

APPRAISAL OF REAL PROPERTY

LOCATED AT:

7925 161st Ave NW

Ramsey, MN 55303

FOR:

City of Ramsey

7550 Sunwood Dr NW, Ramsey, MN 55303

AS OF:

July 10, 2015

BY:

David C. Hughes

Appraiser Disclosure Statement

File No. 15JUL10D

| | | | | | | | |
|------------------|-------------------|--------|-------|-------|----|----------|-------|
| Borrower | n/a | | | | | | |
| Property Address | 7925 161st Ave NW | | | | | | |
| City | Ramsey | County | Anoka | State | MN | Zip Code | 55303 |
| Lender/Client | City of Ramsey | | | | | | |

: Appraiser Disclosure Statement:

1. The scope of this appraisal is to develop an opinion of value of the lot only of a previously improved site, described in the body of this report. The intended user of this appraisal is The City of Ramsey, 7550 Sunwood Dr NW, Ramsey, MN 55303. I have not been previously engaged in professional services for the property which is the subject of this report in the last three years. I have experience in appraising in this market area. I am aware of, and have access to, the necessary and appropriate public and private data sources for the area in which the property is located.

2. The intended use or function of the appraisal prepared is to provide an opinion of market value on the real property, the subject of the appraisal. This appraisal has been prepared for the exclusive benefit of my client. It may not be used or relied upon by any other party. Any party who uses or relies upon information in this report does so at his or her own risk. Any information contained herein will only be released with specific authorization from my client. Additional copies of this report can only be executed with authorization from my client.

3. The value estimate is based upon the assumption that the subject property described in the appraisal is not negatively affected by the existence of hazardous substances or detrimental environmental conditions. The appraiser is not an expert in the identification of hazardous substances or detrimental environmental conditions. The appraisers routine inspection of the subject property did not develop any significant conclusions regarding hazardous substances or detrimental environmental conditions which would affect the property negatively unless otherwise stated in this report.

4. The signature(s) included with this report are digitally generated and should be considered legally binding and have the same force and effect as original ink signatures. All residential reports from Certified Appraisal Service, Inc are originals from printers or computer files which are locked when signed so they cannot be tampered with. Digital signatures are applied to make it possible to transmit an entire report electronically. No other person can alter the appraisal with the exception of the original signing appraiser.

5. An appraisal is different than a home inspection. An appraisal is required to estimate market value. It is the buyers responsibility to be informed.

6. Statistical reporting is based on information from the Regional Multiple Listing Service of Minnesota, county on-line data, drive-by observations and in some instances direct contact with listing agents. The Appraiser relied on the information from these reliable sources and if found to be incorrect, may affect your market value.

7. If I relied on significant professional assistance from any 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.

8. The appraisal was prepared in accordance with the requirements of Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, as amended (12 U.S.C 331 et seq.) and any implementing regulations.

LAND APPRAISAL REPORT

7925161ST
File No. 15JUL10D

| | | | | |
|--|---|--|----------------------------|--|
| IDENTIFICATION | Borrower <u>n/a</u> | Census Tract <u>0502.24</u> | Map Reference <u>34 C2</u> | |
| | Property Address <u>7925 161st Ave NW</u> | | | |
| | City <u>Ramsey</u> | County <u>Anoka</u> | State <u>MN</u> | Zip Code <u>55303</u> |
| | Legal Description _____ | | | |
| | Sale Price \$ <u>n/a</u> | Date of Sale <u>n/a</u> | Loan Term <u>n/a</u> yrs. | Property Rights Appraised <input checked="" type="checkbox"/> Fee <input type="checkbox"/> Leasehold <input type="checkbox"/> De Minimis PUD |
| Actual Real Estate Taxes \$ <u>exempt</u> (yr) | Loan charges to be paid by seller \$ <u>n/a</u> | Other sales concessions <u>n/a</u> | | |
| Lender/Client <u>City of Ramsey</u> | Address <u>445 East Lake Street, MN 55391</u> | | | |
| Occupant <u>vacant</u> | Appraiser <u>David C. Hughes</u> | Instructions to Appraiser <u>Estimate the fair market value of an undifferentiated 15 acres of an unimproved site; PID 16-32-25-24-0002 located in the city of Ramsey in Anoka County.</u> | | |

