

APPRAISAL REPORT

OF

**Acquisition of Land and Improvements for
West Saint Paul Avenue Improvement Project
Mountain Avenue to Madison Street
Project I.D. 2718-04-21**

Located at 230 Madison Street
City of Waukesha, Waukesha County, Wisconsin
Parcel No. 13

DATE OF VALUE

March 15, 2021

PREPARED FOR

Craig Ausen, P.E.
Project Engineer
City of Waukesha – Engineering Division
130 Delafield St. Waukesha, WI 53188

PREPARED BY

SINGLE SOURCE, INC.

April 19, 2021

Craig Ausen, P.E.
Project Engineer
City of Waukesha – Engineering Division
130 Delafield St. Waukesha, WI 53188

RE: **Project I.D. 2718-04-21**
Located at 111 Ann Street
City of Waukesha, Waukesha County, Wisconsin
Parcel No. 13

Dear Mr. Ausen:

At your request and authorization, the appraiser has evaluated the impact of the acquisition of land and improvement interest proposed to be acquired by the City of Waukesha, affecting the referenced real property. The purpose is to estimate the compensation due the owner under the provisions of 32.09 Wisconsin Statutes. As provided in Section 32.09, compensation shall be based on the fair market value of the property.

The subject parcel has frontage along the south side of East North Street and the east side of Madison Street, also having limited frontage (access points) along the west side of Brook Street and the north side of East Saint Paul Avenue in the City of Waukesha, Waukesha County, Wisconsin. Please see plat and aerial maps herein. The subject has a street address of 230 Madison Street. According to Waukesha County Public Information, the subject is comprised of a 2.1374-acre or 93,105-square foot site. Access is available from four driveways, one each along East North Street, Madison Street, Brook Street and East Saint Paul Avenue. Access and visibility are considered good. The subject is improved with a commercial building (Walgreens).

Data, information, and calculations leading to the value conclusion are incorporated in the report following this letter. The report, in its entirety, including all assumptions and limiting conditions, is an integral part of and inseparable from this letter.

Based on our investigation as outlined, it is our opinion that the total compensation due the owner of the subject property located at 230 Madison Street, City of Waukesha, Waukesha County, Wisconsin, as of March 15, 2021 is:

NINE THOUSAND SIX HUNDRED DOLLARS

(\$9,600)

The following table presents the conclusion and allocation.

Conclusion and Allocation	
Market Value Before Acquisition:	\$2,760,700
Market Value Following Acquisition:	\$2,753,900
Loss in Market Value:	\$6,800
Temporary Limited Easement:	\$2,800
Total Damages (Rounded):	\$9,600
 <u>Allocation of Damages</u>	
Permanent Limited Easement:	\$6,800
Site Improvements:	\$0
Temporary Limited Easement:	\$2,800
Total:	\$9,600

The following appraisal sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to the opinion of value. The analyses, opinions and conclusions were developed based on, and this report has been prepared in conformance with, our interpretation of the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP) and the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

It has been a pleasure to assist you in this assignment. If you have any questions concerning the analysis, or if Single Source, Inc. can be of further service, please do not hesitate to contact us.

Respectfully submitted,

SINGLE SOURCE, INC.

by:



Steve Boll
Principal
Wisconsin General Certified Appraiser No. 872-010
Expiration Date: 12/14/21

CERTIFICATION OF THE APPRAISER

I certify to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report and have no personal interest or bias with respect to the parties involved.
4. My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event, such as the approval of a loan.
5. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice of The Appraisal Foundation and the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. Steve Boll has completed the requirements of the continuing education program for Wisconsin State Certification.
8. No one provided professional real property appraisal assistance to the persons signing this report.
9. Steve Boll has extensive experience in the appraisal/review of similar property types.
10. Steve Boll is currently certified in the state where the subject is located.
11. Any decrease or increase in the market value of the real property prior to the date of the valuation caused by the public improvements for which this property is to be acquired, or by the likelihood that this property would be acquired for such improvement, other than that due to physical deterioration within reasonable control of the owner, was disregarded in determining the compensation for this property.
12. I have not revealed the findings and results of this appraisal to anyone other than the client and will not do so until authorized by the said property owner, or until I am required to do so by due process of law, or until I am released from this obligation by having publicly testified to such findings.
13. I have not given consideration to nor included in this appraisal any relocation assistance benefits.
14. I have not appraised or provided any other services for the subject property in the past three years.

CERTIFICATION OF THE APPRAISER

15. Steve Boll sent a letter to the owner on January 6, 2021 inviting them to accompany Mr. Boll on his appraisal inspection. Mr. Boll did not hear back. Therefore, on January 27, 2021 and again on March 15, 2021, Mr. Boll inspected the subject site unaccompanied. Steve Boll made a field inspection of the sales relied on in making this appraisal. It is our opinion that as of March 15, 2021, the total loss in market value to the subject property herein described is \$9,600.



Steve Boll
Principal
Wisconsin General Certified Appraiser No. 872-010
Expiration Date: 12/14/21

Summary of Salient Facts

Property Owner:	Exchangeright Net Leased Portfolio DST C/O Walgreens RET
Property Address:	230 Madison Street, City of Waukesha, Waukesha County, Wisconsin
Owner Address:	PO Box 1159 Deerfield, Illinois 60015
Phone:	Unknown
Total Land Area:	2.1374-acres or 93,105-square feet
Building Improvements:	The subject is improved with a commercial building.
Assessor's Parcel Number:	291-1305-465
Current Zoning:	B-2, Central Business District
Five Year Sales History:	According to public records, the subject property sold on August 17, 2017 for \$6,400,000 from Madison Realty Partners to Exchangeright Net Leased Portfolio 17, LLC, Document Number 4294789. The property then transferred from Exchangeright Net Leased Portfolio 17, LLC, an Iowa Limited liability Company to Exchangeright Net Leased Portfolio 17 DST, a Delaware Statutory Trust for \$6,400,000 on August 17, 2017 via Quit Claim Deed, Document Number 4294794. Public Records indicated that both sales are not usable. To the best of our knowledge, the subject property is not currently listed for sale.
<u>Highest and Best Use:</u>	
As Though Vacant:	Commercial
As Improved:	Commercial
Property Rights Appraised:	Fee Simple Estate
Date of Value:	March 15, 2021
Date of Inspections:	March 15, 2021

AREA AND INTEREST TO BE ACQUIRED

Land (in fee):	None
Permanent Limited Easement:	0.01416-acres or 617-square feet
Acquired Site Improvements:	None
Temporary Limited Easement:	0.01846-acres or 804-square feet

Conclusion and Allocation

Market Value Before Acquisition:	\$2,760,700
Market Value Following Acquisition:	\$2,753,900
Loss in Market Value:	\$6,800
Temporary Limited Easement:	\$2,800
Total Damages (Rounded):	\$9,600
 <u>Allocation of Damages</u>	
Permanent Limited Easement:	\$6,800
Site Improvements:	\$0
Temporary Limited Easement:	\$2,800
Total:	\$9,600

TABLE OF CONTENTS

CERTIFICATION OF THE APPRAISER..... 1
SUMMARY OF SALIENT OF FACTS 3
TABLE OF CONTENTS 5
INTRODUCTION 6
MARKET AREA 14
SITE ANALYSIS 16
ZONING..... 18
TAX AND ASSESSMENT DATA 20
HIGHEST AND BEST USE 21
APPRAISAL METHODOLOGY 23
DESCRIPTION OF THE ACQUISITION..... 24
SALES COMPARISON APPROACH..... 25
ASSUMPTIONS AND LIMITING CONDITIONS..... 34

ADDENDA

- A Glossary of Terms
- B Subject Photographs
- C Comparable Land Sales
- D Zoning Map & Code
- E Legal Descriptions
- F Acquisition Plat
- G Flood Plain Map
- H Appraiser Qualifications

INTRODUCTION

PROPERTY IDENTIFICATION

The subject parcel has frontage along the south side of East North Street and the east side of Madison Street, also having limited frontage (access points) along the west side of Brook Street and the north side of East Saint Paul Avenue in the City of Waukesha, Waukesha County, Wisconsin. Please see plat and aerial maps herein. The subject has a street address of 230 Madison Street. According to Waukesha County Public Information, the subject is comprised of a 2.1374-acre or 93,105-square foot site. Access is available from four driveways, one each along East North Street, Madison Street, Brook Street and East Saint Paul Avenue. Access and visibility are considered good. The subject is improved with a commercial building (Walgreens).

DESCRIPTION OF THE PROJECT

The City of Waukesha in conjunction with the Wisconsin Department of Transportation (WisDOT) will be reconstructing the roadway and replacing/rehabilitating utilities along W. St Paul Avenue (Mountain Avenue to Madison Street) and along Madison Street (Bank Street to Ann Street). Currently this project is scheduled for construction in the spring of 2022 with a completion in the fall of 2022. Prior to the start of the construction it is expected several utility companies will need to relocate existing utilities along the corridor. This work is expected to begin in the summer of 2021.

Sanitary Sewer

The sanitary sewer laterals will be replaced or rehabilitated from the sanitary main in the center of the road to outside the pavement limits – typically the sidewalk along. Although the responsibility for repair and/or replacement of the sanitary sewer lateral from the main to the house is the responsibility of the lot owner, the cost for rehabilitating the sanitary sewer laterals in the City right-of-way will be paid for by the City in this project.

Water Main

The water main work will include replacement of the existing water main and laterals. During the water main work disruption in water service will be experienced when water laterals are switched from the old water main to the new water main. Every effort will be made to notify you before this happens. In the event that the water needs to be shut off due to an emergency, such as a main breakage, notification will be made after the situation is under control. You may wish to keep a small supply of water to use in an emergency. Once the water is turned back on, you may experience some rusty water and/or air in your plumbing. If this does not clear up, please contact the Waukesha Water Utility. Please call the Waukesha Water Utility at 262-521-5272 if you have any questions, concerns, or problems with your water service before, during, or after the construction.

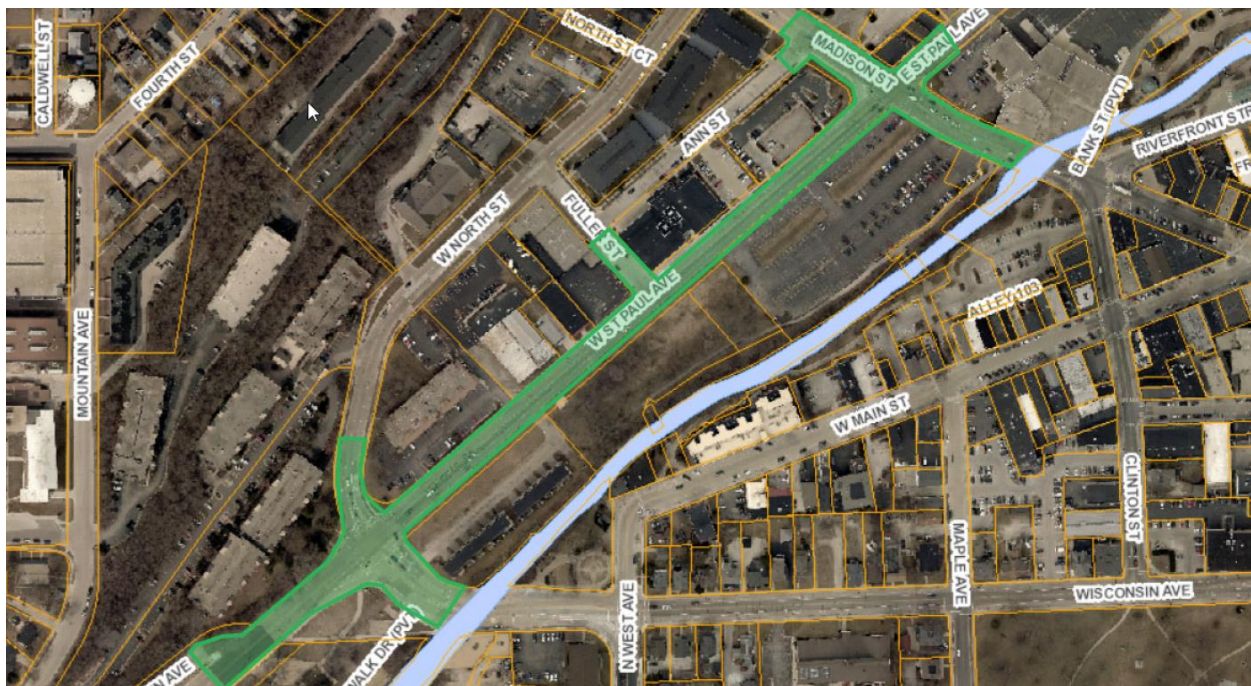
Road Reconstruction

This project will include complete road reconstruction of W. St Paul Avenue and Madison Street. The road reconstruction includes the complete removal and replacement of the existing curb and gutter, drive approaches, and pavement. Carriage walks, which are sections of walk between the curb and sidewalk will be

removed and replaced unless the property owner contacts our office indicating otherwise. Handicap ramps will be updated to current ADA standards. Drive approaches within the project limits will be replaced with concrete at the same width that presently exists. There will be no charge to replace an existing drive approach. If the existing width is less than 10 feet, the approach will be reinstalled at a 10-foot width at no additional cost to the lot owner. In its final configuration, W. St Paul Avenue will consist of one travel lane in each direction. Parking will be allowed on both sides of the roadway from Wisconsin Avenue to Fuller Street.

