

BEFORE & AFTER APPRAISAL REPORT

1740 HOWARD AVENUE
MAPLE PLAIN, MN 55359
CBRE GROUP, INC. FILE NO. 18-178MN-0917-1
2018 STREET & UTILITY IMPROVEMENTS PROJECT

ROBERT SCHOEN
CITY ADMINISTRATOR
CITY OF MAPLE PLAIN
5050 INDEPENDENCE STREET, PO BOX 97
MAPLE PLAIN, MN 55359

September 19, 2018

Mr. Robert Schoen
City Administrator
City of Maple Plain
5050 Independence Street, PO Box 97
Maple Plain, MN 55359

RE: "Before" & "After" Appraisal of Single-family Home:
1740 Howard Avenue
Maple Plain, Hennepin County, Minnesota, 55359
CBRE, Inc. File No. 18-178MN-0917-1
2018 Street & Utility Improvements Project

Dear Mr. Schoen:

At your request and authorization, CBRE, Inc. has prepared a "before" and "after" appraisal of the market value of the above-referenced property. The report conveys the appraiser's opinion as to the special benefit, if any, resulting from the City of Maple Plain's proposed 2018 Street & Utility Improvements Project described within the attached report. The difference between the before and after values (if any) is the special benefit attributable to the proposed improvement project. Our analysis is presented in the following Appraisal Report.

The subject is 0.49 acres, or 21,235 square feet, of land that is improved with a one-story, rambler style single-family residence located at 1740 Howard Avenue in the city of Maple Plain. The home was constructed in 1953 and consists of approximately 1,898 square feet of gross living area (GLA), which includes three bedrooms, one full bathroom, a dining room, a living room, a family room and a kitchen. In addition, the subject includes a partial basement that does not provide any additional finished square footage. Additional features of the home include a 528-square foot, two-car attached garage, a 364-square foot deck, and two small storage sheds in the subject's rear yard. The subject is more fully described, legally and physically, within the attached report.

The purpose of the attached appraisal is to develop an opinion of the special value benefits, if any, accruing to the subject property resulting from the proposed City of Maple Plain 2018 Street & Utility Improvements Project. The intended use of the appraisal is for assisting city officials in levying special assessments in an equitable manner to the subject property as a result of the benefits (if any) provided by the improvements project. The intended users are officials of the City of Maple Plain, which is the client of the appraisal.

Based on the analysis contained within the attached report, the fee simple market values of the subject, before and after consideration of the 2018 Street & Utility Improvements Project described in this report, and the difference between the values, as of July 26, 2018, are concluded as follows:

CONCLUDED MARKET VALUES			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
As Is "Before Improvements" Market Value	Fee Simple Estate	July 26, 2018	\$310,000
As Is "After Improvements" Market Value	Fee Simple Estate	July 26, 2018	\$330,000
Difference	Fee Simple Estate	July 26, 2018	\$20,000
Compiled by CBRE			CBRE

The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter.

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, 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.

The intended use and user of our report are specifically identified in our report as agreed upon in our contract for services and/or reliance language found in the report. As a condition to being granted the status of an intended user, any intended user who has not entered into a written agreement with CBRE in connection with its use of our report agrees to be bound by the terms and conditions of the agreement between CBRE and the client who ordered the report. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to any non-intended users does not extend reliance to any such party, and CBRE will not be responsible for any unauthorized use of or reliance upon the report, its conclusions or contents (or any portion thereof).

It has been a pleasure to assist you in this assignment. If you have any questions concerning the analysis, or if CBRE can be of further service, please contact us.

Respectfully submitted,

CBRE - VALUATION & ADVISORY SERVICES

 9/19/2018

Kevin Meeks, MAI
Certified General Real Property Appraiser
MN License # 4003016

 9/19/2018

Brian Anderson
MN Trainee Appraiser
MN License # 40517857

Certification

We 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, impartial and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in or bias with respect to the property that is the subject of this report and have no personal interest in or bias with respect to the parties involved with this assignment.
4. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
5. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
6. This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
7. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, as well as the requirements of the State of Minnesota.
8. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
9. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
10. As of the date of this report, Kevin Meeks, MAI has completed the continuing education program for Designated Members of the Appraisal Institute.
11. As of the date of this report, Kevin Meeks, MAI has completed the Standards and Ethics Education Requirements for Candidates/Practicing Affiliates of the Appraisal Institute.
12. Brian Anderson, Trainee Appraiser (MN License # 40517857), has made a personal inspection of the property that is the subject of this report.
13. Brian Anderson, Trainee Appraiser (MN License # 40517857), provided significant real property appraisal assistance to Kevin Meeks, MAI, the Supervisory Appraiser.
14. Valuation & Advisory Services operates as an independent economic entity within CBRE, Inc. Although employees of other CBRE, Inc. divisions may be contacted as a part of our routine market research investigations, absolute client confidentiality and privacy were maintained at all times with regard to this assignment without conflict of interest.
15. Kevin Meeks, MAI and Brian Anderson have not provided any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

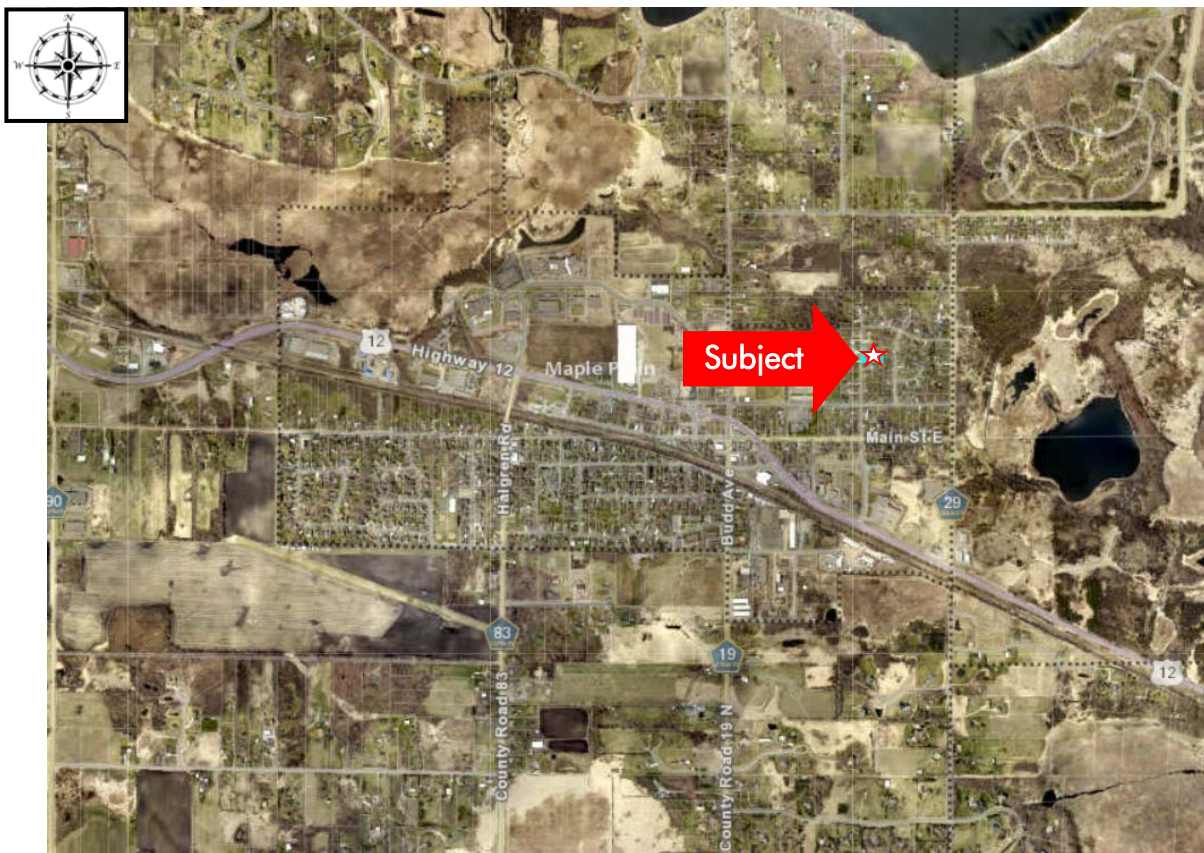
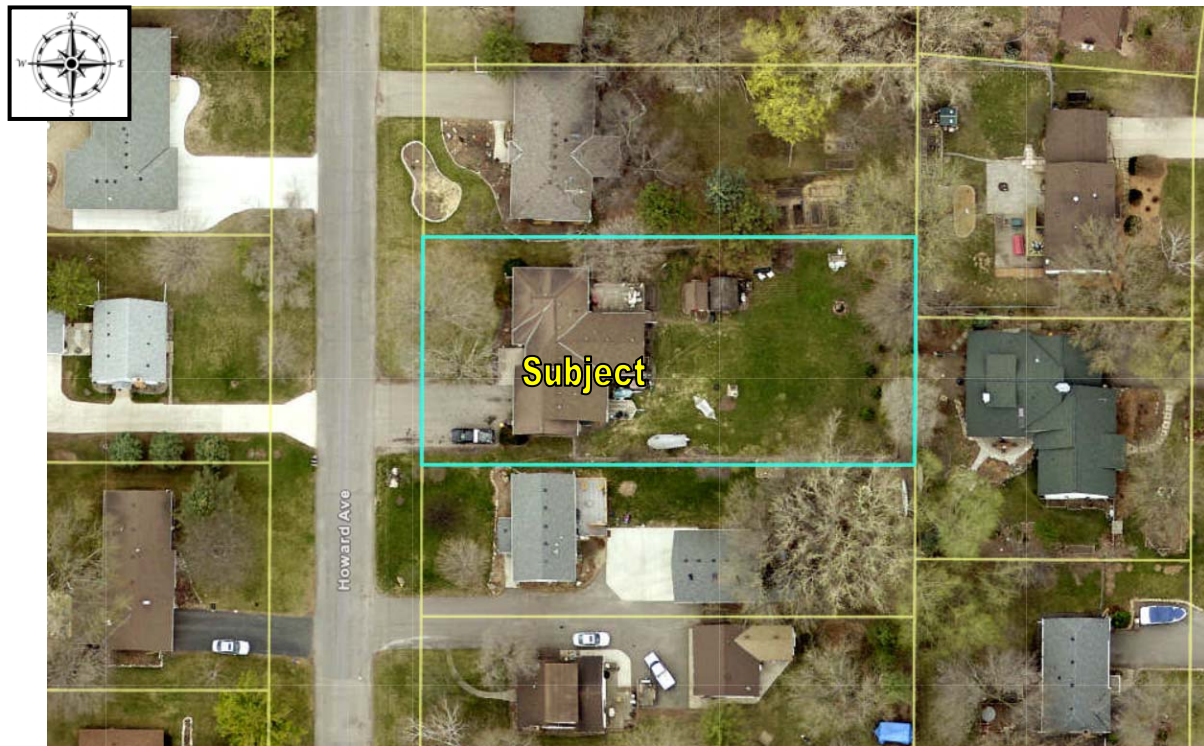
 9/19/2018

Kevin Meeks, MAI
Certified General Real Property Appraiser
MN License # 4003016

 9/19/2018

Brian Anderson
MN Trainee Appraiser
MN License # 40517857

Subject Photographs (Aerial View) – Before Improvements



Aerial View (Hennepin County GIS – 2015) – 1740 Howard Ave, Maple Plain, MN

Subject Photographs (Street View) – Before Improvements



View of Subject Looking NE from
Howard Ave



View of Subject Looking SE from
Howard Ave



View of Subject Looking E from
Howard Ave



Front of Subject's Home



Street Scene – Looking N along Howard
Ave (from Intersection w/ Independence St)



Street Scene – Looking S along Howard
Ave (@ Intersection w/ Independence St)

Executive Summary

EXECUTIVE SUMMARY

Property Type	Single-family Home	
Location	1740 Howard Avenue, Maple Plain, Hennepin County, Minnesota 55359	
Fee Owner	C J Doyle & J Vesel	
Hennepin County PID	24-118-24-44-0015	
Legal Description (Per Hennepin County)	LOT 003 BLOCK 002 GLADVIEW GARDENS S 99 FT	
City Project:	City of Maple Plain 2018 Street & Utility Improvements Project	
Highest and Best Use (Before & After Improvement Project)		
As Vacant	Development of a single-family home	
As Improved	Continued use as a residential lot improved with a single-family home	
Property Rights Appraised	Fee Simple Estate	
Date of Report	September 19, 2018	
Date of Value	July 26, 2018	
Date of Inspection	July 26, 2018	
Estimated Exposure Time (Before & After Improvement Project)	Less Than 3 Months	
Land Area - Before Acquisition		
Gross Acres	0.49 AC	21,235 SF
Net Acres	0.49 AC	21,235 SF
Zoning	R-1, Single-Family Residential District	
Guided Use	Medium Density Residential	
Improvements		
Property Type	Single-family Home	
Design (Style)	One-story	(Rambler)
Year of Construction	1953	
Gross Living Area (GLA)	1,898 SF	
Finished Basement Area	0 SF	(Partial (1,186 SF), Unfinished)
Condition	Average	
Quality of Construction	Average	(Wood Frame, Class D)
Additional Features		
Deck	364 SF	
Buyer Profile	Owner-User	

CONCLUSION OF VALUES

	Total
Subject's "Before Improvements" Market Value	\$310,000
Plus: Value Benefits Attributable to Subject Resulting from Proposed 2018 Street & Utility Improvements Project:	\$20,000
Subject's "After Improvements" Market Value	\$330,000

CONCLUDED MARKET VALUES

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
As Is "Before Improvements" Market Value	Fee Simple Estate	July 26, 2018	\$310,000
As Is "After Improvements" Market Value	Fee Simple Estate	July 26, 2018	\$330,000
Difference	Fee Simple Estate	July 26, 2018	\$20,000

Compiled by CBRE

CBRE**EXTRAORDINARY ASSUMPTIONS**

An extraordinary assumption is defined as "an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions." ¹

- None noted.

HYPOTHETICAL CONDITIONS

A hypothetical condition is defined as "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 purposes of analysis." ²

- This appraisal is based on the hypothetical condition that the "before improvements" market value is not affected by the proposed project described within this report.
- This appraisal is also based on the hypothetical condition that in the "after improvements" position on the date of valuation (July 26, 2018), it is assumed for valuation purposes that the proposed street and utility improvements have been completed, when in fact they are proposed but have not yet been completed.
- The use of these hypothetical conditions may have affected the assignment results.

¹ The Appraisal Foundation, *USPAP*, 2018-2019

² The Appraisal Foundation, *USPAP*, 2018-2019

OWNERSHIP AND PROPERTY HISTORY

The following table summarizes the subject's ownership history.

OWNERSHIP SUMMARY	
	Current
Owner(s):	C J Doyle & J Vesel
Date Purchased:	Sep 10, 1990
Purchase Price:	\$97,000
Legal Reference	CRV ID: 431933
County/Locality Name:	Hennepin County
Pending Sale:	No
Change of Ownership - Past 3 Years	No
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To the best of our knowledge, there are no known current listings, options, offers or contracts on the subject property, and no known ownership transfer of the subject during the previous three years.

EXPOSURE/MARKETING TIME – BEFORE & AFTER IMPROVEMENTS

Current appraisal guidelines require an estimate of a reasonable time period in which the subject could be brought to market and sold. This reasonable time frame can either be examined historically or prospectively. In a historical analysis, this is referred to as exposure time. Exposure time always precedes the date of value, with the underlying premise being the time a property would have been on the market prior to the date of value, such that it would sell at its appraised value as of the date of value. On a prospective basis, the term marketing time is most often used. The exposure/marketing time is a function of price, time, and use. It is not an isolated estimate of time alone. In consideration of these factors, we have analyzed the following:

- exposure periods for comparable sales used in this appraisal;
- exposure/marketing time information obtained from Northstar MLS and InfoSparks; and
- the opinions of market participants.

The following table presents the information derived from these sources, both before and after consideration is given to the proposed street and utility improvements project described within this report.

EXPOSURE/MARKETING TIME DATA - BEFORE & AFTER IMPROVEMENTS		
Investment Type	Exposure/Mktg. (Months)	
	Range	Average
CBRE Exposure Time Estimate	Less Than 3 Months	
CBRE Marketing Period Estimate	Less Than 3 Months	
Source(s): Northstar MLS, InfoSparks, Market Participants		
CBRE		

CBRE

Table of Contents

Certification	i
Subject Photographs (Aerial View) – Before Improvements	ii
Subject Photographs (Street View) – Before Improvements	iii
Executive Summary	iv
Table of Contents	vii
Scope of Work.....	1
Area Analysis	5
Neighborhood Analysis	8
Site Analysis	23
Improvements Analysis	27
Zoning	30
Tax Assessment Data	32
Market Analysis	33
Highest and Best Use – Before and After Improvements Project	41
Improved Value – Before Improvements Project	43
Description of the Project	57
Special Benefit Considerations and Conclusions	62
Special Benefit Analysis Process	63
Improved Value – After Improvements Project	64
Calculation of the Difference	79
Assumptions and Limiting Conditions	80
ADDENDA	
A Qualifications	

Scope of Work

This Appraisal Report is intended to comply with the reporting requirements set forth under Standards Rule 2 of USPAP. The scope of the assignment relates to the extent and manner in which research is conducted, data is gathered and analysis is applied.

INTENDED USE OF REPORT

This appraisal is to be used for assisting City of Maple Plain officials in levying in an equitable manner a special assessment to the subject property as a result of the benefit, if any, provided by the proposed street and utility improvements project described herein, and no other use is permitted.

CLIENT

The client is the City of Maple Plain.

INTENDED USERS OF REPORT

This appraisal is to be used by the City of Maple Plain, as well as the subject property owners, and no other user may rely on our report unless as specifically indicated in the report.

Intended Users - the intended user is the person (or entity) who the appraiser intends will use the results of the appraisal. The client may provide the appraiser with information about other potential users of the appraisal, but the appraiser ultimately determines who the appropriate users are given the appraisal problem to be solved. Identifying the intended users is necessary so that the appraiser can report the opinions and conclusions developed in the appraisal in a manner that is clear and understandable to the intended users. Parties who receive or might receive a copy of the appraisal are not necessarily intended users. The appraiser's responsibility is to the intended users identified in the report, not to all readers of the appraisal report.³

PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to estimate the market value of the subject property, before and after consideration is given to the City of Maple Plain 2018 Street & Utility Improvements Project described herein.

DEFINITION OF VALUE

The current economic definition of market value agreed upon by agencies that regulate federal financial institutions in the U.S. (and used herein) is 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

³ Appraisal Institute, The Appraisal of Real Estate, 14th ed. (Chicago: Appraisal Institute, 2013), 50.

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.⁴

INTEREST APPRAISED

The value estimates concluded in this report are of the fee simple estate interest of the property, which is defined as follows:

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.⁵

Extent to Which the Property is Identified

The property is identified through the following sources:

- postal address
- assessor's records
- legal description

Extent to Which the Property is Inspected

The extent of the inspection included the following:

- Physical exterior inspection of the subject property, and the appropriate surrounding environs, by appraiser Brian Anderson on July 26, 2018. The appraiser was not accompanied by an owner representative when viewing the subject.

Type and Extent of the Data Researched

CBRE reviewed the following:

- applicable tax data
- zoning requirements
- flood zone status
- demographics
- comparable data
- applicable deed records, plat drawings, and permit records

⁴ Interagency Appraisal and Evaluation Guidelines; December 10, 2010, Federal Register, Volume 75 Number 237, Page 77472.

⁵ Appraisal Institute, The Dictionary of Real Estate Appraisal, 6th ed. (Chicago: Appraisal Institute, 2015), 90.

Type and Extent of Analysis Applied

CBRE, Inc. analyzed the data gathered through the use of appropriate and accepted appraisal methodology to arrive at a probable value indication via each applicable approach to value. The steps required to complete each approach are discussed in the methodology section. The analysis resulted in the following component value estimates:

- Valuation of the whole subject property before consideration of the proposed street and utility improvements project;
- Valuation of the subject property after consideration of the proposed street and utility improvements project;
- The difference between the market values before and after consideration is given to the improvements project.

The steps required to complete each approach are discussed in the methodology section. Appraiser Brian Anderson did physically inspect the comparable sales utilized within this report, in addition to performing extensive research surrounding each property utilized as a comparable. Primary public data sources relied upon include Google Earth, Hennepin County and the city of Maple Plain, as well as information from Realist Tax (CoreLogic), Northstar MLS, the Certificate of Real Estate Value (CRV) database, CBRE's internal database, ESRI, and knowledgeable brokers, buyers and sellers.

We note that appraiser Kevin Meeks did not inspect the subject or any of the comparable sales utilized within this report.

Data Resources Utilized in the Analysis

DATA SOURCES	
Item:	Source(s):
Site Data	
Size	Hennepin County GIS; Hennepin County Records
Planning/Zoning	City of Maple Plain Zoning Ordinance and Comprehensive Plan
Improved Data	
Building Area	Physical Measurement; Hennepin County Assessor Records
Area Breakdown/Use	Physical Measurement; Hennepin County Assessor Records
No. Bldgs.	Physical Inspection
Year Built/Developed	Hennepin County Records
Economic Data	
Deferred Maintenance:	Hennepin County Assessor Records; Physical Inspection (Exterior Only)
Other	
2018 Street and Utility Improvements Project	City of Maple Plain Project Website; Dan Boyum, City Engineer; Feasibility Report (Dated November 2017)
Compiled by CBRE	



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.

Cost Approach

The cost approach is based on the proposition that 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 that represent the highest and best use of the land, or when it is improved with relatively unique or specialized improvements for which there exist few sales or leases of comparable properties.

Sales Comparison Approach

The sales comparison approach utilizes sales of comparable properties, adjusted for differences, to indicate a value for the subject. 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 assumes 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. The two common valuation techniques associated with the income capitalization approach are direct capitalization and the discounted cash flow (DCF) analysis.

Methodology Applicable to the Subject

Of the three traditional approaches to value (Cost, Sales Comparison, and Income Approaches), this appraisal uses only the Sales Comparison Approach. The Cost Approach is not used in the estimation of market value due to the level of depreciation affecting the subject improvements. The Income Approach was also considered, but is not developed in this appraisal due to the lack of income and gross rent multiplier data available for properties comparable to the subject. The Sales Comparison Approach is used to value the subject as improved as a single-family home, both before and after consideration is given to the proposed street and utility improvements project explained in greater detail in later sections of this report. The exclusion of said approaches are not considered to compromise the credibility of this appraisal.

Area Analysis



The dynamic nature of economic relationships within a market area has a direct bearing on real estate values and the long-term quality of a real estate investment. In the market, the value of a property is not based on the price paid for it in the past or the cost of its creation, but on what buyers and sellers perceive it will provide in the future. Consequently, the attitude of the market toward a property within a specific neighborhood or market area reflects the probable future trend of that area.

Since real estate is an immobile asset, economic trends affecting its locational quality in relation to other competing properties within its market area will also have a direct effect on its value as an investment. To accurately reflect such influences, it is necessary to examine the past and probable future trends that may affect the economic structure of the market and evaluate their impact on the market potential of the subject. This section of the report is designed to isolate and examine the discernible economic trends in the region and neighborhood that influence and create value for the subject property.

GEOGRAPHIC LOCATION

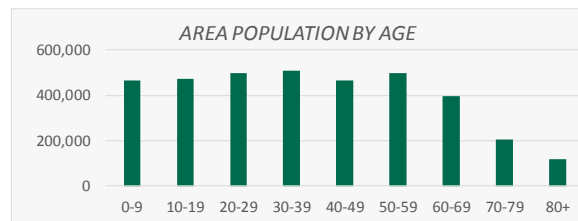
The subject property is located in the geographic area variously referred to as the Minneapolis/St. Paul metropolitan area, the Minneapolis/St. Paul Metropolitan Statistical Area (MSA) or, more commonly, the Twin Cities. The Twin Cities – Minneapolis and St. Paul – are the largest city in the state of Minnesota and the state capital, respectively. The Minneapolis-St. Paul MSA is the central population hub of the state and a significant regional center for business, transportation, and culture. This seven-county region, consisting of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington Counties, is situated in the central eastern portion of Minnesota near the Wisconsin border. Minnesota is located in the northernmost portion of the Central Plains and borders North and South Dakota, Wisconsin and Iowa in addition to sharing an international border with Canada. The northeastern portion of the state borders Lake Superior connecting Minnesota with the Great Lakes Chain and St. Lawrence Seaway.

Minneapolis-St. Paul exists where it does largely because of rivers. With its headwaters in Lake Itasca in north-central Minnesota, the Mississippi River runs through the central downtown areas of both Minneapolis and St. Paul and connects Minnesota with points south from the Quad Cities of Iowa and Illinois, to St. Louis, Missouri, Baton Rouge, Louisiana and, finally, the Gulf of Mexico. The confluence of the Mississippi River and its tributary, the Minnesota River, is located at historic Fort Snelling near the Minneapolis-St. International Airport. In addition, the St. Croix River serves as the Minnesota-Wisconsin border from northern Minnesota to Hastings, MN/Prescott, WI, ending in the Mississippi.

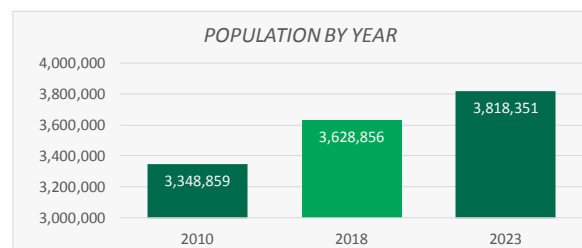
Key information about the Minneapolis/St. Paul MSA is provided in the following tables.

POPULATION

The area has a population of 3,628,856 and a median age of 38, with the largest population group in the 30-39 age range and the smallest population the in 80+ age range.



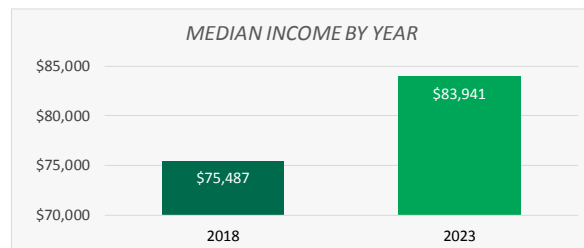
Population has increased by 279,997 since 2010, reflecting an increase of 1.6%. Population is projected to increase by an additional 189,495 by 2023, reflecting 1.0% population growth.



Compiled by CBRE; Source: Esri

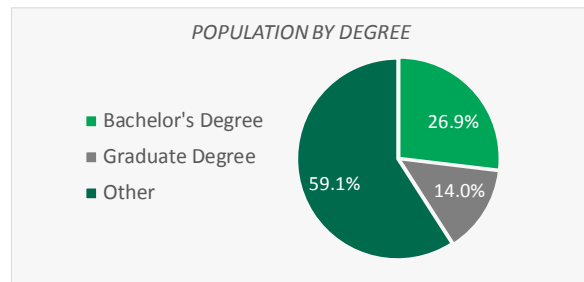
INCOME

The area features an average household income of \$99,797 and a median household income of \$75,487. Over the next five years, median household income is expected to increase by 11.2%, or \$1,691 per annum.

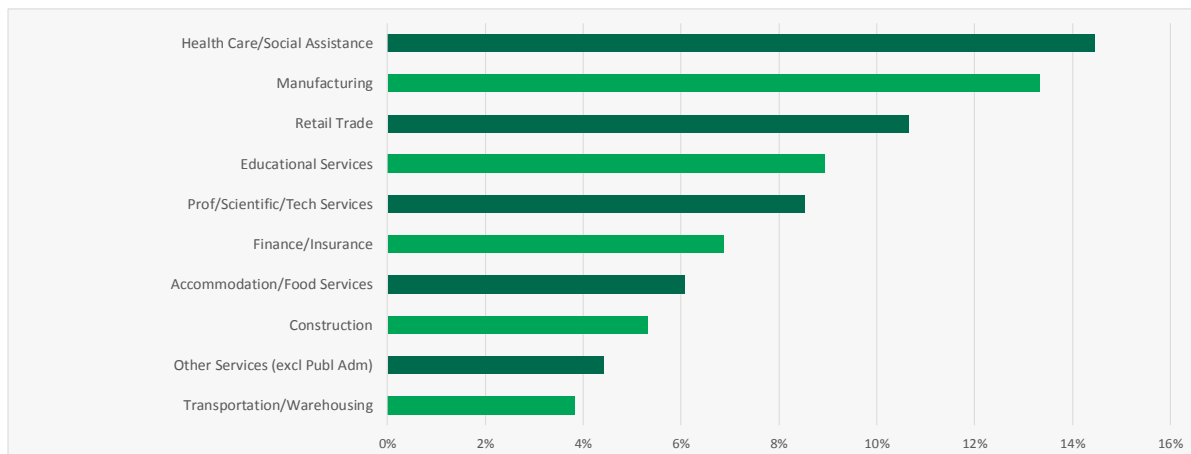


EDUCATION

A total of 40.9% of individuals over the age of 24 have a college degree, with 26.9% holding a bachelor's degree and 14.0% holding a graduate degree.