| | | | | | | | | | | |
|-------------------|----------------------------------|--|--|--|--|-------------------------------------|--|-------------------------------------|-------------------------------------|--------------------------|
| NEIGHBORHOOD | Location | <input type="checkbox"/> Urban | <input type="checkbox"/> Suburban | <input checked="" type="checkbox"/> Rural | Employment Stability | <input type="checkbox"/> Good | <input checked="" type="checkbox"/> Avg. | <input type="checkbox"/> Fair | <input type="checkbox"/> Poor | |
| | Built Up | <input type="checkbox"/> Over 75% | <input checked="" type="checkbox"/> 25% to 75% | <input type="checkbox"/> Under 25% | Convenience to Employment | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| | Growth Rate | <input type="checkbox"/> Fully Dev. | <input checked="" type="checkbox"/> Rapid | <input checked="" type="checkbox"/> Steady | <input type="checkbox"/> Slow | Convenience to Shopping | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| | Property Values | <input checked="" type="checkbox"/> Increasing | <input type="checkbox"/> Stable | <input type="checkbox"/> Declining | Convenience to Schools | <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"/> Oversupply | Adequacy of Public Transportation | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| | Marketing Time | <input checked="" type="checkbox"/> Under 3 Mos. | <input type="checkbox"/> 4-6 Mos. | <input type="checkbox"/> Over 6 Mos. | Recreational Facilities | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| | Present Land Use | <u>82%</u> 1 Family | <u>2%</u> 2-4 Family | <u>1%</u> Apts. | <u>10%</u> Condo | <u>10%</u> Commercial | Adequacy of Utilities | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Change in Present Land Use | <input type="checkbox"/> Not Likely | <input checked="" type="checkbox"/> Likely (*) | <input type="checkbox"/> Taking Place (*) | Property Compatibility | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| | Predominant Occupancy | <input checked="" type="checkbox"/> Owner | <input type="checkbox"/> Tenant | <u>5</u> % Vacant | Protection from Detrimental Conditions | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| | Single Family Price Range | \$ <u>30,000</u> to \$ <u>655,000</u> | | Predominant Value \$ <u>160</u> | Police and Fire Protection | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Single Family Age | <u>00</u> yrs. to <u>70</u> yrs. | | Predominant Age <u>18</u> yrs. | General Appearance of Properties | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| | | | | Appeal to Market | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |

Comments including those factors, favorable or unfavorable, affecting marketability (e.g. public parks, schools, view, noise): Subject is located in Ramsey, an area consisting of single family homes of various styles, sizes, ages and values. Schools are in the Elk River and the Anoka-Hennepin School Districts. Ramsey has limited employment opportunities. Recreation (primarily outdoor) and police and fire protection are adequate. No adverse noise factor, typical nature and residential views.

| | | | | |
|------|---|---|--|---|
| SITE | Dimensions <u>undifferentiated</u> | = | <u>15.</u> Sq. Ft. or Acres | <input type="checkbox"/> Corner Lot |
| | Zoning classification <u>R1 - Single Family Residential</u> | Present Improvements <input checked="" type="checkbox"/> do | <input type="checkbox"/> do not conform to zoning regulations | |
| | Highest and best use | <input type="checkbox"/> Present use | <input checked="" type="checkbox"/> Other (specify) <u>site is currently un-improved, proposed park improvement</u> | |
| | Elec. <input type="checkbox"/> | Public | Other (Describe) | OFF SITE IMPROVEMENTS |
| | Gas <input type="checkbox"/> | | | Street Access <input checked="" type="checkbox"/> Public <input type="checkbox"/> Private |
| | Water <input type="checkbox"/> | | | Surface <u>bituminous</u> |
| | San. Sewer <input type="checkbox"/> | | | Maintenance <input checked="" type="checkbox"/> Public <input type="checkbox"/> Private |
| | | | | <input checked="" type="checkbox"/> Storm Sewer <input checked="" type="checkbox"/> Curb/Gutter |
| | | | | <input type="checkbox"/> Sidewalk <input checked="" type="checkbox"/> Street Lights |
| | | | | Topo <u>level</u> |
| | | | Size <u>large acreage site</u> | |
| | | | Shape <u>irregular</u> | |
| | | | View <u>nature/res</u> | |
| | | | Drainage <u>adequate runoff to low areas</u> | |
| | | | Is the property located in a HUD Identified Special Flood Hazard Area? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes | |

Comments (favorable or unfavorable including any apparent adverse easements, encroachments, or other adverse conditions): The subject site does not appear to be in a FEMA designated flood zone. No adverse easements, encroachments or any other adverse conditions were noted by the appraiser.

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.

| MARKET DATA ANALYSIS | ITEM | SUBJECT PROPERTY | COMPARABLE NO. 1 | COMPARABLE NO. 2 | COMPARABLE NO. 3 |
|----------------------|----------------------------------|-------------------------------------|---|---|---|
| | Address | <u>7925 161st Ave NW Ramsey</u> | <u>20xxx Nowthen Blvd Nowthen, MN 55303, Anoka Cnty</u> | <u>xxxx Nowthen Blvd Nowthen, MN 55303, Anoka Cnty</u> | <u>xxxx Nowthen Blvd Nowthen, MN 55303, Anoka Cnty</u> |
| | Proximity to Subject | | <u>5.64 miles N</u> | <u>6.08 miles N</u> | <u>5.97 miles N</u> |
| | Sales Price | \$ <u>n/a</u> | \$ <u>70,000</u> | \$ <u>73,000</u> | \$ <u>76,000</u> |
| | Price \$/Sq. Ft. | \$ | \$ <u>6,979/ac</u> | \$ <u>11,231/ac</u> | \$ <u>10,660/ac</u> |
| | Data Source | <u>inspect/county</u> | <u>County/RealtorMLS</u> | <u>County/RealtorMLS</u> | <u>County/RealtorMLS</u> |
| | Date of Sale and Time Adjustment | DESCRIPTION | DESCRIPTION | DESCRIPTION | DESCRIPTION |
| | | <u>n/a</u> | <u>01/2015</u> | <u>05/2015, dom 32</u> | <u>05/2015, dom 32</u> |
| | Location | <u>Ramsey</u> | <u>Nowthen</u> | <u>Nowthen</u> | <u>Nowthen</u> |
| | Site/View | <u>15 ac, rural</u> | <u>10.3 ac, rural</u> | <u>6.5 a., rural</u> | <u>7.13 a., rural</u> |
| | wooded | <u>light</u> | <u>light</u> | <u>medium</u> | <u>light</u> |
| | topography | <u>level</u> | <u>level</u> | <u>level</u> | <u>level</u> |
| | utilities | <u>none</u> | <u>none</u> | <u>none</u> | <u>none</u> |
| | appeal | <u>good</u> | <u>good</u> | <u>good</u> | <u>good</u> |
| | Sales or Financing Concessions | <u>n/a</u> | <u>Conventional</u> | <u>CD</u> | <u>Cash</u> |
| | | <u>0</u> | <u>17,500</u> | <u>0</u> | <u>0</u> |
| | Net Adj. (Total) | | <input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ <u>39,480</u> | <input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ <u>66,400</u> | <input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ <u>66,180</u> |
| | Indicated Value of Subject | | Net 56.4 % \$ <u>109,480</u> | Net 91.0 % \$ <u>139,400</u> | Net 87.1 % \$ <u>142,180</u> |

Comments on Market Data: See additional comments.

