

Appraisal Report

Former Fletcher MPS School Building
9500 W. Allyn Street
Milwaukee, Wisconsin



Appraisal Date:
November 17, 2015

THE NICHOLSON GROUP LLC

December 15, 2015

Rhonda Szallai
City of Milwaukee, Department of City Development
809 N. Broadway
Milwaukee, Wisconsin 53202-3617

Subject: Former Fletcher MPS School Building Appraisal
9500 W. Allyn Street
Milwaukee, Wisconsin

We have completed an appraisal of the fee simple estate in the property identified above and submit our findings in this appraisal report. The subject property consists of the former Fletcher School containing a gross building area ("GBA") of ±59,700 square feet situated on a ±8.94 acre parcel. The improvements were constructed in 1973.

It is our opinion that the market value of the fee simple estate in the property-as of November 17, 2015 is:

One Million Four Hundred Thousand Dollars
\$1,400,000

This appraisal reflects the property being able to be sold for any use and to any entity without restriction.

The opinions expressed in this report can only be completely understood by reading the following report, exhibits, other data, assumptions and limiting conditions, and general service conditions. This appraisal report and all of the appraiser's work in connection with the appraisal assignment are subject to the limiting and general service conditions as well as all other terms stated in the report. Any use of the appraisal by any party, regardless of whether such use is authorized or intended by The Nicholson Group, constitutes acceptance of all such limiting and general service conditions and terms.

Respectfully submitted,
THE NICHOLSON GROUP LLC



Lawrence R. Nicholson, MAI
Wisconsin Certified General Appraiser (#116)



Jacob L. Nicholson

Attachment
15-210

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Scope of Work

Property Appraised	Former Fletcher MPS School Building 9500 W. Allyn Street Milwaukee, Wisconsin
Appraisal & Inspection Date	November 17, 2015
Property Rights Appraised	Market value of the fee simple estate
Intended Users	The intended user of our opinions and this report is the City of Milwaukee Department of City Development (“client”). Use of this report by others is not intended by the appraiser. A party receiving a report copy from the client does not, as a consequence, become a party to the appraiser-client relationship. No third parties are authorized to rely upon our opinions or this report without the express written permission of The Nicholson Group.
Intended Use	The intended use of our opinions and this report is for possible sale of the property to an education operator.
Assets Included	Land, site improvements and building improvements
Scope of the Investigations	<p>In developing this real property appraisal, the appraiser conducted a complete appraisal process which considered the use of the three traditional approaches to value: the Cost, Sales Comparison and Income Capitalization Approaches. The Sales Comparison Approach was used and is the most applicable approach.</p> <p>The Cost Approach was considered as part of this appraisal process, however, it was not utilized in arriving at our opinion of value. The Cost Approach is considered most reliable when the appraised improvements are new or relatively new and do not suffer from items of significant physical, functional, or external obsolescence. The subject building was originally constructed in 1973 and has an actual age of 42 years. There is an extensive amount of accrued depreciation and the Cost Approach is not one that the most probable buyer would use in determining an appropriate acquisition price for the property.</p>

The most probable buyer for the subject property is an owner-user. The subject's location is not an active investment market for educational real estate. There is a lack of rental data for school properties in the market area from which market rent could be reliably ascertained. The same is true for overall capitalization rates. Given that the highest and best use of the subject property is as an owner-user building and not an income producing building (i.e. investment property), the Income Capitalization Approach was not used and is not necessary in order to provide a credible opinion of value.

Given the applicability and strength of the Sales Comparison Approach, the omission of the Cost Approach and Income Capitalization Approach does not weaken the credibility of the opinion of value concluded herein.

Jacob L. Nicholson and Lawrence R. Nicholson, MAI collected, researched and analyzed the information deemed necessary to develop credible assignment results, that is, being worthy of belief. Furthermore, the appraisers have: inspected the interior and exterior of the appraised property; reviewed subject property information provided by MPS; researched public records pertaining to the subject property; investigated market and neighborhood trends affecting the highest and best use; gathered information pertaining to comparable sales; analyzed the data; and, applied the Sales Comparison Approach to arrive at a reasonable and independent opinion of market value

Sources used in obtaining comparable data included: The Nicholson Group's proprietary database of sale transactions; public records; real estate sales data published by CoStar Group, MLS, Redi-net and tax assessor offices; other appraisers; and, real estate brokers. The comparable sales were inspected and the terms of the transactions were verified through public records and/or by interviewing a party to the transaction. Data may have been used without verification by a party to the transaction if attempts to contact these individuals were unsuccessful and/or if the data was obtained from a reliable source and appeared to be correct.

The opinions presented in this report are based upon review and analysis of the market conditions affecting real property value. The value opinion has been supported by relevant evidence and logic to the degree necessary for the intended use.

Information, estimates and opinions furnished to the appraiser and contained in this report and/or in the appraisal workfile were obtained from sources considered reliable and believed to be true and correct. However, we can assume no responsibility for the accuracy of such items furnished to the appraiser.

While reasonable care has been taken to ensure that the facts stated herein are accurate and that any expressed or implied opinions are fair and reasonable, the opinions, estimates and projections in this appraisal constitute judgments as of the date of this appraisal and there can be no assurance that future results or events will be consistent with any such opinions, estimates or projections.

This appraisal report is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice ("USPAP") for an Appraisal Report. This report presents summary discussions of the data, reasoning and analyses that were used in the appraisal process to develop our opinion of value. Supporting documentation that is not provided with the report concerning the data, reasoning and analyses is retained in the appraisal workfile. The depth of discussion contained in this report is specific to the needs of the client and for the intended use state in this report. The appraiser is not responsible for unauthorized use of this report.

Extraordinary Assumption

The Uniform Standards of Professional Appraisal Practice (“USPAP”) defines an Extraordinary Assumption as: “an assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser’s opinions or conclusions.” The following comment is offered directly after this definition: “Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.”

We understand that there are asbestos containing materials (“ACM’s”) present throughout the building. Milwaukee Public Schools is aware of this and has implemented an asbestos inspection and management plan. It is our understanding and it is an extraordinary assumption that no immediate abatement is necessary. No asbestos abatement costs have been provided by the client or MPS and it is beyond the expertise of the appraisers and beyond the scope of this appraisal to estimate these costs. The property value as concluded herein has not considered any impact on value created by the presence of ACM’s which would decrease value. We reserve the right to revise our analysis and amend our opinions if it is later found that the ACM’s present in the building require immediate abatement and the cost of this abatement becomes known.

Competency Statement

According to the Competency Rule as set forth by USPAP, competency applies to factors such as, but not limited to, specific types of property, a specific type of property or asset, a market, a geographic area, an intended use, specific laws and regulations, or an analytical method. The appraisers are familiar with the subject property type and market area. Furthermore, the appraisers have the education, experience and competency to appropriately utilize the analytical methods employed in this report. The appraisers certify that they have the ability to properly identify the problem to be addressed, the knowledge and experience to complete the assignment competently and recognition of and compliance with laws and regulations that apply to the appraiser or to the assignment.

Exposure Time

Exposure time is defined in USPAP as “estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal”. Further, “Exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and open market.”

Exposure time is the amount of time necessary to expose a property to the open market in order to achieve a sale. The opinion of an exposure time is not intended to be a prediction of a date of sale. Furthermore, exposure time is always presumed to occur prior to the effective date of the appraisal. Implicit in this definition are the following characteristics:

- the property is actively exposed and aggressively marketed to potential purchasers through marketing channels commonly used by sellers of similar type property;
- the property is offered at a price reflecting the most probable markup over market value used by sellers of similar type property; and,
- sale is consummated under the terms and conditions of the definition of Market Value.

The subject property is a special use property for which there is a limited amount of demand; as such, the market exposure period could be quite long. It is our opinion that the reasonable exposure time, or the length of time necessary for the subject property to be exposed to the market prior to an arm's length sale occurring at the market value as concluded herein, is up to two or more years.

Definitions

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

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

[Source 12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994]

Fee Simple Estate is defined as: "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. [Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute), 2010]

Highest and Best Use is defined as: "The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity." [Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute), 2010]

Area Overview

The subject property is located on the northwest side of the City of Milwaukee. Demographic data for the market area comprising 1, 3 and 5 mile radii from the subject property is presented on pages 13 to 16. An Area Map is presented on the following page.

The City of Milwaukee is the largest city in Wisconsin and is the major economic center in the State. With a trend toward urbanization, there has been a resurgence of new housing projects in the near periphery areas of downtown Milwaukee including the Third and Fifth Wards. This trend is fueled by empty nesters and young professionals living downtown to be closer to the areas cultural and entertainment districts.

As of 2013, the City of Milwaukee was the 31st largest city in the nation and the 39th largest metropolitan area. The City has a stable and diverse employment base and has many large employers, with no substantial reliance on any one employer or industry. Largest private-sector employees are summarized below:

Milwaukee's Largest Employers

AT&T Wisconsin	Medical College of Wisconsin
Aurora Health Care	Northwestern Mutual
BMO Harris	Potawatomi Bingo Casino
Briggs & Stratton Corp.	ProHealth Care, Inc.
Columbia St. Mary's	Quad/Graphics
Cooper Power Systems	Rockwell Automation
Froedtert Health	Roundy's Supermarkets, Inc.
GE Healthcare	SC Johnson
Harley-Davidson Inc.	U.S. Bank
Johnson Controls	We Energies
Kohl's Department Stores	Wheaton Franciscan Healthcare

According to the Metropolitan Milwaukee Association of Commerce (“MMAC”), a large portion of the local labor force is employed in the manufacturing sector. Service businesses, however, constitute the largest sector of the local economy, with much of the growth occurring in financial and insurance services, including e-commerce and data processing services. Tourism is also a major contributor to the local economy. The area's many festivals and parades, as well as its nationally recognized museums and zoo, generate \$2.5 billion annually. Milwaukee is home to many nationally and internationally known service companies in all major market segments, including insurance, financial services, utilities, retail and food services.

The city is home to major institutions of higher education: Marquette University, with an enrollment of 11,000 undergraduate and graduate students; and, the University of Wisconsin–Milwaukee, the second largest campus in the UW system with more than 27,000 students. Universities and colleges within the city include: Alverno College, Cardinal Stritch University, Keller Graduate School, Marquette University, Medical College of Wisconsin, Milwaukee Area Technical College, Milwaukee Institute of Art & Design, Milwaukee School of Engineering, Mount Mary College, Stratton College, University of Wisconsin – Milwaukee, and Wisconsin Lutheran College.

The City is served by several local bus routes and freeway flyer routes of the Milwaukee County Transit System. Elderly and disabled city residents have access to two specialized transportation programs provided by Milwaukee County.



Demographic and Income Comparison Profile

9500 W Allyn St, Milwaukee, Wisconsin, 53224
Rings: 1, 3, 5 mile radii

Prepared by Esri
Latitude: 43.18324
Longitude: -88.02744

	1 mile	3 miles	5 miles
Census 2010 Summary			
Population	7,514	37,994	136,223
Households	2,768	15,500	52,782
Families	1,676	9,678	35,684
Average Household Size	2.64	2.41	2.56
Owner Occupied Housing Units	792	8,539	31,576
Renter Occupied Housing Units	1,976	6,961	21,206
Median Age	28.5	36.0	35.6
2015 Summary			
Population	7,401	38,006	135,962
Households	2,728	15,580	52,909
Families	1,647	9,686	35,614
Average Household Size	2.64	2.40	2.55
Owner Occupied Housing Units	745	8,316	30,814
Renter Occupied Housing Units	1,983	7,264	22,095
Median Age	28.7	37.0	36.2
Median Household Income	\$27,769	\$44,306	\$49,083
Average Household Income	\$38,871	\$60,922	\$70,357
2020 Summary			
Population	7,385	38,187	136,820
Households	2,723	15,679	53,347
Families	1,641	9,722	35,828
Average Household Size	2.64	2.40	2.54
Owner Occupied Housing Units	741	8,340	31,061
Renter Occupied Housing Units	1,982	7,339	22,286
Median Age	28.7	37.7	37.0
Median Household Income	\$30,601	\$51,931	\$56,210
Average Household Income	\$44,382	\$70,349	\$80,747
Trends: 2015-2020 Annual Rate			
Population	-0.04%	0.10%	0.13%
Households	-0.04%	0.13%	0.17%
Families	-0.07%	0.07%	0.12%
Owner Households	-0.11%	0.06%	0.16%
Median Household Income	1.96%	3.23%	2.75%

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2015 and 2020.