Right-of-Way

As part of this project the City will be installing sidewalk along the South side of W. St Paul Avenue. Temporary Limited Easement (TLE) and purchasing of Right-of-Way will be needed for this installation.



PROPERTY OWNERSHIP AND SALES HISTORY

The current owner of the subject property is Exchangeright Net Leased Portfolio DST. According to public records, the subject property sold on August 17, 2017 for \$6,400,000 from Madison Realty Partners to Exchangeright Net Leased Portfolio 17, LLC, Document Number 4294789. The property then transferred from Exchangeright Net Leased Portfolio 17, LLC, an Iowa Limited liability Company to Exchangeright Net Leased Portfolio 17 DST, a Delaware Statutory Trust for \$6,400,000 on August 17, 2017 via Quit Claim Deed, Document Number 4294794. Public Records indicated that both sales are not usable. To the best of our knowledge, the subject property is not currently listed for sale.

DATES OF INSPECTION, VALUATION, AND REPORT

Dates of Inspection:	March 15, 2021
Date of Value:	March 15, 2021
Date of Report:	April 19, 2021

INTENDED USE, USER, AND CLIENT OF REPORT

This report is being prepared for City of Waukesha and The Wisconsin Department of Transportation, the intended users, to estimate market value to be used in the determination of just compensation for the acquisition of real property interests for a transportation project. The purpose of this appraisal is to estimate compensation due the owner for the acquisition of property and property rights, as indicated above. This shall be done in accordance with the provisions of Sections 32.09 Wisconsin Statutes, which states that compensation shall be based on market value. This report may be relied upon by The City of Waukesha (client) and its successors and assigns. The report may not be relied upon by any rating agencies involved in rating securities secured by or representing an interest. This report may not be used in connection with materials offering for sale or an interest in the property and in presentations to any rating agency. With respect to the foregoing, the report speaks only as of the date of this report unless specifically updated through a supplemental report.

JURISDICTIONAL EXCEPTION

This appraisal is done under the Jurisdictional Exception Rule of USPAP. The appraiser must comply with the overriding authority of State and Federal laws, rules and regulations including the Uniform Relocation and Real Property Acquisitions Policies Act of 1970 as amended, 49 Code of Federal Regulations (CFR) Part 24.103 and Wisconsin Statute 32.09. Only those valuation approaches that are applicable are included in this report. The elimination of approaches that are not applicable does not result in a departure from the Uniform Standards of Professional Appraisal Practice. The Jurisdictional Exception Rule allows law or public policy to supersede USPAP rules.

SCOPE OF WORK

The Appraiser has;

- a). Inspected the subject property to note the characteristics of the property that are relevant to its valuation;
- b). Investigated available market data for use in the sales comparison approach to value. The appraiser's investigations include research of public records through the use of commercial sources of data such as printed comparable data services and computerized databases. Search parameters such as dates of sales, leases, locations, sizes, types of properties and distances from the subject started with relatively narrow constraints and expanded until the appraiser has retrieved data sufficient (in the appraiser's opinion) to estimate market value. Researched sales were viewed and the appraiser considered any appropriate listings or properties found through observation during appraiser's data collection process. The appraiser reported only the data deemed to be pertinent to the valuation problem.
- c). Investigated and analyzed any pertinent easements or restrictions, on the fee simple ownership of the subject property. The client has supplied the appraiser with a title report.

- d). Analyzed the data found and reach conclusions regarding the market value, as defined in the report, of the subject property as of the date of value using appropriate valuation approach(es) identified above;
- e). Prepared the appraisal in compliance with the Uniform Standards of Professional Appraisal Practice as promulgated by the Appraisal Foundation, the Code of Professional Ethics and Certification Standard of the Appraisal Institute and the Federal Highway Administration Code of Federal Regulations (CFR), Part 24.103, Wisconsin Statute 32.09 and the Real Estate Program of the Wisconsin Department of Transportation;
- f). Prepared an Appraisal Report, as defined in USPAP, which will include photographs of the subject property, descriptions of the subject neighborhood, the site, any improvements on the site, a description of the zoning, highest and best use analysis, as summary of the most important sales used in the appraiser's valuation, a reconciliation and conclusion, a map illustrating the sales in relationship to the subject property and other data deemed by the appraiser to be relevant to the assignment. Pertinent data and analyses not included in the report may be retained in appraiser's files.

APPRAISAL DEVELOPMENT AND REPORTING PROCESS

The following steps were completed by the appraiser for this assignment:

1. Analyzed regional, city, town, neighborhood, site, and improvement data.
2. Inspected the subject and the neighborhood.
3. Reviewed data regarding taxes, zoning, utilities, easements, and town services.
4. Considered comparable improved sales, comparable improved building rental information, and comparable site sales. Confirmed data with principals, managers, or real estate agents representing principals, unless otherwise noted.
5. Analyzed the data to arrive at conclusions via each approach to value used in this report.
6. Reconciled the results of each approach to value employed into a probable range of market data and finally an estimate of value for the subject, as defined herein.
7. Estimated a reasonable exposure time associated with the value estimate.

The subject site and improvement descriptions are based on a personal inspection of the property and a review of the relevant plat maps and site plans.

TYPE OF APPRAISAL

This is an Appraisal Report, which is intended to comply with the reporting requirements set forth under the Uniform Standards of Professional Appraisal Practice. In an appraisal, the appraiser uses all known applicable approaches to value. The value conclusion reflects all known information about the subject property, market conditions, and available data.

The Appraisal Report incorporates a practical explanation of the data, reasoning and analysis that were used to develop the opinions of value. It also includes thorough descriptions of the subject property and the market for the subject property type.

EXTRAORDINARY ASSUMPTION

The Dictionary of Real Estate Appraisal (Appraisal Institute, 6th edition) defines an Extraordinary Assumption as follows:

An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis.

An extraordinary assumption may be used in an assignment only if:

- a). It is required to properly develop credible opinions and conclusions;
- b). The appraiser has a reasonable basis for the extraordinary assumption;
- c). Use of the extraordinary assumption results in a credible analysis, and;
- d). The appraiser complies with the disclosure requirements set forth in USPAP for extraordinary assumptions.

There are two extraordinary assumptions in the analysis. Generally, a contractor is unlikely to know the exact timing when the subject property will be utilized for its specific purpose under the Temporary Limited Easement. Because of this uncertainty of timing, the determination of the time period during which the Temporary Limited Easement will actually require physical possession of the property is estimated by the engineer who gives this information to the appraiser. The appraiser employs this as an extraordinary assumption within the appraisal report. The use of this extraordinary assumption may have altered the appraisal results.

As the construction project will not affect the highest and best use or utility of the building improvements, there are no damages to the building improvements. It is an extraordinary assumption of the appraisal that the improvements equalized assessed value is equivalent to the market value of the improvements. The appraiser reserves the right to amend the appraisal to value the improvements, if necessary. The use of this extraordinary assumption may have altered the appraisal results.

HYPOTHETICAL CONDITION

The Dictionary of Real Estate Appraisal (Appraisal Institute, 6th edition) defines a Hypothetical Condition as follows:

A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

A Hypothetical Condition may be used in an assignment only if:

- a). Use of the Hypothetical Condition is clearly required for legal purposes, for purposes of reasonable analysis, or for purposes of comparison;
- b). Use of the Hypothetical Condition results in a credible analysis; and
- c). The appraiser complies with the disclosure requirements set forth in USPAP for hypothetical conditions.

In the before acquisition valuation, 49 CFR Part 24 and Section 32.09 Wisconsin Statutes requires the appraiser to disregard any decrease or increase in the market value of the property that has been caused directly by the project. 49 CFR 24.103(b) states, "The appraiser shall disregard any decrease or increase in the fair market value of the real property caused by the project for which the property is to be acquired, or by the likelihood that the property would be acquired for the project, other than that due to physical deterioration within the reasonable control of the owner. This appraisal uses the hypothetical condition (in the before acquisition value) that the proposed public improvements do not exist, and have not been proposed. The proposed public improvement project is a condition external to the subject property, and as the before value does not recognize the existence of this proposed project, contrary to known fact, this hypothetical condition is required. The use of this hypothetical condition may have altered the appraisal results.

The after condition of the subject as though the project has been completed is a hypothetical condition.

MARKET VALUE

Market value is defined as follows:

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

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in 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.¹

TERMS AND DEFINITIONS

Please refer to the Addenda for a Glossary of the Terms and Definitions that are, and may be used in this appraisal. Special definitions for this specific report were obtained from pages 131 and 209 of the *Principles of Right of Way* published by The International Right of Way Association, and are as follows:

Larger Parcel: The larger parcel is the total parcel of which the right-of-way or partial taking is a part. Valuation of the larger parcel determines the unit value of the land and the highest and best use estimate for the property before the taking. It also defines the area regarded as "damaged" or "benefited" by the taking or project. The larger parcel is generally characterized as a parcel held in one ownership (vesting), consisting of contiguous land, and used (or best used) for a single purpose.

¹ The definition of market value is taken from: The Interagency Appraisal and Evaluation Guidelines effective December 10, 2010.

According to Waukesha County Public Information, the subject is comprised of a 2.1374-acre or 93,105-square foot site. The subject is improved with a commercial building.

Remainder Land: Remainder land is that portion of the larger parcel that is not acquired for the right of way.

Following the acquisition the subject site will be 2.1374-acres or 93,105-square feet. The subject is improved with a commercial building.

Severance Damage: Severance damage is the loss in value to the portion of the larger parcel remaining after the taking and construction of the public improvement.

Special Benefits: Special benefits are improvements or value enhancements unique to that portion of the larger parcel remaining after the taking and resulting from the project.

Easement: A nonpossessing interest held by one person in land of another whereby the first person is accorded partial use of such land for a specific purpose. An easement restricts but does not abridge the rights of the fee owner to the use and enjoyment of his land.

The easements associated with the subject property is as follows: Two Temporary Limited Easement area totaling 0.01846-acres or 804-square feet will encumber the subject. One Temporary Limited Easement is an area of land located along the north side of East Saint Paul Avenue, and another along the east side of Madison Street. These Temporary Limited Easement areas are for grading purposes.

One Permanent Limited Easement area, totaling 0.0141-acres or 617-square feet will encumber the subject. The Permanent Limited Easement is located along the east side of Madison Street, required for establishing a correct right-of-way line.

PROPERTY RIGHTS APPRAISED

Fee Simple Estate.

SPECIAL APPRAISAL INSTRUCTIONS

According to the City of Waukesha Project Engineer, Mr. Craig Ausen the construction start date and completion date for this project should be February 1, 2022 through June 30, 2023 (17 months).

The duration of the Temporary Limited Easement is the time period between the date of appraisal (March 15, 2021) and the scheduled construction completion date (June 30, 2023) or approximately 28 months.

OWNERS CONCERNS

None noted.

COMPETENCY OF THE APPRAISER

The appraiser is uniquely qualified for this appraisal assignment having appraised many similar properties over the past 28 years. No additional steps were required to meet the Competency Rule under USPAP.

EXPOSURE TIME

The concept of market value assumes the hypothetical sale of a property given reasonable exposure on the market. Further, the exposure time is presumed to proceed the effective date of the appraisal. Exposure time is defined in Uniform Standards of Professional Appraisal Practice ("USPAP") Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Market Value Estimates" as:

The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market.

Exposure time is different for various types of real estate and under various market conditions. It is noted that the overall concept of reasonable exposure encompasses not only adequate, sufficient, and reasonable time but also adequate, sufficient, and reasonable effort. The best estimate of exposure time is a function of price, time, use, and current market conditions for the cost and availability of funds. This is seen as an integral part of the appraisal process and the estimate of market value.

The following table presents the information derived from these sources based on a commercial use property:

EXPOSURE TIME INFORMATION		
Data Source	Exposure Time (Months)	
	Range	Average
Real Estate Investor Survey	2-12	9.00
Local Market Professionals	3-12	9.00
Compiled By: Single Source, Inc.		

