

APPRAISAL OF



LOCATED AT:

XXX 14th St.  
Washburn, WI 54891

FOR:

City of Washburn  
119 Washington Ave  
Washburn, WI 54891

BORROWER:

City of Washburn

AS OF:

April 16, 2010

BY:

Pamela Anttila

LAND APPRAISAL REPORT

File No. 10095

SUBJECT	Property Address <b>XXX 14th St.</b>	Census Tract <b>9603.00</b>	LENDER DISCRETIONARY USE
	City <b>Washburn</b> County <b>Bayfield</b> State <b>WI</b> Zip Code <b>54891</b>	Sale Price \$ _____	
	Legal Description <b>Lot 1 located in the SE1/4 of the NW1/4 of Section 32, T49N, R4W</b>	Date _____	
	Owner/Occupant <b>City of Washburn</b> Map Reference _____	Mortgage Amount \$ _____	
	Sale Price \$ <b>N/A</b> Date of Sale <b>N/A</b>	Mortgage Type _____	
	Loan charges/concessions to be paid by seller \$ _____	Discount Points and Other Concessions _____	
R.E. Taxes \$ <b>TBD</b> Tax Year <b>2010</b> HOA \$/Mo. _____	Paid by Seller \$ _____		
Lender/Client <b>City of Washburn</b>	Source _____		
<b>119 Washington Ave, Washburn, WI 54891</b>			

NEIGHBORHOOD	LOCATION <input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban <input type="checkbox"/> Rural	NEIGHBORHOOD ANALYSIS				
	BUILT UP <input type="checkbox"/> Over 75% <input checked="" type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%	Employment Stability	Good	Avg.	Fair	Poor
	GROWTH RATE <input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow	Convenience to Employment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	PROPERTY VALUES <input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining	Convenience to Shopping	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	DEMAND/SUPPLY <input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Over Supply	Convenience to Schools	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	MARKETING TIME <input type="checkbox"/> Under 3 Mos. <input checked="" type="checkbox"/> 3-6 Mos. <input type="checkbox"/> Over 6 Mos.	Adequacy of Public Transportation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	PRESENT LAND USE %	RECREATION FACILITIES	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Single Family <b>67%</b> Not Likely <input checked="" type="checkbox"/>	Adequacy of Facilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	2-4 Family <b>2%</b> Likely <input type="checkbox"/>	Property Compatibility	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Multi-Family _____ In process <input type="checkbox"/>	Protection from Detrimental Cond.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Note: Race or the racial composition of the neighborhood are not considered reliable appraisal factors. COMMENTS: See Attached

SITE	Dimensions <b>Irregular</b>	Topography <b>Basically Level</b>
	Site Area <b>1.52 acres</b> Corner Lot <b>No</b>	Size <b>Typical for Area</b>
	Zoning Classification <b>Residential</b> Zoning Compliance <b>Yes</b>	Shape <b>Irregular</b>
	HIGHEST & BEST USE: Present Use <b>Vacant land</b> Other Use <b>Building site</b>	Drainage <b>Appears Adequate</b>
	UTILITIES Public Other	View <b>Wooded</b>
	Electricity <input checked="" type="checkbox"/> _____	Landscaping <b>Natural</b>
	Gas <input type="checkbox"/> _____	Driveway <b>None</b>
	Water <input type="checkbox"/> _____	Apparent Easements <b>None known</b>
	Sanitary Sewer <input type="checkbox"/> _____	FEMA Flood Hazard Yes* _____ No <input checked="" type="checkbox"/>
	Storm Sewer <input type="checkbox"/> _____	FEMA* Map/Zone <b>X 5500019 0005 11/2/95</b>

Comments: (Apparent adverse easements, encroachments, special assessments, slide areas, etc.): See attached

The undersigned has recited three recent sales of properties most similar and proximate to subject and has considered these in the market analysis. The description includes a dollar adjustment, reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to, or more favorable than, the subject property, a minus (-) adjustment is made, thus reducing the indicated value of subject; if a significant item in the comparable is inferior to, or less favorable than, the subject property, a plus (+) adjustment is made, thus increasing the indicated value of the subject.

ITEM	SUBJECT	COMPARABLE NO. 1		COMPARABLE NO. 2		COMPARABLE NO. 3	
Address	XXX 14th St. Washburn	000 Chequamegon Heights Rd. Washburn, WI		TBD E 6th St. Washburn, WI		000 City Heights Rd. Ashland, WI	
Proximity to Subject		2.46 miles SSW		5.88 miles WNW		7.93 miles S	
Sales Price	\$ N/A	\$ 23,500		\$ 32,000		\$ 35,000	
Price/	\$ <input checked="" type="checkbox"/>	\$ <input checked="" type="checkbox"/>		\$ <input checked="" type="checkbox"/>		\$ <input checked="" type="checkbox"/>	
Data Source		MLS Data/DOM 659		MLS Data/DOM 217		MLS Data/DOM 237	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-)\$ Adjustment	DESCRIPTION	+(-)\$ Adjustment	DESCRIPTION	+(-)\$ Adjustment
Sales or Financing Concessions		None		None		None	
Date of Sale/Time		4/22/2010		11/27/2009		5/1/2009	
Location	Suburban	Suburban		Suburban		Suburban-Ashland -5,000	
Site/View	1.52A/Wds/res	5.17 acres/woods		.58 acres/wds/res		1.04 acres/wds	
				city water/sewer -5,000			
Net Adj. (total)		<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ 0	<input type="checkbox"/> + <input checked="" type="checkbox"/> -	\$ 5,000	<input type="checkbox"/> + <input checked="" type="checkbox"/> -	\$ 5,000
Indicated Value of Subject		Gross: 0.0		Gross: 0.0		Gross: 0.0	
		Net: 0.0	\$ 23,500	Net: 0.0	\$ 27,000	Net: 0.0	\$ 30,000

Comments of Sales Comparison: Sales data would suggest a value range of \$23,500 to \$30,000 with a mean of \$26,833 (say) \$26,000. Sales data is equally weighted across the data set and would reasonably support a final opinion of value of \$26,000.

Comments and Conditions of Appraisal: This appraisal is based on the extraordinary assumption that the site will be recorded as shown on map attached.

Final Reconciliation: As per sales comparison approach. Cost approach not applicable to vacant land. The subject is not an income producing property therefore the income approach is not applicable.

I (WE) ESTIMATE THE MARKET VALUE, AS DEFINED, OF THE SUBJECT PROPERTY AS OF April 16, 2010 to be \$ 26,000

I (We) certify: that to the best of my (our) knowledge and belief, the facts and data used herein are true and correct; that I (we) personally inspected the subject property and inspected all comparable sales cited in this report; and that I (we) have no undisclosed interest, present or prospective therein.

