

APPRAISAL OF REAL PROPERTY

3305 & 3315 North Ballard Road
Appleton, Outagamie County, WI 54911

APPRAISAL OF REAL PROPERTY

**3305 & 3315 North Ballard Road
Appleton, Outagamie County, WI 54911**

**Prepared For:
Mr. Steve Winter
American Management Group, Inc.
3305C North Ballard Road
Appleton, WI 54911**

**Prepared By:
Alliance Appraisal Group, Ltd.
4321 West College Avenue, Suite 200
Appleton, WI 54914
Appraiser File: 20230363A**



4321 West College Avenue, Suite 200
Appleton, WI 54914

Phone: (920) 460-9005
Fax: (920) 460-9006
www.allianceappraisal.com

September 27, 2023

Mr. Steve Winter
American Management Group, Inc.
3305C North Ballard Road
Appleton, WI 54911

Re: Appraisal Report
Multi-Tenant Office Facility
3305 & 3315 North Ballard Road
Appleton, Outagamie County, WI 54911

Dear Mr. Winter:

In fulfillment of our agreement as outlined in the letter of engagement shown in the addendum, I am pleased to transmit my appraisal report of the above-referenced property. The purpose of this appraisal is to estimate the as-is market value of the leased fee interest in the subject property, as of September 21, 2023.

This appraisal report is prepared in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP). In addition, the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA) specifies that a federally regulated financial institution must be the client in the appraiser-client relationship under the terms of an assignment agreement. To the extent the client is governed by FIRREA, this appraisal meets all applicable requirements.

The subject property consists of a 1.64-acre site improved with two, one-story multi-tenant general office buildings including a total gross building area (GBA) of 14,600 square feet, and 14,597 square feet of rentable area (RA). The buildings were built in 1996 and are in average condition, with average quality building components and design. The property includes six suites, ranging in size from 1,482 square feet to 3,264 square feet. The buildings are built on concrete slabs, with no basement space, and are 100% heated, insulated, and air conditioned. The subject property is 100% leased and occupied by six tenants. However, the tenant in Suite C will be vacating the space on October 31, 2023. Therefore, the subject will be 78% leased and occupied by five tenants, with about 3,264 square feet of vacant space (22%).

Your attention is directed to the Assumptions and Limiting Conditions section of this report. Acceptance of this report constitutes an agreement with these assumptions and conditions.

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

Mr. Winter
American Management Group, Inc.
September 27, 2023
Page 2

The intended use and user(s) of this report are specifically identified in the report as agreed upon in our contract for services and/or reliance language found in the report. No other use or user(s) of this report is permitted by any other party for any other purpose. Dissemination of this report by any party to non-client, non-intended users does not extend reliance to any other party and Alliance Appraisal Group, Ltd. will not be responsible for unauthorized use of the report, its conclusions or contents, used partially or in its entirety.

Based on the appraisal described in the accompanying report, subject to the Assumptions and Limiting Conditions, and Extraordinary Assumptions, I have made the following value conclusion:

Current As-Is Market Value:

The as-is market value of the leased fee interest in the subject property, as of September 21, 2023, is:

One Million Three Hundred Twenty Thousand Dollars (\$1,320,000)

The global and local economy was significantly impacted by the COVID-19 pandemic from the Spring of 2020 until the Public Health Emergency ended on May 11, 2023. Some sectors of the real estate market experienced instability during the pandemic, but its effects are currently less significant. My personal experience and interviews with local real estate brokers and market participants indicate that demand and resulting revenues, and in some cases market values, declined during this time period. However, the effects for most property types have waned significantly. Therefore, the market values and exposure and marketing times concluded in this report are not specifically adjusted for this issue. I do consider the pandemic effect on all market data that goes into this appraisal.

This appraisal assignment is based on the following extraordinary assumption: that all physical and financial information regarding the subject property, including lease and historical operating information, provided by the property representative, Ms. Susan Thon, and the assessor is accurate. I was not provided full copies of the signed lease agreements and amendments. If any of this information is found to be inaccurate, I reserve the right to amend this appraisal. The use of this extraordinary assumption may have affected my assignment results.

Mr. Winter
American Management Group, Inc.
September 27, 2023
Page 3

There are no hypothetical conditions applied in this appraisal.

Respectfully submitted,
Alliance Appraisal Group, Ltd.

A handwritten signature in black ink, appearing to read "E. J. Kawski". The signature is fluid and cursive, with a horizontal line extending from the end of the signature.

Eric J. Kawski, MAI
WI Certified General Appraiser 1947-010
eric@allianceappraisal.com

TABLE OF CONTENTS

SUBJECT PROPERTY PHOTOGRAPHS	1
SUMMARY OF FACTS AND CONCLUSIONS	7
INTRODUCTION	9
Property Identification	9
Ownership and Sale History	9
Dates of Inspection and Valuation.....	9
Purpose of Appraisal	10
Intended Use and Intended Users of Appraisal	10
Property Rights Appraised.....	11
Extraordinary Assumptions.....	11
Hypothetical Conditions.....	11
Competency Disclosure.....	12
Scope of Work	12
AREA ANALYSIS.....	14
NEIGHBORHOOD ANALYSIS	19
Immediate Location.....	20
Neighborhood Demographics.....	20
Land Use.....	26
Growth Patterns	26
Conclusion	26
MARKET ANALYSIS	27
PROPERTY ANALYSIS	32
Property Overview	32
Site Description.....	33
Improvements Description.....	39
Taxes and Assessments.....	42
Zoning	43
HIGHEST AND BEST USE ANALYSIS	44
Highest and Best Use as If Vacant.....	44
Highest and Best Use as Improved.....	45
VALUATION METHODOLOGY	47
Cost Approach	47
Sales Comparison Approach.....	47
Income Capitalization Approach.....	48
Reconciliation of Value	48
Applicability of Approaches.....	48
SALES COMPARISON APPROACH	49
Improved Sales Analysis	49
Improved Sales Adjustments.....	59
Conclusion of Sales Comparison Approach.....	62
INCOME CAPITALIZATION APPROACH.....	63
Methodology Applied	63
Income / Occupancy Overview.....	64
Market Rent.....	65
Vacancy and Collection Loss	66
Income and Expense Analysis	67
Capitalization Rate.....	69
Capitalization Rate Conclusion.....	72
Direct Capitalization.....	73
Stabilization Calculations.....	73

Conclusion of Income Capitalization Approach.....	74
RECONCILIATION AND FINAL VALUE OPINION.....	75
Market Value Indications	75
Market Value Conclusion.....	76
Exposure Time and Marketing Time	77
ASSUMPTIONS AND LIMITING CONDITIONS	78
CERTIFICATION	81
ADDENDA.....	83

SUBJECT PROPERTY PHOTOGRAPHS



Typical Exterior View



Typical Exterior View



Typical Exterior View



Typical Exterior View



Typical Exterior View



Typical Exterior View



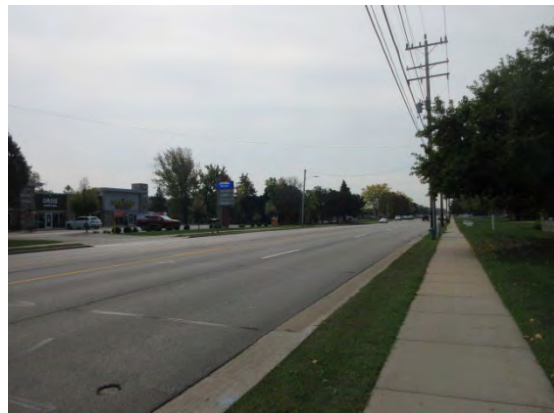
Typical Exterior View



View of Paved Parking Area



View of Paved Parking Area



**South View Along
North Ballard Road**



**North View Along
North Ballard Road**



Typical Interior View



Typical Interior View



Typical Interior View



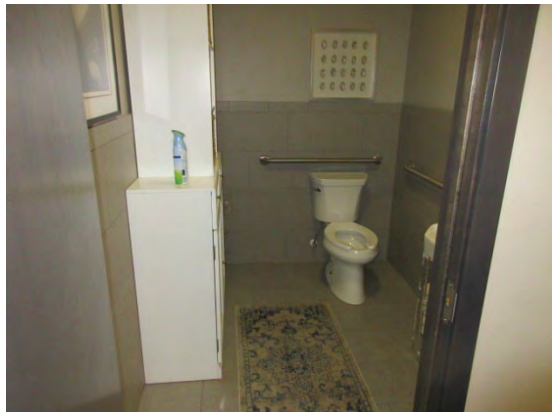
Typical Interior View



Typical Interior View



Typical Interior View



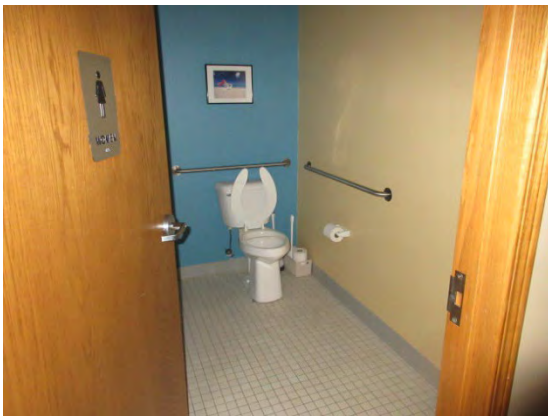
Typical Interior View



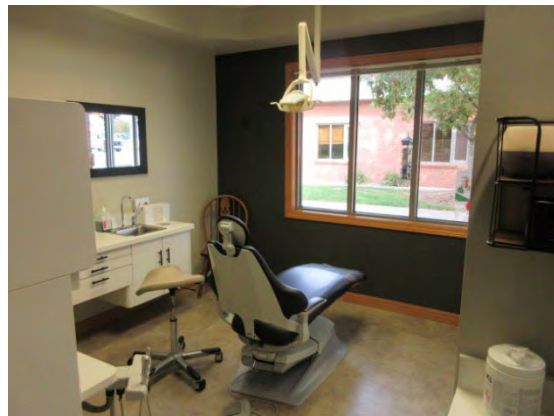
Typical Interior View



Typical Interior View



Typical Interior View



Typical Interior View



Typical Interior View



Typical Interior View



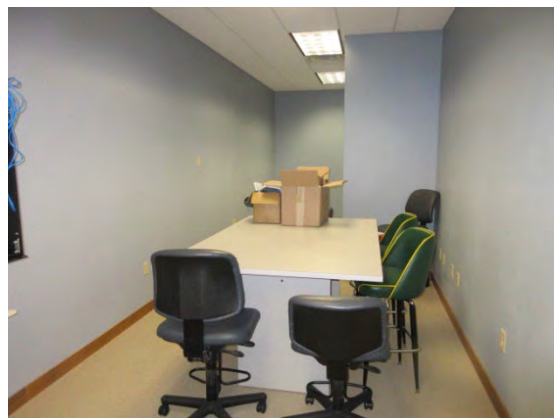
Typical Interior View



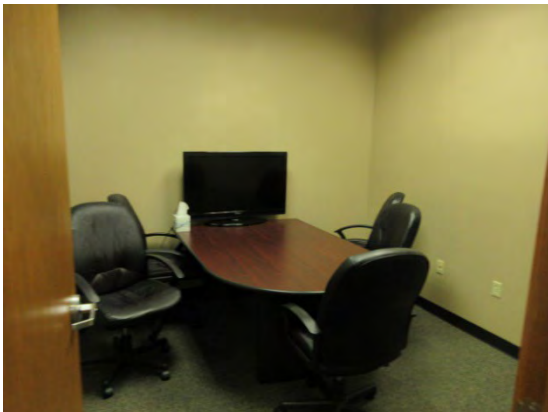
Typical Interior View



Typical Interior View



Typical Interior View



Typical Interior View



Typical Interior View



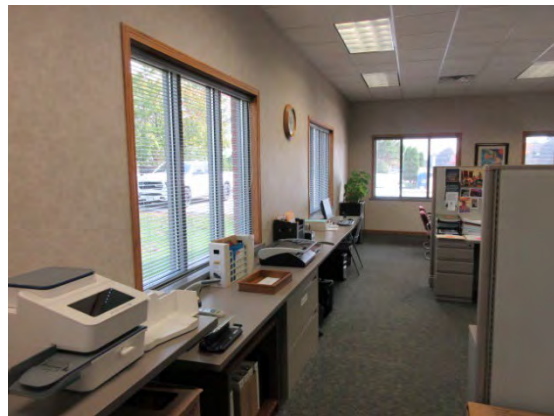
Typical Interior View



Typical Interior View



Typical Interior View



Typical Interior View



Typical Interior View

SUMMARY OF FACTS AND CONCLUSIONS

Property Appraised:	3305 & 3315 North Ballard Road Appleton, Outagamie County, WI 54911
Appraisal Purpose and Intended Use:	<p>The purpose of this appraisal is to estimate the as-is market value of the leased fee interest in the subject property, as of September 21, 2023.</p> <p>The intended use of this appraisal is for tax assessment analysis.</p>
Extraordinary Assumptions:	This appraisal assignment is based on the following extraordinary assumption: that all physical and financial information regarding the subject property, including lease and historical operating information, provided by the property representative, Ms. Susan Thon, and the assessor is accurate. I was not provided full copies of the signed lease agreements and amendments. If any of this information is found to be inaccurate, I reserve the right to amend this appraisal. The use of this extraordinary assumption may have affected my assignment results.
Hypothetical Conditions:	There are no hypothetical conditions applied in this appraisal.
Report Date:	September 27, 2023
Site Size:	1.64 acres; 71,235 square feet
Improvements:	The subject property is improved with two, one-story multi-tenant general office buildings including a total gross building area (GBA) of 14,600 square feet, and 14,597 square feet of rentable area (RA). The buildings were built in 1996 and are in average condition, with average quality building components and design. The property includes six suites, ranging in size from 1,482 square feet to 3,264 square feet. The buildings are built on concrete slabs, with no basement space, and are 100% heated, insulated, and air conditioned.
Zoning:	C-2, General Commercial District with a PD, Planned Development Overlay
Highest and Best Use As If Vacant:	To hold for future office development at a point in time when adequate demand returns to the market

Highest and Best Use As Improved: Present use, a multi-tenant office facility

Type of Value: Market value

MARKET VALUE INDICATIONS

	<u>As-Is</u>
Cost Approach:	N/A
Sales Comparison Approach:	\$1,340,000
Income Capitalization Approach:	\$1,320,000

RECONCILED MARKET VALUE

	<u>As-Is</u>
Market Value Conclusion:	\$1,320,000
Effective Date:	September 21, 2023
Property Rights:	Leased Fee
Premise:	Current

INTRODUCTION

Property Identification

Property Name:	Multi-Tenant Office Facility
Location	3305 & 3315 North Ballard Road Appleton, Outagamie County, WI 54911
Legal Description:	Lot 4 of Certified Survey Map 1899 recorded as Document 1122517, being all of Certified Survey Map 906 recorded as Document 1003501 in the NE 1/4 of the SE 1/4, Section 13, T21N-R17E, City of Appleton, Outagamie County, Wisconsin
Tax Parcel Number:	311653205

Ownership and Sale History

Current Ownership:	Ballard Square, LLC
Sale History:	As required under USPAP standards, an investigation was made to ascertain any sales history of the subject property occurring within the three (3) years prior to the effective date of this appraisal. According to public records and the property representative, the subject has not sold in the last three years.
Current Listings/Contracts:	The subject is not currently listed or under contract for sale.

Dates of Inspection and Valuation

Effective Date of Valuation	
As Is:	September 21, 2023
Date of Inspection:	September 21, 2023
Property Inspected by:	Eric Kawski, MAI

Purpose of Appraisal

The purpose of this appraisal is to estimate the as-is market value of the leased fee interest in the subject property, as of September 21, 2023.

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:

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

The function of this report is to present the data and reasoning employed to form a professional opinion of the nature, quality, value or utility of specified interests in, or aspects of, identified real estate to facilitate a decision. The objective of this report is to communicate the conclusions to the client.

Intended Use and Intended Users of Appraisal

The intended use of this appraisal report is for tax assessment analysis.

The intended user of this appraisal report is American Management Group, Inc., my client. Unauthorized use of this report is not permitted.

¹ Interagency Appraisal and Evaluation Guidelines, Effective December 10, 2010.

Property Rights Appraised

The real property rights considered in this appraisal are leased fee interest.

Leased fee interest is defined as:

“A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship.”²

Extraordinary Assumptions

Extraordinary assumption is defined as:

“An assumption directly related to a specific assignment, which if found to be false, could alter the appraiser’s opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis.”³

This appraisal assignment is based on the following extraordinary assumption: that all physical and financial information regarding the subject property, including lease and historical operating information, provided by the property representative, Ms. Susan Thon, and the assessor is accurate. I was not provided full copies of the signed lease agreements and amendments. If any of this information is found to be inaccurate, I reserve the right to amend this appraisal. The use of this extraordinary assumption may have affected my assignment results.

Hypothetical Conditions

Hypothetical condition is defined as:

“That which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts 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.”⁴

There are no hypothetical conditions applied in this appraisal.

² The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010), 111.

³ The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010), 73.

⁴ The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010), 97.

Competency Disclosure

The Competency Rule of USPAP 2016-2017 states the following:

“An appraiser must: (1) be competent to perform the assignment; (2) acquire the necessary competency to perform the assignment; or (3) decline or withdraw from the assignment. In all cases, the appraiser must perform competently when completing the assignment.”⁵

Eric J. Kawski, MAI has extensive experience in the appraisal of properties similar to the subject within this geographical area since 2005. The appraiser's qualifications are included in the addendum to this report.

Scope of Work

This appraisal is intended to comply with the reporting requirements set forth under Standards Rule 2-2 of the Uniform Standards of Professional Appraisal Practice (USPAP). In addition, the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA) specifies that a federally regulated financial institution must be the client in the appraiser-client relationship under the terms of an assignment agreement. To the extent the client is governed by FIRREA, this appraisal meets all applicable requirements.

The extent of the appraisal process involved the following:

1. An interior and exterior inspection of the subject property was conducted on September 21, 2023. The appraiser was accompanied during the inspection by the ownership representative, Ms. Susan Thon, who provided physical and financial information regarding the property.
2. Market data was researched from sources including but not limited to public records, local and regional brokers, area appraisers, planning departments, management companies, investors, governmental agencies and commercial data sources.
3. Outagamie County area data as well as neighborhood economic factors influencing the overall viability of real estate and supply and demand were analyzed.
4. Existing land use regulations and the physical characteristics of the subject site and improvements were analyzed. In the absence of a title opinion, I have relied on visual inspection and other available information to identify apparent easements or restrictions but cannot guarantee accuracy.
5. Evaluations and analyses of market data gathered were used to determine the subject property's highest and best use both as vacant and as improved.

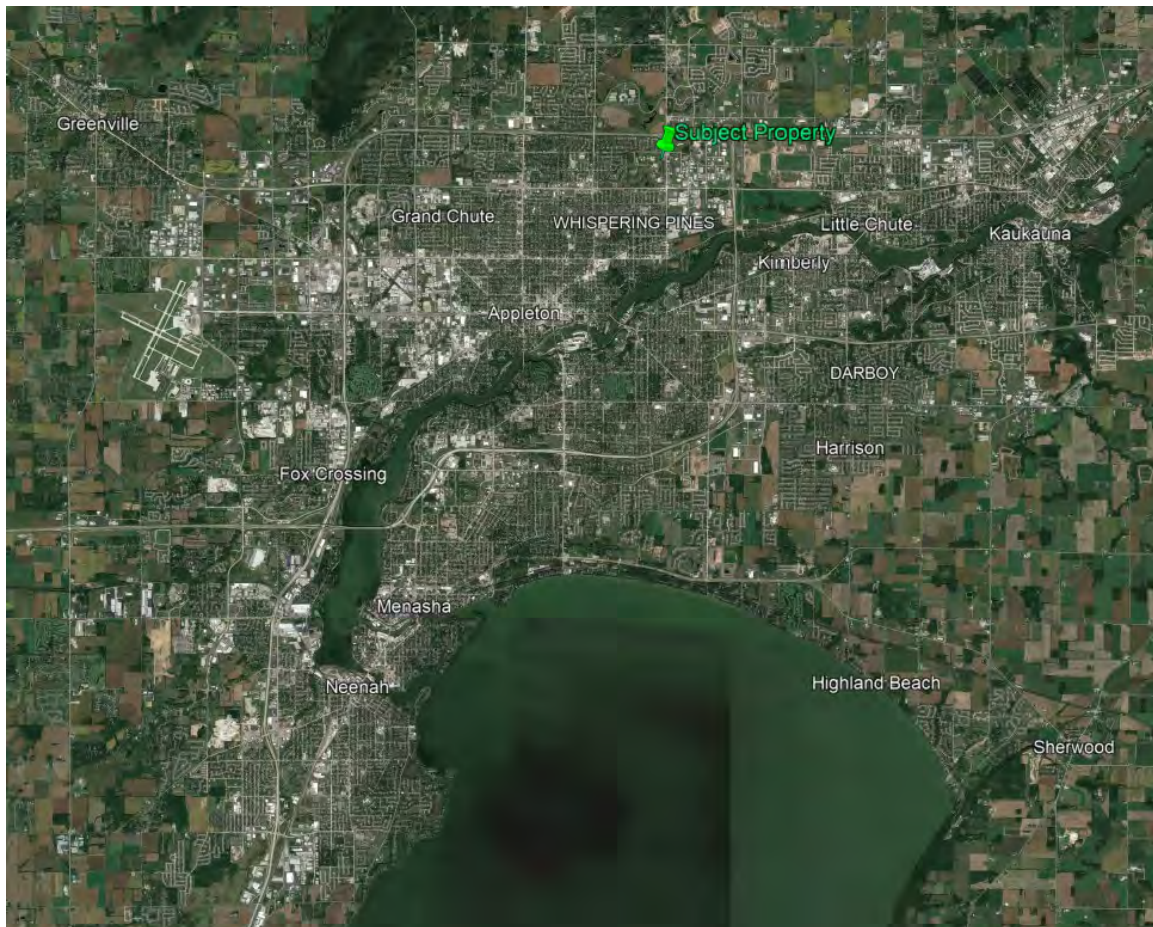
⁵ Uniform Standards of Professional Appraisal Practice (USPAP), 2016-2017 ed. (Washington DC: The Appraisal Foundation, 2016), 12.

