

Appraisal Report

Office Property
2300 N. Dr. Martin Luther King Jr. Drive
Milwaukee, Wisconsin



Appraisal Date:
August 25, 2021

THE NICHOLSON GROUP LLC

September 1, 2021

Scott Berger, State Leasing Officer
State of Wisconsin, Department of Administration
Division of Facilities Development & Management
101 E. Wilson Street, 7th Floor
Madison, Wisconsin 53703
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Subject: Office Building Property
2300 N. Dr. Martin Luther King Jr. Drive
Milwaukee, Wisconsin

We have completed an appraisal of the property identified above and submit our findings in this brief report referred to in the appraisal industry as a restricted appraisal report meaning that it presents restricted or limited discussion of the data, reasoning and analyses that were used to develop our opinions. The subject property consists of a ±33,995 square foot, two-story office building plus a ±12,675 square foot lower-level some of which had been once used as water and air quality testing laboratories and has old, low-level finish. A portion of the building was reportedly constructed as a small bank building in the early 1900s and was converted to office use when the subject office building was constructed in 1983. The improvements are situated on a 3.394-acre parcel.

It is our opinion that the market value of the fee simple estate in the subject property as of August 25, 2021 is:

One-Million Two-Hundred Thousand Dollars
\$1,200,000

This appraisal report and all of the appraiser's work in connection with the appraisal assignment are subject to the limiting and general service conditions as well as all other terms stated herein. Any use of this appraisal by any party, regardless of whether such use is authorized or intended by The Nicholson Group, constitutes acceptance of all such limiting and general service conditions and terms.

Respectfully submitted,

THE NICHOLSON GROUP LLC



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



Caleb E. Nicholson
Wisconsin Certified General Appraiser (#2255)

21-145

Scope of Work

The intended user is the State of Wisconsin Department of Administration (“client”). The intended use of our opinions and this report is for internal use purposes by the client. Use by others or for any other function is not intended by the appraiser. A party receiving a report copy from the client does not, as a consequence, become a party to the appraiser-client relationship. No other use or reliance of our opinions and report by third parties is permitted without the express written permission of The Nicholson Group.

With a restricted appraisal report, the appraisal analysis is complete and thorough but the report format is abbreviated. The appraiser conducted a complete appraisal process which included the use of the sales comparison approach which is the most applicable approach to value for an owner-user building like the subject. The income approach is not very applicable or reliable for an older owner-user office building and was not used. Likewise, the cost approach is not applicable or reliable due to the older age of the subject and was not used.

Caleb Nicholson collected, researched and analyzed the information deemed necessary to develop credible assignment results, that is, being worthy of belief. Furthermore, the appraiser: inspected the appraised property; researched public records pertaining to the subject property; investigated market and neighborhood trends affecting the highest and best use; gathered information pertaining to comparable sales; analyzed the data; applied the appropriate valuation approaches to arrive at a reasonable and independent opinion of market value; and, prepared this appraisal report. Lawrence Nicholson, MAI inspected the exterior of the property, reviewed interior photographs, reviewed the valuation analyses and the techniques used, reviewed this report and has concluded that the conclusions stated herein are adequately supported, reasonable and credible.

Sources used in obtaining comparable data included: The Nicholson Group’s proprietary database of sale transactions; public records; real estate sales data published by CoStar Group, MLS and tax assessor offices; other appraisers; and, real estate brokers. The opinions presented in this report are based upon review and analysis of the market conditions affecting real property value. The value opinion has been supported by relevant evidence and reasoned judgement to the degree necessary for the intended use.

Information, estimates and opinions furnished to the appraiser and contained in this report and/or in the appraisal workfile were obtained from sources considered reliable and believed to be true and correct. However, we can assume no responsibility for the accuracy of such items furnished to the appraiser. While reasonable care has been taken to ensure that the facts stated herein are accurate and that any expressed or implied opinions are fair and reasonable, the opinions, estimates and projections in this appraisal constitute judgments as of the date of this appraisal and there can be no assurance that future results or events will be consistent with any such opinions, estimates or projections.

This appraisal has been prepared to conform with the Uniform Standards of Professional Appraisal Practice (“USPAP”) and the Standards of Professional Appraisal Practice and Code of Professional Ethics of the Appraisal Institute. This brief restricted report is intended to comply with the reporting requirements set forth under USPAP and presents restricted or limited discussion of the data, reasoning and analyses that were used in the appraisal process to develop our opinions. Due to the brevity of this report, the opinions set forth cannot be completely understood without additional information contained in the appraiser’s workfile. Furthermore, the minimal level of information in this report is not designed to address the needs of any third-parties and therefore, only the client is expected to use and rely upon the opinions set forth.

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

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

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

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

Fee Simple Estate is defined as: “Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat. [Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 6th ed. (Chicago: Appraisal Institute), 2015]

Exposure Time

Exposure time is defined in USPAP as “estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal”. Further, “Exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and open market.” It is our opinion that the exposure time, or the length of time necessary for the subject property to be exposed to the market prior to an arm's length sale occurring at the market value as concluded herein, is 12- to 18-months.

