

CITY OF ONALASKA MEETING NOTICE

COMMITTEE/BOARD: Board of Review
DATE OF MEETING: September 6, 2016 (Tuesday)
PLACE OF MEETING: City Hall – 415 Main Street (Common Council Chambers)
TIME OF MEETING: 9:00 A.M.

PURPOSE OF MEETING

1. Call to Order and roll call.
2. Approval of minutes from the previous meeting.

Consideration and possible action on the following items:

3. Presentation of objections for actual real/personal property values by owners or their representatives according to the procedures established in Sec. 70.47 (8) of the Wisconsin Statutes.

Adjournment

PLEASE TAKE FURTHER NOTICE that members of the Common Council of the City of Onalaska who do not serve on the Board may attend this meeting to gather information about a subject over which they have decision making responsibility.

Therefore, further notice is hereby given that the above meeting may constitute a meeting of the Common Council and is hereby noticed as such, even though it is not contemplated that the Common Council will take any formal action at this meeting.

NOTICES MAILED TO:

*Mayor Joe Chilsen – Vice-Chair
* Ald. Jim Binash - Chair
** Ald. Jim Olson
* Ald. Jim Bialecki
** Ald. Bob Muth
* Ald. Barry Blomquist
** Ald Harvey Bertrand
City Attorney Dept Heads
La Crosse Tribune
Onalaska Holmen Courier
WKTY WLXR WLAX
WKBT WXOW

*Committee Members
** Alternate Members

*Cari Burmaster-City Clerk

Milde Appraisal Services

Onalaska City Hall
Onalaska Omni Center
Onalaska Public Library

Date Notices Mailed: 8-29-16
Date Notices Posted: 8-29-16

In compliance with the Americans with Disabilities Act of 1990, the City of Onalaska will provide reasonable accommodations to qualified individuals with a disability to ensure equal access to public meetings provided notification is given to the City Clerk within seventy-two (72) hours prior to the public meeting and that the requested accommodation does not create an undue hardship for the City.

Objection to Real Property Assessment

To file an appeal on your property assessment, you must provide the Board of Review (BOR) clerk written or oral notice of your intent, under state law (sec. 70.47(7)(a), Wis. Stats.). You must also complete this entire form and submit it to your municipal clerk. To review the best evidence of property value, see the Wisconsin Department Revenue's *Property Assessment Appeal Guide for Wisconsin Real Property Owners*.

Complete all sections:

Section 1: Property Owner / Agent Information				* If agent, submit written authorization with this form			
Property owner name (on changed assessment notice) Spirit Spe Portfolio 2006 /Shopko Stores Operating Co. LLC				Agent name (if applicable) Michael Lee/Paradigm Tax Group			
Owner mailing address 700 Pilgrim Way				Agent mailing address 30 N LaSalle St #3520			
City Green Bay	State WI	Zip 54304	City Chicago	State IL	Zip 60602		
Owner phone () -	Email karen.belonge@shopko.com			Owner phone (312) 252-0323	Email mlee@paradigmatx.com		

Section 2: Assessment Information and Opinion of Value			
Property address 9366 State Highway 16			Legal description or parcel no. (on changed assessment notice) 018-003589-009
City Onalaska	State WI	Zip 54304	
Assessment shown on notice - Total \$ 7,021,400		Your opinion of assessed value - Total \$ 3,900,000	

If this property contains non-market value class acreage, provide your opinion of the taxable value breakdown:

Statutory Class	Acres	\$ Per Acre	Full Taxable Value
Residential total market value			
Commercial total market value			
Agricultural classification: # of tillable acres		@ \$ acre use value	
# of pasture acres		@ \$ acre use value	
# of specialty acres		@ \$ acre use value	
Undeveloped classification # of acres		@ \$ acre @ 50% of market value	
Agricultural forest classification # of acres		@ \$ acre @ 50% of market value	
Forest classification # of acres		@ \$ acre @ market value	
Class 7 "Other" total market value		market value	
Managed forest land acres		@ \$ acre @ 50% of market value	
Managed forest land acres		@ \$ acre @ market value	

Section 3: Reason for Objection and Basis of Estimate	
Reason(s) for your objection: (Attach additional sheets if needed) <i>The subject is overvalued based on market and the assessed values of similar properties.</i>	Basis for your opinion of assessed value: (Attach additional sheets if needed) <i>Fee simple appraisal value</i>

Section 4: Other Property Information

A. How was this property acquired: (check the box that applies) Purchase Trade Gift Inheritance
 Acquisition price \$ Portfolio Sale Date N/A (mm-dd-yyyy)

B. Were there any changes made to this property (ex: improvement, remodeling, addition) since acquiring it? Yes No
 If Yes, describe _____
 Date of changes - - - - - Cost of changes \$ _____ Does this cost include the value of all labor (including your own)? Yes No
 (mm-dd-yyyy)

C. During the last five years, was this property listed/offered for sale? Yes No
 If Yes, how long was the property listed (provide dates) - - - - - to - - - - -
 (mm-dd-yyyy) (mm-dd-yyyy)
 Asking price \$ _____ List all offers received _____

D. Was this property appraised within the last five years? Yes No
 If Yes, provide: Date - - - - - Value _____ Purpose of appraisal _____
 (mm-dd-yyyy)
 If this property had more than one appraisal, provide the requested information for each appraisal. _____

Section 5: BOR Hearing Information

A. If you are requesting that a BOR member(s) be removed from your hearing, provide the name(s): _____
 Note: This does not apply in first or second class cities.

B. Provide a reasonable estimate of the amount of time you need at the hearing reassessing waiver minutes.

Property owner or Agent signature <i>Michael Lee</i>	Date (mm-dd-yyyy) <u>7-8-2016</u>
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Paradigm

July 8th, 2016

Via Mail

City Clerk
Onalaska City Hall
415 Main St
Onalaska, WI 54650

Re: 2016 Request for Waiver of Board of Review (BOR) Hearing
Spirit Spe Portfolio 2006-1 LLC/Shopko Stores Operating Co. LLC
9366 State Highway 16
Onalaska, WI
La Crosse County
Permanent Index Number(s): 018-003589-009

Dear City Clerk:

Please find the enclosed and completed, Request for Waiver of Board of Review (BOR) Hearing form, as well as the Objection Form for Real Property Assessment.

We would like to waive the hearing of the attached objection, for the above referenced property. We represent the client, Shopko Stores Operating Co. LLC.

If the Waiver of Hearing is denied, we would like to request a telephone hearing with the Board of Review.

Please let me know if you have any questions or require additional information.

Respectfully submitted,

Paradigm Tax Group

Michael Lee

Michael Lee
Consultant

Phone: 312-252-0322

Email: mlee@paradigmtax.com

Attachments

LETTER OF AUTHORIZATION

TO: Ad Valorem Tax Authorities and Others To Whom It May Concern

This letter will introduce the firm of PARADIGM TAX GROUP, which is authorized to represent us concerning Ad Valorem Taxes on real property owned and/or operated by SHOPKO STORES OPERATING CO., LLC for tax year 2015 AND 2016. This authorization letter will supersede any previous letters of authorization on file.

PARADIGM TAX GROUP is authorized to file property returns, to review and receive copies of any prior tax year's tax returns, to investigate appraisals and assessments, to submit income and expense information, to appeal property values and taxes, to receive tax bills, to appear before administrative boards or agencies, and to prepare to take such actions in our offices as necessary to effectuate same. PARADIGM TAX GROUP is authorized to act as agent, and/or attorney in fact, with those aforementioned rights on the property owned or controlled by the undersigned entity.

IN WITNESS WHEREOF:

The undersigned has hereunto set our hands and affixed our seals this the 10th day of March, 2015.

Signed, sealed, and delivered in the presence of:

Karen Belonge

Karen Belonge
Notary Public

My commission expires March 13, 2016

ACCEPTED:

SHOPKO STORES OPERATING CO., LLC

BY: *Kelly Weerts*

PRINT NAME: Kelly Weerts

TITLE: VP - Controller

DATE: 03/10/2015



Request to Testify by Telephone or Submit a Sworn Written Statement at the Board of Review (BOR)

Section 70.47(8), Wis. Stats., states "...Instead of appearing in person at the hearing, the board may allow the property owner, or the property owner's representative, at the request of either person, to appear before the board, under oath, by telephone or to submit written statements, under oath, to the board. ..."

NOTE: The legal requirements of the Notice of Intent to Appear at the BOR must be satisfied and the Objection Form must be completed and submitted to the BOR as required by law prior to the Request to Testify by Telephone or Submit Sworn Written Statement form being submitted.

Municipality City of Onalaska	County La Crosse
Property owner's name Spirit Spe Portfolio 2006-1 LLC/ Shopko Stores Operating	Agent name (if applicable) Michael Lee / Paradigm Tax Group
Owner's mailing address 700 Pilgrim Way Green Bay, WI 54304	Agent's mailing address 30 N LaSalle St #3520 Chicago, IL 60602
Owner's telephone number () - <input type="checkbox"/> Land Line <input type="checkbox"/> Cell Phone	Agent's telephone number (312) 252 - 0323 <input checked="" type="checkbox"/> Land Line <input type="checkbox"/> Cell Phone
Owner's email address karen.belogne@shopko.com	Agent's email address mlee@paradigmtax.com

Please provide the following information on the property and the assessment to which you are objecting. (Attach additional sheets, if necessary.)

1. Property address 9366 State Highway 16

2. Legal description or parcel number from the current assessment roll 018-003589-009

3. Total Property Assessment \$ 7,021,400

4. If agent, attach signed Agent Authorization form, PA-105

Testify by telephone* Submit sworn written statement

Basis for request
Appraisal is not complete yet and we are located in Chicago

* If the request is approved, provide the best telephone number to reach you (312) 252 - 0323

Owner's or Agent's signature 	Date <u>7-8-2016</u>
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For Board Use Only

Approved Denied

Reason Doesn't give the Board the ability to cross-examine testimony or observe body language - per policy geographical location is not considered.

Taxpayer advised 7-14-16
Date



City of Onalaska

415 Main Street • Onalaska, WI 54650 • (608) 781-9530 • fax (608) 781-9534
www.cityofonalaska.com

August 30, 2016

Name: Spirit Spe Portfolio 2006-1 LLC / Shopko Stores Operating
c/o Michael Lee
Paradigm Tax Group
Address: 30 N LaSalle St #3520
City, State, Zip: Chicago, IL 60602

RE: Board of Review Hearing

You are scheduled for hearing at the Board of Review to address the assessment of the property objection you have filed. Your hearing will be:

Date: Tuesday, September 6, 2016

Time: 9am

Location: Council Chambers, City Hall, 415 Main Street, Onalaska, WI 54650

You are the first hearing for the day and will be heard immediately after the completion of the opening of the meeting. If subpoenaed documents are not submitted by the deadline stated in the subpoena a dismissal will be recommended with no hearing at all. Any withdrawals will need to be made in writing and submitted to myself by Tuesday, September 6, 2016 at 8am.

Sincerely,

Caroline Burmaster, MMC / WCPC
City Clerk, City of Onalaska

City of Onalaska
Board of Review

Findings of Fact, Determinations and Decision*

A. PROPERTY IDENTIFICATION AND FINDINGS OF FACT

ASSESSMENT YEAR: 2016 Tax Key Number: 018-003589-009

Property Address: 9366 State Hwy 16

Property Owner: Spirit Spe Portfolio 2006-1, Shopko Stores Operating, Co. LLC

Mailing Address: 700 Pilgrim Way, Green Bay, WI 54304

January 1, 2016 Assessment Value:

Land: \$2,789,800 Improvements: \$4,291,600 Total: \$7,021,400

Hearing Date: September 6, 2016 Time: 9:00 am

Objector Received written confirmation of Hearing Date: Yes: No:

(or) Both Objector and Assessor waived 48 hour notice of hearing:

[Note: Taxpayer must have filed written objection before or at Board of Review.]

Check one:

Timely notice of "Intent to File an Objection" was provided by objector to clerk (either in writing or orally) at least 48 hours prior to first full session of Board of Review, or Waiver was granted by Board of Review for:

Good Cause, OR
 Extraordinary Circumstances

Board members present: Ald. Binash, Ald. Bralicki, Ald. Blomquist, City Clerk Cari Burmaster

Board Members removed (if any): -----

Board Counsel Present: Sean O'Flaherty

Property Owner/Objector's Attorney or Representative: Michael Lee

Board Members with certified training (must have at least one): Cari Burmaster

B. TESTIMONY

The following individuals were sworn as witnesses by the Board of Review Clerk (include Property Owner/Objector (or his/her Representative, if testifying) and Assessor):

No hearing

I. Sworn testimony by Property Owner/Objector: _____ included:

* A recent sale of the subject property: Yes. _____ No. _____

If yes: The subject property was sold for \$ _____ Date of sale _____

* Recent sales of comparable properties:

If yes: A total number of _____ other properties were presented.
Addresses of other properties:

* Other factors or reasons (if presented): Yes: _____ No: _____

If yes: List of summary factors or reasons presented by property owner/objector:

2. Sworn testimony on behalf of property owner/objector was presented by following other witnesses (if any): _____

Summary of testimony of other witnesses' for objector (if any): _____

3. Sworn testimony by Assessor: _____ included:

* A recent sale of the subject property: Yes. _____ No _____

If yes: The subject property was sold for \$ _____ Date of sale _____

* Recent sales of comparable properties:

If yes: A total number of _____ other properties were presented.