EMPLOYMENT



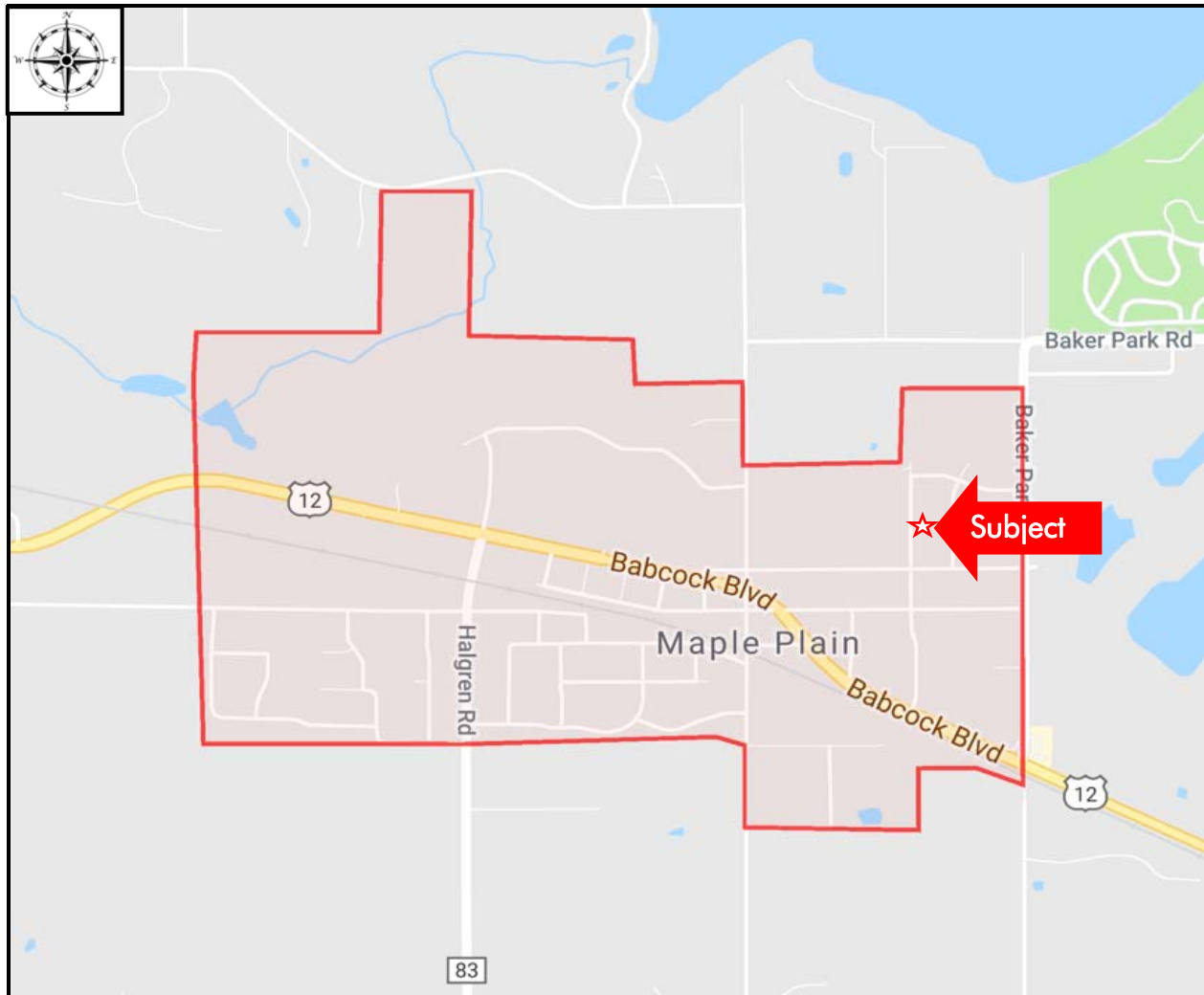
The area includes a total of 2,013,568 employees and has a 3.6% unemployment rate. The top three industries within the area are Health Care/Social Assistance, Manufacturing and Retail Trade, which represent a combined total of 38% of the population.

CONCLUSION

In summary, the Twin Cities' Metro Area is forecasted to experience an increase in population, an increase in household income, and an increase in household values. Job and output growth will improve in Minneapolis-St. Paul-Bloomington during the second half of 2018, mirroring the lift expected to the U.S. economy. Office-using business expansions and rising housing construction will help propel job growth ahead of the U.S. by 2019. Longer term, relatively low business costs in combination with a well-educated and young labor force and above-average population growth will keep Minneapolis-St. Paul-Bloomington a top Midwest performer and in line with the U.S.

Neighborhood Analysis

Subject Neighborhood Map (City of Maple Plain)



LOCATION

The subject is located within the city of Maple Plain, which is a small city of roughly 2,000 people situated in western Hennepin County along State Highway 12. Its geographical relationship to the City of Independence along with its unique shops and gathering places results in Maple Plain functioning as the downtown for the surrounding rural area. The city of Maple Plain is located approximately 20 miles northwest of the Minneapolis Central Business District (CBD).

BOUNDARIES

The neighborhood boundaries are detailed as follows:

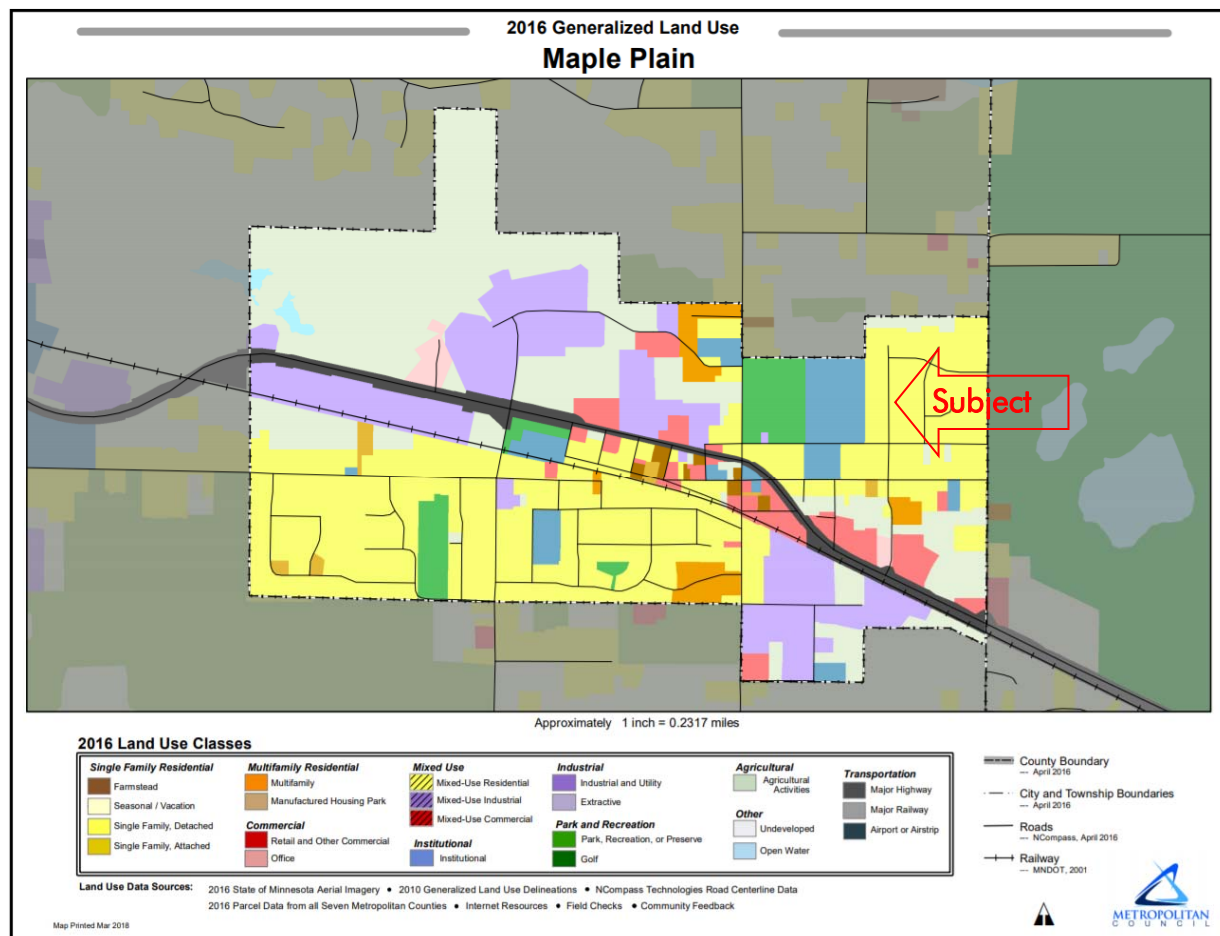
North:	Lake Independence
South:	Willow Street
East:	Baker Park Road
West:	County Road 90

LAND USE

Land uses within the subject neighborhood consist primarily of residential development with several commercial and industrial properties along the Highway 12 corridor. The majority of residential land uses are described as predominantly single-family homes, built during the late 1960's to mid-1980's. According to InfoSparks, there have been 101 closed sales so far in 2018 (from January 2018 through June 2018) with an average sales price of approximately \$285,000. To the south of the State Highway 12 and in the heart of Maple Plain is a traditional downtown area which offers a mix of conveniences from government facilities to a host of small businesses.

The following information regarding land use within the city of Maple Plain has been extracted from the Metropolitan Council Website.

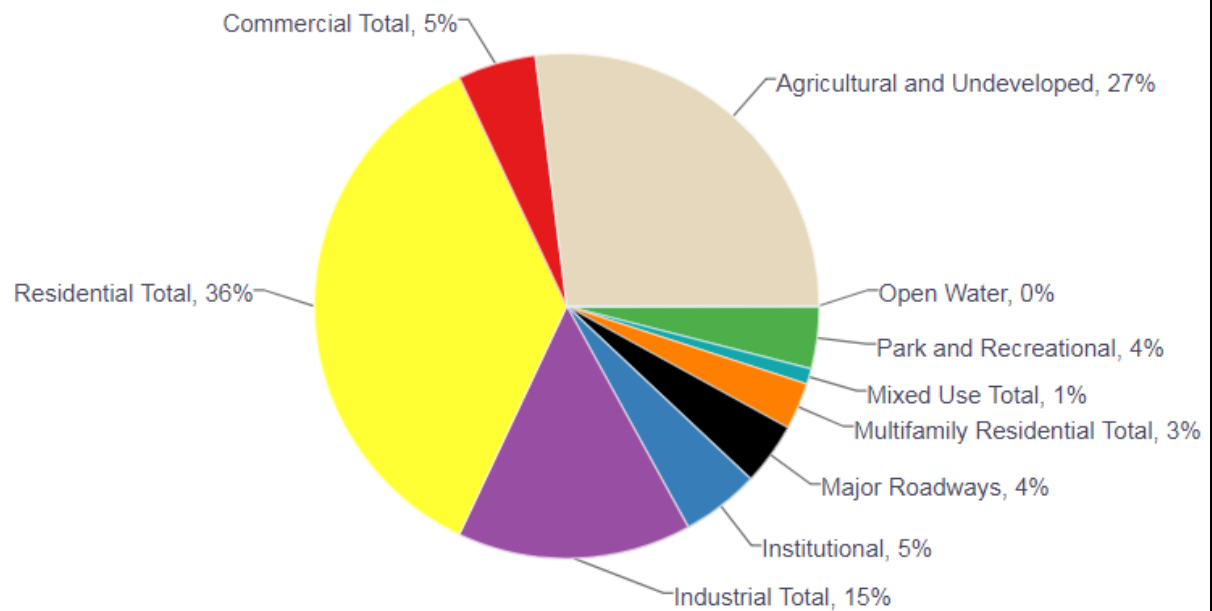
City of Maple Plain Current Land Use Map (2016)



Generalized Land Use in Maple Plain

Land Use	Year			
	2010		2016	
	Acres	Change	Acres	Change
Residential Total	263	N/A	266	1.22%
Single Family Detached	245	N/A	246	0.45%
Multifamily	18	N/A	20	10.50%
Commercial Total	36	N/A	36	-0.28%
Retail and Other Commercial	31	N/A	31	0.00%
Office	6	N/A	6	-3.45%
Industrial Total	110	N/A	105	-4.91%
Industrial and Utility	110	N/A	105	-4.91%
Institutional Total	31	N/A	32	2.24%
Park and Recreational	26	N/A	25	-3.42%
Park, Recreational or Preserve	26	N/A	25	-3.42%
Mixed Use Total	2	N/A	4	50.00%
Mixed Use Residential	2	N/A	4	50.00%
Major Roadways	23	N/A	27	16.74%
Agricultural and Undeveloped Total	191	N/A	189	-1.31%
Agriculture	0	N/A	0	0.00%
Undeveloped Land	191	N/A	188	-1.31%
Open Water	3	N/A	3	0.00%
Total	1,315	N/A	1,310	-0.36%

Generalized Land Use in Maple Plain, 2016



Source: Metropolitan Council Generalized Land Use Historical Data Set
[Download chart data](#)

Features Affecting Development in Maple Plain

Features Affecting Development	YEAR	
	2010	
	Acres within MUSA	Total Acres
Developed Total	492.2	492.2
Developed Land	484.4	484.4
Wetlands (Developed)	7.8	7.8
Areas with 18% or Greater Slope (Developed)	0.1	0.1
Agricultural and Undeveloped Total	191.0	191.0
Agricultural Land	0.1	0.1
Undeveloped Land	103.6	103.6
Wetlands (Undeveloped)	87.1	87.1
Areas with 18% or Greater Slope (Undeveloped)	0.2	0.2
Open Water	2.7	2.7
Total	1,369.2	1,369.2

This chart cannot be saved as an image. Please contact us at research@metc.state.mn.us if you need assistance.

Source: Metropolitan Council Generalized Land Use Inventories, Metropolitan Urban Service Areas (MUSA), Steep Slopes, National Wetland Inventory, U.S. Federal Emergency Management Agency Q3 Flood Zones, and Metro Wetlands and Wet Areas.

GROWTH PATTERNS

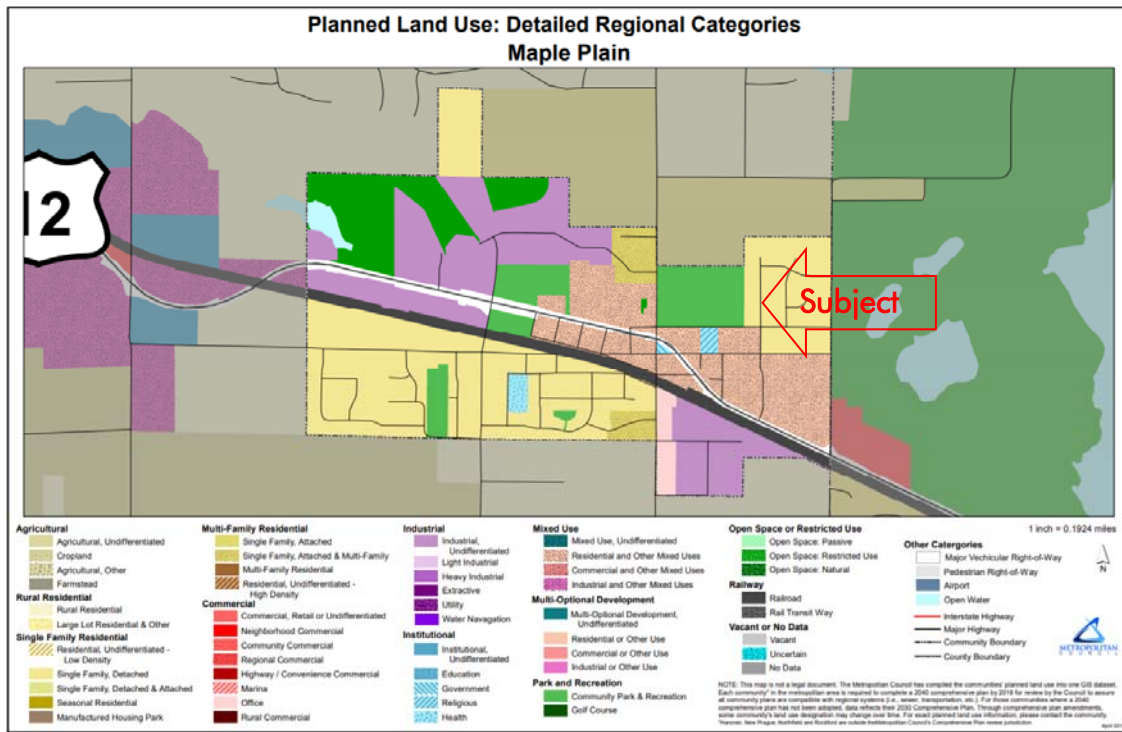
Commercial development in Maple Plain has been most active along Highway 12, which essentially bisects the city. Additional development has taken place along County Road 19 (Main Street), as well as around the periphery of the downtown area. In recent years, the majority of development has occurred in the industrial sector. Industrial development is mainly on the western and northwestern portions of the city in a newer industrial park. Most of these uses are owner-occupied industrial uses with occupancy being relatively high. The remaining industrial is contained in the direct subject area consisting of some office warehouse and multi-tenant industrial uses.

In terms of single-family residential development, there is a new 18 lot single-family/villa development known as The Meadows of Maple Plain that is located just north of State Highway 12 and County Road 19 (Main Street E). Construction of homes first began in 2015. The appraisers' research indicates that three other single-family homes have been constructed within the subject neighborhood since 2013.

Overall, due to the subject's fringe suburban twin cities location, growth within the city of Maple Plain has been modest.

The following information regarding future land use within the city of Maple Plain has been extracted from the Metropolitan Council Website.

City of Maple Plain 2030 Land Use Map

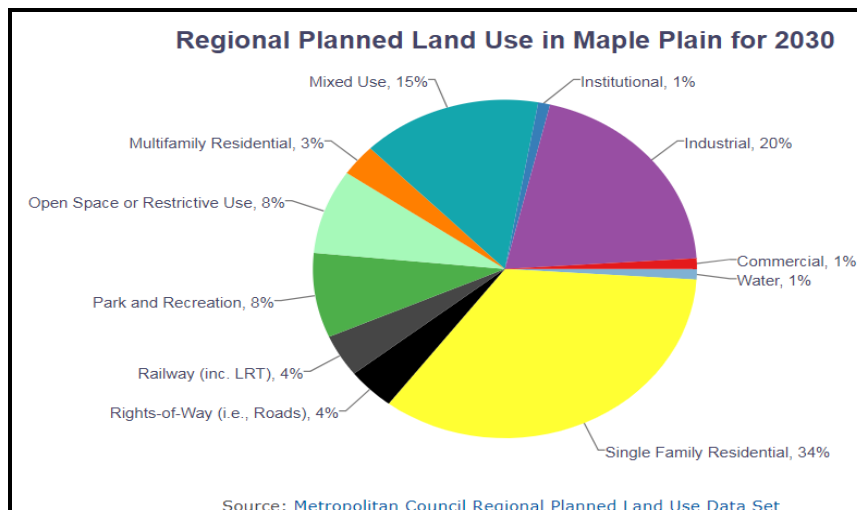


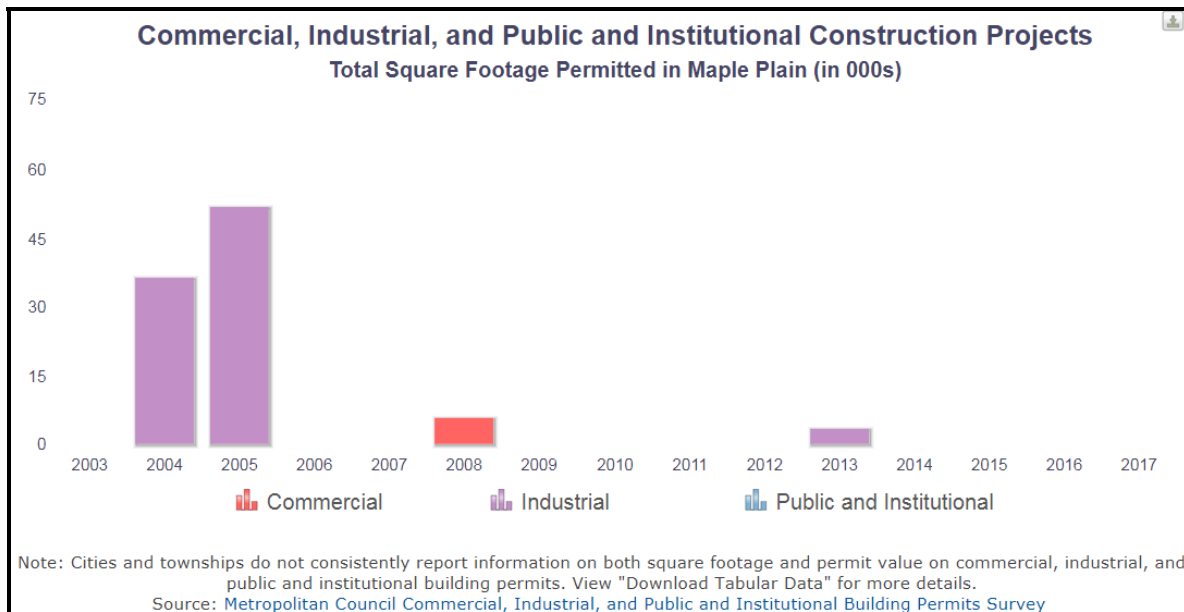
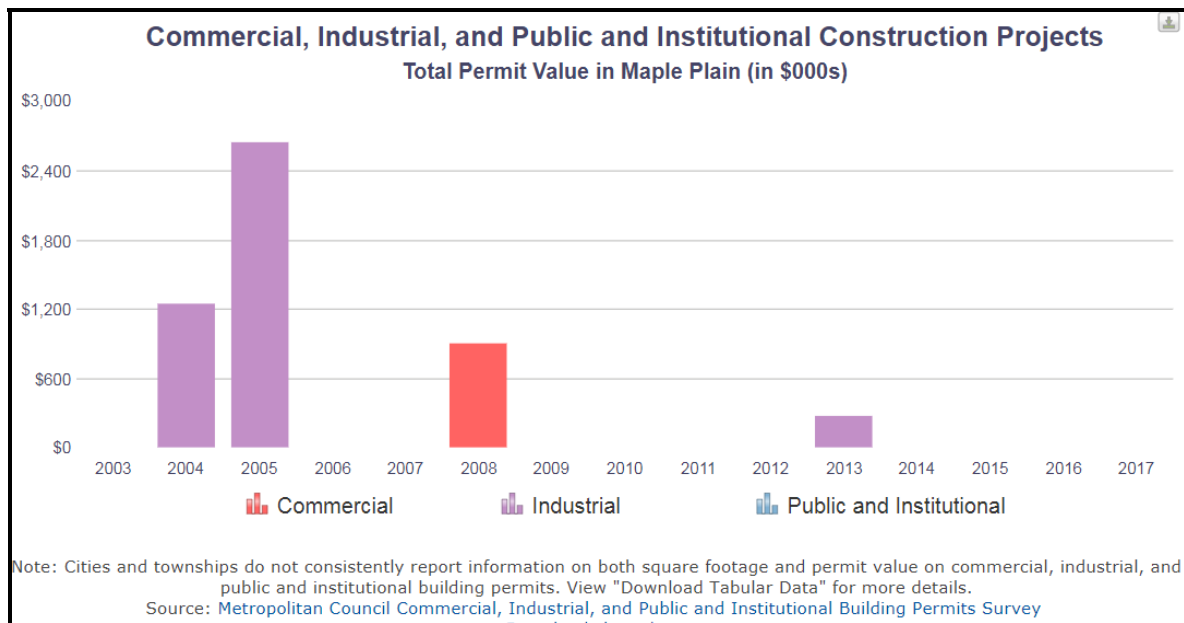
Regional Planned Land Use in Maple Plain for 2030

Planned Land Use	2030	
	Acres	% of Total
Commercial	9.9	1.45 %
Industrial	138.1	20.13 %
Institutional	7.0	1.02 %
Mixed Use	105.5	15.38 %
Multifamily Residential	20.1	2.93 %
Open Space or Restrictive Use	55.2	8.05 %
Park and Recreation	55.1	8.03 %
Railway (inc. LRT)	29.3	4.28 %
Rights-of-Way (i.e., Roads)	24.8	3.62 %
Single Family Residential	235.5	34.33 %
Water	5.4	0.79 %
Total	685.9	100.00 %

This chart cannot be saved as an image. Please contact us at research@metc.state.mn.us if you need assistance.

Source: Metropolitan Council Regional Planned Land Use Data Set





ACCESS

Maple Plain has convenient access via Highway 12, which is the only Principal Arterial in the City of Maple Plain. The roadway system in Maple Plain is dominated by Highway 12. This 2-lane principal arterial passes through Maple Plain and provides a connection to the Minneapolis/St. Paul metropolitan area to the east and through west central Minnesota. Highway 12 intersects Interstate Highway 494 approximately 10 miles to the east. Interstate Highway 494 is the loop highway that circles the metropolitan area and provides access to the Mall of America, the Minneapolis-St. Paul International Airport, and other metropolitan area destinations. Due to Highway 12's large traffic volumes, the State of Minnesota recently completed a bypass diverts traffic around communities such as Long Lake and Orono.

Overall, although Highway 12 is conveniently accessible to the subject, access to the neighborhood and surrounding area is average due to being 10 miles west of the I-494 loop. Furthermore, City officials have recognized ongoing challenges along the existing roadway system, such as delays, longer travel times and potential safety problems.

DEMOGRAPHICS

Selected neighborhood demographics within a 1-, 3- and 5-mile radii from the subject, as well as in the city of Maple Plain, are shown in the following table:

SELECTED NEIGHBORHOOD DEMOGRAPHICS				
1740 Howard Avenue Maple Plain, MN 55359	1 Mile Radius	3 Mile Radius	5 Mile Radius	City of Maple Plain
Population				
2023 Total Population	1,866	6,615	23,444	1,918
2018 Total Population	1,806	6,355	22,372	1,859
2010 Total Population	1,720	5,988	20,864	1,768
2000 Total Population	1,826	6,097	20,605	1,908
Annual Growth 2018 - 2023	0.66%	0.81%	0.94%	0.63%
Annual Growth 2010 - 2018	0.61%	0.75%	0.88%	0.63%
Annual Growth 2000 - 2010	-0.60%	-0.18%	0.12%	-0.76%
Households				
2023 Total Households	742	2,397	8,945	771
2018 Total Households	722	2,314	8,579	751
2010 Total Households	695	2,205	8,091	723
2000 Total Households	679	2,105	7,666	713
Annual Growth 2018 - 2023	0.55%	0.71%	0.84%	0.53%
Annual Growth 2010 - 2018	0.48%	0.60%	0.73%	0.48%
Annual Growth 2000 - 2010	0.23%	0.47%	0.54%	0.14%
Income				
2018 Median Household Income	\$84,841	\$106,726	\$104,365	\$79,210
2018 Average Household Income	\$115,509	\$147,467	\$150,045	\$107,753
2018 Per Capita Income	\$44,119	\$54,633	\$57,140	\$41,736
2018 Pop 25+ College Graduates	548	2,231	7,869	545
Age 25+ Percent College Graduates - 2018	42.4%	49.5%	49.8%	40.8%
Source: ESRI				CBRE

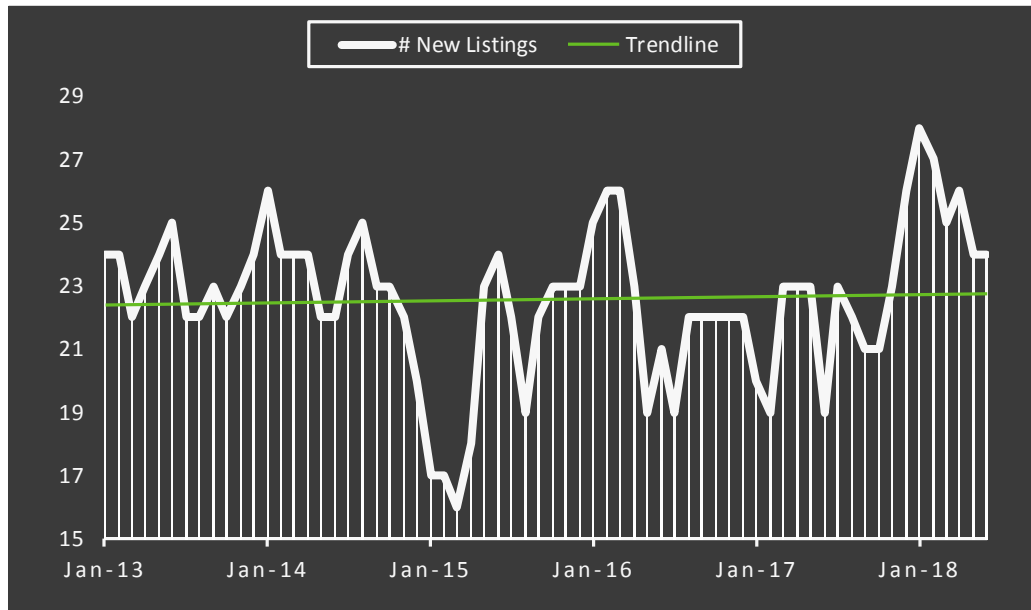
CITY OF MAPLE PLAIN SINGLE-FAMILY HOUSING MARKET

The following information regarding the housing market within the subject neighborhood (City of Maple Plain) was obtained from InfoSparks. Filters were applied as follows:

INFOSPARKS DATA PARAMETERS	
Subject Neighborhood: City of Maple Plain	
Category	Filter
Price Range	All Price Ranges
Property Type	Single-Family
Construction Type	Previously Owned
Seller Type	Traditional
Square Footage	All Sizes
# of Bedrooms	All Bedrooms
Waterfront Type	Non-Waterfront
Source: InfoSparks	
CBRE	