6. Comparable data for the analysis were gathered on improved sales and leased properties for use in the analysis.
7. Efforts were made to verify the data with persons directly involved in the transactions such as buyers, sellers, brokers, agents, or closing attorneys insofar as possible. In some cases, the data was only verifiable from public records; such data is used when it is my opinion that the data appears correct and reliable.
8. A cost approach was not applied because the age of the improvements makes the depreciation difficult to accurately measure. In addition, an investor in the subject property would not consider the cost approach relevant in a purchase decision. A sales comparison approach was applied because there is adequate data to develop a market value estimate, and this approach reflects market behavior for this property type. This approach utilizes sales of reasonably similar facilities throughout the market. However, this approach is utilized only as a check of reasonableness against the income capitalization approach given that the most probable buyer of the subject property is an investor concerned with the income producing potential of the property. An income capitalization approach was applied because the subject is an income producing property, and there is adequate data to develop a value estimate by this approach. This approach uses the actual contract and market rent, vacancy, and expenses for the subject property. The net operating income is then capitalized to a market value indication by a market supported cap rate. Given that the most probable buyer represents an investor, the income capitalization approach is the most reliable indication of market value for the subject property.
9. From a reconciliation analysis, the limitations and advantages of the data used in the various valuation approaches were reviewed to support the conclusion of market value. No personal property, trade fixtures, or intangible items are included in this analysis.
10. My findings are reported in an appraisal report format as defined by USPAP.

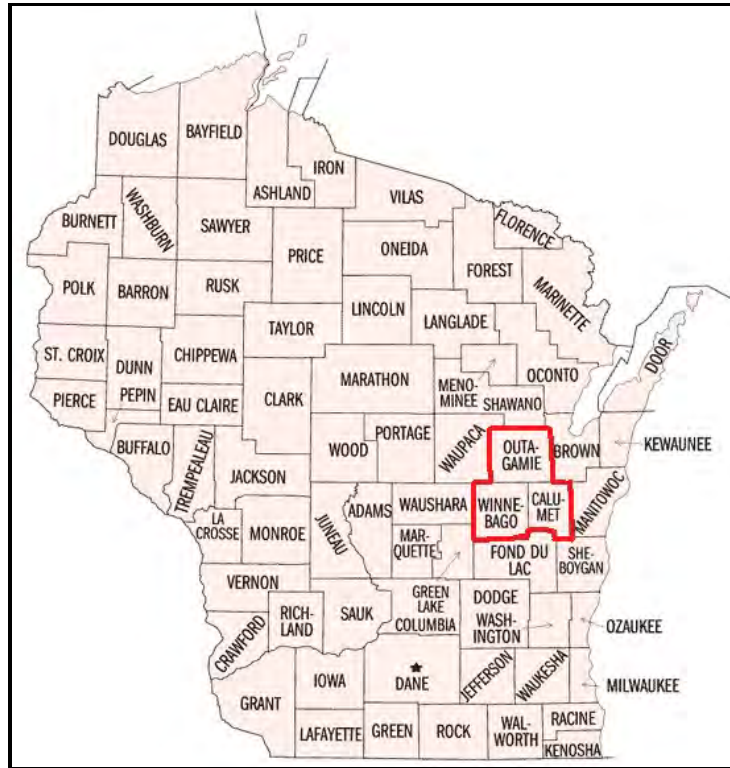
AREA ANALYSIS

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

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



Regional Location Map



Introduction of the Greater Fox Cities Area

The City of Appleton is located in the northeast part of the Fox Cities Metropolitan Area in Outagamie and Calumet Counties. The Fox Cities of northeastern Wisconsin are the cities, towns and villages surrounding the Fox River as it flows from Lake Winnebago northward into the Bay of Green Bay. The Fox Cities includes 20 communities made up of multiple cities, villages and towns located throughout Outagamie, Calumet, and Winnebago Counties. Some of these communities include the Cities of Appleton, Neenah, Menasha, Kaukauna, the Villages of Kimberly, Fox Crossing, Combined Locks, and Hortonville, and the Towns of Grand Chute and Freedom. This area is located about 30 miles southwest of Green Bay, and 20 miles northeast of Oshkosh. Interstate 41 connects these areas, and then extends north to Marinette and south to Milwaukee.

Population

The Fox Cities Area is one of the fastest growing urban centers in Wisconsin with more than 400,000 residents.

Transportation

The main access to Fox Cities is Interstate 41, which connects to Green Bay 30 miles north and Oshkosh 20 miles south. Interstate 41 circles the north and west side of the metropolitan area, while State Highway 441 completes the circle on the east and south sides. Downtown Appleton is at the very center of this circumferential highway system. US Highway 10 also runs through area, and connects to Waupaca 30 miles to the west, and Manitowoc 40 miles to the east. Valley Transit provides public transportation to the communities of the Fox Cities and the Outagamie County Regional Airport is one of the largest airports in the immediate area.

Education

The public school system offers education to students from kindergarten through twelfth grade, including Appleton East, West, and North High School, Neenah High School, Menasha High School, Kaukauna High School, Kimberly High School, and Little Chute High School. Additionally, there are multiple private schools offering pre-kindergarten through twelfth grade, including Fox Valley Lutheran High School and Xavier High School. Public colleges in the Fox Cities include University of Wisconsin – Fox Valley, and Fox Valley Technical College, the larger of the two. The area is also home to Lawrence University, the first co-educational private university in the country. The nearest public university is the University of Wisconsin, Oshkosh, which is 15 miles south.

Economic Base

Some of the top employers in the Fox Cities are as follows:

Employer Name	No. of Employees
Thedacare Inc	1000+
Expera Specialty Solutions	1000+
Nestle	1000+
McCain Foods	1000+
St. Elizabeth Hospital	1000+
Appvion	1000+
Thrivent Financial	1000+
Sara Lee Foods	1000+
Reynolds Presto Products	1000+
Valley Packaging Industries	1000+

Employment

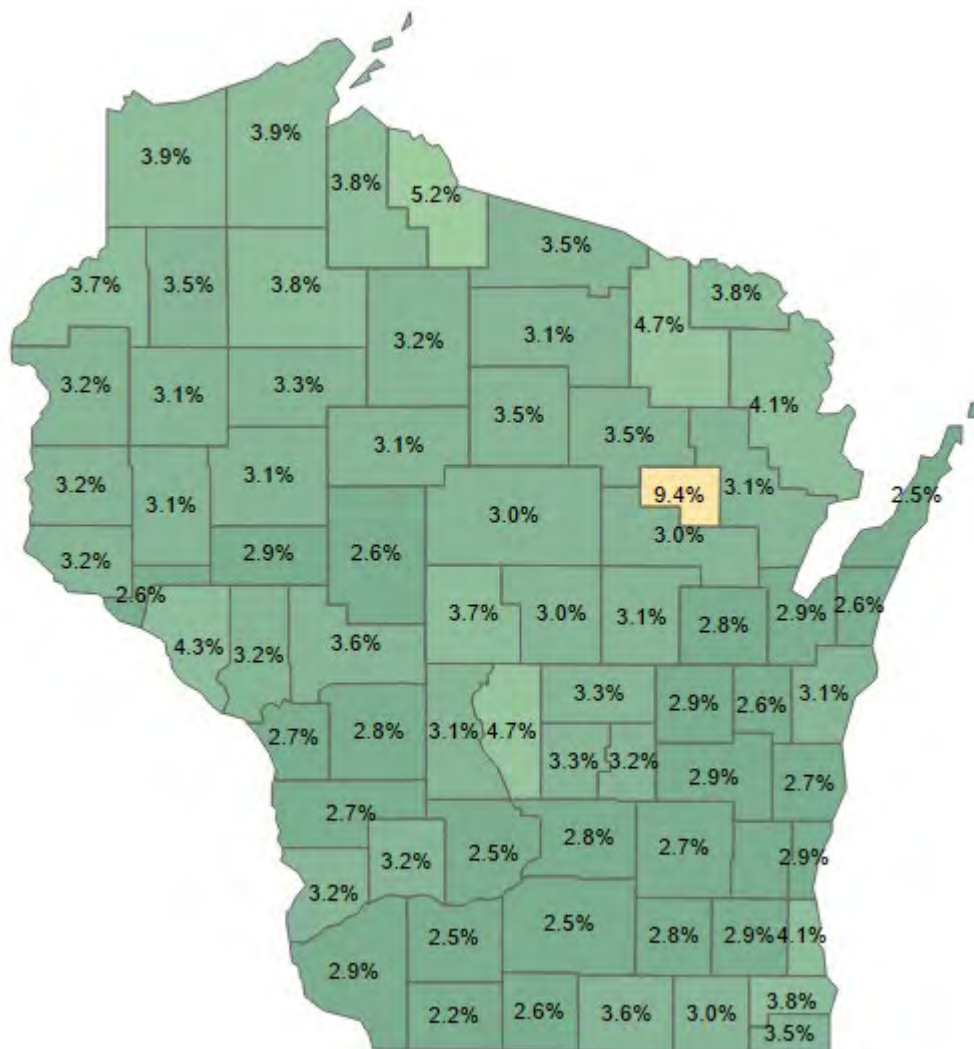
The following tables show unemployment numbers in Outagamie, Winnebago, and Calumet Counties and the State of Wisconsin.

Winnebago County	Percent Unemployed
Month to Month	
July 2022	3.0%
August 2022	3.0%
September 2022	2.9%
October 2022	2.5%
November 2022	2.3%
December 2022	1.9%
January 2023	2.2%
February 2023	2.1%
March 2023	1.9%
April 2023	1.8%
May 2023	2.4%
June 2023	3.2%
*July 2023	2.9%

*August 2023 numbers not available yet

Calumet County	Percent Unemployed
Month to Month	
July 2022	2.6%
August 2022	2.6%
September 2022	2.6%
October 2022	2.2%
November 2022	2.1%
December 2022	1.7%
January 2023	1.9%
February 2023	1.8%
March 2023	1.7%
April 2023	1.6%
May 2023	2.1%
June 2023	2.9%
July 2023	2.6%

Outagamie County	Percent Unemployed
Month to Month	
July 2022	3.0%
August 2022	2.9%
September 2022	2.7%
October 2022	2.3%
November 2022	2.1%
December 2022	1.9%
January 2023	2.2%
February 2023	2.1%
March 2023	1.9%
April 2023	1.8%
May 2023	2.2%
June 2023	3.1%
July 2023	3.8%



NEIGHBORHOOD ANALYSIS

Real estate is significantly affected by its surrounding environment, and there is a propensity toward the grouping of land uses within a community. These groupings of specific uses are generally called neighborhoods. Properties within a given neighborhood are affected by shifts or changes in the surrounding environment.

Immediate Location Map



Immediate Location

The subject property is located 200 feet west of North Ballard Road, 300 feet south of East Capital Drive, and one-quarter mile north of East Witzke Boulevard, within the City of Appleton, Outagamie County, Wisconsin. It is accessible via an ingress and egress easement from the adjacent property. The property is also located within the Appleton/Fox Cities and northeast Wisconsin market area. North Ballard Road intersects Interstate 41 one-quarter mile north of the subject. Interstate 41 is the main arterial within the market area, leading north through the Appleton/Fox Cities market and to Green Bay. It also leads south to Oshkosh, Fond du Lac, and Milwaukee. Communities within the Appleton/Fox Cities market area include Appleton, Combined Locks, Kimberly, Kaukauna, Buchanan, Harrison, Menasha, Neenah, Little Chute, Fox Crossing, Greenville, and Grand Chute. The subject has an average to good location for an office use, with fair to average access to and visibility from North Ballard Road.

Neighborhood Demographics

Selected neighborhood demographics in 1-, 3-, and 5-mile radii from the subject are shown as follows:





Market Profile

3305 N Ballard Rd, Appleton, Wisconsin, 54911
Rings: 1, 3, 5 mile radii

Prepared by Esri
Latitude: 44.29308
Longitude: -88.37649

	1 mile	3 miles	5 miles
Population Summary			
2010 Total Population	5,598	61,635	131,928
2020 Total Population	5,859	65,913	139,995
2020 Group Quarters	61	2,395	3,102
2023 Total Population	5,881	67,491	142,223
2023 Group Quarters	61	2,398	3,102
2028 Total Population	5,909	68,438	143,996
2023-2028 Annual Rate	0.10%	0.28%	0.25%
2023 Total Daytime Population	10,463	73,754	143,462
Workers	7,612	41,622	77,263
Residents	2,851	32,132	66,199
Household Summary			
2010 Households	2,419	24,872	52,676
2010 Average Household Size	2.31	2.39	2.45
2020 Total Households	2,535	27,030	57,044
2020 Average Household Size	2.29	2.35	2.40
2023 Households	2,586	27,897	58,483
2023 Average Household Size	2.25	2.33	2.38
2028 Households	2,626	28,642	59,913
2028 Average Household Size	2.23	2.31	2.35
2023-2028 Annual Rate	0.31%	0.53%	0.48%
2010 Families	1,524	15,555	34,219
2010 Average Family Size	2.88	3.01	3.03
2023 Families	1,531	16,817	36,632
2023 Average Family Size	2.90	3.00	2.99
2028 Families	1,543	17,171	37,371
2028 Average Family Size	2.88	2.96	2.96
2023-2028 Annual Rate	0.16%	0.42%	0.40%
Housing Unit Summary			
2000 Housing Units	2,350	23,772	48,572
Owner Occupied Housing Units	66.7%	65.4%	65.9%
Renter Occupied Housing Units	31.2%	31.3%	31.0%
Vacant Housing Units	2.1%	3.3%	3.1%
2010 Housing Units	2,514	26,195	55,155
Owner Occupied Housing Units	61.3%	63.1%	64.1%
Renter Occupied Housing Units	35.0%	31.9%	31.4%
Vacant Housing Units	3.8%	5.1%	4.5%
2020 Housing Units	2,597	28,348	59,364
Vacant Housing Units	2.4%	4.6%	3.9%
2023 Housing Units	2,643	29,412	61,081
Owner Occupied Housing Units	64.6%	63.2%	64.7%
Renter Occupied Housing Units	33.2%	31.7%	31.1%
Vacant Housing Units	2.2%	5.2%	4.3%
2028 Housing Units	2,679	30,095	62,448
Owner Occupied Housing Units	66.2%	64.2%	65.5%
Renter Occupied Housing Units	31.8%	30.9%	30.5%
Vacant Housing Units	2.0%	4.8%	4.1%
Median Household Income			
2023	\$67,148	\$66,598	\$70,633
2028	\$75,868	\$74,755	\$78,557
Median Home Value			
2023	\$232,377	\$221,146	\$228,612
2028	\$286,544	\$283,480	\$281,918
Per Capita Income			
2023	\$39,590	\$39,927	\$39,911
2028	\$45,732	\$45,777	\$45,704
Median Age			
2010	39.3	36.4	36.3
2023	40.7	39.0	38.6
2028	41.1	39.6	39.3

Data Note: Household population includes persons not residing in group quarters. Average Household Size is the household population divided by total households. Persons in families include the householder and persons related to the householder by birth, marriage, or adoption. Per Capita Income represents the income received by all persons aged 15 years and over divided by the total population.

Source: Esri forecasts for 2023 and 2028. U.S. Census Bureau 2000 and 2010 decennial Census data converted by Esri into 2020 geography.

September 13, 2023



Market Profile

3305 N Ballard Rd, Appleton, Wisconsin, 54911
Rings: 1, 3, 5 mile radii

Prepared by Esri
Latitude: 44.29308
Longitude: -88.37649

	1 mile	3 miles	5 miles
2023 Households by Income			
Household Income Base	2,586	27,897	58,483
<\$15,000	6.3%	7.3%	6.6%
\$15,000 - \$24,999	7.8%	7.0%	6.6%
\$25,000 - \$34,999	6.0%	7.4%	7.5%
\$35,000 - \$49,999	12.6%	12.9%	12.2%
\$50,000 - \$74,999	22.5%	20.8%	19.5%
\$75,000 - \$99,999	15.2%	14.5%	14.8%
\$100,000 - \$149,999	15.2%	16.0%	17.8%
\$150,000 - \$199,999	9.1%	6.2%	7.9%
\$200,000+	5.3%	8.1%	7.1%
Average Household Income	\$91,758	\$96,424	\$96,659
2028 Households by Income			
Household Income Base	2,626	28,642	59,913
<\$15,000	5.2%	6.3%	5.8%
\$15,000 - \$24,999	5.9%	5.4%	5.1%
\$25,000 - \$34,999	5.1%	6.3%	6.5%
\$35,000 - \$49,999	11.2%	11.7%	11.1%
\$50,000 - \$74,999	22.0%	20.4%	18.9%
\$75,000 - \$99,999	15.0%	14.4%	14.5%
\$100,000 - \$149,999	17.6%	18.0%	19.7%
\$150,000 - \$199,999	11.9%	8.1%	10.2%
\$200,000+	6.2%	9.4%	8.2%
Average Household Income	\$105,002	\$109,221	\$109,384
2023 Owner Occupied Housing Units by Value			
Total	1,708	18,581	39,515
<\$50,000	3.7%	3.2%	2.6%
\$50,000 - \$99,999	1.3%	4.0%	3.4%
\$100,000 - \$149,999	11.8%	15.0%	13.0%
\$150,000 - \$199,999	26.3%	22.4%	22.0%
\$200,000 - \$249,999	10.7%	12.9%	15.7%
\$250,000 - \$299,999	14.9%	11.0%	13.1%
\$300,000 - \$399,999	17.7%	18.4%	17.9%
\$400,000 - \$499,999	8.4%	6.2%	6.1%
\$500,000 - \$749,999	3.9%	4.8%	4.2%
\$750,000 - \$999,999	0.4%	1.7%	1.4%
\$1,000,000 - \$1,499,999	0.0%	0.3%	0.3%
\$1,500,000 - \$1,999,999	0.0%	0.0%	0.2%
\$2,000,000 +	0.8%	0.1%	0.1%
Average Home Value	\$274,254	\$265,419	\$266,726
2028 Owner Occupied Housing Units by Value			
Total	1,774	19,336	40,890
<\$50,000	1.9%	1.8%	1.4%
\$50,000 - \$99,999	0.5%	1.9%	1.6%
\$100,000 - \$149,999	5.2%	8.1%	7.1%
\$150,000 - \$199,999	18.0%	16.0%	15.2%
\$200,000 - \$249,999	8.8%	12.3%	14.4%
\$250,000 - \$299,999	21.4%	14.7%	16.1%
\$300,000 - \$399,999	26.4%	25.6%	25.2%
\$400,000 - \$499,999	10.9%	9.2%	9.4%
\$500,000 - \$749,999	5.6%	6.7%	6.5%
\$750,000 - \$999,999	0.7%	3.1%	2.4%
\$1,000,000 - \$1,499,999	0.0%	0.5%	0.4%
\$1,500,000 - \$1,999,999	0.0%	0.1%	0.2%
\$2,000,000 +	0.7%	0.1%	0.1%
Average Home Value	\$315,023	\$316,847	\$315,566

Data Note: Income represents the preceding year, expressed in current dollars. Household income includes wage and salary earnings, interest dividends, net rents, pensions, SSI and welfare payments, child support, and alimony.

Source: Esri forecasts for 2023 and 2028. U.S. Census Bureau 2000 and 2010 decennial Census data converted by Esri into 2020 geography.

September 13, 2023



Market Profile

3305 N Ballard Rd, Appleton, Wisconsin, 54911
Rings: 1, 3, 5 mile radii

Prepared by Esri
Latitude: 44.29308
Longitude: -88.37649

	1 mile	3 miles	5 miles
2023 Population 25+ by Educational Attainment			
Total	4,176	46,353	97,893
Less than 9th Grade	3.0%	2.0%	1.8%
9th - 12th Grade, No Diploma	3.0%	3.4%	3.0%
High School Graduate	20.6%	24.7%	25.6%
GED/Alternative Credential	3.1%	3.3%	2.7%
Some College, No Degree	15.9%	17.1%	17.3%
Associate Degree	17.2%	14.2%	14.5%
Bachelor's Degree	29.5%	23.9%	24.4%
Graduate/Professional Degree	7.7%	11.3%	10.8%
2023 Population 15+ by Marital Status			
Total	4,846	55,542	116,255
Never Married	34.5%	34.6%	32.7%
Married	48.6%	49.4%	52.3%
Widowed	5.7%	4.6%	4.6%
Divorced	11.2%	11.3%	10.3%
2023 Civilian Population 16+ in Labor Force			
Civilian Population 16+	3,136	36,617	79,132
Population 16+ Employed	98.7%	97.4%	97.2%
Population 16+ Unemployment rate	1.3%	2.6%	2.8%
Population 16-24 Employed	15.5%	15.3%	15.3%
Population 16-24 Unemployment rate	0.6%	5.4%	4.9%
Population 25-54 Employed	63.0%	62.5%	63.4%
Population 25-54 Unemployment rate	0.7%	1.8%	2.0%
Population 55-64 Employed	15.8%	16.7%	16.5%
Population 55-64 Unemployment rate	2.8%	3.1%	2.9%
Population 65+ Employed	5.7%	5.5%	4.8%
Population 65+ Unemployment rate	5.4%	2.4%	5.3%
2023 Employed Population 16+ by Industry			
Total	3,095	35,655	76,935
Agriculture/Mining	0.4%	0.5%	1.0%
Construction	9.5%	6.0%	6.5%
Manufacturing	16.4%	20.0%	21.6%
Wholesale Trade	1.3%	1.6%	2.5%
Retail Trade	14.0%	10.9%	10.8%
Transportation/Utilities	4.7%	4.8%	4.8%
Information	1.1%	1.5%	1.8%
Finance/Insurance/Real Estate	7.2%	6.9%	6.9%
Services	41.7%	45.4%	41.7%
Public Administration	3.7%	2.3%	2.5%
2023 Employed Population 16+ by Occupation			
Total	3,095	35,654	76,935
White Collar	53.8%	59.0%	59.1%
Management/Business/Financial	17.6%	16.3%	16.8%
Professional	21.1%	25.2%	24.4%
Sales	5.2%	7.9%	7.9%
Administrative Support	9.9%	9.6%	10.1%
Services	18.9%	15.2%	14.1%
Blue Collar	27.3%	25.9%	26.7%
Farming/Forestry/Fishing	0.4%	0.2%	0.2%
Construction/Extraction	7.0%	4.4%	4.4%
Installation/Maintenance/Repair	3.6%	2.6%	2.8%
Production	7.6%	10.7%	11.5%
Transportation/Material Moving	8.7%	8.0%	7.9%

Source: Esri forecasts for 2023 and 2028. U.S. Census Bureau 2000 and 2010 decennial Census data converted by Esri into 2020 geography.