Addresses of other properties:

* Other factors or reasons (if presented): Yes: _____ No: _____

If yes: List of summary factors or reasons presented by property owner/objector:

4. Sworn testimony (if any) on behalf of the assessor was presented by:

5. Summary Of testimony of other witnesses' for assessor (if any): _____

C. DETERMINATIONS

1. The Board of Review finds that there was a recent sale of the subject property:

Yes: _____ No: _____ (if Yes, answer a, b, or c)

a) The sale was an arm's length transaction. Yes _____, No _____

b) The sale was of market value as of the date of sale. Yes _____ No _____

c) The Board finds that this sale supports the assessment. Yes _____ No _____

2. The Board of Review finds that there are recent sales of comparable properties:

Yes: _____ No: _____ (if Yes, answer a, b, or c)

a) Property Owner presented testimony of recent sales of comparable properties in the neighborhood: Yes _____ No _____

b) Assessor presented testimony of recent sales of comparable properties in the neighborhood: Yes _____ No _____

c) LIST THE PROPERTIES AND VALUES THAT THE BOARD OF REVIEW RELIES ON TO MAKE ITS DETERMINATION AS TO FAIR MARKET

VALUE: _____

3. The Board of Review finds that the assessment should be based on other factors:

Yes _____ No _____

If Yes, List the factors that the Board of Review relies on to make its determination as to fair market value: _____

and clerk of each town, the mayor, clerk and such other officers, other than assessors, as the common council of each city by ordinance determines, the president, clerk and such other officers, other than the assessor, as the board of trustees of each village by ordinance determines, shall constitute a board of review for the town, city or village. In cities of the 1st class the board of review shall by ordinance in lieu of the foregoing consist of 5 to 9 residents of the city, none of whom may occupy any public office or be publicly employed. The members shall be appointed by the mayor of the city with the approval of the common council and shall hold office as members of the board for staggered 5-year terms. Subject to sub. (1m), in all other towns, cities and villages the board of review may by ordinance in lieu of the foregoing consist of any number of town, city or village residents and may include public officers and public employees. The ordinance shall specify the manner of appointment. The town board, common council or village board shall fix, by ordinance, the salaries of the members of the board of review. No board of review member may serve on a county board of review to review any assessment made by a county assessor unless appointed as provided in s. 70.99 (10).

(1a) Whenever the duties of assessor are performed by one of the officers named to the board of review by sub. (1) then the governing body shall by ordinance designate another officer to serve on the board instead of the officer who performs the duties of assessor.

(1m) (a) A person who is appointed to the office of town clerk, town treasurer or to the combined office of town clerk and town treasurer under s. 60.30 (1e) may not serve on a board of review under sub. (1).

(b) If a town board of review under sub. (1) had as a member a person who held the elective office of town clerk, town treasurer or the combined office of town clerk and town treasurer, and the town appoints a person to hold one or more of these offices under s. 60.30 (1e), the town board shall fill the seat on the board of review formerly held by an elective office holder by an elector of the town.

(2) The town, city or village clerk on such board of review and in cities of the first class the commissioner of assessments on such board of review or any person on the commissioner's staff designated by the commissioner shall be the clerk thereof and keep an accurate record of all its proceedings.

(3) The members of such board, except members who are full time employees or officers of the town, village or city, shall receive such compensation as shall be fixed by resolution or ordinance of the town board, village board or common council.

(4) No board of review may be constituted unless it includes at least one voting member who, within 2 years of the board's first meeting, has attended a training session under s. 75.03 (55) and unless that member is the municipality's chief executive officer or that officer's designee. The municipal clerk shall provide an affidavit to the department of revenue stating whether the requirement under this subsection has been fulfilled.

History: 1971 c. 180; 1973 c. 90; 1975 c. 427; 1979 c. 58; 1991 a. 156, 316; 1995 a. 34; 1997 a. 237; 1999 a. 32.

Prejudice of a board of review is not shown by the fact that the members are taxpayers. *Berg Equipment Corp. v. Spencer Board of Review*, 55 Wis. 2d 233, 191 N.W.2d 892 (1971).

A town clerk's compensation may be increased for service on the board of review if the clerk has been designated part-time by the town meeting. 79 Atty. Gen. 176.

70.47 Board of review proceedings. (1) TIME AND PLACE OF MEETING. The board of review shall meet annually at any time during the 30-day period beginning on the 2nd Monday of May. In towns and villages the board shall meet at the town or village hall or some place designated by the town or village board. If there is no such hall, it shall meet at the clerk's office, or in towns at the place where the last annual town meeting was held. In cities the board shall meet at the council chamber or some place designated by the council and in cities of the 1st class in some place designated by the commissioner of assessments of such cities. A majority shall constitute a quorum except that 2 members may hold any

hearing of the evidence required to be held by such board under subs. (8) and (10), if the requirements of sub. (9) are met.

(2) **NOTICE.** At least 15 days before the first session of the board of review, or at least 30 days before the first session of the board of review in any year in which the taxation district conducts a revaluation under s. 70.05, the clerk of the board shall publish a class 1 notice, place a notice in at least 3 public places and place a notice on the door of the town hall, of the village hall, of the council chambers or of the city hall of the time and place of the first meeting of the board under sub. (3) and of the requirements under sub. (7) (aa) and (ac) to (af). A taxpayer who shows that the clerk failed to publish the notice under this subsection may file a claim under s. 74.37.

(2m) **OPEN MEETINGS.** All meetings of the board of review shall be publicly held and open to all citizens at all times. No formal action of any kind shall be introduced, deliberated upon or adopted at any closed session or meeting of a board of review.

(3) **SESSIONS. (a)** At its first meeting, the board of review:

1. Shall receive the assessment roll and sworn statements from the clerk.

2. Shall be in session at least 2 hours for taxpayers to appear and examine the assessment roll and other assessment data.

3. Shall schedule for hearing each written objection that it receives during the first 2 hours of the meeting or that it received prior to the first meeting.

4. Shall grant a waiver of the 48-hour notice of an intent to file a written or oral objection if a property owner who does not meet the notice requirement appears before the board during the first 2 hours of the meeting, shows good cause for failure to meet the 48-hour notice requirement and files a written objection.

5. May hear any written objections if the board gave notice of the hearing to the property owner and the assessor at least 48 hours before the beginning of the scheduled meeting or if both the property owner and the assessor waive the 48-hour notice requirement.

(ag) The assessor shall be present at the first meeting of the board of review.

(ah) For each properly filed written objection that the board receives and schedules during its first meeting, but does not hear at the first meeting, the board shall notify each objector and the assessor, at least 48 hours before an objection is to be heard, of the time of that hearing. If, during any meeting, the board determines that it cannot hear some of the written objections at the time scheduled for them, it shall create a new schedule, and it shall notify each objector who has been rescheduled, at least 48 hours before the objection is to be heard, of the new time of the hearing.

(ak) If an objector fails to provide written or oral notice of an intent to object 48 hours before the first scheduled meeting, fails to request a waiver of the notice requirement under par. (a) 4., appears before the board at any time up to the end of the 5th day of the session or up to the end of the final day of the session if the session is less than 5 days, files a written objection and provides evidence of extraordinary circumstances; the board of review may waive all notice requirements and hear the objection.

(al) If the assessment roll is not completed at the time of the first meeting, the board shall adjourn for the time necessary to complete the roll, and shall post a written notice on the outer door of the place of meeting stating the time to which the meeting is adjourned.

(ar) With respect to the assessment rolls of taxing districts prepared by a county assessor, the board of review as constituted under s. 70.99 (10) shall schedule a meeting in each taxing jurisdiction on specific dates and shall comply with the provisions of this subsection and sub. (2) in each taxing district.

(b) The municipal governing body may by ordinance or resolution designate hours, other than those set forth in par. (a), during which the board shall hold its first meeting, but not fewer than 2 hours on the first meeting day between 8 a.m. and midnight. Such

change in the time shall not become effective unless notice thereof is published in the official newspaper if in a city, or posted in not less than 3 public places if in any other municipality, at least 15 days before such first meeting.

(4) **ADJOURNMENT.** The board may adjourn from time to time until its business is completed. If an adjournment be had for more than one day, a written notice shall be posted on the outer door of the place of meeting, stating to what time said meeting is adjourned.

(5) **RECORDS.** The clerk shall keep a record in the minute book of all proceedings of the board.

(6) **BOARD'S DUTY.** The board shall carefully examine the roll or rolls and correct all apparent errors in description or computation, and shall add all omitted property as provided in sub. (10). The board shall not raise or lower the assessment of any property except after hearing as provided in subs. (8) and (10).

(6m) **REMOVAL OF A MEMBER.** (a) A municipality, except a 1st class city or a 2nd class city, shall remove, for the hearing on an objection, a member of the board of review if any of the following conditions applies:

1. A person who is objecting to a valuation, at the time that the person provides written or oral notice of an intent to file an objection and at least 48 hours before the first scheduled session of the board of review or at least 48 hours before the objection is heard if the objection is allowed under sub. (3) (a), requests the removal, except that no more than one member of the board of review may be removed under this subdivision.

2. A member of the board of review has a conflict of interest under an ordinance of the municipality in regard to the objection.

3. A member of the board of review has a bias in regard to the objection and, if a party requests the removal of a member for a bias, the party submits with the request an affidavit stating that the party believes that the member has a personal bias or prejudice against the party and stating the nature of that bias or prejudice.

(b) A member of a board of review who would violate s. 19.59 by hearing an objection shall recuse himself or herself from that hearing. The municipal clerk shall provide to the department of revenue an affidavit declaring whether the requirement under this paragraph is fulfilled.

(c) If a member or members are removed under par. (a) or are recused under par. (b), the board may replace the member or members or its remaining members may hear the objection, except that no fewer than 3 members may hear the objection.

(6r) **COMMENTS.** Any person may provide to the municipal clerk written comments about valuations, assessment practices and the performance of an assessor. The clerk shall provide all of those comments to the appropriate municipal officer.

(7) **OBJECTIONS TO VALUATIONS.** (a) The board of review may not hear an objection to the amount or valuation of property unless, at least 48 hours before the board's first scheduled meeting, the objector provides to the board's clerk written or oral notice of an intent to file an objection, except that, upon a showing of good cause and the submission of a written objection, the board shall waive that requirement during the first 2 hours of the board's first scheduled meeting, and the board may waive that requirement up to the end of the 5th day of the session or up to the end of the final day of the session if the session is less than 5 days with proof of extraordinary circumstances for failure to meet the 48-hour notice requirement and failure to appear before the board of review during the first 2 hours of the first scheduled meeting. Objections to the amount or valuation of property shall first be made in writing and filed with the clerk of the board of review within the first 2 hours of the board's first scheduled meeting, except that, upon evidence of extraordinary circumstances, the board may waive that requirement up to the end of the 5th day of the session or up to the end of the final day of the session if the session is less than 5 days. The board may require such objections to be submitted on forms approved by the department of revenue, and the board shall require that any forms include stated valua-

tions of the property in question. Persons who own land and improvements to that land may object to the aggregate valuation of that land and improvements to that land, but no person who owns land and improvements to that land may object only to the valuation of that land or only to the valuation of improvements to that land. No person shall be allowed in any action or proceedings to question the amount or valuation of property unless such written objection has been filed and such person in good faith presented evidence to such board in support of such objections and made full disclosure before said board, under oath of all of that person's property liable to assessment in such district and the value thereof. The requirement that it be in writing may be waived by express action of the board.

(aa) No person shall be allowed to appear before the board of review, to testify to the board by telephone or to contest the amount of any assessment of real or personal property if the person has refused a reasonable written request by certified mail of the assessor to view such property.

(ab) For the purpose of this section, the managing entity, as defined in s. 707.02 (15), or its designees, may be considered the taxpayer as an agent for the time-share owner, as defined in s. 707.02 (3i), and may file one objection and make one appearance before the board of review concerning all objections relating to a particular real property improvement and the land associated with it. A time-share owner may file one objection and make one appearance before the board of review concerning the assessment of the building unit in which he or she owns a time share.

(ac) After the first meeting of the board of review and before the board's final adjournment, no person who is scheduled to appear before the board of review may contact, or provide information to, a member of the board about that person's objection except at a session of the board.

(ad) No person may appear before the board of review, testify to the board by telephone or contest the amount of any assessment unless, at least 48 hours before the first meeting of the board or at least 48 hours before the objection is heard if the objection is allowed under sub. (3) (a), that person provides to the clerk of the board of review notice as to whether the person will ask for removal under sub. (6m) (a) and if so which member will be removed and the person's reasonable estimate of the length of time that the hearing will take.

(ae) When appearing before the board, the person shall specify, in writing, the person's estimate of the value of the land and of the improvements that are the subject of the person's objection and specify the information that the person used to arrive at that estimate.

(af) No person may appear before the board of review, testify to the board by telephone or object to a valuation; if that valuation was made by the assessor or the objector using the income method; unless the person supplies to the assessor all of the information about income and expenses, as specified in the manual under s. 73.03 (2a), that the assessor requests. The municipality or county shall provide by ordinance for the confidentiality of information about income and expenses that is provided to the assessor under this paragraph and shall provide exceptions for persons using the information in the discharge of duties imposed by law or of the duties of their office or by order of a court. The information that is provided under this paragraph, unless a court determines that it is inaccurate, is not subject to the right of inspection and copying under s. 19.35 (1).

(bb) Upon receipt of an objection with respect to the assessment rolls of taxation districts prepared by a county assessor the board of review as constituted under s. 70.99 (10) may direct such objection to be investigated by the county board of assessors if such board has been established under s. 70.99 (10m). If such objection has been investigated by the county board of assessors as provided by s. 70.99 (10m), the county board of review may adopt the determination of county board of assessors unless the objector requests or the board of review orders a hearing. At least 2 days' notice of the time fixed for such hearing shall be given to

the objector or the objector's attorney and to the corporation counsel. If the county board of review adopts the determination of the county board of assessors and no further hearing is held, the clerk of the board of review shall record the adoption in the minutes of the board and shall correct the assessment roll as provided by s. 70.48.

(c) The board of review shall grant a taxpayer a 60-day extension for a hearing related to the taxpayer's objection submitted under this section, if the taxation district enacts an ordinance authorizing such extensions and if the taxpayer submits with the objection a request to the board for an extension and pays the taxation district a \$100 fee. A request for an extension under this paragraph shall not stop the accrual of interest, notwithstanding s. 70.511 (2) (b). The 60-day extension period under this paragraph may be further extended, if the taxpayer shows good cause. If a taxation district enacts an ordinance under this paragraph, each taxpayer who submits an objection under this section, regardless of whether the taxpayer requests an extension, and the assessor shall present to the board of review all evidence, as specified in the manual under s. 73.03 (2a), on which they rely to support their respective positions and any additional evidence that the taxpayer or the assessor believes is relevant to determining the correct assessment. If the taxpayer receives an extension under this paragraph, at least 10 days before the scheduled board of review hearing, the taxpayer and the assessor shall simultaneously exchange all reports, documents, and exhibits that the taxpayer and assessor will present at the hearing. At least 60 days prior to the first day on which the board of review hears objections, each taxation district that enacts an ordinance under this paragraph shall publish on its Internet site the last day on which a taxpayer may submit an objection under this section. At least 15 days prior to the first day on which the board of review hears objections, each taxation district that enacts an ordinance under this paragraph shall include with the notice under s. 70.365 information to inform the taxpayer of the last day on which a taxpayer may submit an objection under this section.