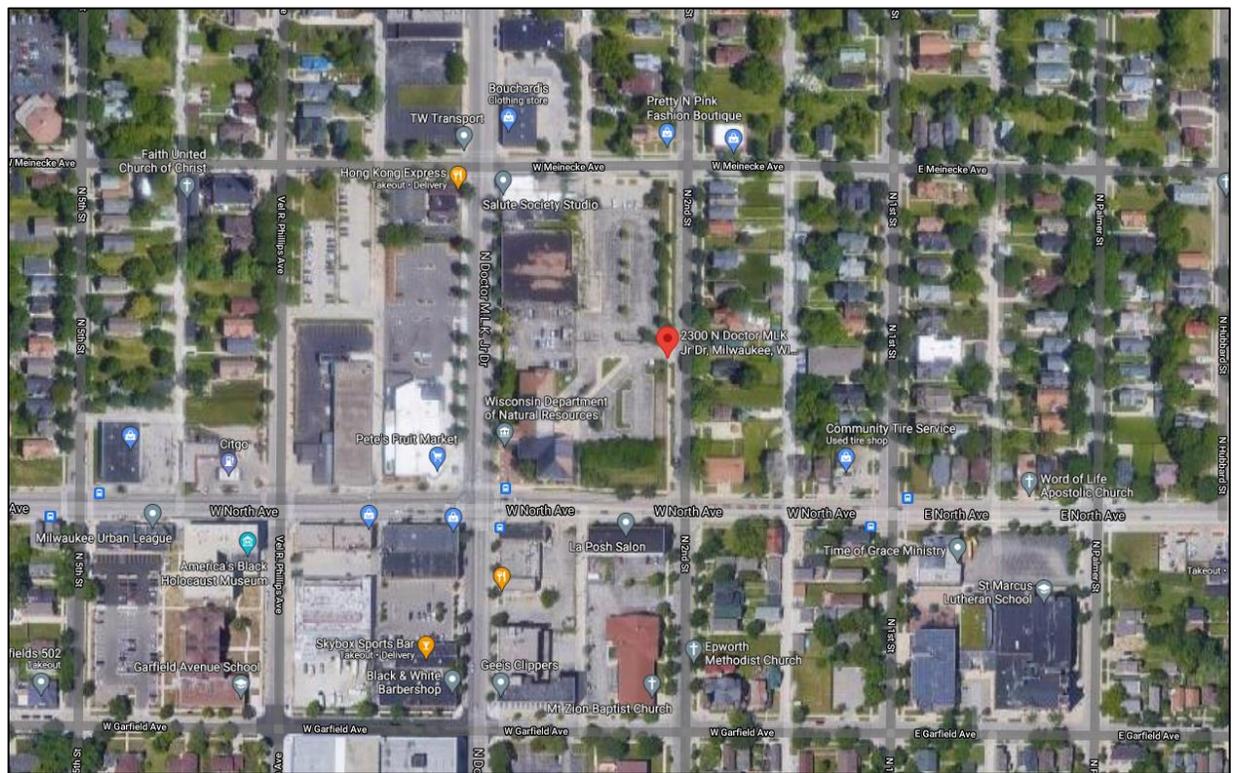
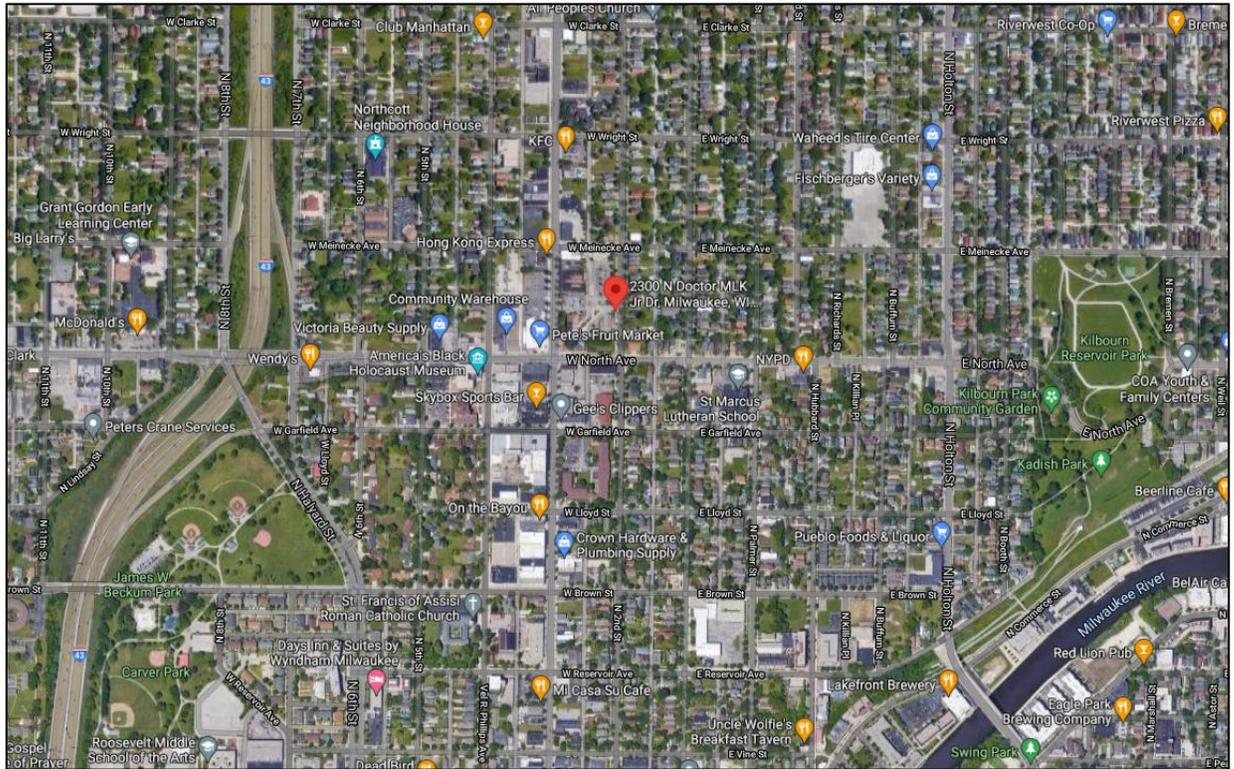
Brief Summary of Property Appraised

The land parcel is 3.394-acres in size. According to information provided by the client as well as public records, a portion of the building was reportedly constructed as a small bank building in the early 1900s and was converted to office use when the subject office building was constructed in 1983. The actual age and effective ages are 38-years. The precast concrete panel building appears to have been adequately maintained and is in fair overall condition with dated interior finishes. There are ±167 on-site parking stalls. No significant items of deferred maintenance noticed or brought to our attention during the inspection; no deduction was made for deferred maintenance. The overall age and condition have been considered within the valuation analysis. A summary of the building features is on page 8. Aerial photographs from Google Maps are on the following two pages and an aerial plat is below.