September 13, 2023



Market Profile

3305 N Ballard Rd, Appleton, Wisconsin, 54911
Rings: 1, 3, 5 mile radii

Prepared by Esri
Latitude: 44.29308
Longitude: -89.37649

	1 mile	3 miles	5 miles
2010 Households by Type			
Total	2,419	24,872	52,676
Households with 1 Person	29.6%	30.4%	27.9%
Households with 2+ People	70.4%	69.6%	72.1%
Family Households	63.0%	62.5%	65.0%
Husband-wife Families	49.0%	48.8%	51.2%
With Related Children	19.3%	21.7%	23.1%
Other Family (No Spouse Present)	14.0%	13.8%	13.7%
Other Family with Male Householder	4.3%	4.1%	4.1%
With Related Children	2.7%	2.7%	2.7%
Other Family with Female Householder	9.7%	9.7%	9.8%
With Related Children	6.2%	6.7%	6.8%
Nonfamily Households	7.4%	7.1%	7.1%
All Households with Children	28.5%	31.5%	33.1%
Multigenerational Households	1.7%	1.7%	1.6%
Unmarried Partner Households	6.5%	7.2%	7.2%
Male-female	6.1%	6.6%	6.6%
Same-sex	0.4%	0.6%	0.6%
2010 Households by Size			
Total	2,420	24,871	52,675
1 Person Household	29.6%	30.4%	27.9%
2 Person Household	37.8%	34.2%	34.8%
3 Person Household	14.9%	15.0%	15.4%
4 Person Household	10.9%	12.3%	13.5%
5 Person Household	4.0%	5.2%	5.5%
6 Person Household	1.4%	1.8%	1.8%
7 + Person Household	1.5%	1.2%	1.0%
2010 Households by Tenure and Mortgage Status			
Total	2,419	24,872	52,676
Owner Occupied	63.7%	66.4%	67.1%
Owned with a Mortgage/Loan	41.0%	48.0%	49.0%
Owned Free and Clear	22.7%	18.5%	18.2%
Renter Occupied	36.3%	33.6%	32.9%
2023 Affordability, Mortgage and Wealth			
Housing Affordability Index	103	108	110
Percent of Income for Mortgage	20.8%	20.0%	19.5%
Wealth Index	77	86	85
2010 Housing Units By Urban/ Rural Status			
Total Housing Units	2,514	26,195	55,155
Housing Units Inside Urbanized Area	100.0%	98.2%	97.2%
Housing Units Inside Urbanized Cluster	0.0%	0.0%	0.0%
Rural Housing Units	0.0%	1.8%	2.8%
2010 Population By Urban/ Rural Status			
Total Population	5,598	61,635	131,928
Population Inside Urbanized Area	100.0%	98.0%	96.9%
Population Inside Urbanized Cluster	0.0%	0.0%	0.0%
Rural Population	0.0%	2.0%	3.1%

Data Note: Households with children include any households with people under age 18, related or not. Multigenerational households are families with 3 or more parent-child relationships. Unmarried partner households are usually classified as nonfamily households unless there is another member of the household related to the householder. Multigenerational and unmarried partner households are reported only to the tract level. Esri estimated block group data, which is used to estimate polygons or non-standard geography.

Source: Esri forecasts for 2023 and 2028. U.S. Census Bureau 2000 and 2010 decennial Census data converted by Esri into 2020 geography.

September 13, 2023



Market Profile

3305 N Ballard Rd, Appleton, Wisconsin, 54911
Rings: 1, 3, 5 mile radii

Prepared by Esri
Latitude: 44.29308
Longitude: -89.37649

	1 mile	3 miles	5 miles
Top 3 Tapestry Segments			
1.	Parks and Rec (5C)	Rustbelt Traditions (5D)	Rustbelt Traditions (5D)
2.	Rustbelt Traditions (5D)	Set to Impress (11D)	Workday Drive (4A)
3.	Old and Newcomers (8F)	In Style (5B)	Bright Young Professionals (8C)
2023 Consumer Spending			
Apparel & Services: Total \$	\$4,863,711	\$55,984,377	\$117,424,938
Average Spent	\$1,880.79	\$2,006.82	\$2,007.85
Spending Potential Index	86	91	91
Education: Total \$	\$4,083,573	\$44,361,426	\$92,016,390
Average Spent	\$1,579.11	\$1,590.19	\$1,573.39
Spending Potential Index	88	89	88
Entertainment/Recreation: Total \$	\$8,407,974	\$95,650,151	\$201,048,373
Average Spent	\$3,251.34	\$3,428.69	\$3,437.72
Spending Potential Index	86	91	91
Food at Home: Total \$	\$15,044,563	\$170,650,628	\$356,985,152
Average Spent	\$5,817.70	\$6,117.17	\$6,104.08
Spending Potential Index	86	90	90
Food Away from Home: Total \$	\$8,127,715	\$93,611,926	\$197,972,976
Average Spent	\$3,142.97	\$3,355.63	\$3,385.14
Spending Potential Index	84	90	91
Health Care: Total \$	\$16,600,066	\$189,366,427	\$396,352,061
Average Spent	\$6,419.21	\$6,788.06	\$6,777.22
Spending Potential Index	87	92	92
HH Furnishings & Equipment: Total \$	\$6,546,199	\$74,595,807	\$157,150,493
Average Spent	\$2,531.40	\$2,673.97	\$2,687.11
Spending Potential Index	86	90	91
Personal Care Products & Services: Total \$	\$2,141,734	\$24,464,352	\$51,412,120
Average Spent	\$828.20	\$876.95	\$879.10
Spending Potential Index	87	92	92
Shelter: Total \$	\$54,924,159	\$620,684,622	\$1,299,702,885
Average Spent	\$21,239.04	\$22,249.15	\$22,223.60
Spending Potential Index	86	90	90
Support Payments/Cash Contributions/Gifts in Kind: Total \$	\$7,032,467	\$79,183,513	\$166,919,136
Average Spent	\$2,719.44	\$2,838.42	\$2,854.15
Spending Potential Index	87	91	91
Travel: Total \$	\$4,956,591	\$56,490,529	\$119,458,984
Average Spent	\$1,916.70	\$2,024.97	\$2,042.63
Spending Potential Index	85	90	91
Vehicle Maintenance & Repairs: Total \$	\$2,903,865	\$33,601,099	\$70,861,834
Average Spent	\$1,122.92	\$1,204.47	\$1,211.67
Spending Potential Index	86	92	92

Data Note: Consumer spending shows the amount spent on a variety of goods and services by households that reside in the area. Expenditures are shown by broad budget categories that are not mutually exclusive. Consumer spending does not equal business revenue. Total and Average Amount Spent Per Household represent annual figures. The Spending Potential Index represents the amount spent in the area relative to a national average of 100.

Source: Consumer Spending data are derived from the 2019 and 2020 Consumer Expenditure Surveys, Bureau of Labor Statistics, Esri.

Source: Esri forecasts for 2023 and 2028. U.S. Census Bureau 2000 and 2010 decennial Census data converted by Esri into 2020 geography.

September 13, 2023

Land Use

Land uses within the subject neighborhood are characterized primarily as office, retail, residential, and specialty uses. Contiguously west of the subject is Memorial Park. North and east of the subject includes a variety of office and retail uses along North Ballard Road. South of the subject includes single- and multi-unit residential development.

Growth Patterns

The subject neighborhood is nearly 100% developed. New construction has been somewhat limited due to the built-up nature of the neighborhood, although there continues to be new development, or re-development of existing properties evident in the market area. This trend is likely to continue as most new users wish to be located in close proximity to the highway system, and near other similar uses. New development within the market area will continue into the foreseeable future.

Conclusion

The subject property is located within a stable area of the Appleton market area and is experiencing growing demand with new developments taking place. The subject property also has adequate access to main arterials. Generally, the neighborhood is expected to remain stable into the foreseeable future.

MARKET ANALYSIS

The subject property is located within the City of Appleton and is part the Appleton market area as defined by CoStar. The CoStar Appleton Office Market Report is presented as follows.



Office Market Report

Appleton - WI

Overview

Appleton Office

12 Mo Deliveries in SF	12 Mo Net Absorption in SF	Vacancy Rate	12 Mo Rent Growth
26.9K	16.3K	9.6%	1.7%

As of the third quarter of 2023, office vacancies of 9.6% in Appleton remain in an elevated position compared to the long term historical average of 9.0%. Over the past year, vacancies have fallen by 0.1%, the result of 27,000 in net deliveries and net absorption of 16,000 during this time. Demolitions have played a notable roll in Appleton's office sector, taking 53,000 SF of vacant and underperforming office space off the market over the past three years.

Despite improving vacancies, rent growth has continued to decelerate over the past year. While current annual rent growth of 1.7% remains in line with the 10-year annual average of 1.6%, this represents a significant departure from its three-year peak of 3.7%. Still, local rent performance continues to outpace the national annual growth rate of 0.6%. Compared to the national

average, Appleton remains an affordable office market, with local market rents coming in at \$20.00/SF, well below the national average of \$35.00/SF.

In addition to softening rent performance, investment activity continues to contract in the third quarter. \$28.6 million in total sales have transacted over the past year, compared to the three-year annual average of \$39.8 million. Perhaps more notable than softening sales figures is the contraction in the number of deals taking place. As a large share of investors remain on the sidelines due to elevated interest rates and a large disconnect in buyer and seller pricing expectations, the number of deals over the past year has fallen to just 26 transactions, a slight decline from the 31 annual transactions averaged over the past three years.

KEY INDICATORS

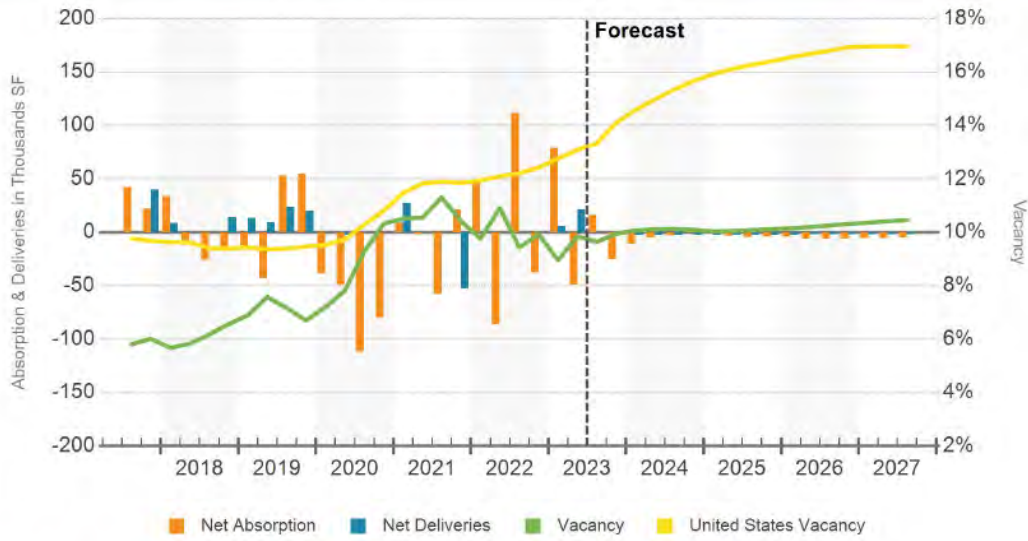
Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
4 & 5 Star	1,565,154	9.8%	\$22.08	11.4%	(31,880)	0	0
3 Star	2,078,439	9.3%	\$21.95	11.4%	16,357	0	0
1 & 2 Star	3,992,780	9.7%	\$18.31	13.8%	33,358	0	0
Market	7,636,373	9.6%	\$20.07	12.6%	17,835	0	0

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	0.1%	9.0%	10.2%	12.2%	2011 Q2	5.1%	2016 Q4
Net Absorption SF	16.3K	48,079	(18,135)	396,753	2008 Q4	(278,577)	2020 Q4
Deliveries SF	26.9K	54,358	4,465	320,729	2008 Q4	0	2022 Q4
Rent Growth	1.7%	1.1%	-0.6%	8.8%	2019 Q1	-5.0%	2014 Q4
Sales Volume	\$28.5M	\$30.2M	N/A	\$98.5M	2017 Q3	\$2.2M	2009 Q4

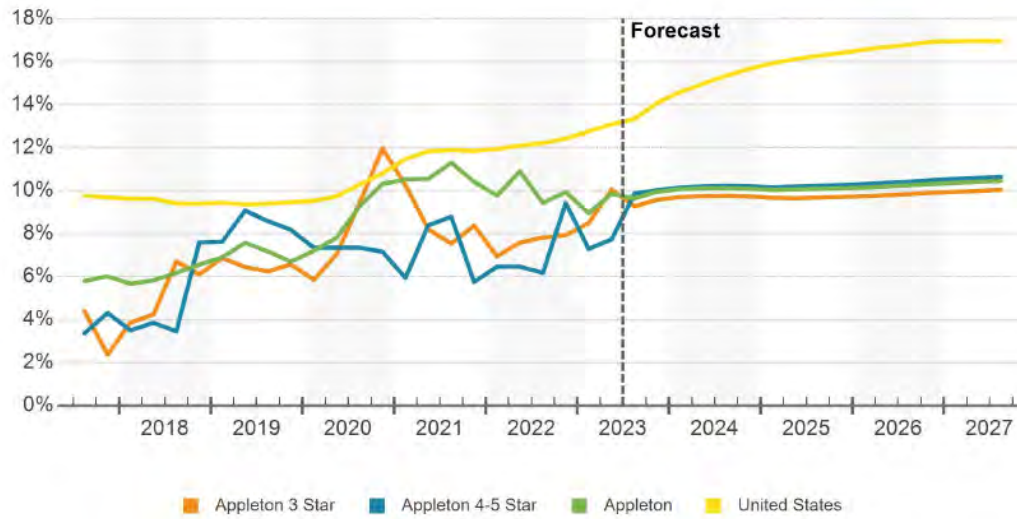
Leasing

Appleton Office

NET ABSORPTION, NET DELIVERIES & VACANCY



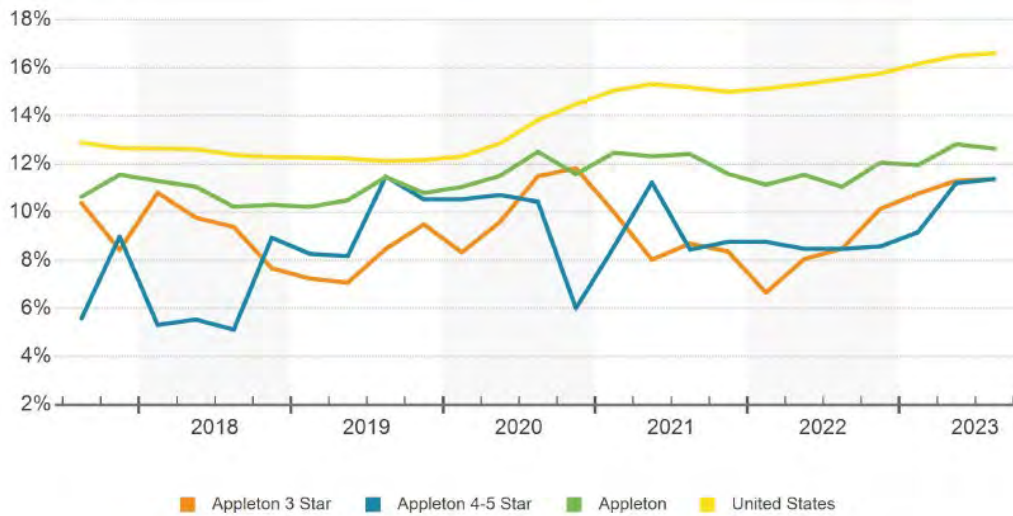
VACANCY RATE



Leasing

Appleton Office

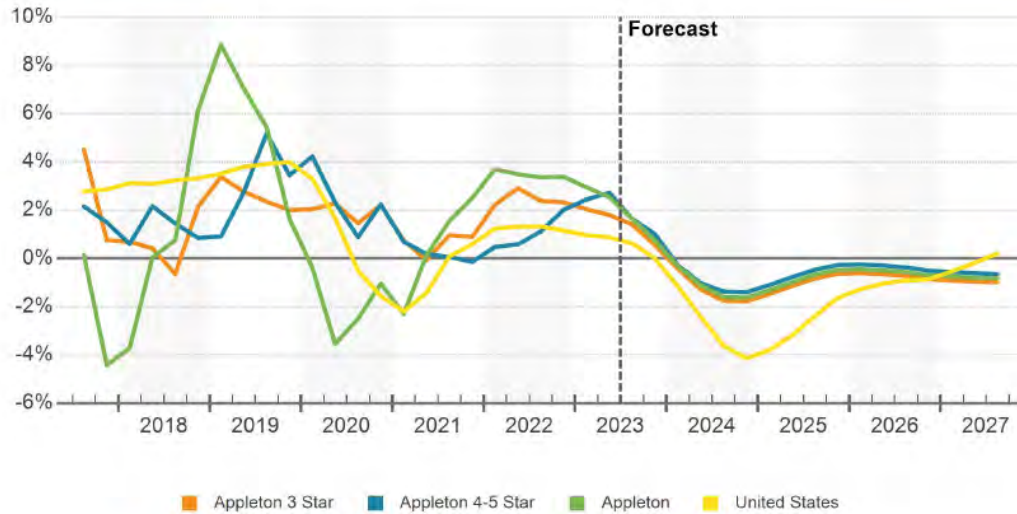
AVAILABILITY RATE



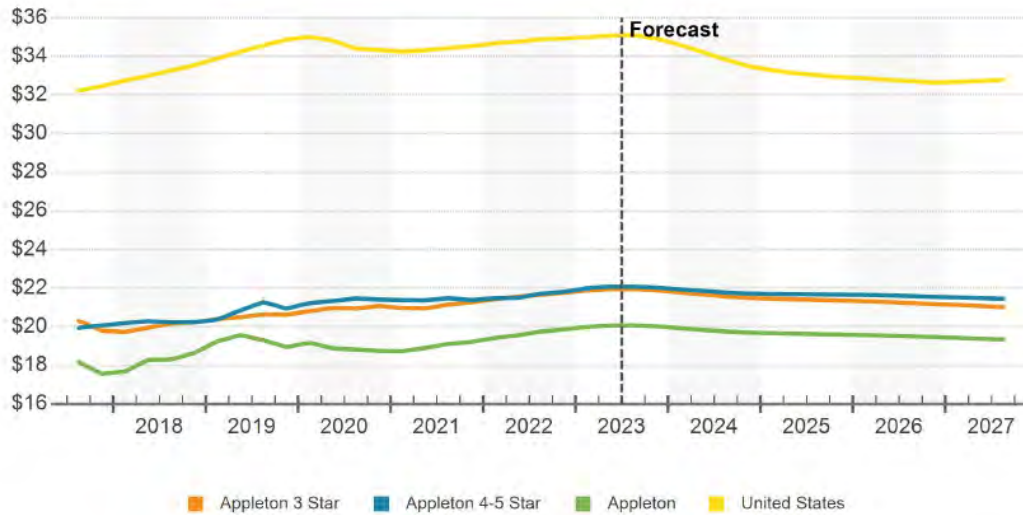
Rent

Appleton Office

MARKET RENT GROWTH (YOY)



MARKET RENT PER SQUARE FEET



PROPERTY ANALYSIS

Property Overview

PROPERTY OVERVIEW

Property Name:	Multi-Tenant Office Facility
Property Type:	Office
Property Description:	<p>The subject property consists of a 1.64-acre site improved with two, one-story multi-tenant general office buildings including a total gross building area (GBA) of 14,600 square feet, and 14,597 square feet of rentable area (RA). The buildings were built in 1996 and are in average condition, with average quality building components and design. The property includes six suites, ranging in size from 1,482 square feet to 3,264 square feet. The buildings are built on concrete slabs, with no basement space, and are 100% heated, insulated, and air conditioned. The subject property is 100% leased and occupied by six tenants. However, the tenant in Suite C will be vacating the space on October 31, 2023. Therefore, the subject will be 78% leased and occupied by five tenants, with about 3,264 square feet of vacant space (22%).</p>

Site Description

Certified Survey Map

DOC. # 1122517

RECEIVED FOR FILING THIS 5th DAY OF MAY 1994 AT 11:20 A.M. AND FILED IN VOLUME 10 OF CERTIFIED SURVEY MAPS ON PAGE 1899 AS NUMBER 1899.

Page 1899 (two sheets)

OUTAGAMIE COUNTY CERTIFIED SURVEY MAP NO. 1899

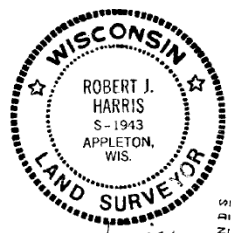
All of Certified Survey Number 906 as recorded in Volume 5 of Certified Survey Maps on Page 906, being part of the NE 1/4 of the SE 1/4 of Section 13, T21N, R17E City of Appleton, Outagamie County, Wisconsin.

Prepared for: Patrick M. Ryan
P.O. Box 10915
Green Bay, WI 54307.

Prepared by: Harris & Associates Inc.
2718 N. Meade St.
Appleton, WI 54911
(414) 733-8377

Bearings are referenced to the East line of the SE 1/4 of Sec. 13 which is assumed to bear S82°17'03"W.

NOTES:
1) This CSM is all of Tax Parcel Numbers 31-1-6532-02, 31-1-6532-03, 31-1-6532-04 & 31-1-6532-05.