New Listings

NEW LISTINGS



Source: InfoSparks

CBRE

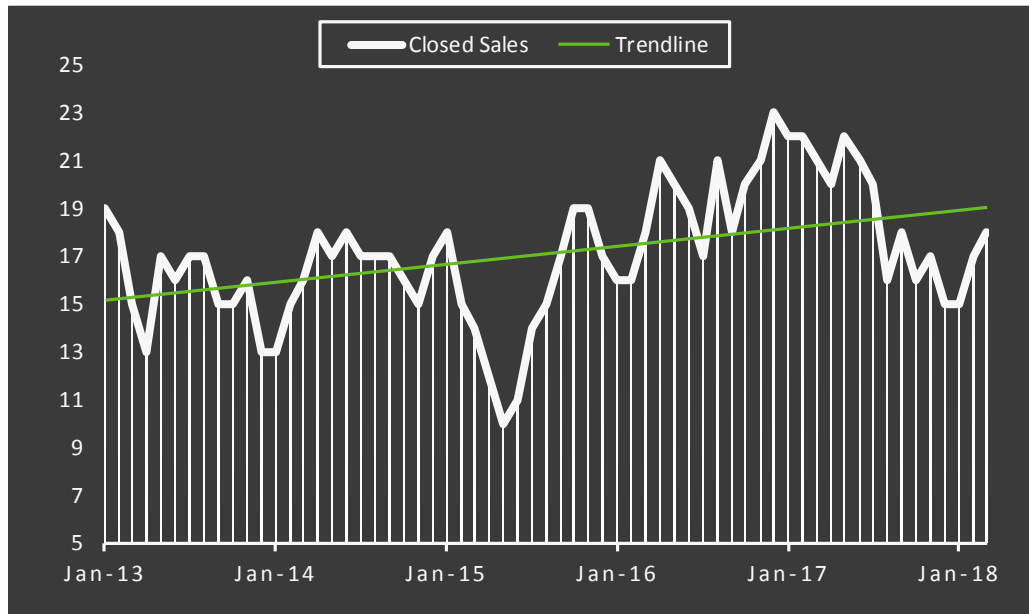
NEW LISTINGS

Year	# New Listings	% Change (+/-)
2013	278	
2014	279	0.4%
2015	247	-11.5%
2016	269	8.9%
2017	263	-2.2%
2018 (Annualized)	308	17.1%

Source: InfoSparks

CBRE

Closed Sales

CLOSED SALES

Source: InfoSparks

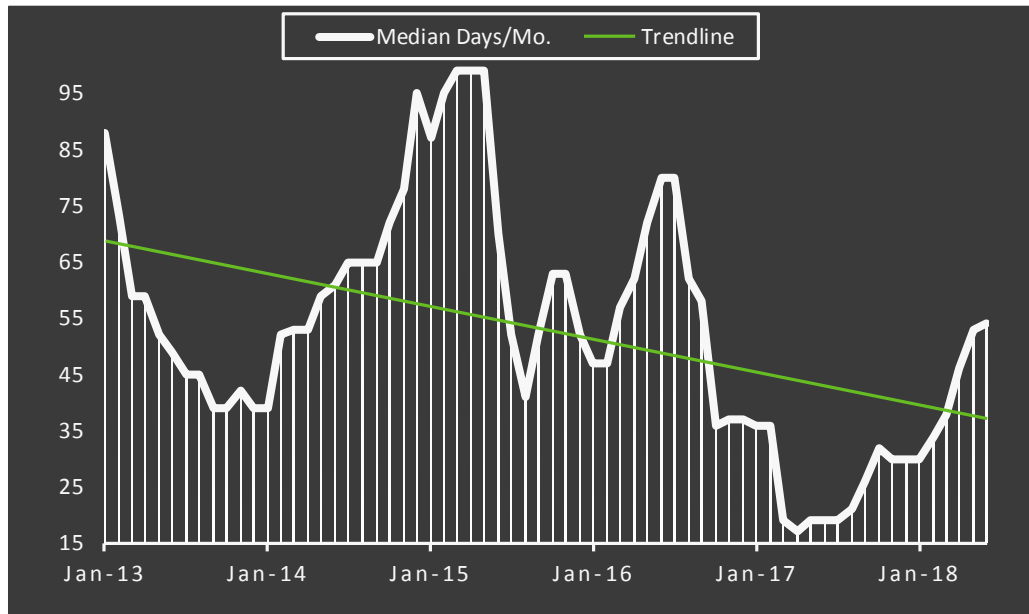
CBRE**CLOSED SALES**

Year	# Closed Sales	% Change (+/-)
2013	191	
2014	196	2.6%
2015	181	-7.7%
2016	230	27.1%
2017	230	0.0%
2018 (Annualized)	202	-12.2%

Source: InfoSparks

CBRE

Median Days on Market

MEDIAN DAYS ON MARKET

Source: InfoSparks

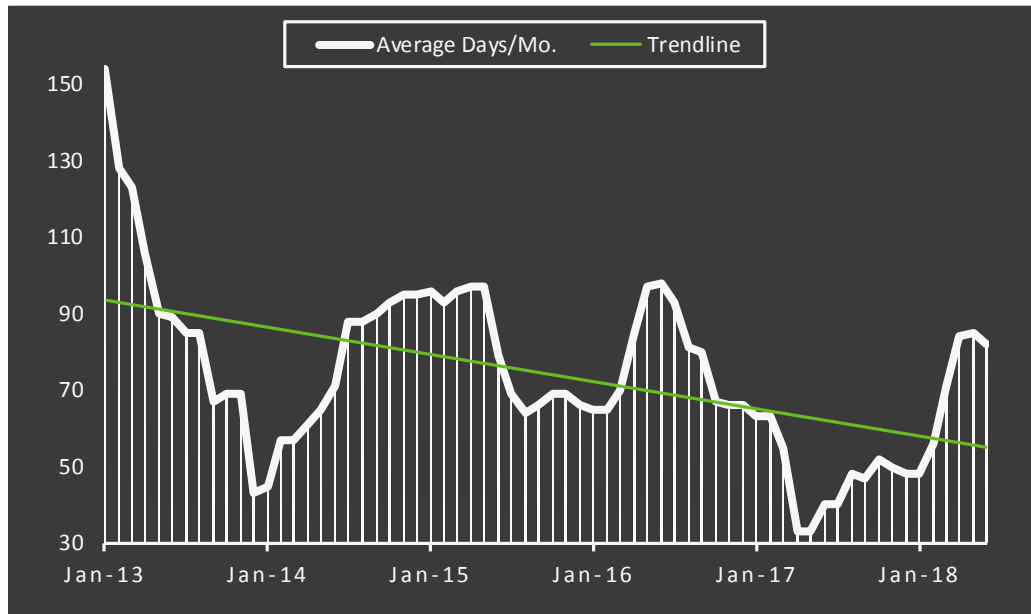
CBRE**MEDIAN DAYS ON MARKET**

Year	Median Days/Mo.	% Change (+/-)
2013	47	
2014	63	34.0%
2015	67	5.6%
2016	58	-13.5%
2017	24	-59.1%
2018 (YTD)	42	78.7%

Source: InfoSparks

CBRE

Average Days on Market

AVERAGE DAYS ON MARKET

Source: InfoSparks

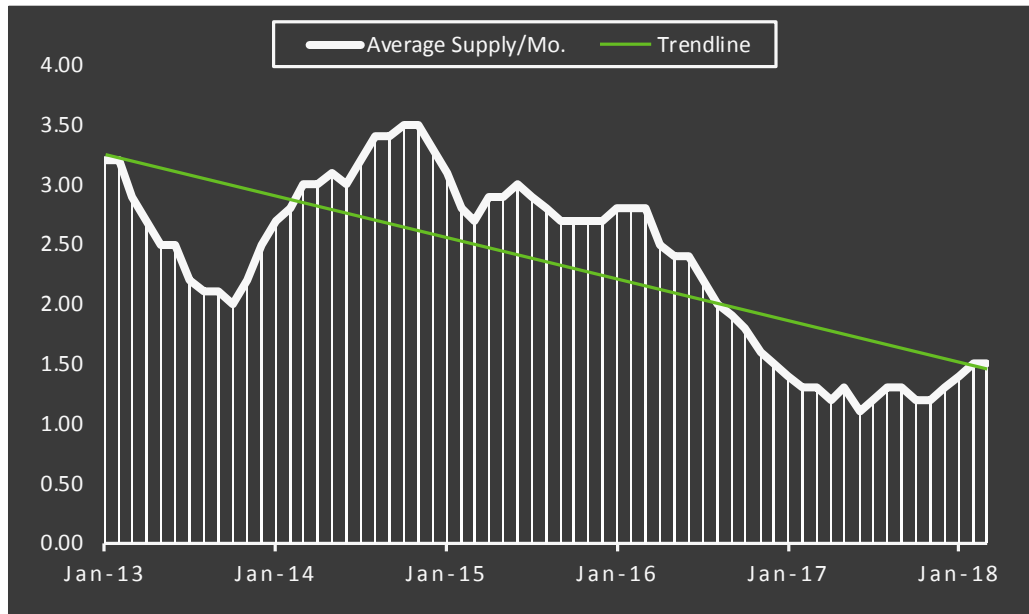
CBRE**AVERAGE DAYS ON MARKET**

Year	Average Days/Mo.	% Change (+/-)
2013	92	
2014	75	-18.3%
2015	80	6.2%
2016	78	-2.9%
2017	48	-38.7%
2018 (YTD)	71	49.0%

Source: InfoSparks

CBRE

Months Supply of Homes for Sale

MONTHS SUPPLY OF HOMES FOR SALE

Source: InfoSparks

CBRE

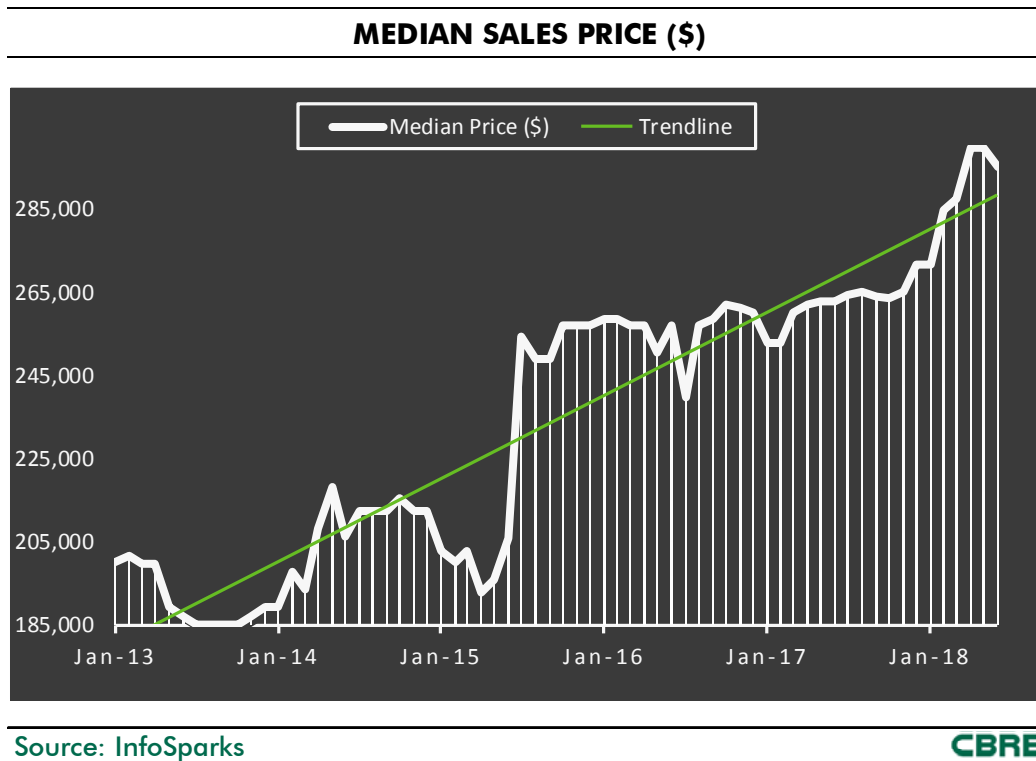
MONTHS SUPPLY OF HOMES FOR SALE

Year	Average Supply/Mo.	% Change (+/-)
2013	2.5	
2014	3.2	25.9%
2015	2.8	-10.6%
2016	2.2	-21.2%
2017	1.3	-43.4%
2018 (YTD)	1.6	23.2%

Source: InfoSparks

CBRE

Median Sales Price

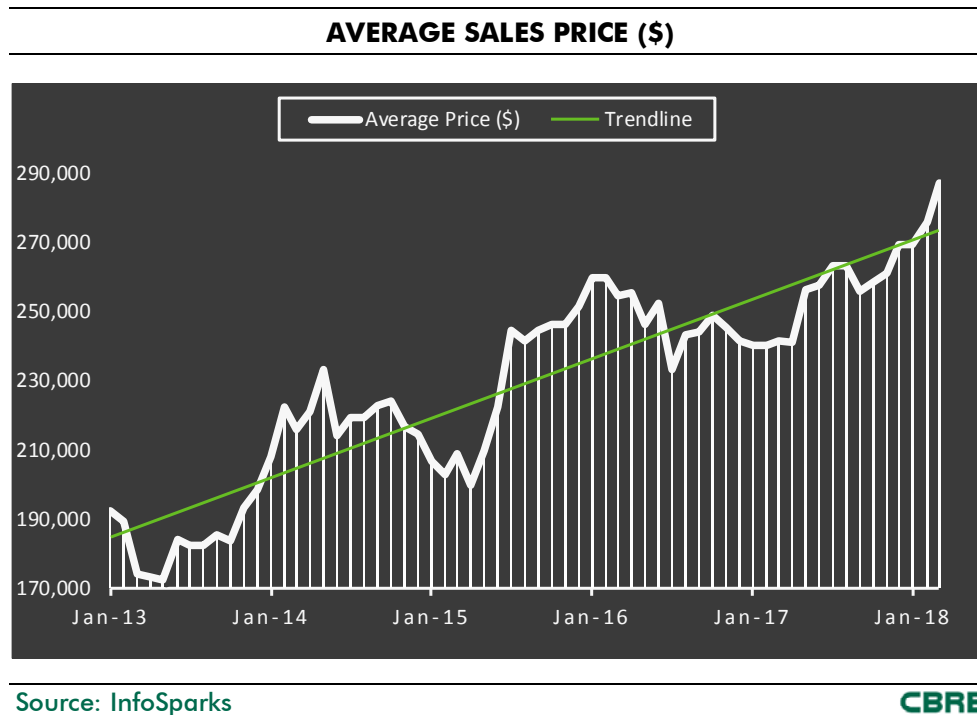


MEDIAN SALES PRICE (\$)		
Year	Median Price (\$)	% Change (+/-)
2013	\$188,375	
2014	\$212,500	12.8%
2015	\$227,500	7.1%
2016	\$257,875	13.4%
2017	\$263,375	2.1%
2018 (YTD)	\$291,225	10.6%

Source: InfoSparks

CBRE

Average Sales Price



AVERAGE SALES PRICE (\$)		
Year	Average Price (\$)	% Change (+/-)
2013	\$184,221	
2014	\$219,274	19.0%
2015	\$227,067	3.6%
2016	\$248,712	9.5%
2017	\$253,965	2.1%
2018 (YTD)	\$285,340	12.4%

Source: InfoSparks CBRE

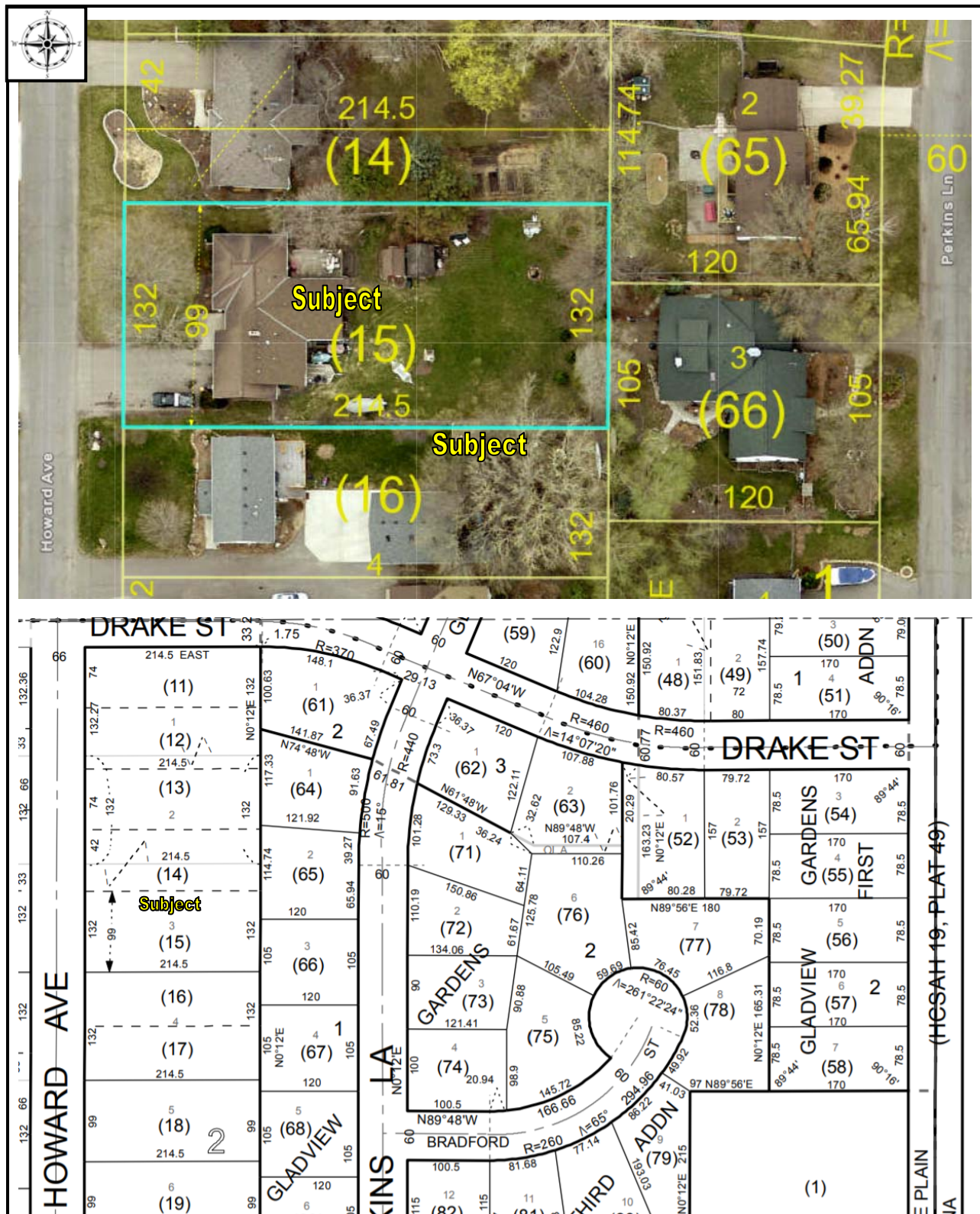
CONCLUSION

The neighborhood appears to be in a period of growth as defined by the Appraisal of Real Estate. This is further evidenced by the fact that the subject neighborhood is projected to experience moderate increases in resident population and total number of households. The neighborhood also has vacant tracts of land that allow room for expansion. Furthermore, while growing, the city's population is also significantly aging. These characteristics are indicators that the City of Maple Plain has opportunities for residential development.

Furthermore, the single-family housing market has been favorable over the past five years. Not only has there been an overall increasing trend in the number of closed sales over this time frame, but there has also been a reduction in both days on the market and supply of homes, which has translated to steadily increasing average and median sales prices year-over-year.

Overall, the outlook for the neighborhood is for continued growth over the next several years. As a result, the demand for existing developments is expected to be good.

PLAT MAPS



Site Analysis

The following chart summarizes the salient characteristics of the subject site.

SITE SUMMARY AND ANALYSIS			
Physical Description			
Gross Site Area	0.49 Acres	21,235 Sq. Ft.	
Net Site Area	0.49 Acres	21,235 Sq. Ft.	
Average Depth	215 Feet		
Excess Land Area	None	n/a	
Surplus Land Area	None	n/a	
Shape	Rectangular		
Topography	Generally Level, At Street Grade		
Primary Traffic Counts (24 hrs.)	N/A - Not Counted		
Zoning District	R-1, Single-Family Residential District		
Flood Map Panel No. & Date	27053C0144F	4-Nov-16	
Flood Zone	Zone X (Unshaded)		
Adjacent Land Uses	Single-family Residential Uses		
Earthquake Zone	N/A		
Comparative Analysis		<u>Rating</u>	
Visibility	Average		
Functional Utility	Average		
Traffic Volume	Average		
Adequacy of Utilities	Fair; city water/city sewer are dated, per City		
Landscaping	Average		
Street Improvements	Fair; pavement along Howard Avenue is in fair condition and there is no concrete curb and gutter		
Drainage	Fair		
Utilities		<u>Provider</u>	<u>Availability</u>
Water	City of Maple Plain		Yes
Sewer	City of Maple Plain		Yes
Natural Gas	CenterPoint Energy		Yes
Electricity	Xcel Energy		Yes
Mass Transit	Metropolitan Transit Authority		Yes
Other		<u>Yes</u>	<u>None Known</u>
Detrimental Easements			X
Encroachments			X
Deed Restrictions			X
Reciprocal Parking Rights			X
Source: Various sources compiled by CBRE			CBRE

The subject is 0.49 acres, or 21,235 square feet, of single-family residential land located at 1740 Howard Avenue in the city of Maple Plain. The subject parcel is an interior lot with approximately 99 feet of frontage along the east side of Howard Avenue, which is currently in fair condition with many areas of cracking, patching, rutting and settlements. The subject parcel is rectangular in shape and exhibits generally level topography (at street grade).

INGRESS/EGRESS

Ingress and egress is available to the site via Howard Avenue, which, at the subject, is a north/south street that currently has a dedicated width of approximately 26 feet and is improved with one lane of traffic in each direction. Street improvements include asphalt paving, which, based on the appraiser's physical inspection, is currently in fair condition with many areas of cracking, patching, rutting and settlements. Public Works staff has identified Howard Avenue as failed and has proposed an improvement project that plans for complete reconstruction of the roadway (from Main Street East to Drake Street), which is described in greater detail within later sections of this report. The appraisers note that the roadway does not currently have concrete curbs, gutters or sidewalks. Street parking is permitted.

DRAINAGE

There is no existing storm sewer along the section of Howard Avenue to be reconstructed to the north of Independence. Storm water currently drains to catch basins at intersections with Drake Street, Independence Street, and Main Street East. The existing storm sewer along Independence Street extends from Howard to Perkins Lane. There is a flared end section on the north side of Independence Street that picks up rear yard drainage between Howard and Perkins Lane.

Overall, the current drainage along Howard Avenue in front of the subject is considered to be fair.

EASEMENTS AND ENCROACHMENTS

There are no known easements or encroachments impacting the site that are considered to affect the marketability or highest and best use. It is recommended that the client/reader obtain a current title policy outlining all easements and encroachments on the property, if any, prior to making a business decision.

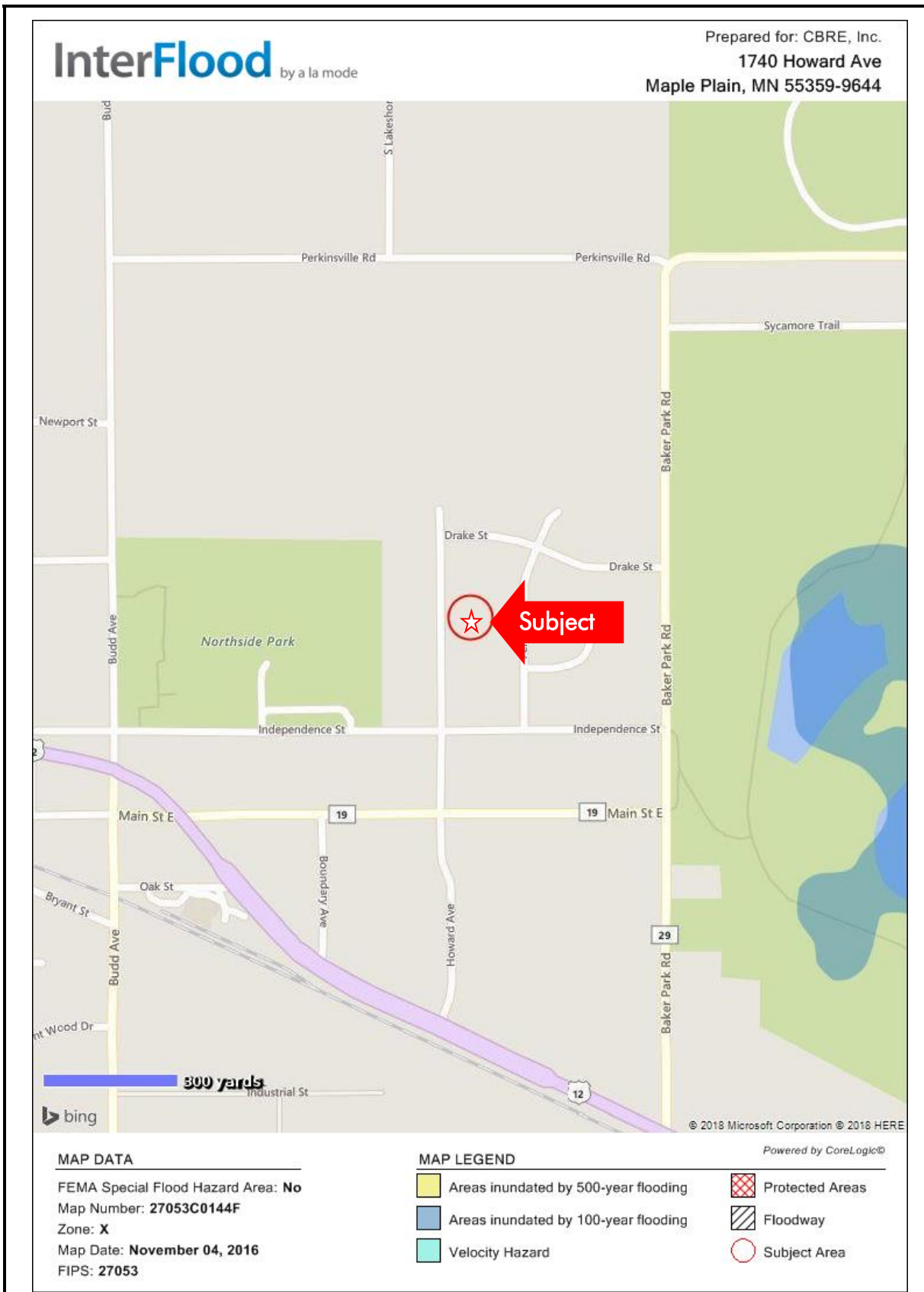
COVENANTS, CONDITIONS AND RESTRICTIONS

There are no known covenants, conditions or restrictions impacting the site that are considered to affect the marketability or highest and best use. It is recommended that the client/reader obtain a copy of the current covenants, conditions and restrictions, if any, prior to making a business decision.

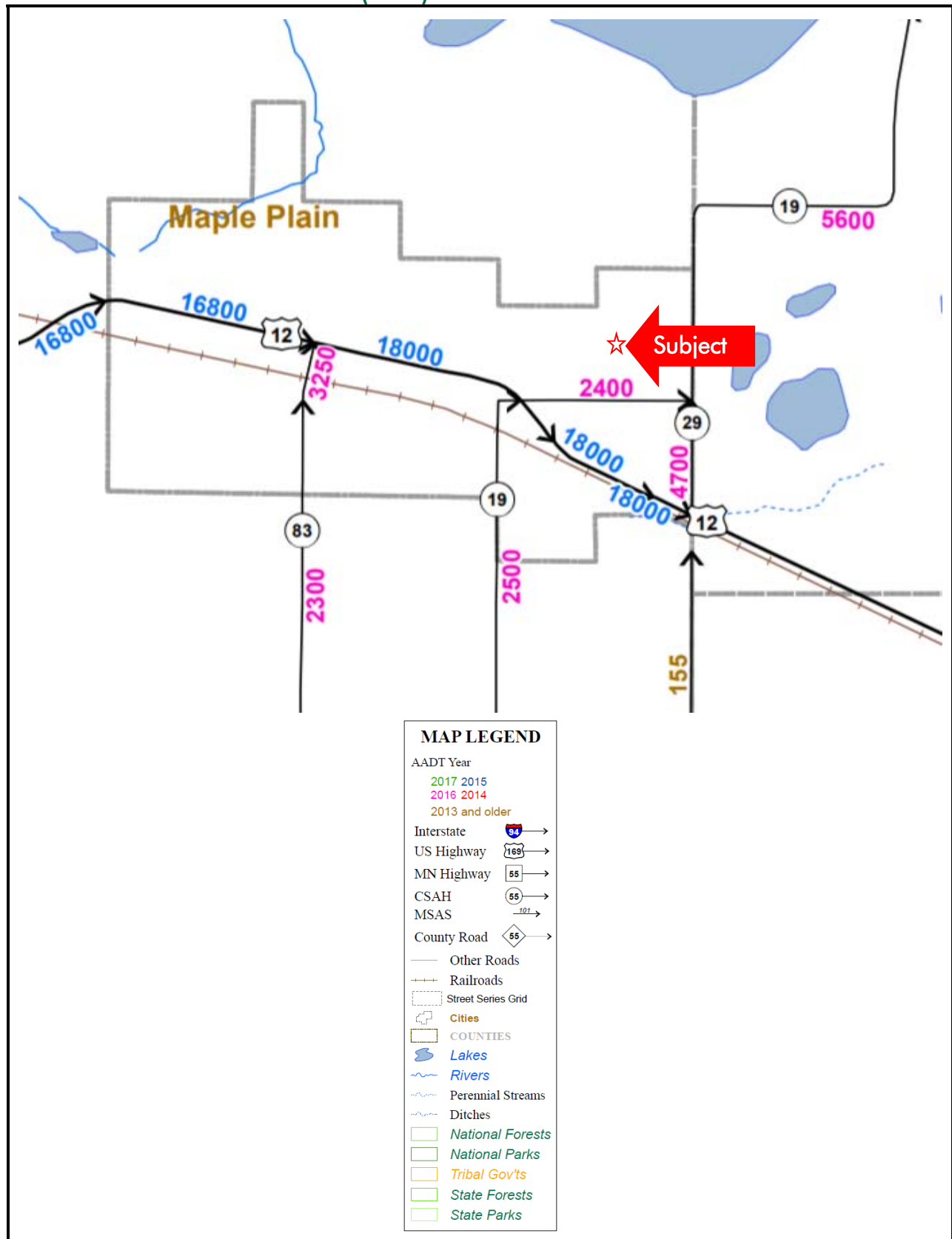
CONCLUSION

The site is considered to have adequate physical features and functional utility for development of a single-family residence. Overall, there are no known physical factors that are considered to prevent the site from development to its highest and best use, as if vacant.