| | |
|----------------|--|
| RECONCILIATION | Comments and Conditions of Appraisal: <u>The subject has not been sold within the last three years. No other previous sales were noted within the last one year for any of the comparable sales used in this report.</u> |
| | Final Reconciliation: <u>The income and cost approaches to value were not used due to the lack of sufficient data with which to form a meaningful value estimate. The direct sales comparison approach is deemed to offer the most reliable indication of value. The final value is rounded.</u> |
| | I ESTIMATE THE MARKET VALUE, AS DEFINED, OF SUBJECT PROPERTY AS OF <u>July 10, 2015</u> to be \$ <u>118,000</u> |

David C. Hughes
 David C. Hughes Did Did Not Physically Inspect Property
 Appraiser(s) Review Appraiser (if applicable)

LAND APPRAISAL REPORT MARKET DATA ANALYSIS

7925161ST
File No. 15JUL10D

MARKET DATA ANALYSIS

COMMENTS

| ITEM | SUBJECT PROPERTY | COMPARABLE NO. 4 | | COMPARABLE NO. 5 | | COMPARABLE NO. 6 | |
|----------------------------------|-----------------------------|--|----------------|--|----------------|---|----------------|
| Address | 7925 161st Ave NW Ramsey | 243xx St. Francis Blvd St. Francis, MN 55070, Anoka Cnty | | 15641 Potassium St NW Ramsey, MN 55303 | | | |
| Proximity to Subject | | 11.08 miles NE | | 2.33 miles E | | | |
| Sales Price | \$ n/a | | \$ 85,000 | | \$ 85,500 | | \$ |
| Price \$/Sq. Ft. | \$ | | \$ 4,821/ac | | \$ 8,550/ac | | \$ |
| Data Source | inspect/county | County/RealtorMLS | | County/RealtorMLS | | | |
| Date of sale and Time Adjustment | DESCRIPTION n/a | DESCRIPTION 07/2014 dom 46 | +(-)\$ Adjust. | DESCRIPTION 01/2015 dom 105 | +(-)\$ Adjust. | DESCRIPTION | +(-)\$ Adjust. |
| Location | Ramsey | St. Francis | | Ramsey | | | |
| Site/View | 15 ac, rural | 16.34 ac, rural | | 10 ac, rural | | | |
| wooded | light | heavy | | light | | | |
| topography | level | level | | level | | | |
| utilities | none | none | | none | | | |
| appeal | good | good | | average | | +5,000 | |
| Sales or Financing Concessions | n/a 0 | Conventional 0 | | Conventional 0 | | | |
| Net Adj. (Total) | | <input type="checkbox"/> + <input checked="" type="checkbox"/> - | \$ -21,256 | <input checked="" type="checkbox"/> + <input type="checkbox"/> - | \$ 47,750 | <input type="checkbox"/> + <input type="checkbox"/> - | \$ |
| Indicated Value of Subject | | Net 25.0 % | \$ 63,744 | Net 55.8 % | \$ 133,250 | Net % | \$ |

Comments: - Land: Market Data Comments

Confidential information related to pricing, motivations, negotiations, concessions, fees, etc, are not typically made known to those not a part of the agreement or closing. Even when provided an interview that confirms parts of a transaction, the values herein are based on the assumption that the data reported to the sources used is correct and reflects the specific marketable features.

The subject inspection found the subject site being appraised to be an unimproved 15 acres of buildable land located within the proposed highlighted area boundaries and adjacent to the existing City of Ramsey Central Park. A visual inspection was performed as part of the scope of work for this assignment. The immediate neighborhood includes neighboring sites with existing single family residences. The local MLS on-line records is the resource used in providing similar site comparables. Some comparables are located across man made or natural boundaries and made necessary due to fewer sales in the pool of readily available data. Markets are similar no location adjustments are made.