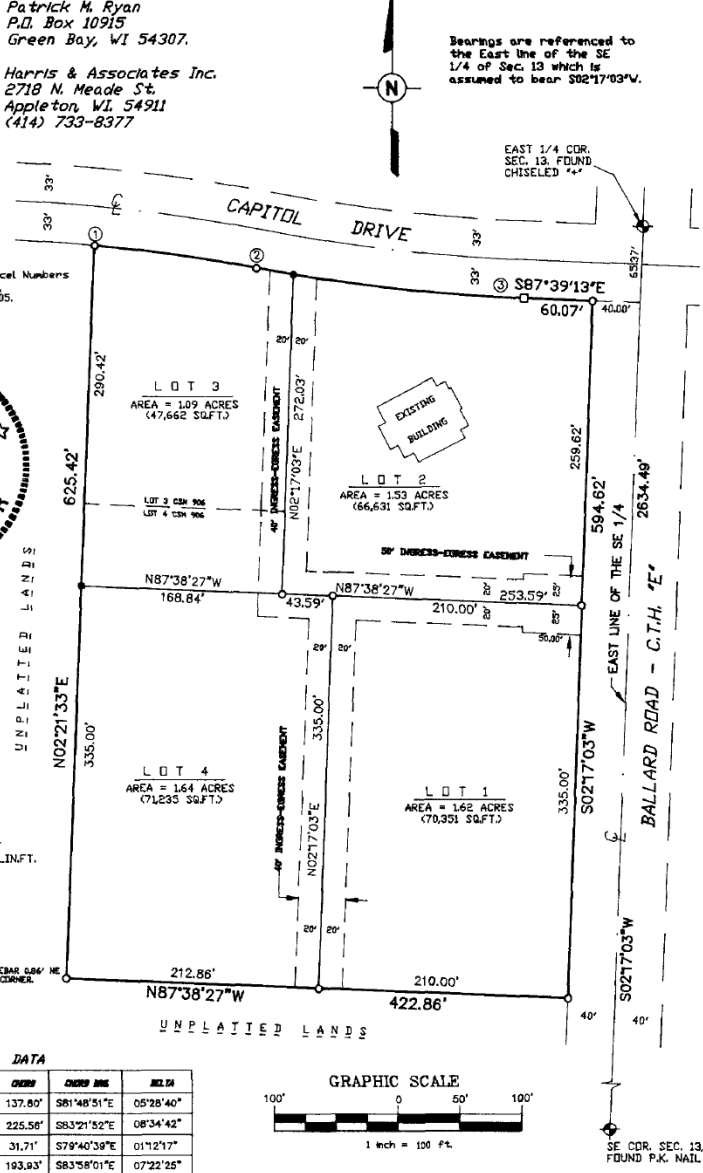
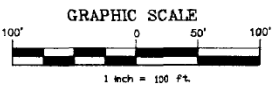
Robert J. Harris
3-16-94

LEGEND

- = 3/4" REBAR FOUND
- = 3/4"x24" REBAR SET WEIGHING 1.68 LBS/LIN.FT.
- = 1 1/4" REBAR FOUND

CURVE DATA

CURVE NO.	ARC	CHORD	CHORD BEG.	CHORD END.	BEG. BEAR.
1-2	1441.93'	137.85'	137.80'	S81°48'31"E	05°28'40"
2-3	1507.93'	225.77'	225.56'	S83°21'52"E	08°34'42"
LOT 3	1507.93'	31.71'	31.71'	S79°40'39"E	01°12'17"
LOT 2	1507.93'	194.06'	193.93'	S83°58'01"E	07°22'25"



GIS Aerial Map



FEMA Flood Map



Land Summary

Parcel ID	Gross Land Area (Acres)	Gross Land Area (Sq Ft)	Topography	Shape
311653205	1.64	71,235	Mostly level & clear	Rectangular

SITE

Location:	The subject property is located 200 feet west of North Ballard Road, 300 feet south of East Capital Drive, and one-quarter mile north of East Witzke Boulevard, within the City of Appleton, Outagamie County, Wisconsin. It is accessible via an ingress and egress easement from the adjacent property. The property is also located within the Appleton/Fox Cities and northeast Wisconsin market area. North Ballard Road intersects Interstate 41 one-quarter mile north of the subject. Interstate 41 is the main arterial within the market area, leading north through the Appleton/Fox Cities market and to Green Bay. It also leads south to Oshkosh, Fond du Lac, and Milwaukee. Communities within the Appleton/Fox Cities market area include Appleton, Combined Locks, Kimberly, Kaukauna, Buchanan, Harrison, Menasha, Neenah, Little Chute, Fox Crossing, Greenville, and Grand Chute. The subject has an average to good location for an office use, with fair to average access to and visibility from North Ballard Road.
Size:	1.64 acres; 71,235 square feet
Shape:	The subject site is rectangular in shape.
Frontage/Access:	The site has fair to average access, with frontage as follows: <ul style="list-style-type: none"> • North Ballard Road: None; Easement only The site is not a corner lot.
Traffic Count:	North Ballard Road: 15,500 VPD (2019)
Street Improvements:	North Ballard Road is a two-way (north and south), four-lane concrete-paved roadway, with concrete curb, gutters, and sidewalks. There are also street lights along the roadway.
Visibility:	Fair to Average
Topography:	The topography of the subject property is level, clear, and at grade.

- Soil Conditions:** I was not furnished a soil analysis to review, but assume that the soil's load bearing capacity is sufficient to support development. I did not observe any evidence to the contrary during the inspection.
- Utilities:** Electricity: Public
Sewer: Public
Water: Public
Natural Gas: Public
Underground Utilities: The site is serviced by underground utilities.
Adequacy: The subject's utilities are typical and adequate for the market area.
- Flood Zone:** The subject is located in an area mapped by the Federal Emergency Management Agency (FEMA). The subject is located in FEMA flood Zone X, which is not classified as a flood hazard area.
- FEMA Map Number: 55087C0317D
FEMA Map Date: July 22, 2010
- The subject is not in a flood zone.
- Wetlands:** I did not observe any evidence of wetland areas on the site. However, I was not provided a wetland delineation of the site. As such, the extent of any wetland areas are unknown. No responsibility is assumed for any expertise or engineering knowledge required to discover such areas. Any party relying on this appraisal is urged to retain an expert in this field to determine the existence of any wetlands.
- Environmental Issues:** I am not qualified to detect the presence of environmental contaminants. The presence of potentially hazardous materials may impact the value of the property. Unless otherwise stated in this report, the opinions of value are predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions or for any expertise or engineering knowledge required to discover such contaminants. Any party relying on this appraisal is urged to retain an expert in this field to determine the existence of any environmental contamination. Please reference Limiting Conditions and Assumptions.

Encumbrance / Easements: There are typical utility easements on the site, including ingress and egress easements with the adjacent property that provides access to North Ballard Road. The easements do not have an adverse effect on the site. No apparent encroachments or adverse easements were noted from physical inspection. However, I make no guarantee in that regard. A current title insurance policy was not provided to verify the foregoing. As such, I recommend the client obtain a current title insurance policy to determine the existence and extent of any easements present on the site. Please reference Limiting Conditions and Assumptions.

Site Comments: The site has average utility.

Improvements Description

Building Summary						
Building Name/ID	Year Built	Condition	Number of Stories	Gross Building Area	Rentable Area	Basement Size (SF)
Multi-Tenant Office Facility	1996	Average	1	14,600	14,597	0

GENERAL - MULTI-TENANT OFFICE

Building Identification:	Multi-Tenant Office
Building Description:	The subject property is improved with two, one-story multi-tenant general office buildings including a total gross building area (GBA) of 14,600 square feet, and 14,597 square feet of rentable area (RA). The buildings were built in 1996 and are in average condition, with average quality building components and design. The property includes six suites, ranging in size from 1,482 square feet to 3,264 square feet. The buildings are built on concrete slabs, with no basement space, and are 100% heated, insulated, and air conditioned.
Construction Class:	Class D (Marshall & Swift)
Construction Quality:	Average
Year Built:	1996
Renovations:	Various throughout the lifespan
Effective Age:	15 years
Remaining Economic Life:	30 years
Condition:	Average
Appeal/Appearance:	Average
Areas, Ratios & Numbers:	Number of Stories: 1.0 Gross Building Area: 14,600 square feet Gross Leasable Area: 14,597 square feet Building Efficiency Ratio: 100.0%

FOUNDATION, FRAME & EXTERIOR - MULTI-TENANT OFFICE

Foundation:	Concrete slab
Basement/Basement Finish:	None

Structural Frame:	Wood frame construction
Exterior:	Brick and vinyl exterior wall coverings
Windows:	Stationary and casement windows, with vinyl/aluminum frames; glass panel entry doors
Roof/Cover:	Pitched / Asphalt shingles
Other:	None

INTERIOR - MULTI-TENANT OFFICE

Interior Layout:	The floor plan of the subject property includes private entrances to each suite along the eastern elevation of the buildings. The suites include private and open office areas, with private restrooms, storage, and mechanical areas. Suite D is finished for medical office uses and includes additional plumbing fixtures throughout the space.
Floor Cover:	Concrete floor systems with a combination of carpet, vinyl, quarry tile, and exposed concrete in mechanical/storage areas
Walls:	Painted/textured drywall
Ceilings:	Recessed tile
Lighting:	Combination of fluorescent, incandescent, and LED lighting throughout; exit lighting
Restrooms:	Adequate restrooms throughout the building; each with adequate fixtures
Other:	None

MECHANICAL SYSTEMS - MULTI-TENANT OFFICE

Heating/Cooling:	Forced air heating and central air conditioning cooling system; 100% of GBA
Electrical:	Adequate electrical service
Plumbing Condition:	Average
Sprinkler:	None
Other:	None

SITE IMPROVEMENTS

Parking:	Type: Asphalt Number of Spaces: About 75 Parking Ratio: 5.14 spaces per 1,000 square feet Condition: Good
Other:	<ul style="list-style-type: none">• Concrete service walks• Good landscaping• Parking lot lighting• Dumpster enclosure

PROPERTY ANALYSIS

Design & Functional Utility:	The design and functional utility of the subject property is good relative to competing properties in the subject market.
Deferred Maintenance:	The subject property was built in 1996 and is in average condition. It does not exhibit any signs of deferred maintenance, although is showing signs of physical deterioration.

Taxes and Assessments

Taxing Authority City of Appleton

Assessment Year 2022

Real Estate Assessment and Taxes						
Tax ID	Land	Improvements	Other	Total	Special Assessment	Taxes
311653205	\$285,800	\$1,099,300	\$0	\$1,385,100	\$0.00	\$30,237

Real Estate Assessment Analysis			
Tax ID	Total	Equalization Ratio	Implied Value
311653205	\$1,385,100	79.37%	\$1,745,200

Comments

According to the City of Appleton and Outagamie County, there are no delinquent real estate taxes, and the property is fully assessed. The assessed value of the subject property is above the as-is market value I conclude within this appraisal report. A possible reason for this discrepancy is an older assessment that does not adequately consider current property and market conditions.

Zoning

The following table summarizes the subject's zoning requirements:

LAND USE CONTROLS	
Zoning Designation:	C-2, General Commercial District with a PD, Planned Development Overlay
Zoning Description:	The C-2, General Commercial District is intended to provide for businesses which serve city and regional markets; provide goods and services to other businesses, as well as consumers, provide services to automobiles and serve the traveling public. The PD, Planned Development Overlay is intended to encourage innovative design and a mix of uses in areas of Appleton where such development could positively contribute to the physical appearance and function of land and development.
Current Use Legally Conforming:	The present use of the subject is legally conforming, as a permitted use.
Zoning Change Likely:	A zoning change is unlikely.
Zoning Comments:	The present use of the subject is legally conforming and appears to meet all applicable zoning regulations. The applicable portions of the zoning ordinance are included in the addendum to this report.

HIGHEST AND BEST USE ANALYSIS

In appraisal practice, the concept of highest and best use represents the premise upon which value is based. The term highest and best use, as used in this report, is defined as follows:

“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. Alternatively, the probable use of land or improved property – specific with respect to the user and timing of the use – that is adequately supported and results in the highest present value.”⁶

Highest and best use analysis requires consideration of both the highest and best use of the site as though vacant and available for development, as well as the highest and best use as improved with any existing improvements. My analysis is discussed on the following pages.

Highest and Best Use as If Vacant

Legally Permissible Uses:

The local zoning ordinance specifies uses to which the subject site could be developed. The subject site is zoned C-2, General Commercial District with a PD, Planned Development Overlay, which permits most office and retail uses. There is no reason to believe this will change in the foreseeable future. Furthermore, I am not aware of any historic district controls, environmental regulations, or private restrictions that would limit possible uses.

Physically Possible Uses:

The topography and soil conditions of the subject property are suitable for development. In addition, the land area is adequate for most improvements and would not limit development.

Financially Feasible Uses:

Considering the local economy, it is not financially feasible to develop the site until economic conditions improve. However, the long-range future of the subject property indicates office use would be financially feasible.

⁶ The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010), 93.

Maximally Productive Use:

Considering local market demand and site restrictions, the highest land value can be attained by holding the site for future development. However, office use would eventually provide maximum productivity of the site once economic conditions improve and new construction becomes feasible.

Conclusion

Based on the above considerations, the highest and best use of the subject property, as if vacant and available for development, is to hold for future office development at a point in time when adequate demand returns to the market.

Highest and Best Use as Improved

Legally Permissible Uses:

The subject property is zoned C-2, General Commercial District with a PD, Planned Development Overlay, which permits the present use as a multi-tenant office facility. The property appears to meet all applicable zoning requirements.

Physically Possible Uses:

The subject property consists of a 1.64-acre site improved with two, one-story multi-tenant general office buildings including a total gross building area (GBA) of 14,600 square feet, and 14,597 square feet of rentable area (RA). The buildings were built in 1996 and are in average condition, with average quality building components and design. The property includes six suites, ranging in size from 1,482 square feet to 3,264 square feet. The buildings are built on concrete slabs, with no basement space, and are 100% heated, insulated, and air conditioned. The subject property is 100% leased and occupied by six tenants. However, the tenant in Suite C will be vacating the space on October 31, 2023. Therefore, the subject will be 78% leased and occupied by five tenants, with about 3,264 square feet of vacant space (22%). Given the physical characteristics of the improvements, the present use as a multi-tenant office building is physically possible.

Financially Feasible Uses:

The present use of the subject property as a multi-tenant office facility is financially feasible. Any other use of the property would require significant construction costs and is not financially feasible. Furthermore, an alternative use would require buying out the existing leases in place, which is also not financially feasible.

Maximally Productive Use:

Based on the surrounding demographic profile, location, and historical use of the subject property, the present use as a multi-tenant office facility is maximally productive. This use results in the highest value of the subject property and is also capable of generating the most significant net operating income in its present state. Conversion to an alternative use would warrant significant construction costs.

Conclusion

Based on the above considerations, the highest and best use of the subject property, as improved, is the present use as a multi-tenant office facility. The most probable buyer is an investor concerned with the income producing potential of the property based on conversations with area brokers and typical buyer behavior in the market.

VALUATION METHODOLOGY

Current appraisal theory includes consideration of several appraisal approaches, including a cost approach, sales comparison approach, and income capitalization approach. A specific appraisal assignment may use one or more of these valuation approaches. This decision is based on the type of property, the purpose of the appraisal, the definition of value, and the quality and quantity of data available for the analysis. A description of the approaches is discussed below.

Cost Approach

The cost approach is based on the theory that market participants value a property by examining the costs associated with purchasing a comparable site, and replacing or reproducing the existing improvements. This approach is most commonly used to estimate the market value of a proposed or recently constructed property, a special-purpose property, or a less frequently exchanged property.

The cost approach is performed in three steps. First, the land value must be estimated. Land value is estimated based on the conclusion of the subject's highest and best use as vacant and available for development. Next, the current costs to reconstruct or replace the improvements are derived from actual construction costs, cost manuals, or discussions with builders and contractors. The final step of the cost approach is to consider the amount of depreciation the subject's improvements have sustained, and to subtract this amount from the cost new.

Sales Comparison Approach

The sales comparison approach is based on the premise that market participants value a property based on the sale prices of similar properties (or comparable sales). This approach is most useful when there have been a significant number of recent sales and listings of similar properties.

In performing a sales comparison approach, an analysis of the degree of similarity between the subject property and the comparable properties is made. Initially, the following elements are considered: property rights conveyed, financing, conditions of sale, expenditures made immediately after the purchase of the property, and market conditions. An estimate of the impact that each of these initial elements has on the comparable properties in relation to the subject property is calculated. These adjustments (which can be positive or negative) are made to the sale price of each comparable property, and yield an interim adjusted sale price.

Finally, all other relevant elements of comparison, such as locational attributes, physical characteristics, economic factors, property use (zoning), and non-realty components (e.g., personal property, business concerns, or other items that do not constitute real property but are included in either the sale price of the comparable property or the ownership interest in the subject property) are grouped together. The impact that these factors have on the price of each comparable property is estimated. An adjustment quantifying this impact is applied to the interim adjusted sale prices of the comparables, and results in an indicated range of value for the subject property.

Income Capitalization Approach

The income capitalization approach is based on the premise that market participants measure the value of a property by calculating the present value of the future economic benefits associated with property ownership. Because it is based on projected cash flow streams, the income capitalization approach is most appropriate for income-generating properties.

There are two methods of income capitalization: direct capitalization and yield capitalization (also known as discounted cash flow analysis). In direct capitalization, net operating income is divided by an overall capitalization rate. In yield capitalization, the property's future income stream, including the annual cash flows and the eventual sale of the property (reversion), are discounted to a present value. The direct capitalization method is often more applicable for properties with relatively stable future cash flows, while the discounted cash flow method is often more applicable for properties with varying annual cash flows.

Reconciliation of Value

The final step of the appraisal process is to reconcile the values indicated by each approach. In doing so, the appraisal assignment, the applicability of the approaches, and the reliability of each approach are considered. In determining which approach offers the most dependable estimate of value, consideration is given to the quantity and quality of data incorporated in each approach. After appropriate consideration is given to each valuation approach, a final conclusion of value for the subject property is derived.

Applicability of Approaches

The cost approach is not applied because the age of the improvements makes the depreciation difficult to accurately measure. In addition, an investor in the subject property would not consider the cost approach relevant in a purchase decision.

The sales comparison approach is applied because there is adequate data to develop a market value estimate, and this approach reflects market behavior for this property type. This approach utilizes sales of reasonably similar facilities throughout the market. However, this approach is utilized only as a check of reasonableness against the income capitalization approach given that the most probable buyer of the subject property is an investor concerned with the income producing potential of the property.

The income capitalization approach is applied because the subject is an income producing property, and there is adequate data to develop a value estimate by this approach. This approach uses the actual contract and market rent, vacancy, and expenses for the subject property. The net operating income is then capitalized to a market value indication by a market supported cap rate. Given that the most probable buyer represents an investor, the income capitalization approach is the most reliable indication of market value for the subject property.

SALES COMPARISON APPROACH

The sales comparison approach is defined as:

“The process of deriving a value indication for the subject property by comparing market information for similar properties with the property being appraised, identifying appropriate units of comparison, and making qualitative comparisons with or quantitative adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison.”⁷

The sales comparison approach is based on the principle of substitution, which states that when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming costly delays are not encountered in making the substitution. The basic steps of the sales comparison approach are as follows:

1. Research the market for sales of properties;
2. Determine which sales are most appropriate to the analysis at hand;
3. Confirm the information;
4. Choose the appropriate unit of comparison;
5. Adjust for any differences; and
6. Reconcile the adjusted prices produced in the analysis into a single estimate of value or range of value for the subject property (if more than one unit of comparison is utilized).

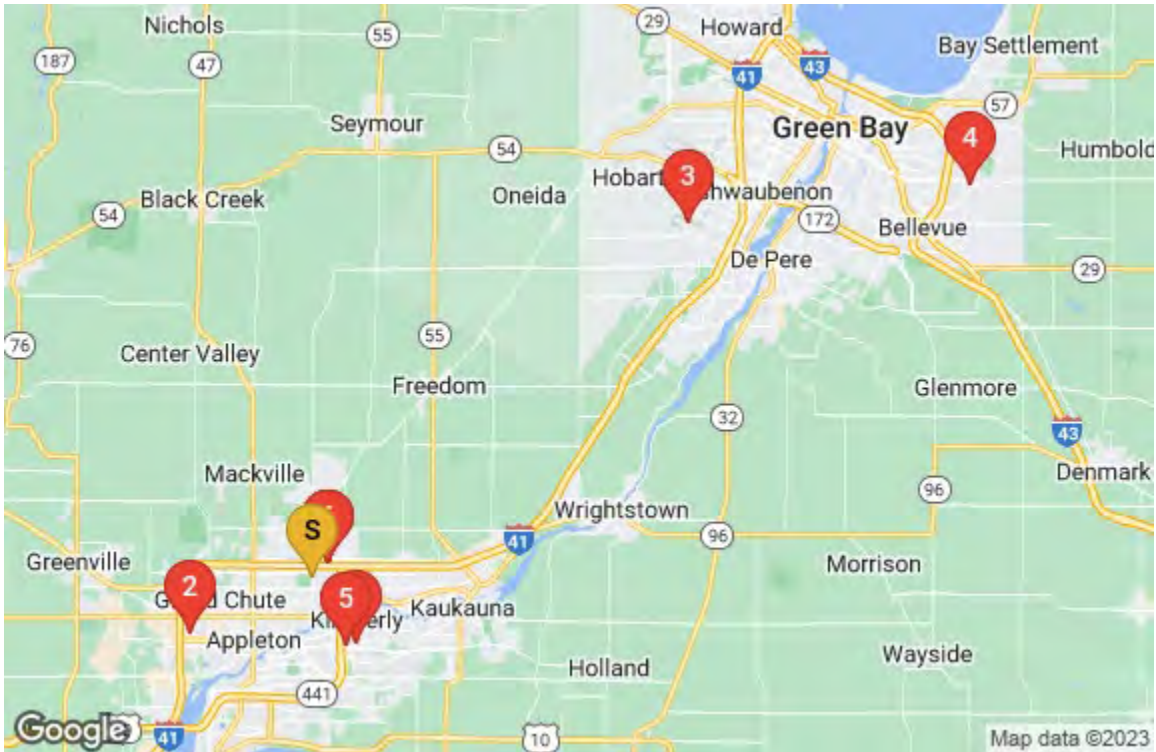
Improved Sales Analysis

I have researched six sale comparables for this analysis. These sale comparables are documented on the following pages, preceded by a location map and summary grid. All information has been researched through numerous sources, and if possible, inspected, and verified by a party to the transaction.

As is typical for properties of this type, the sales comparison approach analysis is based on sale price per square foot of gross building area. Adjustments are made to the comparables to reflect differences affecting value, resulting in an adjusted sale price per square foot. There are limited recent nearby sales of leased office properties that are of similar size, condition, age, and quality to the subject property. Therefore, my search is expanded to include comparables located throughout a larger geographical area. All the sale comparable sales would be considered by a typical market participant.

⁷ The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010), 175.

Improved Sales Map



The location indicator for Comparable 1 is behind the indicator for Comparable 5 and the location indicator for Comparable 6 is behind the indicator for the Subject.

Improved Sales Summary

Comp	Address	City	Date	Price	Price Per SF	GBA	Year Built
Subject	3305 & 3315 North Ballard Road	Appleton	9/21/2023	N/A	N/A	14,600	1996
1	711 Eisenhower Drive	Kimberly	5/1/2023	\$1,600,000	\$105.92	15,106	2001
2	446 North Westhill Boulevard	Grand Chute	3/2/2023	\$1,200,000	\$105.76	11,346	1994
3	3376 Packerland Drive	Ashwaubenon	4/15/2022	\$2,050,000	\$160.16	12,800	2007
4	3159 Voyager Drive	Green Bay	12/10/2021	\$1,685,000	\$136.84	12,314	2003
5	740 Ford Street	Kimberly	6/23/2021	\$1,285,000	\$120.91	10,628	1993
6	2800 East Enterprise Avenue	Appleton	3/15/2021	\$1,500,000	\$179.60	8,352	2003

Comparable 1



Property Identification

ID	7422	City	Kimberly
Property Type	Office Building	County	Outagamie
Property Major Type	Office	State	WI
Property Sub Type	NA	MSA	Appleton/Fox Cities
Address	711 Eisenhower Drive	Tax ID	250192200

Transaction Data

Transaction Type	Closed Sale	Conveyance	Warranty Deed
Date	5/1/2023	Book/Page or Reference Doc	2291919
Price	\$1,600,000	Grantor	Associated Bank National
Financing	Cash to seller	Grantee	Park Place Holdings, LLC
Price	\$1,600,000	Conditions of Sale	Arm's-Length
Price Adjustment	NA	Property Rights	Leased Fee
Price	\$1,600,000	Marketing Period	Unknown
Price Per SF	\$105.92	Sale Verification Source	Buyer; appraisal files

Site

Acres	2.53	Parking Type	Paved
Land SF	110,207	Parking Ratio GBA	6.82
Land to Building Ratio	7.30	Locational Features	Near arterials
Traffic Count	NA	Other Land	None

Improvements

GBA	15,106	Exterior Wall	EIFS, brick, vinyl
No. of Buildings	1	Quality	Average
No. of Stories	1	Condition	Average to Good
Year Built	2001	Basement Use and Finish	None
Actual Age	22	Basement Finish	None
Renovations	None	Fire Sprinkler Type	None
Construction	Wood	Other Improvements	None

Financial Data

Tenancy	Single	EGI	\$246,614
No of Tenant Spaces	1	Total Expenses	\$76,267
Occupancy	100%	NOI	\$170,347
PGI		Cap Rate	10.65%

Comments

The property is a single-tenant general office building situated at the southeast corner of Eisenhower Drive and West Kennedy Avenue within the Village of Kimberly, which is part of the Appleton market area. The property was 100% occupied by USI Insurance Services at the time of sale with a modified gross lease agreement. The indicated cap rate was 10.65%, which includes vacancy and collection loss, reserves, and management. The cap rate was elevated because there was less than six months left on the lease agreement. Upon purchasing the property, ownership signed a new five year lease agreement with the tenant. No other unusual sale conditions or concessions influenced the sale price.