FLOOD PLAIN MAP



TRAFFIC COUNT MAP – MNDOT (2017)



Improvements Analysis

The following photo shows the subject property as of July 26, 2018:



**1740 Howard Avenue, Maple Plain, MN 55359
(Front of Subject Home)**

The subject is 0.49 acres, or 21,235 square feet, of land that is improved with a one-story, rambler style single-family residence located at 1740 Howard Avenue in the city of Maple Plain. The home was constructed in 1953 and consists of approximately 1,898 square feet of gross living area (GLA), which includes three bedrooms, one full bathroom, a dining room, a living room, a family room and a kitchen. In addition, the subject includes a partial basement that does not provide any additional finished square footage. Additional features of the home include a 528-square foot, two-car attached garage, a 364-square foot deck, and two small storage sheds in the subject's rear yard.

The following chart summarizes the salient characteristics of the subject's improvements:

IMPROVEMENTS SUMMARY AND ANALYSIS

Property Type	Single-family Home
Address	1740 Howard Avenue Maple Plain, Minnesota 55359
Number of Buildings	1
Year Built	1953
Building Design (Style)	One-story (Rambler)
Gross Living Area (GLA)	1,898 SF
Above Grade Bedrooms	3
Above Grade Baths	1.00
Finished Basement Square Feet	0 SF
Basement Baths	0.00
Vehicle Storage	2-Car Attached Garage (528 SF)
Amenities	Fireplace, Deck, 2 Storage Sheds, Fence
Landscaping	Bituminous driveway; Grass lawn, mature trees, gardens, bushes, shrubs, and ground cover plants

IMPROVEMENT DESCRIPTION

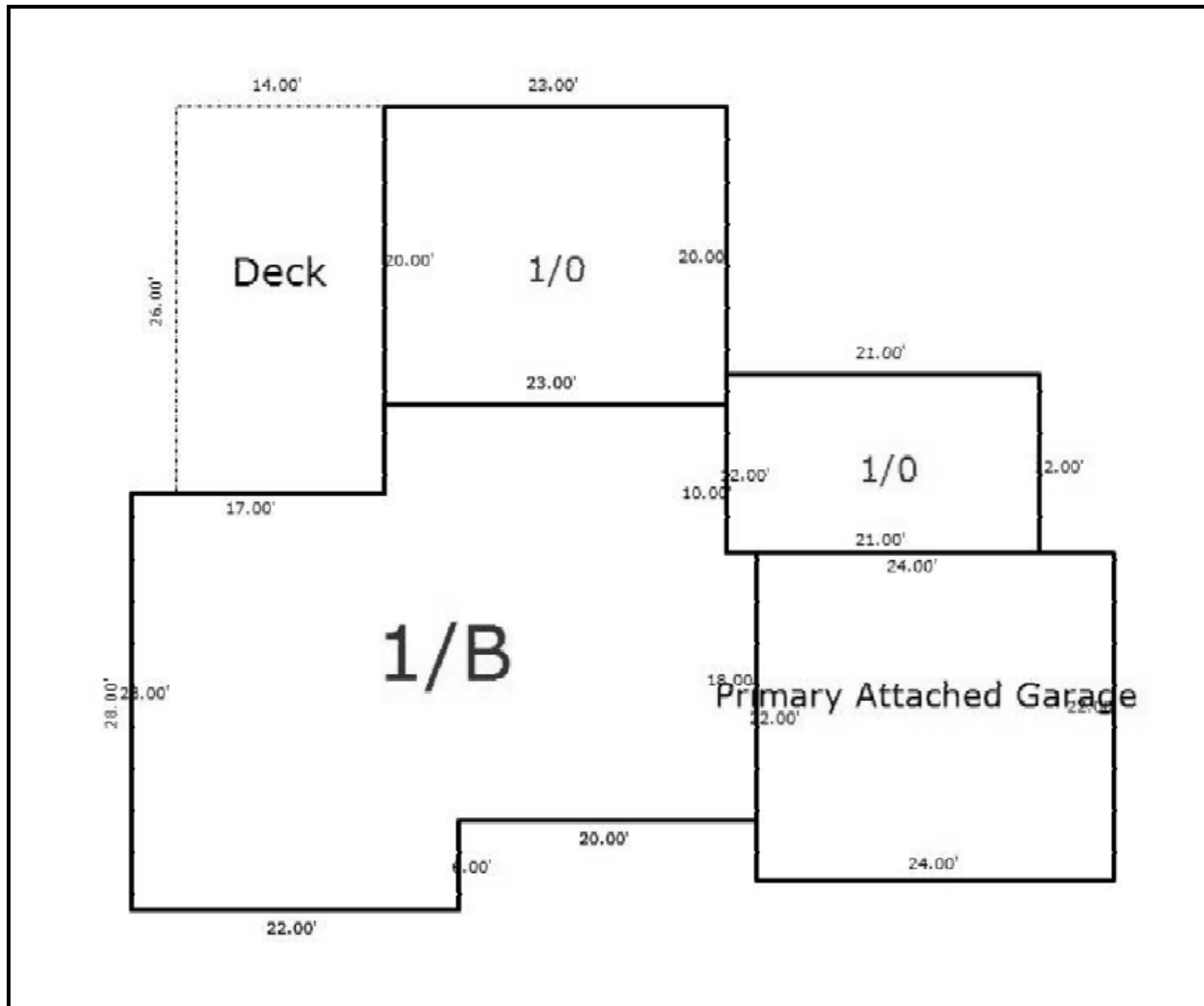
Foundation	Concrete Block
Frame	Wood (2 x 4)
Exterior Wall	Brick
Window Style	Double Hung
Interior Doors/Trim	Solid 6-Panel Wood, Stained & Painted Wood
Interior Walls	Painted Drywall
Roof Structure/Cover	Hip/Asphalt
Ceiling Height	8 Feet
HVAC System	Forced Air Heat & Central Air Cooling
Electrical System	Circuit Breakers
Interior Lighting	Florescent & Incandescent
Flooring	Hardwood, Carpet, Linoleum
Plumbing	Assumed Adequate
Furnishings	Personal Property Excluded
Kitchen Appliances	Formica Counter, Range, Microwave, Dishwasher and Disposal

Compiled by CBRE

CBRE**CONDITION AND HISTORY OF IMPROVEMENTS**

The subject's improvements are well-maintained and in average condition relative to age. Based on discussions with the property owners, there have been no major recent renovations made to the improvements, with minor repairs and replacements made on an as needed basis. Given the property owners' diligent upkeep, there are no known deficiencies that would materially impact the property's marketability.

SKETCH OF SUBJECT'S IMPROVEMENTS



Zoning

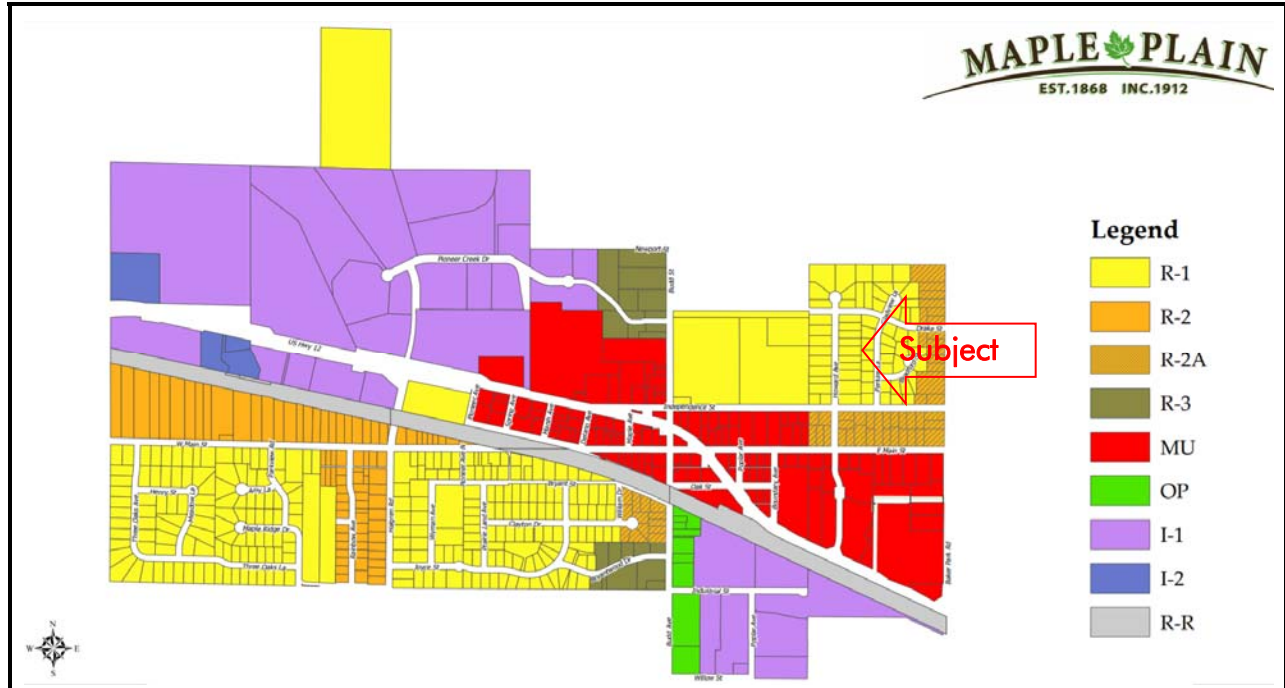
The subject property is located in city of Maple Plain, which utilizes zoning as means of land control. Based on the appraisers' analysis of the City of Maple Plain Zoning Code and 2030 Comprehensive Land Use Plan, the subject is zoned R-1, Single-Family Residential District and guided Medium Density Residential.

The following chart summarizes the permitted uses and outlines the lot requirements and setbacks in the "R-1" District, as set forth in the Zoning Ordinance.

ZONING SUMMARY	
Current Zoning	R-1, Single-Family Residential District
Legally Conforming	Yes
Uses Permitted	It is the intent of this district to limit certain areas specifically for the development of single dwellings in the community; to provide reasonable standards for the development; to avoid overcrowding; and to prohibit the use of land which would be incompatible with or detrimental to the essential residential character of the district. Permitted uses include single-family dwellings, group homes by conditional use permit, public parks and playgrounds, essential services, and agriculture other than the raising and keeping of livestock.
Zoning Change	Not likely
Category	Zoning Requirement
Minimum Lot Size	12,000 SF
Minimum Lot Width	80 Feet
Minimum Setbacks	
Front Yard	35 Feet
Street Side Yard	10 Feet
Interior Side Yard	10 Feet
Rear Yard	25 Feet
Source: Planning & Zoning Dept.	



ZONING MAP



Tax Assessment Data

The following summarizes the local assessor's estimate of the subject's market value, assessed value, and taxes payable, and does not include any furniture, fixtures or equipment.

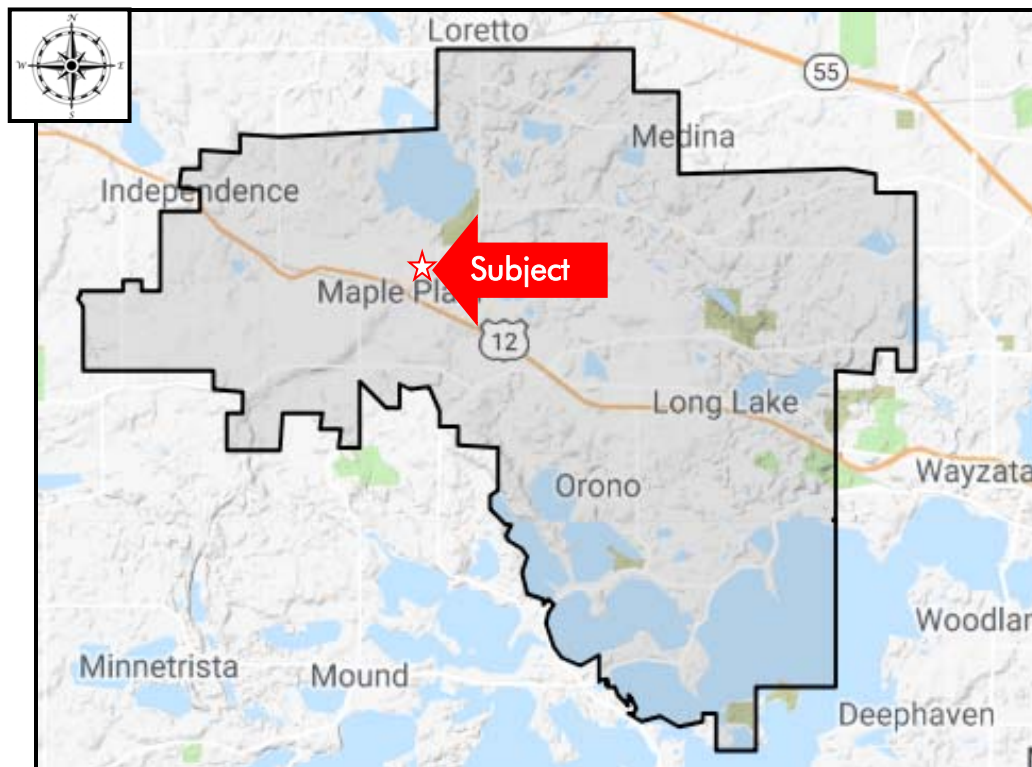
AD VALOREM TAX INFORMATION				
Assessor's Parcel No.	Parcel Description	2016	2017	2018 (Proposed)
24-118-24-44-0015	Land Value	56,000	59,000	66,000
24-118-24-44-0015	Building Value	206,000	213,000	242,000
Subtotal		\$262,000	\$272,000	308,000
Assessed Value @		95%	95%	97%
		248,340	259,240	298,480
Effective Tax Rate	(per \$100 A.V.)	1.781026	1.673206	---
Total Taxes		\$4,423	\$4,338	---
Source: Assessor's Office				CBRE

Market Analysis

The market analysis forms a basis for assessing market area boundaries, supply and demand factors, and indications of financial feasibility. Primary data sources utilized for this analysis include Northstar MLS and InfoSparks, which has been supplemented by discussions with knowledgeable local market participants.

The subject's market area is defined as the Orono School District, which is outlined in the following map:

Subject Market Area Map (Orono School District)



ORONO SCHOOL DISTRICT SINGLE-FAMILY HOUSING MARKET

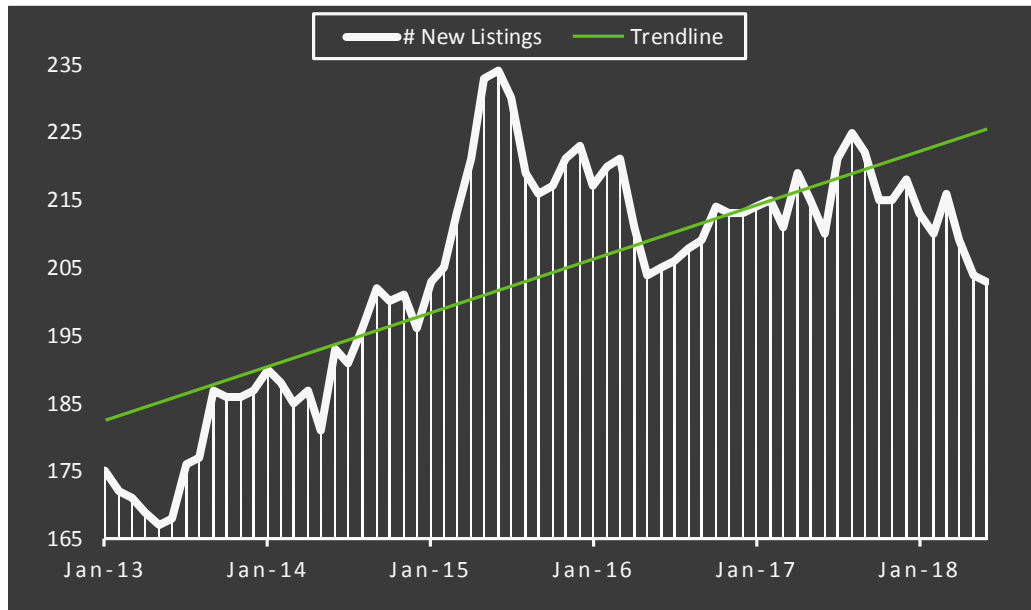
The following information regarding the housing market within the subject's market area (Orono School District) was obtained from InfoSparks. Filters were applied as follows:

INFOSPARKS DATA PARAMETERS	
Subject's Market Area: Orono School District	
Category	Filter
Price Range	All Price Ranges
Property Type	Single-Family
Construction Type	Previously Owned
Seller Type	Traditional
Square Footage	All Sizes
# of Bedrooms	All Bedrooms
Waterfront Type	Non-Waterfront
Source: InfoSparks	

CBRE

New Listings

NEW LISTINGS



Source: InfoSparks

CBRE

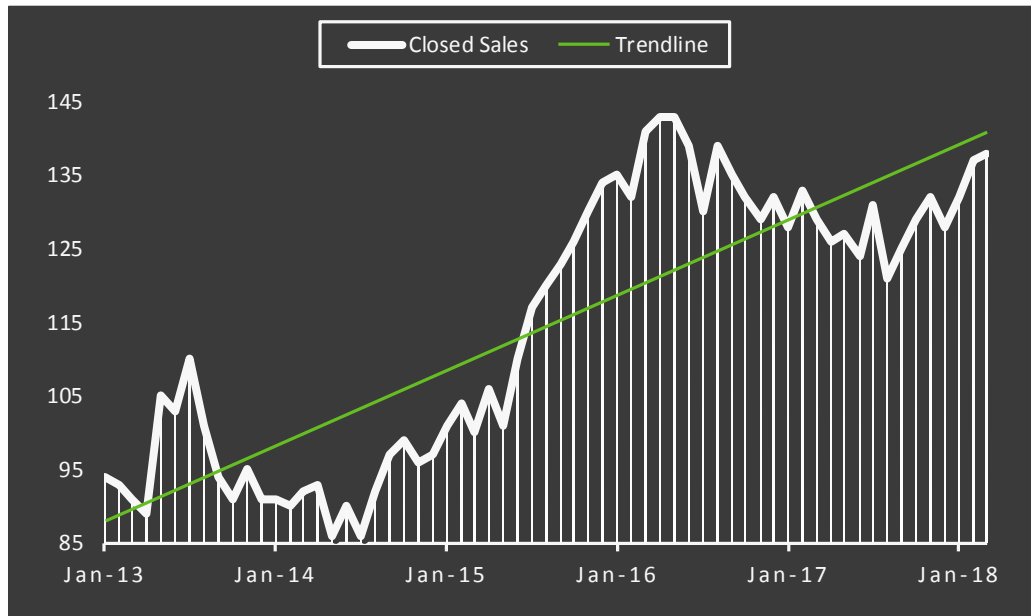
NEW LISTINGS

Year	# New Listings	% Change (+/-)
2013	2,121	
2014	2,310	8.9%
2015	2,635	14.1%
2016	2,541	-3.6%
2017	2,600	2.3%
2018 (Annualized)	2,510	-3.5%

Source: InfoSparks

CBRE

Closed Sales

CLOSED SALES

Source: InfoSparks

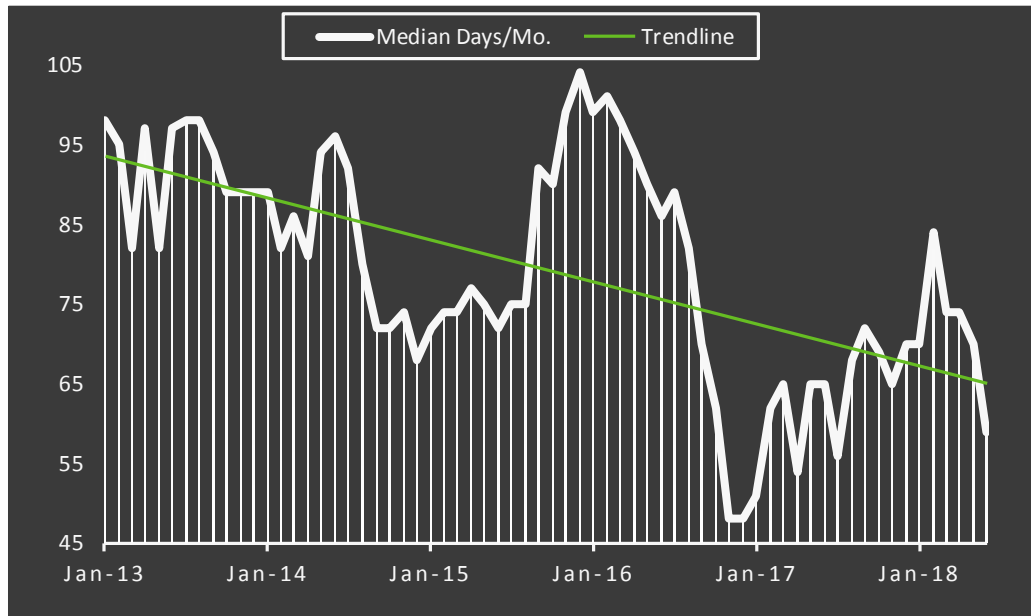
CBRE**CLOSED SALES**

Year	# Closed Sales	% Change (+/-)
2013	1,157	
2014	1,109	-4.1%
2015	1,372	23.7%
2016	1,630	18.8%
2017	1,533	-6.0%
2018 (Annualized)	1,664	8.5%

Source: InfoSparks

CBRE

Median Days on Market

MEDIAN DAYS ON MARKET

Source: InfoSparks

CBRE

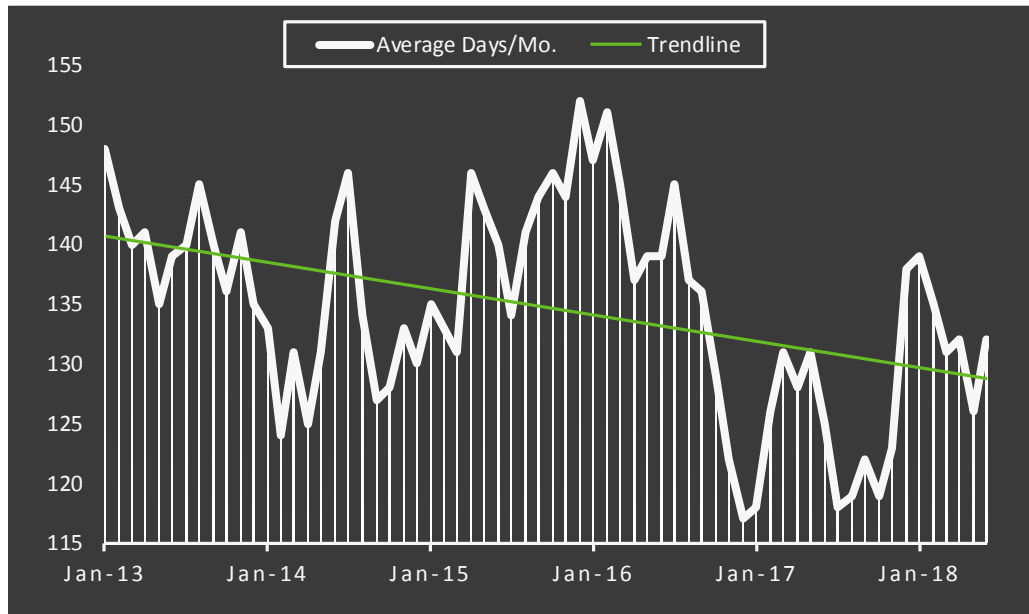
MEDIAN DAYS ON MARKET

Year	Median Days/Mo.	% Change (+/-)
2013	95	
2014	82	-13.8%
2015	75	-8.0%
2016	88	16.7%
2017	65	-25.7%
2018 (YTD)	72	10.8%

Source: InfoSparks

CBRE

Average Days on Market

AVERAGE DAYS ON MARKET

Source: InfoSparks

CBRE

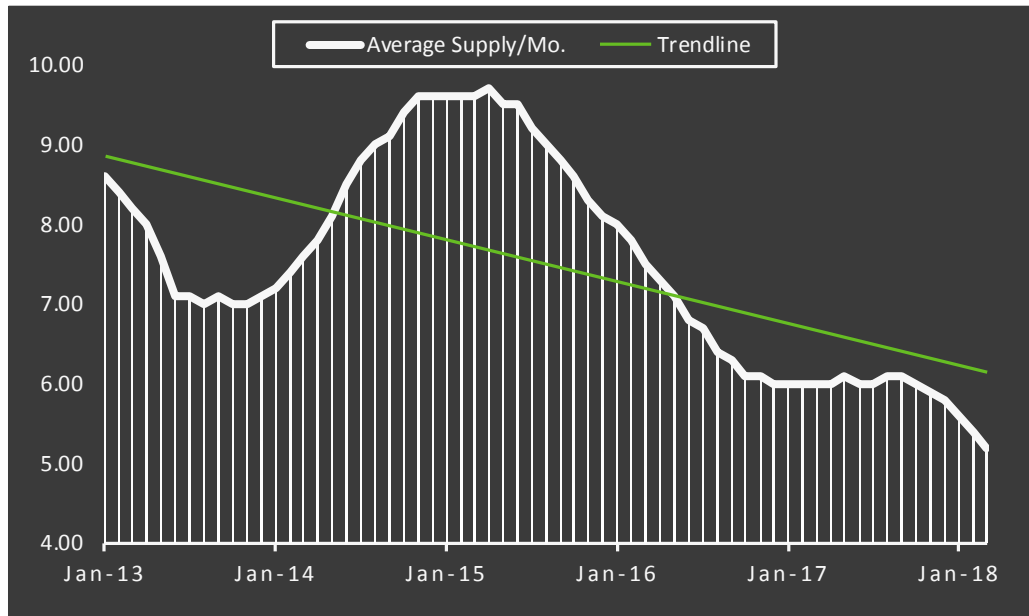
AVERAGE DAYS ON MARKET

Year	Average Days/Mo.	% Change (+/-)
2013	140	
2014	132	-5.9%
2015	141	6.6%
2016	137	-2.7%
2017	125	-8.9%
2018 (YTD)	133	6.1%

Source: InfoSparks

CBRE

Months Supply of Homes for Sale

MONTHS SUPPLY OF HOMES FOR SALE

Source: InfoSparks

CBRE

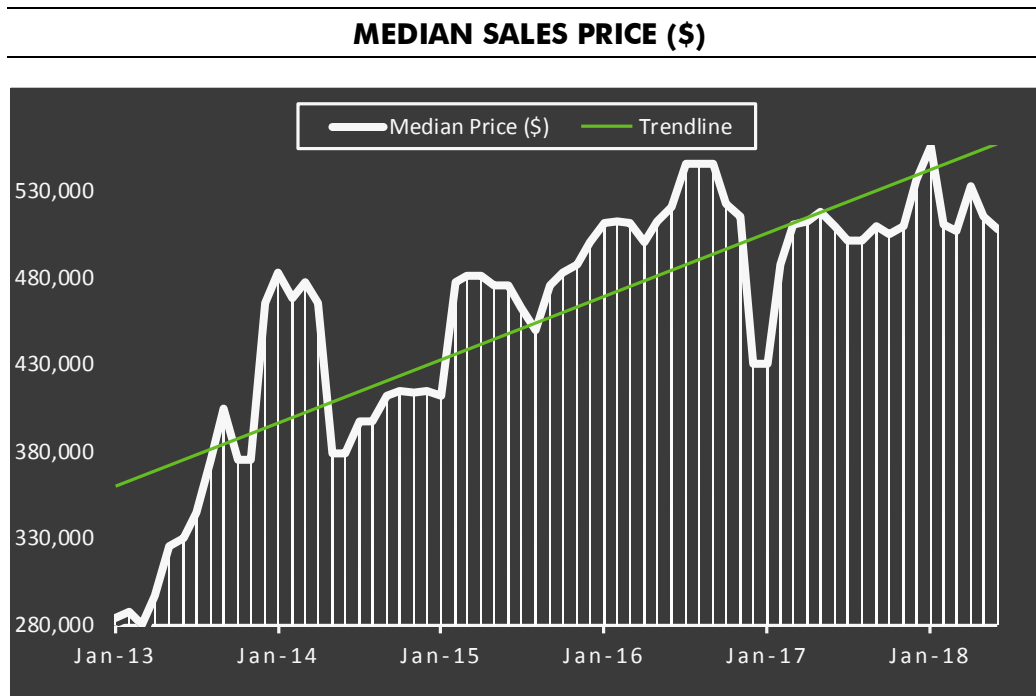
MONTHS SUPPLY OF HOMES FOR SALE

Year	Average Supply/Mo.	% Change (+/-)
2013	7.5	
2014	8.5	13.2%
2015	9.1	7.2%
2016	6.8	-25.0%
2017	6.0	-12.3%
2018 (YTD)	5.1	-14.7%

Source: InfoSparks

CBRE

Median Sales Price



Source: InfoSparks

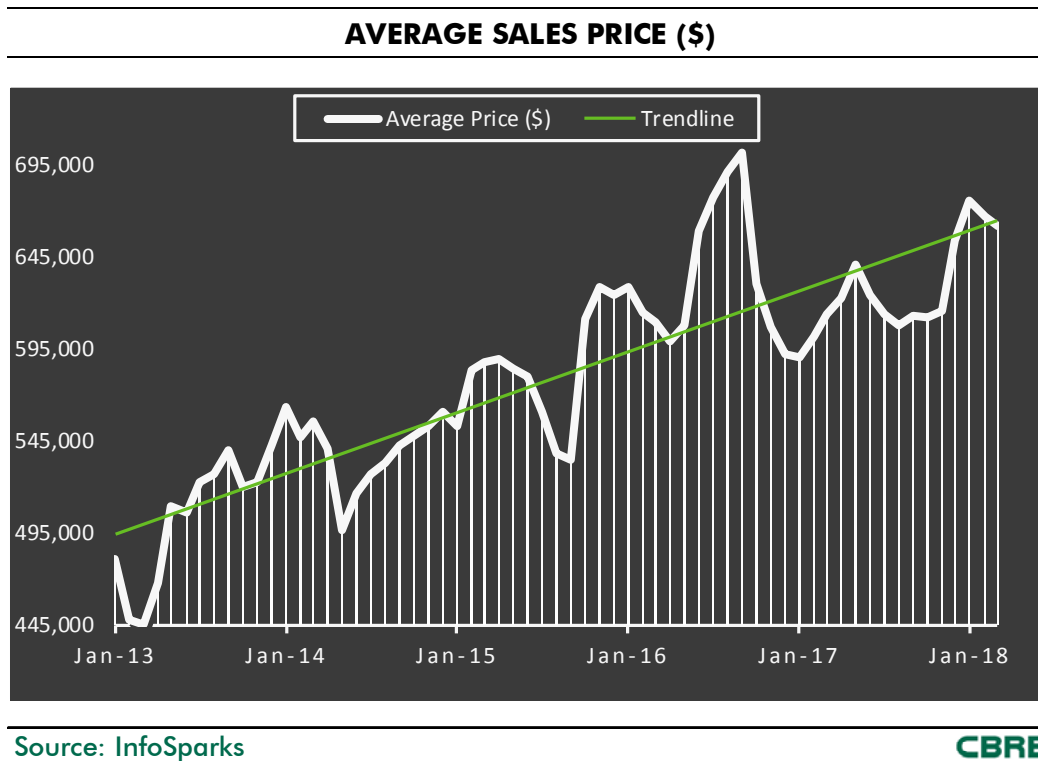
CBRE

MEDIAN SALES PRICE (\$)		
Year	Median Price (\$)	% Change (+/-)
2013	\$337,250	
2014	\$414,250	22.8%
2015	\$476,250	15.0%
2016	\$513,788	7.9%
2017	\$509,400	-0.9%
2018 (YTD)	\$512,500	0.6%

Source: InfoSparks

CBRE

Average Sales Price



AVERAGE SALES PRICE (\$)		
Year	Average Price (\$)	% Change (+/-)
2013	\$502,736	
2014	\$540,709	7.6%
2015	\$581,534	7.6%
2016	\$635,053	9.2%
2017	\$617,771	-2.7%
2018 (YTD)	\$672,318	8.8%

Source: InfoSparks CBRE

CONCLUSION

Based on the preceding market data, the single-family housing market has been favorable over the past five years within the Orono School District. Not only has there been an overall increasing trend in the number of closed sales over this time frame, but there has also been a reduction in both days on the market and supply of homes, which has translated to steadily increasing average and median sales prices year-over-year. Considering these recent trends in the subject's single-family housing market, the local market area should maintain a favorable position. The long-term projection for the subject's single-family housing market is for continued growth.