Site adjustments are not necessarily made per size alone but also for the quality of the physical characteristics. The comparables researched produced and average cost of \$8,448/ac. For purposes of this appraisal \$8400/ac adjustment value is used. Vegetation, (wooded areas), of the subject and comparables are estimates derived from mls data and county GIS aerial photos. Adjustments for wooded acres are made at \$5,000/estimate differences. Topography deviations are deemed equal, no adjustments for topography are made. Utilities are researched per comparable site. No comparable site data include utilities on site. No adjustments for utilities are deemed necessary. Adjustments for appeal are made based upon site access. Comparables located on paved county or paved municipal streets have similar appeal to market. Adjustments are made for non-paved roads at \$5,000.

The adjustments are mixed and the subject is bracketed. Comps two and three are the most recent. Comp four is the least adjusted. Comp five is the most proximate. Equal weight is placed on all comparables. The final value is below the market area predominate value due to; the subject site is undeveloped. The final value is rounded.

Note: The final option of value is \$118,000.
\$118000 / 15 acres = \$7867 per acre.

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 judgement.

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.

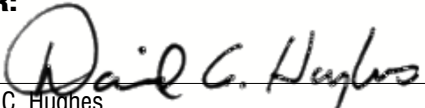
APPRAISER'S CERTIFICATION: The Appraiser certifies and agrees that:

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 interior and exterior areas of 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: 7925 161st Ave NW, Ramsey, MN 55303

APPRAISER:

Signature: 
Name: David C. Hughes
Date Signed: 07/15/2015
State Certification #: 20111284
or State License #: _____
State: MN
Expiration Date of Certification or License: 08/31/2016

SUPERVISORY APPRAISER (only if required):

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

Did Did Not Inspect Property

Subject Photos

| | | | | | | | |
|------------------|-------------------|--------|-------|-------|----|----------|-------|
| Borrower | n/a | | | | | | |
| Property Address | 7925 161st Ave NW | | | | | | |
| City | Ramsey | County | Anoka | State | MN | Zip Code | 55303 |
| Lender/Client | City of Ramsey | | | | | | |