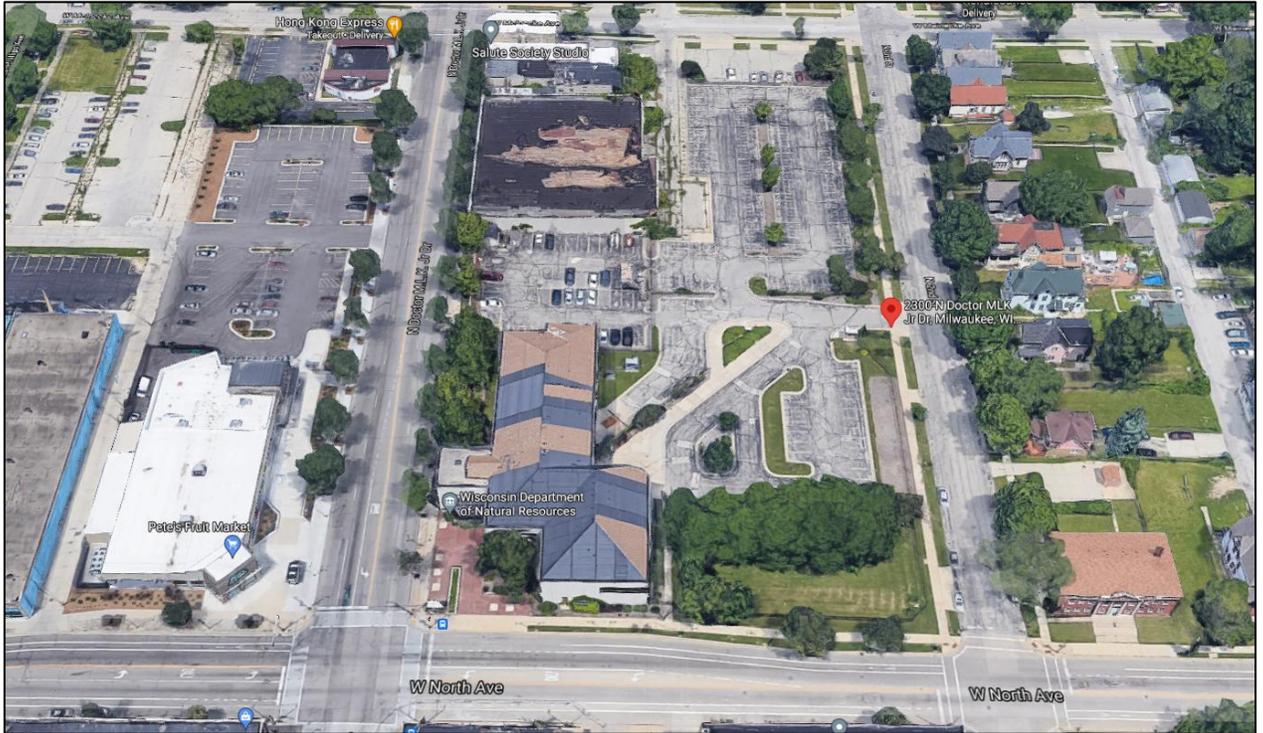


The outlined property boundaries are approximate

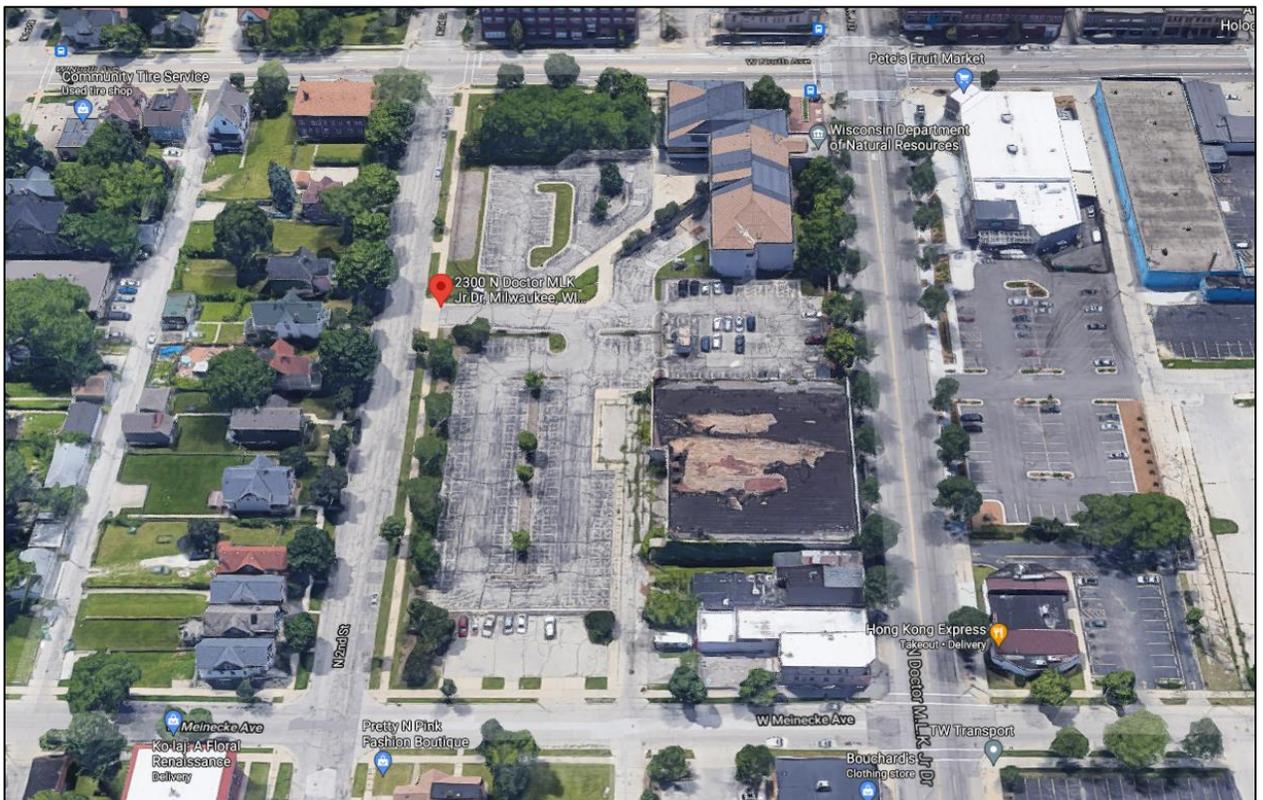
Aerial Photographs, Neighborhood



Aerial Photographs, Subject Property



View looking northerly



View looking southerly

Building Summary				
<u>Space</u>	<u>Gross Building Area</u>		<u>Year Built ⁽¹⁾</u>	<u>Actual Age</u>
	<u>Sq. Ft.</u>	<u>% Total</u>		
1st Story Office	16,750	49.3%	1983	38
2nd Story Office	17,245	50.7%	1983	38
GBA	33,995	100.0%		

Unfinished Lower Level	12,675	37.3%		
Total GBA	46,670			

Weighted Average Year Built	1983			
Weighted Average Age	38 years			
Estimated Effective Age	±25 years			
Remaining Economic Life	±20 years			

⁽¹⁾ Property originally constructed as a bank in early 1900s, converted in 1983				

The land area was obtained from public records and the building areas were obtained from information provided by the client and verified through on-site measurements. Although based on reliable sources, these areas should be considered appraiser estimates and if information provided at a later date indicates different areas, the subject's value as concluded herein may change and we reserve the right to revisit our analyses and amend our opinions.

No subsurface investigations were conducted. The Nicholson Group is not responsible for and has not undertaken an investigation of unapparent conditions and cannot render a definitive opinion about buildability. Our conclusion of value is based upon the assumption that there are no hidden or unapparent conditions of the property that might impact upon buildability and value. The Nicholson Group makes no representations, guarantees or warranties.

The property does not appear to be located within the designated floodplain. We are not aware of any easements which would adversely affect utility or marketability of the site. Standard utility easements likely exist but I have not investigated these. The Nicholson Group cannot guarantee that property is free of encroachments or easements and recommends further investigation and survey.