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2015 Households by Income	1 mile		3 miles		5 miles	
	Number	Percent	Number	Percent	Number	Percent
<\$15,000	795	29.1%	2,505	16.1%	7,332	13.9%
\$15,000 - \$24,999	417	15.3%	1,591	10.2%	5,800	11.0%
\$25,000 - \$34,999	434	15.9%	2,130	13.7%	6,222	11.8%
\$35,000 - \$49,999	391	14.3%	2,261	14.5%	7,443	14.1%
\$50,000 - \$74,999	353	12.9%	2,636	16.9%	8,855	16.7%
\$75,000 - \$99,999	179	6.6%	1,749	11.2%	6,297	11.9%
\$100,000 - \$149,999	109	4.0%	1,796	11.5%	6,247	11.8%
\$150,000 - \$199,999	28	1.0%	539	3.5%	2,354	4.4%
\$200,000+	21	0.8%	372	2.4%	2,360	4.5%
Median Household Income	\$27,769		\$44,306		\$49,083	
Average Household Income	\$38,871		\$60,922		\$70,357	
Per Capita Income	\$14,592		\$25,018		\$27,519	
2020 Households by Income	Number	Percent	Number	Percent	Number	Percent
<\$15,000	774	28.4%	2,372	15.1%	6,937	13.0%
\$15,000 - \$24,999	323	11.9%	1,210	7.7%	4,403	8.3%
\$25,000 - \$34,999	416	15.3%	1,841	11.7%	5,472	10.3%
\$35,000 - \$49,999	401	14.7%	2,138	13.6%	7,093	13.3%
\$50,000 - \$74,999	361	13.3%	2,527	16.1%	8,528	16.0%
\$75,000 - \$99,999	227	8.3%	2,097	13.4%	7,389	13.9%
\$100,000 - \$149,999	154	5.7%	2,307	14.7%	7,624	14.3%
\$150,000 - \$199,999	38	1.4%	722	4.6%	3,095	5.8%
\$200,000+	29	1.1%	464	3.0%	2,806	5.3%
Median Household Income	\$30,601		\$51,931		\$56,210	
Average Household Income	\$44,382		\$70,349		\$80,747	
Per Capita Income	\$16,612		\$28,913		\$31,632	

Data Note: Income is expressed in current dollars.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2015 and 2020.



Demographic and Income Comparison Profile

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	1 mile		3 miles		5 miles	
2010 Population by Age	Number	Percent	Number	Percent	Number	Percent
Age 0 - 4	775	10.3%	2,905	7.6%	10,612	7.8%
Age 5 - 9	742	9.9%	2,798	7.4%	10,712	7.9%
Age 10 - 14	700	9.3%	2,796	7.4%	10,840	8.0%
Age 15 - 19	605	8.1%	2,571	6.8%	10,159	7.5%
Age 20 - 24	523	7.0%	2,312	6.1%	8,138	6.0%
Age 25 - 34	1,131	15.0%	5,142	13.5%	16,683	12.2%
Age 35 - 44	787	10.5%	4,631	12.2%	17,124	12.6%
Age 45 - 54	694	9.2%	5,032	13.2%	19,541	14.3%
Age 55 - 64	514	6.8%	4,390	11.6%	15,380	11.3%
Age 65 - 74	264	3.5%	2,564	6.7%	8,463	6.2%
Age 75 - 84	333	4.4%	1,786	4.7%	6,045	4.4%
Age 85+	447	5.9%	1,067	2.8%	2,523	1.9%
2015 Population by Age	Number	Percent	Number	Percent	Number	Percent
Age 0 - 4	751	10.1%	2,730	7.2%	10,019	7.4%
Age 5 - 9	659	8.9%	2,698	7.1%	10,158	7.5%
Age 10 - 14	649	8.8%	2,686	7.1%	10,414	7.7%
Age 15 - 19	627	8.5%	2,597	6.8%	9,783	7.2%
Age 20 - 24	645	8.7%	2,448	6.4%	9,022	6.6%
Age 25 - 34	991	13.4%	4,932	13.0%	16,702	12.3%
Age 35 - 44	814	11.0%	4,544	12.0%	15,780	11.6%
Age 45 - 54	671	9.1%	4,640	12.2%	17,981	13.2%
Age 55 - 64	568	7.7%	4,648	12.2%	17,067	12.6%
Age 65 - 74	337	4.6%	3,218	8.5%	10,373	7.6%
Age 75 - 84	276	3.7%	1,723	4.5%	5,809	4.3%
Age 85+	414	5.6%	1,144	3.0%	2,855	2.1%
2020 Population by Age	Number	Percent	Number	Percent	Number	Percent
Age 0 - 4	761	10.3%	2,716	7.1%	9,933	7.3%
Age 5 - 9	644	8.7%	2,520	6.6%	9,633	7.0%
Age 10 - 14	664	9.0%	2,675	7.0%	10,187	7.4%
Age 15 - 19	573	7.8%	2,519	6.6%	9,509	7.0%
Age 20 - 24	626	8.5%	2,459	6.4%	8,530	6.2%
Age 25 - 34	1,050	14.2%	4,833	12.7%	17,335	12.7%
Age 35 - 44	821	11.1%	4,738	12.4%	16,182	11.8%
Age 45 - 54	605	8.2%	4,263	11.2%	16,349	11.9%
Age 55 - 64	584	7.9%	4,618	12.1%	17,348	12.7%
Age 65 - 74	385	5.2%	3,660	9.6%	12,422	9.1%
Age 75 - 84	293	4.0%	2,019	5.3%	6,349	4.6%
Age 85+	381	5.2%	1,166	3.1%	3,042	2.2%

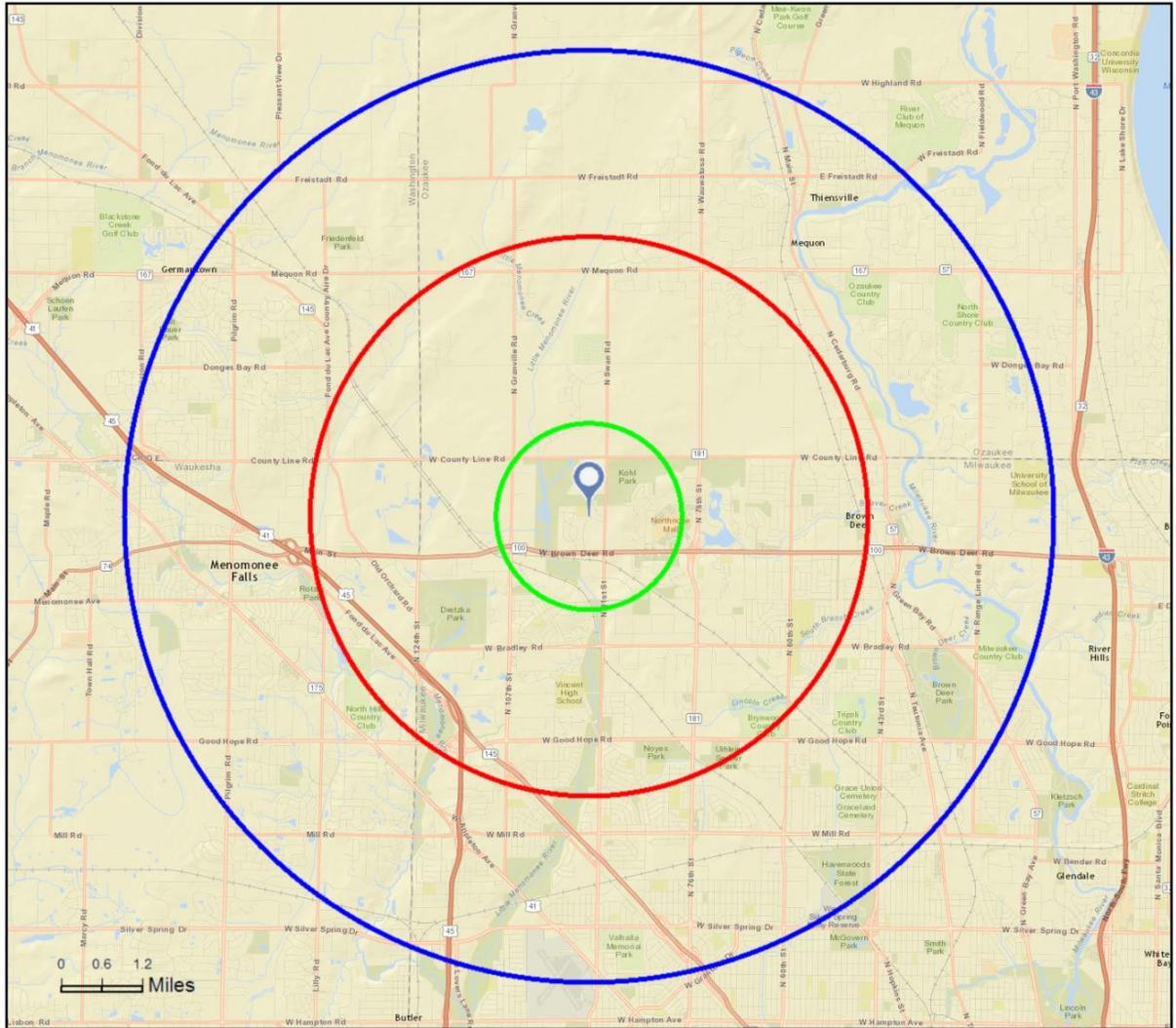
Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2015 and 2020.



Site Map

9500 W Allyn St, Milwaukee, Wisconsin, 53224
Rings: 1, 3, 5 mile radii

Prepared by Esri
Latitude: 43.18324
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Neighborhood Overview

Land uses within a neighborhood are affected by similar operation of the four forces that affect property value, that is, social, economic, governmental and environmental. The subject property is located at the northwest corner of W. Allyn Street and N. 95th Street.

Land uses within the neighborhood are residential in nature with the commercial uses being located along W. Brown Deer Road to the south of the subject property. The major thoroughfares in the area are W. Brown Deer Road to the south, N. 76th Street to the east and Highway 41 to the west.