Comparable 2



Property Identification

ID	7193	City	Grand Chute
Property Type	Office Building	County	Outagamie
Property Major Type	Office	State	WI
Property Sub Type	NA	MSA	Appleton/Fox Cities
Address	446 North Westhill Boulevard	Tax ID	101122109

Transaction Data

Transaction Type	Closed Sale	Conveyance	Warranty Deed
Date	3/2/2023	Book/Page or Reference Doc	2288784
Price	\$1,200,000	Grantor	Rowlock, LLC
Financing	Cash to seller	Grantee	SPIRAJ Properties, LLC
Price	\$1,200,000	Conditions of Sale	Arm's-Length
Price Adjustment	NA	Property Rights	Leased Fee
Price	\$1,200,000	Marketing Period	Unknown
Price Per SF	\$105.76	Sale Verification Source	Broker; Public Records

Site

Acres	1.14	Parking Type	Paved
Land SF	49,768	Parking Ratio GBA	3.7
Land to Building Ratio	4.39	Locational Features	Near arterials
Traffic Count	NA	Other Land	None

Improvements

GBA	11,346	Exterior Wall	Brick, EIFS
No. of Buildings	1	Quality	Average
No. of Stories	1	Condition	Average to Good
Year Built	1994	Basement Use and Finish	None
Actual Age	29	Basement Finish	None
Renovations	Various	Fire Sprinkler Type	None
Construction	Wood	Other Improvements	None

Financial Data

Tenancy	Multi	EGI	\$154,365
No of Tenant Spaces	6	Total Expenses	\$63,551
Occupancy	100%	NOI	\$90,814
PGI		Cap Rate	7.57%

Comments

The property is a multi-tenant general office building located along the east side of North Westhill Boulevard, within the Town of Grand Chute, which is part of the Fox Cities/Appleton market area. The property was 100% occupied by six tenants at the time of sale, with gross lease agreements. The indicated cap rate was 7.57%, which includes vacancy and collection loss, reserves, and management. No other unusual sale conditions or concessions influenced the sale price. Alliance Appraisal Group appraised the property for the sale transaction.

Comparable 3



Property Identification

ID	5746	City	Ashwaubenon
Property Type	Office Building	County	Brown
Property Major Type	Office	State	WI
Property Sub Type	NA	MSA	Green Bay
Address	3376 Packerland Drive	Tax ID	VA-861-1

Transaction Data

Transaction Type	Closed Sale	Conveyance	Warranty Deed
Date	4/15/2022	Book/Page or Reference Doc	3003359
Price	\$2,050,000	Grantor	CDC Partners, LLC
Financing	Cash to seller	Grantee	Brookview Meadows, LLC
Price	\$2,050,000	Conditions of Sale	Arm's-Length
Price Adjustment	NA	Property Rights	Leased Fee
Price	\$2,050,000	Marketing Period	Unknown
Price Per SF	\$160.16	Sale Verification Source	Buyer, Mr. Tim Besaw; Appraisal files

Site

Acres	2.39	Parking Type	Paved
Land SF	103,951	Parking Ratio GBA	4.3
Land to Building Ratio	8.12	Locational Features	Near arterials
Traffic Count	NA	Other Land	None

Improvements

GBA	12,800	Exterior Wall	Brick, decorative block
No. of Buildings	1	Quality	Good
No. of Stories	1	Condition	Very Good
Year Built	2007	Basement Use and Finish	None
Actual Age	15	Basement Finish	None
Renovations	None	Fire Sprinkler Type	None
Construction	Wood	Other Improvements	8% Partially Finished

Financial Data

Tenancy	Single	EGI	\$193,771
No of Tenant Spaces	1	Total Expenses	\$39,100
Occupancy	100%	NOI	\$154,671
PGI		Cap Rate	7.54%

Comments

The property is a single-tenant general office building situated at the northwest corner of Packerland Drive and Cypress Road within the Village of Ashwaubenon, which is part of the Green Bay market area. The property was 100% occupied by Ayres Associates, Inc. at the time of sale with a net lease. The indicated cap rate was 7.54%, which includes vacancy and collection loss, reserves, and management. About 1,054 square feet (8% of GBA) is partially finished and used as a garage. No other unusual sale conditions or concessions influenced the sale price. Asking price at the time of sale was \$2,100,000. Alliance Appraisal Group appraised the property for the sale transaction.

Comparable 4



Property Identification

ID	5674	City	Green Bay
Property Type	Office Building	County	Brown
Property Major Type	Office	State	WI
Property Sub Type	NA	MSA	Green Bay
Address	3159 Voyager Drive	Tax ID	21-173-8

Transaction Data

Transaction Type	Closed Sale	Conveyance	Warranty Deed
Date	12/10/2021	Book/Page or Reference Doc	2990319
Price	\$1,685,000	Grantor	JBOK Enterprises, LLC
Financing	Cash to seller	Grantee	Two Allouez Properties, LLC
Price	\$1,685,000	Conditions of Sale	Arm's-Length
Price Adjustment	NA	Property Rights	Leased Fee
Price	\$1,685,000	Marketing Period	7 Months
Price Per SF	\$136.84	Sale Verification Source	Broker, Tom Scheuerman

Site

Acres	2.00	Parking Type	Paved
Land SF	87,120	Parking Ratio GBA	5.03
Land to Building Ratio	7.07	Locational Features	Near arterials
Traffic Count	NA	Other Land	None

Improvements

GBA	12,314	Exterior Wall	Brick
No. of Buildings	1	Quality	Good
No. of Stories	1	Condition	Very Good
Year Built	2003	Basement Use and Finish	None
Actual Age	18	Basement Finish	None
Renovations	Various over time	Fire Sprinkler Type	None
Construction	Wood	Other Improvements	None

Financial Data

Tenancy	Single	EGI	
No of Tenant Spaces	1	Total Expenses	
Occupancy	100%	NOI	\$142,050
PGI		Cap Rate	8.43%

Comments

This is the sale of a single-tenant office building located along the north side of Voyager Drive and the south side of Mason Street, within the City of Green Bay. The property was 100% occupied by GEI Consultants at the time of sale with a net lease agreement. The indicated cap rate was 8.43%, which includes vacancy and collection loss, reserves, and management. No other unusual sale conditions or concessions influenced the sale price. Asking price at the time of sale was \$1,860,000.

Comparable 5



Property Identification

ID	4772	City	Kimberly
Property Type	Office Building	County	Outagamie
Property Major Type	Office	State	WI
Property Sub Type	NA	MSA	Appleton/Fox Cities
Address	740 Ford Street	Tax ID	250191300

Transaction Data

Transaction Type	Closed Sale	Conveyance	Warranty Deed
Date	6/23/2021	Book/Page or Reference Doc	2238863
Price	\$1,285,000	Grantor	740 Ford Street, LLC
Financing	Cash to seller	Grantee	Park Place Holdings, LLC
Price	\$1,285,000	Conditions of Sale	Arm's-Length
Price Adjustment	NA	Property Rights	Leased Fee
Price	\$1,285,000	Marketing Period	11 Months
Price Per SF	\$120.91	Sale Verification Source	Buyer, Mr. Mason Clark

Site

Acres	1.37	Parking Type	Paved
Land SF	59,677	Parking Ratio GBA	4.42
Land to Building Ratio	5.62	Locational Features	Near arterials
Traffic Count	NA	Other Land	None

Improvements

GBA	10,628	Exterior Wall	Brick
No. of Buildings	1	Quality	Average
No. of Stories	1	Condition	Good
Year Built	1993	Basement Use and Finish	None
Actual Age	28	Basement Finish	None
Renovations	Various over time	Fire Sprinkler Type	None
Construction	Wood	Other Improvements	None

Financial Data

Tenancy	Multi	EGI	\$164,206
No of Tenant Spaces	2	Total Expenses	\$58,264
Occupancy	100%	NOI	\$105,942
PGI	\$172,848	Cap Rate	8.24%

Comments

This is the sale of a multi-tenant office building located along the south side of Ford Street and the north side of County Road CE, within the Village of Kimberly, which is part of the Appleton/Fox Cities market area. The property was 100% occupied by Nekoosa and Stifel, Nicolaus & Company, Inc. at the time of sale with gross lease agreements. One lease was on a month to month basis, while the other was ending March 2024, with (1) renewal option. The indicated cap rate was 8.24%, which includes vacancy and collection loss, reserves, and management. No other unusual sale conditions or concessions influenced the sale price. Asking price at the time of sale was \$1,599,000.

Comparable 6



Property Identification

ID	4467	City	Appleton
Property Type	Office Building	County	Outagamie
Property Major Type	Office	State	WI
Property Sub Type	NA	MSA	NA
Address	2800 East Enterprise Avenue	Tax ID	311651023

Transaction Data

Transaction Type	Closed Sale	Conveyance	Warranty Deed
Date	3/15/2021	Book/Page or Reference Doc	2227387
Price	\$1,500,000	Grantor	Epiphany Law Group, LLC
Financing	Cash to seller	Grantee	4 Ross Investments IV, LLC
Price	\$1,500,000	Conditions of Sale	Arm's-length
Price Adjustment	NA	Property Rights	Leased Fee
Price	\$1,500,000	Marketing Period	Unknown
Price Per SF	\$179.60	Sale Verification Source	Buyer, public records

Site

Acres	1.90	Parking Type	Paved
Land SF	82,972	Parking Ratio GBA	6.7
Land to Building Ratio	9.93	Locational Features	Appleton interstate area
Traffic Count	NA	Other Land	None

Improvements

GBA	8,352	Exterior Wall	Brick
No. of Buildings	1	Quality	Good
No. of Stories	1	Condition	Good
Year Built	2003	Basement Use and Finish	None
Actual Age	18	Basement Finish	None
Renovations	Various, most recent in 2018	Fire Sprinkler Type	None
Construction	Steel	Other Improvements	None

Financial Data

Tenancy	Two	EGI	NA
No of Tenant Spaces	2	Total Expenses	NA
Occupancy	100%	NOI	\$120,343
PGI	NA	Cap Rate	8.02%

Comments

This two tenant northern Appleton office building lies along the north side of Interstate 41 and east of Ballard Road. It was 100% occupied by Epiphany Law (97%) and GoalBridge Wealth (3%). The sale price of \$1,350,000 recorded with the county reflects a 90% interest sale. The \$1,500,000 price shown here reflects the 100% equivalent price. The cap rate was 8.02%, which includes market vacancy, management, and replacement reserves. No unusual sale conditions or concessions influenced the sale price. Alliance Appraisal did the appraisal for the sale.

Improved Sales Adjustment Grid

The comparable improved sales have been analyzed and compared with the subject property. I have considered adjustments in the areas of:

- Property Rights Sold
- Financing
- Conditions of Sale
- Market Trends
- Location
- Physical Characteristics

On the following page is a sales adjustment grid displaying the subject property, the comparables, and the adjustments applied.

Improved Sales Adjustment Grid		Comp 1	Comp 2	Comp 3	Comp 4	Comp 5	Comp 6						
Address	3305 & 3315 North Ballard	711 Eisenhower Drive	446 North Westhill	3376 Packerland Drive	3159 Voyager Drive	740 Ford Street	2800 East Enterprise						
City	Appleton	Kimberly	Grand Chute	Ashwaubenon	Green Bay	Kimberly	Appleton						
Distance (Miles)	NA	2.7 SE	4.6 SW	17.5 NE	25.9 NE	2.6 SE	0.7 NE						
Date	9/21/2023	5/1/2023	3/2/2023	4/15/2022	12/10/2021	6/23/2021	3/15/2021						
Price	NA	\$1,600,000	\$1,200,000	\$2,050,000	\$1,685,000	\$1,285,000	\$1,500,000						
Price Adjustment	NA	\$0	\$0	\$0	\$0	\$0	\$0						
Price	NA	\$1,600,000	\$1,200,000	\$2,050,000	\$1,685,000	\$1,285,000	\$1,500,000						
GBA	14,600	15,106	11,346	12,800	12,314	10,628	8,352						
Price Per SF	NA	\$105.92	\$105.76	\$160.16	\$136.84	\$120.91	\$179.60						
Transaction Adjustments													
Property Rights	Leased Fee	Leased Fee	0.0%	Leased Fee	0.0%	Leased Fee	0.0%	Leased Fee	0.0%	Leased Fee	0.0%	Leased Fee	0.0%
Financing	Cash to seller	Cash to seller	0.0%	Cash to seller	0.0%	Cash to seller	0.0%	Cash to seller	0.0%	Cash to seller	0.0%	Cash to seller	0.0%
Conditions of Sale	Arms-length	Arms-Length	0.0%	Arms-Length	0.0%	Arms-Length	0.0%	Arms-Length	0.0%	Arms-Length	0.0%	Arms-length	0.0%
Adjusted GBA Unit Price		\$105.92	\$105.76	\$160.16	\$136.84	\$120.91	\$179.60						
Market Trends Through	9/21/2023	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%						
Adjusted GBA Unit Price		\$105.92	\$105.76	\$160.16	\$136.84	\$120.91	\$179.60						
Location	Average to Good	Superior	Superior	Superior	Superior	Superior	Superior						
% Adjustment		-5%	-5%	-5%	-5%	-5%	-15%						
\$ Adjustment		-\$5.30	-\$5.29	-\$8.01	-\$6.84	-\$6.05	-\$26.94						
Land to Building Ratio Calculation	4.88 to 1	7.30	4.39	8.12	7.07	5.62	9.93						
% Adjustment		-1%	0%	-2%	-1%	0%	-3%						
\$ Adjustment		-\$1.06	\$0.00	-\$3.20	-\$1.37	\$0.00	-\$5.39						
GBA	14,600	15,106	11,346	12,800	12,314	10,628	8,352						
% Adjustment		0%	-2%	-1%	-1%	-2%	-3%						
\$ Adjustment		\$0.00	-\$2.12	-\$1.60	-\$1.37	-\$2.42	-\$5.39						
Exterior Wall	Brick, vinyl	EIFS, brick, vinyl	Brick, EIFS	Brick, decorative block	Brick	Brick	Brick						
% Adjustment		0%	0%	-2%	-2%	-2%	-2%						
\$ Adjustment		\$0.00	\$0.00	-\$3.20	-\$2.74	-\$2.42	-\$3.59						
Actual Age	27	22	29	15	18	28	18						
% Adjustment		0%	0%	-1%	-1%	0%	-1%						
\$ Adjustment		\$0.00	\$0.00	-\$1.60	-\$1.37	\$0.00	-\$1.80						
Condition	Average	Average to Good	Average to Good	Very Good	Very Good	Good	Good						
% Adjustment		-5%	-5%	-20%	-20%	-10%	-10%						
\$ Adjustment		-\$5.30	-\$5.29	-\$32.03	-\$27.37	-\$12.09	-\$17.96						
Quality	Average	Average	Average	Good	Good	Average	Good						
% Adjustment		0%	0%	-10%	-10%	0%	-10%						
\$ Adjustment		\$0.00	\$0.00	-\$16.02	-\$13.68	\$0.00	-\$17.96						
Fire Sprinkler Type	None	None	None	None	None	None	None						
% Adjustment		0%	0%	0%	0%	0%	0%						
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00						
Basement Use and Finish	None	None	None	None	None	None	None						
% Adjustment		0%	0%	0%	0%	0%	0%						
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00						
Parking Ratio GBA	5.14	6.82	3.70	4.30	5.03	4.42	6.70						
% Adjustment		-2%	1%	1%	0%	1%	-2%						
\$ Adjustment		-\$2.12	\$1.06	\$1.60	\$0.00	\$1.21	-\$3.59						
Occupancy	100%	100%	100%	100%	100%	100%	100%						
% Adjustment		0%	0%	0%	0%	0%	0%						
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00						
Other Improvements	None	None	None	8% Partially Finished	None	None	None						
% Adjustment		0%	0%	2%	0%	0%	0%						
\$ Adjustment		\$0.00	\$0.00	\$3.20	\$0.00	\$0.00	\$0.00						
Adjusted GBA Unit Price		\$92.15	\$94.13	\$99.30	\$82.10	\$99.15	\$96.98						
Net Adjustments		-13.0%	-11.0%	-38.0%	-40.0%	-18.0%	-46.0%						
Gross Adjustments		13.0%	13.0%	44.0%	40.0%	20.0%	46.0%						

Improved Sales Adjustments

Property Rights

The subject property represents leased fee property rights. All the comparable sales sold with similar leased fee property rights at or near market rates. No adjustments are warranted.

Financing

All comparables utilized cash or financing equivalent to cash with the same assumed in a potential sale of the subject property. No adjustments are warranted.

Conditions of Sale

All comparables were arm's-length transactions. No adjustments are warranted.

Market Trends

This adjustment is intended to measure the result of any market condition changes between the sale date of the comparable and the effective date of my value conclusion. All comparables reflect current market conditions and are not adjusted.

Location

The subject property is located 200 feet west of North Ballard Road, 300 feet south of East Capital Drive, and one-quarter mile north of East Witzke Boulevard, within the City of Appleton, Outagamie County, Wisconsin. It is accessible via an ingress and egress easement from the adjacent property. The property is also located within the Appleton/Fox Cities and northeast Wisconsin market area. North Ballard Road intersects Interstate 41 one-quarter mile north of the subject. Interstate 41 is the main arterial within the market area, leading north through the Appleton/Fox Cities market and to Green Bay. It also leads south to Oshkosh, Fond du Lac, and Milwaukee. Communities within the Appleton/Fox Cities market area include Appleton, Combined Locks, Kimberly, Kaukauna, Buchanan, Harrison, Menasha, Neenah, Little Chute, Fox Crossing, Greenville, and Grand Chute. The subject has an average to good location for an office use, with fair to average access to and visibility from North Ballard Road. All the comparable sales have superior locations and warrant varying downward adjustments.

Land to Building Ratio Calculation

The land to building ratio is the relationship of land size to building size. A higher land to building ratio results in more available land area not covered by buildings. The subject has a land to building ratio of 4.88 to 1. Comparables 2 and 5 are similar and are not adjusted. Comparables 1, 3, 4, and 6 are superior and warrant varying downward adjustments.

Gross Building Area (GBA)

A larger building typically sells for a lower unit (square foot) price than a smaller building based on economies of scale. The subject includes about 14,600 square feet of gross building area (GBA). Comparable 1 is similar and is not adjusted. Comparables 2, 3, 4, 5, and 6 are smaller than the subject and warrant varying downward adjustments.

Exterior Wall

Masonry exterior wall coverings are superior to EIFS (Exterior Insulation Finishing System) or vinyl/wood wall coverings. The subject property includes brick and vinyl exterior wall coverings. Comparables 1 and 2 are similar and are not adjusted. Comparables 3, 4, 5, and 6 are superior and warrant downward adjustments.

Actual Age

The subject property was built in 1996, indicating a chronological age of 27 years. Comparables 1, 2, and 5 are similar and are not adjusted. Comparables 3, 4, and 6 are superior and warrant downward adjustments.

Condition

The subject is in average condition. All the comparable sales are superior and warrant varying downward adjustments.

Quality

The subject property includes average quality, design, and building components. Comparables 1, 2, and 5 are similar and are not adjusted. Comparables 3, 4, and 6 are superior and warrant downward adjustments.

Fire Sprinkler Type

The subject property does not include a sprinkler system. All the comparable sales are similar. No adjustments are warranted.

Basement Use and Finish

The subject property does not include a basement. All the comparable sales are similar. No adjustments are warranted.

Parking Ratio GBA (Spaces / 1000 SF of GBA)

This adjustment accounts for the amount of available parking between the subject and the comparables. The subject includes a parking ratio of 5.14 stalls per 1,000 square feet of GBA. Comparable 4 is similar and is not adjusted. Comparables 1, 2, 3, 5, and 6 are inferior or superior and warrant varying adjustments.

Occupancy

This is an economic adjustment that accounts for the difference in the occupancy level between the subject and the comparables at the time of sale. The subject property is 100% occupied; however, the tenant in Suite C will be vacating the space on October 31, 2023. Therefore, the subject will be 78% leased and occupied by five tenants, with about 3,264 square feet of vacant space (22%). I make an adjustment at the conclusion of this approach to account for current occupancy. Therefore, I consider the subject to be 100% occupied. All the comparable sales are similar. No adjustments are warranted.

Other Improvements

This adjustment accounts for additional amenities or building features not already accounted for in the adjustment process. The subject does not include any additional amenities. Comparables 1, 2, 4, 5, and 6 are similar and are not adjusted. Comparable 3 is inferior and warrants an upward adjustment.

Conclusion of Sales Comparison Approach

The adjusted prices of the comparable improved sales range from \$82.10 to \$99.30 per square foot of gross building area, with an average of \$93.97, and a median of \$95.56 per square foot.

There are limited recent nearby sales of leased office properties that are of similar size, condition, age, and quality to the subject property. Therefore, my search is expanded to include comparables located throughout a larger geographical area. All the sale comparable sales would be considered by a typical market participant.

The market value indications from all the comparable sales are given equal weight in arriving at my final reconciled market value of \$95.00 per square foot. The concluded rate is between the average and median adjusted sale prices per square foot of gross building area. Therefore, the indicated market value is \$1,387,000 ($\$95.00 \times 14,600$ square feet = \$1,387,000).

As discussed in greater detail within the income capitalization approach, the subject property is 100% leased and occupied by six tenants. However, the tenant in Suite C will be vacating the space on October 31, 2023. Therefore, the subject will be 78% leased and occupied by five tenants, with about 3,264 square feet of vacant space (22%). Given that the most probable buyer of the subject property is an investor, I must deduct the cost associated with leasing the vacant space in Suite C (3,264 square feet), in order to determine the as-is market value of the subject property. The cost associated with leasing the vacant space is \$46,460. This cost is deducted from the indicated value to arrive at the as-is market value indication.