Street View Looking East



West Boundary Looking North



Overview of Site Looking East



West Boundary Looking South



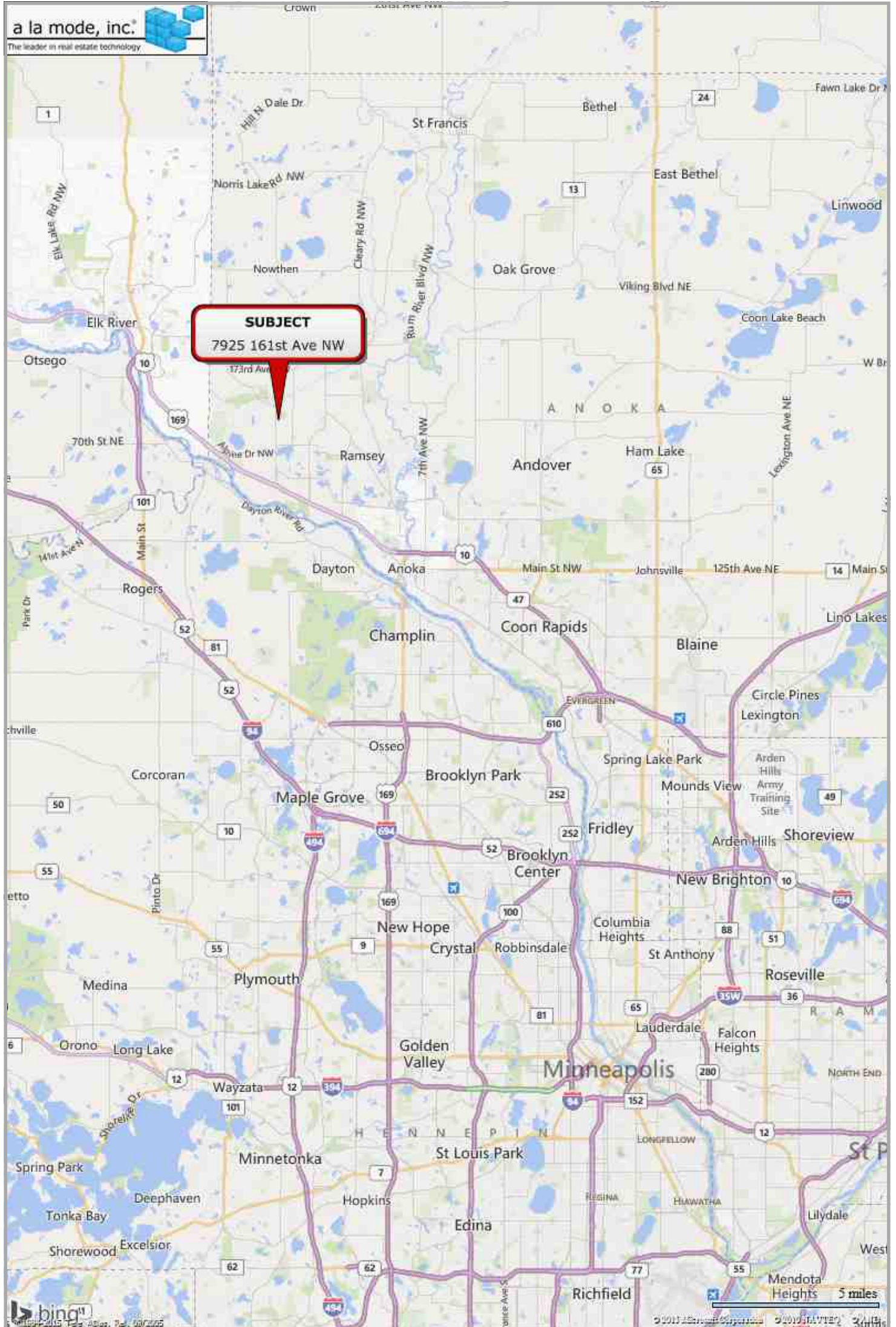
Overview of Site Looking West



Northeast Boundary Looking Southeast

Location Map

| | | | | |
|------------------|-------------------|--------|-------|-------------------------|
| Borrower | n/a | | | |
| Property Address | 7925 161st Ave NW | | | |
| City | Ramsey | County | Anoka | State MN Zip Code 55303 |
| Lender/Client | City of Ramsey | | | |



Aerial Map

| | | | | | | | |
|------------------|-------------------|--------|-------|-------|----|----------|-------|
| Borrower | n/a | | | | | | |
| Property Address | 7925 161st Ave NW | | | | | | |
| City | Ramsey | County | Anoka | State | MN | Zip Code | 55303 |
| Lender/Client | City of Ramsey | | | | | | |

Proposed Site Area - The 15 acres of Buildable Land Located within The Highlighted Area.



