00
x Architectural Fees (Sec. 99 p.2)			1.069 =	\$817,896.18
x Current Cost Multiplier ( Sec. 99 p.3)			1.000 =	\$817,896.18
x Local Cost Multiplier (Sec. 99 pp.5-10)			1.050 =	\$858,790.98
x Final Multiplier & Value			1.122 =	
Final Replacement Cost				\$858,791
<b>DIRECT COST:</b>				
Entreprenurial Profit			10%	\$85,879
<b>TOTAL COST NEW:</b>				\$944,670
<b>DEPRECIATION:</b>				
The loss in value is based on the age/life concept. The effective age of the property takes into account all forms of loss as they affect the age/life relationship. It is divided by the estimated economic life of a typical building of this type.				
Average effective age of subject:			10 years	
Remaining Economic Life			25 years	
Estimated Economic Life			35 years	
Indicated Loss =			29%	\$269,906
External depreciation:			0%	\$0
Site Improvements	1798460		2%	\$ 35,969
<b>DEPRECIATED COST OF BUILDING:</b>				<b>\$674,764</b>
Total Purchase Price				\$1,798,460
Less Building Allocation				\$674,764
Less Sitework Allocation				\$35,969
Land Value				\$1,087,726
Total Acres			14.46	\$75,223

REPLACEMENT COST NEW ESTIMATE

6502 103rd Ave NW, Tioga ND 58801

SITE PREP, EXCAVATION AND BACKFILL						
Site Preparation	(	14,336	sq ft @	\$0.57	)	8,172
Excavation	(	11,952	cu ft @	\$0.75	)	8,964
Subtotal						17,136
FOUNDATION						
Concrete	(	20,000	sq ft @	\$4.29	)	85,800
Story height adj	(	average height=		22.00	)	13,728
Subtotal						99,528
FRAME SHOP						
Steel	(	20,000	sq ft @	\$11.30	)	226,000
Story height adj	(	average height=		22.00	)	72,320
Subtotal						298,320
FLOOR STRUCTURE						
Conc on ground	(	20,000	sq ft @	\$7.34	)	146,800
Elevate flat slab & joist	(	0	sq ft @	\$16.60	)	0
Subtotal						146,800
FLOOR COVER						
Vinyl composition	(	1,230	sq ft @	\$3.54	)	4,354
Ceramic tile	(	0	sq ft @	\$0.00	)	0
Carpet	(	0	sq ft @	\$6.88	)	0
Subtotal						4,354
CEILING						
Acoustical panels	(	0	sq ft @	\$3.43	)	0
Suspension system	(	0	sq ft @	\$2.30	)	0
Board Ceiling	(	0	sq ft @	\$2.30	)	0
Gyp bd/taped/painted	(	1,230	sq ft @	\$3.31	)	4,071
Subtotal						4,071



x story/height multiplier			1.000 =		\$1,499,846.00
x Architectural Fees (Sec. 99 p.2)			1.069 =		\$1,603,335.37
x Current Cost Multiplier ( Sec. 99 p.3)			1.000 =		\$1,603,335.37
x Local Cost Multiplier (Sec. 99 pp.5-10)			1.050 =		\$1,683,502.14
x Final Multiplier & Value			1.122 =		
Final Replacement Cost					\$1,683,502
<b>DIRECT COST:</b>					
Entreprenurial Profit			10%		\$168,350
<b>TOTAL COST NEW:</b>					
<b>DEPRECIATION:</b>					
The loss in value is based on the age/life concept. The effective age of the property takes into account all forms of loss as they affect the age/life relationship. It is divided by the estimated economic life of a typical building of this type.					
Average effective age of subject:			10	years	
Remaining Economic Life			25	years	
Estimated Economic Life			35	years	
Indicated Loss =			29%		\$529,101
External depreciation:			15%		\$277,778
Site Improvements	1275000		2%		\$ 25,500
<b>DEPRECIATED COST OF BUILDING:</b>					<b>\$1,044,974</b>
Total Purchase Price					\$1,275,000
Less Building Allocation					\$1,044,974
Less Sitework Allocation					\$25,500
Total Deduction					\$1,070,474
Land Value					\$204,526
Total Acres				19.64	\$10,414