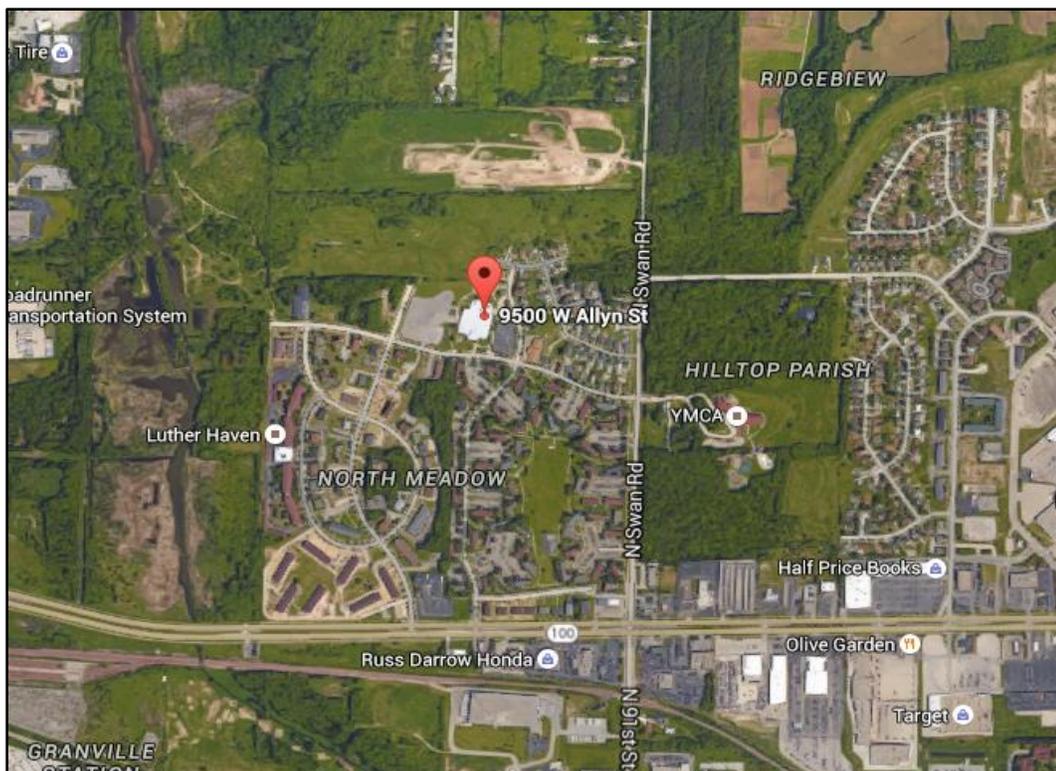
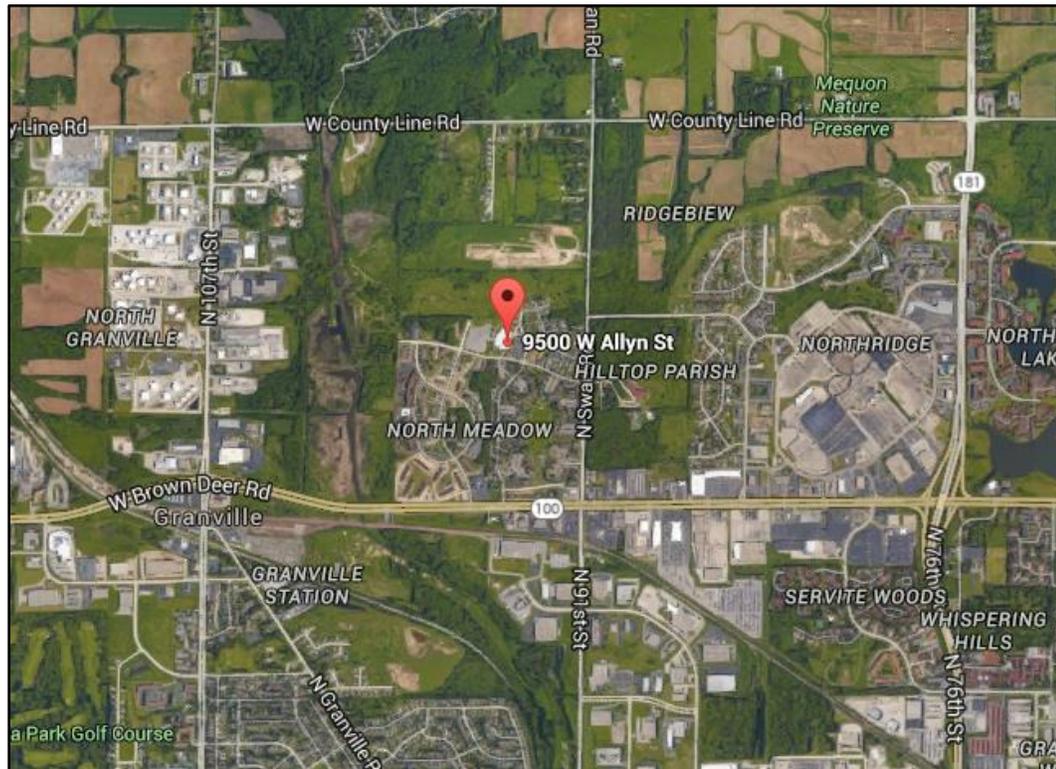
Uses adjacent to the subject property are summarized as follows:

North	Residential uses with vacant land beyond
East	Residential uses, the YMCA and vacant land
South	Residential uses until W. Brown Deer Road where the uses are more commercial and retail oriented
West	Residential uses until the Little Menomonee River and the North Granville Industrial Park beyond

W. Allyn Street is a two lane, two-way fully improved city street; it is paved, has curbs, gutters, sidewalks and runs east and west. W. Brown Deer Road is the primary commercial corridor in the subject neighborhood. N. Swan Road is a two-way street that runs north and south; it is also a fully improved city street.

In terms of life cycle, the subject neighborhood is in a mature stage with several parcels of land available for development; however, development and redevelopment are not prevalent.

Aerial Photographs of Subject Neighborhood



Summary of Property Appraised**Size**

The subject comprises ±8.94 acres in two tax parcels as outlined below. The assessment records indicate that the 9500 W. Allyn Street parcel is owned by the City of Milwaukee whereas the 9102 N. 96th Street parcel is owned by The Woodlands Condominium Homeowners Association; however, we understand that the latter is incorrect and the 9102 parcel is owned by the City of Milwaukee. It has been assumed that the City owns both parcels comprising the MPS school site.

The parcel size was obtained from public records. Although considered reliable, should any future detailed measurements indicate a significant difference in the size or if it is found that the City does not own the 9102 parcel, the value of the property may change and we reserve the right to revisit our analyses and amend our opinions.



Shape	Rectangular
Frontage	The property has frontage along the north side of W. Allyn Street, the west side of N. 95 th Street and the east side of N. 96 th Street as depicted above.
Visibility	The property is visible from both fronting streets.
Topography	The property is at grade with the fronting streets.
Access	As shown in the aerial photograph on the previous page, access is from both W. Allyn Street and N. 95 th Street. Access is reasonable for the property's highest and best use.
Utility Services	All municipal utilities including sewer, water, gas, electricity and telephone are available to the site.
Soils	No subsurface investigations were conducted. The Nicholson Group is not responsible for and has not undertaken an investigation of unapparent conditions, and cannot render a definitive opinion about buildability. My conclusion of value is based upon the assumption that there are no hidden or unapparent conditions of the property that might impact upon buildability. We recommend due diligence be conducted through local building department or municipality to investigate buildability and whether property is suitable for intended use. The Nicholson Group makes no representations, guarantees or warranties.
Easements	We are not aware of any other easements which would adversely affect utility or marketability of the site. Standard utility easements likely exist but we have not investigated these. The Nicholson Group cannot guarantee that property is free of encroachments or easements and recommends further investigation and survey.

Site Improvements

The site improvements are common for school properties such as asphalt paved parking and playground areas, concrete sidewalks, chainlink fencing, outdoor playground equipment, landscaping and signage, among other items. Overall, the site improvements are in fair condition.

Building Improvements

The building improvements are identified and examined to determine functional utility, quality and condition. This overview is based on a physical inspection of the property and review of building floor plans as provided by MPS. Physical attributes of the improvements are summarized on the following page.

The GBA was estimated from building plans and verified on-site for reasonableness by our measurements, sources that are considered reliable. However, the building areas are appraiser estimates and should information provided at a later date indicate a different GBA, the subject's value as concluded herein may change and we reserve the right to revisit our analyses and amend our opinions.

Building Area Summary		
Level	GBA	% GBA
	sq. ft.	
Ground	59,700	100.0%
Attic	3,700	

Building Physical Attributes Summary

Building Use	Former MPS Elementary School
Number of Buildings, Stories & Configuration	<p>One, one-story building with attic</p> <p><u>Ground Floor</u> – The ground floor lay-out is in an open concept format where the main education area is set up with four pods or quads, one in each corner. The gym and cafeteria area is in a separate building section as well as the office area.</p> <p><u>Attic</u> – The attic areas are above the ground floor and used for storage and mechanical equipment. There are two attics labelled penthouse 1 and 2 with a total square footage of ±3,700.</p>
Size (GBA)	GBA: ±59,700 square feet
Year Built, Effective Age and Remaining Economic Life	The building was constructed in 1973 and has an actual age of 42 years. The effective age is estimated at ±30 years and a remaining economic life of ±20 years.
Construction Type	<p><u>Structural</u> Reinforced concrete and concrete block</p> <p><u>Walls</u> Concrete block with brick exterior walls</p> <p><u>Floors</u> Concrete slab</p> <p><u>Roof</u> Flat roof with concrete deck and painted/sealed rubber membrane covering</p>
HVAC	Heating is provided via gas-fired boilers; 100% air conditioned
Fire Alarm System	Fire alarm; not sprinklered
Interior Finish	The interior floor finish generally consists of: laminate tile throughout with carpet in the pod areas. The walls are a mixture of painted/unpainted concrete block and painted drywall. The lighting is recessed fluorescent with hanging fluorescent in the gym area. A mixture of chalkboards, marker boards and corkboards are present throughout the classrooms as well as the hallways.
Handicap Accessibility	The building appears to be handicapped accessible due to the lay-out being a single story, open concept building.
Parking	Adequate

Condition and Deferred
Maintenance

The building improvements have been well maintained, appear to be in relatively good condition for their advanced age and are functional for elementary school use. The building has been adequately maintained by MPS over the years and is has been assumed that building mechanical systems are in working order. The carpets are old as is the ceiling tiling. There was evidence of water damaged likely from roof leaks but these were minor and it assumed that the roof does not need major repair or replacement. No direct deduction was made in this appraisal for deferred maintenance; rather, the overall condition of the property has been considered in the age/condition adjustment within the Sales Comparison Approach.

Functional Utility

The building is functional for use as an educational facility. The only negative functional issue is that there is no auditorium. Positive attributes include a generally functional layout with large classrooms, a large gymnasium, cafeteria area, kitchen, an open concept lay-out, fully air conditioned and large outdoor playground.

Occupancy Status

The property was vacant as of the date of appraisal.

History of Ownership and
Property Sales

According to USPAP, an appraiser must analyze all agreements of sale, options, and listings of the subject property current as of the effective date of the appraisal; and, analyze all sales of the subject property that occurred within the three years prior to the effective date of the appraisal. Based on our investigations, the subject property is not currently listed for sale, there are no pending options or agreements of sale associated with the property, and there have been no sales of the property in the past three years.

Identifying Land Description	<p>An identifying land description is contained in Exhibit A. The property can best be identified by its address and tax parcel numbers as presented herein. The identifying land description is assumed to be correct; however, any identifying land description presented in this appraisal report is not and should not be construed as a complete and accurate legal description of the subject property; it should only be used along with the tax parcel number and property address to identify the subject property for appraisal purposes. We do not guarantee or warrant the completeness, correctness or accuracy of the legal description of the subject property as provided and it should not be used for ownership transfer involving the subject property. The appraiser assumes no responsibility for matters legal in character, nor renders any opinions as to the title, which is assumed to be good.</p>
Assessment and Taxes	<p>The property is owned by the City of Milwaukee and is exempt from assessment and real estate taxes.</p>
Zoning	<p>The subject property is zoned PD, Planned Development District, by the City of Milwaukee. The existing improvements appear to have been a permitted use under the planned development. It is assumed all necessary permits and approvals were secured and the building was constructed and complies with local zoning ordinances, building codes, and all other applicable regulations.</p> <p>The preceding description of the applicable subject zoning is a summary only and is not meant to be complete. The reader is strongly encouraged to obtain and read all applicable ordinances for complete zoning information. We make no guarantees or warranties pertaining to the zoning applicable to the subject property or to any of my interpretations of the zoning ordinance. Furthermore, we do not guarantee or warrant any zoning or building code compliance. If a user of this report has questions relating to the zoning or building codes as they pertain to the subject property, it is strongly recommended that any such user obtain professional zoning and/or building code consultation from a qualified person.</p>

Hazardous Materials

A cursory review of public records indicated no other contamination issues and upon physical inspection, no indication "to the untrained eye" of any environmental hazards were apparent. We assume that there are no unresolved or unknown environmental problems within the boundaries of the subject property. However, an appraiser is not qualified to assess environmental issues and is not considered an expert in this field.

Substances such as asbestos, mold, lead paint, urea-formaldehyde foam insulation, other chemicals, toxic wastes, or other potentially hazardous materials could, if present, adversely affect the value of the property. Unless otherwise stated in this report, the existence of hazardous substances, which may or may not be present on or in the property, was not considered by the appraiser in the development of the conclusion of value. The stated value estimate is predicated on the assumption that there is no material on or in the property that would cause such a loss in value. No responsibility is assumed for any such conditions, and the client and any reader of this report is hereby advised that the appraiser is not qualified to detect such substances or develop the remediation cost.

Full compliance with applicable federal, state, and local environmental regulations and laws is assumed unless otherwise stated, defined, and considered in the report. It is also assumed that all required licenses, consents, or other legislative or administrative authority from any local, state, or national government or private entity organization either have been or can be obtained or renewed for any use which the report covers.

Highest and Best Use

Legally Permissible

Legal restrictions involve the public restrictions of zoning and the private restrictions of easements. The subject property is zoned planned development and the existing improvements appear to have been a permitted use. We know of no easements that adversely impact value. The subject school building appears to represent a permitted use under the zoning and is compatible with surrounding land uses. There are no easements that have a negative impact on value. The property as improved appears to represent a legally permissible use.

Physically Possible

Physical aspects of the site impose constraints on possible uses of the property. Size, shape, topography, soils and access are key determinants of physically possible uses. The parcel's size, shape and topography are conducive to development and access is adequate, convenient and suitable. Based on a review of the physical aspects of the site, a variety of uses are possible including the legally permissible uses. The physical layout of the building on the site is designed to provide adequate safety features and allows reasonable ingress and egress from the site and building. The building was constructed in 1973 and appears to have been adequately maintained by MPS.