Comparable 1



Comparable #1



Aerial Photo: Flown Spring of 2014



Comparable 2



Comparable #2



Scale 1:2400



Aerial Photo: Flowm Spring of 2014



Comparable #3



Comparable #3



Aerial Photo: Flown Spring of 2014



Comparable 4



Comparable #4



Aerial Photo: Flown Spring of 2014



Comparable 5



Comparable #5



Aerial Photo: Flown Spring of 2014



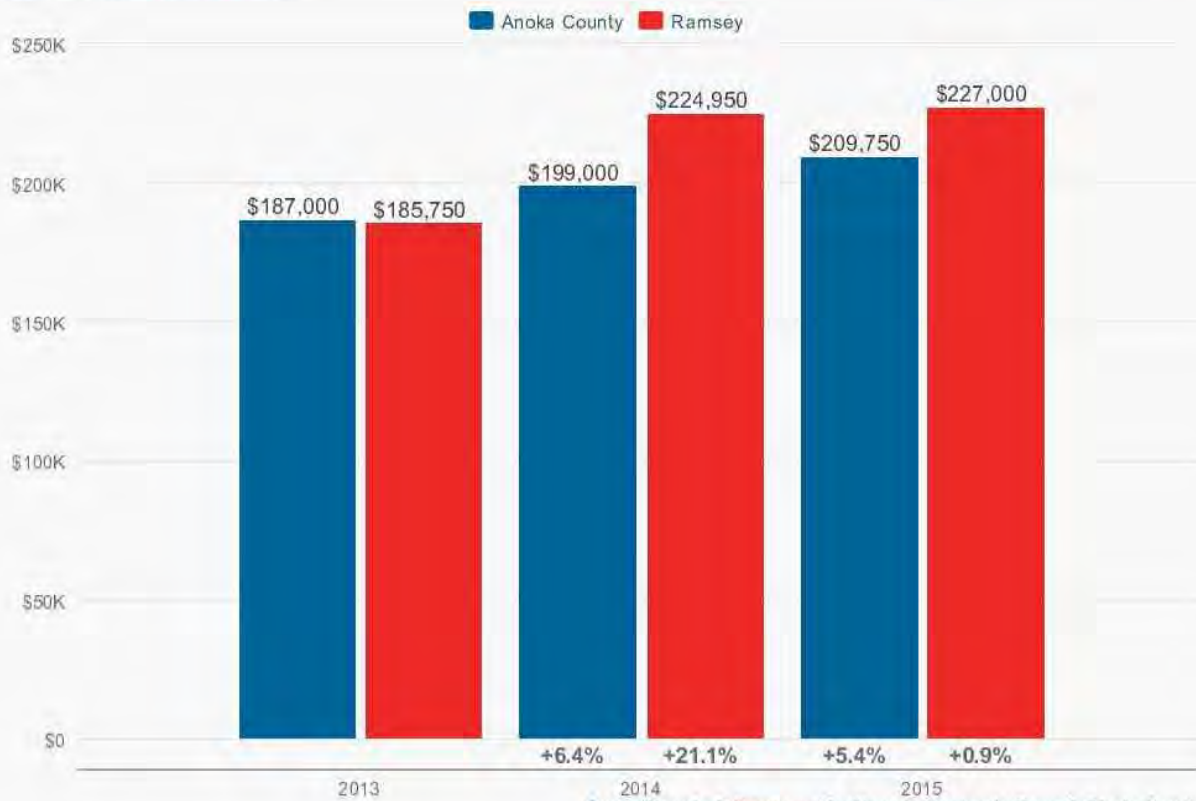
Local Market Addendum

David Hughes
Certified Appraisal Services

Office: 763-767-6925
Cell: 612-963-1558
dchughes413@comcast.net



June Median Sales Price



Anoka County & Ramsey: Traditional, Previously Owned, Single-Family

Each data point is 12 months of activity. Data is from July 14, 2015.

All data from NorthstarMLS. Data deemed reliable but not guaranteed. Powered by 10K Research and Marketing.

Engagement Letter

Mark R. Schwab

Certified Appraisal Services

13016 Owatonna Street Northeast
Blaine, MN 55449

Voice - 763 767-6925
Fax - 763 767-6921
Website - www.cert-appraisal.com

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----- Forwarded message -----

From: **Mark Schwab** <mrsinc55@gmail.com>
Date: Thu, Jun 18, 2015 at 9:56 AM
Subject: Re: potential purchase by the city from st. kathrine drexal
To: Mark Riverblood <mriverrblood@ci.ramsey.mn.us>

Hi Mark,

The fee for this appraisal will be \$450 (residential land form report) and our turnaround time will be about 3 weeks from the date we receive your engagement. Thank you for the opportunity to bid this assignment.

Sincerely,

Mark R. Schwab

Certified Appraisal Services

13016 Owatonna Street Northeast
Blaine, MN 55449

Voice - 763 767-6925
Fax - 763 767-6921
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On Mon, Jun 15, 2015 at 7:57 AM, Mark Riverblood <mriverrblood@ci.ramsey.mn.us> wrote:

Hello Mr. Schwab – been some time since I have done business with you!