NOTE: The supreme court in *Metropolitan Associates v. City of Milwaukee*, 2011 WI 29, held the creation of par. (c) by 2007 Wis. Act 86 to be unconstitutional and severed from the remainder of the statute.

(8) **HEARING.** The board shall hear upon oath all persons who appear before it in relation to the assessment. Instead of appearing in person at the hearing, the board may allow the property owner, or the property owner's representative, at the request of either person, to appear before the board, under oath, by telephone or to submit written statements, under oath, to the board. The board shall hear upon oath, by telephone, all ill or disabled persons who present to the board a letter from a physician, osteopath, physician assistant, as defined in s. 448.01 (6), or advanced practice nurse prescriber certified under s. 441.16 (2) that confirms their illness or disability. At the request of the property owner or the property owner's representative, the board may postpone and reschedule a hearing under this subsection, but may not postpone and reschedule a hearing more than once during the same session for the same property. The board at such hearing shall proceed as follows:

(a) The clerk shall swear all persons testifying before it or by telephone in relation to the assessment.

(b) The owner or the owner's representatives and the owner's witnesses shall first be heard.

(c) The board may examine under oath such persons as it believes have knowledge of the value of such property.

(d) It may and upon request of either the assessor or the objector shall compel the attendance of witnesses for hearing, except objectors who may testify by telephone, and the production of all books, inventories, appraisals, documents and other data which may throw light upon the value of property, and, with regard to an objection that is subject to sub. (7) (c) or (16) (c), may, on a showing of good cause, compel the attendance of witnesses for depositions.

NOTE: The supreme court in *Metropolitan Associates v. City of Milwaukee*, 2011 WI 29, held the amendment of par. (d) by 2007 Wis. Act 86 to be unconstitutional and severed from the remainder of the statute.

tional and severed from the remainder of the statute. Prior to the amendment by Act 86, par. (d) read:

(d) It may and upon request of the assessor shall compel the attendance of witnesses, except objectors who may testify by telephone, and the production of all books, inventories, appraisals, documents and other data which may throw light upon the value of property.

(e) All proceedings shall be taken in full by a stenographer or by a recording device, the expense thereof to be paid by the district. The board may order that the notes be transcribed, and in case of an appeal or other court proceedings they shall be transcribed. If the proceedings are taken by a recording device, the clerk shall keep a list of persons speaking in the order in which they speak.

(f) The clerk's notes, written objections and all other material submitted to the board of review, tape recordings of the proceedings and any other transcript of proceedings shall be retained for at least 7 years, shall be available for public inspection and copies of these items shall be supplied promptly at a reasonable time and place to anyone requesting them at the requester's expense.

(g) All determinations of objections shall be by roll call vote.

(h) The assessor shall provide to the board specific information about the validity of the valuation to which objection is made and shall provide to the board the information that the assessor used to determine that valuation.

(i) The board shall presume that the assessor's valuation is correct. That presumption may be rebutted by a sufficient showing by the objector that the valuation is incorrect.

(j) The board shall allow a sufficient amount of time for a hearing under this subsection to permit the taxpayer and assessor to present their evidence.

NOTE: The supreme court in *Metropolitan Associates v. City of Milwaukee*, 2011 WI 29, held the creation of par. (j) by 2007 Wis. Act 86 to be unconstitutional and severed from the remainder of the statute.

(8m) **HEARING WAIVER.** The board may, at the request of the taxpayer or assessor, or at its own discretion, waive the hearing of an objection under sub. (8) or, in a 1st class city, under sub. (16) and allow the taxpayer to have the taxpayer's assessment reviewed under sub. (13). For purposes of this subsection, the board shall submit the notice of decision under sub. (12) using the amount of the taxpayer's assessment as the finalized amount. For purposes of this subsection, if the board waives the hearing, the waiver disallows the taxpayer's claim on excessive assessment under s. 74.37 (3) and, notwithstanding the time period under s. 74.37 (3) (d), the taxpayer has 60 days from the notice of the hearing waiver in which to commence an action under s. 74.37 (3) (d).

(9) **CORRECTION OF ASSESSMENTS.** (a) From the evidence before it the board shall determine whether the assessor's assessment is correct. If the assessment is too high or too low, the board shall raise or lower the assessment accordingly and shall state on the record the correct assessment and that that assessment is reasonable in light of all of the relevant evidence that the board received. A majority of the members of the board present at the meeting to make the determination shall constitute a quorum for purposes of making such determination, and a majority vote of the quorum shall constitute the determination. In the event there is a tie vote, the assessment shall be sustained.

(b) A board member may not be counted in determining a quorum and may not vote concerning any determination unless, concerning such determination, such member:

1. Attended the hearing of the evidence; or
2. Received the transcript of the hearing no less than 5 days prior to the meeting and read such transcript; or
3. Received a mechanical recording of the evidence no less than 5 days prior to the meeting and listened to such recording; or
4. Received a copy of a summary and all exceptions thereto no less than 5 days prior to the meeting and read such summary and exceptions. In this subdivision "summary" means a written summary of the evidence prepared by one or more board members attending the hearing of evidence, which summary shall be distributed to all board members and all parties to the contested

assessment and "exceptions" means written exceptions to the summary of evidence filed by parties to the contested assessment.

(10) **ASSESSMENT BY BOARD.** If the board has reason to believe, upon examination of the roll and other pertinent information, that other property, the assessment of which is not complained of, is assessed above or below the general average of the assessment of the taxation district, or is omitted, the board shall:

(a) Notify the owner, agent or possessor of such property of its intention to review such assessment or place it on the assessment roll and of the time and place fixed for such hearing in time to be heard before the board in relation thereto, provided the residence of such owner, agent or possessor be known to any member of the board or the assessor.

(b) Fix the day, hour and place at which such matter will be heard.

(c) Subpoena such witnesses, except objectors who may testify by telephone, as it deems necessary to testify concerning the value of such property and, except in the case of an assessment made by a county assessor pursuant to s. 70.99, the expense incurred shall be a charge against the district.

(d) At the time appointed proceed to review the matter as provided in sub. (8).

(11) **PARTIES.** In all proceedings before the board the taxation district shall be a party in interest to secure or sustain an equitable assessment of all the property in the taxation district.

(12) **NOTICE OF DECISION.** Prior to final adjournment, the board of review shall provide the objector, or the appropriate party under sub. (10), notice by personal delivery or by mail, return receipt required, of the amount of the assessment as finalized by the board and an explanation of appeal rights and procedures under sub. (13) and ss. 70.85, 74.35 and 74.37. Upon delivering or mailing the notice under this subsection, the clerk of the board of review shall prepare an affidavit specifying the date when that notice was delivered or mailed.

(13) **REVIEW.** Except as provided in this subsection and in ss. 70.85 and 74.37, appeal from the determination of the board of review shall be by an action for certiorari commenced within 90 days after the taxpayer receives the notice under sub. (12). The action shall be given preference. If the court on the appeal finds any error in the proceedings of the board which renders the assessment or the proceedings void, or if the court determines that the board lacked good cause to deny a request for a deposition subpoena, it shall remand the assessment to the board for further proceedings in accordance with the court's determination and retain jurisdiction of the matter until the board has determined an assessment in accordance with the court's order. For this purpose, if final adjournment of the board occurs prior to the court's decision on the appeal, the court may order the governing body of the assessing authority to reconvene the board. If the appellant challenges the value determination that the board made at a proceeding under sub. (7) (c), the court shall presume that the board's valuation is correct, except that the presumption may be rebutted by a sufficient showing by the appellant that the valuation is incorrect. If the presumption is rebutted, the court shall determine the assessment without deference to the board of review and based on the record before the board of review, except that the court may consider evidence that was not available at the time of the hearing before the board, that the board refused to consider, or that the court otherwise determines should be considered in order to determine the correct assessment. In the event that an objection to the previous year's assessment has not been resolved, the parties may agree that the assessment for the previous year shall also apply for the current year and shall be included in the court's review of the prior year's assessment without an additional hearing by the board.

NOTE: The supreme court in *Metropolitan Associates v. City of Milwaukee*, 2011 WI 26, held the amendment of sub. (13) by 2007 Wis. Act 86 to be unconstitutional and severed from the remainder of the statute. Prior to the amendment by Act 86, sub. (13) read:

(13) **Certiorari.** Except as provided in s. 70.85, appeal from the determination of the board of review shall be by an action for certiorari commenced within 90 days after the taxpayer receives the notice under sub. (12). The action shall be given preference. If the court on the appeal finds any error in the proceedings of the board which renders the assessment or the proceedings void, it shall remand the assessment to the board for further proceedings in accordance with the court's determination and retain jurisdiction of the matter until the board has determined an assessment in accordance with the court's order. For this purpose, if final adjournment of the board occurs prior to the court's decision on the appeal, the court may order the governing body of the assessing authority to reconvene the board.

(14) **TAX PAYMENTS.** In the event the board of review has not completed its review or heard an objection to an assessment on real or personal property prior to the date the taxes predicated upon such assessment are due, or in the event there is an appeal as provided in sub. (13) and s. 74.37 from the correction of the board of review to the court, the time for payment of such taxes as levied is the same as provided in ch. 74 and if not paid in the time prescribed, such taxes are delinquent and subject to the same provisions as other delinquent taxes.

(15) **SAVING CLAUSE.** Nothing herein contained shall be construed to alter or repeal any of the provisions of s. 70.35.

(16) **FIRST CLASS CITY, FILING OBJECTIONS, PROCEEDINGS, APPEAL.** (a) In 1st class cities all objections to the amount or valuation of real or personal property shall be first made in writing and filed with the commissioner of assessments on or before the 3rd Monday in May. No person may, in any action or proceeding, question the amount or valuation of real or personal property in the assessment rolls of the city unless objections have been so filed. The board may not waive the requirement that objections be in writing. Persons who own land and improvements to that land may object to the aggregate valuation of that land and improvements to that land, but no person who owns land and improvements to that land may object only to the valuation of that land or only to the valuation of improvements to that land. If the objections have been investigated by a committee of the board of assessors under s. 70.07 (6), the board of review may adopt the recommendation of the committee unless the objector requests or the board orders a hearing. At least 2 days' notice of the time fixed for the hearing shall be given to the objector or attorney and to the city attorney of the city. The provisions of the statutes relating to boards of review not inconsistent with this subsection apply to proceedings before the boards of review of 1st class cities, except that the board need not adjourn until the assessment roll is completed by the commissioner of assessments, as required in s. 70.07 (6), but may immediately hold hearings on objections filed with the commissioner of assessments, and the changes, corrections and determinations made by the board acting within its powers shall be prima facie correct. Appeal from the determination shall be by an action under sub. (13) commenced within 90 days after the taxpayer receives the notice under sub. (12). The action shall be given preference. If the court on the appeal finds any error in the proceedings of the board that renders the assessment or the proceedings void or, with regard to an objection that is subject to par. (c), if the court determines that the board lacked good cause to deny a request for a deposition subpoena, it shall remand the assessment to the board for further proceedings in accordance with the court's determination and retain jurisdiction of the matter until the board has determined an assessment in accordance with the court's order. If the appellant challenges the value determination that the board made at a proceeding under sub. (16) (c), the court shall presume that the board's valuation is correct, except that the presumption may be rebutted by a sufficient showing by the appellant that the valuation is incorrect. If the presumption is rebutted, the court shall determine the assessment without deference to the board of review and based on the record before the board of review, except that the court may consider evidence that was not available at the time of the hearing before the board or that the board refused to consider, or that the court otherwise determines should be considered in order to determine the correct assessment. In the event that an objection to the previous year's

assessment has not been resolved, the parties may agree that the assessment for the previous year shall also apply for the current year and shall be included in the court's review of the prior year's assessment without an additional hearing by the board.

NOTE: The supreme court in *Metropolitan Associates v. City of Milwaukee*, 2011 WI 20, held the amendment of par. (a) by 2007 Wis. Act 86 to be unconstitutional and severed from the remainder of the statute. Prior to the amendment by Act 86, par. (a) read:

(a) In 1st class cities all objections to the amount or valuation of real or personal property shall be first made in writing and filed with the commissioner of assessments on or before the 3rd Monday in May. No person may, in any action or proceeding, question the amount or valuation of real or personal property in the assessment rolls of the city unless objections have been so filed. The board may not waive the requirement that objections be in writing. Persons who own land and improvements to that land may object to the aggregate valuation of that land and improvements to that land, but no person who owns land and improvements to that land may object only to the valuation of that land or only to the valuation of improvements to that land. If the objections have been investigated by a committee of the board of assessors under s. 70.07 (6), the board of review may adopt the recommendation of the committee unless the objector requests or the board orders a hearing. At least 2 days' notice of the time fixed for the hearing shall be given to the objector or attorney and to the city attorney of the city. The provisions of the statutes relating to boards of review not inconsistent with this subsection apply to proceedings before the boards of review of 1st class cities, except that the board need not adjourn until the assessment roll is completed by the commissioner of assessments, as required in s. 70.07 (6), but may immediately hold hearings on objections filed with the commissioner of assessments, and the changes, corrections and determinations made by the board acting within its powers shall be prima facie correct. Appeal from the determination shall be by an action for certiorari commenced within 90 days after the taxpayer receives the notice under sub. (12). The action shall be given preference.

(b) In 1st class cities if an assessment valuation for taxes based on the value of real property is the same for the current year as for the preceding year and ownership of the property is unchanged, and if an objection had been filed to the assessment valuation for the preceding year and the assessed valuation by the assessor was sustained by the board of review or the courts, an objection filed under sub. (7) to the assessment valuation on the same property for the current year shall be subject to a fee not to exceed \$10 payable to the city at the time of filing the objection or within 3 days thereafter, and the fee shall be a condition for the hearing of the objection before the board of review.

(c) The board of review shall grant a taxpayer a 60-day extension for a hearing related to the taxpayer's objection submitted under this section, if the 1st class city enacts an ordinance authorizing such extensions and if the taxpayer submits with the objection a request to the board for an extension and pays the city a \$100 fee. A request for an extension under this paragraph shall not stop the accrual of interest, notwithstanding s. 70.511 (2) (b). The 60-day extension period under this paragraph may be further extended, if the taxpayer shows good cause. If a 1st class city enacts an ordinance under this paragraph, each taxpayer who submits an objection under this section, regardless of whether the taxpayer requests an extension, and the assessor shall present to the board of review all evidence, as specified in the manual under s. 70.03 (2a), on which they rely to support their respective positions and any additional evidence that the taxpayer or the assessor believes is relevant to determining the correct assessment. If the taxpayer receives an extension under this paragraph, at least 10 days before the scheduled board of review hearing, the taxpayer and the assessor shall simultaneously exchange all reports, documents, and exhibits that the taxpayer and assessor will present at the hearing. At least 60 days prior to the first day on which the board of review hears objections, each 1st class city that enacts an ordinance under this paragraph shall publish on its Internet site the last day on which a taxpayer may submit an objection under this section. At least 15 days prior to the first day on which the board of review hears objections, each 1st class city that enacts an ordinance under this paragraph shall include with the notice under s. 70.365 information to inform the taxpayer of the last day on which a taxpayer may submit an objection under this section.