Any identifying land description presented in this appraisal report is not and should not be construed as a complete and accurate legal description of the subject property; it should only be used along with the tax parcel number and property address to identify the subject property for appraisal purposes. We do not guarantee or warrant the completeness, correctness or accuracy of the legal description of the subject property as provided and it should not be used for ownership transfer involving the subject property. The appraiser assumes no responsibility for matters legal in character, nor renders any opinions as to the title, which is assumed to be good.

The parcel has suitable access, shape, topography and utilities to support its highest and best use. The property is suited for general purpose office use and no major functional utility issues are present. The parcel is zoned LB2, Local Business District which permits a variety of commercial uses. The subject property appears to be a legally permitted and conforming use. However, it is assumed all necessary permits and approvals were secured and that the building was constructed in compliance with local zoning ordinances, building codes and all other applicable regulations or has been "grandfathered."

Assessed Value and Taxes – The property is government owned and is not assessed or taxed.

Sales History – According to USPAP, an appraiser must analyze all agreements of sale, options, and listings of the subject property current as of the effective date of the appraisal; and, analyze all sales of the subject property that occurred within the three-years prior to the effective date of the appraisal. We understand that there have been no sales of the subject property in the three years preceding the appraisal date, the property is not under contract for sale, there are no options to purchase and the property is not currently listed for sale.

Hazardous Materials – – An online check of the Wisconsin DNR Bureau for Remediation and Redevelopment Tracking System (BRRTS on the Web) indicated that there are no contamination issues on the property and upon physical inspection, no indication "to the untrained eye" of any environmental hazards were apparent. We assume that there are no unresolved or unknown environmental problems within the boundaries of the subject property. However, an appraiser is not qualified to assess environmental issues and is not considered an expert in this field.

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

Highest and Best Use

A property's highest and best use is the use that is legally permissible, physically possible and financially feasible and that generates the highest value. The highest and best use of the subject property is as currently improved with an office building and the most probable buyer is an owner-user.

Valuation Discussion – Sales Comparison Approach

In the Sales Comparison Approach, similar properties that have recently sold in the market area are analyzed and compared with the property being appraised. Adjustments are typically considered for differences in such factors as property rights conveyed; financing; conditions of sale; market conditions (date of sale); location; size; and, other physical characteristics. Analysis of comparable sales provides a range of unit prices within which the current real estate market is operating and within which the appraised property might be expected to sell. The comparable sales selected for use in this appraisal are summarized on the following page.

The global outbreak of the COVID-19 coronavirus was officially declared a pandemic by the World Health Organization on March 11, 2020. The COVID-19 pandemic created a national shutdown in April, May and June 2020 resulting in unprecedented ramifications for the national economy as well as the commercial real estate industry. Remote office working, closed retail shops, limited travel, online shopping and closed restaurants, hotels and movie theaters were just a few of the side effects of the crisis.

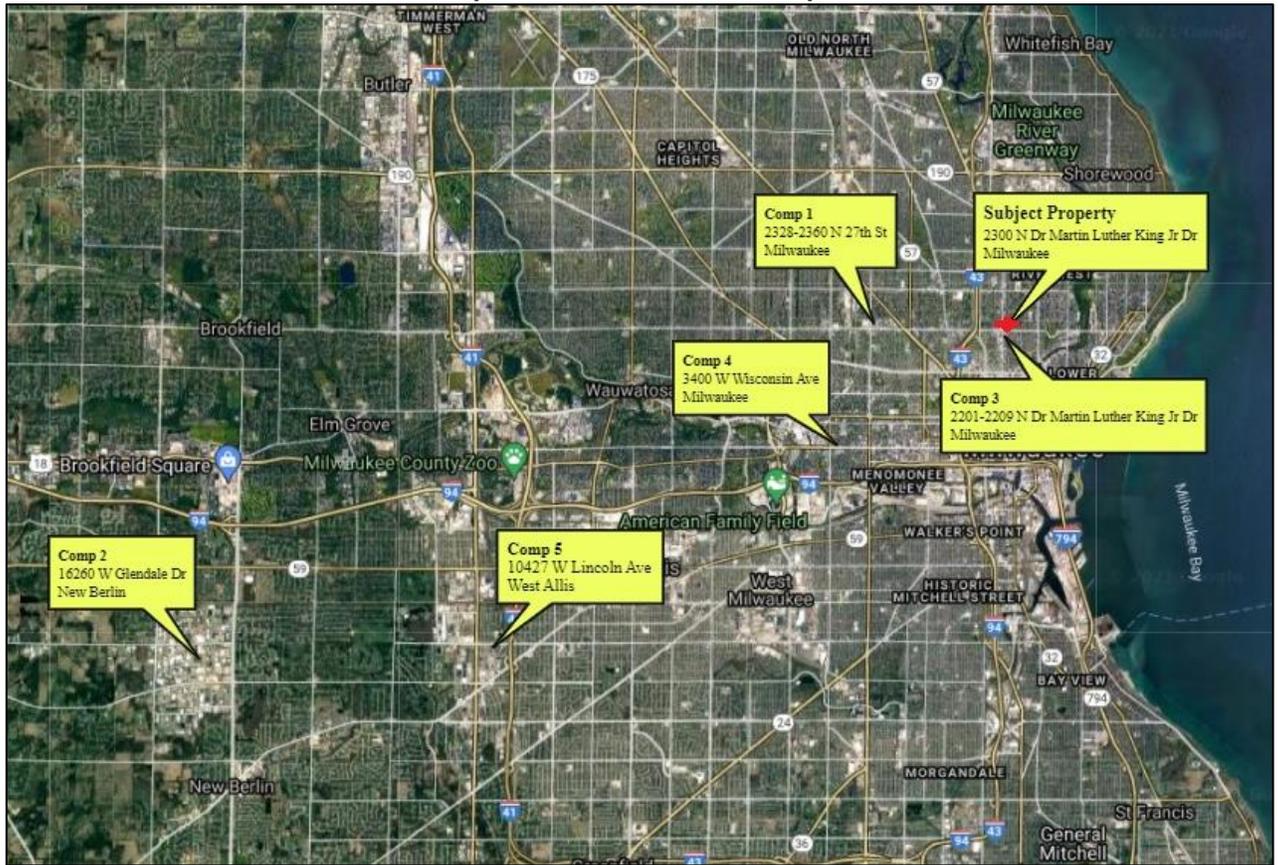
Each real estate sector was impacted to some degree, shifting the focus for property owners to rent collection and survival. The hotel, entertainment, restaurant and retail real estate sectors were impacted most significantly followed by the office market and lastly the industrial sector. During the early part of the COVID pandemic and economic shutdown, real estate markets became stagnant as both buyers and sellers took a wait-and-see attitude; that is, if placed on the market for sale during this period, it would have taken longer to sell a property than pre-COVID 19. Sale activity has increased since then and has returned to near normal levels.