Appraiser(s) Pamela Anttila Review Appraiser \_\_\_\_\_  Did  Did Not Inspect Property

ADDENDUM

Borrower: City of Washburn

File No.: 10095

Property Address: XXX 14th St.

Case No.:

City: Washburn

State: WI

Zip: 54891

Lender: City of Washburn

SCOPE OF WORK

The scope of this appraisal is intended to summarize the extent of the process used to collect, confirm and communicate data that is the basis of my value opinion. I personally inspected the vacant land of the subject property on the effective date indicated in the appraisal. The site value estimates of the subject and comparables utilized herein were based upon one of more of the following methods: comparable land sales, extraction, or the allocation method. In the case of this analysis the income approach to value will not be used as it is not an income producing property. The market approach to value is judged to most accurately reflect true market reactions and expectations and is, therefore, given the most weight as a value indication. I believe my analysis of the subject's value was thorough and complete, however, this appraisal is by no means an exhaustive market study of the subject property. This appraisal is intended to meet the requirements of the Uniform Standards of Professional Appraisal Practice.

**Neighborhood Comments**

The subject is located in the small town of Washburn, WI located along the south shore of Lake Superior, in an average residential neighborhood. Washburn is located approximately 10 miles from the city of Ashland, WI which is the areas commercial and employment center. Surrounding properties are average to well maintained homes that project average to good curb appeal. Employment stability, available support facilities, and overall appeal are considered average in comparison to similar rural residential neighborhoods. Historically homes in this neighborhood have enjoyed average to good marketability.

**Site Comments**

The subject site consists of a fairly typical rural residential site in terms of size and appeal. Views in all directions are of similar residential properties, wooded areas, or typical street scenes. The surface drainage appears adequate, as the site is slightly above grade and slopes gently away from the improvements. The landscaping is natural and there are no readily apparent adverse easements or encroachments. Private wells and septic system would be needed to serve this site which are average and accepted in the local market and do not adversely affect the future marketability of the subject property.

**Comments on Sales Comparison**

The comparable sales selected were from similar rural, residential, neighborhoods, and were in the closest proximity known to the appraiser. Comparable #2 offers municipal utilities and was adjusted accordingly. Comparable #3 is located in the neighboring commercial and employment center of Ashland, WI therefore a location adjustment was made. These are the most recent vacant sales of similar sites in the local market. These comparables would reasonably compete with the subject dwelling if all were offered on the open market at the same time, all offering similar quality, appeal and locations.

**DEFINITION OF MARKET VALUE:** The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, 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 each acting in what he considers his own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions\* granted by anyone associated with the sale.

\*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the Appraiser's judgment.

#### STATEMENT OF LIMITING CONDITIONS AND APPRAISER'S CERTIFICATION

**CONTINGENT AND LIMITING CONDITIONS:** The appraiser's certification that appears in the appraisal report is subject to the following conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.
2. The appraiser has provided a sketch in the appraisal report to show approximate dimensions of the improvements and the sketch is included only to assist the reader of the report in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.
5. The appraiser has estimated the value of the land in the cost approach at its highest and best use and the improvements at their contributory value. These separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are invalid if they are so used.
6. The appraiser has noted in the appraisal report any adverse conditions (such as, needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc. ) observed during the inspection of the subject property or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous wastes, toxic substances, etc. ) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.
7. The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
8. The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice.
9. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that completion of the improvements will be performed in a workmanlike manner.
10. The appraiser must provide his or her prior written consent before the lender/client specified in the appraisal report can distribute the appraisal report (including conclusions about the property value, the appraiser's identity and professional designations, and references to any professional appraisal organizations or the firm with which the appraiser is associated ) to anyone other than the borrower; the mortgagee or its successors and assigns; the mortgage insurer; consultants; professional appraisal organizations; any state or federally approved financial institution; or any department, agency, or instrumentality of the United States or any state or the District of Columbia; except that the lender/client may distribute the property description section of the report only to data collection or reporting service(s) without having to obtain the appraiser's prior written consent. The appraiser's written consent and approval must also be obtained before the appraisal can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.

APPRAISERS CERTIFICATION: The Appraiser certifies and agrees that:

1. I have researched the subject market area and have selected a minimum of three recent sales of properties most similar and proximate to the subject property for consideration in the sales comparison analysis and have made a dollar adjustment when appropriate to reflect the market reaction to those items of significant variation. If a significant item in a comparable property is superior to , or more favorable than, the subject property, I have made a negative adjustment to reduce the adjusted sales price of the comparable and, if a significant item in a comparable property is inferior to, or less favorable than the subject property, I have made a positive adjustment to increase the adjusted sales price of the comparable.
2. I have taken into consideration the factors that have an impact on value in my development of the estimate of market value in the appraisal report. I have not knowingly withheld any significant information from the appraisal report and I believe, to the best of my knowledge, that all statements and information in the appraisal report are true and correct.
3. I stated in the appraisal report only my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the contingent and Limiting Conditions specified in this form.
4. I have no present or prospective interest in the property that is the subject to this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or the estimate of market value in the appraisal report on the race, color, religion, sex, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property.
5. I have no present or contemplated future interest in the subject property, and neither my current or future employment nor my compensation for performing this appraisal is contingent on the appraised value of the property.
6. I was not required to report a predetermined value or direction in value that favors the cause of the client or any related party, the amount of the value estimate, the attainment of a specific result, or the occurrence of a subsequent event in order to receive my compensation and/or employment for performing the appraisal. I did not base the appraisal report on a requested minimum valuation, a specific valuation, or the need to approve a specific mortgage loan.
7. I performed this appraisal in conformity with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place as of the effective date of this appraisal, with the exception of the departure provision of those Standards, which does not apply. I acknowledge that an estimate of a reasonable time for exposure in the open market is a condition in the definition of market value and the estimate I developed is consistent with the marketing time noted in the neighborhood section of this report, unless I have otherwise stated in the reconciliation section.
8. I have personally inspected the subject property and the exterior of all properties listed as comparables in the appraisal report. I further certify that I have noted any apparent or known adverse conditions in the subject improvements, on the subject site, or on any site within the immediate vicinity of the subject property of which I am aware and have made adjustments for these adverse conditions in my analysis of the property value to the extent that I had market evidence to support them. I have also commented about the effect of the adverse conditions on the marketability of the subject property.
9. I personally prepared all conclusions and opinions about the real estate that were set forth in the appraisal report. If I relied on significant professional assistance from any individual or individuals in the performance of the appraisal or the preparation of the appraisal report, I have named such individual(s) and disclosed the specific tasks performed by them in the reconciliation section of this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in the report; therefore, if an unauthorized change is made to the appraisal report, I will take no responsibility for it.