As-Is Market Value

Indicated Market Value per Square Foot:	\$95.00
Subject Size (SF):	14,600
Indicated Market Value:	\$1,387,000
Lease Up Cost:	<u>(\$ 46,460)</u>
Indicated As-Is Market Value:	\$1,340,540
Rounded:	\$1,340,000

One Million Three Hundred Forty Thousand Dollars

INCOME CAPITALIZATION APPROACH

The income capitalization approach is defined as:

“A set of procedures through which an appraiser derives a value indication for an income-producing property by converting its anticipated benefits (cash flows and reversion) into property value. This conversion can be accomplished in two ways. One year’s income expectancy can be capitalized at a market-derived capitalization rate or at a capitalization rate that reflects a specified income pattern, return on investment, and change in the value of the investment. Alternatively, the annual cash flows for the holding period and the reversion can be discounted at a specified yield rate.”⁸

The income capitalization approach reflects the subject’s income-producing capabilities. This approach is based on the assumption that value is created by the expectation of benefits to be derived in the future. Specifically estimated is the amount an investor would be willing to pay to receive an income stream plus reversion value from a property over a period of time. The two common valuation techniques associated with the income capitalization approach are direct capitalization and discounted cash flow (DCF) analysis.

Methodology Applied

Given the physical and financial characteristics of the subject property, and also bearing in mind typical buyer behavior, direct capitalization is considered the most appropriate income capitalization method for the subject property.

Direct capitalization is defined as:

“A method used to convert an estimate of a single years income expectancy into an indication of value in one direct step, either by dividing the net income estimate by an appropriate capitalization rate or by multiplying the income estimate by an appropriate factor. Direct capitalization employs capitalization rates and multipliers extracted or developed from market data. Only a single year’s income is used. Yield and value changes are implied but not identified.”⁹

⁸ The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010), 99.

⁹ The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010), 58.

Income / Occupancy Overview

The subject property is 100% occupied by six tenants. However, the tenant in Suite C will be vacating the space on October 31, 2023. This space is listed for lease with an asking price of \$11.50 per square foot on a net basis. It is unknown if a tenant improvement allowance is being offered. The following rent roll summarizes the leased areas of the property.

Rent Roll															
Rent Roll	Suite	No. of	% of	Date	Date	Lease	Lease	Contract	Contract	Rent	Amount				
Tenant/Unit Name	No.	Space Type	Units	SF	Total	Start	End	Term	Type	Rent	Rent per SF	Increase	Increase	Options	
Organization Management Services	A	General Office	1	2,754	19%	8/1/2021	7/31/2024	3 Years	Modified	\$31,500	\$11.44	N/A	N/A	N/A	
CKS & Associates, LLC	B	General Office	1	1,482	10%	2/1/2023	2/28/2026	3 Years	Net	\$16,296	\$11.00	N/A	N/A	(2) 3-Year	
Novus Home Mortgage	C	General Office	1	3,264	22%	7/1/2022	10/31/2023	1.33 Years	Modified	\$30,000	\$9.19	N/A	N/A	(3) 2-Year	
Dr. John Masek	D	Medical Office	1	2,778	19%	9/1/2021	8/31/2026	5 Years	Net	\$34,800	\$12.53	N/A	N/A	N/A	
American Management Group, Inc.	E	General Office	1	1,970	13%	Month to Month		0 Mos.	Modified	\$24,000	\$12.18	N/A	N/A	N/A	
Petsche Consulting, LLC	F	General Office	1	2,349	16%	12/1/2020	11/30/2025	5 Years	Modified	\$32,400	\$13.79	N/A	N/A	(1) 5-Year	
Totals			6	14,597	100%					Total	\$168,996	\$11.58			
Vacant			0	0	0%										
Occupied			6	14,597	100%										

As stated above, the tenant in Suite C will be vacating the space on October 31, 2023. Therefore, the subject will be 78% leased and occupied by five tenants, with about 3,264 square feet of vacant space (22%). The property representative indicated that there are a few interested parties in the vacant space, although no lease agreement has been signed.

The subject's lease agreements for Suites A, C, E, and F are written on a modified gross basis, while the lease agreements for Suite B and D are written on a net basis. According to the information provided, the tenants in Suites A, C, E, and F are only responsible for monthly rent and individual utilities, while ownership is responsible for virtually all property related expenses, such as real estate taxes, insurance, common area maintenance, utilities, cost of management, and replacement reserves. The tenants in Suites B and D reimburse ownership for their pro-rata share of real estate taxes, insurance, common area maintenance, and utilities. Ownership is responsible for the cost of management and replacement reserves.

The lease rates range from \$9.19 to \$13.79 per square foot, with an average of \$11.58 per square foot, and vary depending on the location of the unit within the building and interior build-out. Endcap suites are more desirable than interior suites and typically generate higher rental rates, although depends on layout and interior finish. In addition, based on economies of scale, smaller suites generally lease at higher rates than larger suites.

Market Rent

In order to confirm whether contract rent is commensurate with market rates, I have investigated asking and contract rents of similar office properties within the market area that would likely compete with the subject property, summarized as follows. Due to the lack of data of similar facilities immediately near the subject, my search is expanded to other areas near the subject property.

Office Lease Comparables									
ID	Address	Leasable Building Size (SF)	Space Available (SF)	% Vacant	Rent Per SF	Lease Terms	Lease Dates	Year Built	Condition
1	203 & 207 Thilmany Road Kaukauna, WI	27,601	0	0%	\$7.67 (Contract)	Net	3/1/2016- 2/28/2026	1872	Good to Very Good
2	821 East 1st Street Appleton, WI	10,560	1,600	15%	\$7.50 (Asking)	Net	N/A	1981	Average
3	2001 Marathon Avenue Neenah, WI	46,937	0	0%	\$9.28 (Contract)	Net Equivalent	8/1/2022- 7/31/2027	1956- 1994	Excellent
4	304 Otter Avenue Oshkosh, WI	5,704	0	0%	\$9.47 (Contract)	Net	5/1/2021- 4/30/2028	1973	Average
5	2600 North Richmond Street Appleton, WI	5,040	1,912	38%	\$10.00 (Asking)	Net	N/A	1970	Average
6	150 Main Street Menasha, WI	8,600	0	0%	\$10.50 (Contract)	Net	1/15/2022- 1/31/2025	1998	Very Good
7	711 Association Drive Appleton, WI	7,656	0	0%	\$11.44 (Contract)	Net Equivalent	1/2020- 1/2024	2008	Good
8	3315 North Ballard Road Appleton, WI	7,500	3,264	44%	\$11.50 (Asking)	Net	N/A	1996	Average
9	4791 & 4797 West Grande Market Appleton, WI	12,831	0	0%	\$11.50 (Contract)	Net	5/15/2023- 5/14/2027	2000	Good to Very Good
10	600 East Northland Avenue Appleton, WI	9,570	1,544	16%	\$12.00 (Asking)	Net	N/A	1978	Average
11	3416 North Association Drive Appleton, WI	3,000	0	0%	\$12.00 (Contract)	Net	8/15/2019- 8/14/2024	1992	Average
12	517 & 519 North Westhill Blvd. Appleton, WI	7,590	0	0%	\$13.00 (Contract)	Net	8/1/2022- 7/31/2030	2004	Very Good
13	711 Eisenhower Drive Kimberly, WI	15,106	0	0%	\$13.01 (Contract)	Net Equivalent	7/1/2023- 6/30/2028	2001	Good
14	3376 Packerland Drive Ashwaubenon, WI	12,800	0	0%	\$13.54 (Contract)	Net	4/2022- 3/2024	2007	Very Good

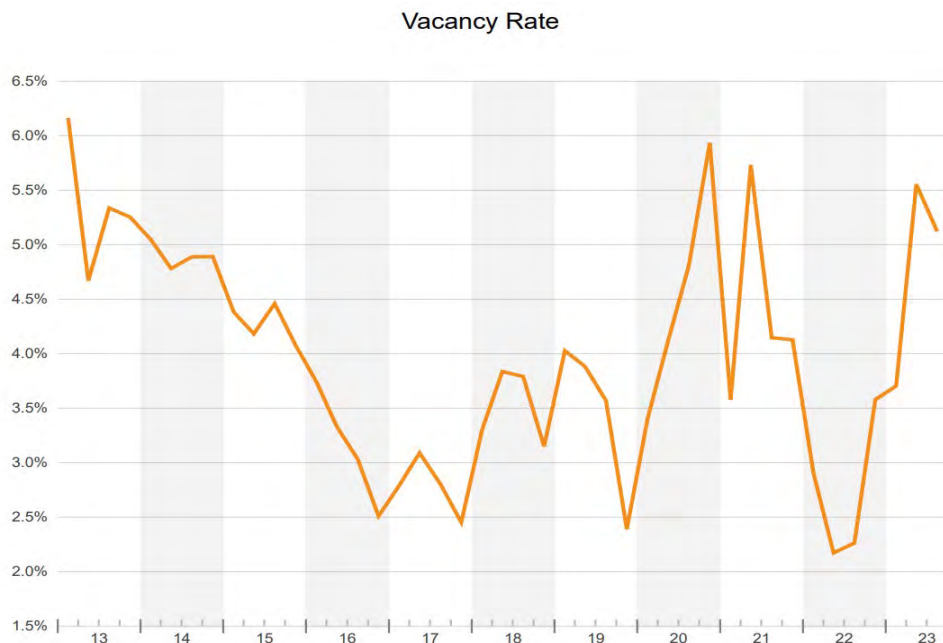
The results of the rental survey shown above indicate a range in rents from \$7.50 to \$13.54 per square foot, all of which are on a net or net equivalent basis. Net lease agreements are based on the tenant being responsible for virtually all property related expenses except for replacement reserves. Reimbursed expenses (CAM) range from about \$2.00 to \$4.00 per square foot.

All the comparables exhibit many similar physical and locational attributes, and some of the comparables are asking rates in the market. There is typically room for negotiation in similar lease agreements resulting in a rent per square foot that is somewhat less than the asking rent.

No one comparable provides a more reliable indication of market rent for the subject property. Rent for smaller suites is generally greater than rent of larger suites based on economies of scale, and end-cap suites are more desirable than interior suites, as they include superior visibility and access. Based on the market study and keeping in mind the overall size, quality, condition, and locational attributes of the subject property in comparison to the rent comparables, the actual contract rent for Suites A, B, D, E, and F is commensurate with market rates. For Suite C, I estimate market rent at \$12.00 per square foot on a modified basis, which is near the lease rates for the existing tenants. Based on my expense projections (totaling \$4.60 per square foot), the net equivalent lease rate range for the subject leases is \$6.84 to \$12.53 per square foot.

Vacancy and Collection Loss

The CoStar office survey previously outlined in the market analysis section of this report show an average office vacancy for the Appleton market is 9.6%. The following CoStar chart outlines average vacancy rates for office properties located within a two-mile radius of the subject property over the last ten years. The CoStar analysis includes a sampling of 109 properties containing aggregate net rentable area of 2.2 million square feet, which indicates a current vacancy shown at 5.1% (prior period 2.3%), a ten-year average of 3.91%.



In addition, the rental survey provided from a previous page indicates a quick synopsis of similar facilities within the market area of the subject property.

Based on the CoStar analytics, my personal observations in the immediate area, and conversations with area brokers, I project a vacancy and collection loss rate of 5% in my analysis. The concluded rate is near the indicators provided by CoStar.

Income and Expense Analysis

The ownership representative provided a historical operating statement from 2022 for the subject property. The following is a breakdown of the information provided.

Income Analysis

The following table details the historical income figures, along with my projected income. The appraisal figure provided does not include a deduction for vacancy and collection loss. The indicated income per square foot for the subject is based on the total rentable area of 14,597 square feet.

Income Summary				
Unit/Space Type	Appraisal		2022	
	Amount	\$/SF	Amount	\$/SF
Total Income	\$178,164	\$12.21	\$168,996	\$11.58
Expense Reimbursements	\$19,470	\$1.33	\$35,150	\$2.41
Totals	\$197,634	\$13.54	\$204,146	\$13.99

Expense Analysis

The following table details the subject's historical expense figures, along with my projected expenses. The square foot expenses for the subject are based on the gross building area of 14,600 square feet.

Expense Summary				
Expense	Appraisal		2022	
	Amount	\$/SF	Amount	\$/SF
Real Estate Taxes	\$30,237	\$2.07	\$30,237	\$2.07
Insurance	\$3,950	\$0.27	\$3,950	\$0.27
Common Area Maintenance	\$24,450	\$1.67	\$24,450	\$1.67
Utilities	\$8,500	\$0.58	\$8,500	\$0.58
Management	\$5,633	\$0.39	\$8,295	\$0.57
Replacement Reserves	\$5,548	\$0.38	\$0	\$0.00
Totals	\$78,317	\$5.36	\$75,432	\$5.17

Projected Income

Projected rental income of \$178,164 is based on the contract rent encumbering the subject property, as well as market rent for Suite C. I also project expense reimbursements based on my projection of operating expenses, as well as typical market expenses. The lease agreements for Suites A, C, E, and F (71% of RA) are or will be written on a modified basis, while the lease agreements for Suites B and D (29% of RA) are written on a net basis. Therefore, 29% of the operating expenses (real estate taxes, insurance, common area maintenance, and utilities) are reimbursed to ownership.

Based on the information provided, I estimate the total expense reimbursement at \$19,470, which is based on 29% of the pass-through expenses (\$4.60 per square foot). Therefore, total potential gross income is \$197,634. After deducting the 5% vacancy and collection loss allowance, effective gross income is \$187,752.

Projected Expenses

My expense projections are based on information obtainable via public record, the provided operating information, as well as industry standard expenses for properties similar to the subject.

Real Estate Taxes

The subject property includes a total 2022 real estate tax obligation of \$30,237, or about \$2.07 per square foot of gross building area and is based on the assessor's fair market value of \$1,745,200, or 132% of my as-is market value conclusion. It is too speculative to assume there will be an increase or decrease going forward. Therefore, the real estate taxes are based on the 2022 figure of \$30,237.

Insurance

According to the information provided, the annual insurance expense in 2022 was \$3,950, or \$0.27 per square foot. Generally, annual insurance expenses range from about \$0.10 to \$0.30 per square foot in similar facilities. Therefore, I project an annual insurance expense of \$3,950, or \$0.27 per square foot, which is equal to the historical expense.

Common Area Maintenance

According to the information provided, the annual common area maintenance expense in 2022 was \$24,450, or \$1.67 per square foot. Generally, annual common area maintenance expenses range from about \$0.50 to \$2.00 per square foot. Therefore, I project an annual common area maintenance expense of \$24,450, or \$1.67 per square foot, which is equal to the historical expense.

Utilities

According to the information provided, the annual utilities expense in 2022 was \$8,500, or \$0.58 per square foot. Therefore, I project an annual utilities expense of \$8,500, or \$0.58 per square foot, which is equal to the historical expense.

Management

Typical management expenses range from approximately 2% to 6% of effective gross income. For the subject property, I estimate management at 3%.

Replacement Reserves

Replacement reserves, or capital reserves, include an allowance for the replacement of short-lived components, such as HVAC, parking lot, and roof. As shown, the replacement reserves indicated by Realty Rates for similar office facilities range from \$0.38 to \$0.95 per square foot, with a typical expense of \$0.69 per square foot. Therefore, I estimate the replacement reserve for the subject property at \$5,548, or \$0.38 per square foot, which is the minimal amount provided by Realty Rates.

RealtyRates.com INVESTOR SURVEY - 3rd Quarter 2023*									
SURVEYED RESERVE REQUIREMENTS									
Property Type	Per SF			Per Unit			% of EGI		
	Min.	Max.	Typical	Min.	Max.	Typical	Min.	Max.	Typical
Apartments				\$165	\$450	\$418			
Golf				\$1,295	\$7,950	\$3,666	2.0%	4.5%	3.2%
Health Care/Senior Housing				\$275	\$760	\$424			
Industrial	\$0.28	\$0.90	\$0.59						
Lodging							4.0%	8.5%	4.6%
Mobile Home/RV Park				\$38	\$318	\$176	2.0%	5.5%	4.2%
Office	\$0.38	\$0.95	\$0.69						
Restaurants							2.0%	5.5%	3.2%
Retail	\$0.38	\$1.15	\$0.76						
Self-Storage	\$0.32	\$0.85	\$0.71	\$38	\$218	\$137			
Special Purpose	\$0.30	\$1.20	\$0.80						

*2nd Quarter 2023 Data

Copyright 2023 RealtyRates.com™

Based on the income and expenses as discussed previously, the resulting net operating income (NOI) is \$109,435.

Capitalization Rate

The capitalization rate is the factor that converts the stabilized net operating income (NOI) to a present value. It is the ratio of net income to value or sale price.

Multiple techniques are utilized for deriving an overall capitalization rate for direct capitalization including extraction from comparable sales, band of investment method, debt coverage ratio analysis and review of investor surveys.

Market Extracted Rates

The table below details capitalization rates extracted from the sales utilized in the sales comparison approach.

Comparable Sale Cap Rates					
Comparable	Municipality	Price	Date	NOI	Cap Rate
1		\$0	5/1/2023	\$170,347	10.65%
2	Grand Chute	\$1,200,000	3/2/2023	\$90,814	7.57%
3	Ashwaubenon	\$2,050,000	4/15/2022	\$154,671	7.54%
4	Green Bay	\$1,685,000	12/10/2021	\$142,050	8.43%
5	Kimberly	\$1,285,000	6/23/2021	\$105,942	8.24%
6	Appleton	\$1,500,000	3/15/2021	\$120,343	8.02%

The cap rates extracted from the comparable sales range from 7.54% to 10.65%, with an average of 8.41%.

Band of Investment

This technique utilizes lender and real estate investor investment criteria to develop, or synthesize a capitalization rate. There are four key inputs necessary for this method:

1. The loan-to-value ratio (M)
2. The mortgage interest rate (i)
3. The loan term (n)
4. The equity cap rate or equity dividend rate (R_E)

The mortgage variables are used to build the mortgage constant (R_M), which is the total amount of the payments made in one year, expressed as a percentage of the original loan amount.

$$\text{Payments} \times 12 / \text{Original Loan Amount} = \text{Mortgage Constant } (R_M)$$

The equity cap rate is the annual return to the investor, expressed as a percent of the original amount invested. The annual return to the investor is also known as the equity dividend rate; it is the profit remaining after debt service and all other expenses.

$$\text{After Debt Service Profit} / \text{Equity Investment} = \text{Equity Cap Rate } (R_E)$$

Note that the equity cap rate is not the same (usually, that is) as the equity yield rate. The equity yield rate reflects the total return to the investor over the life of the investment. Factors such as appreciation and mortgage pay down affect and usually increase this return to a point higher than the equity dividend rate. In markets where substantial appreciation is expected, investors will often accept a low or even negative equity dividend rate, anticipating a compensating payoff when the property is eventually sold. In markets where little appreciation is expected, much more weight is given to the annual equity dividend.

Formula:

$$\begin{aligned} R_M \times M &= \text{rate} \\ R_E \times (1-M) &= \text{rate} \\ &= \text{Cap Rate } (R_o) \end{aligned}$$

Debt Coverage Ratio Analysis

This technique develops a capitalization rate based on typical mortgage terms. There are four variables necessary for this method:

1. The loan-to-value ratio (M)
2. The mortgage interest rate (i)
3. The loan term (n)
4. The debt coverage ratio (DCR)

Items 1 through 3 are discussed above under the Band of Investment section. In this method it is also used to develop the mortgage constant (R_M). The debt coverage ratio is the factor by which income exceeds debt on an annual basis.

Formula:

$$\text{Debt Coverage Ratio} \times \text{Loan to Value Ratio} \times \text{Mortgage Constant} = R_o$$

or: $\text{DCR} \times M \times R_M = R_o$

I have researched mortgage rates and terms typical for the subject within the market area. The table below details the band of investment and debt coverage ratio analyses calculations.

Capitalization Rate Calculations					
Capitalization Rate Variables					
Mortgage Interest Rate				7.50%	
Loan Term (Years)				25	
Loan To Value Ratio				70.00%	
Debt Coverage Ratio				1.2	
Equity Dividend Rate				12.00%	
Band of Investment Analysis					
Mortgage Constant		Loan Ratio		Contributions	
0.088678941	x	70.00%	=	6.21%	
Equity Dividend Rate		Equity Ratio			
12.00%	x	30.00%	=	3.60%	
Band of Investment Capitalization Rate				9.81%	
Debt Coverage Ratio Analysis					
Debt Coverage Ratio x Loan to Value Ratio x Mortgage Constant					
1.2 x 0.7 x 0.0886789413356951				=	7.45%
Debt Coverage Ratio Capitalization Rate				7.45%	

Survey Data

According to the 3rd Quarter 2023 Realty Rates Investor Survey, cap rates for office properties range from 5.51% to 13.05% and average 9.83%. The results of this survey are shown as follows.

RealtyRates.com INVESTOR SURVEY - 3rd Quarter 2023*						
OFFICE - ALL TYPES						
Item	Input					OAD
Minimum						
Spread Over 10-Year Treasury	1.10%	DCR Technique	1.10	0.055266	0.80	4.86
Debt Coverage Ratio	1.10	Band of Investment Technique				
Interest Rate	4.67%	Mortgage	80%	0.055266	0.044213	
Amortization	40	Equity	20%	0.072010	0.014402	
Mortgage Constant	0.055266	OAD				5.86
Loan-to-Value Ratio	80%	Surveyed Rates				5.51
Equity Dividend Rate	7.20%					
Maximum						
Spread Over 10-Year Treasury	5.65%	DCR Technique	2.15	0.123287	0.50	13.25
Debt Coverage Ratio	2.15	Band of Investment Technique				
Interest Rate	9.22%	Mortgage	50%	0.123287	0.061644	
Amortization	15	Equity	50%	0.154454	0.077227	
Mortgage Constant	0.123287	OAD				13.89
Loan-to-Value Ratio	50%	Surveyed Rates				13.05
Equity Dividend Rate	15.45%					
Average						
Spread Over 10-Year Treasury	2.88%	DCR Technique	1.63	0.075415	0.68	8.28
Debt Coverage Ratio	1.63	Band of Investment Technique				
Interest Rate	6.45%	Mortgage	68%	0.075415	0.050905	
Amortization	30	Equity	33%	0.117354	0.038140	
Mortgage Constant	0.075415	OAD				8.90
Loan-to-Value Ratio	67.5%	Surveyed Rates				9.83
Equity Dividend Rate	11.74%					

*2nd Quarter 2023 Data

Copyright 2023 RealtyRates.com™

Capitalization Rate Conclusion

Based on the information outlined, the appropriate capitalization rate for the subject property is 8.00%, which is 41 basis points below the average cap rate of all the comparable sales analyzed. This rate considers the location, use, and desirability of the subject within the market area, as well as the credit strength, and length of the remaining lease terms. The tenants have been in place for over three years. The recent elevated interest rates are putting upward pressure on cap rates, which is not yet reflected in the market cap rates shown. This rate considers the physical and locational characteristics of the subject and is adequately supported by the methods and market data applied.