Due to the success of the multiple economic stimulus packages (the CARES Act on March 202, 2020, the Consolidated Appropriations Act on December 27, 2020 and The American Rescue Plan on March 11, 2021) as well as widespread vaccine distribution, most of the uncertainty caused by the COVID outbreak had worked its way through the markets and much less uncertainty exists as of the appraisal date. The continued economic growth supported by the governmental economic stimuluses allowed the real estate markets to become increasingly competitive.

There was not sufficient market data from sale transactions to conclude as to the precise impact that the COVID-19 crisis had on commercial property values. The markets became stagnant and market exposure periods lengthened as sellers were not willing to sell during this uncertain period of time unless they needed to. Our market research as well as our experience during the pandemic indicated that property values might have initially declined right after March 2020 due to great uncertainty prevalent in the market, but in our opinion, any initial value decline was not very significant and has been more than offset by improved market conditions as the markets have rebounded. Expectations are for continually improving market conditions and value appreciation. In our opinion, any initial value decline has been offset by market improvements and a +2.5% market conditions adjustment was applied to the sale price of each comparable from their respective sale date to the appraisal date.

Comparable Sales Summary				
Comp #	Property Type/Name Address	Sale Price Sale Date	Year Built GBA Price/Sq. Ft.	Land Area LBR ⁽¹⁾ Parking Ratio ⁽²⁾
Subject	Office Building 2300 N. Dr. Martin Luther King Jr. Drive Milwaukee	<u>Appraisal Date</u> 25-Aug-21	1900-1930 & 1983 33,995 sq. ft. above grade 12,675 sq. ft. lower level	3.394 acres 4.3 LBR 4.9 per 1,000sf
1	Office Building 2328-2360 N. 27th Street Milwaukee Buyer: Wisconsin Community Services, Inc. Seller: Employ Milwaukee Inc	\$3,175,000 Feb-21	1995 57,666 sq. ft. \$55.06 /sq. ft.	4.25 acres 3.2 LBR 3.2 per 1,000sf
2	Office Building 16260 W. Glendale Drive New Berlin Buyer: ABB Inc. Seller: W. Daniel Tate	\$1,750,000 Apr-20	1996 33,048 sq. ft. \$52.95 /sq. ft.	6.33 acres 8.3 LBR 4.3 per 1,000sf
3	Office Building 2201-2209 N. Dr. Martin Luther King Jr. Drive Milwaukee Buyer: Dulcinea LLC Seller: MLK Garfield LLC	\$685,000 Nov-19	1922 16,650 sq. ft. \$41.14 /sq. ft.	0.26 acres 0.7 LBR 0.0 per 1,000sf
4	Office Building 3400 W. Wisconsin Avenue Milwaukee Buyer: Center for Veterans Issues LTD Seller: Wisconsin Province of the Society of Jesus	\$391,400 Jul-19	1960 8,667 sq. ft. \$45.16 /sq. ft.	0.39 acres 2.0 LBR 4.8 per 1,000sf
5	Office Building 10427 W. Lincoln Avenue West Allis Buyer: Midwest Property Management LLC Seller: North Shore Bank	\$1,100,000 Jul-19	1971 33,524 sq. ft. \$32.81 /sq. ft.	3.737 acres 4.9 LBR 3.9 per 1,000sf
⁽¹⁾ LBR is land-to-building ratio ⁽²⁾ Parking ratio is # stalls per 1,000 sq. ft. of finished office GBA				

Comparable Sales Location Map



Each of the comparable sales was compared and contrasted to the subject property relative to the factors that affect value. A summary of this analysis is presented in an adjustment grid format on pages 16 and 17. Comparables 1 and 3 have locations that are considered similar to the subject and no adjustments were made whereas Comparables 2, 4 and 5 have superior locations necessitating adjustment. No adjustments were needed for access or construction type. The building age/condition, building size, lower level contributory value, parking/land-to-building ratio and economic characteristics adjustments are summarized and quantified below and on the following three pages.

Age/Condition Adjustment				
Comp	Year Built	Renovated	Comparison	Adjustment
1	1995	-	Superior	-15%
2	1996	-	Superior	-15%
3	1922	1989	Similar	0%
4	1960	-	Similar	0%
5	1971	2012	Superior	-15%
Subject	1983			

Building Size Adjustment			
Building			
Comp #	Size (GBA)	Comparison	Adjustment
	sq. ft.		
1	57,666	Similar	0%
2	33,048	Similar	0%
3	16,650	Superior	-10%
4	8,667	Superior	-10%
5	33,524	Similar	0%
Subject	33,995		
	above grade space		

Parking/Land-to-Building Ratio Adjustment Summary				
Comparable	Parking Ratio ⁽¹⁾	Land-to-Building Ratio	Overall Comparison	Adjustment %
1	2.3 per 1,000sf	3.2 to 1	Similar	0%
2	4.3 per 1,000sf	8.3 to 1	Similar	0%
3	0.0 per 1,000sf	0.7 to 1	Inferior	10%
4	4.8 per 1,000sf	2.0 to 1	Similar	0%
5	3.9 per 1,000sf	4.9 to 1	Similar	0%
Subject	4.9 per 1,000sf	4.3 to 1		
<p>⁽¹⁾ Number of stalls per 1,000 sq. ft. of building area</p> <p>⁽²⁾ The adjustment focus is on the parking ratio and secondly on the LBR</p> <p>⁽³⁾ Other than for Comparable 3, the comparables have adequate parking and LBRs; Comparable 3 has no on-site parking but does have street parking available, mass transit and is walkable/bikeable which lower the importance of on-site parking.</p>				

The subject's 12,675 square feet of low-finish, former lab space and unfinished space in the lower level is not included in the subject's GBA but it does have contributory value as storage space. The contributory value is 10% of the above-grade space per square foot value. The comparables with no lower level space are inferior to the subject whereas the comparables with a higher percentage of unfinished lower level space or with finished lower level space are superior. The adjustments are calculated as presented below:

Lower Level Adjustment				
	<u>Sq. Ft.</u>	<u>% of Above Grade</u>	<u>Contributory Value</u>	<u>Basement Utility Factor</u>
<u>Subject Property</u>				
Above Grade Area	33,995	100.0%	100%	1.000
Finished Lower Level Area	0	0.0%	50%	0.000
Unfinished Basement Area	12,675	37.3%	10%	0.037
				<u>1.037</u>
<u>Comparable 1</u>				
Above Grade Area	57,666	100.0%	100%	1.000
Finished Lower Level Area	0	0.0%	50%	0.000
Unfinished Basement Area	0	0.0%	10%	0.000
				<u>1.000</u>
			Indicated Adjustment ⁽¹⁾	0.037
			Rounded	4%
<u>Comparable 2</u>				
Above Grade Area	33,048	100.0%	100%	1.000
Finished Lower Level Area	0	0.0%	50%	0.000
Unfinished Basement Area	0	0.0%	10%	0.000
				<u>1.000</u>
			Indicated Adjustment ⁽¹⁾	0.037
			Rounded	4%
<u>Comparable 3</u>				
Above Grade Area	16,650	100.0%	100%	1.000
Finished Lower Level Area	0	0.0%	50%	0.000
Unfinished Basement Area	8,325	50.0%	10%	0.050
				<u>1.050</u>
			Indicated Adjustment ⁽¹⁾	-0.012
			Rounded	-1%
<u>Comparable 4</u>				
Above Grade Area	8,667	100.0%	100%	1.000
Finished Lower Level Area	4,333	50.0%	50%	0.250
Unfinished Basement Area	0	0.0%	10%	0.000
				<u>1.250</u>
			Indicated Adjustment ⁽¹⁾	-0.170
			Rounded	-17%
<u>Comparable 5</u>				
Above Grade Area	33,524	100.0%	100%	1.000
Finished Lower Level Area	0	0.0%	50%	0.000
Unfinished Basement Area	0	0.0%	10%	0.000
				<u>1.000</u>
			Indicated Adjustment ⁽¹⁾	0.037
			Rounded	4%

(1) Calculated as follows: (Subject Factor ÷ Comparable Factor) - 1

Economic Characteristics						
	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Property	Office Building					
Tenancy	Owner-user	6 tenants	Owner-user	Owner-user	Owner-user	Owner-user
Occupancy At Time of Sale	Owner-user	100%	0%	0%	0%	0%
Overall Comparison		Superior	Similar	Similar	Similar	Similar
Adjustment	-	-25%	0%	0%	0%	0%

The adjustments made to the sale prices of the comparables are summarized in an adjustment grid presentation on the following two pages.

Because of the nature of the adjustments, the adjusted per square foot price for each sale is not to be interpreted as the value of the subject, but part of a range within which the subject's value is expected to fall. The comparable sales have adjusted sale prices per square foot ranging from \$25.57 to \$42.56; the average and median adjusted price per square foot is \$34.32 and \$35.73, respectively. The indicated value range is wider than we would like to see but reflects the imperfect nature of the real estate market and the adjustment analysis process.

The comparables are generally similar to the subject and provide good market evidence for the value of the subject property after the appropriate adjustments are made. These comparables are the best available sales to use. None were given more consideration in the final value estimate conclusion than others. The indicated value of the subject property is estimated towards the middle of the value range as reflected by the average and median adjusted prices per square foot.

The indicated value is calculated as presented below:

Value Calculation	
Concluded Value per Sq. Ft.	\$35.50 /sq. ft.
Subject Property Building Area	x 33,995 sq. ft.
Indicated Market Value	\$1,206,823
Rounded	\$1,200,000

Sales Comparison Adjustment Grid				
Comparable #	Subject	1	2	3
Property Name	Office Building	Office Building	Office Building	Office Building
Property Address	2300 N. Dr. Martin Luther King Jr. Drive	2328-2360 N. 27th Street	16260 W. Glendale Drive	2201-2209 N. Dr. Martin Luther King Jr. Drive
Municipality	Milwaukee	Milwaukee	New Berlin	Milwaukee
Sale Price		\$3,175,000	\$1,750,000	\$685,000
Add: CapX after Sale		+ \$0	+ \$0	+ \$0
Adjusted Sale Price		\$3,175,000	\$1,750,000	\$685,000
		\$55.06 /sq. ft.	\$52.95 /sq. ft.	\$41.14 /sq. ft.
Property Rights Conveyed				
Adjustment		+ \$0	+ \$0	+ \$0
Adjusted Sale Price		\$3,175,000	\$1,750,000	\$685,000
Financing Terms				
Adjustment		+ \$0	+ \$0	+ \$0
Adjusted Sale Price		\$3,175,000	\$1,750,000	\$685,000
Conditions of Sale				
Adjustment		+ \$0	+ \$0	+ \$0
Adjusted Sale Price		\$3,175,000	\$1,750,000	\$685,000
Market Conditions				
Appraisal Date	8/25/2021	Aug-21	Aug-21	Aug-21
Comparable Sale Date		- Feb-21	- Apr-20	- Nov-19
# Years Since Sale		0.55 years	1.36 years	1.80 years
Adjustment Factor	@ 2.5%/year	x 1.014	x 1.034	x 1.045
Adjusted Sales Price		\$3,219,450	\$1,809,500	\$715,825
Unit of Comparison (Sq. Ft.)		÷ 57,666 sq. ft.	÷ 33,048 sq. ft.	÷ 16,650 sq. ft.
Adjusted Price/Sq. Ft.		\$55.83/sq. ft.	\$54.75/sq. ft.	\$42.99/sq. ft.
<u>Locational & Physical Comparison</u>				
Overall Location		Similar	Superior -20%	Similar
Access		Similar	Similar	Similar
Building Age/Condition	Built 1983	Superior -15%	Superior -15%	Similar
Building Size	33,995 sq. ft.	Similar	Similar	Superior -10%
Construction Type		Similar	Similar	Similar
Lower Level	Partial, Unfinished	Inferior 4%	Inferior 4%	Superior -1%
Parking/Land-to-Building Ratio		Similar	Similar	Inferior 10%
Parking Ratio	4.9 per 1,000sf			
Land-to-Building Ratio	4.3 to 1			
<u>Economic Characteristics</u>				
Tenancy	Owner-user	Superior -25%	Similar	Similar
		6 tenants	Owner-user	Owner-user
Adjusted Price/Sq. Ft.		\$35.73/sq. ft. -36%	\$37.78/sq. ft. -31%	\$42.56/sq. ft. -1%