SUPERVISORY APPRAISER'S CERTIFICATION: If a supervisory appraiser signed the appraisal report, he or she certifies and agrees that: I directly supervise the appraiser who prepared the appraisal report, have reviewed the appraisal report, agree with the statements and conclusions of the appraiser, agree to be bound by the appraiser's certifications numbered 4 through 7 above, and am taking full responsibility for the appraisal and the appraisal report.

ADDRESS OF PROPERTY APPRAISED: XXX 14th St., Washburn, WI, 54891

APPRAISER:

SUPERVISORY APPRAISER (only if required)

Signature:   
 Name: Pamela Anttila  
 Date Signed: 05/08/2010  
 State Certification #: 1439-009  
 or State License #: \_\_\_\_\_  
 State: WI  
 Expiration Date of Certification or License: 12/14/2011

Signature: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Date Signed: \_\_\_\_\_  
 State Certification #: \_\_\_\_\_  
 or State License #: \_\_\_\_\_  
 State: \_\_\_\_\_  
 Expiration Date of Certification or License: \_\_\_\_\_

Did  Did Not Inspect Property

SUBJECT PROPERTY PHOTO ADDENDUM

Borrower: City of Washburn	File No.: 10095	
Property Address: XXX 14th St.	Case No.:	
City: Washburn	State: WI	Zip: 54891
Lender: City of Washburn		



FRONT VIEW OF  
SUBJECT PROPERTY

Appraised Date: April 16, 2010  
Appraised Value: \$ 26,000



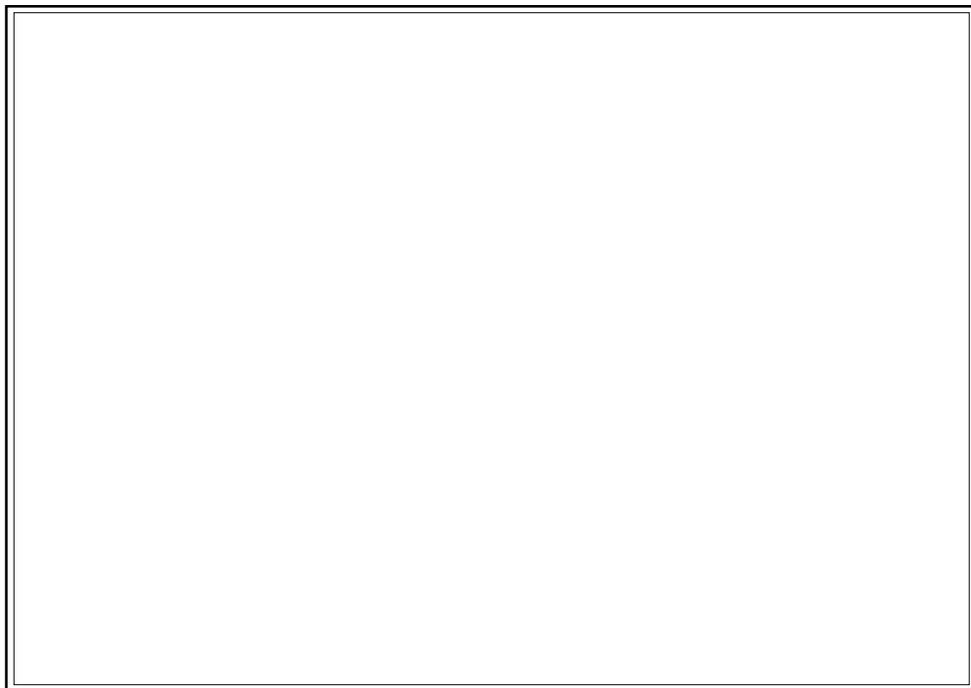
REAR VIEW OF  
SUBJECT PROPERTY



STREET SCENE

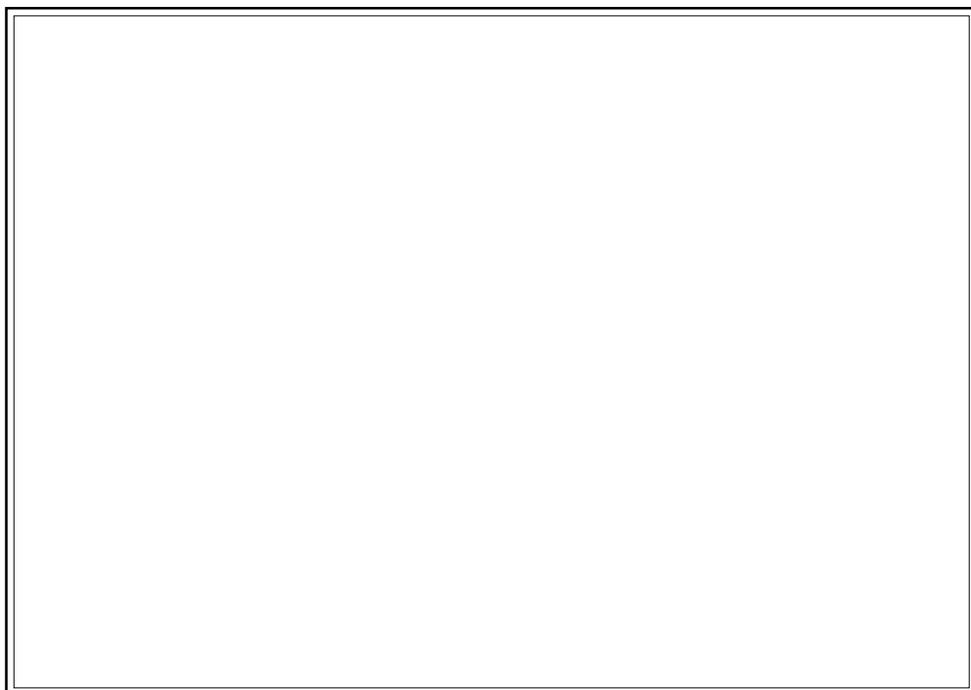
COMPARABLE PROPERTY PHOTO ADDENDUM

Borrower: City of Washburn	File No.: 10095	
Property Address: XXX 14th St.	Case No.:	
City: Washburn	State: WI	Zip: 54891
Lender: City of Washburn		