Financially Feasible

The continued use of the subject improvements as an educational facility is financially feasible as evidenced by the sales of similar facilities that were purchased for continued educational use. These sales provide market evidence that there has been some market demand for older educational facilities, however, it has not been an overly-active market and there is a very thin pool of potential buyers that would be interested in purchasing a school property such as the subject.

Testing financial feasibility of the property as improved involves determining if the property as improved is more valuable than the underlying land parcel. That is, do the existing improvements add value to the land parcel or is it economically justifiable to demolish the improvements for redevelopment. There is no alternative use that would create a value for the property as improved that is higher than the value of the underlying land, that is, the value of the property as improved exceeds the value of the underlying land. The existing improvements add value to the land parcel and no other alternative uses could economically justify demolition of the existing improvements.

The appraisal problem and scope of work did not warrant an intensive highest and best use study. Given the nature of the subject real estate, the conclusion of highest and best use was based on logic, observed evidence, and the valuation analyses as summarized within this appraisal report.

Most Productive Use

The most productive use of the property is to maximize its overall value given its legal, locational, physical and economic attributes. The maximally productive use of the subject property is as currently improved as an educational facility.

Highest and Best Use

The highest and best use is the use that is legally permissible, physically possible and financially feasible and that generates the highest property value. The highest and best use of the subject property is as currently improved as an educational facility.

Overview of Valuation Procedures

Cost Approach	In the Cost Approach, an estimate is made of the replacement cost new of the improvements. This amount is then adjusted to reflect depreciation resulting from physical deterioration, as well as functional and external obsolescence. The adjusted cost indication is then added to the estimated market value of the land resulting in an indication of value.
Sales Comparison Approach	In the Sales Comparison Approach, similar properties that have recently sold in the market area are analyzed and compared with the property being appraised. Adjustments are typically considered for differences in such factors as property rights conveyed; financing; conditions of sale; market conditions (date of sale); location; size; and, other physical characteristics. Analysis of comparable sales provides a range of unit prices within which the current real estate market is operating and within which the appraised property might be expected to sell.
Income Capitalization Approach	The Income Capitalization Approach involves forecasting the income and expenses of the subject property based on analysis of comparable rentals and market trends, and obtaining capitalization or discount rates from the market to convert the financial forecasts into value estimates.
Approaches Used	As discussed in the scope of work section of this report, only the Sales Comparison Approach has been used.

Sales Comparison Approach

Introduction

In the Sales Comparison Approach to valuation, similar properties that have recently sold in the market area are analyzed and compared with the property being appraised. Adjustments are considered for such factors as property rights conveyed, financing, conditions of sale, market conditions (date of sale), location and physical characteristics of the property as compared to the subject property.

Comparable Sales

The following key attributes were considered in selecting the most appropriate comparable sales to use in valuing the property:

Property Type – Owner-user school buildings acquired for educational use

Property Rights – Fee simple estate

Location – Greater Milwaukee area

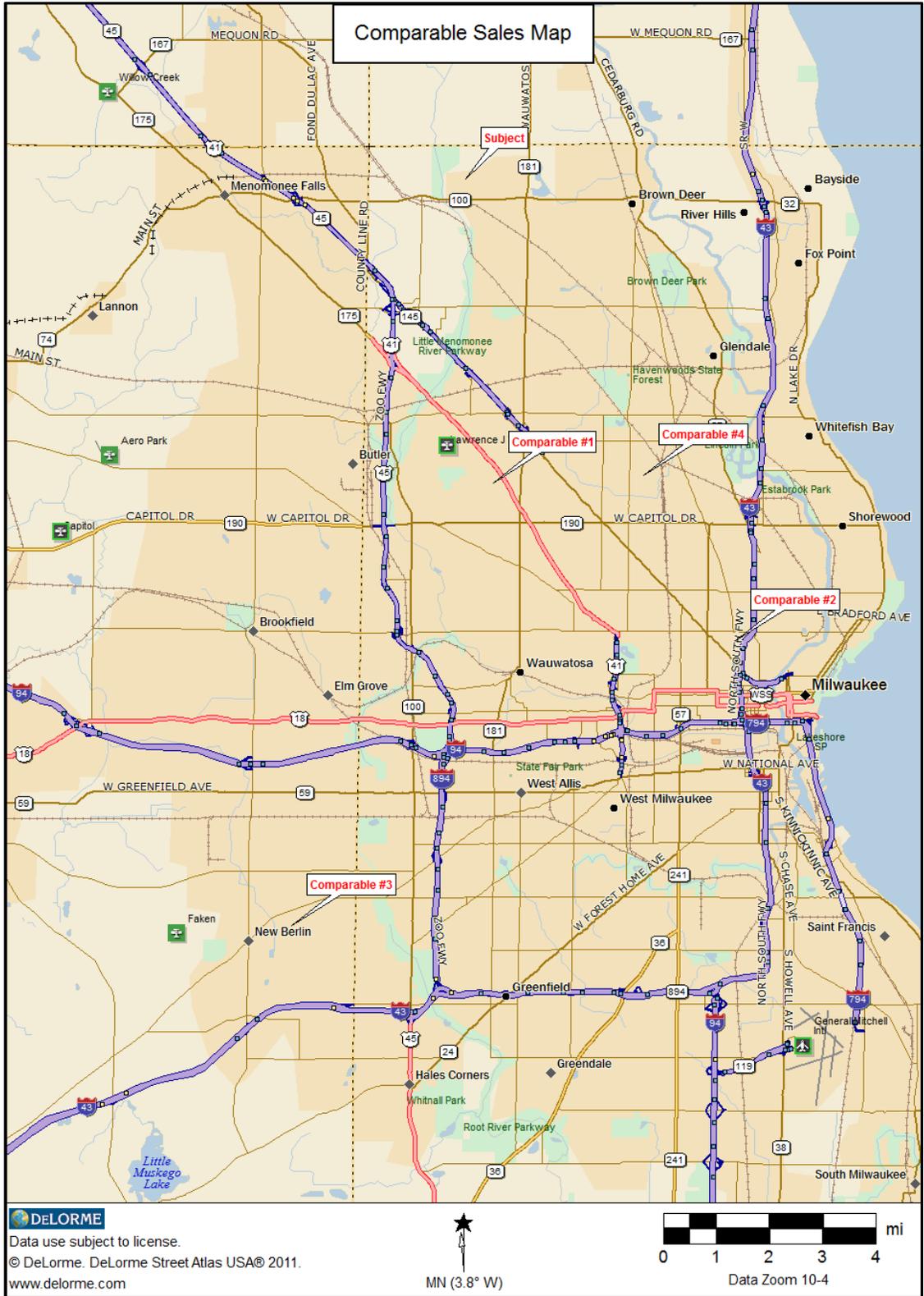
Sale Date – 2012 to present, that is, sales that occurred under market conditions generally similar to current market conditions.

Building Size – 50,000+ square feet of GBA

Condition/Age – Older buildings in generally similar observed condition.

The subject property is unique in that former school buildings do not sell frequently. Based on the parameters outlined above, the comparable sales summarized on the following page were selected; a map showing their locations is presented on the subsequent page. These comparables are presented in detail in Exhibit B. In our opinion, these comparables are the best available and are reliable indicators of value for the subject property after appropriate comparative analysis considerations.

Comparable Sales Summary					
Property Type/Name Address Comp. City	Sale Price Sale Date	GBA (Sq. Ft.) Price/Sq. Ft.	Year Built # Stories	Land Area Land-to-Building Ratio	
Subject Former Fletcher Elementary School 9500 W. Allyn Street Milwaukee	17-Nov-15	59,700 sq. ft.	1973 One	8.940 acres 6.5 LBR	
1 Hmong American Peace Academy 4601 N. 84th Street Milwaukee	\$2,770,000 Feb-13	163,000 sq. ft. \$16.99 /sq. ft.	1961-1963 One & Four (Three Above Grade & One Below Grade)	14.595 acres 3.9 LBR	Buyer: Hmong American Peace Academy, Ltd. Seller: City of Milwaukee Public Schools
2 Milwaukee College Prep School- Lloyd Street Campus 1228 W. Lloyd Street Milwaukee	\$1,200,000 Jul-12	73,397 sq. ft. \$16.35 /sq. ft.	1908, 1957, 2010 One & Three (Two Above Grade & One Partially Below Grade)	4.979 acres 3.0 LBR	Buyer: M.C. Preparatory School of Wisconsin, Inc. Seller: City of Milwaukee Public Schools
3 Heritage Christian School 3500 S. Glen Park Road New Berlin	\$1,750,000 Nov-14	56,125 sq. ft. \$31.18 /sq. ft.	1965 Two	10.720 acres 8.3 LBR	Buyer: Heritage Christian Schools, Inc. Seller: New Berlin Public Schools
4 Ceria M. Travis Academy 4700 N. 39th Street Milwaukee	\$740,000 May-12	91,677 sq. ft. \$8.07 /sq. ft.	1930-1950, 1953, 1958 Parts One, Two & Three in Three Buildings	2.780 acres 1.3 LBR	Buyer: Ceria M. Travis Academy, Inc. Seller: Saint Catherine Congregation



Comparable 1 – This is the February, 2013 sale of a ±163,000 square foot school building located along the west side of N. 84th Street, south of Hampton Avenue in the City of Milwaukee that sold for \$2,770,000, or \$16.99 per square foot of building area. The masonry building is a one and four story (three stories above grade and one partial story below grade) school building that was constructed between 1961 and 1963 and is in fair condition. The grantor in this transaction is The City of Milwaukee Public Schools; the building was formerly operated as the Samuel Morse Middle School. The grantee in this transaction operates a PK3-12 charter school at this building known as The Hmong American Peace Academy.

Comparable 2 – This is the July, 2012 sale of the ±73,397 square foot Lloyd Street School located along the north side of W. Lloyd Street, just south of W. North Avenue in the City of Milwaukee. The property sold for \$1,200,000, or \$16.35 per square foot of building area. The masonry building is a one and three story (two stories above grade and one story partially below grade) school building that was constructed in multiple phases in 1908, 1957 and 2010; it is in fair condition. The grantor in this transaction is The City of Milwaukee Public Schools. The grantee in this transaction operates a charter school at this building.

Comparable 3 – This is the November 2014 sale of a 56,125 square foot school building located along the east side of S. Glen Park Road in the City of New Berlin that sold for \$1,750,000 or \$31.18 per square foot of building area. The masonry building was constructed in 1965 and is in fair condition for its age. The property was sold by the New Berlin Public Schools to Heritage Christian Schools for continued use as a school building.

Comparable 4 – This is the May, 2012 sale of the former ±91,677 square foot Blessed Trinity Catholic School and religious complex located at the northeast corner of N. 39th Street and W. Courtland Avenue in the City of Milwaukee that sold for \$740,000, or \$8.07 per square foot of building area. The grantor in this transaction joined another parish and no longer needed this facility. The property is improved with three buildings. On the southern end of the property there is a ±30,059 square foot church that was constructed in 1958. Attached to the church is a small ±4,800 square foot office/rectory building. North of the church is a ±17,171 square foot convent facility that was constructed in 1953. North of the convent building is a ±39,647 square foot school building that was constructed over time between 1930 and 1950. The grantee in this transaction operates a charter school at this building known as The Ceria M. Travis Academy.

Unit of Comparison

The sale prices of the comparables were analyzed on a per square foot of GBA basis.

Valuation Discussion

Capital Expenditures/Deferred Maintenance – No adjustments were required for deferred maintenance.

Property Rights Conveyed – The comparable sales represented transfers of their fee simple estates; therefore, no sale price adjustments for ownership rights were required.

Financing Terms - No adjustments were required for financing.

Conditions of Sale – Comparable 1 sold under a land contract agreement. It is our understanding that the sale price in this transaction was based on a recent appraisal of the property. Comparable 2 was also sold by the City of Milwaukee Public Schools (“MPS”) at sale prices equal to the concluded values of recent appraisals. Comparable 3 was sold by New Berlin Public Schools. Comparables 2 and 3 were warranty deed transactions. Comparables 1 and 2 were sold by MPS at their appraised market value indicating that the terms of Comparable 1’s land contract agreement had no impact on sale price. Further support for this conclusion is comparison of Comparable 1’s sale price per square foot to that of Comparable 3 which was a warranty deed. Therefore, no adjustment was made to the sale price of Comparable 1 for conditions of sale.

Comparable 4 was listed as an REO sale; the bank had to agree to release the grantor in this transaction from their mortgage. An appraisal of this property at the time of sale was made at an appraised value of \$850,000. Based on a sale price of \$740,000, an upward condition of sale adjustment of \$110,000 is appropriate to reflect the impact that the motivated seller had on this transaction.