NOTE: The supreme court in *Metropolitan Associates v. City of Milwaukee*, 2011 WI 20, held the creation of par. (c) by 2007 Wis. Act 86 to be unconstitutional and severed from the remainder of the statute.

(17) **SUMMARY OF PROCEEDINGS.** After the board of review has completed its determinations, the clerk shall prepare a summary

of the proceedings and determinations, on forms prescribed by the department of revenue, which shall include the following information:

- (a) Name of taxpayer;
- (b) Description or designation of the property subject to the objection;
- (c) Amount of the assessment about which taxpayer objected;
- (d) Names of any persons who appeared on behalf of taxpayer; and
- (e) Board's determination on taxpayer's objection.

(18) **TAMPERING WITH RECORDS.** (a) Whoever with intent to injure or defraud alters, damages, removes or conceals any of the items specified under subs. (8) (f) and (17) is guilty of a Class I felony.

(b) Whoever intentionally alters, damages, removes or conceals any public notice, posted as required by sub. (2), before the expiration of the time for which the notice was posted, may be fined not more than \$200 or imprisoned not more than 6 months or both.

History: 1973 c. 90; 1975 c. 151, 199, 427; 1977 c. 29 ss. 755, 1647 (8); 1977 c. 273; 1977 c. 300 ss. 2, 8; 1977 c. 414; 1979 c. 34 ss. 878 to 880, 2102 (46) (b); 1979 c. 95, 110, 355; 1981 c. 20, 289; 1983 a. 192, 219, 432; 1985 a. 39; 1985 a. 120 ss. 155, 3202 (46); 1985 a. 188 a. 16; 1987 a. 27, 139, 254, 378, 399; 1989 a. 31; 1991 a. 39, 156, 218, 315, 316; 1993 a. 82, 307; 1997 a. 237, 252, 283; 2001 a. 109; 2005 a. 187; 2007 a. 86; 2011 a. 161; 2013 a. 228.

Judicial Council Note, 1981: References in subs. (13) and (16) (a) to "writs" of certiorari have been removed because that remedy is now available in an ordinary action. See s. 781.01, stats., and the note thereto. [Bill 613-A]

A board of review may deny a taxpayer a hearing if the taxpayer's objections are not stated on an approved form; the board is not required to accept information submitted in a different form. Certiorari review under this section is limited to the action of the board. *Bitters v. Newbold*, 51 Wis. 2d 493, 187 N.W.2d 339 (1971).

Board of review consideration of testimony by the village assessor at an executive session subsequent to the presentation of evidence by the taxpayer was contrary to the open meeting law, s. 66.77 [now ss. 19.81 to 19.98]. Although it was permissible for the board to convene a closed session for the purpose of deliberating after a quasi-judicial hearing, the proceedings did not constitute mere deliberations but were a continuation of the hearing without the presence of or notice to the objecting taxpayer. *Dolphin v. Butler Board of Review*, 70 Wis. 2d 405, 234 N.W.2d 277 (1975).

A circuit court's retained jurisdiction in a board of review certiorari actions under s. 70.47 (13) does not affect the finality of an order for appeal purposes. *Steenberg v. Town of Oakfield*, 157 Wis. 2d 674, 461 N.W.2d 148 (Cl. App. 1990).

On certiorari review of a board of review decision only whether the board acted: 1) within its jurisdiction; 2) according to law; 3) arbitrarily, oppressively, or unreasonably; or 4) without evidence to make the order or determination in question is considered. *Metropolitan Holding Co. v. Milwaukee Board of Review*, 173 Wis. 2d 626, 495 N.W.2d 514 (1993).

When a board disregards uncontroverted evidence, its determination must be set aside. *Campbell v. Town of Delavan*, 210 Wis. 2d 239, 565 N.W.2d 209 (Cl. App. 1997), 96-1291.

Approving an increased assessment for only one property, despite evidence that it and other properties had recent sales at a price above prior assessments, violated the law; its approval by the board of review was arbitrary. *Noah's Ark Family Park v. Village of Lake Delton*, 210 Wis. 2d 301, 565 N.W.2d 230 (Cl. App. 1997), 96-1074. *Affirmed*. 216 Wis. 2d 387, 573 N.W.2d 852 (1998), 96-1074.

A board's across the board 3 percent assessment reduction of all lots in a developer's subdivision was not arbitrary and capricious when the board was presented with conflicting credible evidence. *Whitecaps Homes v. Kenosha County Board of Review*, 212 Wis. 2d 714, 569 N.W.2d 714 (Cl. App. 1997), 96-1913.

Sections 70.47 (13), 70.85, and 74.37 provide the exclusive methods to challenge a municipality's bases for assessment of individual parcels. All require appeal to the board of review prior to court action. There is no alternative procedure to challenge an assessment's compliance with the uniformity clause. *Hermann v. Town of Delavan*, 215 Wis. 2d 370, 572 N.W.2d 855 (1998), 96-0171.

It was not improper for an assessor to testify as a witness and also to ask questions of other witnesses at a board of review hearing. *Rite-Hite Corp. v. Brown Deer Board of Review*, 216 Wis. 2d 189, 573 N.W.2d 721 (Cl. App. 1997), 96-3178.

A landowner who has in the immediately previous year already objected to the board regarding an unchanged assessment is relieved from filing another objection to the current assessment prior to commencing an action. *Duesterbock v. Town of Koshkonong*, 2000 WI App 6, 232 Wis. 2d 16, 605 N.W.2d 904, 98-3048.

When after hearing a taxpayer's complaint the board approved the assessor's valuation by giving notice affirming the assessment under sub. (1), the board waived the requirement under sub. (7) (a) that the taxpayer's objection be in writing. *Fee v. Town of Florence Board of Review*, 2003 WI App 17, 259 Wis. 2d 868, 657 N.W.2d 112, 02-1758.

Neither sub. (7) nor *Hermann* stand for the proposition that a property owner may not raise any issue with the trial court that was not fully argued before the board of review. Rather, *Hermann* explains that under sub. (7) any property owner wishing to challenge a property tax assessment, whether via certiorari review, written complaint to the department of revenue, or a claim filed under s. 74.37, must first file an objection before the board of review. *U.S. Oil Co., Inc. v. City of Milwaukee*, 2011 WI App 4, 331 Wis. 2d 407, 794 N.W.2d 904, 09-2260.

Hermann makes clear that exhaustion of remedies before the board of review is required unless the property taxed is exempt or lies outside of the taxing district. An assertion that a city's assessment process was flawed and unconstitutional, if true,

would make the levy merely voidable, not void *ab initio*. *Clear Channel Outdoor, Inc. v. City of Milwaukee*, 2011 WI App 117, 336 Wis. 2d 707, 805 N.W.2d 582, 10–1809.

The taxpayer challenging an assessment and classification has the burden of proving at the board hearing that the assessment and classification of property are erroneous; that the taxpayer did not meet his burden of proof; and that the board's determination to maintain the assessment is supported by a reasonable view of the evidence. *Sausen v. Town of Black Creek Board of Review*, 2014 WI 9, 352 Wis. 2d 576, 843 N.W.2d 39, 10–3015.

A property owner is absolved from complying with sub. (7)'s objection requirements when: 1) the property owner has filed a procedurally correct sub. (7) objection to the property's assessment in the prior year; 2) the assessment has not changed between the prior year and the current year; and 3) the prior year's objection is still unresolved as of the date of the first meeting of the board of review for the current year's assessments. *Walgreen Co. v. City of Oshkosh*, 2014 WI App 54, 354 Wis. 2d 17, 848 N.W.2d 314, 13–1610.

Boards of review cannot rely on exemptions in s. 19.85 (1) to close any meeting in view of explicit requirements in s. 70.47 (2m). 65 Atty. Gen. 162.

Wisconsin's Property Tax Assessment Appeal System. *Ardern*. Wis. Law. March 1996.

Over Assessed? Appealing Home Tax Assessments. *McAdams*. Wis. Law. July 2011.

70.48 Assessor to attend board of review. The assessor or the assessor's authorized representative shall attend without order or subpoena all hearings before the board of review and under oath submit to examination and fully disclose to the board such information as the assessor may have touching the assessment and any other matters pertinent to the inquiry being made. All part-time assessors shall receive the same compensation for such attendance as is allowed to the members of the board but no county assessor or member of a county assessor's staff shall receive any compensation other than that person's regular salary for attendance at a board of review. The clerk shall make all corrections to the assessment roll ordered by the board of review, including all changes in the valuation of real property. When any valuation of real property is changed the clerk shall enter the valuation fixed by the board in red ink in the proper class above the figures of the assessor, and the figures of the assessor shall be crossed out with red ink. The clerk shall also enter upon the assessment roll, in the proper place, the names of all persons found liable to taxation on personal property by the board of review, setting opposite such names respectively the aggregate valuation of such property as determined by the assessor, after deducting exemptions and making such corrections as the board has ordered. All changes in valuation of personal property made by the board of review shall be made in the same manner as changes in real estate.

History: 1991 a. 316.

70.49 Affidavit of assessor. (1) Before the meeting of the board of review, the assessor shall attach to the completed assessment roll an affidavit in a form prescribed by the department of revenue.

(2) The value of all real and personal property entered into the assessment roll to which such affidavit is attached by the assessor shall, in all actions and proceedings involving such values, be presumptive evidence that all such properties have been justly and equitably assessed in proper relationship to each other.

(3) No assessor shall be allowed in any court or place by oath or testimony to contradict or impeach any affidavit or certificate made or signed by the assessor as assessor.

(4) In this section "assessor" means an assessor or any person appointed or designated under s. 70.055 or 70.75.

History: 1991 a. 316; 1993 a. 307.

70.50 Delivery of roll. Except in counties that have a county assessment system under s. 70.99 and in cities of the 1st class and in 2nd class cities that have a board of assessors under s. 70.075 the assessor shall, on or before the first Monday in May, deliver the completed assessment roll and all the sworn statements and valuations of personal property to the clerk of the town, city or village, who shall file and preserve them in the clerk's office. On or before the first Monday in April, a county assessor under s. 70.99 shall deliver the completed assessment roll and all sworn statements and valuations of personal property to the clerks of the

towns, cities and villages in the county, who shall file and preserve them in the clerk's office.

History: 1977 c. 29; 1977 c. 300 ss. 3, 8; 1981 c. 20; 1987 a. 139.

70.501 Fraudulent valuations by assessor. Any assessor, or person appointed or designated under s. 70.055 or 70.75, who intentionally fixes the value of any property assessed by that person at less or more than the true value thereof prescribed by law for the valuation of the same, or intentionally omits from assessment any property liable to taxation in the assessment district, or otherwise intentionally violates or fails to perform any duty imposed upon that person by law relating to the assessment of property for taxation, shall forfeit to the state not less than \$50 nor more than \$250.

History: 1991 a. 316.

70.502 Fraud by member of board of review. Any member of the board of review of any assessment district who shall intentionally fix the value of any property assessed in such district, or shall intentionally agree with any other member of such board to fix the value of any of such property at less or more than the true value thereof prescribed by law for the valuation of the same, or shall intentionally omit or agree to omit from assessment, any property liable to taxation in such assessment district, or shall otherwise intentionally violate or fail to perform any duty imposed upon the member by law relating to the assessment of property for taxation, shall forfeit to the state not less than \$50 nor more than \$250.

History: 1991 a. 316.

70.503 Civil liability of assessor or member of board of review. If any assessor, or person appointed or designated under s. 70.055 or 70.75, or any member of the board of review of any assessment district is guilty of any violation or omission of duty as specified in ss. 70.501 and 70.502, such persons shall be liable in damages to any person who may sustain loss or injury thereby, to the amount of such loss or injury; and any person sustaining such loss or injury shall be entitled to all the remedies given by law in actions for damages for tortious or wrongful acts. This section does not apply to the department of revenue or its employees when appointed or designated under s. 70.055 or 70.75.

History: 1977 c. 29.

70.51 Assessment review and tax roll in first class cities. (1) The board of review in all 1st class cities, after they have examined, corrected and completed the assessment roll of said city and not later than the first Monday in November, shall deliver the same to the commissioner of assessments, who shall thereupon reexamine and perfect the same and make out therefrom a complete tax roll in the manner and form provided by law. All laws applicable to any such city relating to the making of such tax rolls shall apply to the making of the tax roll by said commissioner of assessments, except that the work of making said rolls shall be performed by the assessors and such other employees in the commissioner of assessments' office as the commissioner of assessments shall designate. After the completion of said tax roll in the manner provided by law, the commissioner of assessments shall deliver the tax roll to the city treasurer of such city on the 3rd Monday of December in each year.

(1a) If the board of review has not completed its work within the time limited by the first Monday in November, it shall nevertheless deliver the assessment roll to the commissioner of assessments as therein required, and the commissioner of assessments shall thereupon perfect the same as though the board of review had fully completed its work thereon. In any case wherein the board of review alters the assessment after the first Monday of November and before the treasurer is required to make the return of delinquent taxes, the assessment roll and the tax roll may be corrected accordingly in the manner provided in s. 74.05, except that the consent of the treasurer shall not be required.

CITY OF ONALASKA, WISCONSIN
BOARD OF REVIEW

In re Assessment of Spirit Spe Portfolio 2006-1 LLC/Shopko Stores Operating Co. LLC
For the Year 2016

Property Address: 9366 State Highway 16

SUBPOENA DUCES TECUM

STATE OF WISCONSIN
LA CROSSE COUNTY

THE STATE OF WISCONSIN, TO:

Spirit Spe Portfolio 2006-1 LLC/Shopko Stores Operating Co. LLC
c/o Michael Lee
Paradigm Tax Group
30 N LaSalle St. #3520
Chicago, IL 60602

You are hereby required to produce documents on or before August 26, 2016 in the matter of the objections to the assessment of the property identified above as of January 1, 2016. The Board of Review will schedule a subsequent hearing on the objections to the assessment of the Properties, as defined in this subpoena.