Highest and Best Use – Before and After Improvements Project

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 are:

- legally permissible;
- physically possible;
- financially feasible; and
- maximally productive.

The highest and best use analysis of the subject property, both before and after consideration is given to the street and utility improvements project described within this appraisal report, is discussed below.

AS VACANT

Legally Permissible

The zoning regulations in effect at the time of the appraisal determine the legal permissibility of a potential use of the subject site. As described in the Zoning section, the subject site is zoned as R-1, Single-family Residential District. Permitted uses within this district primarily include single-family homes. The minimum lot size in the zoning district for single-family development is 12,000 square feet. To the best of our knowledge, there are no legal restrictions (such as easements or deed restrictions) that would effectively limit the use of the property. Given the prevailing land use patterns in the area, only single-family residential use is given further consideration in determining the highest and best use of the subject site, as though vacant.

Physically Possible

The physical possibility of a use is dictated by the size, shape, topography, availability of utilities, and any other physical aspects of the site. The total site area of the subject parcel is 0.49 acres, or 21,235 square feet. The site is rectangular in shape with approximately 99 feet of frontage along the east side of Howard Avenue, and the topography is generally level (at street grade). While the appraisers note that Howard Avenue is in fair condition, it has adequate frontage and access for use. The overall utility of the site is average and is considered adequate to accommodate most permitted development possibilities. Existing structures on similar sites provides additional evidence for the physical possibility of development.

Financially Feasible

The determination of financial feasibility is dependent primarily on the relationship of supply and demand for the legally probable and physically possible land uses versus the cost to create the uses. The appraisers note that there has been an 18-lot single-family residential subdivision development within the subject neighborhood in the last three years, along with several other new single-family residential developments. Further, as seen in the market analysis section above, the demand for single family residential properties has been strong since 2013 residential development activity in the subject neighborhood has been strong since 2013. Not only has there

been an overall increasing trend in the number of closed sales over this time frame, but there has also been a reduction in both days on the market and supply of homes, which has translated to steadily increasing average and median sales prices year-over-year. Overall, the neighborhood has above average appeal due to the proximity to developed areas, as well as its location in the highly rated Orono School District.

Given the subject's size and its surrounding development, in addition to strong market support for continued demand for single-family development, the financially feasible use for the subject is for development of a single-family home.

Maximally Productive - Conclusion

The final test of highest and best use of the site, as if vacant, is that the use be maximally productive, yielding the highest return to the land.

Considering the surrounding land uses, location and physical attributes, legal restrictions and other factors, it is our opinion that the highest and best use of the subject property, as if vacant, is for development of a single-family home.

AS IMPROVED

Legally Permissible

The site is improved with a single-family residence constructed in 1953 and situated in the western portion of the property, which is a legal, conforming use.

Physically Possible

The layout and positioning of the improvements are considered functional for a single-family home. While it would be physically possible for a variety of uses, based on the legal and physical restrictions of the site, and the design of the improvements, the continued use of the subject property for a single-family residential user would be the most functional use.

Financially Feasible

The subject property's use as a single-family home is consistent with similar properties in the market area, yielding the most financial return based on the strong market demand shown in the subject neighborhood over the last five years.

Maximally Productive - Conclusion

Based on the foregoing, the highest and best use of the subject, as improved, is for continued use as a single-family residence.

Improved Value – Before Improvements Project

Arriving at an opinion of special value benefits accruing to the subject property as a result of the proposed improvements project is accomplished by developing "before improvements" and "after improvements" opinions of market value for the subject property. The appraisers have utilized two different sets of comparable sales in each scenario.

The first step in appraising the subject property for this assignment, which is completed within this section of the report, is to estimate its value "as improved", before consideration is given to the proposed City of Maple Plain 2018 Street & Utility Improvements Project.

In analyzing the market and talking with knowledgeable market participants, property owners/buyers in this market expect paved streets and functioning city water and sanitary sewer, along with a storm sewer system that allows for adequate drainage and ideally includes concrete curb and gutter on both sides of the street. The market also realizes these improvements wear out over time and need replacing and that there is an associated cost. Furthermore, the market generally recognizes the value of new improvements on a per property cost, not necessarily as a per linear foot cost, which can vary greatly depending on lot size and location. The appraisers note that for the purposes of this appraisal, the most relevant unit of comparison in valuing the subject property as improved is the sales price per property.

Four economic principles guide an appraiser in applying the sales comparison approach:

1. The prices of properties tend to be established by the principle of supply and demand.
2. Sufficiently similar properties provide buyers with alternatives, which exemplifies the operation of the principle of substitution.
3. The principle of balance governs the mix of the agents of production involved in creating a property as well as the pattern of land use in a neighborhood or district.
4. Externalities are evident in the effects of location and market fluctuations on the enhancement or diminution of property value.

The sales comparison approach reflects the market's perception that the value of a property is directly related to the prices of comparable, competitive properties. Applying this approach involves four basic steps.

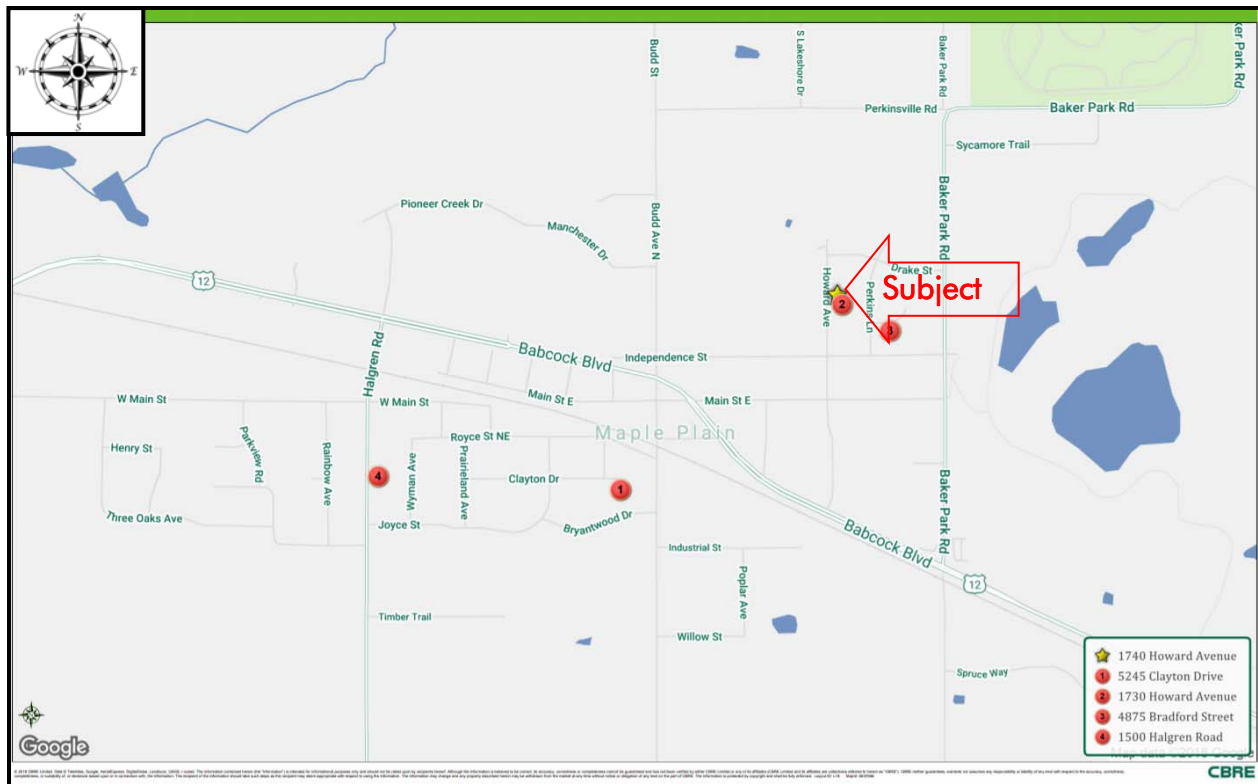
1. Research the market to find information about comparable property sales and verify the data.
2. Analyze the comparable sales to derive market-supported adjustments that reflect the significant differences between the sales and the subject.
3. Apply the adjustments to the comparable sale or unit prices.
4. Reconcile the adjusted sale prices into an indication of value for the subject.

The sales comparison approach is most useful when the comparable properties are like the subject in size, quality, function, locational and overall physical characteristics. The sales utilized represent the best data available for comparison with the subject (before consideration is given to the proposed street and utility improvements project described herein). The appraisers have researched single-family home sales that have occurred close to the effective date of this appraisal (July 26, 2018), that are located in the same or similar market area as the subject (City of Maple Plain and/or Orono School District), and that have similar physical characteristics relative to the subject (namely, homes that are served by old or older street and utility improvements deemed to be in fair condition).

In searching for comparable improved single-family home sales, the appraisers utilized Northstar MLS, Hennepin County GIS, the CRV search functionality within Realist, and CBRE's internal database. The sales were chosen based upon their age, size, and quality similarities relative to the subject in its "before improvements" condition.

The following map and table summarize the comparable data used in the valuation of the subject as improved before consideration is given to the proposed street and utility project described in greater detail later within this report, utilizing the sales comparison approach. Each of the comparable sales are described in greater detail immediately following the map and table shown below.

Subject & Comparable Sales Location Map (Before Consideration of Improvements Project)



SUMMARY OF COMPARABLE SINGLE FAMILY HOME SALES - BEFORE IMPROVEMENTS PROJECT

No.	Property Address	Proximity to Subject	Transaction Type	Transaction Date	Land (AC)	Land (SF)	YOC	GLA (SF)	Fin. Bsmt. (SF)	Actual Sale Price	Adjusted Sale Price ¹
1	5245 Clayton Drive Maple Plain, MN 55359	0.50 Miles SW	Sale	Mar-18	0.38 AC	16,513 SF	1987	1,689 SF	182 SF	\$278,000	\$278,000
2	1730 Howard Avenue Maple Plain, MN 55359	Abuts Subj. to S	Sale	Feb-18	0.32 AC	14,157 SF	1973	1,056 SF	1,056 SF	\$302,000	\$295,960
3	4875 Bradford Street Maple Plain, MN 55359	0.11 Miles SE	Sale	Oct-17	0.28 AC	12,363 SF	1978	2,340 SF	0 SF	\$345,000	\$345,000
4	1500 Halgren Road Maple Plain, MN 55359	0.85 Miles SW	Sale	Oct-16	0.50 AC	21,780 SF	1950	2,328 SF	238 SF	\$298,900	\$298,900
Subj.	1740 Howard Avenue Maple Plain, MN 55359	---	---	---	0.49 AC	21,235 SF	1953	1,898 SF	0 SF	---	---

¹ Adjusted sale price for cash equivalency, lease-up and/or deferred maintenance (where applicable)

Compiled by CBRE

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DISCUSSION/ANALYSIS OF COMPARABLE IMPROVED SALES**Comparable Improved Sale #1****Aerial View – Hennepin County GIS (2015)****Street Scene – August 2015****Site Attributes:**

Address:	5245 Clayton Drive Maple Plain, MN 55359
Hennepin County PID #:	25-118-24-21-0101
Proximity to Subject:	0.50 Miles SW
Site Size:	0.38 AC (16,513 SF)
Frontage:	57 Ft. on Main Street W
Shape:	Irregular
Traffic Counts (AADT):	N/A - Not Counted
School District:	Orono (278)
Street Improvements	Fair condition w/ no concrete curb or gutter

Improvement Data:

Building Exterior:	Wood, Vinyl, Brick/Stone
Year Built/Design	1987/Two Stories
Gross Living Area (GLA):	1,689 SF
GLA Room Count (Tot./BR/Ba.):	10/3/2.25
Finished Basement:	182 SF, 0.00 Bathrooms
Garage:	2-Car Attached
Outbuildings:	2 Storage Sheds
Fireplace(s):	1 Fireplace
Amenities:	Deck, Fence

Sale Details:

Buyer(s):	Cerberus SFR Holdings, LP
Seller(s):	Dean & Joy Rux
Public Promotion:	Yes - MLS # 4898018
Sale Conditions:	Arm's Length Transaction @ Market Value
Sale Date:	3/2/2018
Sale Price (\$):	\$278,000
Seller Contribution (\$):	\$0
Adjusted Sale Price (\$):	\$278,000
Primary Sale Verification Sources:	Assessor/County Records, Northstar MLS, Realist

Source: Various sources compiled by CBRE

CBRE

Comparable Improved Sale #2



Aerial View – Hennepin County GIS (2015)



Street Scene – August 2015

Site Attributes:

Address:	1730 Howard Avenue Maple Plain, MN 55359
Hennepin County PID #:	24-118-24-44-0016
Proximity to Subject:	Abuts Subj. to S
Site Size:	0.32 AC (14,157 SF)
Frontage:	66 Ft. on Howard Avenue
Shape:	Rectangular
Traffic Counts (AADT):	N/A - Not Counted
School District:	Orono (278)
Street Improvements	Fair condition w/ no concrete curb or gutter

Improvement Data:

Building Exterior:	Vinyl, Brick/Stone, Fiber Board
Year Built/Design	1973/Split-level
Gross Living Area (GLA):	1,056 SF
GLA Room Count (Tot./BR/Ba.):	6/2/1.00
Finished Basement:	1,056 SF, 1.00 Bathroom
Garage:	2-Car Detached
Outbuildings:	Shop
Fireplace(s):	0 Fireplaces
Amenities:	Deck, Chain Link Fence

Sale Details:

Buyer(s):	Erin & Brettina Phillips
Seller(s):	Nathan & Karen Scott
Public Promotion:	Yes - MLS # 4886365
Sale Conditions:	Arm's Length Transaction @ Market Value
Sale Date:	2/28/2018
Sale Price (\$):	\$302,000
Seller Contribution (\$):	(\$6,040)
Adjusted Sale Price (\$):	\$295,960
eCRV ID:	779074
Primary Sale Verification Sources:	Assessor/County Records, Northstar MLS, Realist

Source: Various sources compiled by CBRE

CBRE

Comparable Improved Sale #3



Aerial View – Hennepin County GIS (2015)



Street Scene – August 2015

Site Attributes:

Address:	4875 Bradford Street Maple Plain, MN 55359
Hennepin County PID #:	24-118-24-44-0081
Proximity to Subject:	0.11 Miles SE
Site Size:	0.28 AC (12,363 SF)
Frontage:	82 Ft. on Independence Street
Shape:	Irregular
Traffic Counts (AADT):	N/A - Not Counted
School District:	Orono (278)
Street Improvements	Fair condition w/ no concrete curb or gutter

Improvement Data:

Building Exterior:	Vinyl
Year Built/Design	1978/Two Stories
Gross Living Area (GLA):	2,340 SF
GLA Room Count (Tot./BR/Ba.):	9/4/2.25
Finished Basement:	0 SF, 0.00 Bathrooms
Garage:	2-Car Attached
Outbuildings:	N/A
Fireplace(s):	1 Fireplace
Amenities:	Deck, Patio, Porch, Fence

Sale Details:

Buyer(s):	Julie Underdahl
Seller(s):	Donald & Winnifred Baird
Public Promotion:	Yes - MLS # 4856720
Sale Conditions:	Arm's Length Transaction @ Market Value
Sale Date:	10/2/2017
Sale Price (\$):	\$345,000
Seller Contribution (\$):	\$0
Adjusted Sale Price (\$):	\$345,000
eCRV ID:	730054
Primary Sale Verification Sources:	Assessor/County Records, Northstar MLS, Realist

Source: Various sources compiled by CBRE

CBRE

Comparable Improved Sale #4



Aerial View – Hennepin County GIS (2015)



Street Scene – August 2015

Site Attributes:

Address:	1500 Halgren Road Maple Plain, MN 55359
Hennepin County PID #:	25-118-24-22-0109
Proximity to Subject:	0.85 Miles SW
Site Size:	0.50 AC (21,780 SF)
Frontage:	132 Ft. on Halgren Road
Shape:	Rectangular
Traffic Counts (AADT):	3,250 AADT (2014)
School District:	Orono (278)
Street Improvements	Fair condition w/ no concrete curb or gutter

Improvement Data:

Building Exterior:	Cement Board
Year Built/Design	1950/ Modified Two Story
Gross Living Area (GLA):	2,328 SF
GLA Room Count (Tot./BR/Ba.):	7/3/2.00
Finished Basement:	238 SF, 0.75 Bathrooms
Garage:	2-Car Detached
Outbuildings:	N/A
Fireplace(s):	0 Fireplaces
Amenities:	Deck, Fence

Sale Details:

Buyer(s):	Mitchell & Carly Haugen
Seller(s):	Jacob Altendorf
Public Promotion:	Yes - MLS # 4751534
Sale Conditions:	Arm's Length Transaction @ Market Value
Sale Date:	10/24/2016
Sale Price (\$):	\$298,900
Seller Contribution (\$):	\$0
Adjusted Sale Price (\$):	\$298,900
eCRV ID:	579933
Primary Sale Verification Sources:	Assessor/County Records, Northstar MLS, Realist

Source: Various sources compiled by CBRE

CBRE

COMPARABLE IMPROVED SALE VALUATION GRID – BEFORE IMPROVEMENTS PROJECT

These comparable single-family home sales are compared to the subject, before consideration is given to the proposed road and utility improvements project, with adjustments made for significant differences that affect market value, as shown below:

Sales Comparison Chart – Improved Comparable Sales 1 & 2

SINGLE FAMILY HOME SALES ADJUSTMENT GRID - BEFORE IMPROVEMENTS PROJECT										
FEATURE	SUBJECT			COMPARABLE SALE #1			COMPARABLE SALE #2			
Address	1740 Howard Avenue Maple Plain, MN 55359			5245 Clayton Drive Maple Plain, MN 55359			1730 Howard Avenue Maple Plain, MN 55359			
Proximity to Subject	---			0.50 Miles SW			Abuts Subj. to S			
Actual Sale Price (\$)	---			\$278,000			\$302,000			
Concessions (Seller Paid Points) (\$)	---			\$0			(\$6,040)			
Adjusted Sale Price (\$)	---			\$278,000			\$295,960			
Price Per SF of Gross Living Area (GLA) (\$/SF)	---			\$165			\$280			
Data Source(s)	Inspection, Assessor Field Card			MLS # 4898018			MLS # 4886365			
Verification Source(s)	Hennepin County Records, CoreLogic			Hennepin County Records, CoreLogic			Hennepin County Records, CoreLogic			
VALUE ADJUSTMENTS	DESCRIPTION			DESCRIPTION + (-) \$ Adjustment			DESCRIPTION + (-) \$ Adjustment			
Conditions of Sale or Financing	---			Conventional			Conventional			
Date of Sale (Time)	---			3/2/2018 (4 Mo.'s)			2/28/2018 (5 Mo.'s)			
Location/Traffic/Access	Average			Inferior @ 3%			Similar			
Property Rights Conveyed (Leasehold/Fee Simple)	Fee Simple			Fee Simple			Fee Simple			
Site Size	0.49 AC (21,235 SF)			0.38 AC (16,513 SF) (Inferior)			0.32 AC (14,157 SF) (Inferior)			
Topography	Generally Level; Wooded; No Wetland			Similar			Similar			
View	Residential/Wooded			Residential & Commercial/Wooded (Inferior @ 10%)			Residential/Wooded (Similar)			
Street Improvements	Fair condition w/ no concrete curb or gutter			Fair condition w/ no concrete curb or gutter			Fair condition w/ no concrete curb or gutter			
Design (Style)	One-story/Average			Two Stories (Similar)			Split-level (Similar)			
Quality of Construction	Average			Similar			Similar			
Actual Age/Effective Age	65 Yrs. (Actual)/10-12 Yrs. (Effective)			31 Yrs. (Actual)/8-10 Yrs. (Effective) (See Condition Adjustment)			45 Yrs. (Actual)/5-8 Yrs. (See Condition Adjustment) (See Condition Adj.)			
Condition	Average			Superior @ 10%			Superior @ 15%			
Above Grade	Total	Bedrooms	Baths	Total	Bedrooms	Baths	Total	Bedrooms	Baths	
Room Count	9	3	1.00	10	3	2.25	6	2	1.00	
Gross Living Area (SF)	1,898 SF			1,689 SF			1,056 SF			
Basement	Partial Bsmt.			Full Bsmt.			Full Bsmt.			
Finished Basement Area (SF)	0 SF			182 SF			1,056 SF			
Below Grade Bathroom Count	0.00			0.00			1.00			
Functional Utility	Average			Similar			Similar			
Heating/Cooling	FA/CA			FA/CA			FA/CA			
Energy Efficient Items	Standard E.E.			Similar			Similar			
Garage/Carport	2-Car Attached			2-Car Attached			2-Car Detached			
Porch/Patio/Deck	Deck			Deck			Deck			
Fireplace(s)	1 Fireplace			1 Fireplace			0 Fireplaces			
Additional Features	2 Storage Sheds			2 Storage Sheds			Fence			
	Fence			Fence						
Net "Additional Features" Adjustment							\$1,000			
Net Adjustment (Total) (\$)										
Adjusted Sale Price of Comparables	Average			Net Adjustment: 9.98%			Net Adjustment: 4.66%			
	\$310,478			\$305,737			\$309,738			

Compiled by CBRE

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Sales Comparison Chart – Improved Comparable Sales 3 & 4

SINGLE FAMILY HOME SALES ADJUSTMENT GRID - BEFORE IMPROVEMENTS PROJECT											
FEATURE	SUBJECT			COMPARABLE SALE #3				COMPARABLE SALE #4			
Address	1740 Howard Avenue Maple Plain, MN 55359			4875 Bradford Street Maple Plain, MN 55359				1500 Halgren Road Maple Plain, MN 55359			
Proximity to Subject	---			0.11 Miles SE				0.85 Miles SW			
Actual Sale Price (\$)	---			\$345,000				\$298,900			
Concessions (Seller Paid Points) (\$)	---			\$0				\$0			
Adjusted Sale Price (\$)	---			\$345,000				\$298,900			
Price Per SF of Gross Living Area (GLA) (\$/SF)	---			\$147				\$128			
Data Source(s)	Inspection, Assessor Field Card			MLS # 4856720				MLS # 4751534			
Verification Source(s)	Hennepin County Records, CoreLogic			Hennepin County Records, CoreLogic				Hennepin County Records, CoreLogic			
VALUE ADJUSTMENTS	DESCRIPTION			DESCRIPTION + (-) \$ Adjustment				DESCRIPTION + (-) \$ Adjustment			
Conditions of Sale or Financing	---			Conventional				Conventional			
Date of Sale (Time)	---			10/2/2017 (9 Mo.'s) \$25,875				10/24/2016 (21 Mo.'s) \$52,308			
Location/Traffic/Access	Average			Similar				Inferior @ 5%			
Property Rights Conveyed (Leasehold/Fee Simple)	Fee Simple			Fee Simple				Fee Simple			
Site Size	0.49 AC (21,235 SF)			0.28 AC (12,363 SF) (Inferior) \$34,000				0.50 AC (21,780 SF) (Similar)			
Topography	Generally Level; Wooded; No Wetland			Similar				Similar			
View	Residential/Wooded			Residential/Wooded (Similar)				Residential/Wooded (Similar)			
Street Improvements	Fair condition w/ no concrete curb or gutter			Fair condition w/ no concrete curb or gutter				Fair condition w/ no concrete curb or gutter			
Design (Style)	One-story/Average			Two Stories (Similar)				Modified Two Story (Similar)			
Quality of Construction	Average			Similar				Similar			
Actual Age/Effective Age	65 Yrs. (Actual)/10-12 Yrs. (Effective)			40 Yrs. (Actual)/5-8 Yrs. (Effective) (See Conditions Adjustment) (See Conditions Adj.)				68 Yrs. (Actual)/8-10 Yrs. (Effective) (See Condition Adjustment) (See Conditions Adj.)			
Condition	Average			Superior @ 15% (\$51,750)				Superior @ 10% (\$29,890)			
Above Grade	Total	Bedrooms	Baths	Total	Bedrooms	Baths		Total	Bedrooms	Baths	
Room Count	9	3	1.00	9	4	2.25	(\$14,000)	7	3	2.00	(\$10,000)
Gross Living Area (SF)	1,898 SF			2,340 SF (\$17,680)				2,328 SF (\$17,200)			
Basement	Partial Bsmt.			Full Bsmt.				Full Bsmt.			
Finished Basement Area (SF)	0 SF			0 SF				238 SF (\$3,570)			
Below Grade Bathroom Count	0.00			0.00				0.75 (\$4,500)			
Functional Utility	Average			Similar				Similar			
Heating/Cooling	FA/CA			FA/CA				FA/CA			
Energy Efficient Items	Standard E.E.			Similar				Similar			
Garage/Carport	2-Car Attached			2-Car Attached				2-Car Detached \$2,500			
Porch/Patio/Deck	Deck			Deck, Patio, Porch (\$3,000)				Deck			
Fireplace(s)	1 Fireplace			1 Fireplace				0 Fireplaces \$2,500			
Additional Features	2 Storage Sheds			Fence				Fence			
	Fence										
Net "Additional Features" Adjustment				\$1,000				\$1,000			
Net Adjustment (Total) (\$)				(\$25,555)				\$8,093			
Adjusted Sale Price of Comparables	Average \$310,478			Net Adjustment: -7.41% \$319,445				Net Adjustment: 2.71% \$306,993			

Compiled by CBRE

CBRE

SUMMARY OF ADJUSTMENTS

The sales utilized represent the best data available for comparison with the subject and were selected from the local market area. In analyzing and comparing the market data to the subject property, each comparable was adjusted for dissimilar characteristics. Consideration was given to numerous factors. Adjustments are applied as follows:

Conditions of Sale/Financing

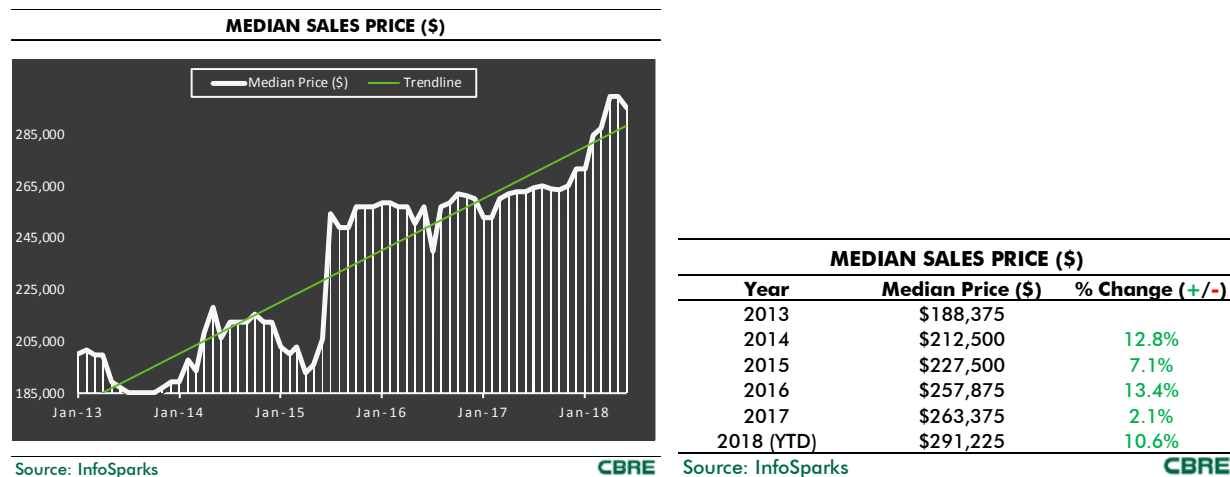
Adjustments for conditions of sale are justified when the circumstances of a specific sale result in a price that is higher or lower than that of a normal market transaction. This adjustment reflects the motivations of a buyer and seller in the transfer of real property. Circumstances requiring adjustments for condition of sale includes sales made under duress, auctions, eminent domain transactions, and sales that were not arm's length.