Direct Capitalization

Income Capitalization Analysis						
Unit/Space Type	Income	Method	Units/SF	Annual	% of PGI	
Organization Management Services	\$11.44	\$/SF/Year	2,754	\$31,500	15.9%	
CKS & Associates, LLC	\$11.00	\$/SF/Year	1,482	\$16,296	8.2%	
Market Rent	\$12.00	\$/SF/Year	3,264	\$39,168	19.8%	
Dr. John Masek	\$12.53	\$/SF/Year	2,778	\$34,800	17.6%	
American Management Group, Inc.	\$12.18	\$/SF/Year	1,970	\$24,000	12.1%	
Petsche Consulting, LLC	\$13.79	\$/SF/Year	2,349	\$32,400	16.4%	
Expense Reimbursements				\$19,470	9.9%	
				Potential Gross Income:	\$197,634	100.0%
			Vacancy & Collection Loss	5.00%	\$9,882	
			Effective Gross Income (EGI):	\$187,752	95.0%	
Expense	Amount	Method	Annual	\$/SF		
Real Estate Taxes	\$30,237	\$/Year	\$30,237	\$2.07		
Insurance	\$3,950	\$/Year	\$3,950	\$0.27		
Common Area Maintenance	\$24,450	\$/Year	\$24,450	\$1.67		
Utilities	\$8,500	\$/Year	\$8,500	\$0.58		
Management	3%	% of EGI	\$5,633	\$0.39		
Replacement Reserves	\$0.38	\$/SF	\$5,548	\$0.38		
			Total Expenses:	\$78,317	\$5.36	
			Net Operating Income (NOI):	\$109,435	\$7.50	
			Capitalization Rate:	8.00%		
			Value (NOI/Cap Rate):	\$1,367,935	\$93.69	

Stabilization Calculations

The subject property is 100% leased and occupied by six tenants. However, the tenant in Suite C will be vacating the space on October 31, 2023. Therefore, the subject will be 78% leased and occupied by five tenants, with about 3,264 square feet of vacant space (22%). Given that the most probable buyer of the subject property is an investor, I must deduct the cost associated with leasing the vacant space in Suite C (3,264 square feet), in order to determine the as-is market value of the subject property.

I estimate market rent at \$12.00 per square foot on a modified basis for Suite C. The property representative indicated that there are a few interested parties in the vacant space, although no lease agreement has been signed. This is consistent with the growing demand for similar space within the market area. Therefore, I estimate that the total space of 3,264 square feet will be occupied within a 12-month period (one year), or by about October 1, 2024, with professional marketing. Total lost rent is estimated at \$36,668 ($\$12.00 \times 3,264 = \$39,168 - \$2,500 = \$36,668$), which also considers one additional month of rent for the existing tenant (\$2,500 per month) in Suite C. Although discounting the lost rent to present value may be appropriate, because of the relatively short absorption period, a buyer would not likely consider any discounting.

Since the lease agreement would be written on a modified basis, there is no expense reimbursements for the space. A leasing commission expense of \$9,792 is deducted, which is based on a typical five-year term and 5% commission. A tenant improvement allowance is not deducted, as the space would be leased in it's as-is condition. Therefore, the total costs associated with leasing the vacant space is calculated at \$46,460.

As-Is Market Value

Indicated Market Value:	\$1,367,935
Lease Up Cost:	<u>(\$ 46,460)</u>
Indicated As-Is Market Value:	\$1,321,475
Rounded:	\$1,320,000

Conclusion of Income Capitalization Approach

Based on the analysis detailed on the previous pages, the income capitalization approach results in an as-is market value indication of:

\$1,320,000

One Million Three Hundred Twenty Thousand Dollars

RECONCILIATION AND FINAL VALUE OPINION

The process of reconciliation involves the analysis of each approach to value. The quality of data applied, the significance of each approach as it relates to market behavior and defensibility of each approach are considered and weighed. Finally, each is considered separately and comparatively with each other.

Market Value Indications

	<u>As-Is</u>
Cost Approach:	N/A
Sales Comparison Approach:	\$1,340,000
Income Capitalization Approach:	\$1,320,000

Cost Approach

A cost approach was not applied as the age of the improvements makes the depreciation difficult to accurately measure. In addition, an investor in the subject property would not consider the cost approach relevant in a purchase decision.

Sales Comparison Approach

A sales comparison approach was applied because there is adequate data to develop a market value estimate, and this approach reflects market behavior for this property type. This approach utilizes sales of reasonably similar facilities throughout the market. However, this approach is utilized only as a check of reasonableness against the income capitalization approach given that the most probable buyer of the subject property is an investor concerned with the income producing potential of the property.

Income Capitalization Approach

An income capitalization approach was applied because the subject is an income producing property, and there is adequate data to develop a value estimate by this approach. This approach uses the actual contract and market rent, vacancy, and expenses for the subject property. The net operating income is then capitalized to a market value indication by a market supported cap rate. Given that the most probable buyer represents an investor, the income capitalization approach is the most reliable indication of market value for the subject property.

Market Value Conclusion

Based on the data and analyses developed in this appraisal, I have reconciled to the following market value conclusion, subject to the Assumptions and Limiting Conditions and Extraordinary Assumptions, presented in this appraisal.

RECONCILED MARKET VALUE

	<u>As-Is</u>
Market Value Conclusion:	\$1,320,000
Effective Date:	September 21, 2023
Property Rights:	Leased Fee
Premise:	Current

This appraisal assignment is based on the following extraordinary assumption: that all physical and financial information regarding the subject property, including lease and historical operating information, provided by the property representative, Ms. Susan Thon, and the assessor is accurate. I was not provided full copies of the signed lease agreements and amendments. If any of this information is found to be inaccurate, I reserve the right to amend this appraisal. The use of this extraordinary assumption may have affected my assignment results.

There are no hypothetical conditions applied in this appraisal.

Exposure Time and Marketing Time

Exposure Time

Exposure time is defined as:

“The 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.”¹⁰

Estimated exposure time of the subject, at my opinion of the market value, is 9 to 12 months considering a reasonable and diligent marketing effort has been made. This estimate is based on the physical and financial characteristics of the subject property, review of national investor surveys, discussions with market participants, and information gathered during the sales verification process.

Marketing Time

Marketing time is defined as:

“An opinion of the amount of time it would likely take to sell a real or personal property interest at the concluded market value or at a benchmark price during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal.”¹¹

Estimated marketing time of the subject, at my opinion of the market value, is 9 to 12 months considering a reasonable and diligent marketing effort is made. This estimate is based on the physical and financial characteristics of the subject property, review of national investor surveys, discussions with market participants, and information gathered during the sales verification process.

¹⁰ Uniform Standards of Professional Appraisal Practice (USPAP), 2016-2017 ed. (Washington DC: The Appraisal Foundation, 2016), 286.

¹¹ Uniform Standards of Professional Appraisal Practice (USPAP), 2016-2017 ed. (Washington DC: The Appraisal Foundation, 2016), 287.

ASSUMPTIONS AND LIMITING CONDITIONS

Acceptance of and/or use of this report constitutes acceptance of the following assumptions and limiting conditions; these can only be modified by written documents executed by both parties.

“Report” means the appraisal or consulting report and conclusions stated therein, to which these Assumptions and Limiting Conditions are annexed.

“Property” means the subject of the Report.

“Appraiser(s)” means the employee(s) of Alliance Appraisal Group, Ltd. who prepared and signed the Report.

1. No opinion is intended to be express and no responsibility is assumed for the legal description or for any matters that are legal in nature or require legal expertise or specialized knowledge beyond that of a real estate appraiser. Title to the Property is assumed to be good and marketable and the Property is assumed to be free and clear of all liens unless otherwise stated. No survey of the Property was undertaken.
2. The information contained in the Report or upon which the Report is based has been gathered from sources the Appraiser assumes to be reliable and accurate. The owner of the Property may have provided some of such information. Neither the Appraiser nor Alliance Appraisal Group, Ltd. shall be responsible for the accuracy or completeness of such information, including the correctness of estimates, opinions, dimensions, sketches, exhibits and factual matters. Any authorized user of the Report is obligated to bring to the attention of Alliance Appraisal Group, Ltd. any inaccuracies or errors that it believes are contained in the Report.
3. The opinions are only as of the date stated in the Report. Changes since that date in external and market factors or in the Property itself can significantly affect the conclusions in the Report.
4. The Report is to be used in whole and not in part. No part of the Report shall be used in conjunction with any other analysis. Publication of the Report or any portion thereof without the prior written consent of Alliance Appraisal Group, Ltd. is prohibited. Reference to the Appraisal Institute or to the MAI designation is prohibited. Except as may be otherwise stated in the letter of engagement, the Report may not be used by any person(s) other than the party(ies) to whom it is addressed or for purposed other than that for which it is prepared. No part of the Report shall be conveyed to the public through advertising, or used in any sales, promotion, offering or SEC material without Alliance Appraisal Group, Ltd.’s prior written notice. Any authorized user(s) of this Report who provides a copy to, or permits reliance thereon by, any person or entity not authorized by Alliance Appraisal Group, Ltd. in writing to use or rely thereon, hereby agrees to indemnify and hold Alliance Appraisal Group, Ltd., its affiliates and their respective shareholders, directors, officers and employees, harmless from and against all damages, expenses, claims and costs, including attorneys’ fees, incurred in investigating and defending any claim arising from or in any way connected to the use of, or reliance upon, the Report by any such unauthorized person(s) or entity(ies).

5. Except as may be otherwise stated in the letter of engagement, the Appraiser shall not be required to give testimony in any court or administrative proceeding relating to the Property or the Appraisal.
6. The Report assumes (a) responsible ownership and competent management of the Property; (b) there are no hidden or unapparent conditions of the Property, subsoil or structures that render the Property more or less valuable (no responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them); (c) full compliance with all applicable federal, state and local zoning and environmental regulations and laws, unless noncompliance is stated, defined and considered in the Report; and (d) all required licenses, certificates of occupancy and other governmental consents have been or can be obtained and renewed for any use on which the value opinion contained in the Report is based.
7. The physical condition of the improvements considered by the Report is based on visual inspection by the Appraiser or other person identified in the Report. Alliance Appraisal Group, Ltd. assumes no responsibility for the soundness of structural components or for the condition of mechanical equipment, plumbing or electrical components.
8. The forecasted potential gross income referred to in the Report may be based on lease summaries provided by the owner or third parties. The Report assumes no responsibility for the authenticity or completeness of lease information provided by others. Alliance Appraisal Group, Ltd. recommends that legal advice be obtained regarding the interpretation of lease provisions in the contractual rights of parties.
9. The forecast of income and expenses are not predictions of the future. Rather, they are the Appraiser's best opinions of current market thinking on future income and expenses. The Appraiser and Alliance Appraisal Group, Ltd. make no warranty or representation that these forecasts will materialize. The real estate market is constantly fluctuating and changing. It is not the Appraiser's task to predict or in any way warrant the conditions of a future real estate market; the Appraiser can only reflect what the investment community, as of the date of the Report, envisages for the future in terms of rental rates, expenses, and supply and demand.
10. Unless otherwise stated in the Report, the existence of potentially hazardous or toxic materials on or about the Property was not considered in arriving at the opinion of value. These materials may adversely affect the value of the Property. The Appraisers are not qualified to detect such substances. Alliance Appraisal Group, Ltd. recommends that an environmental expert be employed to determine the impact of these matters on the opinion of value.
11. Unless otherwise stated in the Report, compliance with the requirements of the Americans with Disabilities Act of 1990 (ADA) has not been considered in arriving at the opinion of value. Failure to comply with the requirements of the ADA may adversely affect the value of the Property. Alliance Appraisal Group, Ltd. recommends that an expert in this field be employed to determine the compliance of the Property with the requirements of the ADA and the impact of these matters on the opinion of value.

12. If the Report is submitted to a lender or investor with the prior approval of Alliance Appraisal Group, Ltd., such party should consider this Report as only one factor, together with its independent investment considerations and underwriting criteria, in its overall investment decision. Such lender or investor is specifically cautioned to understand all Extraordinary Assumptions and Hypothetical Conditions and the Assumptions and Limiting Conditions incorporated in this report.
13. If the Report is referred to or included in any offering material or prospectus, the Report shall be deemed referred to or included for informational purposes only and Alliance Appraisal Group, Ltd., its employees and Appraiser have no liability to such recipients. Alliance Appraisal Group, Ltd. disclaims any and all liability to any party other than the party that retained Alliance Appraisal Group, Ltd. to prepare the Report.
14. Any estimate of insurable value, if included within the agreed upon scope of work and presented within this report, is based upon figures derived from a national cost estimating service and is developed consistent with industry practices. However, actual local and regional construction costs may vary significantly from my estimate and individual insurance policies and underwriters have varied specifications, exclusions, and non-insurable items. As such, I strongly recommend that the Client obtain estimates from professionals experienced in establishing insurance coverage for replacing any structure. This analysis should not be relied upon to determine insurance coverage. Furthermore, I make no warranties regarding the accuracy of this estimate.
15. By use of this Report, each party that uses this Report agrees to be bound by all of the Assumptions and Limiting Conditions, Hypothetical Conditions, and Extraordinary Assumptions stated herein.

CERTIFICATION

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions and conclusions.
3. I have no present or prospective future interest in the property that is the subject of this report, and have no personal interest with respect to the parties involved.
4. I have no bias with respect to the property that is the subject of this report, or to the parties involved with this assignment.
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. 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 estimate, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).
8. No one provided significant real property appraisal assistance to the person(s) signing this certification.
9. I certify sufficient competence to appraise this property through education and experience, in addition to the internal resources of the appraisal firm.
10. The appraiser has performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
11. Eric Kowski, MAI has made a personal inspection of the subject property.
12. 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 & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.

13. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
14. As of the date of this report, Eric Kawski, MAI has completed the continuing education program of the Appraisal Institute.



Eric J. Kawski, MAI
WI Certified General Appraiser 1947-010
eric@allianceappraisal.com

ADDENDA

ADDENDUM A:	ENGAGEMENT LETTER
ADDENDUM B:	ZONING ORDINANCE
ADDENDUM C:	APPRAISER QUALIFICATIONS
ADDENDUM D:	APPRAISER LICENSE

ADDENDUM A
Engagement Letter



4321 West College Avenue, Suite 200
Appleton, WI 54914

Phone: (920) 460-9005
Fax: (920) 460-9006
www.allianceappraisal.com

September 7, 2023

Mr. Steve Winter
American Management Group, Inc.
3305C North Ballard Road
Appleton, WI 54911

Re: American Management Group, Inc. - Appraisal Engagement Letter
3305 & 3315 North Ballard Road, Appleton, WI
3301 East Evergreen Drive, Appleton, WI
3301 North Ballard Road, Appleton, WI

Dear Mr. Winter:

The details of our proposal for the referenced appraisals are outlined below. We will provide three individual market value appraisals. Please review these details, and then sign and email the engagement letter back to me. As with all private clients, we request payment in advance before we can begin our work. Please mail this check to the address shown above, and feel free to call me with any questions.

Respectfully submitted,
Alliance Appraisal Group, Ltd.

A handwritten signature in black ink, appearing to read "Eric J. Kowski".

Eric J. Kowski, MAI
Vice President
WI Certified General Appraiser 1947-010
eric@allianceappraisal.com

REPORT TYPE

Appraisal Report, as defined by USPAP.

DELIVERY DATE

Within about three weeks of receiving signed engagement letter and retainer check.

DELIVERY METHOD

E:mail

NUMBER OF COPIES

PDF

APPRAISAL FEE

██████████ per appraisal; ██████████ total

RETAINER

As with all private clients, we request a retainer of ██████████ before we can begin our work.

PROPERTY CONTACT

Ms. Susan Thon (920)733-3214 or (920)739-0101; sthon@rolliewinter.com

INTEREST VALUED

Leased Fee

INTENDED USERS

Current ownership

Note: No other users are intended. Appraiser shall consider the intended users when determining the level of detail to be provided in the appraisal report.

INTENDED USE

Internal planning

TYPE OF VALUE

Market value as defined by the Appraisal Institute.

DATE OF VALUE

As is on date of inspection

HYPOTHETICAL CONDITIONS, EXTRAORDINARY ASSUMPTIONS

None anticipated

APPLICABLE REQUIREMENTS OTHER THAN THE UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE (USPAP)

The Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute

ANTICIPATED SCOPE OF WORK

On-site inspection, market research and analysis, preparation of appraisal report

VALUATION APPROACHES CONSIDERED (AND APPLIED AS APPROPRIATE)

Cost, Sales Comparison, and Income Capitalization Approach

Appraiser shall use all approaches necessary to develop a credible opinion of value.

CONFIDENTIALITY

Appraiser shall not provide a copy of the written appraisal report to, or disclose the results of the appraisal prepared in accordance with this agreement with, any party other than client, unless client authorizes, except as stipulated in the Confidentiality Section of the ETHICS RULE of the Uniform Standards of Professional Appraisal Practice (USPAP).

CHANGES TO AGREEMENT

Any changes to the assignment as outlined in this agreement shall necessitate a new agreement. The identity of the client, intended users, or intended use; the date of value; type of value; or property appraised cannot be changed without a new agreement.

CANCELLATION

Client may cancel this agreement at any time prior to the appraiser's delivery of the appraisal report upon written notification to the appraiser. Client shall pay appraiser for work completed on assignment prior to appraiser's receipt of written cancellation notice, unless otherwise agreed upon by appraiser and client in writing.

NO THIRD PARTY BENEFICIARIES

Nothing in this agreement shall create a contractual relationship between the appraiser or the client and any third party, or any cause of action in favor of any third party. This agreement shall not be construed to render any person or entity a third party beneficiary of this agreement, including, but not limited to, any third parties identified herein.

USE OF EMPLOYEES OR INDEPENDENT CONTRACTORS

Appraiser may use employees or independent contractors at appraiser's discretion to complete the assignment, unless otherwise agreed by the parties. Notwithstanding, appraiser shall sign the written appraisal report and take full responsibility for the services provided as a result of this agreement.

TESTIMONY AT COURT OR OTHER PROCEEDINGS

Unless otherwise stated in this agreement, client agrees that appraiser's assignment pursuant to this agreement shall not include the appraiser's participation in or preparation for, whether voluntarily or pursuant to subpoena, any oral or written discovery, sworn testimony in a judicial, arbitration or administrative proceeding, or attendance at any judicial, arbitration, or administrative

proceeding relating to this assignment. Any work performed in this regard after delivery of the appraisal report will be billed at our hourly rate.

APPRAISER INDEPENDENCE

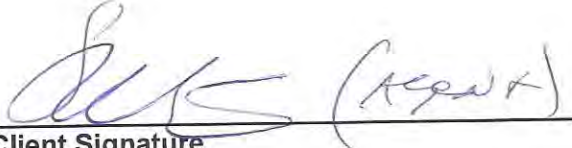
Appraiser cannot agree to provide a value opinion that is contingent on a predetermined amount. Appraiser cannot guarantee the outcome of the assignment in advance. Appraiser cannot insure that the opinion of value developed as a result of this assignment will serve to facilitate any specific objective by client or others or advance any particular cause. Appraiser's opinion of value will be developed competently and with independence, impartiality and objectivity.

EXPIRATION OF AGREEMENT

This agreement is valid only if signed by both appraiser and client within 3 days of the date of agreement specified.

GOVERNING LAW & JURISDICTION

The interpretation and enforcement of this agreement shall be governed by the laws of the State of Wisconsin, exclusive of any choice of law rules.

 (Agent)

Client Signature

9/7/2023

Date

Stephen A. Winter

Printed Name

ADDENDUM B
Zoning Ordinance

ZONING

- (1) **Minimum lot area.** Six thousand (6,000) square feet.
- (2) **Maximum lot coverage.** Ninety percent (90%).
- (3) **Minimum lot width.** Forty (40) feet.
- (4) **Minimum front yard.** None.
- (5) **Minimum rear yard:**
 - a. Twenty (20) feet.
- (6) **Minimum side yard:**
 - a. None.
 - b. Ten (10) feet if abutting a residentially zoned district.
- (7) **Maximum building height.** Sixty (60) feet.

(i) **District location.** The C-1 district shall be utilized in areas identified with a future Mixed Use designation on the Comprehensive Plan Future Land Use Map. (Ord 121-05, §1, 10-25-05; Ord 99-08, §1, 5-27-08; Ord 155-08, §1, 10-7-08; Ord 205-11, §1, 9-27-11; Ord 57-12, §1, 6-6-12; Ord 40-20, §1, 3-24-20)

Sec. 23-113. C-2 general commercial district.

(a) **Purpose.** This district is intended to provide for businesses which serve city and regional markets; provide goods and services to other businesses, as well as consumers, provide services to automobiles and serve the traveling public.

(b) **Principal permitted uses.** The following principal uses are permitted as of right in the C-2 district:

Residential Uses	Public and Semi Public Uses	Non-Residential Uses
<ul style="list-style-type: none"> • Assisted living or retirement homes • Nursing or convalescent homes 	<ul style="list-style-type: none"> • Clubs • Day care, group • Educational institutions; business, technical or vocational school • Educational institutions; college or university • Governmental facilities • Hospitals • Marina or boat landings • Museums • Places of worship • Public parks or playground • Recreation facilities; non-profit • Registered historic places open to the public and having retail space occupying not more than 10% of the gross floor area of the building 	<ul style="list-style-type: none"> • Automobile maintenance shops • Commercial entertainment; excluding sexually-oriented establishments • Drive through facilities pursuant to §23-49 • Greenhouses or greenhouse nurseries • Hotel or motels • Manufacturing, custom pursuant to §23-66(h)(16) • Multi-tenant building • Offices • Painting/Craft studio without alcohol sales • Parking lots • Personal services • Printing • Professional services • Restaurants (without alcohol) • Restaurants, fast food • Retail businesses • Shopping centers • Towing businesses pursuant to §23-66(h)(15) • Urban farms pursuant to 23-

APPLETON CODE

		66(h)(17) • Veterinarian clinics
--	--	-------------------------------------

(c) **Accessory uses.** Accessory uses in the C-2 district may include:

- (1) The accessory uses, buildings and structures set forth in §23-43 are permitted as of right in the C-2 district.
- (2) Residential dwellings at least ten (10) feet above the street grade of the building.
- (3) Home occupation pursuant to §23-45.
- (4) Outdoor storage and display pursuant to §23-46.
- (5) Fences and walls pursuant to §23-44.

(d) **Temporary uses and structures.** Temporary uses and structures specified in §23-54 may be permitted in the C-2 District.