No adjustments were warranted to Comparables 2 and 3 for conditions of sale.

Market Conditions (Time) – No adjustments were made for market conditions as the comparables sold between May 2012 and November 2014. In our opinion older school properties do not appreciate overtime like other types of real estate due to their older age and the thin buyer market that exists.

Locational & Physical Attributes – Each of the comparable sales was compared and contrasted to the subject property relative to the locational and physical attributes that the drive value. The following are discussions of the characteristics of the comparables that differ from the subject property thereby necessitating adjustment. A summary of this analysis is presented in an adjustment grid format on page 40.

Building Age/Condition - The average condition and age of a property is reflected in its sale price. Based on our experience, once a property reaches ± 20 years of age and/or has undergone substantial renovation, the condition/age adjustment cannot be quantified based on the number of years difference in the age of the comparable sales versus the subject property. Rather, condition is based upon observational comparisons and the adjustment is made based on a more subjective basis.

Each of the comparables was researched and inspected to ascertain condition at the date of sale. Based on the age and condition of the comparables relative to the subject property, the following adjustments were concluded as being appropriate: Comparable 1 is inferior to the subject property and received an upward 5% adjustment. Comparables 2 and 4 are also inferior to the subject property and received an upward 10% adjustment. Comparable 3 is superior to the subject and received a downward -10% adjustment.

Building Size – On a per square foot basis, smaller properties cost more to construct than larger properties and typically sell for more per square foot as well. Likewise, larger properties cost less to construct and typically sell for less per square foot. At ±163,000 square feet of GBA, Comparable 1 is much larger than the subject's ±59,700 square feet making it inferior for this factor; an upward adjustment of +20% has been made. At ±73,397 square feet and ±56,125 square feet, Comparables 2 and 3 are similar to the subject's building size and no adjustments are warranted. At ±91,677 square feet, Comparable 4's larger size is inferior to the subject such that an upward +5% adjustment was made.

Overall Functional Utility – Factors considered as part of overall functional utility include lower level, number of buildings, number of stories and building layout. The subject is a one story open concept building. Comparables 1 and 2 are functional school buildings with lower level space and varying degrees of lower level school space. Finished lower level school space has a contributory value of 75% to that of above ground school area. The adjustment on the following page quantifies the difference in lower level functional utility between the subject and Comparables 1 and 2; the applicable adjustments are also shown. Comparable 3 has no lower level space which is similar to the subject and no adjustment was made.

Comparable 4 is a former school and religious complex comprised of three buildings: a church/office/rectory building; a convent building; and a school building. Comparable 4's GBA also includes ±7,600 square feet of unfinished basement space. The grantee in this transaction operates a charter school at this property, which is its highest and best use. The ±39,647 square foot school building is a highly functional building while the church/rectory/convent space is significantly less functional/useable. The functional utility adjustment was calculated considering that church/rectory/convent space is less valuable than school space with this space concluded at 25% of the contributory value of school space. It has also been concluded that the unfinished basement space contributes 10% of the contributory value of the school space. The functional utility adjustment for Comparable 4 is calculated as presented on the following table. Note that the adjustment considers both Comparable 4's inferior building area functionality and multi-building layout.

Functional Utility Adjustment Calculations						
	GBA (Sq. Ft.)	% of Total GBA		Contributory Value	=	Functional Utility Factor
<u>Subject</u>						
Above Grade School Area	59,700	100.0%	x	100%	=	100.0%
Below Grade School Area	0	0.0%	x	75%	=	0.0%
	<u>59,700</u>	<u>100.0%</u>				<u>100.0%</u>
<u>Comparable 1</u>						
Above Ground School Area	154,850	95.0%	x	100%	=	95.0%
Below Ground School Area	8,150	5.0%	x	75%	=	3.8%
	<u>163,000</u>	<u>100%</u>				<u>98.8%</u>
				Indicated Adjustment ⁽¹⁾		1.2%
				Rounded		1%
<u>Comparable 2</u>						
Above Ground School Area	53,660	73.1%	x	100%	=	73.1%
Below Ground School Area	19,737	26.9%	x	75%	=	20.2%
	<u>73,397</u>	<u>100%</u>				<u>93.3%</u>
				Indicated Adjustment ⁽¹⁾		7.2%
				Rounded		7%
<u>Comparable 3</u>						
Above Ground School Area	56,125	100.0%	x	100%	=	100.0%
Below Ground School Area	0	0.0%	x	75%	=	0.0%
	<u>56,125</u>	<u>100%</u>				<u>100.0%</u>
				Indicated Adjustment ⁽¹⁾		0.0%
				Rounded		0%
<u>Comparable 4</u>						
Above Ground School Area	39,647	43.2%	x	100%	=	43.2%
Below Ground School Area	0	0.0%	x	75%	=	0.0%
Church/Rectory/Convent Area	44,430	48.5%	x	25%	=	12.1%
Unfinished Basement Area	7,600	8.3%	x	10%	=	0.8%
	<u>91,677</u>	<u>100%</u>				<u>56.1%</u>
				Indicated Adjustment ⁽¹⁾		78.3%
				Rounded		78%
(1) Calculated as follow s: (Subject Factor ÷ Comparable Factor) - 1						

Functional Utility – School Use – Numerous factors were considered when analyzing the overall comparability as a school use of each of the comparable sales versus the subject property. These factors include gymnasium, cafeteria, auditorium, kitchen and multi-purpose room, among others. Each of the comparables was compared to the subject with respect to these physical attributes, a summary of which is presented below. The applied sale price adjustments are also shown in the bottom row of the summary table.

Functional Utility - School Use Overall Comparability Analysis					
	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4
<u>Factor of Comparison</u>					
Gymnasium Comparability	Yes, Adequate -	Yes, 2 Gyms Similar	Yes, Adequate Similar	Yes, Adequate Similar	None Inferior
Cafeteria Comparability	Yes -	Yes Similar	Yes Similar	None Similar	Yes, Church Basement Similar
Auditorium Comparability	None -	Yes Superior	None Similar	None Similar	None Similar
Kitchen Comparability	Adequate, Good Condition -	Adequate, Good Condition Similar	Adequate, Good Condition Similar	Adequate, Good Condition Similar	Adequate, Good Condition Similar
Multi-Purpose Room Comparability	None -	None Similar	None Similar	None Similar	Yes None
Handicap Accessibility Comparability	Adequate -	Adequate Similar	Adequate Similar	1st Floor Only Similar	Adequate Similar
Elevator Comparability	Not Applicable -	Yes Similar	Yes (Added 2010) Similar	None Similar	Yes Similar
Restrooms Comparability	Multiple -	Numerous on Each Floor Similar	2 Large on Ground Floor 3 Small on 1st Floor Similar	2 Large on Ground Floor 1 Large on 2nd Floor Similar	Multiple Similar
Overall Comparability Concluded Adjustment		Slightly Superior -5%	Similar 0%	Similar 0%	Inferior 5%

Land-to-Building Ratio – The land-to-building ratio (“LBR”) of a property provides an indication of whether or not there is enough space for parking and whether or not there is surplus land for expansion. For school properties, it also suggests whether there is adequate outdoor playground area. The LBR is calculated by dividing a property’s land area in square feet by the property’s building square feet of GBA. The adjustments are summarized in the table below.

Land to Building Ratio Summary

<u>Subject/Comp</u>	<u>Land-to Building Ratio</u>	<u>Adjustment</u>
Subject	6.5	-
Comp 1	3.9	15%
Comp 2	3.0	20%
Comp 3	8.3	-5%
Comp 4	1.3	55%
Notes: Land-to-Building Ratio (LBR) is land area ÷ building GBA		

Summary of Adjustments

The adjustments made to the sale prices per unit of the comparables are summarized in an adjustment grid presented on the following page.

Sales Adjustment Grid

Subject Property:	Former Fletcher Elementary School
Address:	9500 W. Allyn Street
City, State:	Milwaukee, WI
Property Size (GBA):	59,700 Sq. Ft.

	1	2	3	4
Property Address	4601 N. 84th Street	1228 W. Lloyd Street	3500 S. Glen Park Road	4700 N. 39th Street
Municipality	Milwaukee	Milwaukee	New Berlin	Milwaukee
Building GBA (Sq. Ft.)	163,000 sq. ft.	73,397 sq. ft.	56,125 sq. ft.	91,677 sq. ft.
Sale Price	\$2,770,000	\$1,200,000	\$1,750,000	\$740,000
Deferred Maintenance	\$0	\$0	\$0	\$0
Adjusted Sale Price	\$2,770,000	\$1,200,000	\$1,750,000	\$740,000
\$/Sq.Ft.	\$16.99	\$16.35	\$31.18	\$8.07
Property Rights Conveyed				
Adjustment	\$0	\$0	\$0	\$0
Adjusted Sale Price	\$2,770,000	\$1,200,000	\$1,750,000	\$740,000
Financing Terms				
Adjustment	\$0	\$0	\$0	\$0
Adjusted Sale Price	\$2,770,000	\$1,200,000	\$1,750,000	\$740,000
Conditions of Sale				
Adjustment	\$0	\$0	\$0	\$110,000
Adjusted Sale Price	\$2,770,000	\$1,200,000	\$1,750,000	\$850,000
Market Conditions				
Appraisal Date	Nov-15	Nov-15	Nov-15	Nov-15
Comparable Sale Date	Feb-13	Jul-12	Nov-14	May-12
Years Since Sale	2.79	3.38	1.01	3.50
Adj. Factor @ 0%	1.00	1.00	1.00	1.00
Adjusted Sales Price	\$2,770,000	\$1,200,000	\$1,750,000	\$850,000
Unit of Comparison (Sq. Ft.)	163,000	73,397	56,125	91,677
Adjusted Price/Sq. Ft.	\$16.99	\$16.35	\$31.18	\$9.27
<u>Locational & Physical Comparison</u>				
Overall Location	Comparable 0%	Comparable 0%	Comparable 0%	Comparable 0%
Access/Visibility	Comparable 0%	Comparable 0%	Comparable 0%	Comparable 0%
Building Age/Condition	Inferior 5%	Inferior 10%	Superior -10%	Inferior 10%
Building Size	Inferior 20%	Comparable 0%	Comparable 0%	Inferior 5%
Construction Type	Comparable 0%	Comparable 0%	Comparable 0%	Comparable 0%
Functional Utility - Overall	Inferior 1%	Inferior 7%	Comparable 0%	Inferior 78%
Functional Utility - School Use	Superior -5%	Comparable 0%	Comparable 0%	Inferior 5%
Land-to-Building Ratio	Inferior 15%	Inferior 20%	Superior -5%	Inferior 55%
Adjusted Price/Sq. Ft.	\$23.11	\$22.40	\$26.50	\$23.45

Indicated Value

Because of the nature of the adjustments, the adjusted unit price for each sale is not to be interpreted as the value of the subject, but part of a range within which the subject's value is expected to fall. The comparable sales have adjusted sale prices per square foot ranging from \$22.40 to \$26.50; the average and median adjusted per square foot prices are \$23.87 and \$23.28, respectively.

Comparables 1 and 2 are recent sales of fee simple school buildings located in the City of Milwaukee and provide good market evidence for the value of the subject property after appropriate adjustments are made. Comparable 3 is a recent sale of a school in New Berlin. Comparable 4 is a recent sale of a school/religious facility in the City of Milwaukee. Comparables 1 and 2 are generally similar from a physical standpoint and were adjusted for their differences. Comparable 3 was included as it is a recent non-MPS school sale but located further away from the subject in Waukesha County. Comparable 4 was included as it is a sale where the grantor was not MPS and offers support for the concluded per square foot value of the subject property. The comparables sold from 2012 to 2014 under market conditions generally similar to the market conditions as of the appraisal date.

It is our opinion that the most probable sales price for the property is reasonably represented at \$23.50 per square foot of building area which is near the average and median adjusted sale price of the comparables for a total indicated value calculated as presented below:

Indicated Value Conclusion		
Concluded Value per Sq. Ft.		\$23.50 /sq. ft.
Subject Property Building Area	x	<u>59,700</u> sq. ft.
Indicated Value		\$1,402,950
	Rounded	\$1,400,000

Correlation & Conclusion

In the reconciliation of the three approaches to value, the quantity and quality of the data under each approach was considered as was the advantages and/or disadvantages of each approach and the relevance of each to the subject property and appraisal problem.