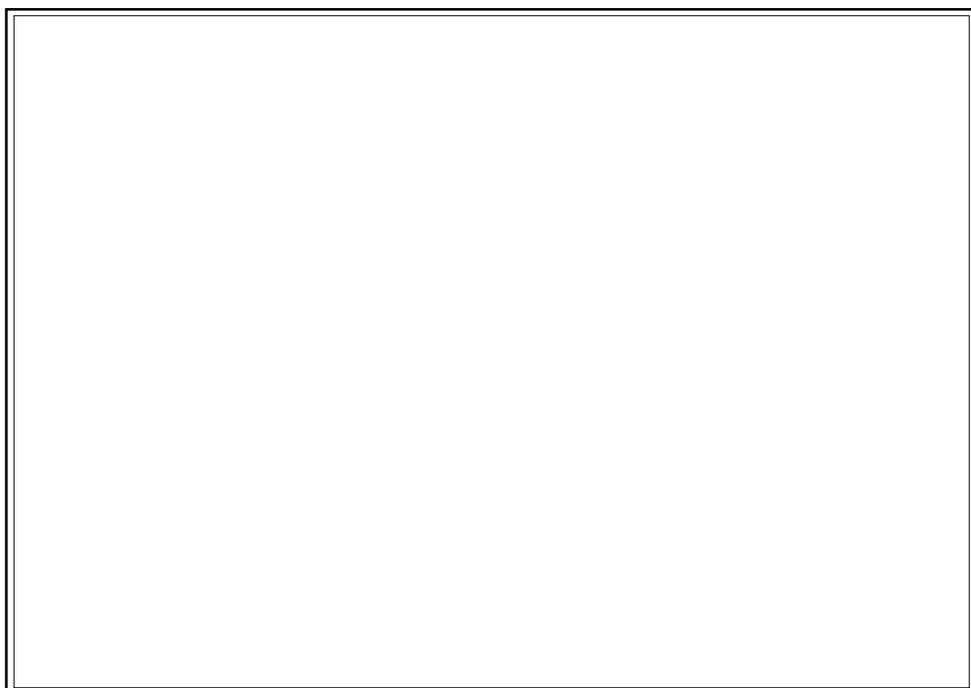
COMPARABLE SALE #1

000 Chequamegon Heights Rd.  
Washburn, WI  
Sale Date: 4/22/2010  
Sale Price: \$ 23,500



COMPARABLE SALE #2

TBD E 6th St.  
Washburn, WI  
Sale Date: 11/27/2009  
Sale Price: \$ 32,000



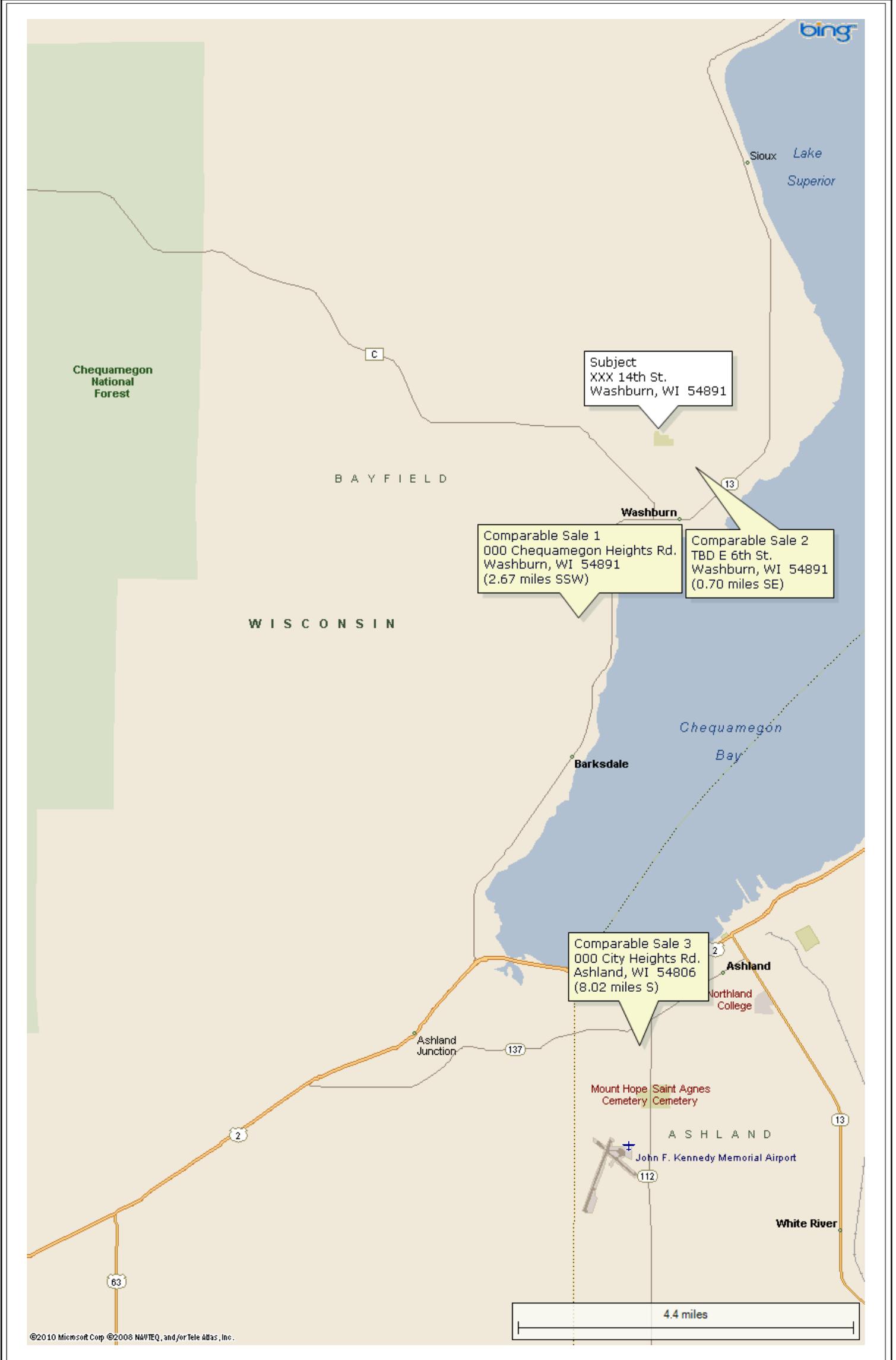
COMPARABLE SALE #3

000 City Heights Rd.  
Ashland, WI  
Sale Date: 5/1/2009  
Sale Price: \$ 35,000

LOCATION MAP

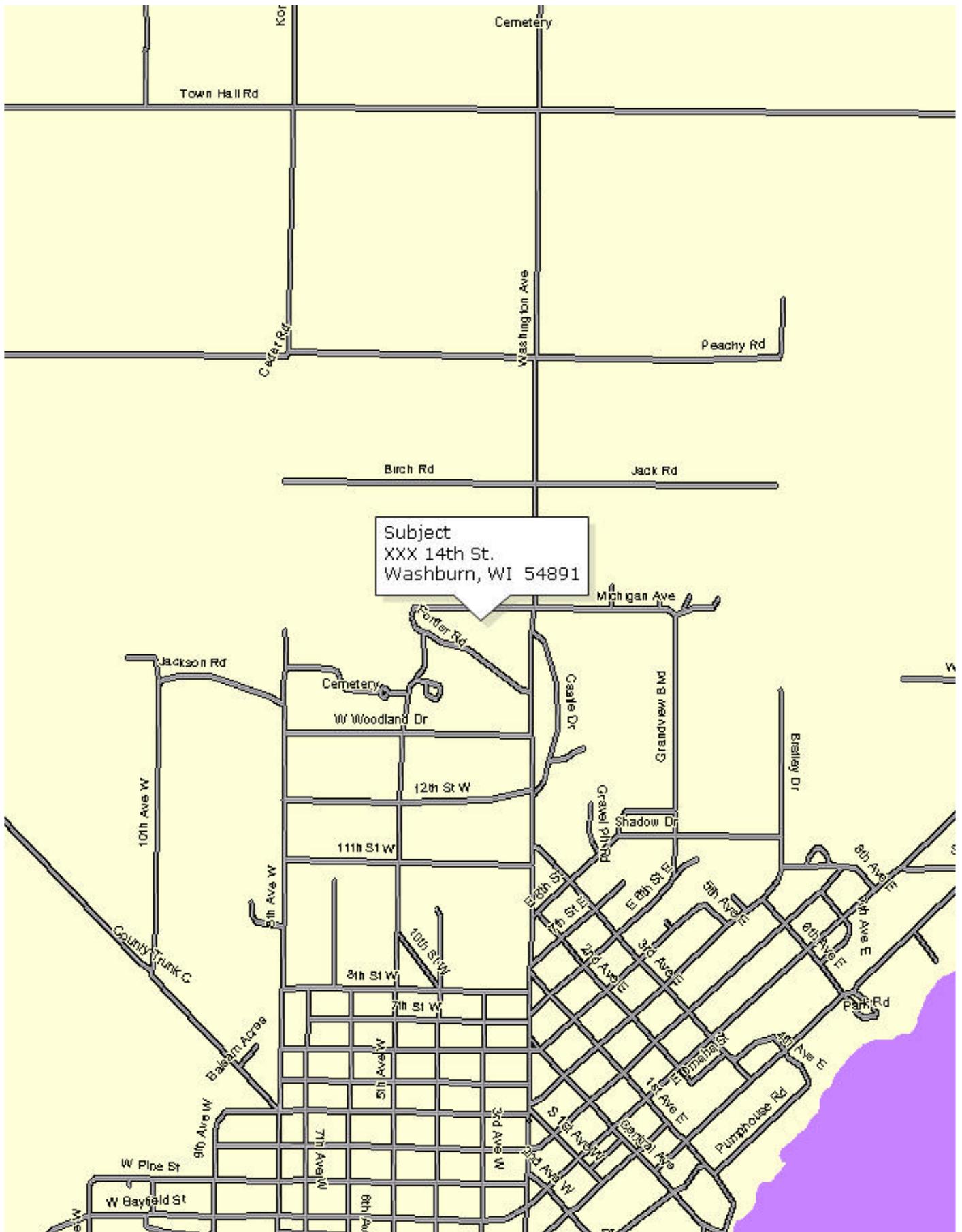
Borrower: City of Washburn  
Property Address: XXX 14th St.  
City: Washburn  
Lender: City of Washburn

File No.: 10095  
Case No.:  
State: WI  
Zip: 54891



Borrower: City of Washburn  
Property Address: XXX 14th St.  
City: Washburn  
Lender: City of Washburn

File No.: 10095  
Case No.:  
State: WI  
Zip: 54891



Subject  
XXX 14th St.  
Washburn, WI 54891

**FloodMap Legend**

- Flood Zones
- Areas inundated by 500-year flooding
  - Areas outside of the 100- and 500-year floodplains
  - Areas inundated by 100-year flooding
  - Areas inundated by 100-year flooding with velocity hazard
  - Floodway areas
  - Floodway areas with velocity hazard
  - Areas of undetermined but possible flood hazards
  - Areas not mapped on any published FIRM