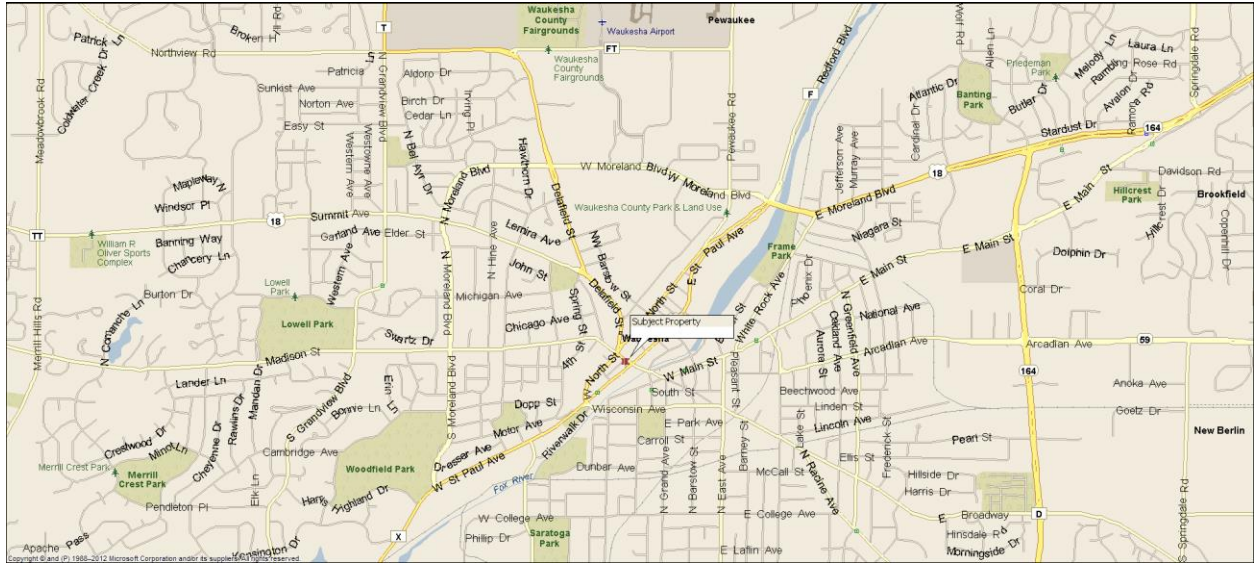
In estimating the length of time the property would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of this appraisal, we considered information gathered on comparable sales, historical and current market conditions. According to real estate investment publications, typical buyers and sellers of commercial and residential properties are private investors. After analyzing the above factors, we believe the reasonable exposure time anticipated to sell a property similar to the subject property, at the estimated market value, would have been three to twelve months.

MARKET AREA

Location

The neighborhood is in the City of Waukesha. The subject neighborhood is located in east-central Waukesha County in the City of Waukesha. The location of the subject property can be seen on the following neighborhood map.

Neighborhood Map



Boundaries

The neighborhood boundaries are considered to be:

- North: Interstate 94
- South: Townline Road
- East: Calhoun Road
- West: County Trunk Highway DT

Land Use

The neighborhood is a mix of existing and newer commercial development and an established residential area of western metropolitan Milwaukee. The subject and its neighborhood are located west of downtown Milwaukee in the east-central portion of Waukesha County. Development of the Waukesha area occurred mostly in the last 50 years that continues to expand and redevelopment.

Land uses within the subject neighborhood consist of a harmonious mixture of commercial, industrial, and residential development. The immediate area surrounding the subject is an area of existing development, consisting primarily of commercial and residential uses with a concentration of commercial development along Bluemound Road (US Highway 18), State Highway's 16, 18, 74, and 164, and intersections with Interstate 94. Additional commercial improvements include office and business park developments including Riverwood

Corporate Center, Stoneridge, and Ridgeview Corporate Park. Residential uses are located off primary roadways. The improvements have good quality construction and are well maintained.

Access

Primary access to the subject neighborhood is provided by Interstate 94, Bluemound Road, Barker Road, State Highway's 16, 74, and 164, and US Highway 18. Interstate 94 is primarily a six-lane, variable width right-of-way and is located north of the subject property with access ramps on Grandview Boulevard, State Highway's 74 and 164, and US Highway 18. Interstate 94 provides linkage to Madison to the west and downtown Milwaukee to the east. Interstate 43 is primarily a four-lane, variable width right-of-way and is located approximately eight miles south of the subject property with an access ramp at Moorland Road and State Highway 164. Bluemound Road (US Highway 18) is a major east/west roadway in Waukesha and Milwaukee Counties. Barker Road, Springdale Road, and State Highway's 74 and 164 are good north-south roadways in Waukesha County. Main Street and Barstow Street provide local access to the subject property. The commute to the Downtown Milwaukee Central Business District is approximately twenty-five minutes to the east, via Interstate 94.

Conclusions and Relevance to the Subject

The neighborhood currently has an average income demographic profile and the outlook for the neighborhood is for relatively average performance with modest improvement over the next few years. Overall, the neighborhood is stable to growing and in good overall condition with stable to increasing values. As a result, the demand for existing development is expected to be average. Generally, the neighborhood is expected to maintain a slow stable growth pattern in to the foreseeable future.

SITE ANALYSIS

Location

The subject parcel has frontage along the south side of East North Street and the east side of Madison Street, also having limited frontage (access points) along the west side of Brook Street and the north side of East Saint Paul Avenue in the City of Waukesha, Waukesha County, Wisconsin. The subject has a street address of 230 Madison Street.

Access

Access is available from driveways along East North Street, Madison Street, Brook Street and East Saint Paul Avenue.

Visibility

Overall the subject has good visibility along East North Street and Madison Street.

Land Area

According to Waukesha County Public Information, the subject is comprised of a 2.1374-acre or 93,105-square foot site.

Shape and Frontage

The subject is slightly irregular in shape with frontage along the south side of East North Street and the east side of Madison Street, also having limited frontage (access points) along the west side of Brook Street and the north side of East Saint Paul Avenue.

Topography and Drainage

The subject site topography is generally level and at grade. Drainage follows the natural flow of the site.

Utilities

The site is serviced by municipal sewer and water.

Soils

No recent soil analysis was submitted for review. We assume soil conditions are good.

Easements

No unusual or adverse easements appear to limit the utility of the site for development.

Covenants, Conditions, and Restrictions

It is specifically assumed that any covenants would have no adverse impact on marketability or value.

Plat Map

**Flood Zone**

According to maps published by the Federal Emergency Management Agency (FEMA), the subject lies within X as indicated on FEMA Community Map Panel 55131C0164D dated November 20, 2013. FEMA Zone X: Areas determined to be outside the 500 year flood plain.

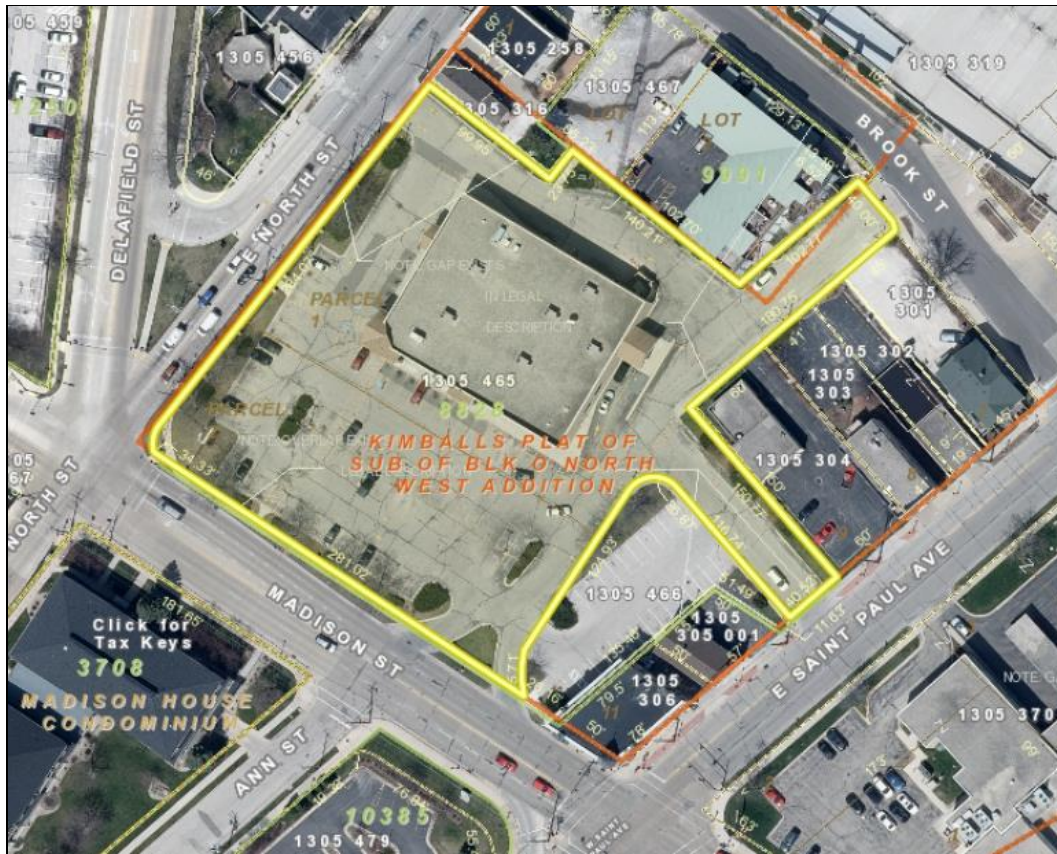
Environmental Issues

For appraisal purposes, the appraiser discloses that no knowledge of the existence of the contamination on the subject property. The appraiser is not qualified to detect the extent of hazardous waste or toxic materials nor estimate the cost to cure. We will estimate the market value of the subject as if clean, but reserve the right to modify the opinion of market value if found otherwise.

Site Improvements

The site is improved with a commercial building. The improvements will not be impacted by the road project.

Aerial Map



Larger Parcel

According to Waukesha County Public Information; the site includes a total of approximately 2.1374-acres or 93,105-square feet. The subject is improved with a commercial building. Per our research and consulting with the subject property owners, they do not own any contiguous property to the subject property. In my opinion, there is no potential for the subject property to be split or subdivided into multiple parcels or uses.

Conclusion

The property is comprised of a single larger parcel containing 2.1374-acres or 93,105-square feet. The site has a slightly irregular shape and the topography is generally level and at grade.

ZONING

The subject's zoning requirements are detailed below.

ZONING SUMMARY	
Current Zoning:	B-2, Central Business District
Legally Conforming:	Yes
Uses Permitted:	Most commercial uses
Zoning Change:	Not Likely
Category	Zoning Requirement
Front Setback:	1-foot
Side Setback:	None
Rear Setback:	None
Maximum Height:	None
Minimum Lot Size:	None
Minimum Lot Width:	None
Source: Waukesha Zoning Code	
Compiled By: Single Source, Inc.	

The property is a legal conforming use in the “before” and “after” condition. Please review the zoning code in the Addendum of this report.

TAX AND ASSESSMENT DATA

The subject's assessed value and taxes are summarized below.

Ad Valorem Tax Information				
Parcel	Land	Improvements	Total	Taxes
291-1305-465	\$1,890,600	\$677,400	\$2,568,000	\$50,786.34
Equalized Market Value @ 100%	\$1,988,000	\$712,300	\$2,700,300	
Assessment Ratio (2020)	95.10%			
Tax rate (2020) per \$1,000 of assessed value	\$19.77155			
Source: Tax Bill				
Compiled By: Single Source, Inc.				

Conclusion

The City of Waukesha records indicate there are no delinquent property taxes. The appraiser assumes that all taxes are current.

HIGHEST AND BEST USE

In appraisal practice, the concept of highest and best use represents the premise upon which value is based. The four criteria the highest and best use must meet, as of the date of opinion, are:

- legal permissibility;
- physical possibility;
- financial feasibility; and
- maximum profitability.

Highest and best use analysis involves assessing the subject as if vacant and as improved.

HIGHEST AND BEST USE AS THOUGH VACANT

Legal Permissibility

The legally permissible uses were discussed in detail in the site analysis and zoning sections of this report. Permissible uses are broad, allowing for most types of commercial development including office and retail.

Physical Possibility

The physical characteristics of the subject site were discussed in detail in the site analysis. Overall, a wide range of legally permissible uses would be physically possible.

Financial Feasibility

The financial feasibility of a specific property is market driven, and is influenced by surrounding land uses. Based on the subject's specific location and physical characteristics, it is our opinion that development of the site with a commercial oriented use, which is complimentary to the surrounding land, uses would represent the most likely financially feasible option. The proximity to major thoroughfares and established commercial neighborhoods provides sufficient basis to support a commercial or office-oriented use. Current economic conditions do support the cost of some new commercial development. This is evidenced by the fact there has been an uptick in development, stable occupancy and rental rates in the local market over the past year.

Maximum Profitability

The use which results in the maximum profitability of the site is beyond the scope of this assignment. The recipient of the property's productivity (e.g., the lender, equity investor, the public, etc.) greatly determines what the use should be. Regardless, the use for the subject should conform to the neighborhood trends and be consistent with existing land uses.

Conclusion: Highest and Best Use As Though Vacant

The concluded highest and best use of the subject as though vacant for the site is commercial development.

HIGHEST AND BEST USE AS IMPROVED

Legal Permissibility

The subject is a legal conforming use as improved.

Physical Possibility

The layout and positioning of the improvements are functional for use as a commercial building, and the improvement layout is reasonable based on market comparables. The improvements are most functional as a commercial building.