The Sales Comparison Approach is the most applicable approach to arriving at an indicated value of the subject property and was the only approach to value used in this appraisal. The Sales Comparison Approach utilized comparable fee simple (i.e. owner-user) school building sales that were purchased for operation of a school which represent theoretical acquisition alternatives, an analysis of which should provide a reliable indication of value. Recent sales of school buildings located in the subject's market area were analyzed, compared and contrasted to the subject property. These comparables are the best available sales to use in this valuation analysis. Adjustments to the sales were reasonable and were substantiated with market evidence and logical rationale. The concluded value by the Sales Comparison Approach was considered credible and reliable.

It is our opinion that the market value of the fee simple estate in the subject property as of November 17, 2015 is:

One Million Four Hundred Thousand Dollars
\$1,400,000

EXHIBIT A
Subject Photographs and Property Information

Subject Photographs (11/17/2015)
Exterior



Subject Photographs (11/17/2015)
Interior





2014 CITY OF MILWAUKEE COMBINED PROPERTY TAX BILL

ACCOUNT TYPE: REAL ESTATE
 TAX KEY/ACCOUNT NO: 034-0006-1
 LOCATION OF PROPERTY: 9500 W ALLYN ST
 LEGAL DESCRIPTION: PLAT PAGE 034-04 NEIGHBORHOOD 6202
 NORTH MEADOWS IN SE 1/4 OF SEC 5-8-21
 BLOCK 3 ALL OF SAID BLOCK

Spencer Coggs

CITY TREASURER
 CITY HALL, ROOM 103
 200 EAST WELLS STREET
 MILWAUKEE, WISCONSIN 53202
 TELEPHONE: (414) 286-2240
 TDD: (414) 286-2025
 FAX: (414) 286-3186
 www.milwaukee.gov/treasurer

CITY OF MILWAUKEE
 MPS SCHOOL SITE
 5225 W VLIET ST
 MILWAUKEE WI 53208-2627

When you provide a check as payment, you authorize us either to use information from your check to make a one-time electronic fund transfer from your account, or to process the payment as a check transaction.

Class	Assessment-Land	Assmt.-Improvements	Total Assessment	Detail of Special Assessments and Other Charges
EXM				
Avg. Assmt. Ratio	Est. Fair Mkt-Land	Est. Fair Mkt.- Improvements	Total Est. Fair Market	
0.9582				
				TOTAL
School taxes reduced by school levy tax credit				

Tax Levy	2013 Est. State Aids	2014 Est. State Aids	2013 Net Tax	2014 Net Tax	% Change
State of Wis.			0.00	0.00	
Sewerage Dist.			0.00	0.00	
Public Schools	626,933,544	642,426,030	0.00	0.00	
Tech. College	6,742,496	6,509,685	0.00	0.00	
County Govt.	25,002,013	24,604,984	0.00	0.00	
City Govt.	249,667,607	251,243,160	0.00	0.00	
Total	908,345,660	924,783,859		0.00	
First Dollar Credit			0.00	0.00	
Lottery and Gaming Credit			0.00	0.00	
Net Property Tax				0.00	
Special Assessments and Charges				0.00	

WARNING: If the first installment payment is not paid by the due date, the installment option is lost. The total tax becomes delinquent and is subject to interest and penalty charges.

TOTAL DUE

Monthly Installment Payment Due: February through July 2015		Net Assessed Value Rate Before Credits	FULL PAYMENT DUE ON OR BEFORE JAN. 31, 2015
Monthly Installment Payment Due: August, September, and October 2015		29.973	FIRST INSTALLMENT PAYMENT DUE ON OR BEFORE JAN. 31, 2015

2014 CITY OF MILWAUKEE COMBINED PROPERTY TAX PAYMENT COUPON

ACCOUNT TYPE: REAL ESTATE TAX KEY/ACCOUNT NO: 034-0006-1
 LOCATION OF PROPERTY: 9500 W ALLYN ST

CHECK FOR ADDRESS CHANGE
 PAID UNDER PROTEST

Make Check Payable and Mail to:
CITY OF MILWAUKEE
 OFFICE OF THE CITY TREASURER
 P O BOX 78776
 MILWAUKEE, WI 53278-0776

FULL PAYMENT
DUE 01/31/2015

1ST INSTALLMENT
DUE 01/31/2015

PLEASE WRITE IN AMOUNT ENCLOSED

\$ _____ M

CITY OF MILWAUKEE
 MPS SCHOOL SITE
 5225 W VLIET ST
 MILWAUKEE WI 53208-2627

()



Full Report

Property Location : 9500 W Allyn ST

View: **Full Report View** ▼
[Report Options](#)
[Print Report](#)
[Search Criteria](#)
[Search Results](#)
[Modify Search](#)

Taxed by: City Of Milwaukee
Owner: City Of Milwaukee
 MPS School Site
 5225 W Vliet ST
 Milwaukee, WI 53208-2627

Taxkey # 0340006000
Owner Occupied:
Property Address: 9500 W Allyn ST
 Milwaukee, WI

Map with:
[MapQuest](#)
[Google Maps](#)

[ID Walk Down](#)
[ID Walk Up](#)

Record 1 of 1 selected records
County: Milwaukee
Taxed by: City Of Milwaukee
Taxkey # 0340006000

Assessments

Assessment Year	Property Class	Land Assessment	Improvement Assessment	Total Assessment	Percent Of Change	Acres	Ratio
2015	Exempt				0.000 -	5.156	
2014	Exempt				0.000 -	5.156	0.958184478
2013	Exempt				0.000 -	5.156	0.962670584
2012	Exempt				0.000 -	5.156	0.961892953
2011	Exempt				0.000 -	10.301	1.004732798
2010	Exempt				0.000 -	10.301	0.956617820
2009	Exempt				0.000 -	5.150	0.928238797
2008	Exempt				0.000 -	5.150	0.952117558
2007	Exempt				0.000 -	5.150	0.923125025

Taxes

Tax Year	Total Tax	First Dollar	Lottery Credit	Net Tax	Special Taxes	Special Assessment	Special Charges	Full Pay Amount	Ratio
2014									0.958184478
2013									0.962670584
2012									0.961892953
2011									1.004732798
2010									0.956617820
2009									0.928238797
2008									0.952117558
2007									0.923125025
2006									0.944689302

Assessor

Building Square Feet :	Year Built :	Township : 8N
Bedrooms :	Year Remodeled :	Range : 21E
Full Baths :	Effective Year Built :	Section : 5
Half Baths :	Air Conditioning :	Quarter :
Total Rooms :	Fireplace :	Pool :
Number of Stories :	Number of Units :	Attic :
Building Type :		Basement :
Exterior Wall :		Heat :
Exterior Condition :		Garage :
Land Use : 8211 Schools-Elementary, Secondary		School District : 3619 Milwaukee
Zoning : PD Planned Development		Historic Designation :
Census Tract : 2.00		

Legal Description

Plat Page 03404 Neighborhood 6202 North Meadows In Se 1/4 Of Sec 5-8-21 Block 3 All Of Said Block

Sales

2015 CITY OF MILWAUKEE COMBINED PROPERTY TAX BILL

Spencer Coggs

ACCOUNT TYPE: REAL ESTATE
 TAX KEY/ACCOUNT NO: 034-0104-4
 LOCATION OF PROPERTY: 9102 N 96TH ST
 LEGAL DESCRIPTION: PLAT PAGE 034-05 NEIGHBORHOOD 6202
 LAKE VIEW VILLAGE IN SE 1/4 OF SEC 5-8-21
 BLOCK 3 ALL OF SAID BLOCK

CITY TREASURER
 CITY HALL, ROOM 103
 200 EAST WELLS STREET
 MILWAUKEE, WISCONSIN 53202
 TELEPHONE: (414) 286-2240
 TDD: (414) 286-2025
 FAX: (414) 286-3186
 www.milwaukee.gov/treasurer

When you provide a check as payment, you authorize us either to use information from your check to make a one-time electronic fund transfer from your account, or to process the payment as a check transaction.

THE WOODLANDS CONDOMINIUM
 HOMEOWNERS ASSN INC
 8951-C N. 95TH ST
 MILWAUKEE WI 53222

Class	Assessment-Land	Assmt.-Improvements	Total Assessment	Detail of Special Assessments and Other Charges	
EXM					
Avg. Assmt. Ratio	Est. Fair Mkt-Land	Est. Fair Mkt.- Improvements	Total Est. Fair Market		
0.9679				TOTAL	
School taxes reduced by school levy tax credit					
Tax Levy	2014 Est. State Aids	2015 Est. State Aids	2014 Net Tax	2015 Net Tax	% Change
State of Wis.			0.00	0.00	
Sewerage Dist.			0.00	0.00	
Public Schools	642,426,030	642,984,466	0.00	0.00	
Tech. College	6,509,685	27,019,275	0.00	0.00	
County Govt.	24,604,984	24,421,741	0.00	0.00	
City Govt.	251,243,160	251,344,009	0.00	0.00	
Total	924,783,859	945,769,491			
First Dollar Credit			0.00	0.00	
Lottery and Gaming Credit			0.00	0.00	
Net Property Tax				0.00	
Special Assessments and Charges				0.00	
WARNING: If the first installment payment is not paid by the due date, the installment option is lost. The total tax becomes delinquent and is subject to interest and penalty charges.				TOTAL DUE	
Monthly Installment Payment Due: February through July 2016		Net Assessed Value Rate Before Credits	FULL PAYMENT DUE ON OR BEFORE JAN. 31, 2016		
Monthly Installment Payment Due: August, September, and October 2016		29.357	FIRST INSTALLMENT PAYMENT DUE ON OR BEFORE JAN. 31, 2016		

2015 CITY OF MILWAUKEE COMBINED PROPERTY TAX PAYMENT COUPON

ACCOUNT TYPE: REAL ESTATE TAX KEY/ACCOUNT NO: 034-0104-4
 LOCATION OF PROPERTY: 9102 N 96TH ST

CHECK FOR ADDRESS CHANGE
 PAID UNDER PROTEST

Make Check Payable and Mail to: CITY OF MILWAUKEE OFFICE OF THE CITY TREASURER P O BOX 78776 MILWAUKEE, WI 53278-0776	FULL PAYMENT DUE 01/31/2016	
	1ST INSTALLMENT DUE 01/31/2016	
PLEASE WRITE IN AMOUNT ENCLOSED \$ _____ M _____ () _____		

THE WOODLANDS CONDOMINIUM
 HOMEOWNERS ASSN INC
 8951-C N. 95TH ST
 MILWAUKEE WI 53222

	<h3>Full Report</h3> <p>Property Location : 9102 N 96TH ST</p>																																																																																										
<p>Owner: The Woodlands Condominium Homeowners Assn Inc 8951 N 95TH ST Milwaukee, WI 53224-6804</p>																																																																																											
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EXHIBIT B
Comparable Sales Information
Improved Sale No. 1

Property Identification

Record ID	1726
Property Type	School
Property Name	Hmong American Peace Academy
Address	4601 N. 84th Street, Milwaukee, Milwaukee County, Wisconsin 53225
Location	West side of N. 84th St., south of Hampton Ave.
Tax ID	223-9998-100
MSA	Milwaukee
Market Type	Urban

Sale Data

Grantor	City of Milwaukee Public Schools
Grantee	Hmong American Peace Academy, Ltd.
Sale Date	February 01, 2013
Property Rights	Fee Simple
Conditions of Sale	Arm's Length
Financing	Land Contract Agreement

Sale Price	\$2,770,000
-------------------	-------------

Land Data

Land Size	14.595 Acres
Zoning	RS5, Single-Family Residential
Topography	Generally Level
Utilities	All Available
Shape	Irregular Rectangle

General Physical Data

Building Type	Single Tenant
GBA SF	163,000
Construction Type	Concrete Block w/ Brick Exterior
Stories	1 & 4
Year Built	1961-1963
Condition	Fair

Indicators

Sale Price/GBA SF	\$16.99
Floor Area Ratio	0.26
Land to Building Ratio	3.90:1

Improved Sale No. 1 (Cont.)**Remarks**

This is the February, 2013 sale of a ±163,000 square foot school building located along the west side of N. 84th Street, south of Hampton Avenue in the City of Milwaukee that sold for \$2,770,000, or \$16.99 per square foot of building area. The masonry building is a one and four story (three stories above grade and one partial story below grade) school building that was constructed between 1961 and 1963 and is in fair condition. The grantor in this transaction is The City of Milwaukee Public Schools; the building was formerly operated as the Samuel Morse Middle School. The grantee in this transaction operates a PK3-12 charter school at this building known as The Hmong American Peace Academy.