Sales Comparison Adjustment Grid			
Comparable #	Subject	4	5
Property Name	Office Building	Office Building	Office Building
Property Address	2300 N. Dr. Martin Luther King Jr. Drive Milwaukee	3400 W. Wisconsin Avenue Milwaukee	10427 W. Lincoln Avenue West Allis
Municipality			
Sale Price		\$391,400	\$1,100,000
Add: CapX after Sale		+ \$0	+ \$0
Adjusted Sale Price		\$391,400	\$1,100,000
		\$45.16 /sq. ft.	\$32.81 /sq. ft.
Property Rights Conveyed			
Adjustment		+ \$0	+ \$0
Adjusted Sale Price		\$391,400	\$1,100,000
Financing Terms			
Adjustment		+ \$0	+ \$0
Adjusted Sale Price		\$391,400	\$1,100,000
Conditions of Sale			
Adjustment		+ \$0	+ \$0
Adjusted Sale Price		\$391,400	\$1,100,000
Market Conditions			
Appraisal Date	8/25/2021	Aug-21	Aug-21
Comparable Sale Date		- Jul-19	- Jul-19
# Years Since Sale		2.08 years	2.10 years
Adjustment Factor	@ 2.5%/year	x 1.053	x 1.053
Adjusted Sales Price		\$412,144	\$1,158,300
Unit of Comparison (Sq. Ft.)		÷ 8,667 sq. ft.	÷ 33,524 sq. ft.
Adjusted Price/Sq. Ft.		\$47.55/sq. ft.	\$34.55/sq. ft.
<u>Locational & Physical Comparison</u>			
Overall Location		Superior -10%	Superior -15%
Access		Similar	Similar
Building Age/Condition	Built 1983	Similar	Superior -15%
Building Size	33,995 sq. ft.	Superior -10%	Similar
Construction Type		Similar	Similar
Lower Level	Partial, Unfinished	Superior -17%	Inferior 4%
Parking/Land-to-Building Ratio		Similar	Similar
Parking Ratio	4.9 per 1,000sf		
Land-to-Building Ratio	4.3 to 1		
<u>Economic Characteristics</u>			
Tenancy	Owner-user	Similar Owner-user	Similar Owner-user
Adjusted Price/Sq. Ft.		\$29.96/sq. ft. -37%	\$25.57/sq. ft. -26%

Reconciliation & Conclusion

The Sales Comparison Approach is the most applicable approach to use to arrive at the value of the subject property. Sales of reasonably comparable properties were used, an analysis of which provides a reliable indication of value. Comparables located in the market area were analyzed, compared and contrasted to the subject. These comparables are the best available sales to use and provide a current value indication. Adjustments to the sales were reasonable and were substantiated with market evidence and reasoned judgement. The indicated value was credible and reliable.

It is our opinion that the market value of the fee simple estate in the subject property as of August 25, 2021 is:

One-Million Two-Hundred Thousand Dollars
\$1,200,000

EXHIBIT A

Assumptions and Limiting Conditions

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

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

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

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

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

Assumptions and Limiting Conditions, Continued

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

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

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

Assumptions and Limiting Conditions, Continued

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

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

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

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

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

EXHIBIT B
Appraisal Certification

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

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



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

Appraisal Certification

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

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



Caleb E. Nicholson
Wisconsin Certified General Appraiser (#2255)

EXHIBIT C
Professional Qualifications

Lawrence R. Nicholson, MAI

Experience

Larry Nicholson is the owner of The Nicholson Group, a Milwaukee-based real estate valuation consulting firm dedicated to providing reliable, well documented appraisals, market studies, review appraisals, expert testimony and litigation support services in a personal and timely manner. Larry has over 35-years of real estate valuation and consulting experience. Mr. Nicholson has been a MAI since 1989 and a Certified General Appraiser in the State of Wisconsin since 1991. He also was a Counselor of Real Estate ("CRE") from 2000 through 2008. Larry and the firm pride themselves in providing quality-oriented services with a high established level of integrity, trust and client commitment.

Mr. Nicholson has extensive experience with a variety of property types including hotels, golf courses, waterparks, marinas, industrial, office, shopping centers, apartments and land. He is an expert in condemnation-related appraisals as well as in partial interest valuation. Larry is very experienced providing expert testimony and litigation support services. Mr. Nicholson has been appointed by the Governor to the Real Estate Appraisers Board for the State of Wisconsin within the Department of Safety and Professional Services. Mr. Nicholson has taught the Valuation of Real Estate course (Real Estate 415) at the University of Wisconsin-Madison School of Business. He frequently participates as a speaker in numerous conferences, seminars and symposiums.

Lawrence R. Nicholson has held the MAI designation from the Appraisal Institute since 1989. Obtaining the MAI designation from the Appraisal Institute means that an appraiser has been elevated into the upper echelon of valuation experts. This designation has long been recognized by courts of law, governmental agencies, financial institutions and investors as a mark of excellence in the field of real estate valuation and analysis. MAI's are true professionals who have made a commitment to being the best in the real estate appraisal field.

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

Academics

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

Lawrence R. Nicholson, MAI
Professional Qualifications, continued

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

Professional Affiliations

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

State of Wisconsin Department of Safety and Professional Services
Real Estate Appraisers Board, State of Wisconsin (2010 - 2018)

- Chairman (2014 - 2018)
- Member (2010 - 2014)

Real Estate Appraisers Application Advisory Committee

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

State Certification

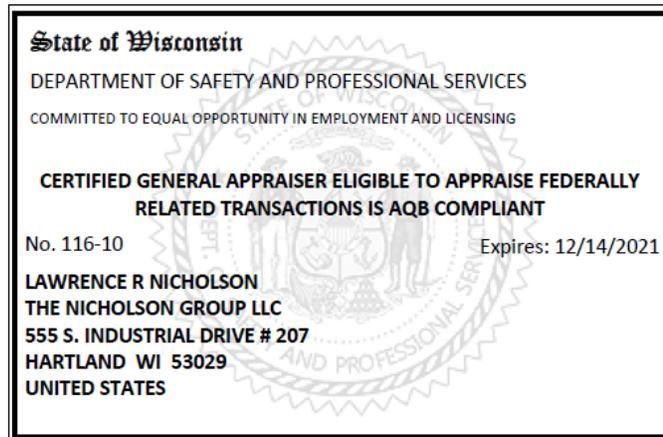
Wisconsin Certified General Appraiser #116 (1991)

Commercial Association of Realtors Wisconsin

Board of Directors (2001-2004)

University of Wisconsin-Madison

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



Caleb E. Nicholson
Senior Appraiser
The Nicholson Group LLC

Experience

An appraiser with The Nicholson Group LLC, a Milwaukee-based real estate valuation and consulting firm dedicated to providing reliable and well documented valuations, feasibility and market studies, litigation support and other consulting services in a personal and timely manner.

Prior to joining The Nicholson Group, Mr. Nicholson studied Business Administration at Winona State University. Mr. Nicholson is knowledgeable about many aspects of the real estate industry, particularly property valuation. In addition, his concentrated research on properties in both the Milwaukee and Madison metro area have afforded him a quality understanding of numerous real estate markets in Southern Wisconsin.

Mr. Nicholson has experience with various property types, including commercial land, business/industrial parks, apartment buildings, office buildings, and industrial facilities.