Financial Feasibility

Typically, for properties similar to the subject, the test of feasibility is based on a sales comparison and income capitalization approach analysis due to the ownership profile. There is a healthy and active market in the City of Waukesha and Waukesha County. The appraiser, therefore, concludes that the continued use of the improvements is a financially feasible use of the property as improved.

Maximum Profitability

The maximally profitable use of the subject as improved should conform to neighborhood trends and be consistent with existing land uses. Although several uses may generate sufficient revenue to satisfy the required rate of return on investment and provide a return on the land, the single use that produces the highest price or value is typically the highest and best use. However, the recipient of the property's productivity greatly determines what actual use maximizes profitability.

Conclusion: Highest and Best Use as Improved

Based on the foregoing discussions, the appraiser concludes the highest and best use of the property is consistent with its current use. There are no alternative uses of the improvements that would produce a higher net income and/or value over time than the current use. The current use is a legal conforming use and appears to represent the highest and best use as improved. Furthermore, the appraiser does not believe that conversion of the improvements or demolition is warranted or financially feasible at this time.

Conclusion: Highest and Best Use – Before Acquisition

The concluded highest and best use of the subject before the acquisition is continued use as a commercial building.

Conclusion: Highest and Best Use – After Acquisition

The concluded highest and best use of the subject after the acquisition is continued use as a commercial building.

Remainder Land: Remainder land is that portion of the larger parcel that is not acquired for the right of way. The subject property is 93,105-square feet or 2.1374-acres in the “before” and “after” condition. The subject is improved with a commercial building, in the “before” and “after” condition. The property is a legal conforming use in the “before” and “after” condition.

APPRAISAL METHODOLOGY

In appraisal practice, an approach to value is included or omitted based on its applicability to the property type being valued and the quality and quantity of information available. Due to the nature of this appraisal assignment, we are valuing the land only.

COST APPROACH

The Cost Approach is based upon the proposition the informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. This approach is particularly applicable when the property being appraised involves relatively new improvements, which represent the highest and best use of the land, or when relatively unique or specialized improvements are located on the site and for which there exist few sales or leases of comparable properties. As the subject improvements are not being valued, the cost approach is not applicable.

SALES COMPARISON APPROACH

The Sales Comparison Approach utilizes sales of comparable properties, adjusted for differences, to indicate a value for the subject property. Valuation is typically accomplished using physical units of comparison such as price per square foot, price per unit, price per floor, etc., or economic units of comparison such as gross rent multiplier. Adjustments are applied to the physical units of comparison derived from the comparable sale. The unit of comparison chosen for the subject is then used to yield a total value. Economic units of comparison are not adjusted, but rather analyzed as to relevant differences, with the final estimate derived based on the general comparisons.

INCOME CAPITALIZATION APPROACH

The Income Capitalization Approach reflects the subject's income-producing capabilities. This approach is based on the assumption that value is created by the expectation of benefits to be derived in the future. Specifically estimated is the amount an investor would be willing to pay to receive an income stream plus reversion value from a property over a period of time. As the subject improvements are not being valued, the income approach is not applicable.

APPRAISAL METHODOLOGY APPLICABLE TO THE SUBJECT

In valuing the subject, the Sales Comparison Approach is an applicable valuation method for this type of appraisal. The Sales Comparison Approach is based on the principle of substitution. This principle is defined in the Appraisal Terminology and Handbook published by the Appraisal Institute as follows:

“The principle of substitution affirms that the maximum value of a property tends to be set by the cost of acquisition of an equally desirable and valuable substitute property, assuming no costly delay is encountered in making the substitution.”

DESCRIPTION OF THE ACQUISITION

The acquisition requirements from the property, all related to the 18th Avenue Improvement Project, according to Project No. 2718-04-21 Schedule of Lands and Interests Required, Plat Sheet No. 4.04 dated Amendment Number 2, dated May 5, 2021 are as shown below.

Subject Before Acquisition:	93,105 SF	2.1374-acres
Permanent Limited Easement:	617 SF	0.01416-acres
Temporary Limited Easement:	804 SF	0.01846-acres
Improvements:	None	
Other Interests:	None	
Access:	None	
Remainder Parcel:	93,105 SF	2.1374-acres

Permanent Limited Easement

One Permanent Limited Easement area, totaling 0.0141-acres or 617-square feet will encumber the subject. The Permanent Limited Easement is located along the east side of Madison Street, required for establishing a correct right-of-way line.

Temporary Limited Easement

Two Temporary Limited Easement areas totaling 0.01846-acres or 804-square feet will encumber the subject. One Temporary Limited Easement is an area of land located along the north side of East Saint Paul Avenue, and another along the east side of Madison Street. These Temporary Limited Easement areas are for grading purposes.

Site Improvements

There is landscaping, consisting of numerous shrubs & trees, as well as fencing & pillars adjacent to Madison Street close to the Temporary Limited Easement area along Ann Street. Craig Ausen, P.E., Project Engineer City of Waukesha – Engineering Division, noted that these trees will not be impacted and can remain in place. Mr. Ausen also noted that the parking lot will not be disturbed. Therefore, no site improvements will be acquired.

LAND VALUE

Land Valuation--In determining the value of land, the Sales Comparison Approach was used.

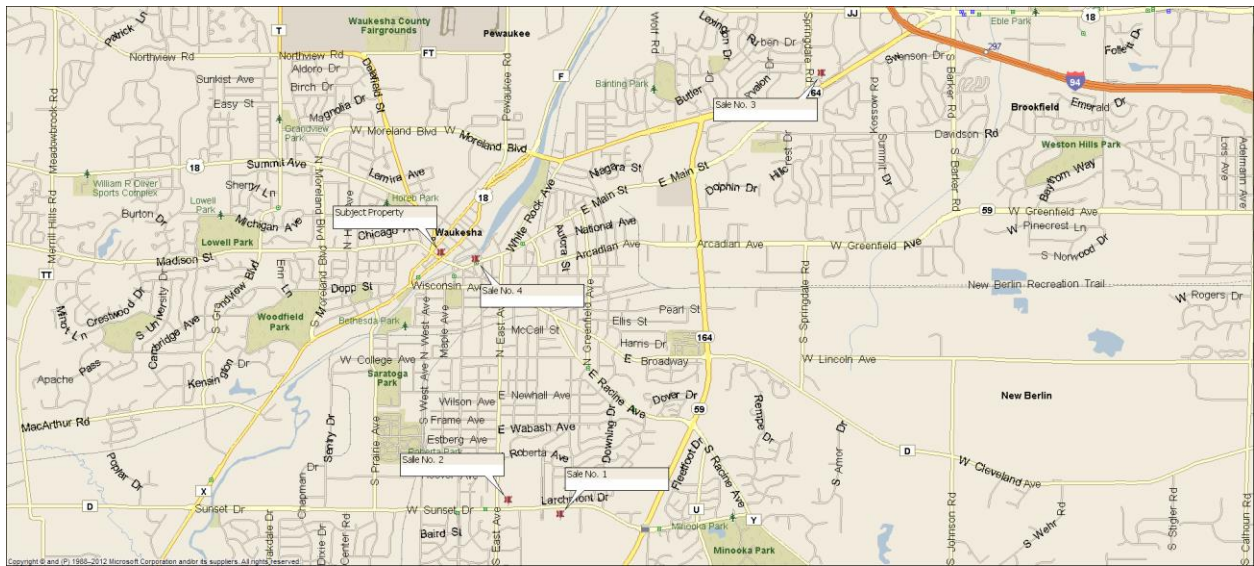
The Sales Comparison Approach relies on the principle of substitution. This principle states that when several similar commodities, goods, or services are available, the one with the lowest price attracts the greatest demand.

The Sales Comparison Approach is based on an analysis of actual market transactions of other similar properties that are compared with the subject. Comparable sales represent the actions of typical buyers and sellers in the marketplace and their actions determine the purchase price for the subject. When an adequate number of comparable sales exist, a range of value for the subject property can be determined.

The range of value determined, using units of comparison such as sales price per square foot of gross building area, can be analyzed and adjusted for differences between the comparable sales and the subject. An analysis of adjusted units of comparison then forms the basis for the market value of the property. A land sales adjustment grid has been included for the value conclusion.

Details regarding the attributes of the comparable sales, considered most similar to the subject, are presented on the following page. A more detailed description of each transaction is included in Addendum C.

Land Sale Map



ANALYSIS OF LAND SALES

The sales presented indicate a range of value from \$14.27 to \$21.64 per square foot of land area. The primary differences between the comparable sales and the subject include market conditions, location, physical characteristics, size, and zoning of the sale properties.

Land Sale Summary

No.	Location	Date of Sale	Size (S.F.)	Size (Acres)	Zoning	Sale Price	Price/ S.F.	Price/ Acre	Traffic Count
S	230 Madison Street Waukesha, Wisconsin	--	93,105	2.1374	B-2	--	--	--	11,900 <u>10,100</u> 22,000
1	701 E. Sunset Drive Waukesha, Wisconsin	Feb-18	49,005	1.1250	B-5 PUD	\$975,000	\$19.90	\$866,667	15,600
2	116 E. Sunset Drive Waukesha, Wisconsin	Feb-20	24,527	0.563072	B-5 PUD	\$350,000	\$14.27	\$621,590	15,600
3	2208 E. Moreland Boulevard Waukesha, Wisconsin	July-18	49,223	1.1300	B-5	\$1,065,000	\$21.64	\$942,478	40,400
4	232 W. Main Street Waukesha, Wisconsin	April-17	33,977	0.7800	B-2	\$680,300	\$20.02	\$872,179	9,200 <u>2,400</u> 11,600

Compiled by: Single Source, Inc.

Terms of Sale

None of the sales involved unusual or favorable financing terms so adjustments for cash equivalency are not required. All of the sales were found to be arm's length transactions. All the sales included the entire bundle of rights.

Market Conditions

Adjustments are necessary to account for inflationary forces in the market (time adjustment) and changes in supply/demand factors (market adjustments), which affect pricing levels. Inflation creates the need to apply an upward adjustment to pricing parameters to account for the long-term upward trend in price levels. Changing market conditions reflect either an upward or downward adjustment, depending on investors' perceived economic outlook and the supply/demand relationship in the market.

We have assumed a positive time adjustment factor for any sale one year past the date of valuation, due to the returned strength of the real estate markets. The inflationary increase is estimated at a modest 2 percent per year for the subject area. All sales require upward adjustment.

Governmental/Environmental/and Off-Site Costs

These costs are associated with impact fees charged for development, environmental cleanup or soil costs, and utility charges or off site costs. The subject site is serviced with municipal sewer and water. All comparable sales are similar to the subject and do not require adjustment.

Size

The subject site has a size of approximately 2.1374-acres or 93,105-square feet of land area. The comparable sales range from 24,527-square feet to 49,223-square feet. Typically the smaller the site size, the higher the sale

price on a unit basis. All Sales are deemed smaller in size compared to the subject and require varying degrees of downward adjustment.

Location

The subject parcel has frontage along the south side of East North Street and the east side of Madison Street, also having limited frontage (access points) along the west side of Brook Street and the north side of East Saint Paul Avenue in the City of Waukesha, Waukesha County, Wisconsin. The subject has a street address of 230 Madison Street. All sales are deemed to have similar locations, in the City of Waukesha and do not require adjustment.

Access/Visibility

The subject property has good visibility from all directions on adjacent roadways. Additionally, access is good to State Highways. All four sales are deemed to have similar visibility and highway access and do not require adjustment.

Traffic Volume

The average daily traffic count for the subject site is 10,100 vehicles per day along Madison Street and 11,900 vehicles per day along East Saint Paul Avenue; totaling 22,000 vehicles per day. Comparable Sale Nos. 1, 2 and 4 have inferior traffic counts, requiring upward adjustment. Comparable Sale No. 3 has a superior traffic count and requires downward adjustment.

Physical Features

The subject is slightly irregular in shape with level topography and is at road grade. However, the site has frontage and access along four street, which is considered a superior feature to all four comparables. Therefore, all comparable sales require an upward adjustment for this feature.

Zoning and Use

The subject is zoned, B-2; Central Business District. All sales have similar commercial zoning and do not require adjustment.

Land Value Conclusion

After adjustments, the sale prices range from \$13.83 to \$22.14 per square foot, with an average of \$18.94 per square foot. Based on these sales, the subject property is estimated to have a value above the average in between all four sales at \$22.00 per square foot. Greatest emphasis was placed on Sale No. 4, as it is in close proximity to the subject site.