This subpoena is issued pursuant to Wis. Stat. § 70.47 and 885.01. Failure to produce the documents requested concerning income and expenses may prohibit Spirit Spe Portfolio 2006-1 LLC/Shopko Stores Operating Co. LLC from appearing or testifying by telephone at a subsequent hearing before the Board of Review and objecting to the valuation by the assessor of the Properties, as defined in this subpoena.

You are required to provide the following documents. You may provide copies of the documents with the pages consecutively numbered ("Bates stamped"), on or before August 26, 2016 to the clerk of the Board of Review for the City of Onalaska in this matter:

c/o Clerk of Board of Review
City of Onalaska
City Clerk
415 Main Street
Onalaska, Wisconsin 54650
608-781-9530

DEFINITIONS AND INSTRUCTIONS

1. With respect to the assessment as of January 1, 2015, "Property" means the real property as represented by the tax key number aforementioned for each parcel objected to.
2. Where any requested documents are in the possession, custody or control of another person or entity, identify such person or entity with complete contact information, including name, phone number and address of party in possession.
3. If the information is available only on a fiscal year basis, rather than a calendar year basis, provide information for the fiscal years ended in the years referred to in the statement of the documents to be produced.
4. An "Internal" lease is any document between an operating entity of the Property and any related subsidiary or parent of the Property.
5. Any document relating to lease, lease rates, rent or rental rates of the Property.

DOCUMENTS REQUESTED TO BE PRODUCED

1. Each document showing the owner's valuation of any Property at any time from January 1, 2009 through June 1, 2016.
2. Each document showing a feasibility study, appraisal, eminent domain valuation or written opinion of value that relates to the Property and dated any time in the last 10 years.
3. Each document prepared in the last 5 years showing market analysis, financial feasibility, eminent domain valuation or written opinion of value that relates to the owner's Property.

4. Audited financial statements (including balance sheets, income operating statements, footnotes, and auditor's opinions) for the years 2009, 2010, 2011, 2012, 2013, 2014 and 2015 that include the operations of the Property.
5. Detailed operating statements for the years 2009, 2010, 2011, 2012, 2013, 2014 and 2015 in standard accounting format for the subject Property, itemized to include the following:
 - A. Total Gross Income, itemized by source, including, but not limited to: net lease income, and any income from any other source (identified by source). If income cannot be itemized in each of the categories listed, provide the most detailed information available.
 - B. Total Itemized Expenses, itemized by source for the Property, including, but not limited to taxes, depreciation, mortgage interest or amortization, officer's salaries, but not capital improvement expenditures. Capital expenditures include replacements, improvements and remodeling which materially add to the value of the property or appreciably extend its life. These costs are ordinarily added to the basis of the improved property and depreciated over a given life span. They are not "annual charges" and are not deducted as current expenses.
6. To the extent not expressly contained in the documents described above, each document containing the following information or information from which the following information could be derived for the Property:
 - A. Net operating income as of January 1, 2009, January 1, 2010, January 1, 2011, January 1, 2012, January 1, 2013, and January 1, 2014 ,
January 1, 2015.
 - B. Capitalization rate as of January 1, 2009, January 1, 2010, January 1,

2011 and January 1, 2012, January 1, 2014, January 1, 2014, January 1, 2015.

7. A copy of any leases, licenses and service contracts of the Property and all other Shopko store located in Wisconsin that pertains to any period during 2009 to the present date.
8. A copy of any Internal leases of the Property and all other Shopko stores located in Wisconsin.
9. All sale documents relating to the Property and all other Shopko store located in Wisconsin, including but not limited to Offers to Purchase (whether accepted or not), Purchase Agreements, Closing Statements, Appraisals, Real Estate Transfer Tax Returns, and Deeds.
10. All documents used to support claim that assessment of Property exceeds fair market value.
11. All sale documents supporting claim that assessment exceeds fair market value.
12. All income documents supporting claim that assessment exceeds fair market value.
13. All documents marketing the subject property for lease or sale during the period from 2009 to the present date.
14. All listing contracts for sale of the Property or all other Shopko properties in the State of Wisconsin from 2009 to the present date.
15. All listing contracts for lease of the Property or portions of the Property from 2009 to the present date.
16. All construction cost documents for the Property.
17. All American Institute of Architects forms G702 and G703 on the Property.
18. All mortgage documents on the Property.
19. All insurance policies on the Property.

20. All purchase documents on the Property.
21. A list of all Shopko stores in the State of Wisconsin.
22. All offer sheets for Shopko real estate in Wisconsin.

Given under my hand this 14th day of July, 2016.

CITY OF ONALASKA BOARD OF REVIEW

By: 
Name: Jim Binash
Title: Chair

ADDRESS:
City of Onalaska
City Clerk
415 Main Street
Onalaska, Wisconsin 54650
608-781-9530

AMENDED AND RESTATED MASTER LEASE

between

SPIRIT SPE PORTFOLIO 2006-1, LLC and SPIRIT SPE PORTFOLIO 2006-2, LLC,

Landlord,

and

SHOPKO STORES OPERATING CO., LLC,

Tenant,

Dated: December 15, 2014

Glossary of Defined Terms

<u>2006 Lease</u>	1
<u>Additional Landlord Assignment Documents</u>	23
<u>Additional Landlord Assignment Documents Return Date</u>	23
<u>Adjustment Date</u>	3
<u>Alteration Cap</u>	19
<u>Assignment Landlord Agreement</u>	24
<u>Assignment or Sublease Officer's Certificate</u>	27
<u>Assignment SNDA</u>	24
<u>Base Rent</u>	3
<u>Base Rent Allocation</u>	3
<u>Base Rent Allocation PSF</u>	22
<u>Building</u>	1
<u>Buildings</u>	1
<u>Capital Improvement</u>	19
<u>Capital Lease Treatment</u>	25
<u>Casualty Event</u>	30
<u>Casualty Withholding Event</u>	31
<u>CERCLA</u>	47
<u>Commencement Date</u>	2
<u>Condemnation</u>	32
<u>Condemnation Withholding Event</u>	33
<u>Confidential Information</u>	60
<u>Confidentiality Agreement</u>	61
<u>Control Affiliate</u>	24
<u>Costs</u>	8
<u>CPI Increase</u>	59
<u>Default</u>	34
<u>Default Interest</u>	57
<u>Disclosure Parties</u>	60
<u>EBITDAR</u>	55
<u>EBITDAR Event</u>	56
<u>EBITDAR Ratio</u>	56
<u>EBITDAR Rent</u>	55
<u>Effective Date</u>	1
<u>Expiration Date</u>	2
<u>Expiration Dates</u>	2
<u>Extension Options</u>	2
<u>Extension Period</u>	2
<u>Extension Periods</u>	2
<u>Fee Properties</u>	1
<u>FIFRA</u>	47
<u>Flood Insurance Acts</u>	11
<u>Flood Insurance Policies</u>	11
<u>Force Majeure</u>	58

<u>GAAP</u>	55
<u>Ground Landlord</u>	39
<u>Ground Lease</u>	39
<u>Guaranty</u>	63
<u>Imposition</u>	5
<u>Impositions</u>	5
<u>Impositions Reserve</u>	53
<u>Indemnified Party</u>	29
<u>Insolvency Event</u>	45
<u>Installments</u>	5
<u>Insurance Deductible Letter of Credit</u>	10
<u>Insurance Reserve</u>	53
<u>Landlord</u>	1, 57
<u>Landlord Agreement</u>	58
<u>Landlord Assignment Lease Agreement</u>	23
<u>Landlord Assignment Lease Agreement Return Date</u>	23
<u>Landlord Assignment Transaction</u>	23
<u>Landlord Counterparties</u>	60
<u>Landlord Indemnified Parties</u>	28
<u>Landlord Indemnified Party</u>	29
<u>Landlord's Notice</u>	3
<u>Laws</u>	8
<u>Lease</u>	1
<u>Lease Year</u>	3
<u>Leasehold Mortgage</u>	43
<u>Leasehold Mortgagee</u>	43
<u>Leasehold Properties</u>	1
<u>Legal Requirements</u>	8
<u>Letter of Credit</u>	56
<u>Liability Insurance</u>	11
<u>Losses</u>	9
<u>Maintenance Expenses</u>	53
<u>Maintenance Reserve</u>	53
<u>Manage</u>	48
<u>Management</u>	48
<u>Material Adverse Effect</u>	9
<u>Monthly Base Rent</u>	4
<u>Mortgage</u>	39
<u>Mortgagee</u>	39
<u>NDA</u>	22
<u>Net Condemnation Proceeds</u>	33
<u>Net Insurance Proceeds</u>	30
<u>Notice</u>	48
<u>OFAC Laws</u>	44
<u>Original Lease</u>	1
<u>Other Parties</u>	60

<u>Overlandlord</u>	67
<u>Overlandlords</u>	67
<u>Overlease</u>	1
<u>Overlease Rents</u>	53
<u>Overlease Reserve</u>	53
<u>Overleases</u>	1
<u>Pamida</u>	10
<u>Parcel</u>	1
<u>Parcels</u>	1
<u>Portfolio 1 Expiration Date</u>	2
<u>Portfolio 2 Expiration Date</u>	2
<u>Portfolio 3 Expiration Date</u>	2
<u>Premises</u>	2
<u>Property Location</u>	2
<u>REA</u>	17
<u>REA Change</u>	17
<u>REAs</u>	17
<u>Release</u>	48
<u>Released</u>	48
<u>Removal Properties</u>	69
<u>Rent</u>	4
<u>Replacement Landlord Lease Assignment Agreement</u>	25
<u>Replacement Tenant</u>	36
<u>Reserve</u>	53
<u>Reserve Event</u>	56
<u>Reserve Period</u>	56
<u>Reserve Reversal Event</u>	56
<u>Reserve Subaccount Account</u>	54
<u>Reserve Subaccounts</u>	54
<u>Reserves</u>	54
<u>Respond</u>	48
<u>Response</u>	48
<u>Restoration Threshold</u>	30
<u>Restore</u>	30
<u>S&P</u>	13
<u>Sale Restriction</u>	24
<u>Securitization Parties</u>	60
<u>ShopKo</u>	10
<u>Side Letter Agreement</u>	57
<u>Specialty Retail</u>	55
<u>SRSHC</u>	59
<u>SRSHC Audited Reporting Financials</u>	60
<u>SRSHC Reporting Financials</u>	60
<u>SRSHC Unaudited Reporting Financials</u>	59
<u>Sub-Portfolio</u>	2
<u>Sub-Portfolio 1</u>	2

<u>Sub-Portfolio 2</u>	2
<u>Sub-Portfolio 3</u>	2
<u>Sub-Portfolios</u>	2
<u>Substitute Property</u>	26
<u>Tangible Net Worth</u>	21
<u>Tank Insurance</u>	12
<u>Tenant</u>	1, 56
<u>Tenant Indemnified Parties</u>	29
<u>Tenant Indemnified Party</u>	29
<u>Tenant's Mortgagee</u>	58
<u>Tenant's Personalty</u>	15
<u>Term</u>	2
<u>Terrorism Insurance</u>	12
<u>Terrorism Insurance Cap</u>	12
<u>Terrorism Insurance Required Amount</u>	12
<u>Transaction</u>	22
<u>Warranties</u>	18

Table of Contents

	<u>Page</u>
ARTICLE 1. GRANT AND TERM.....	1
1.01 Grant of Lease.....	1
1.02 Term of Lease.....	2
1.03 Extension Options.....	2
1.04 Intentionally Omitted.....	3
1.05 Lease Year Defined.....	3
ARTICLE 2. RENT.....	3
2.01 Base Rent.....	3
2.02 Manner of Payment.....	4
2.03 Net Lease.....	4
ARTICLE 3. IMPOSITIONS.....	4
3.01 Tenant to Pay Impositions.....	4
3.02 Receipt of Payment.....	5
3.03 Exclusions.....	6
3.04 Contest.....	6
3.05 Reduction of Assessed Valuation.....	7
3.06 Joinder of Landlord.....	7
ARTICLE 4. USE; COMPLIANCE.....	7
4.01 Use.....	7
4.02 Compliance.....	7
ARTICLE 5. UTILITIES.....	9
5.01 Payment for Utilities.....	9
5.02 Utilities.....	9
ARTICLE 6. INSURANCE.....	9
6.01 Tenant's Insurance.....	9
6.02 Blanket Policy.....	14
ARTICLE 7. RETURN OF PREMISES.....	14
7.01 Surrender of Possession.....	14
7.02 Trade Fixtures and Personal Property.....	14
7.03 Survival.....	15
ARTICLE 8. HOLDING OVER.....	15
ARTICLE 9. CONDITION AND CARE OF PREMISES.....	15
9.01 As-Is Condition.....	15

9.02	Tenant's Obligations.....	15
9.03	Landlord Not Obligated.....	16
9.04	Compliance with REA(s).....	16
9.05	Intentionally Omitted.....	17
9.06	Warranties.....	17
ARTICLE 10. RIGHTS RESERVED TO LANDLORD.....		18
ARTICLE 11. ALTERATIONS.....		18
11.01	Alterations.....	18
ARTICLE 12. ASSIGNMENT AND SUBLETTING.....		19
12.01	Assignment.....	19
12.02	Change of Control.....	20
12.03	Subletting and Non-Disturbance.....	21
12.04	Assignment by Landlord.....	22
12.05	Substitution.....	25
12.06	Concessionaires.....	26
12.07	Limits on Assignment, Subletting and Substitution.....	27
ARTICLE 13. WAIVER OF CERTAIN CLAIMS; INDEMNITY BY TENANT.....		27
13.01	Waiver of Certain Claims.....	27
13.02	Tenant Responsible for Personal Property.....	28
13.03	Indemnification.....	28
ARTICLE 14. USE OF CASUALTY INSURANCE PROCEEDS.....		29
14.01	Tenant's Obligation to Restore.....	29
14.02	No Abatement of Rent.....	30
14.03	Right to Terminate.....	31
14.04	Reduction of Rent.....	31
ARTICLE 15. EMINENT DOMAIN.....		31
15.01	Taking: Lease to Terminate.....	31
15.02	Taking: Lease to Continue.....	32
15.03	No Abatement of Rent.....	33
15.04	Tenant's Claim for Reimbursement.....	33
ARTICLE 16. DEFAULT.....		33
16.01	Events of Default.....	33
16.02	Rights and Remedies of Landlord.....	35
16.03	Final Damages.....	37
16.04	Removal of Personal Property.....	37
16.05	Landlord's Default.....	37
16.06	Attorneys' Fees.....	38
16.07	Tenant Waiver.....	38