Academic Background

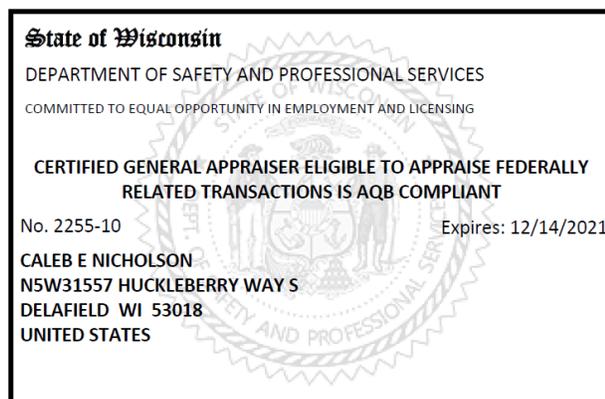
Winona State University
 Bachelor of Business Administration

State Certification

Wisconsin Certified General Appraiser #2255 (2017)

Appraisal Institute Coursework

15-Hour National USPAP
 Business Practices and Ethics
 Basic Appraisal Principles
 Basic Appraisal Procedures
 Finance, Statistics, and Valuation Modeling
 Market Analysis & Highest and Best Use
 Report Writing & Case Studies
 Site Valuation and Cost Approach
 Sales Comparison Approach
 Income Approach Part I
 Income Approach Part II



Firm Overview

The Nicholson Group is a Milwaukee-based real estate valuation firm established in 1993 and has become one of the pre-eminent valuation consulting firms in Wisconsin. The Nicholson Group provides real estate appraisal services to a variety of clients including financial institutions, law firms, corporations, real estate operating companies, insurance companies and governmental bodies. We provide complete support from initial consultation through providing our **independent and unbiased** opinions in narrative reports and if requested, expert testimony. We pride ourselves in our ability to provide quality-oriented services with high established levels of **integrity, trust and client commitment**.

The Nicholson Group is dedicated to providing reliable, well documented appraisals, market studies, review appraisals, expert testimony and litigation support services in a personal and timely manner. Our services are provided to the highest possible standards including complying with: the Uniform Standards of Professional Appraisal Practice ("USPAP"); and, the Standards of Professional Appraisal Practice and Code of Professional Ethics of the Appraisal Institute.

We are very experienced and proficient with many types of properties including industrial, office, shopping centers, apartments and land. Appraisers within the firm have particular specialties in the valuation of hotels, golf courses, waterparks and marinas as well as being recognized for expertise with senior-oriented enterprises such as skilled nursing facilities, CBRFs, assisted living facilities and RCACs. We are proficient in the use of Argus® software which is the appraisal industry standard for lease-by-lease discounted cash flow analysis.

Our firm is characterized by valuation **knowledge and experience, credibility, objectivity** and **client commitment** that have earned us high levels of respect throughout the real estate community.

Lawrence R. Nicholson has held the MAI designation from the Appraisal Institute since 1989. Obtaining the MAI designation from the Appraisal Institute means that an appraiser has been elevated into the upper echelon of valuation experts. This designation has long been recognized by courts of law, governmental agencies, financial institutions and investors as a mark of excellence in the field of real estate valuation and analysis. MAI's are true professionals who have made a commitment to being the best in the real estate appraisal field.

Integrity matters at The Nicholson Group.

**The Nicholson Group
Representative Client Listing**

<u>Financial Institutions</u>	<u>Municipal/Public</u>	<u>Attorneys</u>
Associated Bank	Cardinal Stritch University	Balisle & Roberson
Badger Bank	Carroll University	Davis & Kuelthau
Bank Mutual	City of Beaver Dam	DeWitt, Ross & Stevens
Bank of the West	City of Brookfield	Foley & Lardner
BMO Harris Bank	City of Delafield	Friebert, Finerty & St. John
CIBM Bank	City of Delavan	Godfrey & Kahn
CIBC Bank	City of Glendave	Michael Best & Friedrich
Citizens Bank of Mukwonago	City of Greenfield	Municipal Law & Litigation Group
Commerce State Bank	City of Janesville	Quarles & Brady
First American Bank	City of Medford	Reinhart Boerner Van Duren
First Bank Financial Centre	City of Milwaukee	Seibel Law Offices LLC
First Business Bank	City of Monona	Stafford Rosenbaum
First Citizens Bank	City of Muskego	von Briesen & Roper
First Midwest Bank	City of New Berlin	Weiss Berzowski Brady
First National Bank Fox Valley	City of Oconomowoc	Whyte Hirshboeck Dudek
Investors Bank	City of Pewaukee	
Ixonia Bank	City of Plymouth	<u>Corporate</u>
Johnson Bank	City of Racine	Abbott Laboratories
JP Morgan Chase Bank	City of Sun Prairie	Agnesian HealthCare, Inc.
Landmark Credit Union	City of Wausau	Boys & Girls Club of Milwaukee
Old National Bank	City of Wauwatosa	Bradley Center Sports & Entertainment Corp.
PNC Bank	City of West Allis	Caterpillar Inc.
Pyramax Bank	City of West Bend	Grunau Company
Town Bank	Redevelopment Authority of the City of Milwaukee (RACM)	Harley Davidson
U.S. Bank	Milwaukee Area Technical College	Harmony Living Centers
Waukesha State Bank	Milwaukee County	Journal - Sentinel, Inc.
Wells Fargo Bank	Milwaukee County Research Park	Lad Lake Inc.
Westbury Bank	Milwaukee Metropolitan Sewerage District (MMSD)	Lake Country Manufacturing
Wintrust Financial Corporation	Marquette University	Lauterbach Group
<u>Insurance Companies</u>	Milwaukee Public Schools	Milwaukee World Festivals Inc.
American Family Insurance	Town of Brookfield	Noah's Ark Family Park, Inc.
Fidelity Real Estate Group	Town of Sheboygan	Rockwell Automation
Northwestern Mutual Life	UW-Milwaukee Real Estate Foundation	Sargento Foods
Symetra Life Insurance Co	Village of Greendale	Skipper Buds
<u>Real Estate Operating Companies</u>	Village of Hartland	SkipperLiner Marine Group
Fiduciary Real Estate	Village of Kohler	Spancrete Industries
General Capital Group	Village of Menomonee Falls	Target – Dayton Hudson
Interstate Partners	Village of Mukwonago	Teamsters General Local No. 200
Metropolitan Associates	Village of Pleasant Prairie	The Conservation Fund
Pabst Farms Development Co.	Village of Shorewood	Trane
Public Storage, Inc	Village of Wales	U-Haul International
Zilber Ltd. & Towne Realty Inc.	Village of West Milwaukee	Walgreen Company
	Waukesha County	Wal-Mart Stores & Wal-Mart Realty
	Waukesha School District	Wisconsin Alumni Research Foundation (WARF)
	WI Department of Administration	Zilber Charitable Foundation
	WI Department of Justice	
	WI Department of Transportation	
	Wisconsin Lutheran College	

General Service Conditions

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

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

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

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