Concluded Land Value Before Acquisition				
Square Feet	X	Value/SF	=	Value
93,105	X	\$22.00	=	\$2,048,310
Value Indication (Rounded):				\$2,048,400

LAND SALE ADJUSTMENT GRID

<u>DETAILS</u>	<u>SUBJECT</u>	<u>SALE No. 1</u>	<u>SALE No. 2</u>	<u>SALE No. 3</u>	<u>SALE No. 4</u>
Sale Price	--	\$975,000	\$350,000	\$1,065,000	\$680,300
Date of Sale	--	Feb-18	Feb-20	July-18	April-17
Site Size (SF)	93,105	49,005	24,527	49,223	33,977
Price/SF	--	\$ 19.90	\$ 14.27	\$ 21.64	\$ 20.02
<u>ADJUSTMENT PROCESS</u>		<u>\$/SF</u>	<u>\$/SF</u>	<u>\$/SF</u>	<u>\$/SF</u>
Unadjusted Sale Price		\$ 19.90	\$ 14.27	\$ 21.64	\$ 20.02
Terms of Sale		0.0%	0.0%	0.0%	0.0%
		\$ -	\$ -	\$ -	\$ -
Cash Equivalent Price/SF		\$ 19.90	\$ 14.27	\$ 21.64	\$ 20.02
Time/Market Conditions		6.00%	2.00%	5.17%	7.83%
		\$ 1.19	\$ 0.29	\$ 1.12	\$ 1.57
Current CE Price/SF		\$ 21.09	\$ 14.56	\$ 22.75	\$ 21.59
<u>DIRECT ADJUSTMENTS</u>					
Government Costs		0.0%	0.0%	0.0%	0.0%
		\$ -	\$ -	\$ -	\$ -
Soil/Environmental		0.0%	0.0%	0.0%	0.0%
		\$ -	\$ -	\$ -	\$ -
Utilities/Other Off-Site Costs		0.0%	0.0%	0.0%	0.0%
		\$ -	\$ -	\$ -	\$ -
Total Direct Adjustments		\$ -	\$ -	\$ -	\$ -
Adjusted CE Sale Price/SF		\$ 21.09	\$ 14.56	\$ 22.75	\$ 21.59
<u>PERCENTAGE ADJUSTMENTS</u>					
Site Size	93,105	49,005 Smaller -10%	24,527 Smaller -20%	49,223 Smaller -10%	33,977 Smaller -15%
		\$ (2.11)	\$ (2.91)	\$ (2.28)	\$ (3.24)
Location/Market Area	Waukesha	Similar 0%	Similar 0%	Similar 0%	Similar 0%
		\$ -	\$ -	\$ -	\$ -
Access	Good	Similar 0%	Similar 0%	Similar 0%	Similar 0%
		\$ -	\$ -	\$ -	\$ -
Visibility	Good	Similar 0%	Similar 0%	Similar 0%	Similar 0%
		\$ -	\$ -	\$ -	\$ -
Traffic Volume	22,000	Inferior 5%	Inferior 5%	Superior -20%	Inferior 5%
		\$ 1.05	\$ 0.73	\$ (4.55)	\$ 1.08
Physical Features	Slightly Irregular	Inferior 10%	Inferior 10%	Inferior 10%	Inferior 10%
		\$ 2.11	\$ 1.46	\$ 2.28	\$ 2.16
Zoning/Use	B-2	Similar 0%	Similar 0%	Similar 0%	Similar 0%
		\$ -	\$ -	\$ -	\$ -
Total Dollar Adjustments		\$ 1.05	\$ (0.73)	\$ (4.55)	\$ -
FINAL ADJUSTED SALES PRICE/SF		\$ 22.14	\$ 13.83	\$ 18.20	\$ 21.59
AVERAGE ADJUSTED SALES PRICE/SF		\$ 18.94			
CONCLUDED LAND VALUE/SF		\$ 22.00			
SUBJECT SQUARE FOOTAGE		93,105			
CONCLUDED LAND VALUE		\$ 2,048,310			
CONCLUDED LAND VALUE-ROUNDED		\$ 2,048,400			

Single Source, Inc.

Before Value

The total “before” value is \$2,760,700 (\$2,048,400 - land + \$712,300 - improvements, per assessment, rounded).

Valuation of Permanent Limited Easement

One Permanent Limited Easement area (PLE), totaling 0.01416-acres or 617-square feet will encumber the subject. The Permanent Limited Easement is located along the east side of Madison Street, near the landscaped area. The PLE is required for establishing a correct right-of-way line. This will have no negative impact on the landscaped area.

It is our opinion that the Permanent Limited Easement area has some, but limited utility to the owner after the acquisition. The easement is located in the building setback area, hence, near the property line. The damages for Permanent Limited Easement are estimated at 50 percent of fee value or \$11.00 per square foot (\$22.00/SF X 50%), or \$11.00 per square foot due to the loss of utility to the subject property in the "after" condition.

Acquired Land Value Conclusion – Permanent Limited Easement

Acquired Land Value Permanent Limited Easement				
SF	X	Value/SF	=	Value
617	X	\$11.00	=	\$6,787
Land Value Indication (Rounded):				\$6,800

Valuation of Temporary Limited Easement

Two Temporary Limited Easement areas totaling 0.01846-acres or 804-square feet will encumber the subject. One Temporary Limited Easement is an area of land located along the north side of East Saint Paul Avenue, and another along the east side of Madison Street. These Temporary Limited Easement areas are for grading purposes. According to the City of Waukesha project engineer, Mr. Craig Ausen the construction start date and completion date for this project should be February 1, 2022 through June 30, 2023 (17 months). The duration of the Temporary Limited Easement is the time period between the date of appraisal (March 15, 2021) and the scheduled construction completion date (June 30, 2023) or approximately 28 months.

The simplest way to compensate the landowner is through similar land rentals in the market. We were unable to locate any residential rentals in the subject area. The commercial land rents shown on below were obtained through primary market research.

SALES COMPARISON APPROACH

No.	Location	Annual Rent./SF	Basis	Commencement Date	Term	Annual Escalation
1	Wausau, Wisconsin Confidential	\$2.61	ABS Net	2016	12.5 years	--
2	Oconomowoc, Wisconsin Confidential	\$1.53	ABS Net	Aug-18	25 years	1.5%
3	Sun Prairie, Wisconsin Confidential	\$1.10	ABS Net	2018	15 years	flat
4	Pewaukee, Wisconsin Confidential	\$1.58	ABS Net	Jun-18	15 years	5% every 5 years
5	West Allis, Wisconsin Confidential	\$2.96	ABS Net	Nov-16	15 years	9% every 5 years
6	Oconomowoc, Wisconsin Confidential	\$1.53	ABS Net	Aug-18	25 years	1.5%
7	Sun Prairie, Wisconsin Confidential	\$1.21	ABS Net	Feb-15	20 years	7.5% every 5 years
8	Milwaukee, Wisconsin Confidential	\$1.58	ABS Net	Mar-18	5 years	Flat
9	Delafield, Wisconsin Confidential	\$1.80	ABS Net	2020	20 years	10% in year 10 & 15
10	Pewaukee, Wisconsin Confidential	\$1.04	ABS Net	Mar-19	15 years	5% every 5 years
11	Sheboygan, Wisconsin Confidential	\$1.62	ABS Net	2020	15 years	10% every 5 years
12	Brookfield, Wisconsin Confidential	\$3.93	ABS Net	2017	15 years	5% every 5 years
13	Menomonee Falls, Wisconsin Confidential	\$0.86	ABS Net	Sep-19	20 years	5.0% Every 5 years
	Average	\$1.80				
	Minimum	\$0.86				
	Maximum	\$3.93				

Compiled By: Single Source, Inc.

The commercial land rental rates range from \$0.86 to \$3.93 per square foot with an average of \$1.80 per square foot.

In addition to the land rental rates, we have researched equity divided rates to determine an appropriate yield for the subject land.

The following table indicates current safe rates within the market.

Current Safe Rates		
4th Quarter 2020		
	Term	Rate
US Treasury Rate	6 months	0.08%
US Treasury Rate	1 year	0.09%
US Treasury Rate	2 years	0.11%
US Treasury Rate	5 years	0.37%
Municipal Bonds	1 year	0.13%
Municipal Bonds	2 years	0.14%
Corporate Bonds AA/	1 year	1.59%
	Average	0.36%
	Minimum	0.08%
	Maximum	1.59%

Compiled By: Single Source, Inc.

The rates above would need to be built up to reflect real estate risk and liquidity issues.

Liquidity

This adjustment addresses the difference in liquidity between the chosen safe rate investment alternative and the TLE. This adjustment is necessary because most alternative investments can be sold or traded. This would give the investor the opportunity to take advantage of beneficial fluctuations in the market that could potentially allow them to increase their annual rate of return. The TLE will be acquired until the completion of the construction project. The TLE is paid in full for the specified time period and cannot be sold or traded. This non-liquidity is an element that should be considered when estimating a rate of return. The longer the timeframe for the TLE, the greater the need for this adjustment. Typical adjustments for non-liquidity range from 1% to 3%. Taking into consideration the relatively long term of the proposed TLE, an adjustment toward the middle of the range at 2.0% is considered appropriate

Risk

This adjustment is tied to the uncertainty associated with the ultimate physical and financial impacts of the TLE on the encumbered areas. The risk is also tied to the impacts of the subsequent construction activities within the TLE, the risk level may be affected by the location and size of the TLE. Smaller TLEs, or TLEs that are situated in remote or unused areas of a property would have less risk. Larger TLEs, or TLEs located in prominent or heavily used areas of a property would have more risk. The adjustment for risk is directly tied to the physical characteristics of the TLE being analyzed, its impact on the affected parcel and is tied to the

property type or current use of the parcel. The adjustment for risk has the potential to be unique for each parcel. Typical adjustments for risk range from 2% to 4%. Taking into consideration the size and location of the proposed TLE, a 3% adjustment for risk is considered appropriate. Based on these conclusions, the annual rate of return is calculated as follows:

Safe Investment Rate	0.36%
Liquidity	+ 2.00%
Risk	+ 3.00%
Rate of Return	= 5.36%

The results of relevant published investor survey data are summarized in the following table.

SUMMARY OF INVESTOR SURVEYS			
DISCOUNT RATE			
Investor Survey	Discount Rate Range	Average	Date of Survey
PWC Real Estate Investor Survey			
National Development Land Market	10.00%-20.00%	15.60%	4 th Qtr. 2020
Compiled by: Single Source, Inc.			

The subject property is in an average location and is considered to be within a stable market. The survey indicates an overall range of 10.00% to 20.00%. Because of the subject’s size, location, and type, it is likely that the appropriate capitalization rate would be below the bottom of the range indicated in the preceding table. The quoted rates are for undeveloped land with many risk factors; therefore, we believe a rate under 10.00 percent would be appropriate for the subject property.

A ground lease was purchased by a local investor. We obtained the pertinent factors of the deal (interest rate, amortization schedule, equity requirement, and capitalization rate) and solved for the Equity Dividend Rate. The yielding rate was 7.21 percent for a remaining three-year term. We believe the subject property would require a rate slightly below this market rate.

We believe an appropriate return rate for the subject property would be 7.0 percent per year, near the built up safe rate and referenced rate. This rate is applied for the time period both prior to construction and under construction, approximately 28 months.

Utilizing the unit value of \$22.00 per square foot would indicate a land value of \$17,688 (\$22.00/SF x 804 SF = \$17,688) which is the basis of our Temporary Limited Easement calculation.

Discount Factor

The TLE payment will be paid to the property owner as a lump sum rather than annual installments. Therefore, an annual return on investment must be identified to determine a discount factor used to calculate the present value

(lump sum payment) of future annual rental payments for the use of the land contained within the TLE. The calculated rate is 7 percent and yields the following value.

Acquired Land Value Conclusion – Temporary Limited Easement

Acquired Land Value Temporary Limited Easement					
Year	Months	Land Value	Discount Rate	PV Factor	Value
1	12	\$17,688	7.00%	1.0000	\$1,238.16
2	12	\$17,688	7.00%	0.9345	\$1,157.06
3	4	\$5,896	7.00%	0.8734	\$ 360.47
Total					\$2,755.69
Value Indication (Rounded):					\$2,800.00

Valuation of Site Improvements

Any concrete, asphalt or grass within the Temporary Limited Easement area will be replaced in like kind as part of the project, therefore no compensation is allocated. There is landscaping, consisting of numerous shrubs & trees, as well as fencing & pillars adjacent to Madison Street close to the Temporary Limited Easement area along Ann Street. Craig Ausen, P.E., Project Engineer City of Waukesha – Engineering Division, noted that these trees will not be impacted and can remain in place. Mr. Ausen also noted that the parking lot will not be disturbed. Therefore, no site improvements will be acquired.

Severance Damage

There is no severance damage associated with this acquisition.

After Value

The total “before” value is \$2,753,900 (\$2,041,600 - land + \$712,300 - improvements, per assessment, rounded).

The following table presents the conclusion and allocation.

Conclusion and Allocation	
Market Value Before Acquisition:	\$2,760,700
Market Value Following Acquisition:	\$2,753,900
Loss in Market Value:	\$6,800
Temporary Limited Easement:	\$2,800
Total Damages (Rounded):	\$9,600
 <u>Allocation of Damages</u>	
Permanent Limited Easement:	\$6,800
Site Improvements:	\$0
Temporary Limited Easement:	\$2,800
Total:	\$9,600

This market value is based on assumptions and limiting conditions stated throughout the report, including specific extraordinary assumption assumptions and limiting conditions.