The buyer leased and occupied the property and acquired it via land contract. We understand that the sale price was negotiated and based on appraisals of the property at the time of sale. The property was sold at its appraised market value without consideration of the existing lease terms. The seller and buyer indicated that the terms of the contract had no impact on sale price, that is, the price was not adjusted upwards or downwards for the fact that it sold via land contract. This is supported by the negotiated sale price being based on the property's appraised market value as well as comparison of the sale price to prices paid for other schools sold under warranty deeds. The property is a former public school for which there is thin market demand for this special use property and it is often necessary to sell a special use property via land contract in order to facilitate the sale as traditional financing may not be readily available. Since the sale price was not impacted by the land contract sale, a cash equivalency adjustment is not necessary.



Improved Sale No. 2**Property Identification**

Record ID 1727
Property Type School
Property Name Milwaukee College Prep School- Lloyd Street Campus
Address 1228 W. Lloyd Street, Milwaukee, Milwaukee County, Wisconsin 53205
Location North side of W. Lloyd St.; south of W. North Ave.
Tax ID 351-0414-100
MSA Milwaukee
Market Type Urban

Sale Data

Grantor City of Milwaukee Public Schools
Grantee M.C. Preparatory School of Wisconsin, Inc.
Sale Date July 01, 2012
Property Rights Fee Simple
Conditions of Sale Arm's Length
Financing Cash to Seller

Sale Price \$1,200,000

Land Data

Land Size 4.979 Acres
Zoning RS6, Single-Family Residential
Topography Generally Level
Utilities All Available
Shape Irregular Rectangle

General Physical Data

Building Type Single Tenant
GBA SF 73,397
Construction Type Mixed Construction w/ Brick & Stone Exterior
Stories 1 & 3
Year Built 1908, 1957, 2010
Condition Fair

Indicators

Sale Price/GBA SF \$16.35
Floor Area Ratio 0.34
Land to Building Ratio 2.95:1

Improved Sale No. 2 (Cont.)**Remarks**

This is the July, 2012 sale of the ±73,397 square foot Lloyd Street School located along the north side of W. Lloyd Street, just south of W. North Avenue in the City of Milwaukee. The property sold for \$1,200,000, or \$16.35 per square foot of building area. The masonry building is a one and three story (two stories above grade and one story partially below grade) school building that was constructed in multiple phases in 1908, 1957 and 2010; it is in fair condition. The grantor in this transaction is The City of Milwaukee Public Schools. The grantee in this transaction operates a charter school at this building.



Improved Sale No. 3**Property Identification**

Record ID 2035
Property Type School, School
Property Name Heritage Christian School
Address 3500 S. Glen Park Road, New Berlin, Waukesha County,
Wisconsin 53151
Location East side of S. Glen Park Road
Tax ID NBC 1205987001
MSA Milwaukee
Market Type Suburban

Sale Data

Grantor New Berlin Public Schools
Grantee Heritage Christian Schools, Inc.
Sale Date November 14, 2014
Property Rights Fee Simple
Conditions of Sale Arm's length
Financing Cash to seller

Sale Price \$1,750,000

Land Data

Land Size 10.720 Acres
Zoning I-1, Institutional
Topography Generally level
Utilities All available
Shape Irregular

General Physical Data

Building Type Single Tenant
GBA SF 56,125

Construction Type Masonry
Stories 2
Year Built 1965
Condition Fair

Indicators

Sale Price/GBA SF \$31.18
Floor Area Ratio 0.12
Land to Building Ratio 8.32:1

Improved Sale No. 3 (Cont.)**Remarks**

This is the November 2014 sale of a 56,125 square foot school building located along the east side of S. Glen Park Road in the City of New Berlin that sold for \$1,750,000 or \$31.18 per square foot of building area. The masonry building was constructed in 1965 and is in fair condition for its age. The property was sold by the New Berlin Public Schools to Heritage Christian Schools for continued use as a school building.



Improved Sale No. 4**Property Identification**

Record ID 1733
Property Type School
Property Name Ceria M. Travis Academy
Address 4700 N. 39th Street, Milwaukee, Milwaukee County, Wisconsin
 53209
Location Northeast corner of N. 39th St. & W. Courtland Ave.
Tax ID 229-0633-111
MSA Milwaukee
Market Type Urban

Sale Data

Grantor Saint Catherine Congregation
Grantee Ceria M. Travis Academy, Inc.
Sale Date May 01, 2012
Property Rights Fee Simple
Conditions of Sale Arm's Length
Financing Cash to Seller

Sale Price \$740,000
Upward Adjustment \$110,000 (Conditions of Sale)
Adjusted Price \$850,000

Land Data

Land Size 2.780 Acres
Zoning RT3, Two-Family Residential
Topography Generally Level
Utilities All Available
Shape Generally Rectangular

General Physical Data

Building Type Single Tenant
GBA SF 91,677

Construction Type Mixed Construction & Exterior
Stories 1, 2 & 3
Year Built 1930-1950, 1953, 1958
Condition Fair

Indicators

Sale Price/GBA SF \$9.27 Adjusted
Floor Area Ratio 0.76
Land to Building Ratio 1.32:1

Improved Sale No. 4 (Cont.)**Remarks**

This is the May, 2012 sale of the former ±91,677 square foot Blessed Trinity Catholic School and religious complex located at the northeast corner of N. 39th Street and W. Courtland Avenue in the City of Milwaukee that sold for \$740,000, or \$8.07 per square foot of building area. The grantor in this transaction joined another parish and no longer needed this facility. The property is improved with three buildings. On the southern end of the property there is a ±30,059 square foot church that was constructed in 1958. Attached to the church is a small ±4,800 square foot office/rectory building. North of the church is a ±17,171 square foot convent facility that was constructed in 1953. North of the convent building is a ±39,647 square foot school building that was constructed over time between 1930 and 1950. The grantee in this transaction operates a charter school at this building known as The Ceria M. Travis Academy.

The sale was controlled by the bank as the bank had to agree to release the grantor in this transaction from their mortgage; this appeared to be short sale. An appraisal of this property at the time of sale was made at an appraised value of \$850,000. Based on a sale price of \$740,000, an upward condition of sale adjustment of \$110,000 is appropriate to reflect the impact that the highly motivated seller had on this transaction.



EXHIBIT C

Assumptions and Limiting Conditions

No responsibility is assumed for matters legal in nature. No investigation has been made of the title to or any liabilities against the property appraised. The appraisal presumes, unless otherwise noted, that the owner's claim is valid, the property rights are good and marketable, and there are no encumbrances which cannot be cleared through normal processes. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.

Unless otherwise specifically noted within the appraisal report, it is assumed that title to the property appraised is clear and marketable and that there are no recorded or unrecorded matters or exceptions that would adversely affect marketability or value. We are not aware of any title defects nor have we been advised of any unless such is specifically noted in the report. We, however, have not examined title and make no representations relative to the condition thereof. Documents dealing with liens, encumbrances, easements, deed restrictions, clouds and other conditions that may affect the quality of title have not been reviewed. Insurance against financial loss resulting in claims that may arise out of defects in the subject property's title should be sought from a qualified title company that issues or insures title to real property.

It is assumed that all applicable zoning and use regulations and restrictions have been complied with unless a nonconformity has been stated, defined, and considered in the appraisal report. Further, it is assumed that the utilization of the land and improvements is within the boundaries of the property described and that no encroachment or trespass exists unless noted in the report. It is assumed that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the appraisal report.

To the best of our knowledge, all data set forth in this report are true and accurate. Although gathered from reliable sources, no guarantee is made nor liability assumed for the accuracy of any data, opinions, or estimates identified as being furnished by others which have been used in formulating this analysis.

Land areas and descriptions used in this appraisal were either obtained from public records or furnished by the client and have not been verified by legal counsel or a licensed surveyor. The land description is included for identification purposes only and should not be used in a conveyance or other legal document without proper verification by an attorney. Although the material was prepared using the best available data, it should not be considered as a survey or scaled for size. All engineering studies are assumed to be correct. The plot and site plans and other illustrative material in this report are included only to help the reader visualize the property and they should not be scaled for size. Any survey or right-of-way plat sheet included was provided by the client and assumed accurate. Except as specifically stated, data relative to size or area of the subject and comparable properties has been obtained from sources deemed accurate and reliable.

Assumptions and Limiting Conditions, Continued

We have made a physical inspection of the property and noted any readily visibly apparent physical defects, if any, in our report. This inspection was made by individuals generally familiar with real estate and building construction; however, these individuals are not architectural or structural engineers who would have detailed knowledge of building design and structural integrity. Accordingly, we do not opine on, nor are we responsible for, the structural integrity of the property including its conformity to specific governmental code requirements, such as fire, building and safety, earthquake, and occupancy, or any physical defects that might exist. Unless otherwise specifically noted in the body of this report, it is assumed: that the existing improvements on the property appraised are structurally sound, seismically safe and code conforming; that all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; that the roof and exterior are in good condition and free from intrusion by the elements; that the property has been engineered in such a manner that the improvements conform to all applicable local, state, and federal building codes and ordinances. We are not engineers and are not competent to judge matters of an engineering nature. We have not retained independent structural, mechanical, electrical, or civil engineers in connection with this appraisal and, therefore, make no representations relative to the condition of improvements. Unless otherwise specifically noted in the body of the report, no problems were brought to our attention by ownership or management. Structural problems and/or building system problems may not be visually detectable. If engineering consultants retained should report negative factors of a material nature, or if such are later discovered, such information could have a substantial negative impact on the conclusions reported in this appraisal. Accordingly, if negative findings are reported by engineering consultants, we reserve the right to amend the appraisal conclusions reported herein.

The Americans with Disabilities Act ("ADA") became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect on the value of the property. We have not considered the possible noncompliance with the requirements of ADA in estimating the value of the property.

Assumptions and Limiting Conditions, Continued

No soil analysis or geological studies were ordered or made in conjunction with this appraisal, nor were any water, oil, gas, coal, or other subsurface mineral and use rights or conditions investigated. Unless otherwise noted in the body of the report, it is assumed that there are no mineral deposits or subsurface rights of value involved in this appraisal, whether they are gas, liquid, or solid. Nor are the rights associated with extraction or exploration of such elements considered unless otherwise stated in this appraisal report. Unless otherwise stated, it is also assumed that there are no air or development rights of value that may be transferred. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover them.

Any opinions of value provided in the report apply to the entire property, and any proration or division of the total into fractional interests will invalidate the opinion of value, unless such proration or division of interests has been set forth in the report.

The forecasts, projections, or operating estimates contained herein are based on current market conditions, anticipated short-term supply and demand factors, and projected stable economic conditions. These forecasts are, therefore, subject to changes with future conditions. Any cash flows included in the analysis are forecasts of estimated future operating characteristics and are predicated on the information and assumptions contained within the report. Any projections of income, expenses and economic conditions utilized in this report are not predictions of the future; rather, they are estimates of current market expectations of future income and expenses. The achievements of the financial forecasts are subject to fluctuating economic conditions and are dependent upon other projected future occurrences that obviously cannot be assured. Actual results will likely occur from the projections made herein and we cannot and do not warrant that these forecasts will occur. Projections may be affected by circumstances beyond the current realm of our knowledge or control.

Unless otherwise noted in the body of this report, it is assumed that no changes in the present zoning ordinances or regulations governing use, density, or shape have been considered. The property is appraised assuming that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, nor national government or private entity or organization have been or can be obtained or renewed for any use for which the value estimates contained in this report is based, unless otherwise stated.

Testimony or attendance in court or at any other hearing is not required by reason of this appraisal unless arrangements are made within a reasonable time in advance for such testimony, and then such testimony shall be at the prevailing per diem for the individuals involved.

The date of value to which the conclusions and opinions expressed apply is set forth in this report. Unless otherwise noted, this date represents the last date of our physical inspection of the property. The value opinion herein rendered is based on the status of the national business economy and the purchasing power of the U.S. dollar as of that date.

EXHIBIT D
Appraisal Certification

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest or bias with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- I have performed no services as an appraiser or in any other capacity regarding the property that is subject of this report within the three-year period immediately preceding acceptance of this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- I have made a personal inspection of the property that is the subject of this report.
- Jacob L. Nicholson provided significant professional assistance to the person signing this certification.
- 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 the Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, I have completed the requirements under the continuing education program of the Appraisal Institute.



Lawrence R. Nicholson, MAI
Wisconsin Certified General Appraiser (#116)

Appraisal Certification

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest or bias with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- I have performed no services as an appraiser or in any other capacity regarding the property that is subject of this report within the three-year period immediately preceding acceptance of this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- I have made a personal inspection of the property that is the subject of this report.
- Lawrence R. Nicholson, MAI provided significant professional assistance to the person signing this certification.
- 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 the Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.