(e) **Special uses.** Special uses in the C-2 district may include:

Residential Uses	Public and Semi Public Uses	Non-Residential Uses
<ul style="list-style-type: none"> • None 	<ul style="list-style-type: none"> • Educational institutions; elementary school, junior high school or high school • Essential services • Golf courses. However, the clubhouse, practice driving range, practice greens, or miniature golf course shall not be located closer than two hundred (200) feet from any residential structure 	<ul style="list-style-type: none"> • Amusement arcades • Any principal building that exceeds thirty-five (35) feet in height • Automobile, RV, truck, cycle, boat sales and display lots, new pursuant to §23-66(h)(5) • Automobile, RV, truck, cycle, boat sales and display lots when including used vehicles pursuant to §23-66(h)(5) • Bar or taverns pursuant to §23-66(h)(6) • Body repair and/or paint shops pursuant to §23-66(h)(4) • Bus terminals • Car washes • Circus or carnivals. However, carnival rides or midways shall not be located within three hundred (300) feet of any residential district and shall be pursuant to §23-66(h)(7) • Craft-Distillery pursuant to §23-66(h)(19) • Electronic towers pursuant to §23-66(h)(1) • Freight distribution and/or moving centers • Gasoline sales pursuant to §23-66(h)(8) • Helicopter landing pads pursuant to §23-66(h)(9) • Indoor kennels • Landscape business • Manufacturing, light • Microbrewery/Brewpub pursuant to §23-66(h)(19) • Mobile home sales lots • Outdoor commercial entertainment

ZONING

Residential Uses	Public and Semi Public Uses	Non-Residential Uses
		pursuant to §23-66(h)(11) <ul style="list-style-type: none"> • Painting/Craft studio with alcohol sales pursuant to §23-66(11) • Parking garages • Recycling collection points pursuant to §23-66(h)(14) • Recycling and waste recovery centers pursuant to §23-66(h)(13) • Research laboratories or testing facilities • Restaurants with alcohol pursuant to §23-66(h)(6) • Sexually-oriented establishments pursuant to Article XII • Shelter facility • Tasting rooms pursuant to §23-66(H)(19, 20, 21, or 21) • Towers or antennas for wireless telecommunication services, pursuant to Article XIII. • Wholesale facilities • Winery pursuant to §23-66(h)(21)

(f) **Site plan.** Prior to obtaining a building permit on any land in the C-2 district, a site plan shall be required in accordance with §23-570, Site plan review and approval.

(g) **Parking, loading, and landscape standards.** Off-street parking and loading requirements are set forth in §23-172, Off-street parking and loading standards. Landscaping requirements are set forth in §23-601, Landscaping and screening standards.

(h) **Development standards.** The space limits applicable in the C-2 district are as follows:

- (1) **Minimum lot area.** Fourteen thousand (14,000) square feet.
- (2) **Maximum lot coverage.** Seventy-five percent (75%).
- (3) **Minimum lot width.** Sixty (60) feet.
- (4) **Minimum front yard.** Ten (10) feet.
- (5) **Minimum rear yard.** Twenty (20) feet.
- (6) **Minimum side yard.**
 - a. None.
 - b. Ten (10) feet if abutting a residentially zoned district.

(7) **Maximum building height.** Thirty-five (35) feet (See §23-113 (e)).

(Ord 121-05, §1, 10-25-05; Ord 100-08, §1, 5-27-08; Ord 139-08, §1, 10-7-08; Ord 156-08, §1, 10-7-08; Ord 206-11, §1, 9-27-11; Ord 207-11, §1, 9-27-11; Ord 58-12, §1, 6-6-12; Ord 72-13, §1, 8-13-13; Ord 41-20, §1, 3-24-20; Ord 42-20, §1, 3-24-20)

Sec. 23-114. CBD central business district.

(a) **Purpose.** This district is intended to provide a centrally located and readily accessible area that offers a wide variety of retail, service, financial, entertainment, governmental, and residential uses. A broad range of uses is permitted to reflect downtown’s role as a commercial, cultural and government center. Development is intended to be intense with

ARTICLE VIII. OVERLAY DISTRICTS

Sec. 23-150. Overlay districts purpose.

The Appleton overlay districts are intended to provide supplemental regulations or standards pertaining to specific areas of the City, wherever these are located, in addition to, but not necessarily more restrictive than the “base” or underlying zoning district regulations applicable within a designated area. Whenever there is a conflict between the regulations of a base zoning district and those of an overlay district, the overlay district regulations shall supercede the base district regulations.

Sec. 23-151. PD planned development overlay district.

(a) *Purpose.* The purpose of this district is to encourage innovative design and a mix of uses in areas of Appleton where such development could positively contribute to the physical appearance and function of land and development.

(b) *Designation of planned development overlay district.* The PD overlay district shall be designated by the Common Council pursuant to the provisions of §23-65, Zoning amendments, and shall be shown as an overlay to the underlying districts by the designation of PD on the City of Appleton Official Zoning Map.

In determining the proper location for such an overlay within the City, the City shall consider that these provisions are intended to accommodate developments that involve one (1) or more uses that may be located in one (1) or more zoning districts and provide the following:

- (1) That the application of this overlay district would provide a choice in the type of environment available to the public by allowing development that would not be possible under the strict application of other sections of this chapter.
- (2) That the application of this PD overlay district would encourage development and/or permanent reservation of open space, recreational areas and facilities.
- (3) That the application of this PD overlay district would accommodate a land use plan that permits preservation of green space, natural vegetation, topographic and geologic features and historic resources.
- (4) That the application of this PD overlay district would allow a creative approach to the use of land and related physical facilities which results in better urban design, higher quality construction and the provision of aesthetic amenities.
- (5) That the application of this PD overlay district would allow the efficient use of land, so as to promote economies in the provision of utilities, streets, schools, public grounds and buildings and other facilities.
- (6) That the application of this PD overlay district would allow innovations in development so that the needs and demands of the population may be met by a greater variety in type, design and layout of buildings, and by conservation and more efficient use of open space ancillary to said buildings, all in a manner so as to be consistent with the character of the zoning district over which the PD overlay district is to be located.
- (7) That the application of this PD overlay district would allow a land use which promotes the public health, safety, comfort, morals and welfare.

(c) *Minimum size of district.* No district shall be established unless it contains the minimum area specified in this section and has at least two hundred (200) feet of frontage or City approved private road access.

- (1) The minimum gross area required for a PD overlay district is as follows:
 - a. Two (2) acres where the overlay is placed upon base, single-family residential districts.
 - b. Two (2) acres where the overlay is placed upon base, multi-family residential districts.
 - c. One (1) acre where the overlay is placed upon base, nonresidential districts.

ZONING

- (2) Applications for a PD overlay district on sites containing less than the required acreage listed above, but not less than the underlying zoning district requirements, may be approved upon proof by the owner that the development is in the public interest and that one (1) or more of the following conditions exist:
 - a. The property contains steep topography or other unusual physical features which necessitates substantial deviation from the regulations otherwise applicable, in order to ensure a safe, efficient and attractive development.
 - b. The property is adjacent to an existing PD overlay district and will contribute to the maintenance of amenities and values of the neighboring district.
 - c. The proposal involves the redevelopment of an existing area or makes use of an infill site that could not be reasonably developed under conventional zoning requirements.
 - d. The property lends itself to creative design that will enhance quality of life in the proposed development.

(d) **Designation of permanent common open space.** No Development Plan for a PD overlay district shall be approved, unless the plan provides for permanent, landscaped, open space equivalent to the following by type of PD overlay district:

<i>Percent of gross acreage</i>	
a. Planned residential development	35%
b. Planned commercial development	10%
c. Planned office development	25%
d. Planned mixed development	30%

- (1) Open space may either be passive or active in nature and shall fully complement the proposed development. Such open space may take the form of required yards, parks, playgrounds, landscaped green space, nature walks and natural areas.
- (2) Land donated for any public purpose, which is accepted by the City, may be credited towards the open space requirement at the discretion of the Common Council.
- (3) Where a planned development is to be developed in phases, a portion of the required open space shall be provided in each phase. Maintenance of the open space shall be provided for in the planned development's restrictive covenants and/or the Implementation Plan Document (IPD) recorded as part of the project.
- (4) Open space shall be either adjacent to, or readily accessible by, all properties within the PD overlay district. Furthermore, open space shall be situated in such a way that it may be linked up with other open spaces adjacent to the proposed PD overlay district.

(e) **Area, height and yard requirements.** Lot area, width, building height, yard, density and similar requirements shall be provided in accordance with the underlying zoning district unless based upon performance standards specific to the proposed uses or structures as they relate to the total concept of the PD overlay district as identified in §23-151(m), Procedure for approval of a Development Plan within the district, of this section.

(f) **Density, height, yard and other regulation exceptions.** In the case of any PD overly district, the Plan Commission may recommend and the Common Council may authorize, exceptions to the applicable bulk, height, yard and other regulations of this chapter within the boundaries of such PD overly district, provided that the Plan Commission shall find that such exception shall be for the purpose of promoting an integrated Development Plan as beneficial to the tenants or occupants of such development, as well as the neighboring properties, than would be obtained under the bulk regulations of this chapter for buildings developed on separate zoning lots.

(g) **Principal permitted uses.**

- (1) Uses listed as permitted in the underlying zoning district(s).

APPLETON CODE

- (2) Uses as approved or as recommended by the Plan Commission and Common Council as identified in §23-151(h), Use regulation exceptions.
- (3) Uses listed as special uses in the underlying zoning district(s) may be listed as permitted uses in the PD overlay district and shall be reviewed and approved, approved with conditions or denied as a part of the PD overlay district process.

(h) **Use regulation exceptions.** The Plan Commission may recommend and the Common Council may authorize that there will be allowed in part of the area of a proposed PD overlay district, specified uses not permitted by the use regulations of the underlying zoning districts in which the development is located, provided that the Plan Commission shall find:

- (1) That the uses permitted by such exception are necessary or desirable and are appropriate with respect to the primary purpose and character of the PD overlay district.
- (2) That the uses permitted by such exception are not of such nature or so located as to exercise a detrimental influence on the neighborhoods surrounding the PD overlay district, or upon the internal character of any part of, or all of the PD overlay district, itself.
- (3) That the use exceptions so allowed are listed in the Implementation Plan Document (IPD), of which a recorded copy of the Implementation Plan Document (IPD), shall be filed in the office of the Community and Economic Development Director.
- (4) That any excepted use which is listed as a special use in any district, unless such use is permitted as of right in the underlying zoning district, shall require a two-thirds (2/3) vote of the Common Council.

(i) **Other uses.**

- (1) **Accessory uses.** Uses listed as accessory uses in the underlying zoning district(s) are permitted as of right in the PD overlay district.
- (2) **Temporary uses and structures.** Uses listed as temporary uses and structures in the underlying district(s) may be permitted in the PD overlay district.

(j) **Signs.** Sign regulations applicable in the PD overlay district are set forth in Article XIV, Signs.

(k) **Outdoor lighting, parking and landscape standards.** All standards of the following apply: outdoor lighting requirements as set forth in §23-53, Outdoor lighting. Off-street parking and loading requirements are set forth in §23-172, Off-street parking and loading standards. Landscaping requirements are set forth in §23-601, Landscaping and screening standards.

(l) **Period of validity and expiration of plans.** A PD overlay district designation remains on PD parcels even if there is no approved Development Plan and/or Implementation Plan Document (IPD), or if the Development Plan and Implementation Plan Document (IPD) has expired or the Development Plan and Implementation Plan Document (IPD), has been made invalid. Any future development requires a submittal of a Development Plan and Implementation Plan Document (IPD) and its approval or a request to rezone the property.

- (1) Once a Development Plan and/or Implementation Plan Document (IPD) has expired for any portion of the planned development overlay district, no development shall occur within the expired portions of the planned district until:
 - a. A new Development Plan and Implementation Plan Document (IPD) is resubmitted and is recommended for approval by the Plan Commission and approved by Common Council; and
- (2) A one (1) year extension of an approved Development Plan and Implementation Plan Document (IPD) may be granted by Common Council for good cause shown by the applicant.

ZONING

(m) ***Procedure for approval of a Development Plan within the district.*** No development shall be permitted within this district unless it is submitted, reviewed and approved subject to the following procedures:

All required improvements, construction standards, design standards and all other engineering standards contained within the Municipal Code shall be complied with, except where specifically varied through the provisions of this section of the chapter.

Applications shall be made on forms provided by the City and shall be accompanied by the required plans and documents. The application and all requirements shall be reviewed for completeness by the Community and Economic Development Director. The steps in the procedure are as follows:

(1) ***Step 1. Pre-application conference.***

- a. The purpose of the pre-application conference is to provide two-way communication between the applicant, the Community and Economic Development Director and City staff regarding the legal, planning, engineering and storm water management aspects of the potential development. Accordingly, the applicant shall submit conceptual plans and other pertinent information to the Community and Economic Development Director for review and discussion by other city departments prior to submittal of a PD overlay district application, Development Plan(s) and other supporting information, and the Implementation Plan Document (IPD). The conceptual plan shall include the entire area of the intended PD, even if the PD overlay district is to be developed in phases.
- b. A pre-application conference review shall consider: success in achieving the purposes of the PD overlay district ordinances; adequacy of public and private services and facilities; ability to conform with all applicable codes and ordinances; utilization of commonly accepted principles of good site planning; and consistency with the comprehensive plan.
- c. Submittal requirements for the PD overlay district application, Development Plan(s) and other supporting information, and the Implementation Plan Document (IPD) will be reviewed as part of the pre-application conference. A submittal item may be waived as part of this review if determined as not needed, already known or needed at a future review process.
- d. The aforementioned requirements may be waived at the discretion of the Community and Economic Development Director.

(2) ***Step 2. Application, Development Plan and Implementation Plan Document (IPD).*** The Development Plan, complete application and fee, and Implementation Plan Document (IPD) for the PD overlay district shall be submitted by the applicant to the Community and Economic Development Director who, after determining the application to be complete, will file the Development Plan, complete application and fee and Implementation Plan Document (IPD) for the PD overlay district. The application and fee shall be filed with the City Clerk and the application, Development Plan(s) and other supporting information, and the Implementation Plan Document (IPD) will be forwarded to the Plan Commission for their consideration, informal hearing, and recommendation.

The required procedure for consideration and approval of the PD overlay district shall be:

- a. **Submission of materials.** The applicant shall prepare and submit the following plans and documents:
 1. All information listed in §23-151(n), Specific contents of Development Plans.
 2. Written application and application fee for approval of a PD overlay district to be made on forms and in the manner prescribed by the City.
 3. A completed copy of the Implementation Plan Document (IPD) as prescribed by the City shall be submitted to the Community and Economic Development Director on a diskette or by electronic mail. The Implementation Plan Document (IPD) functions to inform all whom deal with the PD overlay district of the restrictions placed upon the land and acts as a customized zoning district control device.

APPLETON CODE

4. A statement of conformity with City's other relevant ordinances along with a list of any requested variations from these ordinances.
- b. **Development Plan and Implementation Plan Document (IPD) review.** The Community and Economic Development Director shall coordinate a review of the Development Plan and Implementation Plan Document (IPD) to include review by all relevant departments and submit written findings and recommendations to the Plan Commission for an informal hearing.
- c. **Informal hearing.** The Plan Commission shall hold an informal hearing on each application for approval of a PD overlay district including the Development Plan and Implementation Plan Document (IPD) in accordance with §23-65(d), Map amendments, of this chapter.
- d. **Plan Commission findings.** Following the informal hearing, the Plan Commission shall make its findings and recommendations and send a written report to the Common Council that shall include findings of fact upon which its recommendations are based. Such findings and recommendations shall include a recommendation for approval, disapproval or approval with modifications. This report to the Common Council must be submitted within thirty (30) days after the last session of the informal hearing of the Plan Commission or the Plan Commission must indicate to the Common Council, in writing, why such report cannot be rendered within that time period.
- e. **Common Council action.** The Common Council shall hold a public hearing and act upon the recommendation within forty-five (45) days after receipt of the Plan Commission's report. The Common Council may approve, approve with modifications, refer back to the Plan Commission, disapprove the plan or provide written explanation to the petitioner on why an extension is required for Common Council action. The time period for action shall be exclusive of any time extensions or continuances requested by the petitioner.
- f. **Period of validity.**
 1. The Development Plan and Implementation Plan Document (IPD), as approved by the Common Council, shall remain valid for a period of one (1) year during which time building permits for a substantial portion of development occurring within the approved first phase of the Development Plan or, if the Development Plan does not consist of development phases, the complete Development Plan must be applied for and received by the applicant. The one (1) year period shall begin on the date the Common Council approves the PD overlay district, Development Plan and Implementation Plan Document (IPD).
 - a. For the purposes of this section, "substantial portion of development" shall mean that at least thirty percent (30%) of the building permits required for the overall project or phase, if in phases, have been approved for and approved.
 2. The Common Council may extend this period upon recommendation of the Plan Commission. If the applicant does not apply for and receive a building permit within one (1) year from the date of Common Council approval of the PD overlay district, Development Plan and Implementation Plan Document (IPD), the Development Plan and Implementation Plan Document (IPD) will constitute abandonment of the PD overlay district and related approvals, and any assumed development rights over that allowed through the underlying zoning district and shall be subject to the regulations in §23-151(l), Proof of validity and expiration of plans, of this chapter.
- g. **Recording of Development Plan and Implementation Plan Document (IPD).**
 1. The applicant shall file the Development Plan and Implementation Plan Document (IPD), signed by all parties in the Register of Deeds Office of the jurisdictional county within thirty (30) days from the date of Common Council approval of the PD overlay district and shall provide the Community and Economic Development Director a recorded copy of the Development Plan and Implementation Plan Document (IPD). This constitutes approval of the Development Plan and Implementation Plan Document (IPD), conditions applied, modifications, and any density premiums that may be granted

ZONING

and exceptions, if any, to the plan shown in the application that were ordered by the Common Council.

2. No permit allowing construction of a building or other development, shall take place until the required recording of the Development Plan and Implementation Plan Document (IPD) and the posting by the applicant of the required improvement deposits and relevant City fees unless permitted by the Community and Economic Development Director. The applicant shall pay all recording costs.

(n) ***Specific content of Development Plans.*** PD overlay district Development Plans and supporting data shall include all documentation listed in this section of the zoning ordinance. In developing plans and specifications for all required improvements, the applicant must also conform to the standards set forth in applicable sections of the Municipal Code.

- (1) ***Development plan set.*** The applicant shall provide a complete set of development plans, a digital file of the Development Plan, a PD overlay district rezoning or PD overlay district amendment application and the appropriate fee as established by the Common Council.

- a. **A topographic survey and location map.**

- b. **Detailed plan.** A drawing of the Development Plan shall be prepared at a scale not less than one (1) inch equals one hundred (100) feet, or as considered appropriate by the Community and Economic Development Director, and shall show such designations as proposed streets, lots, all buildings, showing their setback dimensions to lot lines and their use, common open space, recreation facilities, parking areas, showing their setback dimensions to lot lines, service areas and other facilities to indicate the character of the proposed development. Provide note(s) identifying the lot coverage percentage of impervious surface coverage and the percentage of permanent common open space within the PD.

The submission may be composed of one (1) or more sheets and drawings and shall include:

1. Boundary lines. Bearings, distances and acreage.
2. Easements. Location, width and purpose.
3. Existing land use. On PD property and up to one hundred fifty (150) feet on adjacent lots.
4. Other conditions on adjoining land, such as actual direction and gradient of ground slope, including any embankments or retaining walls; character and location of major buildings, railroads, power lines, towers and other nearby non-residential land uses or adverse influences; for owners of adjoining platted land refer to subdivision plat by name, recording date and number and show approximate percent built up, typical lot size and dwelling type.
5. Zoning on and adjacent to the tract.
6. Streets on and adjacent to the tract, such as street name, right-of-way width, existing or proposed centerline elevations pavement type, walks, curbs, gutters, culverts, etc.
7. General location, purpose and height of each residential and non-residential building.
8. Map data. Name of development, north arrow, scale and date of preparation.
9. An accurate legal description of the entire area within the PD.

The following subsections 10 through 22 may be waived by the Community and Economic Development Director:

10. Proposed public improvements. Such as highways and other major improvements planned by public authorities for future construction on or near the tract.
11. Utilities on and adjacent to the tract. Such as location, size and invert elevation of sanitary and storm sewers; location and size of water mains; location of gas lines, fire hydrants, electric and telephone

ADDENDUM C
Appraiser Qualifications

ERIC J. KAWSKI, MAI

EMPLOYMENT:

- Shareholder/Commercial Appraiser, Alliance Appraisal Group, Ltd, Appleton WI (2014-present)
- Commercial Appraiser, L.A. Duesterbeck & Associates, Appleton WI (2010-2014)
- Residential/Commercial Appraiser, Appraisal Services, Stevens Point WI (2005-2010)

EXPERIENCE:

- Commercial real estate appraiser and consultant since 2005
- Possesses significant expertise and experience in analysis, valuation, and consulting regarding all property types, including office, retail, industrial, multi-unit, land, land developments, and special use properties such as, but not limited to, elderly housing and mobile home parks
- Major recent assignments include large-scale industrial buildings, shopping centers, and multi-property portfolios

EDUCATION:

Graduate of University of Wisconsin – Stevens Point (2008)

Bachelor of Science with a major in Business Administration and a minor in Accounting

Successfully completed the following appraisal courses:

- Basic Appraisal Principles
- Basic Appraisal Procedures
- Residential Sales Comparison and Income Approach
- Residential Market Analysis & Highest and Best Use
- Residential Site Valuation and Cost Approach
- Residential Report Writing and Case Studies
- General Appraiser Market Analysis and Highest & Best Use
- General Appraiser Sales Comparison Approach
- General Appraiser Site Valuation & Cost Approach
- General Appraiser Report Writing & Case Studies
- General Appraiser Income Approach Part I
- General Appraiser Income Approach Part II
- Advanced Income Capitalization
- Advanced Concepts & Case Studies
- Advanced Market Analysis and Highest & Best Use
- Real Estate Finance Statistics and Valuation Modeling
- Marketability Studies: Advanced Considerations and Applications
- Business Practices and Ethics
- 15-Hour National USPAP

AFFILIATIONS/PROFESSIONAL DESIGNATIONS:

- Wisconsin Certified General Appraiser #1947
- MAI professional designation, awarded 2017 by the Appraisal Institute

ADDENDUM D
Appraiser License

The State of Wisconsin Department of Safety and Professional Services

Hereby certifies that

ERIC J KAWSKI

was granted a certificate to practice as a

**CERTIFIED GENERAL APPRAISER ELIGIBLE TO APPRAISE FEDERALLY
RELATED TRANSACTIONS IS AQB COMPLIANT**

in the State of Wisconsin in accordance with Wisconsin Law

on the 22nd day of May in the year 2013.

The authority granted herein must be renewed each biennium by the granting authority.

In witness thereof, the State of Wisconsin

Department of Safety and Professional Services

has caused this certificate to be issued under

its official seal.



David B. L...
Secretary

This certificate was printed on the 19th day of November in the year 2021