ASSUMPTIONS AND LIMITING 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 total that would adversely affect marketability or value. The appraiser is not aware of any title defects nor has it been advised of any unless such is specifically noted in the report. The appraiser, however, 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 property'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. The appraiser is not an engineer and not competent to judge matters of an engineering nature. The appraiser 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 the appraiser by ownership or management; the appraiser inspected less than 100% of the entire interior and exterior portions of the improvements; and the appraiser 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, the appraiser 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. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, 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.

We have 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 the appraiser. This report may be subject to amendment upon re-inspection of the subject property 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, the appraiser 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, the appraiser reserves the right to amend conclusions reported if made aware of any such error. Accordingly, the client-addressee 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 the appraiser 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, which occur subsequent

ASSUMPTIONS AND LIMITING CONDITIONS

to the date of the appraisal. However, the appraiser will be available to discuss the necessity for revision resulting from changes in economic or market factors affecting the subject.

7. The appraiser assumes no private deed restrictions, limiting the use of the subject property in any way.
8. Unless otherwise noted in the body of the report, it is assumed that there is no mineral deposit or subsurface rights of value involved in this appraisal, whether they are 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. The appraiser 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. The appraiser does not warrant these forecasts will occur. Projections may be affected by circumstances beyond the current realm of knowledge or control of the appraiser.
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 the appraiser 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. Also, 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, nor 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 the appraiser nor may this report or copies hereof be transmitted to third parties without said consent, which consent the appraiser 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 the appraiser which consent the appraiser 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. The appraiser 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 the appraiser 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

ASSUMPTIONS AND LIMITING CONDITIONS

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. The appraiser 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. The Appraiser assumes no 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. The appraiser assumes that the subject property analyzed herein will be under prudent and competent management and ownership; neither inefficient or super-efficient.
21. Professional fees for additional services will be based on actual time spent at a regular hourly of \$200 per hour. Professional fees for Litigation Services will be based on actual time spent at a regular hourly of \$200 per hour.
22. 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.
23. 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.
24. 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, the appraiser 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 the appraiser has no specific information relating to this issue, nor is the appraiser 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 property.
25. 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.

ADDENDA

**ADDENDUM A
GLOSSARY OF TERMS**

assessed value Assessed value applies in ad valorem taxation and refers to the value of a property according to the tax rolls. Assessed value may not conform to market value, but it is usually calculated in relation to a market value base.†

cash equivalency The procedure in which the sale prices of comparable properties sold with atypical financing are adjusted to reflect typical market terms.

contract, coupon, face, or nominal rent The nominal rent payment specified in the lease contract. It does not reflect any offsets for free rent, unusual tenant improvement conditions, or other factors that may modify the effective rent payment.

coupon rent

See Contract, Coupon, Face, or Nominal Rent

effective rent 1) The rental rate net of financial concessions such as periods of no rent during a lease term; may be calculated on a discounted basis, reflecting the time value of money, or on a simple, straight-line basis.‡ 2) The economic rent paid by the lessee when normalized to account for financial concessions, such as escalation clauses, and other factors. Contract, or normal, rents must be converted to effective rents to form a consistent basis of comparison between comparables.

face rent

See Contract, Coupon, Face, or Nominal Rent

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

floor area ratio (FAR) The relationship between the above-ground floor area of a building, as described by the building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area; also called *building-to-land ratio*.‡

full service lease A lease in which rent covers all operating expenses. Typically, full service leases are combined with an *expense stop*, the expense level covered by the contract lease payment. Increases in expenses above the expense stop level are passed through to the tenant and are known as *expense pass-throughs*.

going concern value Going concern value is the value of a proven property operation. It includes the incremental value associated with the business concern, which is distinct from the value of the real estate only. Going concern value includes an intangible enhancement of the value of an operating business enterprise which is produced by the assemblage of the land, building, labor, equipment, and marketing operation. This process creates an economically viable business that is expected to continue. Going concern value refers to the total value of a property, including both real property and intangible personal property attributed to the business value.†

gross building area (GBA) The sum of all areas at each floor as measured to the exterior walls.

insurable value Insurable Value is based on the replacement and/or reproduction cost of physical items that are subject to loss from hazards. Insurable value is that portion of the value of an asset or asset group that is acknowledged or recognized under the provisions of an applicable loss insurance policy. This value is often controlled by state law and varies from state to state.†

investment value Investment value is the value of an investment to a particular investor based on his or her investment requirements. In contrast to market value, investment value is value to an individual, not value in the marketplace. Investment value reflects

the subjective relationship between a particular investor and a given investment. When measured in dollars, investment value is the price an investor would pay for an investment in light of its perceived capacity to satisfy his or her desires, needs, or investment goals. To estimate investment value, specific investment criteria must be known. Criteria to evaluate a real estate investment are not necessarily set down by the individual investor; they may be established by an expert on real estate and its value, that is, an appraiser.†

leased fee

See leased fee estate

leased fee estate An ownership interest held by a landlord with the right of use and occupancy conveyed by lease to others. The rights of the lessor (the leased fee owner) and the leased fee are specified by contract terms contained within the lease.‡

leasehold

See leasehold estate

leasehold estate The interest held by the lessee (the tenant or renter) through a lease conveying the rights of use and occupancy for a stated term under certain conditions.‡

load factor The amount added to usable area to calculate the rentable area. It is also referred to as a “rentable add-on factor” which, according to BOMA, “is computed by dividing the difference between the usable square footage and rentable square footage by the amount of the usable area. Convert the figure into a percentage by multiplying by 100.

market value “as if complete” on the appraisal date Market value as if complete on the appraisal date is an estimate of the market value of a property with all construction, conversion, or rehabilitation hypothetically completed, or under other specified hypothetical conditions as of the date of the appraisal. With regard to properties wherein anticipated market conditions indicate that stabilized occupancy is not likely as of the date of completion, this estimate of value should reflect the market value of the property as if complete and prepared for occupancy by tenants.

market value “as is” on the appraisal date Market value “as is” on the appraisal date is an estimate of the market value of a property in the condition observed upon inspection and as it physically and legally exists without hypothetical conditions, assumptions, or qualifications as of the date of appraisal.

market value Market value is one of the central concepts of the appraisal practice. Market value is differentiated from other types of value in that it is created by the collective patterns of the market. Market value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: 1) A reasonable time is allowed for exposure in the open market; 2) Both parties are well informed or well advised, and acting in what they consider their own best interests; 3) Buyer and seller are typically motivated; 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.‡

marketing period The time it takes an interest in real property to sell on the market subsequent to the date of an appraisal.‡

net lease in which all or some of the operating expenses are paid directly by the tenant. The landlord never takes possession of the

expense payment. In a *Triple Net Lease* all operating expenses are the responsibility of the tenant, including property taxes, insurance, interior maintenance, and other miscellaneous expenses. However, management fees and exterior maintenance are often the responsibility of the lessor in a triple net lease. A *modified net lease* is one in which some expenses are paid separately by the tenant and some are included in the rent.

net rentable area (NRA) 1) The area on which rent is computed. 2) The Rentable Area of a floor shall be computed by measuring to the inside finished surface of the dominant portion of the permanent outer building walls, excluding any major vertical penetrations of the floor. No deductions shall be made for columns and projections necessary to the building. Include space such as mechanical room, janitorial room, restrooms, and lobby of the floor. *

nominal rent

See Contract, Coupon, Face, or Nominal Rent

prospective future value “upon completion of construction”

Prospective future value “upon completion of construction” is the prospective value of a property on the future date that construction is completed, based upon market conditions forecast to exist, as of that completion date. The value estimate at this stage is stated in current dollars unless otherwise indicated.

prospective future value “upon reaching stabilized occupancy”

Prospective future value “upon reaching stabilized occupancy” is the prospective value of a property at a future point in time when all improvements have been physically constructed and the property has been leased to its optimum level of long-term occupancy. The value estimate at this stage is stated in current dollars unless otherwise indicated.

reasonable exposure time The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market. ††

rent

see
full service lease
net lease
contract, coupon, face, or nominal rent
effective rent

shell space which has not had any interior finishing installed, including even basic improvements such as ceilings and interior walls, as well as partitions, floor coverings, wall coverings, etc..

Usable Area 1) The area actually used by individual tenants. 2) The Usable Area of an office building is computed by measuring to the finished surface of the office side of corridor and other permanent walls, to the center of partitions that separate the office from adjoining usable areas, and to the inside finished surface of the dominant portion of the permanent outer building walls. Excludes areas such as mechanical rooms, janitorial room, restrooms, lobby, and any major vertical penetrations of a multi-tenant floor. *

use value Use value is a concept based on the productivity of an economic good. Use value is the value a specific property has for a specific use. Use value focuses on the value the real estate contributes to the enterprise of which it is a part, without regard to the property’s highest and best use or the monetary amount that might be realized upon its sale. †

value appraised During the real estate development process, a property typically progresses from a state of unimproved land to construction of improvements to stabilized occupancy. In general, the market value associated with the property increases during these stages of development. After reaching stabilized occupancy, ongoing forces affect the property during its life, including a physical wear and tear, changing market conditions, etc. These factors continually influence the property’s market value at any given point in time.

See also

market value “as is” on the appraisal date
market value “as if complete” on the appraisal date
prospective future value “upon completion of construction”
prospective future value “upon reaching stabilized occupancy”

**ADDENDUM B
SUBJECT PHOTOGRAPHS**



VIEW OF SUBJECT PROPERTY FROM EAST SAINT PAUL AVENUE



VIEW OF SUBJECT PROPERTY FROM MADISON STREET



TLE LOOKING NORTHEAST ALONG EAST SAINT PAUL AVENUE



TLE LOOKING SOUTHWEST ALONG EAST SAINT PAUL AVENUE



TLE AND PLE LOOKING NORTHWEST ALONG MADISON STREET



TLE / PLE ALONG MADISON ST; TEEES / IMPROVEMENTS NOT IMPACTED



TLE / PLE ALONG MADISON ST; TEEES / IMPROVEMENTS NOT IMPACTED



TLE / PLE ALONG MADISON ST; TEEES / IMPROVEMENTS NOT IMPACTED

**ADDENDUM C
COMPARABLE LAND SALES**

LAND SALE NO. 1**Property Identification**

Location: 701 East Sunset Drive
City of Waukesha, Waukesha County, Wisconsin

Property Description

Land Area: Approximately 1.125-acres or 49,005-square feet
Zoning: B-5, Community Business District (PUD)
Topography: Generally level
Utilities: All
Intended Use: Commercial Building
Traffic Count: 15,600 – west of subject property
Tax Key Number: WAKC1350258

Sale Data

Date of Sale: February 2018
Sale Price: \$975,000
Sale Price/SF: \$19.90
Sale Price/Acre: \$866,667
Grantor: Meijer Stores Limited Partnership
Grantee: Professional Resource Development, Inc
Document No.: 4323924
Conveyance: Warranty Deed
Financing: All Cash to the Seller
Verified By: Public Records, WDOR, Assessor
Verified To: Steve Boll

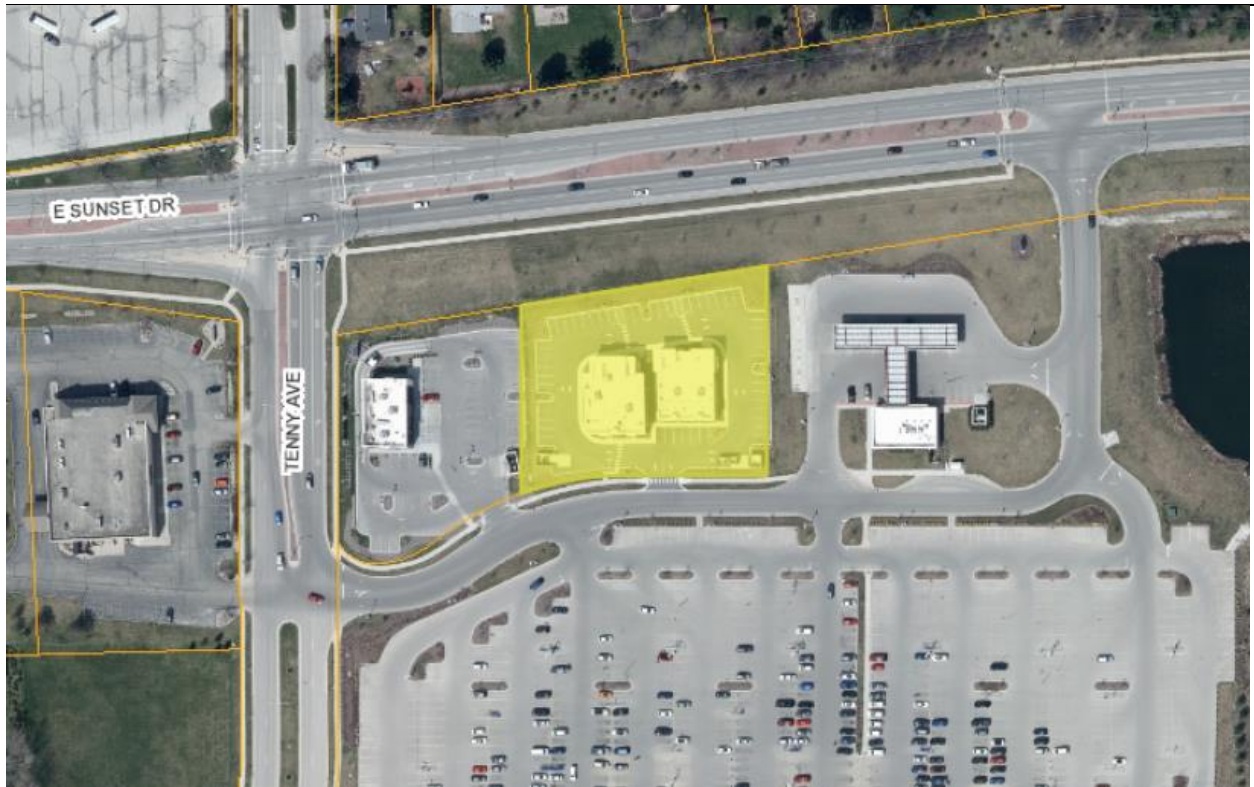
Legal Description:

LOT 3 CSM NO 11606 (V116 CSM P94) DIV LOTS 2 & 3 CSM NO 11263 DIV PT NE1/4 & SE1/4 OF NW1/4 SEC 14 T6N R19E 1.125 AC DOC NO 4377394, in the City of Waukesha, County of Waukesha, State of Wisconsin.