ARTICLE 17. SUBORDINATION; LEASEHOLD MORTGAGE	38
17.01 Subordination.....	38
17.02 Liability of Mortgagee; Attornment.....	39
17.03 Tenant Leasehold Mortgage	39
ARTICLE 18. MORTGAGEE PROTECTION.....	42
ARTICLE 19. ESTOPPEL CERTIFICATE.....	42
ARTICLE 20. REPRESENTATIONS AND WARRANTIES OF TENANT	43
20.01 Organization, Authority and Status of Tenant	43
20.02 Enforceability.....	43
20.03 Property Condition.....	43
20.04 Litigation.....	43
20.05 Compliance With OFAC Laws.....	43
20.06 Ownership	44
20.07 Absence of Breaches or Defaults.....	44
20.08 Solvency.....	44
20.09 Licenses and Permits.....	44
ARTICLE 21. NONWAIVER.....	44
ARTICLE 22. Intentionally Omitted.....	45
ARTICLE 23. REAL ESTATE BROKERS.....	45
ARTICLE 24. NOTICES.....	45
ARTICLE 25. HAZARDOUS MATERIALS	46
25.01 Defined Terms	46
25.02 Tenant's Obligations with Respect to Environmental Matters	47
25.03 Copies of Notices.....	47
25.04 Landlord's Right to Inspect	48
25.05 Tests and Reports.....	48
25.06 Tenant's Obligation to Respond	49
25.07 Landlord's Right to Act	49
25.08 Indemnification.....	49
ARTICLE 26. TITLE AND COVENANT AGAINST LIENS.....	50
26.01 Title and Covenant Against Liens.....	50
ARTICLE 27. EXCULPATORY PROVISIONS.....	51
ARTICLE 28. QUIET USE AND ENJOYMENT	51
ARTICLE 29. CHARACTERIZATION OF LEASE.....	51
29.01 Unseverable Lease; No Joint Venture.....	51
29.02 True Lease Waiver	52

ARTICLE 30.	RESERVES.....	53
30.01	Reserves	53
30.02	Satisfaction of Tenant’s Obligations.....	53
30.03	Reserve Period; Maintenance Expenses	53
30.04	Reserve Reversal Event	54
30.05	Letter of Credit.....	54
30.06	Defined Terms	54
ARTICLE 31.	MISCELLANEOUS	55
31.01	Successors and Assigns.....	55
31.02	Modifications in Writing.....	55
31.03	Definition of Tenant.....	55
31.04	Definition of Landlord	56
31.05	Headings	56
31.06	Time of Essence	56
31.07	Default Rate of Interest.....	56
31.08	Severability	56
31.09	Entire Agreement	56
31.10	Force Majeure	57
31.11	Memorandum of Lease	57
31.12	No Construction Against Preparer	57
31.13	Waiver of Landlord’s Lien.....	57
31.14	Investment Tax Credits	58
31.15	Signage.....	58
31.16	Definition of CPI.....	58
31.17	Financial Statements	58
31.18	State-Specific-Provisions	61
31.19	Counterparts	61
31.20	Mortgagee Consent	61
31.21	Waiver of Jury Trial and Certain Damages	61
31.22	Forum Selection; Jurisdiction; Venue; Choice of Law	61
31.23	No Merger.....	62
31.24	Intentionally Omitted.....	62
31.25	Guaranty.....	62
ARTICLE 32.	OVERLEASES	62
32.01	Overleases	63
ARTICLE 33.	Property Removals.....	68

Exhibits:

Exhibit A-1	List of Fee Properties
Exhibit A-2	List of Leasehold Properties
Exhibit A-3	Legal Description of Each Parcel
Exhibit A-4	List of Overleases
Exhibit A-5	Sub-Portfolio 1
Exhibit A-6	Sub-Portfolio 2
Exhibit A-7	Sub-Portfolio 3
Exhibit A-8	Removal Properties
Exhibit B	Initial Base Rent Allocations
Exhibit C	Form of Estoppel Letter
Exhibit D	Form of Sublease Non-Disturbance Agreements
Exhibit E	Form of Mortgagee Non-Disturbance Agreement
Exhibit F	Form of Landlord Agreement
Exhibit G	Form of Memorandum of Lease
Exhibit H	State Specific Provisions
Exhibit I	Intentionally Omitted
Exhibit J	Form Income and Expense Statement for Individual Property Location
Exhibit K	Form of Landlord Assignment Lease Agreement
Exhibit L	Form of Landlord Assignment Guaranty Agreement
Exhibit M	Property Location Square Footage Amounts
Exhibit N	Form of Sale Restriction Certificate
Exhibit O	Form of Amendment to Lease
Exhibit P	Form of Termination of Memorandum of Lease

Schedules:

Schedule 12.01	Officer's Certificate (Assignment)
Schedule 12.03	Officer's Certificate (Subletting)
Schedule 12.04(b)	Outlots
Schedule 31.17(c)	Form of Confidentiality Agreement
Schedule 31.17(d)	Officer's Certificate (Financial Reports)

AMENDED AND RESTATED MASTER LEASE

THIS AMENDED AND RESTATED MASTER LEASE (hereinafter, this "Lease") is made and entered into as of the 15th day of December, 2014 (the "Effective Date"), by and between SPIRIT SPE PORTFOLIO 2006-1, LLC and SPIRIT SPE PORTFOLIO 2006-2, LLC, each a Delaware limited liability company (hereinafter, collectively, "Landlord"), and SHOPKO STORES OPERATING CO., LLC, a Delaware limited liability company (hereinafter "Tenant").

WHEREAS, Landlord and Tenant entered into that certain Master Lease, dated May 31, 2006 (the "2006 Lease"), that certain First Amendment to Master Lease, with an effective date of December 14, 2006; that certain letter agreement dated April 30, 2007, that certain Second Amendment to Master Lease, dated March 19, 2009 as supplemented by that certain Lease Supplement dated March 19, 2009 (which was satisfied as of September 24, 2014); that certain Third Amendment to Master Lease, effective July 27, 2009; that certain Fourth Amendment to Master Lease, effective March 12, 2010; that certain Fifth Amendment to Master Lease, effective July 30, 2010; that certain Sixth Amendment to Master Lease, effective February 7, 2011; that certain Seventh Amendment to Master Lease, dated July 13, 2012, and that certain Eighth Amendment to Master Lease, with an effective date of May 1, 2014 (all such amendments, collectively with the 2006 Lease, the "Original Lease") and now desire to amend and restate the Original Lease in its entirety pursuant to the terms hereof.

NOW, THEREFORE, Landlord and Tenant hereby agree to amend and restate the Original Lease to read as follows:

ARTICLE 1 GRANT AND TERM

1.01 **Grant of Lease.** Landlord, for and in consideration of the rents reserved herein and of the covenants and agreements contained herein on the part of Tenant to be performed, hereby leases to Tenant, and Tenant hereby leases from Landlord, those certain parcels of land owned by Landlord in fee and listed on Exhibit A-1 attached hereto and made a part hereof (the "Fee Properties") and those certain parcels of land held by Landlord as the tenant under a lease, if any, in effect as of the date hereof (each such lease, an "Overlease" and collectively, the "Overleases") and listed on Exhibit A-2 attached hereto and made a part hereof (the "Leasehold Properties"; the Fee Properties and Leasehold Properties are each, a "Parcel" and collectively, the "Parcels" and legally described on Exhibit A-3 attached hereto and made a part hereof and the Overleases are listed on Exhibit A-4 attached hereto and made a part hereof) and all of the buildings located on each of the Parcels (each, a "Building" and collectively the "Buildings") and with respect to each Parcel, all other improvements erected or situated on each such Parcel, including, but not limited to, to the extent they exist, parking areas; access roads; entrances and driveways; lighting facilities; grass, shrubs, trees and landscaping; retaining walls; passageways, sidewalks and curbs; culverts; retention basins and drainage facilities; directional and shopping center pylons or monuments; sewer and sewage disposal systems; water supply, electric lines; gas lines and other service and utility lines, pipes and installations of every kind (each Parcel, together with the Building and the other improvements located thereon, a "Property Location" and collectively, the "Premises"), together with all easements (including any rights under applicable construction, operating and/or reciprocal easements agreements) over adjoining real

property, rights of way, hereditaments, interests in or to adjacent streets or alleys or other real property and all the benefits thereunto belonging and appertaining to any portion of the Premises.

1.02 **Term of Lease.**

(a) As used herein, (i) "Sub-Portfolio 1" means the Property Locations identified on Exhibit A-5, (ii) "Sub-Portfolio 2" means the Property Locations identified on Exhibit A-6, (iii) "Sub-Portfolio 3" means the Property Locations identified on Exhibit A-7; and (iv) Sub-Portfolio 1, Sub-Portfolio 2 and Sub-Portfolio 3 are collectively referred to herein as "Sub-Portfolios" and each individually as a "Sub-Portfolio".

(b) The term hereof (the "Term") shall commence on May 31, 2006 (the "Commencement Date"), and shall expire at 11:59 PM EST on (i) for Sub-Portfolio 1, November 30, 2034¹ (the "Portfolio 1 Expiration Date"), (ii) for Sub-Portfolio 2, November 30, 2029² (the "Portfolio 2 Expiration Date"), and (iii) for Sub-Portfolio 3, May 31, 2026 (the "Portfolio 3 Expiration Date"); collectively with the Portfolio 1 Expiration Date and the Portfolio 2 Expiration Date, the "Expiration Dates" and each individually an "Expiration Date". The Term regarding any Property Location shall be subject to earlier termination of this Lease and extension of this Lease with respect to such Property Location as provided herein.

1.03 **Extension Options.** Landlord agrees that Tenant shall have, and it is hereby granted, two (2) successive options (the "Extension Options") to extend the Term as to any Property Location or Property Locations, in Tenant's sole discretion, for a period of ten (10) years each (individually, an "Extension Period", and collectively, the "Extension Periods"), each such Extension Period to begin respectively upon the expiration of the initial Term or the prior Extension Period, with respect to such Property Location or Property Locations, as the case may be. All of the terms, covenants and provisions of this Lease shall apply to each Extension Period with respect to the Property Locations that Tenant elects to extend, except that Base Rent (as defined in Section 2.01 below) for each of the Extension Periods shall continue to be adjusted pursuant to the terms of Section 2.01 below, payable in equal monthly installments as Monthly Base Rent (as defined in Section 2.01). In order to exercise the Extension Options, Tenant shall give Landlord notice of such exercise (which notice shall identify the Property Locations that are to be extended) no later than one hundred twenty (120) days prior to the end of the initial Term of this Lease or the prior Extension Period with respect to such Property Location or Property Locations, as the case may be; provided, however, that if Tenant shall fail to give the notice within the aforesaid time limit, Tenant's right to exercise its option shall nevertheless continue during said one hundred twenty (120) day period until thirty (30) days after Landlord shall have given Tenant notice of Landlord's election to terminate such option ("Landlord's Notice"), and Tenant may exercise such option at any time until the expiration of said thirty (30) day period. It is the intention of the parties to avoid forfeiture of Tenant's rights to extend the Term under any of the options set forth in this Lease through inadvertent failure to give the extension notice within the time limits prescribed. Accordingly, if Tenant shall fail to give an extension notice to Landlord for any of the Extension Periods, and if Landlord shall fail to give Landlord's Notice to Tenant, then until the expiration of thirty (30) days following Landlord's Notice, or until Tenant

¹ 20 years from date of Lease.

² 15 years from date of Lease.

either exercises its option to extend or notifies Landlord that it does not intend to exercise said option to extend, the Term for the applicable Property Location or Property Locations, as the case may be, shall be extended automatically from month to month upon all the terms and conditions then in effect, except that Monthly Base Rent shall be increased in accordance with Article 8, and in no event shall the Term for any Property Location extend beyond the last date of the last Extension Period applicable to such Property Location. Upon the failure of Tenant to exercise one or any of the options herein regarding any Property Location following Landlord's Notice, and, in any event, upon expiration of the last of such Extension Periods with respect to such Property Location, Tenant shall have no further or additional right to renew or extend this Lease with respect to such Property Location .

1.04 **Intentionally Omitted.**

1.05 **Lease Year Defined.** As used in this Lease, the term "Lease Year" shall mean (a) if the Commencement Date is the first (1st) day of a calendar month, the twelve (12th) month period commencing on the Commencement Date or (b) if the Commencement Date is not the first (1st) day of a calendar month, the period commencing on the Commencement Date and ending on the last day of the twelfth (12) full calendar month of the Term, and in either case, each succeeding twelve (12) month period thereafter which falls in whole or in part during the Term.

ARTICLE 2.
RENT

2.01 **Base Rent.** Throughout the Term, Tenant shall pay to Landlord an annual base rent for the Premises (the "Base Rent"), without notice or demand. The Base Rent for the first Lease Year was equal to Sixty Six Million Four Hundred Thirty Three Thousand One Hundred Thirty Nine and 98/100 Dollars (\$66,433,139.98). As of the Effective Date, (a) the Base Rent for the Premises is \$74,695,809, and (b) the Base Rent for the Premises allocated to each Property Location is as set forth on Exhibit B attached hereto (such Base Rent initially allocated to any Property Location, as the same may be adjusted pursuant to the terms of this Lease, a "Base Rent Allocation"). On each third anniversary of June 1, 2011, during the Term (the "Adjustment Date"), (x) the Base Rent shall increase by the lesser of (i) 1.25 multiplied by the product of (A) the Base Rent in effect immediately prior to the applicable Adjustment Date and (B) the CPI Increase or (ii) 6% of the Base Rent in effect immediately prior to the applicable Adjustment Date, and (y) each Base Rent Allocation shall increase by the lesser of (i) 1.25 multiplied by the product of (A) the Base Rent Allocation in effect immediately prior to the applicable Adjustment Date and (B) the CPI Increase, or (ii) 6% of the Base Rent Allocation in effect immediately prior to the applicable Adjustment Date. Base Rent shall be payable in equal monthly installments (hereinafter referred to as "Monthly Base Rent"), in advance, on the first (1st) day of the Term and on the first (1st) day of each calendar month thereafter of the Term. If the Term ends with respect to any Property Locations on any day except the last day of a calendar month, the Monthly Base Rent applicable to such Property Locations shall be prorated by multiplying the Monthly Base Rent applicable to such Property Locations by a fraction, the numerator of which is the number of days remaining in the month through the last day of the Term and the denominator of which is the total number of days in such month. Without limitation, in the event that any Property Locations cease to be demised hereunder by reason of the expiration of the

“Material Adverse Effect” means a material adverse effect on (a) the Premises, including, without limitation, the operation of the Premises and/or the value of the Premises; (b) Tenant’s ability to perform its obligations under this Lease; or (c) Landlord’s interests in the Premises or this Lease.