Jacob L. Nicholson

EXHIBIT E
Professional Qualifications

Lawrence R. Nicholson, MAI

Experience

Owner of The Nicholson Group LLC, a Milwaukee-based real estate valuation and consulting firm dedicated to providing reliable and well documented valuations, feasibility and market studies, litigation support and other consulting services in a personal and timely manner. Mr. Nicholson has over 30-years of real estate valuation and consulting experience. Mr. Nicholson has been an MAI since 1989 and a Certified General Appraiser in the State of Wisconsin since 1991. He also was a Counselor of Real Estate ("CRE") from 2000 through 2008.

Mr. Nicholson has extensive experience with a variety of property types including office buildings, shopping centers, apartment complexes, golf courses, waterparks, marinas, hotels, business/industrial parks, developmental land, self-storage facilities, and light and heavy industrial facilities. Mr. Nicholson is an expert in condemnation-related appraisals as well as in partial interest valuation. Mr. Nicholson has been appointed by the Governor to the Real Estate Appraisers Board for the State of Wisconsin within the Department of Safety and Professional Services. Mr. Nicholson has taught the Valuation of Real Estate course (Real Estate 415) at the University of Wisconsin-Madison School of Business. Mr. Nicholson is also an approved instructor of real estate appraisal principles and procedures in the State of Wisconsin. He also frequently participates as a speaker in numerous conferences, seminars and symposiums. Mr. Nicholson has a Bachelor of Business Administration degree (real estate and finance) and a Master of Science degree in Real Estate Appraisal and Investment Analysis from the University of Wisconsin – Madison.

Prior to forming The Nicholson Group in 1993, Mr. Nicholson was National Managing Director of the Real Estate Advisory Group (REAG) of American Appraisal Associates. As an operating unit of the world's largest independent valuation consulting firm, REAG specialized in providing appraisal, consulting, and market research services nationwide.

Academics

University of Wisconsin - Madison
Master of Science - Real Estate Appraisal & Investment Analysis (1981)
Bachelor of Business Administration - Finance & Urban Land Economics (1979)
Appraisal Institute
Numerous real estate appraisal courses
American Society of Appraisers
Business Valuation 201
Business Valuation 202
Business Valuation 203

Lawrence R. Nicholson, MAI
Professional Qualifications, continued

Court Experience Mr. Nicholson has provided expert testimony concerning the market value of real estate and partial interests.

Professional Affiliations

Appraisal Institute, MAI Designation #8077 (1989)
 Board of Directors, Wisconsin Chapter (2006 - 2009)
 Ethics Administration Division - Assistant Regional Member
 Admissions Committee (former)
 Board of Directors, Badger Chapter (former)
 Chairperson - Public Relations Committee (former)
 Nonresidential Appraisal Reports Grader (former)

State of Wisconsin Department of Safety and Professional Services
 Real Estate Appraisers Board, State of Wisconsin (5/1/2010 -)

- Chairman (2014 -)
- Member (2010 - 2014)

Real Estate Appraisers Application Advisory Committee

- Chairman (2013 - 2014)
- Member (2006 - 2010)

State Certification

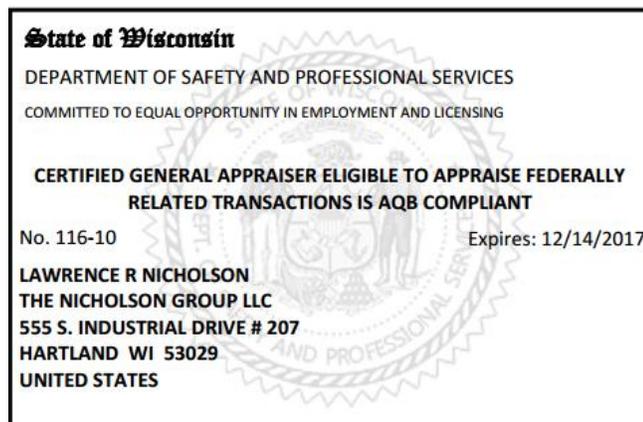
Wisconsin Certified General Appraiser #116 (1991)

Commercial Association of Realtors Wisconsin

Board of Directors (2001-2004)

University of Wisconsin-Madison

Lecturer, Real Estate 415, Valuation of Real Estate (2008 - 2009)



Jacob L. Nicholson
The Nicholson Group LLC

Experience	<p>An appraiser with The Nicholson Group LLC, a Milwaukee-based real estate valuation and consulting firm dedicated to providing reliable and well documented valuations, feasibility and market studies, litigation support and other consulting services in a personal and timely manner. Mr. Nicholson joined The Nicholson Group LLC in 2012.</p> <p>Prior to joining the Nicholson Group, Mr. Nicholson studied Finance and Real Estate at The University of Wisconsin-Milwaukee. Mr. Nicholson is knowledgeable about many aspects of the real estate industry, including property management, zoning, land use, and particularly property valuation. In addition, his concentrated research on properties in both the Milwaukee and Madison metro area have afforded him a quality understanding of numerous real estate markets in Southern Wisconsin.</p> <p>Mr. Nicholson has significant valuation experience with various property types, including developmental land, business/industrial parks, apartment complexes, office buildings, retail buildings, convenient stores, shopping centers, and light and heavy industrial facilities. Mr. Nicholson also has experience in condemnation-related appraisals and has worked on assignments for many well-known and respected real estate industry participants. He is an expert on the real estate markets of southeastern Wisconsin. He resides in Oconomowoc, Wisconsin with his fiancée Jackie and enjoys supporting local sports teams and outdoor activities, particularly fishing, hunting, hiking and boating.</p>
Academic Background	<p>The University of Wisconsin-Milwaukee Bachelor of Business Administration Finance with a specialty in Real Estate</p>
Real Estate Courses Taken	<p>Introduction to Real Estate Markets Real Estate Finance Valuation of Real Estate Real Estate Law Property Development / Management</p>
Professional Affiliations	<p>Practicing Affiliate Member of Appraisal Institute</p>
Appraisal Institute Courses Taken	<p>15-Hour National USPAP Business Practices and Ethics Basic Appraisal Principles Basic Appraisal Procedures Site Valuation & Cost Approach Finance, Statistics, and Valuation Modeling Sales Comparison Approach General Appraiser Income Approach Part 1 General Appraiser Income Approach Part 2</p>

Firm Overview

The Nicholson Group LLC is a Milwaukee-based real estate valuation and consulting firm. The Nicholson Group, established in 1993, is one of the pre-eminent valuation consulting firms throughout the State of Wisconsin as well as the Midwest and is a premier provider of appraisal and related services to financial institutions, law firms, investors, corporations and other real estate owners and users. We provide complete support from our initial consultation through our finished reports and if required, expert testimony.

The Nicholson Group is dedicated to providing reliable, well documented appraisals, feasibility and market studies, review appraisals and other consulting services in a personal and timely manner. All of our appraisal and consultation services are produced to the highest possible standards including complying with: the Uniform Standards of Professional Appraisal Practice (“USPAP”); and the Standards of Professional Appraisal Practice and Code of Professional Ethics of the Appraisal Institute.

We pride ourselves in our ability to provide quality-oriented appraisal and consulting services which create and maintains a high level of **client confidence, trust, loyalty and satisfaction**. Our clientele include financial institutions, insurance companies, law firms, real estate operating companies, pension funds, pension fund managers, corporations, and governmental agencies. Our extensive experience with a variety of property types includes: office & industrial buildings; regional malls & shopping centers; hotels & motels; water parks, golf courses & marinas; self-storage facilities; business & industrial parks; apartment complexes; and, developmental land.

Our firm is characterized by valuation **knowledge and experience** as our work is produced by highly trained, experienced professionals; **credibility** based on extensive experience with leading real estate and business decision makers; **client service** geared to meet client timing needs at a fair price; and, high standards of **objectivity and integrity** that has earned high levels of **respect** throughout the real estate community.

The Nicholson Group Client Listing

Financial Institutions

Anchor Bank
 Associated Bank
 BMO Harris Bank
 Citibank
 Citizens Bank of Mukwonago
 Community Bank & Trust
 Foundations Bank
 Johnson Bank
 JP Morgan Chase Bank
 Marine Bank
 National City Bank
 Park Bank
 PNC Bank
 TCF Bank
 The Private Bank
 Town Bank
 Tri-City National Bank
 US Bank
 Waukesha State Bank
 Wells Fargo Bank
 Wintrust Financial Corporation

Insurance Companies

AEGON USA Realty Advisors
 American Family Insurance
 American Fidelity Assurance Corp
 Northwestern Mutual Life
 Principal Life Insurance Company
 Society Insurance
 The Guardian

Attorneys

Balisle & Roberson
 Davis & Kuelthau
 DeWitt, Ross & Stevens
 Faegre & Benson
 Foley & Lardner
 Friebert, Finerty & St. John
 Godfrey & Kahn
 Kalcheim, Schatz & Berger
 Michael Best & Friedrich
 Quarles & Brady
 Reinhart Boerner Van Duren
 Schweitzer & Cincotta
 von Briesen, Purtell & Roper
 Weiss Berzowski Brady
 Whyte Hirshboeck Dudek

Municipal/Public

Arrowhead High School
 Cardinal Stritch University
 Carroll University
 City of Delafield
 City of Glendale
 City of Greenfield
 City of Milwaukee
 City of New Berlin
 City of Oconomowoc
 City of Racine
 City of West Allis
 Redevelopment Authority of the
 City of Milwaukee
 Milwaukee County
 Marquette University
 Milwaukee Public Schools
 Sheboygan Area School District
 Town of Brookfield
 Town of Jackson
 US Postal Service
 UW-Milwaukee Real Estate
 Foundation
 Village of Greendale
 Village of Hartland
 Village of Kohler
 Village of Menomonee Falls
 Village of Pleasant Prairie
 Village of Shorewood
 Village of West Milwaukee
 Waukesha School District
 WI Department of Justice
 WI Department of Transportation

Real Estate Operating Companies

Continental Properties
 Fiduciary Real Estate Development
 General Capital Group
 Interstate Partners
 Lighthouse Development Co.
 Mandel Group
 Madison Golf Development Group
 Metropolitan Associates
 Pabst Farms Development Co.
 Principal Real Estate Investors
 Public Storage, Inc
 Told Development Company
 Towne Realty

Corporate

Abbott Laboratories
 Agnesian HealthCare, Inc.
 Aldrich Chemical
 American Honda Motor Corp.
 Boys & Girls Club of Milwaukee
 Bradley Center Sports
 Everbrite Company
 Extencicare Health Services
 Federal Express
 Harley Davidson
 Journal - Sentinel, Inc.
 Noah's Ark Family Park, Inc.
 Rockwell Automation
 Roth Kase USA Ltd.
 Sargento Foods
 Self-Storage Preferred Partners
 SkipperLiner Marine Group
 Spancrete Industries
 Staubach Portfolio Services
 Swiss Colony
 Teamsters General Local No. 200
 U-Haul International
 United Parcel Service
 Walgreen Company
 Wal-Mart Stores & Wal-Mart Realty
 Wisconsin Alumni Research
 Foundation (WARF)

General Service Conditions

The services provided by The Nicholson Group LLC have been performed in accordance with professional appraisal standards. Our compensation was not contingent in any way upon our conclusions. We have assumed, without independent verification, the accuracy of all data provided to us. All files, work papers, or documents developed by us during the course of the engagement are our property. We will retain this data for at least five years.

Our opinions and report are to be used only for the specific purpose stated herein and any other use is invalid. No reliance may be made by any third party without our prior written consent. Possession of this report or any copy thereof does not carry with it the right of publication. No portion of this report shall be disseminated to the public through prospectus, advertising, public relations, news, or any other means of communication without the written consent and approval of The Nicholson Group LLC.

You agree to indemnify and hold us harmless against and from any and all losses, claims, actions, damages, expenses, or liabilities, including reasonable attorneys' fees, to which we may become subject in connection with this engagement. The extent of The Nicholson Group LLC's liability as a result of any of the preceding items, or any other matter related to this engagement, is limited to the appraisal fee paid by the client for these appraisal services. Your obligation for indemnification and reimbursement shall extend to any controlling person of The Nicholson Group LLC, employee, affiliate or agent.

We reserve the right to include your company/firm name in our client list, but we will maintain the confidentiality of all conversations, documents provided to us, and the contents of our reports, subject to legal or administrative process or proceedings. These conditions can only be modified by written documents executed by both parties.