Comments:

This site is an out lot of the Meijer Grocery Store, located along the south side of East Sunset Drive, but having access from an internal road that services the Meijer development. The site has a generally level topography with a generally rectangular shape. The site was improved with a commercial building, Dental Care of Wisconsin.

Parcel Map



LAND SALE NO. 2**Property Identification**

Location: 116 East Sunset Drive
City of Waukesha, Waukesha County, Wisconsin

Property Description

Land Area: Approximately 0.563072-acres or 24,527-square feet
Zoning: B-5, Community Business District (PUD)
Topography: Generally level
Utilities: All
Intended Use: Retail
Traffic Count: 15,600
Tax Key Number: WAKC1339148

Sale Data

Date of Sale: February 2020
Sale Price: \$350,000
Sale Price/SF: \$14.27
Sale Price/Acre: \$621,590
Grantor: Lockard Waukesha Holdings, LLC
Grantee: Tekna-Kg, LLP
Document No.: 4453973
Conveyance: Special Warranty Deed
Financing: All Cash to the Seller
Verified By: Public Records, WDOR, Assessor
Verified To: Steve Boll

Legal Description:

LOT 4 CSM NO 11650 (V116 CSM P290) PT SW1/4 SEC 11 T6N R19E .563 AC DOC NO 4453973, in the City of Waukesha, County of Waukesha, State of Wisconsin.

Comments:

This site is located along the north side of East Sunset Drive, just east of South East Avenue. The site has a generally level topography with a generally rectangular shape. This out lot is part of the redevelopment of the former K-Mart site located at 120 East Sunset Drive. Currently, a multi-tenant retail building is under construction on the site. Wisconsin Vision (under the corporate name Tekna-Kg LLP) is the owner and will be occupying a portion of the new building.

Parcel Map



LAND SALE NO. 3**Property Identification**

Location: 2208 East Moreland Boulevard
City of Waukesha, Waukesha County, Wisconsin

Property Description

Land Area: Approximately 1.130-acres
Zoning: B-5, Community Business District
Topography: Level to Sloping
Utilities: All
Intended Use: Bank Branch
Traffic Count: 40,400
Tax Key Number: 1130-115-001

Sale Data

Date of Sale: July 2018
Sale Price: \$1,065,000 (\$1,025,000 + \$40,000 – demo)
Sale Price/SF: \$21.64
Sale Price/Acre: \$942,478
Grantor: Pinnacle Waukesha Burgers, LLC
Grantee: Summit Credit Union
Document No.: 4349605
Conveyance: Warranty Deed
Financing: All Cash to the Seller
Verified By: MLS, WDOR, Assessor, and Grantor- Jimmy Rosen
Verified To: Jay McSorley

Legal Description:

PARCEL A: Lot 1 of Certified Survey Map No. 10663, recorded March 31, 2009, in Volume 102 of Certified Survey Maps on Pages 309 to 313 as Document No. 3641473, a division of Parcel 6 of Certified Survey Map No. 2681 and lands in the Northwest 1/4 of the Northwest 1/4 of Section 31, Town 7 North, Range 20 East, in the City of Waukesha, County of Waukesha, State of Wisconsin. Tax Key No.: WAKC 1130.115.001 Address: 2208 E. Moreland Blvd.

Comments:

This site is located on the northwest side of Moreland Boulevard (US Highway 18). The site has a level to sloping topography with an irregular shape and some landscaping. The site was purchased for a new bank branch building. A former Sonic Drive-In restaurant was razed for approximately \$40,000 and the proposed building is currently under construction.

Parcel Map



LAND SALE NO. 4**Property Identification**

Location: 232 West Main Street
Waukesha, Waukesha County, Wisconsin

Property Description

Land Area: Approximately 0.7800-acres
Zoning: B-2, Central Business District
Topography: Level
Utilities: All
Intended Use: Apartments
Traffic Count: 2,400; West Main Street & 9,200 North Barstow Street
Tax Key Number: 1375-174-001

Sale Data

Date of Sale: April 2017
Sale Price: \$680,300
Sale Price/SF: \$20.02
Sale Price/Acre: \$872,179
Sale Price/Unit: \$10,973
Grantor: Main Street Plaza II, LLC
Grantee: Sterling Investment Real Estate, LLC
Document No.: 4272428
Conveyance: Warranty Deed
Financing: All cash to the seller
Verified By: IPAS, buyer representative
Verified To: Marc McSorley

Legal Description:

Parcel A All that part of Lots 3 and 4 in Block Lettered "B" of GALE, BARSTOW AND LOCKWOOD'S PLAT OF PRAIRIEVILLE, now City of Waukesha, County of Waukesha, State of Wisconsin, bounded and described as follows: Commencing at a point on the Northerly line of Main Street, distance Southwesterly from the Southeast corner of said Block Lettered "B", 140.8 feet, said point being also the Southwesterly corner of the building known as the Auditorium, and being the place of beginning; thence Northwesterly, at right angles and parallel to the side lines of Lot 3 in said Block Lettered "B", 150 feet to the rear line of said Block Lettered "B"; thence Southwesterly and at right angles along the rear line of said Block Lettered "B", 50 feet ; thence Southeasterly, at right angles and parallel to the side lines of said Lot 3, Block Lettered "B", 150 feet to the Northerly line of Main Street; thence Northeasterly along the Northerly line of Main Street, 50 feet to the place of beginning. Parcel B All that part of Lot 4, Block Lettered "B" of GALE, BARSTOW AND LOCKWOOD'S PLAT OF PRAIRIEVILLE, now City of Waukesha, County of Waukesha, State of Wisconsin

Comments:

This property represents a downtown site improved with a 62 unit five story apartment building.

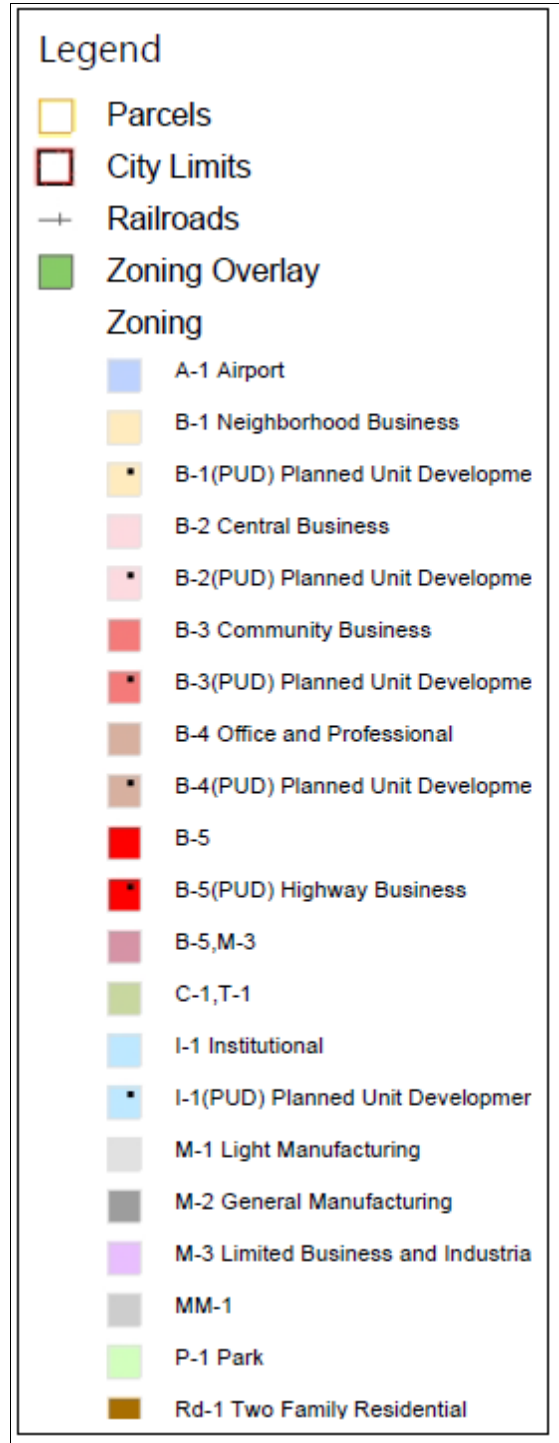
Parcel Map



**ADDENDUM D
ZONING MAP & CODE**

ZONING MAP





CHAPTER 22
Zoning

22.34 B-2 Central Business District

(Rep. & recr. #66-01)

(1) PURPOSE. To provide appropriate regulations to ensure the compatibility of the diverse uses typical of the downtown area without inhibiting the development of commercial, cultural, entertainment, and other urban activities which contribute to its role as the "heart" of the City.

(2) PERMITTED PRINCIPAL USES.

- a. Antique and collectors stores.
- b. Appliance stores.
- c. Art Galleries.
- d. Bakeries.
- e. Banks, savings and loan associations, and other financial institutions.
- f. Barber shops.
- g. Beauty shops.
- h. Book or stationery stores.
- i. Business offices.
- j. Camera and photographic supply stores.
- k. Catering services.
- l. Clinics.
- m. Clothing stores.
- n. Computer and computer supply stores.
- o. Confectioneries, soda fountains, and ice cream stores.
- p. Delicatessens.
- q. Department stores.
- r. Discount stores.
- s. Drug stores.
- t. Fish markets.
- u. Florists.
- v. Fruit stores.
- w. Furniture stores.
- x. Furriers and fur apparel.
- y. Gift stores.
- z. Grocery stores.
- aa. Hardware stores.
- bb. Hobby and craft shops.
- cc. Hotels and motels.
- dd. Insurance sales offices.
- ee. Janitorial services.
- ff. Jewelry stores.
- gg. Law offices.
- hh. Martial arts studios.

CHAPTER 22
Zoning

22.34 B-2 Central Business District

- ii. Meat markets.
- jj. Music stores.
- kk. Newspaper and magazine stores, subject to Section 22.20.
- ll. Newspaper printing and publishing.
- mm. Office supplies and business machine stores.
- nn. Optical stores.
- oo. Packaged beverage stores.
- pp. Paint, glass, and wallpaper stores.
- qq. Parking lots and structures.
- rr. Pet and pet supply stores.
- ss. Physical fitness centers.
- tt. Plumbing and heating supplies.
- uu. Post office and postal services.
- vv. Printing, including photocopying.
- ww. Professional offices.
- xx. Publishing houses.
- yy. Radio and television broadcast studios without transmitting or receiving towers.
- zz. Real estate sales offices.
- aaa. Restaurants, except drive-in restaurants.
- bbb. Self service laundry and dry-cleaning establishments.
- ccc. Shoe stores and leather goods stores.
- ddd. Sporting goods stores.
- eee. Tailor or dressmaking shops.
- fff. Tobacco stores.
- ggg. Travel agencies.
- hhh. Variety stores.
- iii. Vegetable stores.
- jjj. Video tape sales and rental, subject to Section 22.20.

(3) PERMITTED ACCESSORY USES.

- a. Garages used for storage of vehicles used in conjunction with the operation of the business.
- b. Off-street parking and loading areas.
- c. Residential quarters for the owner, proprietor, commercial tenant, employee or caretaker located in the same building as the business.
- d. Roof-mounted solar collectors provided that a registered engineer or registered architect shall certify that the structure is adequate to support the load.
- e. Earth station dish antennas located on the roof of the principal or accessory structure or in the rear yard. Where the earth station dish is roof-mounted, a registered engineer or registered architect shall certify that the structure is adequate to support the load.

CHAPTER 22
Zoning

22.34 B-2 Central Business District

(4) CONDITIONAL USES.