**ARTICLE 5.
UTILITIES**

5.01 **Payment for Utilities.** Tenant will pay, when due, all such charges which accrue during the Term of every nature, kind or description for utilities furnished to the Premises or chargeable against the Premises, including all charges for water, sewage, heat, gas, light, garbage, electricity, telephone, steam, power, or other public or private utility services. Prior to commencement of the Term, Tenant was obligated to pay for all utilities or services at the Premises used by it or its affiliates, agents, employees or contractors.

5.02 **Utilities.** Tenant shall have the right to choose and shall be responsible for contracting directly with all suppliers of utility services. In the event that any charge or fee is required by the state in which the Premises is located or by any agency, subdivision or instrumentality thereof, or by any utility company or other entity furnishing services or utilities to the Premises, as a condition precedent to furnishing or continuing to furnish utilities or services to the Premises, such charge or fee shall be deemed to be a utility charge payable by Tenant. The provisions of this Article 5 shall include, but shall not be limited to, any charges or fees for present or future water or sewer capacity to serve the Premises, any charges for the underground installation of gas or other utilities or services, and other charges relating to the extension of or change in the facilities necessary to provide the Premises with adequate utility services. Tenant may elect to cause the separate metering of utilities to various portions of any Building. If Tenant makes such an election, the costs of such separate metering shall be at the sole and exclusive cost of Tenant. In the event Tenant fails to pay any such charge or fee contemplated by this Section 5.02, Landlord shall have the right, but not the obligation, to pay such charges or fees on Tenant’s behalf and Tenant shall reimburse Landlord for such utility charge upon Landlord’s demand therefor with interest accruing at the Default Interest rate provided in Section 31.07. The inability of Tenant to obtain, or any stoppage of, the utility services referred to in this Article 5 resulting from any cause (other than Landlord’s gross negligence or willful wrongful acts) shall not make Landlord liable in any respect for damages of any kind to any Person, property or business, or entitle Tenant to any abatement of Rent or other relief from any of Tenant’s obligations under this Lease.

**ARTICLE 6.
INSURANCE**

6.01 **Tenant’s Insurance.**

(a) Tenant shall obtain and maintain the following coverages at its sole cost and expense:

(i) “All Risk” or “Special Form” Property Insurance with a Twenty-Five Million Dollars (\$25,000,000) per occurrence limit, with no aggregate for the peril of

windstorm, tornado and hail, on the Buildings and Tenant's Personalty (as defined in Section 7.02) located on the Premises, (1) in an amount equal to one hundred percent (100%) of the full replacement cost, (2) containing an agreed amount endorsement waiving all coinsurance provisions; and (3) providing [for no deductible in excess of (a) One Hundred Thousand Dollars (\$100,000) or (b) in the event that the Insurance Deductible Letter of Credit (defined below) is in full force and effect, Five Hundred Thousand Dollars (\$500,000); and (4) providing]³ coverage for contingent liability from Operation of Building Laws, Demolition Costs and Increased Cost of Construction under an "Ordinance or Law Coverage" or "Enforcement" endorsement if any of the improvements or the use of the Premises shall at any time constitute legal non-conforming structures or uses. The full replacement cost shall be redetermined from time to time (but not more frequently than once in any twenty-four (24) calendar months) at the request of Landlord by an appraiser or contractor designated and paid by Tenant and approved by Landlord, or by an engineer or appraiser in the regular employ of the insurer and at the expense of Tenant. After the first appraisal, additional appraisals may be based on construction cost indices customarily employed in the trade. [For purposes of this Section 6.01(a)(i), the term "Insurance Deductible Letter of Credit" shall mean a letter of credit, combined for ShopKo Stores Operating Co., LLC ("ShopKo") and Pamida Stores Operating Co., LLC ("Pamida") so long as they jointly procure insurance, in an amount equal to Four Hundred Thousand Dollars (\$400,000.00), naming Landlord or, at Landlord's option, its Mortgagee (as defined in Section 17.01 below) as the sole beneficiary thereof, which letter of credit shall (A) be a transferable, clean, irrevocable, unconditional, standby letter of credit in form, substance and amount reasonably satisfactory to Landlord in its reasonable discretion, issued or confirmed by a commercial bank with a long term debt obligation rating of "AA" or better (or a comparable long term debt obligation rating) as assigned nationally-recognized statistical rating agency, (B) be payable upon presentation of a sight draft only to the order of Landlord or its Mortgagee at a New York City bank, (C) have an initial expiration date of not less than one (1) year and shall be automatically renewed for successive twelve (12) month periods for the Term, (D) provide for multiple draws, and (E) be transferable by Landlord or its Mortgagee, and its successors and assigns at a New York City bank.]⁴

(ii) Commercial General Liability insurance ("Liability Insurance") against liability for bodily injury and death, property damage, personal and advertising injury, liquor (to the extent liquor is sold or manufactured on the Premises), optometrist and druggist professional liability (to the extent optometric and pharmacy operations exist on the Premises) on the Premises, such Liability Insurance (1) to be on an "occurrence" form with a combined single limit of not less than One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) in the aggregate and to continue at not less than the aforesaid limit until required to be changed by Landlord in writing by reason of changed economic conditions making such protection inadequate; and (2) to provide coverage for premises and operations, products and completed operations on an "if any" basis, independent contractors, blanket contractual liability

³ Bracketed deductible language and the definition of "Insurance Deductible Letter of Credit" will only be included for buyers of ten or more properties (whether or not pursuant to a master lease) or \$50,000,000 or more in purchase price)

⁴ Bracketed deductible language and the definition of "Insurance Deductible Letter of Credit" will only be included for buyers of ten or more properties (whether or not pursuant to a master lease) or \$50,000,000 or more in purchase price)

ARTICLE 29.
CHARACTERIZATION OF LEASE

The following expressions of intent, representations, warranties, covenants, agreements, stipulations and waivers are a material inducement to Landlord and Tenant entering into this lease:

29.01 [Unseverable Lease;]No Joint Venture.

(a) [Landlord and Tenant agree that this Lease constitutes a single and indivisible lease as to all of the Property Locations collectively and shall not be subject to severance or division except as expressly set forth herein. In furtherance of the foregoing, Landlord and Tenant each (i) waives any claim or defense based upon the characterization of this Lease as anything other than a master lease of all the Property Locations and irrevocably waives any claim or defense that asserts that this Lease is anything other than a master lease, (ii) covenants and agrees that it will not assert that this Lease is anything but a unitary, unseverable instrument pertaining to the lease of all, but not less than all, of the Property Locations, (iii) stipulates and agrees not to challenge the validity, enforceability or characterization of this Lease of the Property Locations as a unitary, unseverable instrument pertaining to the lease of all, but not less than all, of the Property Locations, and (d) shall support the intent of the parties that this Lease is a unitary, unseverable instrument pertaining to the lease of all, but not less than all, of the Property Locations, if, and to the extent that, any challenge occurs. Without limitation, Landlord and Tenant agree that Base Rent Allocations shall not be used or construed, directly or indirectly, to vary the intent of Landlord and Tenant that this Lease constitutes a single and indivisible lease of all the Property Locations collectively and is not an aggregation of separate leases. For the purposes of any assumption, rejection or assignment of this Lease under 11 U.S.C. Section 365 or any amendment or successor section thereof, this is one indivisible and non-severable lease dealing with and covering one legal and economic unit that must be assumed, rejected or assigned as a whole with respect to all (and only all) of the Property Locations.]¹⁰

(b) The business relationship created by this Lease and any related documents is solely that of a long term commercial lease between Landlord and Tenant, the Lease has been entered into by both parties in reliance upon the economic and legal bargains contained herein, and none of the agreements contained herein is intended, nor shall the same be deemed or construed, to create a partnership (*de facto* or *de jure*) between Landlord and Tenant, to make them joint venturers, to make Tenant an agent, legal representative, partner, subsidiary or employee of Landlord, nor to make Landlord in any way responsible for the debts, obligations or losses of Tenant.

29.02 True Lease Waiver. Landlord and Tenant intend that this Lease is a "true lease," is not a financing lease, capital lease, mortgage, equitable mortgage, deed of trust, trust agreement, security agreement or other financing or trust arrangement, and the economic realities of this Lease are those of a true lease. Tenant and Landlord each waive any claim or defense

¹⁰ Use bracketed language only if breakout lease is a master lease.

EXHIBIT B
INTENTIONALLY OMITTED

1.03 **Extension Options.** Landlord agrees that Tenant shall have, and it is hereby granted, two (2) successive options (the "Extension Options") to extend the Term, in Tenant's sole discretion, for a period of ten (10) years each (individually, an "Extension Period", and collectively, the "Extension Periods"), each such Extension Period to begin respectively upon the expiration of the initial Term or the prior Extension Period. All of the terms, covenants and provisions of this Lease shall apply to each Extension Period, except that Base Rent (as defined in Section 2.01 below) for each of the Extension Periods shall continue to be adjusted pursuant to the terms of Section 2.01 below, payable in equal monthly installments as Monthly Base Rent (as defined in Section 2.01). In order to exercise the Extension Options, Tenant shall give Landlord notice of such exercise no later than one hundred twenty (120) days prior to the end of the initial Term of this Lease or the prior Extension Period; provided, however, that if Tenant shall fail to give the notice within the aforesaid time limit, Tenant's right to exercise its option shall nevertheless continue during said one hundred twenty (120) day period until thirty (30) days after Landlord shall have given Tenant notice of Landlord's election to terminate such option ("Landlord's Notice"), and Tenant may exercise such option at any time until the expiration of said thirty (30) day period. It is the intention of the parties to avoid forfeiture of Tenant's rights to extend the Term under any of the options set forth in this Lease through inadvertent failure to give the extension notice within the time limits prescribed. Accordingly, if Tenant shall fail to give an extension notice to Landlord for any of the Extension Periods, and if Landlord shall fail to give Landlord's Notice to Tenant, then until the expiration of thirty (30) days following Landlord's Notice, or until Tenant either exercises its option to extend or notifies Landlord that it does not intend to exercise said option to extend, the Term shall be extended automatically from month to month upon all the terms and conditions then in effect, except that Monthly Base Rent shall be increased in accordance with Article 8, and in no event shall the Term extend beyond the last date of the last Extension Period. Upon the failure of Tenant to exercise one or any of the options herein following Landlord's Notice, and, in any event, upon expiration of the last of such Extension Periods, Tenant shall have no further or additional right to renew or extend this Lease.

1.04 **Intentionally Omitted.**

1.05 **Lease Year Defined.** As used in this Lease, the term "Lease Year" shall mean (a) if the Commencement Date is the first (1st) day of a calendar month, the twelve (12th) month period commencing on the Commencement Date or (b) if the Commencement Date is not the first (1st) day of a calendar month, the period commencing on the Commencement Date and ending on the last day of the twelfth (12) full calendar month of the Term, and in either case, each succeeding twelve (12) month period thereafter which falls in whole or in part during the Term.

ARTICLE 2. RENT

2.01 **Base Rent.** Throughout the Term, Tenant shall pay to Landlord an annual base rent for the Premises (the "Base Rent"), without notice or demand. The Base Rent for the Premises is \$[_____]. On each third anniversary of June 1, 2011, during the Term (the "Adjustment Date"), the Base Rent shall increase by the lesser of (i) 1.25 multiplied by the product of (A) the Base Rent in effect immediately prior to the applicable Adjustment Date and (B) the CPI Increase or (ii) 6% of the Base Rent in effect immediately prior to the applicable

Store #	Location	Rent
S00075	MISSOULA, MT	\$ 830,000
S00076	SIOUX FALLS I, SD	\$ 895,000
S00078	RAPID CITY, SD	\$ 600,000
S00080	MADISON IV, WI	\$ 675,000
S00081	YAKIMA, WA	\$ 725,000
S00084	WEST JORDAN, UT	\$ 608,234
S00086	PROVO, UT	\$ 471,212
S00087	OGDEN, UT	\$ 485,000
S00088	LAYTON, UT	\$ 500,000
S00089	WALLA WALLA, WA	\$ 475,000
S00090	GRAFTON, WI	\$ 665,000
S00091	LOGAN, UT	\$ 455,000
S00092	KENNEWICK, WA	\$ 675,000
S00095	BOISE II, ID	\$ 495,000
S00096	REDDING, CA	\$ 987,500
S00097	WEST VALLEY, UT	\$ 510,000
S00099	ONALASKA, WI	\$ 735,000
S00100	NEENAH, WI	\$ 735,000
S00102	MARINETTE, WI	\$ 528,664
S00104	BRIGHAM CITY, UT	\$ 415,000
S00106	BILLINGS, MT	\$ 750,000
S00107	BOUNTIFUL W, UT	\$ 611,217
S00108	SPANISH FORK, UT	\$ 450,000
S00109	RIVERDALE, UT	\$ 578,000

Exhibit B-4

DEFINITIONS AND INSTRUCTIONS

1. With respect to the assessment as of January 1, 2015, "Property" means the real property as represented by the tax key number aforementioned for each parcel objected to.
2. Where any requested documents are in the possession, custody or control of another person or entity, identify such person or entity with complete contact information, including name, phone number and address of party in possession.
3. If the information is available only on a fiscal year basis, rather than a calendar year basis, provide information for the fiscal years ended in the years referred to in the statement of the documents to be produced.
4. An "Internal" lease is any document between an operating entity of the Property and any related subsidiary or parent of the Property.
5. Any document relating to lease, lease rates, rent or rental rates of the Property.