Previously you had done some appraisals for me relative to conservation and trail easements. Today I am in need of an appraisal for raw land to potentially purchase to expand Central Park. This is something that may be useful to meet on, or discuss by phone, as the boundary for the purchase has not been determined yet – so, I am thinking that you could base the appraisal per sq ft, or by acre(?), with the approximate area referenced. Or, I can make an exhibit that shows all 4-5 scenarios.

<https://web.mail.comcast.net/zimbra/h/printmessage?id=511333&tz=America/Chicago...> 7/2/2015

Resume

DAVID C. HUGHES *Certified Residential Real Property Appraiser*

Formal Education

Anoka Technical College (Architectural Tech)
Centennial High School

Anoka, Minnesota
Circle Pines, Minnesota

Professional Education

| | | |
|---|---------------------------|--|
| 17 th Real Estate Trends | 2015 | Appraisal Institute |
| Appreciating Market Adjustments | 2014 | Kaplan |
| USPAP Update | 2014 | Kaplan |
| Fannie Mae | 2013 | Kaplan |
| Regression | 2013 | Kaplan |
| USPAP Update | 2012 | Kaplan |
| 2011 Appraisal Update UAD | 2011 | Kaplan |
| USPAP Update | 2011 | Kaplan |
| Understanding Today's HVAC | 2011 | Kaplan |
| Design/Functional Utility | 2010 | Appraisal Institute |
| REO Appraisal | 2010 | Appraisal Institute |
| USPAP Update | 2009 | Kaplan |
| Form 1004MC & HVCC Conduct | 2009 | Kaplan |
| Assessment Laws & Procedures | 2009 | MN Assoc. of Assessing Officers |
| FHA Procedures & Roster Eligibility | 2009 | Appraisal Institute |
| Hire & Supervise New Appraisers | 2008 | Kaplan |
| Data Analysis Declining Mkt. | 2008 | Kaplan |
| Advanced Exteriors | 2008 | Kaplan |
| USPAP Update | 2006 | Prosource |
| How to Perform an Appraisal Inspection | 2005 | Prosource |
| How to Prepare The New URAR | 2005 | Prosource |
| National USPAP update | 2005 | Prosource |
| Small Residential Investment Properties | 2004 | Prosource |
| FHA Appraisals/New HUD Guidelines | 2004 | Prosource |
| National USPAP Course | 2003 | Prosource |
| USPAP Update | 2002 | Prosource |
| Fannie Mae Update Presentation | 2001 | National Association of Real Estate Appraisers |
| Frauds And Flips | 2001 | National Association of Real Estate Appraisers |
| Appraising the Single Family Residence | 2001 | National Association of Real Estate Appraisers |
| Appraisal Practices & Principals | 2000 | National Association of Real Estate Appraisers |
| Appraisal Guidelines & Updates | 2000 | National Association of Real Estate Appraisers |
| Appraisal Regulations | 2000 | National Association of Real Estate Appraisers |
| USPAP Update | 2000 | Prosource |
| Appraisal Office Management | 1999 | University of St. Thomas |
| Supporting Sales Grid Adjustments | 1999 | University of St. Thomas |
| Registered Home Inspector (RHI) | 1998 | Prosource |
| Introduction to Appraisal Principles I | 1997 | Prosource |
| Introduction to Appraisal Principles II | 1997 | Prosource |
| Introduction to Appraisal Practices I | 1997 | Prosource |
| Introduction to Appraisal Practices II | 1997 | Prosource |
| USPAP Standards & Ethics | 1997 | Prosource |
| Appraiser's guide to Residential Construction | 1997 | Prosource |
| Building Inspection Tech Course Studies | 1994 | North Hennepin Community College |
| Field Inspection | Building Insp-Plan Review | |
| Building Codes & Their Standards | | |
| Electrical Insp | Building Insp-Dept. Admin | |

Professional History

| | | |
|-----------------------------------|--------------|--------------------|
| Certified Real Property Appraiser | 1997-Present | State of Minnesota |
| Structural Technician | 1976-2009 | Central Minnesota |