Adjustments for financing are necessary if a sale transaction involves unusual or favorable financing, often provided by the seller. If such a case exists, an adjustment is made to bring the resultant price to a cash equivalent value, which is based on market terms available at the time of sale.

All of the comparable sales were indicated to be cash-to-seller transactions or financed by a third party at market terms, and none appeared to occur under duress. As such, no adjustments for cash equivalency were necessary for these sales. In addition, all of the comparable sales reflected arm's length transactions; therefore, no adjustments for conditions of sale is warranted to any of the comparable sales either.

Market Conditions

The market condition adjustment is for any projected value change between the sale dates of the comparable sales and the effective appraisal date. The purpose of the adjustment is to bring the varying transaction dates of the comparable sales to an equal status current with the appraisal date by applying adjustments for changes in market conditions. The transactions occurred between October of 2016 and March of 2018. During this time frame, the single-family housing market within the city of Maple Plain (as the appraisers note that all of the sales occurred within the City) has been appreciating approximately 10% annually on a straight-line basis, and the comparable sales are adjusted accordingly to the effective date of the appraisal (July 26, 2018). In order to obtain this adjustment factor, the appraisers utilized InfoSparks, and the results of which are summarized in the graph and chart below:



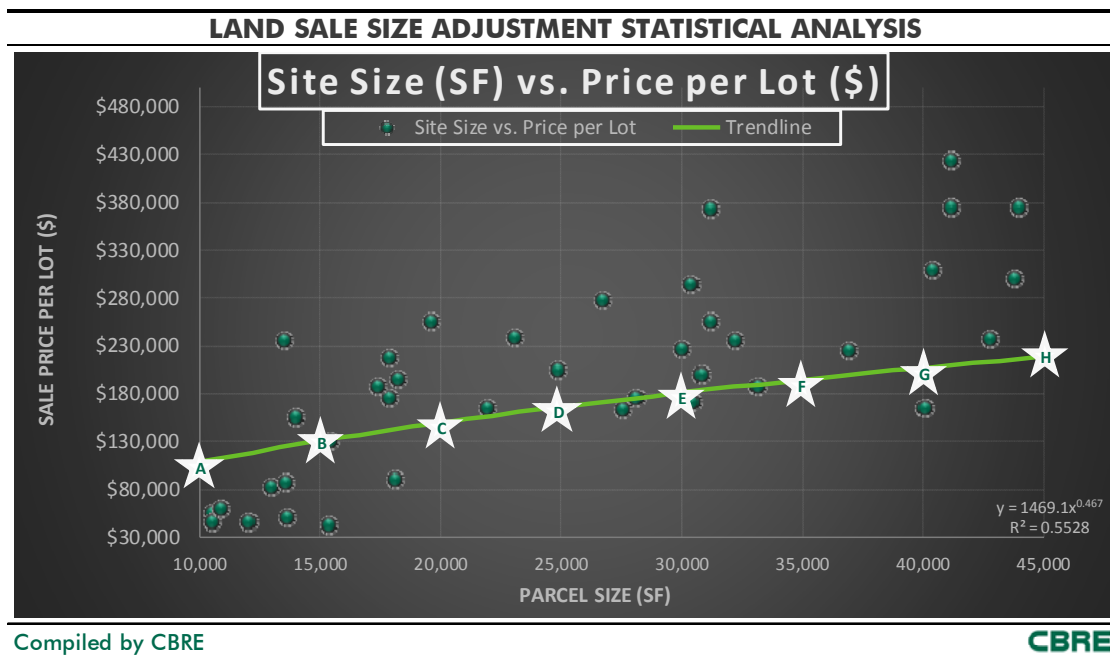
Location/Traffic/Access

In determining adjustments related to location/traffic/access, the appraisers evaluate a multitude of factors, such as the neighborhood's housing market, demographic information, density of land use in the immediate area, the general convenience of the location in terms of the overall metropolitan area, the land use trends in a particular location, exposure to traffic, and immediate accessibility (i.e. corner vs. interior lot). In order to conduct this analysis, the appraiser obtained a Housing and Demographic summary for each comparable sales' neighborhood (within a ¼-mile radius) utilizing ESRI. Additionally, traffic counts were obtained from MnDOT. Finally, the appraiser physically inspected each of the comparable improved sale to better understand the properties' surrounding neighborhood, exposure to traffic, and accessibility characteristics.

Comparable Sale 1 is located south of Highway 12, which is further removed from downtown Maple Plain and other amenities in the immediate area. As such, Comparable Sale 1 is adjusted upwards accordingly to account for this inferior factor relative to the subject. Furthermore, not only is Comparable Sale 4 located south of Highway 12, but the property also fronts a roadway with traffic counts of 3,250 AADT (2014), whereas the subject, as well as all of the other comparable sales, are located on quiet streets where traffic counts are not tracked by MnDOT. Therefore, Comparable Sale 4 is also adjusted upwards accordingly to account for this inferior factor relative to the subject.

Site Size

Typically, with all other factors being equal, larger lots are more desirable than smaller lots. In order to corroborate this theory, the appraisers have gathered data on single-family residential lot sales that have occurred within the Orono School District since 2013. The following graph, which shows the relationship of site size of a property and its sale price per lot, depicts our dataset of land sales (with a parcel size of 45,000 square feet or less) occurring within the Orono School District since 2013:



Generally, due to utility and economies of scale, the value contribution of additional land diminishes as the lot size increases. Additional land beyond the base lot area, or lot size minimum, can be thought of as surplus land (as it does not add value at the same rate as the space needed to facilitate the primary use). A lot size adjustment can be derived by comparing two data points from the above graph, shown as follows:

SITE SIZE ADJUSTMENT RATE			
Data Point	Site Size (SF)	Price per Lot (\$)	% Change
A	10,000 SF	\$108,406	
B	15,000 SF	\$131,004	
Difference	5,000 SF	\$22,599	21%
B	15,000 SF	\$131,004	
C	20,000 SF	\$149,842	
Difference	5,000 SF	\$18,837	14%
C	20,000 SF	\$149,842	
D	25,000 SF	\$166,299	
Difference	5,000 SF	\$16,457	11%
D	25,000 SF	\$166,299	
E	30,000 SF	\$181,079	
Difference	5,000 SF	\$14,780	9%
E	30,000 SF	\$181,079	
F	35,000 SF	\$194,595	
Difference	5,000 SF	\$13,516	7%
F	35,000 SF	\$194,595	
G	40,000 SF	\$207,116	
Difference	5,000 SF	\$12,521	6%
G	40,000 SF	\$207,116	
H	45,000 SF	\$218,827	
Difference	5,000 SF	\$12,521	6%

Compiled by CBRE

Comparable Sales 1, 2 and 3 were deemed to have a material difference in site size relative to the subject; thus, Comparable Sales 1, 2 and 3 are adjusted accordingly based on the market-derived analysis shown above.

Topography

This is an adjustment category that considers information about land's contour, grading, natural drainage, soil conditions, view, and general physical usefulness. Sites may differ in value due to these physical characteristics. Steep slopes often impede building construction. Natural drainage can be advantageous, or, if a site is downstream from other properties or is a natural drainage basin for the area, it may have severely limited usefulness. Adequate drainage systems can offset the topographic and drainage problems that would otherwise inhibit the development of such a site. Upland land area (i.e. land above the mean high-water line) and land with good drainage can typically support uses that are more intensive.

All of the comparable sales are considered to have overall similar topographical features relative to the subject and therefore do not necessitate any adjustments for this factor.

View

While the subject, as well as Comparable Sales 2, 3 and 4, are exclusively surrounded by single-family homes in the immediate neighborhood, the appraisers note that Comparable Sale 1 abuts commercial property to the south, which results in a diminished view and overall reduced enjoyment of the property's rear yard (which includes a deck). As such, Comparable Sale 1 is considered to have an inferior view relative to the subject and is adjusted upwards for this factor.

Street Improvements

Generally, market participants recognize that streets need replacing when nearing the end of a long economic life. A typical buyer in the subject market commonly prefers a new surface road with concrete curbs and gutters versus dated, older road improvements. In addition to visual benefit, new street improvements provide better and safer use for pedestrians and drivers. Based on past appraisals, the appraisers' experience, and general market observation and analysis, it is not uncommon for properties similar to those in the subject market to realize an increase in price as a result of new street improvements.

The appraisers note that the subject and all of the comparable sales abut streets that are considered to be in fair condition with many areas of cracking, patching, rutting and settlements. Further, none of the roadways have concrete curbs, gutters or sidewalks. As such, no adjustments are warranted for this factor.

Design (Style)

This adjustment category accounts for the differences in the character and overall appearance (or curb appeal) of building construction between the subject and comparable sales. A home can be built with adequate materials and workmanship and have a functional layout, but lack an attractive design. This deficiency adversely affects the property's marketability. No adjustments are warranted for this factor.

Age/Condition

Adjustments are considered for differences in the combination of effective age and physical condition. Typically, a newer property, or property that has undergone recent renovations, sell at a higher price than an older property of a similar design and utility (all other factors being equal). Although a home's effective age and condition can be addressed separately, in this appraisal they are considered together. The actual age of the subject improvements is 65 years (constructed in 1953), with an estimated effective age of 10-12 years. The subject's overall condition is average. The actual age of the comparable sales ranges from 31 years to 68 years, with effective ages ranging from 5-10 years. To account for the difference pertaining to effective age and condition, all of the comparable sales are adjusted downward accordingly for being overall superior to the subject.

Gross Living Area and Room Count

Differences in gross living area (GLA) in excess of 50 square feet are adjusted at a rate of \$40/SF. Additionally, differences in the number of above grade bathrooms are adjusted at a rate of \$2,500 per quarter bath, and differences in above-grade bedrooms are adjusted at a rate of \$1,500 per room.

Basement Finish and Room Count

Differences in finished basement area between the comparable sales and the subject are adjusted at a rate of \$15/SF. Additionally, differences in below grade bathrooms are adjusted at a rate of \$1,500 per quarter bath.

Amenities/Features

Additional adjustments are made to all the comparable sales to account for differences in amenities, including porches, patios, decks, fireplaces, storage sheds, fences and for any other unique property features that would have a bearing on the market value of the property.

CONCLUSION OF THE BEFORE IMPROVEMENTS SALES COMPARISON ANALYSIS

Prior to adjustment, the comparable single-family home sales range from \$278,000 to \$345,000, with an average price of \$304,465. After making quantitative adjustments for transactional differences, and for differences in physical characteristics, the comparable improved sales indicate a value range for the subject from \$305,737 to \$319,445, with an average price of \$310,478. Given that all the comparable sales are reflective of the subject in different regards, weight is given to all comparable sales when reconciling a final opinion of the subject's market value before consideration is given to the street and utility improvements project described herein. However, most weight has been given to Comparable Sales 2 and 4 given their greatest overall similarity to the subject as it relates to physical features.

Based on this analysis, the comparable sales indicate that the subject as improved, before consideration of the proposed improvements project (July 26, 2018), has an estimated market value of \$310,000.

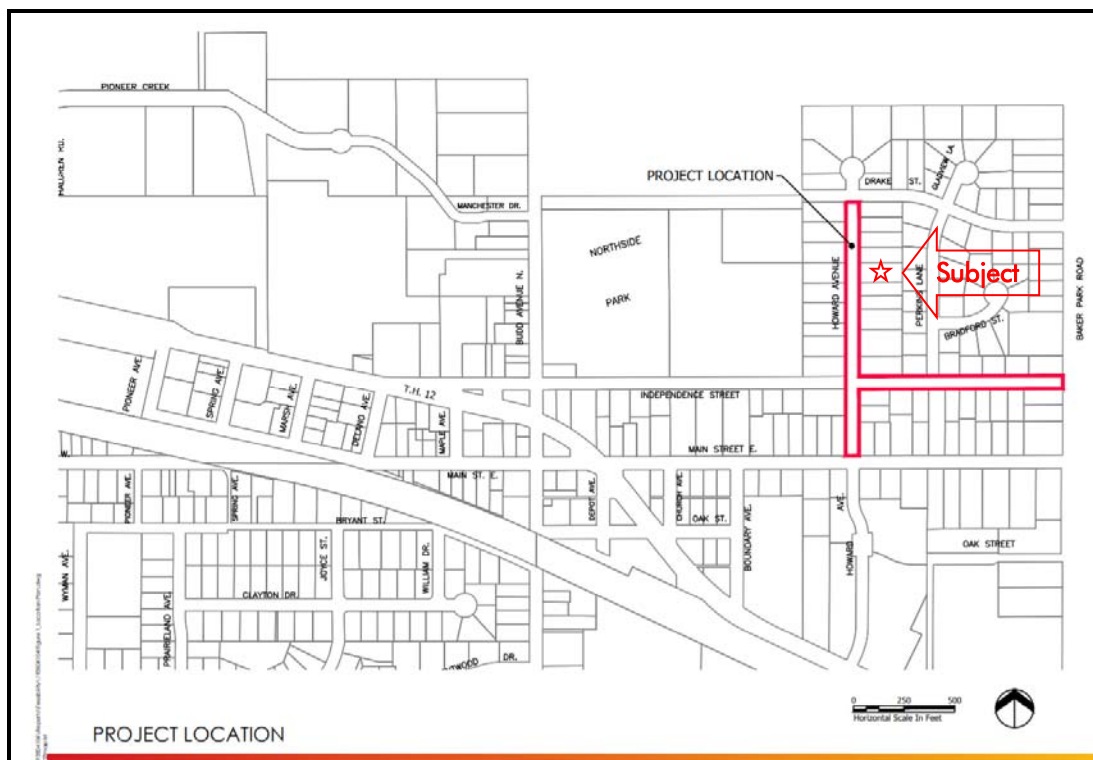
Description of the Project

Information regarding the proposed 2018 Streets & Utility Improvements Project has been obtained from the City of Maple Plain, as well as the final project Feasibility Study prepared by Dan Boyum, City Engineer from Stantec Consulting Services, Inc. and dated November 22, 2017. The following is an overview of the project:

PROJECT OVERVIEW

The City of Maple Plain Council proposes to reconstruct the streets and utilities along Howard Avenue from Main Street East to Drake Street and Independence Street from Howard Avenue to Baker Park Road, which is depicted in the following project location map:

2018 Street & Utility Improvements Project Location Map



Street and storm sewer improvements include full reconstruction (existing street width) with new curb and gutter throughout the project area as well as the installation of storm sewer structures and piping.

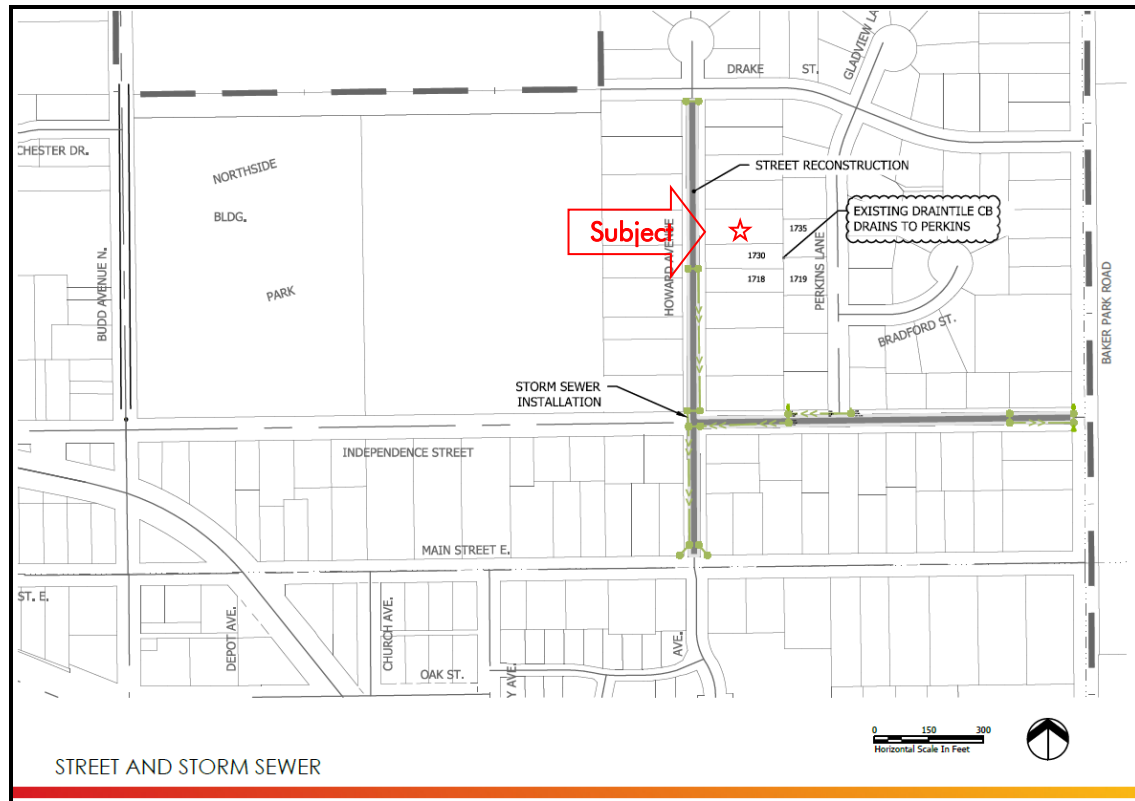
Water main improvements include the removal of 6" cast iron and ductile iron pipes and replacing it with 8" PVC pipe.

Sanitary sewer improvements include removal the existing 8" clay sanitary sewer and replacing with 8" PVC pipe with the exception of lining a small section on Independence Street east of Perkins Lane.

Sidewalks or a bike path are not being constructed.

The following maps depict the location of the proposed street and storm sewer improvements, water main improvements, sanitary sewer improvements and all 39 parcels benefiting from the proposed project:

Street and Storm Sewer Location Map

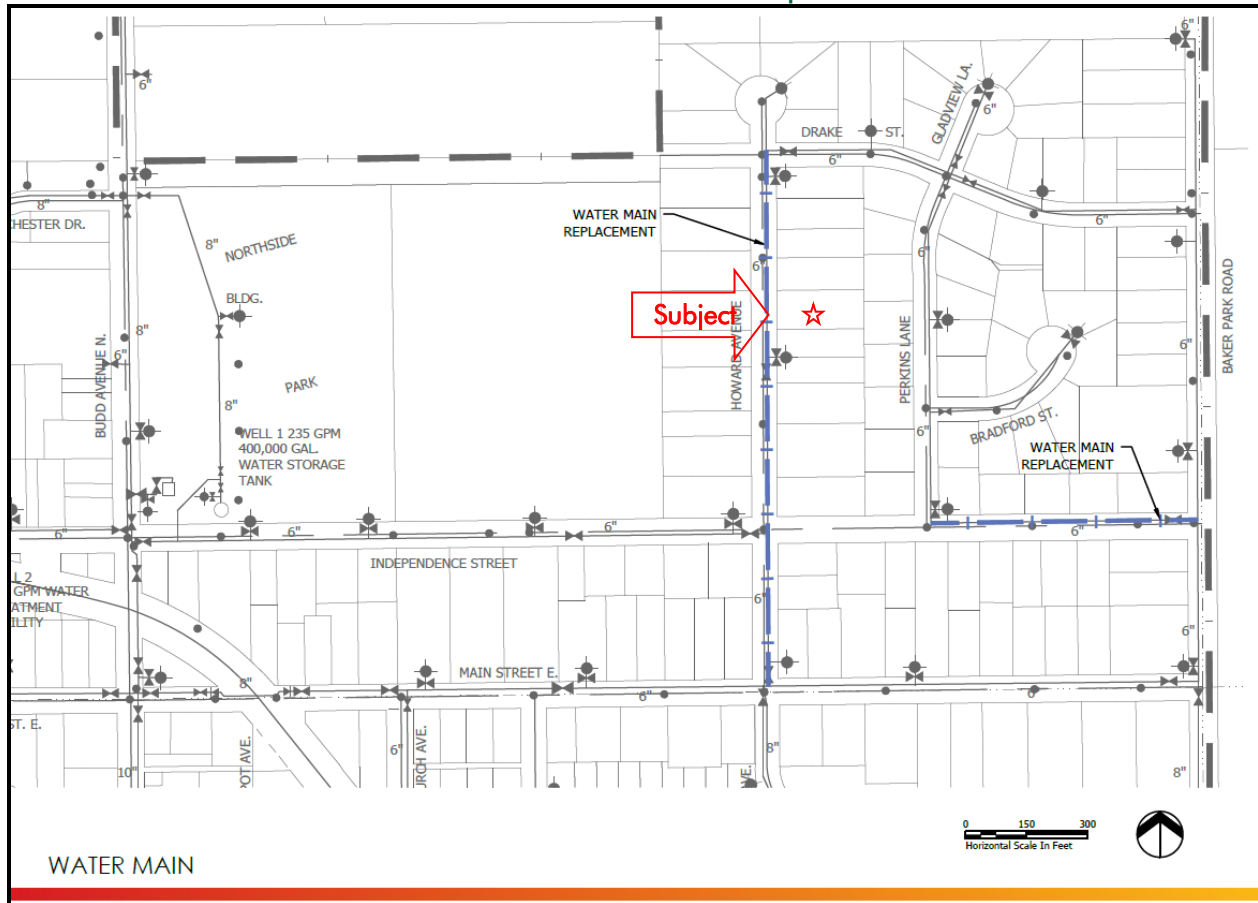


The appraisers note that the pavement on both roads (Howard Avenue and Independence Street) is currently in fair condition with many areas of cracking, patching, rutting and settlements. The City of Maple Plain Public Works staff identified these streets as failed in the spring of 2017.

This project proposes to completely reconstruct Howard Avenue and Independence Street in conjunction with the proposed utility improvements. The proposed street section includes geotextile fabric, 12 inches of granular borrow, 8 inches of aggregate base, 2 inches of bituminous base, and 1.5 inches of bituminous wear. Final pavement sections will be reviewed during design and after review of soil borings and geotechnical information. Curb and gutter will be placed on both sides of the street. The existing street width is approximately 26'. The proposed width of the reconstructed street is 26' from face of curb to face of curb.

There is no existing storm sewer along the section of Howard Avenue to be reconstructed to the north of Independence. Stormwater currently drains to catch basins at intersections with Drake Street, Independence Street, and Main Street East. The existing storm sewer along Independence Street extends from Howard to Perkins Lane. There is a flared end section on the north side of Independence Street that picks up rear yard drainage between Howard and Perkins Lane.

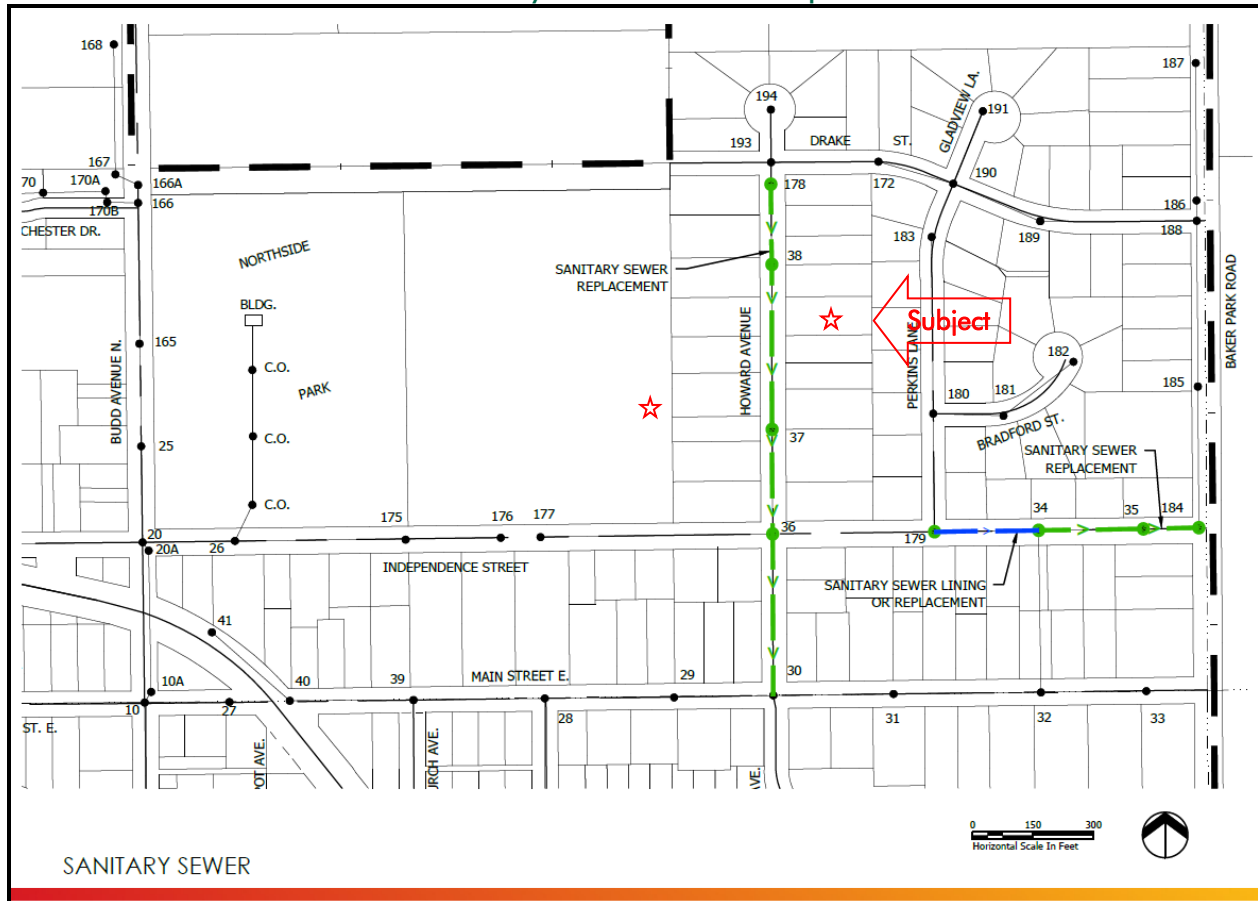
Water Main Location Map



The existing water main consists of 6" cast iron and ductile iron pipe. The City's records do not immediately indicate the age of the watermain, but Staff anticipates it was constructed around 1939. The existing cast and ductile iron pipe has experienced deterioration from the hot clay soils in various parts of Maple Plan and is in fair condition. This project would replace the existing watermain in conjunction with the sanitary sewer and street improvements.

The new water main is proposed to be 8" PVC pipe, which is less susceptible to the soils. The water services would also be replaced to the approximate right of way for the street. Temporary water main would need to be supplied during these operations.