REPLACEMENT COST NEW ESTIMATE

3629 160Q Fairview, ND 58801

SITE PREP, EXCAVATION AND BACKFILL						
Site Preparation	(	11,465	sq ft @	\$0.43	)	4,930
Excavation	(	12,695	cu ft @	\$0.56	)	7,109
Subtotal						12,039
FOUNDATION						
Concrete	(	10,200	sq ft @	\$3.13	)	31,926
Story height adj	(	average height=		18.00	)	2,554
Subtotal						34,480
FRAME						
Steel	(	10,200	sq ft @	\$8.72	)	88,944
Story height adj	(	average height=		18.00	)	14,231
Subtotal						103,175
FLOOR STRUCTURE						
Conc on ground	(	10,200	sq ft @	\$5.80	)	59,160
Elevate flat slab & joist	(	0	sq ft @	\$0.00	)	0
Subtotal						59,160
FLOOR COVER						
Vinyl composition	(	824	sq ft @	\$2.76	)	2,274
Ceramic tile	(	0	sq ft @	\$0.00	)	0
Carpet	(	0	sq ft @	\$4.47	)	0
Subtotal						2,274
CEILING						
Acoustical panels	(	0	sq ft @	\$2.50	)	0
Suspension system	(	0	sq ft @	\$1.85	)	0
Board Ceiling	(	0	sq ft @	\$1.85	)	0
Gyp bd/taped/painted	(	824	sq ft @	\$2.97	)	2,447
Subtotal						2,447

FRAME INTERIOR PARTITIONS				
Warehouse storage	(	824 sq ft @	\$1.93 )	1,590
Ceiling height adj	(	average height=	12 )	-318
Mezzanine	(	824 sq ft @	\$4.58 )	3,774
Subtotal				5,046
PLUMBING				
Warehouse	(	10,200 sq ft @	\$2.13 )	21,726
SPRINKLERS				
Wet system	(	0 sq ft @	\$4.78 )	0
HEATING, COOLING, VENT				
Radiant	(	2,400 sq ft @	\$2.67 )	6,408
Unit/Space Heaters	(	2,400 sq ft @	\$2.67 )	6,408
Package office only	(	0 sq ft @	\$9.84 )	0
Subtotal				6,408
ELECTRICAL				
Warehouse	(	10,200 sq ft @	\$3.34 )	34,068
EXTERIOR WALLS				
Metal	(	7,380 sq ft @	\$10.45 )	77,121
Insulation	(	7,380 sq ft @	\$1.10 )	8,118
BASEMENT WALLS				
Concrete	(	0 sq ft @	\$20.55 )	0
ROOF STRUCTURE				
Open steel with purlins	(	10,200 sq ft @	\$9.77 )	99,654
Other	(	0 sq ft @	\$0.00 )	0
ROOF COVER				
Metal	(	10,200 sq ft @	\$5.87 )	59,874
Insulation	(	10,200 sq ft @	\$1.87 )	19,074
Subtotal				78,948
CANOPIES				
Other	(	0 sq ft @	\$0.00 )	0
SUB TOTAL				544,664

x story/height multiplier			1.000 =		\$544,664.00
x Architectural Fees (Sec. 99 p.2)			1.069 =		\$582,245.82
x Current Cost Multiplier ( Sec. 99 p.3)			1.000 =		\$582,245.82
x Local Cost Multiplier (Sec. 99 pp.5-10)			1.050 =		\$611,358.11
x Final Multiplier & Value			1.122 =		
Final Replacement Cost					\$611,358
<b>DIRECT COST:</b>					
Entrepenerial Profit			10%		\$61,136
<b>TOTAL COST NEW:</b>					
<b>DEPRECIATION:</b>					
The loss in value is based on the age/life concept. The effective age of the property takes into account all forms of loss as they affect the age/life relationship. It is divided by the estimated economic life of a typical building of this type.					
Average effective age of subject:			10	years	
Remaining Economic Life			25	years	
Estimated Economic Life			35	years	
Indicated Loss =			29%		\$192,141
External depreciation:			15%		\$100,874
Site Improvements	300000		2%		\$ 6,000
<b>DEPRECIATED COST OF BUILDING:</b>					
Total Purchase Price					\$300,000
Less Building Allocation					\$379,479
Less Sitework Allocation					\$6,000
Less Outbuildings Allocation					\$35,000
					\$420,479
Land Value					-\$120,479
Total Acres				5	-\$24,096