- a. (Am. #8-11) Residential dwelling units provided they are not located in the front fifty percent of the ground level and provided that there shall be a minimum floor area of three hundred (300) square feet for an efficiency apartment, four hundred fifty (450) square feet for a one-bedroom dwelling unit, six hundred (600) square feet for a two-bedroom dwelling unit, and seven hundred (700) square feet for a three-bedroom dwelling unit.
- b. Automobile service stations provided that all gas pumps are set back at least twenty-five (25) feet from the street and are not closer than forty (40) feet to a rear or side lot line.
- c. Church-operated meal programs, charitable institutions, and social service agencies, provided they do not occupy more than twenty-five (25) percent of any block face.
- d. Commercial adult and child care centers, provided they do not occupy more than twenty-five percent (25%) of any block face.
- e. Commercial recreation facilities, such as arcades, bowling alleys, clubs, dance halls, driving ranges, indoor firearm and archery ranges, gymnasiums, miniature golf facilities, pool and billiard halls, and indoor skating rinks.
- f. Drive-in restaurants.
- g. Funeral homes provided all principal uses and structures are not less than twenty-five (25) feet from any lot line.
- h. Lodges and clubs, provided they do not occupy more than twenty-five percent (25%) of any block face.
- i. Outdoor display of retail merchandise.
- j. Outdoor storage provided such storage complies with all storage requirements of the Municipal Code.
- k. (Am. #28-08) Public passenger transportation terminals, such as bus and rail depots, but not including airports, airstrips, heliports, helipads and landing fields. Any such use shall be located not less than one hundred (100) feet from any residential district boundary.
- l. Solar energy collectors erected as an accessory structure.
- m. Tattoo parlors.
- n. Taverns and cocktail lounges.
- o. Theaters and other amusement places.
- p. Temporary uses as set forth in Section 22.63
- q. Trailers used for storage.
- r. Utility substations, municipal wells, pumping stations, and towers provided that the use is not less than fifty (50) feet from any lot line.
- s. Wireless communications facilities as set forth and under conditions authorized in Section 22.21.
- t. Uses similar to and reasonably related to principal permitted uses.

CHAPTER 22
Zoning

22.34 B-2 Central Business District

- u. (Cr. #11-16) Buildings exceeding forty (40) feet in height when adjacent to a residential district.

(5) LOT AREA AND WIDTH. Lots in the B-2 district shall have no required lot area or width, provided, however, all applicable setback and parking requirements must be met.

(6) BUILDING HEIGHT. (Am. #11-16) Subject to subsection (4) above, there shall be no maximum height for a principal building. No accessory building shall exceed twenty (20) feet in height.

(7) SETBACK AND YARDS.

- a. There shall be a minimum street yard building setback of one (1) foot from the right-of-way of all streets.
- b. Subject to Section 22.14 no minimum side or rear yard is required.
- c. There shall be a minimum shoreyard setback of seventy-five (75) feet from the ordinary highwater mark of a navigable body of water.

(8) EROSION CONTROL. The uses and structures in the B-2 District are subject to Chapter 32 of the City of Waukesha Municipal Code, Chapter 21 of the Wisconsin Uniform Dwelling Code, and any other applicable State laws and administrative rules.

(9) PLANS AND SPECIFICATIONS TO BE SUBMITTED TO THE PLAN COMMISSION. (Am. #38-02) To encourage a business environment that is compatible with the residential character of the City, building permits for permitted uses in the B-2 District shall not be issued nor shall any substantial changes be made to any site improvements without review and approval of the Plan Commission in accordance with Section 22.15. Plan Commission review shall include consideration of such factors as open space utilization, ingress, egress, parking, landscaping, building plans and the general layout in relationship to the surrounding area.

(10) PLANNED UNIT DEVELOPMENTS. (Cr. #38-02) The restrictions on lot area, lot width, building height, setbacks, and yards may be reduced or increased if the property is part of a Planned Unit Development Overlay District in accordance with Section 22.52.

WAUKESHA MUNICIPAL CODE 10/07/16

**ADDENDUM E
LEGAL DESCRIPTIONS**

PARCEL 1 CSM NO 8828 (V78 CSM P206) PT NE1/4 SEC 3 T6N R19E 2.17 AC DOC NO 4294789 & DOC NO 4294794, CITY OF WAUKESHA, WAUKESHA COUNTY, WISCONSIN.

LEGAL DESCRIPTION "ACQUISITION"

Parcel 13 of Transportation Project Plat 2718-04-21 – 4.04 Amendment No 2, recorded as Document No. 4581420, at the Register of Deeds office in Waukesha County, Wisconsin.

Property interests and rights of said Parcel 13 consist of:

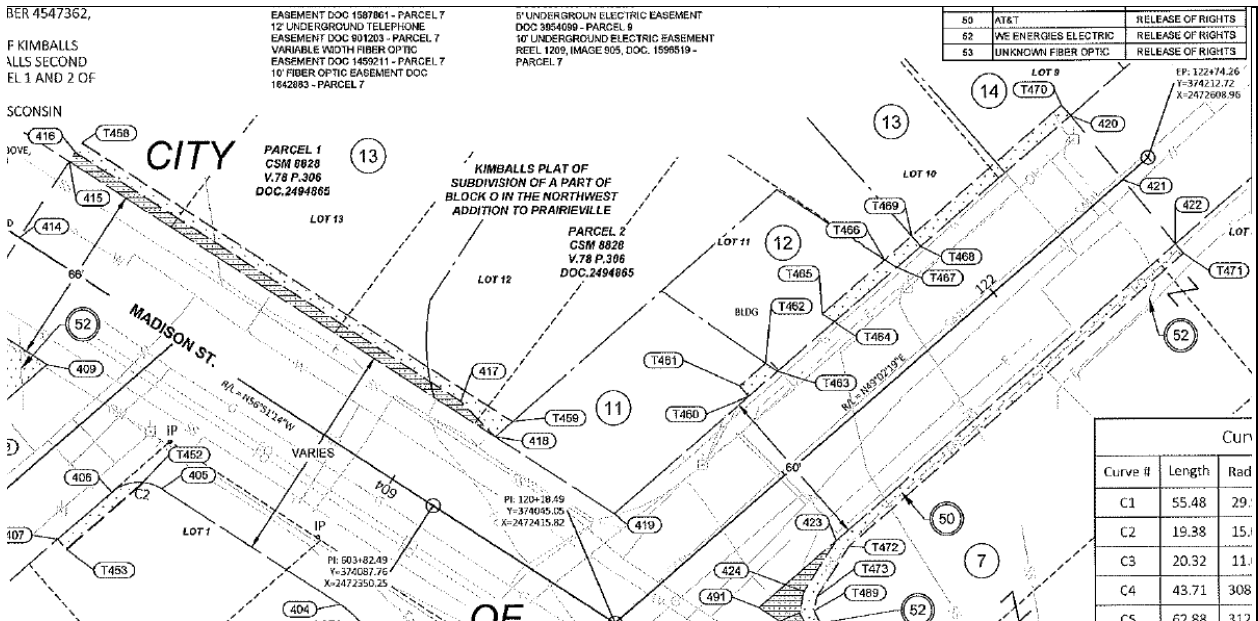
Permanent Limited Easement

Temporary Limited Easement

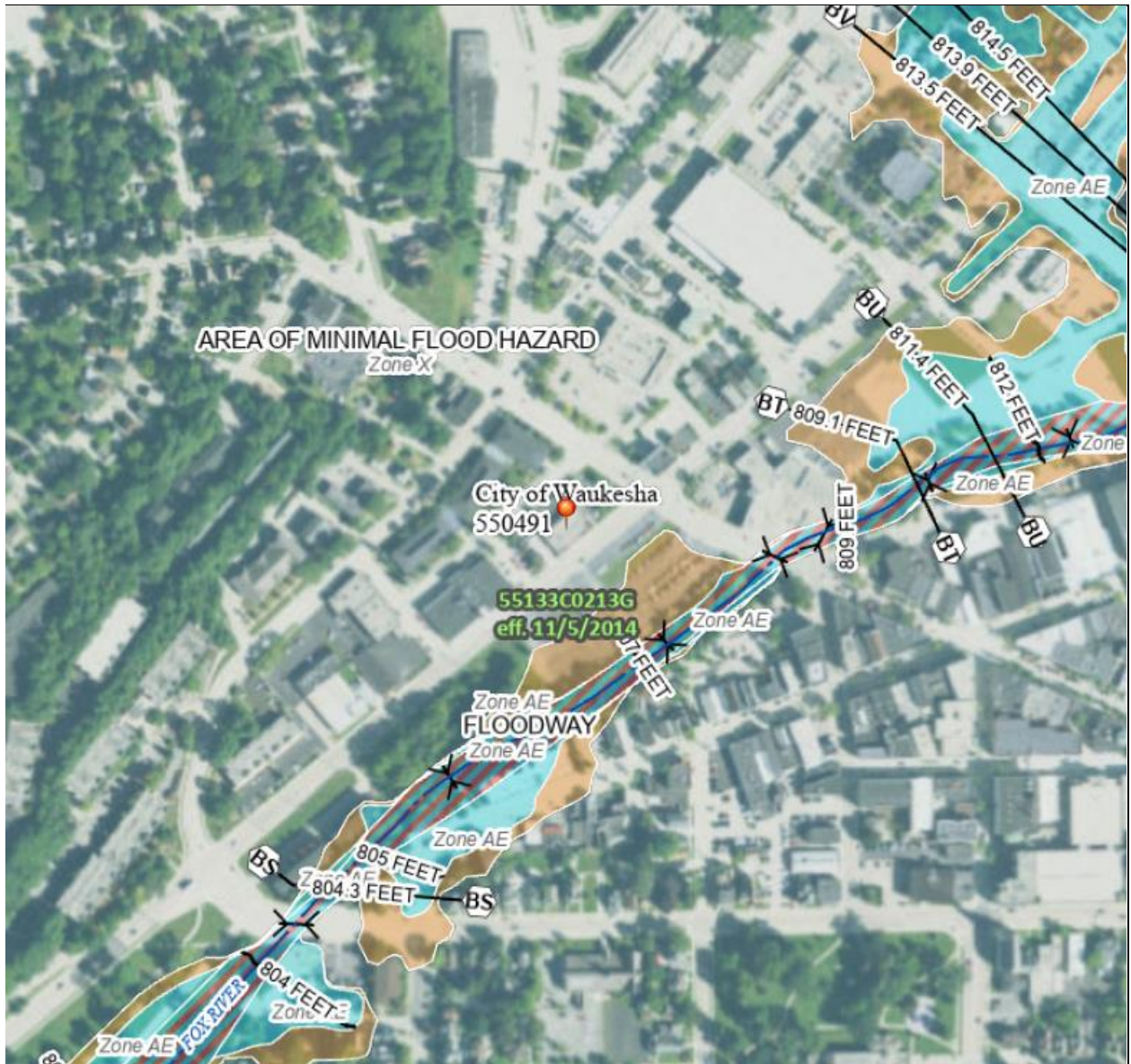
Tax I.D. WAKC1305465

ADDENDUM F
ACQUISITION PLAT

ACQUISITION PLAT



**ADDENDUM G
FLOOD PLAIN MAP**



**ADDENDUM H
QUALIFICATIONS**

QUALIFICATIONS
STEPHEN D. BOLL

PROFESSIONAL POSITION:

Counselor specializing in all phases of commercial and industrial real estate valuation and evaluation including appraisal, feasibility, ad valorem tax analysis, condemnation, and marketability studies.

EDUCATION:

Bachelor of Science, Economics, University of Wisconsin-Madison, 1990

Master of Science, Urban & Regional Planning with an emphasis in Real Estate Analysis, 1992

Successfully completed the following courses of the Appraisal Institute:

Basic Valuation Procedures
Capitalization Theory and Techniques, Part A
Capitalization Theory and Techniques, Part B
Standards of Professional Practice Parts A & B

International Right of Way Association Seminar—Sale Studies & Nominal Acquisition

International Right-of-Way Association Course 200 – Principles of Real Estate Negotiation

International Right of Way Association Course 401—The Appraisal of Partial Acquisitions

International Right of Way Association Course 501—Relocation Assistance

PROFESSIONAL CERTIFICATIONS

Wisconsin Certified General Appraiser #872

Wisconsin Licensed Real Estate Broker

Wisconsin Department of Transportation Certified Negotiator

Currently an International Right of Way Association candidate for the SR/WA designation

Currently an Appraisal Institute candidate for the MAI designation

SKILLS

Computer literate with the windows and Macintosh environments; software literate with WordPerfect, Word, Lotus 123, Excel and Argus.

PROFESSIONAL EXPERIENCE:

2003 – Present Single Source Inc
1998 – 2003 HNTB Corporation, Milwaukee WI, Real Estate Project Manager
1996 – 1997 Metropolitan Appraisal, Commercial & Residential Appraiser
1995 – 1996 Hamilton County Auditors Office, Cincinnati OH, Commercial Appraiser
1992 - 1995 Stewart Lazowick & Associates, Plantation FL, Residential & Commercial Appraiser