Sanitary Sewer Location Map

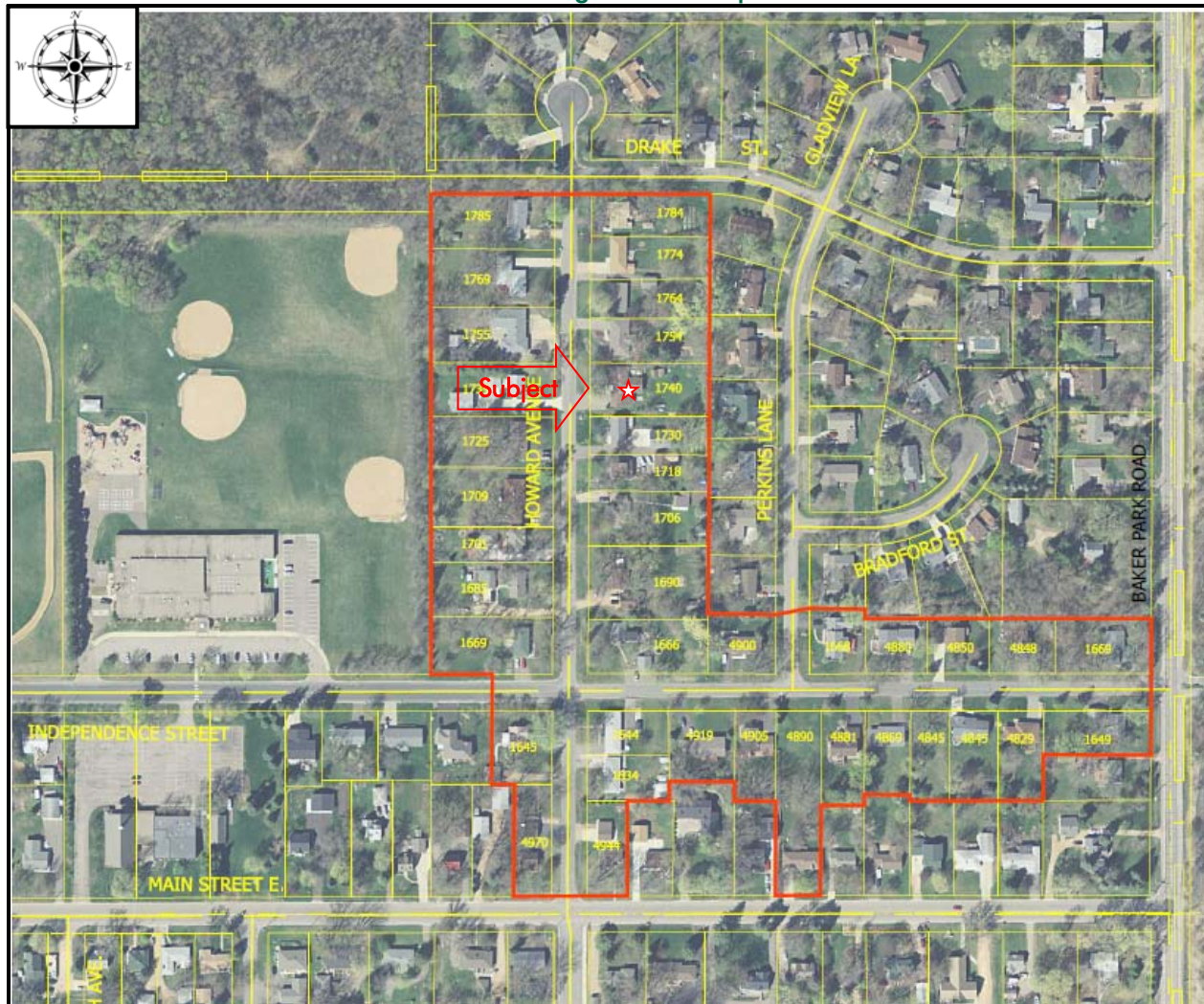


The existing sanitary sewer in this area is 8" clay and was constructed in the early 1950's. A majority of the sanitary sewer has been tabbed for replacement in the City's Capital Improvement Plan. There is an option to line a section of pipe on Independence Street east of Perkins Lane that is not in as bad of shape as some of the other clay pipe on the project streets. The lifespan of a lined pipe is the same as a new pipe, but costs less than replacement. The inside diameter of an 8" pipe would be reduced to 7.5".

The feasibility report proposes to replace the existing sanitary sewer through open cut methods and placing a new 8" PVC pipe. Bypass pumping would be used during the replacement. The sanitary sewer is placed approximately in the centerline of each street. The lined section of pipe would not require excavation.

The proposed improvements also include replacing the services to the approximate right of way for the street.

Benefitting Parcels Map



The following outlines the tentative project schedule, which the appraisers obtained from the City of Maple Plain project website:

2018 STREET & UTILITY IMPROVEMENTS PROJECT SCHEDULE (SUBJECT TO CHANGE)

Date(s)	Project Work
Weeks of July 16 and July 23, 2018	Tree Removals
Week of August 6, 2018	Temporary water and street removals begin
Week of August 13, 2018	Sanitar sewer and watermain work begins
Week of September 17, 2018	Storm sewer work begins
Week of September 24, 2018	Begin street reconstruction
Weeks of October 15 and October 22, 2018	Restoration
Jun-19	Final lift of asphalt placed

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Special Benefit Considerations and Conclusions

1. Before the proposed improvements, the surface of the street section in the area of the subject property, including those on which the subject property fronts, are significantly old, worn and deteriorated. The overall condition reflects that the pavement has generally reached, or is close to reaching, the end of its physical life expectancy. It can be anticipated that further deterioration will result in a worsening of existing problems associated with the advanced age, including improper street drainage, uneven driving surfaces, increased formation of potholes, etc.
2. The condition and quality of streets and utilities serving and fronting residential properties influences the value, curb appeal and general desirability of the properties.
3. The rehabilitation of the streets in the project area of the proposed City of Maple Plain Streets & Utility Improvements Project improves the safety, convenience and general appeal of access into and out of properties in the project area. The rehabilitation process reverses the deteriorating state of the existing pavement, and the improvements will result in optimum drainage of the street to promote a long lifespan of the new street surface.
4. The proposed improvements will result in some general benefits which flow to passing motorists using the roadway and to the larger Maple Plain community. However, they also will result in special benefits to individual properties fronting the streets to be improved, including the subject property and those indicated by the city for assessment (unless otherwise noted).
5. The market generally recognizes the value of new improvements on a per property cost, not necessarily as a per linear foot cost, which can vary greatly depending on lot size and shape. The appraisers note that for the purposes of this appraisal, the most relevant unit of comparison in valuing the subject site as improved, both before and after consideration is given to the improvements, is the sales price per property.

Special Benefit Analysis Process

Arriving at an opinion of special value benefits accruing to the subject property as a result of the proposed improvements is accomplished by developing "before improvements" and "after improvements" opinions of market value for the subject property.

As was done in valuing the subject before consideration to the proposed improvements, the sales comparison approach is used in valuing the subject after consideration of the project. However, this is done by relying on a different set of comparable single-family home sales than those utilized in the before improvements sales comparison analysis (which utilized sales fronting old or older streets in relatively fair condition, similar to the subject in the before improvements condition). The available data pertaining to relevant comparable single-family home transactions for the after improvements analysis pertain to homes which front new or newer streets in relatively good condition (as it is assumed in the after improvements position that the proposed street improvements in the subject area described above have been completed). The comparable single-family home sales will be compared to the subject with the newly rehabilitated improvements in place to arrive at an opinion of the subject's "after" improved value. Finally, the "after" and "before" values will be compared for the purposes of deriving the special benefits associated with the street improvement project.

Improved Value – After Improvements Project

As previously mentioned, arriving at an opinion of special value benefits accruing to the subject property as a result of the proposed improvements project is accomplished by developing "before improvements" and "after improvements" opinions of market value for the subject property as improved. The appraisers have utilized two different sets of comparable sales in each scenario.

As the appraisers have already estimated the subject's "as improved" value before consideration is given to the proposed City of Maple Plain 2018 Street & Utility Improvements Project, this section of the report provides an "after improvements" analysis and accompanying opinion of market value for the subject as improved.

In analyzing the market and talking with knowledgeable market participants, property owners/buyers in this market expect paved streets and functioning city water and sanitary sewer, along with a storm sewer system that allows for adequate drainage and ideally includes concrete curb and gutter on both sides of the street. The market also realizes these improvements wear out over time and need replacing and that there is an associated cost. Furthermore, the market generally recognizes the value of new improvements on a per property cost, not necessarily as a per linear foot cost, which can vary greatly depending on lot size and shape. The appraisers note that for the purposes of this appraisal, the most relevant unit of comparison in valuing the subject site as improved is the sales price per property.

Four economic principles guide an appraiser in applying the sales comparison approach:

1. The prices of properties tend to be established by the principle of supply and demand.
2. Sufficiently similar properties provide buyers with alternatives, which exemplifies the operation of the principle of substitution.
3. The principle of balance governs the mix of the agents of production involved in creating a property as well as the pattern of land use in a neighborhood or district.
4. Externalities are evident in the effects of location and market fluctuations on the enhancement or diminution of property value.

The sales comparison approach reflects the market's perception that the value of a property is directly related to the prices of comparable, competitive properties. Applying this approach involves four basic steps.

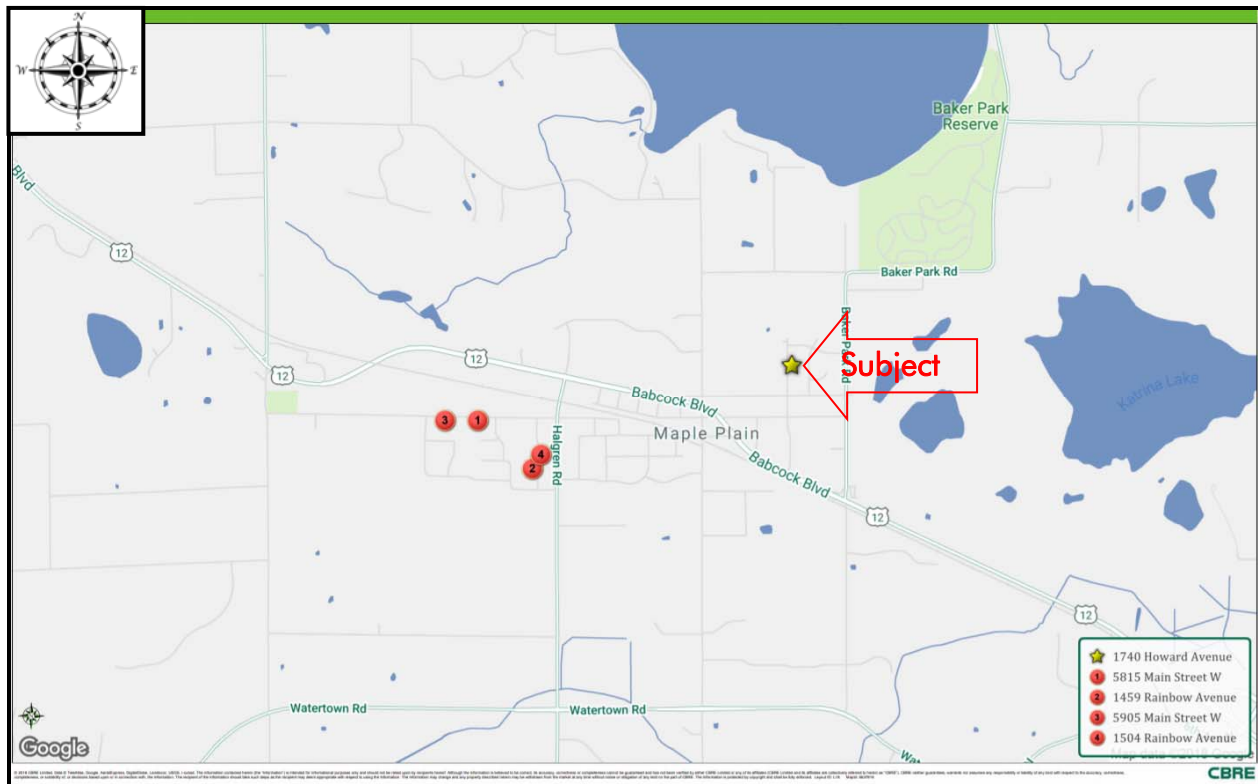
1. Research the market to find information about comparable property sales and verify the data.
2. Analyze the comparable sales to derive market-supported adjustments that reflect the significant differences between the sales and the subject.
3. Apply the adjustments to the comparable sale or unit prices.
4. Reconcile the adjusted sale prices into an indication of value for the subject.

The sales comparison approach is most useful when the comparable properties are like the subject in size, quality, function, locational and overall physical characteristics. The sales utilized represent the best data available for comparison with the subject (after consideration is given to the proposed street and utility improvements project described herein). The appraisers have researched single-family home sales that have occurred close to the effective date of this appraisal (July 26, 2018), that are located in the same or similar market area as the subject (City of Maple Plain and/or Orono School District), and that have similar physical characteristics relative to the subject (namely, homes that are served by new or newer street and utility improvements deemed to be in relatively good condition).

In searching for comparable improved single-family home sales, the appraisers utilized Northstar MLS, Hennepin County GIS, the CRV search functionality within Realist, and CBRE's internal database. The sales were chosen based upon their age, size, and quality similarities relative to the subject in its "after improvements" condition.

The following map and table summarize the comparable data used in the valuation of the subject as improved after consideration is given to the proposed street and utility project, utilizing the sales comparison approach.

Subject & Comparable Sales Location Map (After Consideration of Improvements Project)



SUMMARY OF COMPARABLE SINGLE FAMILY HOME SALES - AFTER IMPROVEMENTS PROJECT

No.	Property Address	Proximity to Subject	Transaction Type	Transaction Date	Land (AC)	Land (SF)	YOC	GLA (SF)	Fin. Bsmt. (SF)	Actual Sale Price	Adjusted Sale Price ¹
1	5815 Main Street W Maple Plain, MN 55359	1.10 Miles SW	Pending Sale	Jul-18	0.28 AC	12,003 SF	1965	1,184 SF	1,000 SF	\$299,900	\$299,900
2	1459 Rainbow Avenue Maple Plain, MN 55359	0.97 Miles SW	Sale	Feb-18	0.22 AC	9,595 SF	1966	1,965 SF	531 SF	\$346,850	\$336,444
3	5905 Main Street W Maple Plain, MN 55359	0.62 Miles SW	Sale	Aug-17	0.44 AC	19,200 SF	1962	1,762 SF	548 SF	\$290,000	\$290,000
4	1504 Rainbow Avenue Maple Plain, MN 55359	0.92 Miles SW	Sale	Jul-17	0.28 AC	12,058 SF	1973	1,272 SF	873 SF	\$265,000	\$257,050
Subj.	1740 Howard Avenue Maple Plain, MN 55359	---	---	---	0.49 AC	21,235 SF	1953	1,898 SF	0 SF	---	---

¹ Adjusted sale price for cash equivalency, lease-up and/or deferred maintenance (where applicable)

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DISCUSSION/ANALYSIS OF COMPARABLE IMPROVED SALES

Comparable Improved Sale #1



Aerial View – Hennepin County GIS (2015)

Street Scene – August 2015

Site Attributes:

Address:	5815 Main Street W Maple Plain, MN 55359
Hennepin County PID #:	26-118-24-12-0002
Proximity to Subject:	1.10 Miles SW
Site Size:	0.28 AC (12,003 SF)
Frontage:	80 Ft. on Main Street W
Shape:	Rectangular
Traffic Counts (AADT):	N/A - Not Counted
School District:	Orono (278)
Street Improvements	Good condition w/ concrete curb and gutter

Improvement Data:

Building Exterior:	Wood
Year Built/Design	1965/One-story
Gross Living Area (GLA):	1,184 SF
GLA Room Count (Tot./BR/Ba.):	7/3/1.00
Finished Basement:	1,000 SF, 0.75 Bathrooms
Garage:	2-Car Attached
Outbuildings:	Storage Shed
Fireplace(s):	0 Fireplaces
Amenities:	Patio, Porch

Sale Details:

Buyer(s):	N/A - Pending Sale
Seller(s):	Wesley & Malgorzata Matracz
Public Promotion:	Yes - MLS # 4958611
Sale Conditions:	Arm's Length Transaction @ Market Value
Off Market Date:	7/25/2018
Sale Price (\$):	\$299,900
Seller Contribution (\$):	\$0
Adjusted Sale Price (\$):	\$299,900
Primary Sale Verification Sources:	Assessor/County Records, Northstar MLS, Realist

Source: Various sources compiled by CBRE

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Comparable Improved Sale #2



Aerial View – Hennepin County GIS (2015)



Street Scene – August 2015

Site Attributes:

Address:	1459 Rainbow Avenue Maple Plain, MN 55359
Hennepin County PID #:	26-118-24-11-0051
Proximity to Subject:	0.97 Miles SW
Site Size:	0.22 AC (9,595 SF)
Frontage:	78 Ft. on Rainbow Avenue
Shape:	Rectangular
Traffic Counts (AADT):	N/A - Not Counted
School District:	Orono (278)
Street Improvements	Good condition w/ concrete curb and gutter

Improvement Data:

Building Exterior:	Vinyl
Year Built/Design	1966/Two Stories
Gross Living Area (GLA):	1,965 SF
GLA Room Count (Tot./BR/Ba.):	8/5/2.75
Finished Basement:	531 SF, 0.50 Bathroom
Garage:	2-Car Attached
Outbuildings:	Storage Shed
Fireplace(s):	0 Fireplaces
Amenities:	Deck, Patio, Fence

Sale Details:

Buyer(s):	Camilla Sherman
Seller(s):	Kirstin Jacques
Public Promotion:	Yes - MLS # 4896773
Sale Conditions:	Arm's Length Transaction @ Market Value
Sale Date:	2/8/2018
Sale Price (\$):	\$346,850
Seller Contribution (\$):	(\$10,406)
Adjusted Sale Price (\$):	\$336,444
eCRV ID:	774323
Primary Sale Verification Sources:	Assessor/County Records, Northstar MLS, Realist

Source: Various sources compiled by CBRE

CBRE

Comparable Improved Sale #3



Aerial View – Hennepin County GIS (2015)



Street Scene – August 2015

Site Attributes:

Address:	5905 Main Street S Maple Plain, MN 55359
Hennepin County PID #:	26-118-24-12-0007
Proximity to Subject:	0.62 Miles SW
Site Size:	0.44 AC (19,200 SF)
Frontage:	100 Ft. on Main Street W
Shape:	Rectangular
Traffic Counts (AADT):	N/A - Not Counted
School District:	Orono (278)
Street Improvements	Good condition w/ concrete curb and gutter

Improvement Data:

Building Exterior:	Wood, Stucco, Brick/Stone
Year Built/Design	1962/One-1/2 Stories
Gross Living Area (GLA):	1,762 SF
GLA Room Count (Tot./BR/Ba.):	7/3/1.50
Finished Basement:	548 SF, 0.50 Bathroom
Garage:	2-Car Attached
Outbuildings:	Pole Shed
Fireplace(s):	2 Fireplaces
Amenities:	Deck

Sale Details:

Buyer(s):	Patrick Kariniemi
Seller(s):	Jennifer Smith
Public Promotion:	Yes - MLS # 4823085
Sale Conditions:	Arm's Length Transaction @ Market Value
Sale Date:	8/28/2017
Sale Price (\$):	\$290,000
Seller Contribution (\$):	\$0
Adjusted Sale Price (\$):	\$290,000
eCRV ID:	712154
Primary Sale Verification Sources:	Assessor/County Records, Northstar MLS, Realist

Source: Various sources compiled by CBRE

CBRE

Comparable Improved Sale #4



Aerial View – Hennepin County GIS (2015)



Street Scene – August 2015

Site Attributes:

Address:	1504 Rainbow Avenue Maple Plain, MN 55359
Hennepin County PID #:	26-118-24-11-0041
Proximity to Subject:	0.92 Miles SW
Site Size:	0.28 AC (12,058 SF)
Frontage:	98 Ft. on Rainbow Avenue
Shape:	Rectangular
Traffic Counts (AADT):	N/A - Not Counted
School District:	Orono (278)
Street Improvements	Good condition w/ concrete curb and gutter

Improvement Data:

Building Exterior:	Metal, Vinyl, Brick/Stone
Year Built/Design	1973/Split-level
Gross Living Area (GLA):	1,272 SF
GLA Room Count (Tot./BR/Ba.):	6/2/1.00
Finished Basement:	873 SF, .075 Bathroom
Garage:	2-Car Attached
Outbuildings:	Storage Shed
Fireplace(s):	0 Fireplaces
Amenities:	Deck, Patio, Chain Link Fence

Sale Details:

Buyer(s):	Clinton & Nicole Dammann
Seller(s):	Joseph Morin
Public Promotion:	Yes - MLS # 4834895
Sale Conditions:	Arm's Length Transaction @ Market Value
Sale Date:	7/20/2017
Sale Price (\$):	\$265,000
Seller Contribution (\$):	(\$7,950)
Adjusted Sale Price (\$):	\$257,050
eCRV ID:	691310
Primary Sale Verification Sources:	Assessor/County Records, Northstar MLS, Realist

Source: Various sources compiled by CBRE

CBRE

COMPARABLE IMPROVED SALE VALUATION GRID – AFTER IMPROVEMENTS PROJECT

These comparable single-family home sales are compared to the subject, after consideration is given to the proposed road and utility improvements project, with adjustments made for significant differences that affect market value, as shown below:

Sales Comparison Chart – Improved Comparable Sales 1 & 2

SINGLE FAMILY HOME SALES ADJUSTMENT GRID - AFTER IMPROVEMENTS PROJECT											
FEATURE	SUBJECT			COMPARABLE SALE #1				COMPARABLE SALE #2			
Address	1740 Howard Avenue Maple Plain, MN 55359			5815 Main Street W Maple Plain, MN 55359				1459 Rainbow Avenue Maple Plain, MN 55359			
Proximity to Subject	---			1.10 Miles SW				0.97 Miles SW			
Actual Sale Price (\$)	---			\$299,900				\$346,850			
Concessions (Seller Paid Points) (\$)	---			\$0				(\$10,406)			
Adjusted Sale Price (\$)	---			\$299,900				\$336,444			
Price Per SF of Gross Living Area (GLA) (\$/SF)	---			\$253				\$171			
Data Source(s)	Inspection, Assessor Field Card			MLS # 4958611				MLS # 4896773			
Verification Source(s)	Hennepin County Records, CoreLogic			Hennepin County Records, CoreLogic				Hennepin County Records, CoreLogic			
VALUE ADJUSTMENTS	DESCRIPTION			DESCRIPTION +(-) \$ Adjustment				DESCRIPTION +(-) \$ Adjustment			
Conditions of Sale or Financing	---			Pending Sale (Superior @ 3%) (\$8,997)				Conventional			
Date of Sale (Time)	---			7/25/2018 (0 Mo.'s)				2/8/2018 (5 Mo.'s) \$14,019			
Location/Traffic/Access	Average			Inferior @ 3% \$8,997				Similar			
Property Rights Conveyed (Leasehold/Fee Simple)	Fee Simple			Fee Simple				Fee Simple			
Site Size	0.49 AC (21,235 SF)			0.28 AC (12,003 SF) (Inferior) \$36,000				0.22 AC (9,595 SF) (Inferior) \$48,000			
Topography	Generally Level; Wooded; No Wetland			Similar				Similar			
View	Residential/Wooded			Residential/Wooded (Similar)				Residential/Wooded (Similar)			
Street Improvements	Good condition w/ concrete curb and gutter			Good condition w/ concrete curb and gutter				Good condition w/ concrete curb and gutter			
Design (Style)	One-story/Average			One-story (Similar)				Two Stories (Similar)			
Quality of Construction	Average			Similar				Similar			
Actual Age/Effective Age	65 Yrs. (Actual)/10-12 Yrs. (Effective)			53 Yrs. (Actual)/8-10 Yrs. (Effective) (See Condition Adjustment) (See Condition Adj.) (\$29,990)				52 Yrs. (Actual)/8-10 Yrs. (Effective) (See Condition Adjustment) (See Condition Adj.) (\$33,644)			
Condition	Average			Superior @ 10% (\$29,990)				Superior @ 10% (\$33,644)			
Above Grade Room Count	Total	Bedrooms	Baths	Total	Bedrooms	Baths		Total	Bedrooms	Baths	
	9	3	1.00	7	3	1.00		8	5	2.75	
Gross Living Area (SF)	1,898 SF			1,184 SF \$28,560				1,965 SF (\$20,500) (\$2,680)			
Basement	Partial Bsmt.			Full Bsmt.				Full Bsmt.			
Finished Basement Area (SF)	0 SF			520 SF (\$7,800)				531 SF (\$7,965)			
Below Grade Bathroom Count	0.00			0.75 (\$4,500)				0.50 (\$3,000)			
Functional Utility	Average			Similar				Similar			
Heating/Cooling	FA/CA			FA/CA				FA/CA			
Energy Efficient Items	Standard E.E.			Similar				Similar			
Garage/Carport	2-Car Attached			2-Car Attached				2-Car Attached			
Porch/Patio/Deck	Deck			Patio, Porch				Deck, Patio (\$1,500)			
Fireplace(s)	1 Fireplace			0 Fireplaces \$2,500				0 Fireplaces \$2,500			
Additional Features	2 Storage Sheds			Storage Shed				Fence			
	Fence							Storage Shed			
Net "Additional Features" Adjustment				\$1,000				\$500			
Net Adjustment (Total) (\$)				\$25,770				(\$4,271)			
Adjusted Sale Price of Comparables	Average \$328,976			Net Adjustment: 8.59% \$325,670				Net Adjustment: -1.27% \$332,173			

Compiled by CBRE

CBRE

Sales Comparison Chart – Improved Comparable Sales 3 & 4

SINGLE FAMILY HOME SALES ADJUSTMENT GRID - AFTER IMPROVEMENTS PROJECT											
FEATURE	SUBJECT			COMPARABLE SALE #3			COMPARABLE SALE #4				
Address	1740 Howard Avenue Maple Plain, MN 55359			5905 Main Street W Maple Plain, MN 55359			1504 Rainbow Avenue Maple Plain, MN 55359				
Proximity to Subject	---			0.62 Miles SW			0.92 Miles SW				
Actual Sale Price (\$)	---			\$290,000			\$265,000				
Concessions (Seller Paid Points) (\$)	---			\$0			(\$7,950)				
Adjusted Sale Price (\$)	---			\$290,000			\$257,050				
Price Per SF of Gross Living Area (GLA) (\$/SF)	---			\$165			\$202				
Data Source(s)	Inspection, Assessor Field Card			MLS # 4823085			MLS # 4834895				
Verification Source(s)	Hennepin County Records, CoreLogic			Hennepin County Records, CoreLogic			Hennepin County Records, CoreLogic				
VALUE ADJUSTMENTS	DESCRIPTION			DESCRIPTION +(-) \$ Adjustment			DESCRIPTION +(-) \$ Adjustment				
Conditions of Sale or Financing	---			Conventional			Conventional				
Date of Sale (Time)	---			8/28/2017 (11 Mo.'s)			7/20/2017 (12 Mo.'s)				
Location/Traffic/Access	Average			Inferior @ 3%			Inferior @ 3%				
Property Rights Conveyed (Leasehold/Fee Simple)	Fee Simple			Fee Simple			Fee Simple				
Site Size	0.49 AC (21,235 SF)			0.44 AC (19,200 SF) (Inferior)			0.28 AC (12,058 SF) (Inferior)				
Topography	Generally Level; Wooded; No Wetland			Similar			Similar				
View	Residential/Wooded			Residential/Wooded (Similar)			Residential/Wooded (Similar)				
Street Improvements	Good condition w/ concrete curb and gutter			Good condition w/ concrete curb and gutter			Good condition w/ concrete curb and gutter				
Design (Style)	One-story/Average			One-1/2 Stories (Inferior @ 5%)			One-story (Similar)				
Quality of Construction	Average			Similar			Similar				
Actual Age/Effective Age	65 Yrs. (Actual)/10-12 Yrs. (Effective)			56 Yrs. (Actual)/10-12 Yrs. (Effective) (Similar)			53 Yrs. (Actual)/8-10 Yrs. (Effective) (See Condition Adjustment)				
Condition	Average			Similar			Superior @ 5%				
Above Grade	Total	Bedrooms	Baths	Total	Bedrooms	Baths	Total	Bedrooms	Baths		
Room Count	9	3	1.00	7	3	1.50	6	2	1.00		
Gross Living Area (SF)	1,898 SF			1,762 SF			1,272 SF				
Basement	Partial Bsmt.			Full Bsmt.			Full Bsmt.				
Finished Basement Area (SF)	0 SF			548 SF			873 SF				
Below Grade Bathroom Count	0.00			0.50			0.75				
Functional Utility	Average			Functional Utility			Similar				
Heating/Cooling	FA/CA			FA/CA			FA/CA				
Energy Efficient Items	Standard E.E.			Similar			Similar				
Garage/Carport	2-Car Attached			2-Car Attached			2-Car Attached				
Porch/Patio/Deck	Deck			Deck			Deck, Patio				
Fireplace(s)	1 Fireplace			2 Fireplaces			0 Fireplaces				
Additional Features	2 Storage Sheds			Pole Shed			Fence				
	Fence						Storage Shed				
Net "Additional Features" Adjustment											
Net Adjustment (Total) (\$)				\$44,003			\$67,009				
Adjusted Sale Price of Comparables	Average \$328,976			Net Adjustment: 15.17% \$334,003			Net Adjustment: 26.07% \$324,059				

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SUMMARY OF ADJUSTMENTS

The sales utilized represent the best data available for comparison with the subject and were selected from the local market area. In analyzing and comparing the market data to the subject property, each comparable was adjusted for dissimilar characteristics. Consideration was given to numerous factors. Adjustments are applied as follows:

Conditions of Sale/Financing

Adjustments for conditions of sale are justified when the circumstances of a specific sale result in a price that is higher or lower than that of a normal market transaction. This adjustment reflects the motivations of a buyer and seller in the transfer of real property. Circumstances requiring adjustments for condition of sale includes sales made under duress, auctions, eminent domain transactions, and sales that were not arm's length.

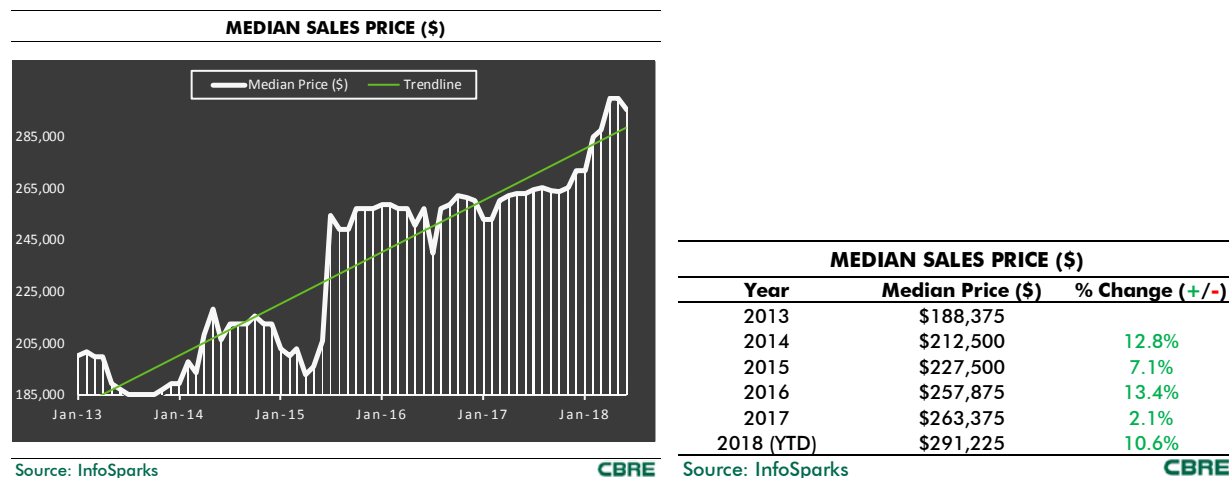
The appraisers note that Comparable Sale 1 represents a pending sale transaction and is therefore adjusted downward accordingly to account for this superior factor relative to the subject.