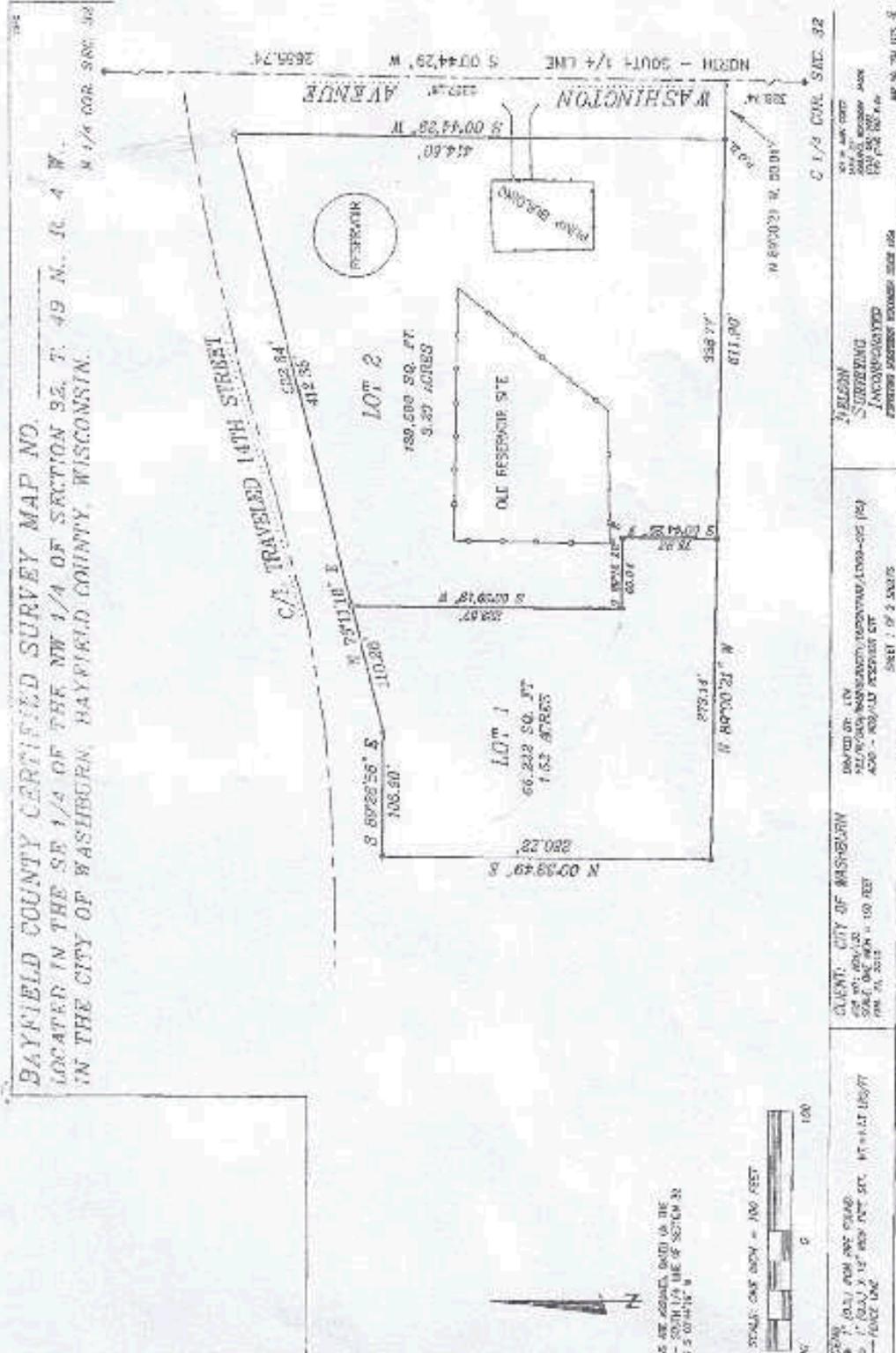
**Flood Information**

Community: 550019 - WASHBURN, CITY OF  
Property is not in a FEMA special flood hazard area.  
Map Number: 550019 0005B      Map Date: 11/02/1995  
Panel: 0005B                      FIPS: 55007  
Zone: X

Neither Transamerica Flood Hazard Certification (TFHC) nor ACI make any representations or warranties to any party concerning the content, accuracy or completeness of this flood report, including any warranty of merchantability or fitness for a particular purpose. Neither TFHC nor ACI nor the seller of this flood report shall have any liability to any third party for any use or misuse of this flood report.

Borrower: City of Washburn  
 Property Address: XXX 14th St.  
 City: Washburn  
 Lender: City of Washburn

File No.: 10095  
 Case No.:  
 State: WI  
 Zip: 54891



# Northern Lights Appraisals

File No. 10095

\*\*\*\*\* INVOICE \*\*\*\*\*

File Number: 10095

City of Washburn  
119 Washington Ave  
Washburn, WI 54891

Borrower : City of Washburn

Invoice # : 10095  
Order Date : 05/07/2010  
Reference/Case # :  
PO Number :

XXX 14th St.  
Washburn, WI 54891

	\$	250.00
	\$	-----
Invoice Total	\$	250.00
State Sales Tax @	\$	0.00
Deposit	(\$	)
Deposit	(\$	)
	-----	
Amount Due	\$	250.00

Terms:

Please Make Check Payable To:

Northern Lights Appraisals  
11936 E. Autio Rd.  
Maple, WI 54854

Fed. I.D. #:

ENVIRONMENTAL ADDENDUM  
APPARENT\* HAZARDOUS SUBSTANCES AND / OR DETRIMENTAL ENVIRONMENTAL CONDITIONS

Case No.  
File No. 10095

Borrower/ Client <u>City of Washburn</u>			
Address: <u>XXX 14th St.</u>			
City: <u>Washburn</u>	County: <u>Bayfield</u>	State: <u>WI</u>	Zip code: <u>54891</u>
Lender <u>City of Washburn</u>			

\*Apparent is defined as that which is visible, obvious, evident or manifest to the appraiser.

This universal Environmental Addendum is for use with any real estate appraisal. Only the statements which have been checked by the appraiser apply to the property being appraised.

This addendum reports the results of the appraiser's routine inspection of and inquiries about the subject property and its surrounding area. It also states what assumptions were made about the existence (or nonexistence) of any hazardous substances and/or detrimental environmental conditions. The appraiser is not an expert environmental inspector and therefore might be unaware of existing hazardous substances and/or detrimental environmental conditions which may have a negative effect on the safety and value of the property. It is possible that tests and inspections made by a qualified environmental inspector would reveal the existence of hazardous materials and/or detrimental environmental conditions on or around the property that would negatively affect its safety and value.

**DRINKING WATER**

- Drinking Water is supplied to the subject from a municipal water supply which is considered safe. However the only way to be absolutely certain that the water meets published standards is to have it tested at all discharge points.
- Drinking Water is supplied by a well or other non-municipal source. It is recommended that tests be made to be certain that the property is supplied with adequate pure water,
- Lead can get into drinking water from its source, the pipes, at all discharge points, plumbing fixtures and/or appliances. The only way to be certain that water does not contain an unacceptable lead level is to have it tested at all discharge points.
- The value estimated in this appraisal is based on the assumption that there is an adequate supply of safe, lead-free Drinking Water.

Comments \_\_\_\_\_

**SANITARY WASTE DISPOSAL**

- Sanitary Waste is removed from the property by a municipal sewer system.
- Sanitary Waste is disposed of by a septic system or other sanitary on site waste disposal system. The only way to determine that the disposal system is adequate and in good working condition is to have it inspected by a qualified inspector.
- The value estimated in this appraisal is based on the assumption that the Sanitary Waste is disposed of by a municipal sewer or an adequate properly permitted alternate treatment system in good condition.

Comments \_\_\_\_\_

**SOIL CONTAMINANTS**

- There are no apparent signs of Soil Contaminants on or near the subject property (except as reported in Comments below). It is possible that research, inspection and testing by a qualified environmental inspector would reveal existing and/or potential hazardous substances and/or detrimental environmental conditions on or around the property that would negatively affect its safety and value.
- The value estimated in this appraisal is based on the assumption that the subject property is free of Soil Contaminants.

Comments \_\_\_\_\_

**ASBESTOS**

- All or part of the improvements were constructed before 1979 when Asbestos was a common building material. The only way to be certain that the property is free of friable and non-friable Asbestos is to have it inspected and tested by a qualified asbestos inspector.
- The improvements were constructed after 1979. No apparent friable Asbestos was observed (except as reported In Comments below).
- The value estimated in this appraisal is based on the assumption that there is no uncontained friable Asbestos or other hazardous material on the property.

Comments \_\_\_\_\_

**PCBs (POLYCHLORINATED BIPHENYLS)**

- There were no apparent leaking fluorescent light ballasts, capacitors or transformers anywhere on or nearby the property (except as reported in Comments below).
- There was no apparent visible or documented evidence known to the appraiser of soil or groundwater contamination from PCBs anywhere on the property (except as reported in Comments below).
- The value estimated in this appraisal is based on the assumption that there are no uncontained PCBs on or nearby the property.