Adjustments for financing are necessary if a sale transaction involves unusual or favorable financing, often provided by the seller. If such a case exists, an adjustment is made to bring the resultant price to a cash equivalent value, which is based on market terms available at the time of sale.

All of the comparable sales were indicated to be cash-to-seller transactions or financed by a third party at market terms, and none appeared to occur under duress. As such, no adjustments for cash equivalency were necessary for these sales.

Market Conditions

As previously mentioned in the "before improvements" valuation section above, the market condition adjustment is for any projected value change between the sale dates of the comparable sales and the effective appraisal date. The purpose of the adjustment is to bring the varying transaction dates of the comparable sales to an equal status current with the appraisal date by applying adjustments for changes in market conditions. The transactions occurred between July of 2017 and July of 2018. During this time frame, the single-family housing market within the city of Maple Plain (as the appraisers note that all of the sales occurred within the City) has been appreciating approximately 10% annually on a straight-line basis, and the comparable sales are adjusted accordingly to the effective date of the appraisal (July 26, 2018). In order to obtain this adjustment factor, the appraisers utilized InfoSparks, and the results of which are summarized in the graph and chart below:



Location/Traffic/Access

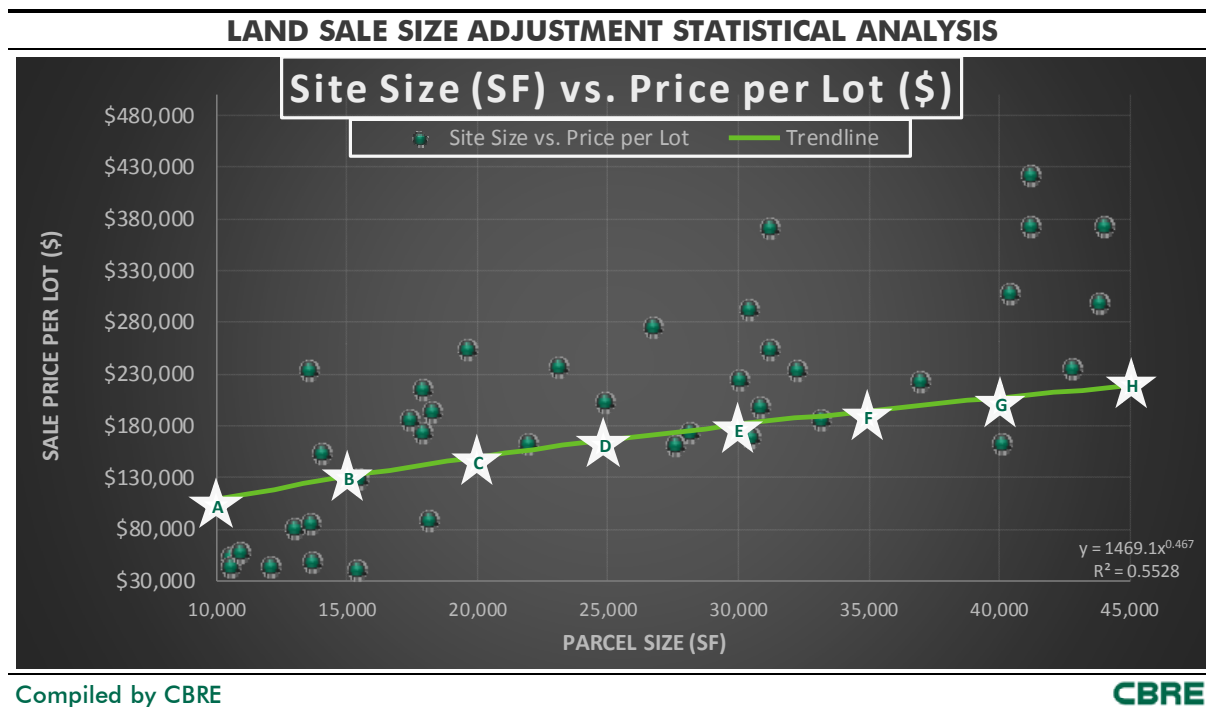
In determining adjustments related to location/traffic/access, the appraisers evaluate a multitude of factors, such as the neighborhood's housing market, demographic information, density of land use in the immediate area, the general convenience of the location in terms of the overall metropolitan area, the land use trends in a particular location, exposure to traffic, and immediate accessibility (i.e. corner vs. interior lot). In order to conduct this analysis, the appraiser obtained a Housing and Demographic summary for each comparable sales' neighborhood (within a ¼-mile radius) utilizing ESRI. Additionally, traffic counts were obtained from MnDOT. Finally, the appraiser physically inspected each of the comparable improved sale to better understand the properties' surrounding neighborhood, exposure to traffic, and accessibility characteristics.

Comparable Sales 1, 3 and 4 are located south of Highway 12, which is further removed from downtown Maple Plain and other amenities in the immediate area. As such, these comparable sales are adjusted upward accordingly to account for this inferior factor relative to the subject.

Despite Comparable Sale 3 being located south of Highway 12, the appraisers note that it abuts Rainbow Park to the west (rear), which is a large public park that features a skating/warming house, playground and walking path. As such, this feature negates its further removed location within the city of Maple Plain relative to the subject; consequently, no adjustment is deemed necessary for Comparable Sale 3 as it relates to this factor.

Site Size

As previously mentioned in the "before improvements" valuation section above, typically, with all other factors being equal, larger lots are more desirable than smaller lots. In order to corroborate this theory, the appraisers have gathered data on single-family residential lot sales that have occurred within the Orono School District since 2013. The following graph, which shows the relationship of site size of a property and its sale price per lot, depicts our dataset of land sales (with a parcel size of 45,000 square feet or less) occurring within the Orono School District since 2013:



Generally, due to utility and economies of scale, the value contribution of additional land diminishes as the lot size increases. Additional land beyond the base lot area, or lot size minimum, can be thought of as surplus land (as it does not add value at the same rate as the space needed to facilitate the primary use). A lot size adjustment can be derived by comparing two data points from the above graph, shown as follows:

SITE SIZE ADJUSTMENT RATE			
Data Point	Site Size (SF)	Price per Lot (\$)	% Change
A	10,000 SF	\$108,406	
B	15,000 SF	\$131,004	
Difference	5,000 SF	\$22,599	21%
B	15,000 SF	\$131,004	
C	20,000 SF	\$149,842	
Difference	5,000 SF	\$18,837	14%
C	20,000 SF	\$149,842	
D	25,000 SF	\$166,299	
Difference	5,000 SF	\$16,457	11%
D	25,000 SF	\$166,299	
E	30,000 SF	\$181,079	
Difference	5,000 SF	\$14,780	9%
E	30,000 SF	\$181,079	
F	35,000 SF	\$194,595	
Difference	5,000 SF	\$13,516	7%
F	35,000 SF	\$194,595	
G	40,000 SF	\$207,116	
Difference	5,000 SF	\$12,521	6%
G	40,000 SF	\$207,116	
H	45,000 SF	\$218,827	
Difference	5,000 SF	\$12,521	6%

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All of the comparable sales were deemed to have a material difference in site size relative to the subject; thus, all of the comparable sales are adjusted accordingly based on the market-derived analysis shown above.

Topography

This is an adjustment category that considers information about land's contour, grading, natural drainage, soil conditions, view, and general physical usefulness. Sites may differ in value due to these physical characteristics. Steep slopes often impede building construction. Natural drainage can be advantageous, or, if a site is downstream from other properties or is a natural drainage basin for the area, it may have severely limited usefulness. Adequate drainage systems can offset the topographic and drainage problems that would otherwise inhibit the development of such a site. Upland land area (i.e. land above the mean high-water line) and land with good drainage can typically support uses that are more intensive.

All of the comparable sales are considered to have overall similar topographical features relative to the subject and therefore do not necessitate any adjustments for this factor.

Street Improvements

Generally, market participants recognize that streets need replacing when nearing the end of a long economic life. A typical buyer in the subject market commonly prefers a new surface road with concrete curbs and gutters versus dated, older road improvements. In addition to visual benefit, new street improvements provide better and safer use for pedestrians and drivers. Based

on past appraisals, the appraisers' experience, and general market observation and analysis, it is not uncommon for properties similar to those in the subject market to realize an increase in price as a result of new street improvements.

The appraisers note that the subject and all of the comparable sales are served by new or newer street and utility improvements deemed to be in relatively good condition. Further, each of the roadways have concrete curbs and/or gutters. As such, no adjustments are warranted for this factor.

Design (Style)

This adjustment category accounts for the differences in the character and overall appearance (or curb appeal) of building construction between the subject and comparable sales. A home can be built with adequate materials and workmanship and have a functional layout, but lack an attractive design. This deficiency adversely affects the property's marketability.

Comparable Sale 3 is considered to have inferior design qualities relative to the subject given the given the sloping ceilings in the second floor living area. Therefore, Comparable Sale 3 is adjusted upward accordingly to account for this inferior factor relative to the subject.

Age/Condition

Adjustments are considered for differences in the combination of effective age and physical condition. Typically, a newer property, or property that has undergone recent renovations, sell at a higher price than an older property of a similar design and utility (all other factors being equal). Although a home's effective age and condition can be addressed separately, in this appraisal they are considered together. The actual age of the subject improvements is 65 years (constructed in 1953), with an estimated effective age of 10-12 years. The subject's overall condition is average. The actual age of the comparable sales ranges from 52 years to 56 years, with effective ages bracketing the subject's and ranging from 8-12 years. To account for the difference pertaining to effective age and condition, Comparable Sales 1, 2 and 4 are adjusted downward for being overall superior to the subject.

Gross Living Area and Room Count

Differences in gross living area (GLA) in excess of 50 square feet are adjusted at a rate of \$40/SF. Additionally, differences in the number of above grade bathrooms are adjusted at a rate of \$2,500 per quarter bath, and differences in above-grade bedrooms are adjusted at a rate of \$1,500 per room.

Basement Finish and Room Count

Differences in finished basement area between the comparable sales and the subject are adjusted at a rate of \$15/SF. Additionally, differences in below grade bathrooms are adjusted at a rate of \$1,500 per quarter bath.

Amenities/Features

Additional adjustments are made to all the comparable sales to account for differences in amenities, including porches, patios, decks, fireplaces, storage sheds, fences and for any other unique property features that would have a bearing on the market value of the property.

CONCLUSION OF THE AFTER IMPROVEMENTS SALES COMPARISON ANALYSIS

Prior to adjustment, the comparable single-family home sales range from \$290,000 to \$336,444, with an average price of \$295,849. After making quantitative adjustments for transactional differences, and for differences in physical characteristics, the comparable improved sales indicate a value range for the subject from \$324,059 to \$334,003, with an average price of \$328,976. Given that all the comparable sales are reflective of the subject in different regards, weight is given to all comparable sales when reconciling a final opinion of the subject's market value after consideration is given to the street and utility improvements project described herein. However, most weight has been given to Comparable Sale 2 given its greatest overall similarity to the subject as it relates to physical features.

Based on this analysis, the comparable sales indicate that the subject as improved, after consideration of the proposed improvements project (July 26, 2018), has an estimated market value of \$330,000.

Calculation of the Difference

Based on the analysis contained within this report, the fee simple market values of the subject, “before” and “after” consideration of the 2018 Street & Utility Improvements Project described in this report, and the difference between the values, as of July 26, 2018, are concluded as follows:

MARKET VALUE CONCLUSIONS	
Subject's "Before Improvements" Market Value	\$310,000
Less: Subject's "After Improvements" Market Value	\$330,000
Difference	\$20,000
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Based on the above analysis, the difference between the subject's before and after values, as of July 26, 2018, is \$20,000.

In summary, it has been concluded that the proposed street and utility improvements do result in a measurable value benefit to the subject property addressed in this “before” and “after” appraisal report.

For additional support to the difference attributable to street improvements shown above, the appraisers have prepared several paired sales analyses of single-family homes in Maple Plain. In doing so, the appraisers compare the sale and re-sale of the same single-family home, with the first sale occurring prior to the 2014 Main Street West and Rainbow Avenue Street and Utility Improvements project (when the home was served by older street and utility improvements deemed to be in fair condition), whereas the re-sale occurred after the 2014 Main Street West and Rainbow Avenue Street and Utility Improvements project (when the home was served by new street and utility improvements deemed to be in good condition). After making adjustments for all other differences aside from the street and utility improvements, the paired sales provide a benchmark in regard to the value of these improvements. The following paired sales analyses have been considered in quantifying the difference between the fee simple market values of the subject, “before” and “after” consideration of the 2018 Street & Utility Improvements Project:

SUMMARY OF SALE & RE-SALE ANALYSES - BEFORE & AFTER IMPROVEMENTS PROJECT (2014 MAIN & RAINBOW STREET & UTILITY)										
No.	Property Address	Proximity to Subject	BEFORE IMPROVEMENTS		AFTER IMPROVEMENTS				Adjusted Price ¹	Difference
			Initial Sale Transaction		Re-Sale Transaction		Adjustments			
			Date	Price ¹	Date	Price ¹	Market Conditions (Time)	Condition		
1	5635 Main Street W Maple Plain, MN 55359	0.88 Miles SW	May-13	\$109,421	Jul-16	\$156,950	(\$29,102)	---	\$127,848	\$18,427
2	5719 Main Street W Maple Plain, MN 55359	0.98 Miles SW	Jun-13	\$125,200	May-17	\$206,840	(\$50,481)	(\$10,000)	\$146,359	\$21,159
3	5935 Main Street W Maple Plain, MN 55359	0.62 Miles SW	Dec-12	\$145,636	Dec-16	\$236,510	(\$40,179)	(\$30,000)	\$166,331	\$20,695
Subj.	1740 Howard Avenue Maple Plain, MN 55359	---	---	---	---	---	---	---	---	---

¹ Adjusted sale price for cash equivalency, lease-up and/or deferred maintenance (where applicable)

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¹ Adjusted sale price for cash equivalency, lease-up and/or deferred maintenance (where applicable)
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Based on the above paired sales analyses, the differences between the “before improvements” and “after improvements” values range from \$18,427 to \$21,159, with an average of \$20,094. This supports our value benefit conclusion of \$20,000 for the subject property.

Assumptions and Limiting Conditions

1. CBRE, Inc. through its appraiser (collectively, "CBRE") has inspected through reasonable observation the subject property. However, it is not possible or reasonably practicable to personally inspect conditions beneath the soil and the entire interior and exterior of the improvements on the subject property. Therefore, no representation is made as to such matters.
2. The report, including its conclusions and any portion of such report (the "Report"), is as of the date set forth in the letter of transmittal and based upon the information, market, economic, and property conditions and projected levels of operation existing as of such date. The dollar amount of any conclusion as to value in the Report is based upon the purchasing power of the U.S. Dollar on such date. The Report is subject to change as a result of fluctuations in any of the foregoing. CBRE has no obligation to revise the Report to reflect any such fluctuations or other events or conditions which occur subsequent to such date.
3. Unless otherwise expressly noted in the Report, CBRE has assumed that:
 - (i) Title to the subject property is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. CBRE has not examined title records (including without limitation liens, encumbrances, easements, deed restrictions, and other conditions that may affect the title or use of the subject property) and makes no representations regarding title or its limitations on the use of the subject property. Insurance against financial loss that may arise out of defects in title should be sought from a qualified title insurance company.
 - (ii) Existing improvements on the subject property conform to applicable local, state, and federal building codes and ordinances, are structurally sound and seismically safe, and have been built and repaired in a workmanlike manner according to standard practices; all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; and the roof and exterior are in good condition and free from intrusion by the elements. CBRE 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. CBRE appraisers are not engineers and are not qualified to judge matters of an engineering nature, and furthermore structural problems or building system problems may not be visible. It is expressly assumed that any 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.
 - (iii) Any proposed improvements, on or off-site, as well as any alterations or repairs considered will be completed in a workmanlike manner according to standard practices.
 - (iv) Hazardous materials are not present on the subject property. CBRE is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater, mold, or other potentially hazardous materials may affect the value of the property.
 - (v) No mineral deposit or subsurface rights of value exist with respect to the subject property, whether gas, liquid, or solid, and no air or development rights of value may be transferred. CBRE has not considered any rights associated with extraction or exploration of any resources, unless otherwise expressly noted in the Report.
 - (vi) There are no contemplated public initiatives, governmental development controls, rent controls, or changes in the present zoning ordinances or regulations governing use, density, or shape that would significantly affect the value of the subject property.
 - (vii) 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 readily obtained or renewed for any use on which the Report is based.
 - (viii) The subject property is managed and operated in a prudent and competent manner, neither inefficiently or super-efficiently.
 - (ix) The subject property and its use, management, and operation are in full compliance with all applicable federal, state, and local regulations, laws, and restrictions, including without limitation environmental laws, seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, and licenses.
 - (x) The subject property is in full compliance with the Americans with Disabilities Act (ADA). CBRE is not qualified to assess the subject property's compliance with the ADA, notwithstanding any discussion of possible readily achievable barrier removal construction items in the Report.

- (xi) All information regarding the areas and dimensions of the subject property furnished to CBRE are correct, and no encroachments exist. CBRE has neither undertaken any survey of the boundaries of the subject property nor reviewed or confirmed the accuracy of any legal description of the subject property.

Unless otherwise expressly noted in the Report, no issues regarding the foregoing were brought to CBRE's attention, and CBRE has no knowledge of any such facts affecting the subject property. If any information inconsistent with any of the foregoing assumptions is discovered, such information could have a substantial negative impact on the Report. Accordingly, if any such information is subsequently made known to CBRE, CBRE reserves the right to amend the Report, which may include the conclusions of the Report. CBRE assumes no responsibility for any conditions regarding the foregoing, or for any expertise or knowledge required to discover them. Any user of the Report is urged to retain an expert in the applicable field(s) for information regarding such conditions.

4. CBRE has assumed that all documents, data and information furnished by or behalf of the client, property owner, or owner's representative are accurate and correct, unless otherwise expressly noted in the Report. Such data and information include, without limitation, 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 error in any of the above could have a substantial impact on the Report. Accordingly, if any such errors are subsequently made known to CBRE, CBRE reserves the right to amend the Report, which may include the conclusions of the Report. The client and intended user should carefully review all assumptions, data, relevant calculations, and conclusions of the Report and should immediately notify CBRE of any questions or errors within 30 days after the date of delivery of the Report.
5. CBRE assumes no responsibility (including any obligation to procure the same) for any documents, data or information not provided to CBRE, including without limitation any termite inspection, survey or occupancy permit.
6. All furnishings, equipment and business operations have been disregarded with only real property being considered in the Report, except as otherwise expressly stated and typically considered part of real property.
7. Any cash flows included in the analysis are forecasts of estimated future operating characteristics based upon the information and assumptions contained within the Report. Any projections of income, expenses and economic conditions utilized in the Report, including such cash flows, should be considered as only estimates of the expectations of future income and expenses as of the date of the Report and not predictions of the future. Actual results are affected by a number of factors outside the control of CBRE, including without limitation fluctuating economic, market, and property conditions. Actual results may ultimately differ from these projections, and CBRE does not warrant any such projections.
8. The Report contains professional opinions and is expressly not intended to serve as any warranty, assurance or guarantee of any particular value of the subject property. Other appraisers may reach different conclusions as to the value of the subject property. Furthermore, market value is highly related to exposure time, promotion effort, terms, motivation, and conclusions surrounding the offering of the subject property. The Report is for the sole purpose of providing the intended user with CBRE's independent professional opinion of the value of the subject property as of the date of the Report. Accordingly, CBRE shall not be liable for any losses that arise from any investment or lending decisions based upon the Report that the client, intended user, or any buyer, seller, investor, or lending institution may undertake related to the subject property, and CBRE has not been compensated to assume any of these risks. Nothing contained in the Report shall be construed as any direct or indirect recommendation of CBRE to buy, sell, hold, or finance the subject property.
9. No opinion is expressed on matters which may require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers. Any user of the Report is advised to retain experts in areas that fall outside the scope of the real estate appraisal profession for such matters.
10. CBRE 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.
11. Acceptance or use of the Report constitutes full acceptance of these Assumptions and Limiting Conditions and any special assumptions set forth in the Report. It is the responsibility of the user of the Report to read in full, comprehend and thus become aware of all such assumptions and limiting conditions. CBRE assumes no responsibility for any situation arising out of the user's failure to become familiar with and understand the same.
12. The Report applies to the property as a whole only, and any pro ration or division of the title into fractional interests will invalidate such conclusions, unless the Report expressly assumes such pro ration or division of interests.

13. The allocations of the total value estimate in the Report between land and improvements apply only to the existing use of the subject property. The allocations of values for each of the land and improvements are not intended to be used with any other property or appraisal and are not valid for any such use.
14. The maps, plats, sketches, graphs, photographs, and exhibits included in this Report are for illustration purposes only and shall be utilized only to assist in visualizing matters discussed in the Report. No such items shall be removed, reproduced, or used apart from the Report.
15. The Report shall not be duplicated or provided to any unintended users in whole or in part without the written consent of CBRE, which consent CBRE may withhold in its sole discretion. Exempt from this restriction is duplication for the internal use of the intended user and its attorneys, accountants, or advisors for the sole benefit of the intended user. Also exempt from this restriction is transmission of the Report pursuant to any requirement of any court, governmental authority, or regulatory agency having jurisdiction over the intended user, provided that the Report and its contents shall not be published, in whole or in part, in any public document without the written consent of CBRE, which consent CBRE may withhold in its sole discretion. Finally, the Report shall not be made available to the public or otherwise used in any offering of the property or any security, as defined by applicable law. Any unintended user who may possess the Report is advised that it shall not rely upon the Report or its conclusions and that it should rely on its own appraisers, advisors and other consultants for any decision in connection with the subject property. CBRE shall have no liability or responsibility to any such unintended user.

ADDENDA

Addendum A

QUALIFICATIONS

PROFESSIONAL PROFILE



BRIAN ANDERSON, CPA

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Brian is a Senior Valuation Associate at CBRE that specializes in litigation/condemnation appraisals. Brian is a graduate of the University of St. Thomas (MN) where he received a bachelor's degree in Accounting. Prior to joining CBRE, Brian earned his Certified Public Accountant (CPA) license and worked as an Auditor with Ernst & Young in the Banking and Capital Markets sector. Brian began his career with CBRE in December of 2016, and in October of 2017, he began writing his own appraisals under the supervision of Kevin Meeks, MAI. In the long term, Brian is also working toward fulfilling the requirements for a Minnesota Certified General License, as well as the necessary requirements to obtain his MAI designation through the Appraisal Institute.

PROFESSIONAL EXPERIENCE

Company	Job Title	Date
■ CBRE, Minneapolis, MN	Senior Valuation Associate	Dec. 2016 - Present
■ Ernst & Young (EY), Minneapolis, MN	FSO Assurance Staff	Sept. 2015 - Dec. 2016

EDUCATION

University of Saint Thomas, Saint Paul, Minnesota

- Degree: Bachelor of Sciences in Accounting – December 2014

MN Department of Commerce Licensing Education

- Introduction to Appraisal Principles (30 Hours)
- Introduction to Appraisal Procedures (30 Hours)
- Comprehensive USPAP Course (15 Hours)
- Minnesota Supervisor/Trainee Course (6 Hours)

CREDENTIALS

Professional Affiliations/Accreditations/Certifications

- Appraisal Institute, Practicing Affiliate
- Certified Minnesota Trainee Appraiser, License Number: 40517857
- Certified Public Accountant (CPA), License Number: 29971

Kevin T. Meeks, MAI
CBRE
1900 LaSalle Plaza, 800 LaSalle Ave
Minneapolis, Minnesota 55402

Professional Résumé

QUALIFICATIONS

Certified General Real Property Appraiser (MN License #4003016, Expires 8/31/2018)
Designated MAI Member of the Appraisal Institute

EDUCATION

University of Minnesota - Minneapolis, MN
- Bachelor of Arts in Urban Studies - 1993

APPRAISAL EDUCATION AND SPECIAL COURSES

Appraisal Institute Courses

110 Appraisal Principles (3/94)
120 Appraisal Procedures (9/94)
310 Basic Income Capitalization (8/96)
410 Standards of Professional Practice, Part A (USPAP) (1994, 2003, 2008)
420 Standards of Professional Practice, Part B (Appraisal Institute) (7/94)
430 Standards of Professional Practice, Part C (6/00)
510 Advanced Income Capitalization (8/96)
520 Highest & Best Use and Market Analysis (2/98)
530 Advanced Sales Comparison & Cost Approaches (7/99)
540 Report Writing and Valuation Analysis (3/98)
550 Advanced Applications (7/99)

Appraisal Seminars (Miscellaneous) 2008-2016

2008 Annual RERC Industry Forecast (1/08)
Greenstar Initiative and Its Effect on the Real Estate Market (3/08)
Business Practices and Ethics (7/08)
The Real Implications of the HVCC on Appraisers and Lenders (1/09)
Spotlight: The New Residential Market Conditions Form (3/09)
11th Annual R.E. Trade Seminar - Commercial/General Session (5/09)
General Demonstration Appraisal Report Writing Seminar (2/10)
2010 Annual Forecast (2/10)
Ad Valorem Tax Consultation (7/10)
Trends in the Lodging Industry and the Impact on Value (10/10)
2011 Annual Forecast (1/11)
Multi-Family Housing (10/11)
A New Economy: A Guide For Real Estate Professionals (1/12)
Condemnation Appraising: Principals and Applications (6/12)
Eminent Domain (4/13)
How to Systemize Your Appraisal Business (4/13)
15th Annual R.E. Trends Seminar – Commercial/General Session (5/13)
Alpha – Confronting Realities for 2014
Land & Site Valuation (7/14)
Mold, Pollution, and the Appraiser (8/14)
17th Annual R.E. Trends Seminar – Commercial/General Session (5/15)
2015 IRS Seminar (6/15)
Collaborative Discussion of Appraisal and Regulatory Issues in the Current Lending Environment (1/16)
MN Supervisory Appraiser/Trainee Appraiser (2/16)
Don't Be Another Fish in the Dark 'Net' (4/16)
18th Annual R.E. Trends Seminar – Commercial/General Session (5/16)
2016-2018 National USPAP Update Equivalent (8/16)

Kevin T. Meeks, MAI
CBRE
1900 LaSalle Plaza, 800 LaSalle Ave
Minneapolis, Minnesota 55402

Professional Résumé (Cont'd)

BUSINESS EXPERIENCE

CBRE Valuation and Advisory Services – Minneapolis, MN
Vice President – December 2016 to Present

Meeks Appraisal & Consulting – Minneapolis, MN
CEO, Residential and Commercial Real Estate Appraiser - 1998 to November 2016

Lunieski & Associates - Bloomington, MN
Residential and Commercial Real Estate Appraiser - 1993 to 1998

Stiles Appraisals, Inc. – Plymouth, MN
Residential Real Estate Appraiser - 1992 to 1993

PROFESSIONAL AFFILIATIONS & ADDITIONAL EXPERIENCE

Designated MAI Member of the Appraisal Institute (2013)
Member of the Minneapolis Area, Minnesota, & National Association of Realtors (2000 - Present)
Member of the Hennepin County Board of Equalization (1995 -1999)
Court Appointed Commissioner for Hennepin County (1998 - Present)

Kevin Meeks has participated as part of the faculty for Hennepin County Continuing Legal Education Seminars, most recently in 2016 speaking on the topic of the Valuation of Temporary Easements and Construction Related Interference.

Over the past eighteen years, Kevin Meeks has provided expert witness appraisal testimony throughout the state of Minnesota for condemnation proceedings (including commissioner's hearings, and district court jury trials), as well as for federal bankruptcy proceedings.

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Professional Résumé (Cont'd)

STATE OF MINNESOTA



KEVIN THOMAS MEEKS
3144 HENNEPIN AVENUE
SUITE 202
MPLS, MN 55408

Department of Commerce

The Undersigned **COMMISSIONER OF COMMERCE** for the State of Minnesota hereby certifies that
KEVIN THOMAS MEEKS

3144 HENNEPIN AVENUE
SUITE 202
MPLS, MN 55408

has complied with the laws of the State of Minnesota and is hereby licensed to transact the business of

Resident Appraiser : Certified General

License Number: 4003016

unless this authority is suspended, revoked, or otherwise legally terminated. This license shall be in effect until August 31, 2018.

IN TESTIMONY WHEREOF, I have hereunto set my hand this August 08, 2016.

A handwritten signature in cursive script, reading "Nick Portman".

COMMISSIONER OF COMMERCE

Minnesota Department of Commerce

Licensing Division

85 7th Place East, Suite 500

St. Paul, MN 55101-3165

Telephone: (651) 539-1599

Email: licensing.commerce@state.mn.us

Website: commerce.state.mn.us

Notes:

- **Individual Licensees Only - Continuing Education:** 15 hours is required in the first renewal period, which includes a 7 hour USPAP course. 30 hours is required for each subsequent renewal period, which includes a 7 hour USPAP course.
- **Appraisers:** You must hold a licensed Residential, Certified Residential, or Certified General qualification in order to perform appraisals for federally-related transactions. **Trainees do not qualify.** For further details, please visit our website at commerce.state.mn.us.