Comments \_\_\_\_\_

**RADON**

- The appraiser is not aware of any Radon tests made on the subject property within the past 12 months (except as reported in Comments below).
- The appraiser is not aware of any indication that the local water supplies have been found to have elevated levels of Radon or Radium.
- The appraiser is not aware of any nearby properties (except as reported in Comments below) that were or currently are used for uranium, thorium or radium extraction or phosphate processing.
- The value estimated in this appraisal is based on the assumption that the Radon level is at or below EPA recommended levels.

Comments \_\_\_\_\_

**USTs (UNDERGROUND STORAGE TANKS)**

- There is no apparent visible or documented evidence known to the appraiser of any USTs on the property nor any known historical use of the property that would likely have had USTs.
- There are no apparent petroleum storage and/or delivery facilities (including gasoline stations or chemical manufacturing plants) located on adjacent properties (except as reported in Comments below).
- There are apparent signs of USTs existing now or in the past on the subject property. It is recommended that an inspection by a qualified UST inspector be obtained to determine the location of any USTs together with their condition and proper registration if they are active; and if they are inactive, to determine whether they were deactivated in accordance with sound industry practices.
- The value estimated in this appraisal is based on the assumption that any functioning USTs are not leaking and are properly registered and that any abandoned USTs are free from contamination and were properly drained, filled and sealed.

Comments \_\_\_\_\_

**NEARBY HAZARDOUS WASTE SITES**

- There are no apparent Hazardous Waste Sites on the subject property or nearby the subject property (except as reported in Comments below). Hazardous Waste Site search by a trained environmental engineer may determine that there is one or more Hazardous Waste Sites on or in the area of the subject property.
- The value estimated in this appraisal is based on the assumption that there are no Hazardous Waste Sites on or nearby the subject property that negatively affect the value or safety of the property.

Comments \_\_\_\_\_

**UREA FORMALDEHYDE (UFFI) INSULATION**

- All or part of the improvements were constructed before 1982 when UREA foam insulation was a common building material. The only way to be certain that the property is free of UREA formaldehyde is to have it inspected by a qualified UREA formaldehyde inspector.
- The improvements were constructed after 1982. No apparent UREA formaldehyde materials were observed (except as reported in Comments below).
- The value estimated in this appraisal is based on the assumption that there is no significant UFFI insulation or other UREA formaldehyde material on the property.

Comments \_\_\_\_\_

**LEAD PAINT**

- All or part of the improvements were constructed before 1980 when Lead Paint was a common building material. There is no apparent visible or known documented evidence of peeling or flaking Lead Paint on the floors, walls or ceilings (except as reported in Comments below). The only way to be certain that the property is free of surface or subsurface Lead Paint is to have it inspected by a qualified inspector.
- The improvements were constructed after 1980. No apparent Lead Paint was observed (except as reported in Comments below).
- The value estimated in this appraisal is based on the assumption that there is no flaking or peeling Lead Paint on the property.

Comments \_\_\_\_\_

**AIR POLLUTION**

- There are no apparent signs of Air Pollution at the time of the inspection nor were any reported (except as reported in Comments below). The only way to be certain that the air is free of pollution is to have it tested.
- The value estimated in this appraisal is based on the assumption that the property is free of Air Pollution.

Comments \_\_\_\_\_

**WETLANDS/FLOODPLAINS**

- The site does not contain any apparent Wetlands/Flood Plains (except as reported in Comments below). The only way to be certain that the site is free of Wetlands/Flood Plains is to have it inspected by a qualified environmental professional.
- The value estimated in this appraisal is based on the assumption that there are no Wetlands/Flood Plains on the property (except as reported in Comments below).

Comments \_\_\_\_\_

**MISCELLANEOUS ENVIRONMENTAL HAZARDS**

- There are no other apparent miscellaneous hazardous substances and/or detrimental environmental conditions on or in the area of the site except as indicated below:
  - Excess Noise \_\_\_\_\_
  - Radiation + Electromagnetic Radiation \_\_\_\_\_
  - Light Pollution \_\_\_\_\_
  - Waste Heat \_\_\_\_\_
  - Acid Mine Drainage \_\_\_\_\_
  - Agricultural Pollution \_\_\_\_\_
  - Geological Hazards \_\_\_\_\_
  - Nearby Hazardous Property \_\_\_\_\_
  - Infectious Medical Wastes \_\_\_\_\_
  - Pesticides \_\_\_\_\_
  - Others (Chemical Storage + Storage Drums, Pipelines, etc.) \_\_\_\_\_

- The value estimated in this appraisal is based on the assumption that there are no Miscellaneous environmental Hazards (except those reported above) that would negatively affect the value of the property.

When any of the environmental assumptions made in this addendum are not correct, the estimated value in this appraisal may not be valid.

**MULTI-PURPOSE SUPPLEMENTAL ADDENDUM  
FOR FEDERALLY RELATED TRANSACTIONS**

10095

Borrower/Client <u>City of Washburn</u>			
Property Address <u>XXX 14th St.</u>			
City <u>Washburn</u>	County <u>Bayfield</u>	State <u>WI</u>	Zip Code <u>54891</u>
Lender <u>City of Washburn</u>			

This Multi-Purpose Supplemental Addendum for Federally Related Transactions was designed to provide the appraiser with a convenient way to comply with the current appraisal standards and requirements of the Federal Deposit Insurance Corporation (FDIC), the Office of the Comptroller of Currency (OCC), The Office of Thrift Supervision (OTS), the Resolution Trust Corporation (RTC) and the Federal Reserve.

This Multi-Purpose Supplemental Addendum is for use with any appraisal. Only those statements which have been checked by the appraiser apply to the property being appraised.

**PURPOSE & FUNCTION OF APPRAISAL**

The purpose of the appraisal is to estimate the market value of the subject property as defined herein. The function of the appraisal is to assist the above-named Lender in evaluating the subject property for lending purposes. This is a federally related transaction.

**EXTENT OF APPRAISAL PROCESS**

- The appraisal is based on the information gathered by the appraiser from public records, other identified sources, inspection of the subject property and neighborhood, and selection of comparable sales within the subject market area. The original source of the comparables is shown in the Data Source section of the market grid along with the source of confirmation, if available. The original source is presented first. The sources and data are considered reliable. When conflicting information was provided, the source deemed most reliable has been used. Data believed to be unreliable was not included in the report nor used as a basis for the value conclusion.
- The Reproduction Cost is based on \_\_\_\_\_ supplemented by the appraiser's knowledge of the local market.
- Physical depreciation is based on the estimated effective age of the subject property. Functional and/or external depreciation, if present, is specifically addressed in the appraisal report or other addenda. In estimating the site value, the appraiser has relied on personal knowledge of the local market. This knowledge is based on prior and/or current analysis of site sales and/or abstraction of site values from sales of improved properties.
- The subject property is located in an area of primarily owner-occupied single family residences and the Income Approach is not considered to be meaningful. For this reason, the Income Approach was not used.
- The Estimated Market Rent and Gross Rent Multiplier utilized in the Income Approach are based on the appraiser's knowledge of the subject market area. The rental knowledge is based on prior and/or current rental rate surveys of residential properties. The Gross Rent Multiplier is based on prior and/or current analysis of prices and market rates for residential properties.
- For income producing properties, actual rents, vacancies and expenses have been reported and analyzed. They have been used to project future rents, vacancies and expenses.

**SUBJECT PROPERTY OFFERING INFORMATION**

- According to MLS data the subject property;
- has not been offered for sale in the past:  30 days  1 year  3 years  Other \_\_\_\_\_
  - is currently offered for sale for \$ \_\_\_\_\_
  - was offered for sale within the past:  30 days  1 year  3 years  Other \_\_\_\_\_ for \$ \_\_\_\_\_
  - Offering information was considered in the final reconciliation of value.
  - Offering information was not considered in the final reconciliation of value.
  - Offering information was not available. The reasons for unavailability and the steps taken by the appraiser are explained later in this addendum.

**SALES HISTORY OF SUBJECT PROPERTY**

- According to Public records and MLS data the subject property;
- has not transferred in the past  1 year  3 years  Other \_\_\_\_\_
  - has transferred in the past  1 year  3 years  Other \_\_\_\_\_
  - All prior sales which have occurred in the past \_\_\_\_\_ months or \_\_\_\_\_ years are listed below and reconciled to the appraised value, either in the body of the report or in the addenda.

Date	Sales Price	Document #	Seller	Buyer

**FEMA FLOOD HAZARD DATA**

- Subject property is not located in a FEMA Special Flood Hazard Area.
  - Subject property is located in a FEMA Special Flood Hazard Area.
- | Zone           | FEMA Map/Panel# | Map Date | Name of Community |
|----------------|-----------------|----------|-------------------|
| X 5500019 0005 | 11/2/           |          |                   |
- The community does not participate in the National Flood Insurance Program.
  - The community does participate in the National Flood Insurance Program.
  - It is covered by a regular program.
  - It is covered by an emergency program.

**CURRENT SALES CONTRACT**

- The subject property is currently not under contract.
- The contract and/or escrow instructions were not available for review. The unavailability of the contract is explained later in the addenda section.
- The contract and/or escrow instructions were reviewed. The following summarizes the contract:

Contract Date	Amendment Date	Contract Price	Seller

- The contract indicated that personal property was not included in the sale.
- The contract indicated that personal property was included. It consisted of \_\_\_\_\_ Estimated contributory value is \$ \_\_\_\_\_
- Personal property was not included in the final value estimate.
- Personal property was included in the final value estimate.
- The contract indicated no financing concessions or other incentives.
- The contract indicated the following concessions or incentives: \_\_\_\_\_
- If concessions or incentives exist, the comparables were checked for similar concessions and appropriate adjustments were made, if applicable, so that the final value conclusion is in compliance with the Market Value defined herein.

**MARKET OVERVIEW**

3-12 months is considered a reasonable marketing period for the subject property based on MLS data

**ADDITIONAL CERTIFICATION**

The Appraiser certifies and agrees that:

- (1) Their analyses, opinions and conclusions were developed, and this report was prepared, in conformity with the Uniform Standards of Professional Appraisal Practice ("USPAP"), except that the Departure Provision of the USPAP does not apply.
- (2) Their compensation is not contingent upon the reporting of 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.
- (3) This appraisal assignment was not based on the requested minimum valuation, a specific valuation, or the approval of a loan.

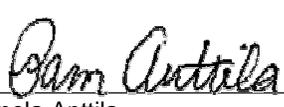
**ADDITIONAL (ENVIRONMENTAL) LIMITING CONDITIONS**

The value estimated is based on the assumption that the property is not negatively affected by the existence of hazardous substances or detrimental environmental conditions unless otherwise stated in this report. The appraiser is not an expert in the identification of hazardous substances or detrimental environmental conditions. The appraiser's routine inspection of and inquiries about the subject property did not develop any information that indicated any apparent significant hazardous substances or detrimental environmental conditions which would affect the property negatively unless otherwise stated in this report. It is possible that tests and inspections made by a qualified hazardous substance and environmental expert would reveal the existence of hazardous substances or detrimental environmental conditions on or around the property that would negatively affect its value.

**ADDITIONAL COMMENTS**

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**APPRAISER'S SIGNATURE & LICENSE/CERTIFICATION**

Appraiser's Signature  Effective Date \_\_\_\_\_  
 Appraiser's Name (print) Pamela Anttila Phone # ( ) \_\_\_\_\_ Date Prepared 05/08/2010  
 State \_\_\_\_\_  License  Certification # \_\_\_\_\_ Tax ID # \_\_\_\_\_

**CO-SIGNING APPRAISER'S CERTIFICATION**

- The co-signing appraiser has personally inspected the subject property, both inside and out, and has made an exterior inspection of all comparable sales listed in the report. The report was prepared by the appraiser under direct supervision of the co-signing appraiser. The co-signing appraiser accepts responsibility for the contents of the report including the value conclusions and the limiting conditions, and confirms that the certifications apply fully to the co-signing appraiser
- The co-signing appraiser has not personally inspected the interior of the subject property and:
  - has not inspected the exterior of the subject property and all comparable sales listed in the report.
  - has inspected the exterior of the subject property and all comparable sales listed in the report.
- The report was prepared by the appraiser under direct supervision of the co-signing appraiser. The co-signing appraiser accepts responsibility for the contents of the report, including the value conclusions and the limiting conditions, and confirms that the certifications apply fully to the co-signing appraiser with the exception of the certification regarding physical inspections. The above describes a level of inspection performed by co-signing appraiser.
- The co-signing appraiser's level of inspection, involvement in the appraisal process and certification are covered elsewhere in the addenda section of this appraisal.

**CO-SIGNING APPRAISER'S SIGNATURE & LICENSE/CERTIFICATION**

Co-Signing  
 Appraiser's Signature \_\_\_\_\_ Effective Date \_\_\_\_\_  
 Appraiser's Name (print) \_\_\_\_\_ Phone # ( ) \_\_\_\_\_ Date Prepared \_\_\_\_\_  
 State \_\_\_\_\_  License  Certification # \_\_\_\_\_ Tax ID # \_\_\_\_\_