DOCUMENTS REQUESTED TO BE PRODUCED

1. Each document showing the owner's valuation of any Property at any time from January 1, 2009 through June 1, 2016. *See Appraisal*
2. Each document showing a feasibility study, appraisal, eminent domain valuation or written opinion of value that relates to the Property and dated any time in the last 10 years. *See Appraisal*
3. Each document prepared in the last 5 years showing market analysis, financial feasibility, eminent domain valuation or written opinion of value that relates to the owner's Property. *See Appraisal*

4. Audited financial statements (including balance sheets, income operating statements, footnotes, and auditor's opinions) for the years 2009, 2010, 2011, 2012, 2013, 2014 and 2015 that include the operations of the Property. *See lease*
5. Detailed operating statements for the years 2009, 2010, 2011, 2012, 2013, 2014 and 2015 in standard accounting format for the subject Property, itemized to include the following: *See lease*
 - A. Total Gross Income, itemized by source, including, but not limited to: net lease income, and any income from any other source (identified by source). If income cannot be itemized in each of the categories listed, provide the most detailed information available.
 - B. Total Itemized Expenses, itemized by source for the Property, including, but not limited to taxes, depreciation, mortgage interest or amortization, officer's salaries, but not capital improvement expenditures. Capital expenditures include replacements, improvements and remodeling which materially add to the value of the property or appreciably extend its life. These costs are ordinarily added to the basis of the improved property and depreciated over a given life span. They are not "annual charges" and are not deducted as current expenses.
6. To the extent not expressly contained in the documents described above, each document containing the following information or information from which the following information could be derived for the Property: *See lease*
 - A. Net operating income as of January 1, 2009, January 1, 2010, January 1, 2011, January 1, 2012, January 1, 2013, and January 1, 2014 ,
January 1, 2015.
 - B. Capitalization rate as of January 1, 2009, January 1, 2010, January 1,

2011 and January 1, 2012, January 1, 2014, January 1, 2014, January 1, 2015.

7. A copy of any leases, licenses and service contracts of the Property and all other Shopko store located in Wisconsin that pertains to any period during 2009 to the present date. *See lease*
8. A copy of any Internal leases of the Property and all other Shopko stores located in Wisconsin. *See lease*
9. All sale documents relating to the Property and all other Shopko store located in Wisconsin, including but not limited to Offers to Purchase (whether accepted or not), Purchase Agreements, Closing Statements, Appraisals, Real Estate Transfer Tax Returns, and Deeds.
10. All documents used to support claim that assessment of Property exceeds fair market value. *See Appraisal*
11. All sale documents supporting claim that assessment exceeds fair market value. *See Appraisal*
12. All income documents supporting claim that assessment exceeds fair market value. *See Apprais*
13. All documents marketing the subject property for lease or sale during the period from 2009 to the present date. *N/A*
14. All listing contracts for sale of the Property or all other Shopko properties in the State of Wisconsin from 2009 to the present date. *N/A*
15. All listing contracts for lease of the Property or portions of the Property from 2009 to the present date. *See lease*
16. All construction cost documents for the Property. *N/A*
17. All American Institute of Architects forms G702 and G703 on the Property. *N/A*
18. All mortgage documents on the Property. *N/A*
19. All insurance policies on the Property. *N/A*

20. All purchase documents on the Property. N/A
21. A list of all Shopko stores in the State of Wisconsin. N/A
22. All offer sheets for Shopko real estate in Wisconsin. N/A

Given under my hand this 14th day of July, 2016.

CITY OF ONALASKA BOARD OF REVIEW

By: 
Name: Jim Binash
Title: Chair

ADDRESS:
City of Onalaska
City Clerk
415 Main Street
Onalaska, Wisconsin 54650
608-781-9530

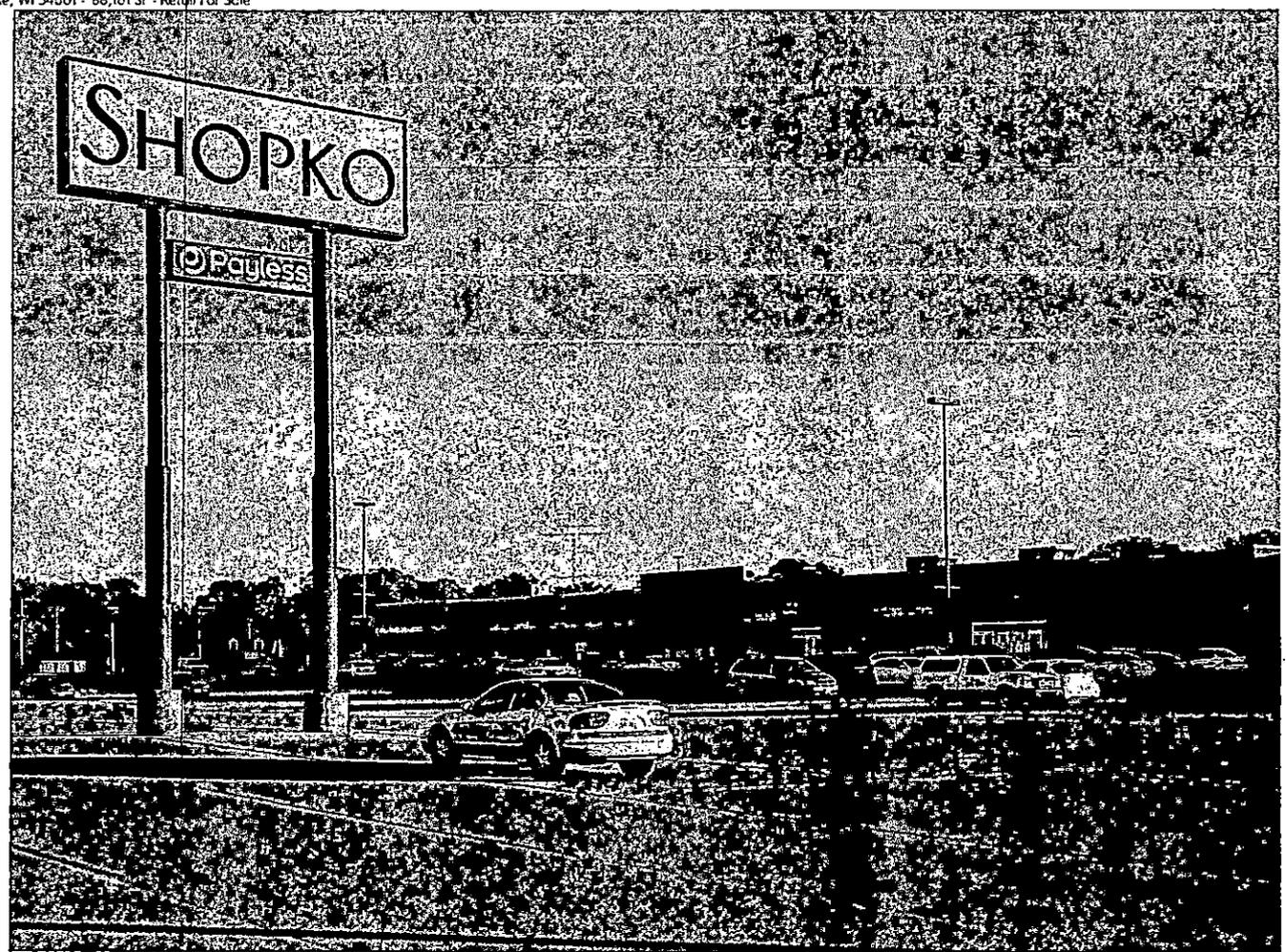
By searching on LoopNet, you agree to the LoopNet Terms and Conditions.

Exhibit 6x

This Retail Property is For Sale.

4344 Morman Coulee Road
La Crosse, WI 54601 - 88,161 SF - Retail For Sale

\$9,172,414



Shopko

Price	\$9,172,414	Property Use Type	Net Lease Investment with 10+ years left on lease
Building Size	88,161 SF	Cap Rate	7.25%
Price/SF	\$104.04	Tenancy	Single
Property Type	Retail	Lot Size	8.10 AC
Property Sub-type	Free Standing Bldg		

Find out more...

Listing ID: 19471997 Date Created: 0/14/2015 Last Updated: 06/10/2015

Description

The subject investment opportunity is Shopko located at 4344 Morman Coulee Road La Crosse, Wisconsin. This Shopko retail store is comprised of 88,161 square feet of building space and sits on approximately 8.10 acres of land. The investors the substantial benefit of outdoor development space that can be utilized for additional tenants and rental income, adding inherent value on top of the already strong return on investment. This location also benefits from a lot that is well-below market, providing investors with additional income stability in the future.

The La Crosse, Wisconsin Shopko has roughly 11.5 years remaining on a true triple net lease that was entered into June 1, 2006. The current rent is \$665,000 and rent is scheduled to increase on June 1, 2017 by the lesser of six percent or the change in consumer price index (CPI) over the previous three years. Rent will follow this escalation structure every three years after the next rental increase. Additionally, there are two, ten-year tenant renewal options.

This Shopko is located at 4344 Morman Coulee Road in La Crosse, Wisconsin. La Crosse is a city located in the west-central part of Wisconsin. La Crosse is the principal city of the La Crosse, Wisconsin Metropolitan Statistical Area, with the La Crosse-Eau Claire Combined Statistical Area.

There are approximately 35,300 people within a three-mile radius of this property and more than 52,000 people within a five-mile radius. The property is situated on Morman Coulee Road at the intersection of Shelby Road. Traffic can

Morman Coulee Road are approximately 28,000 vehicles daily, providing outstanding exposure to this Shopto location.

Research

4344 Morman Coulee Road, La Crosse, WI 54601 (La Crosse County)

Property Record Data - Historical Listings, current tax, mortgage, owners & tenant info for this property

La Crosse Market Trends - Asking price index trends, sale price trends, asking rent trends

Demographics - Review demographics in this neighborhood

Glen Kunofsky's Other Listings



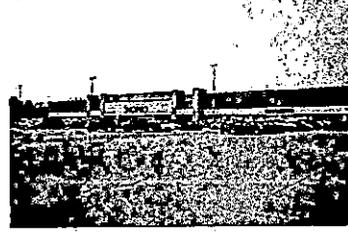
3075 Hilyard Street

Eugene, OR 97405
For Sale - \$12,883,305
33,270 SF Building
Free Standing Bldg



300 West Merrick Road

Valley Stream, NY 11580
For Sale - \$14,600,000
13,235 SF Building
Retail (Other)



1964 West Morton Avenue

Jacksonville, FL 32250
For Sale - \$10,413,795
101,688 SF Building
Free Standing Bldg



1350 North Goleno Avenue

Deer, IL 61021
For Sale - \$5,755,972
71,839 SF Building
Free Standing Bldg

Contact Listing Broker

Contact Listing Broker

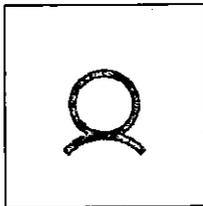
Presented by Marcus & Millichap Real Estate Investment Brokerage



Glen Kunofsky
Authority in the field of Net Leases and Sale-Leaseback Transactions

New York, NY - 212-450-5115

Glen Kunofsky is a Senior Vice President Investments and Senior... more >



Matt Fitzgerald
VP/Regional Manager

Brookfield, WI - 262-364-1950

View Profile >

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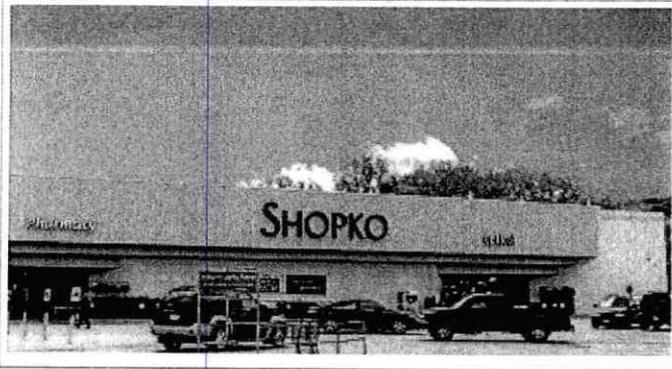
MATTHEWS[™]
REAL ESTATE INVESTMENT SERVICES

Lindsay Tsumpes — (310) 579-9691

Retail Property For Sale

Shopko - Healthy Sales

405 Cottonwood Dr, Winona, MN 55987

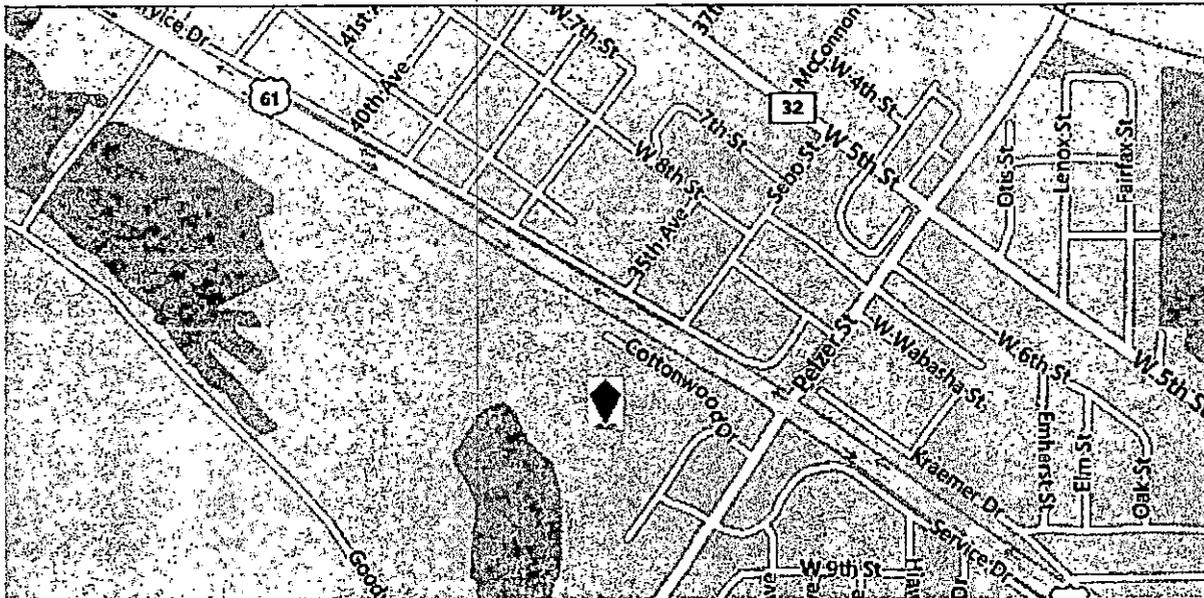


Price:	\$8,100,000
Building Size:	84,375 SF
Price/SF:	\$96
Property Type:	Retail
Property Sub-type:	Free Standing Bldg
Property Use Type:	Net Lease Investment with 10+ years left on lease
Cap Rate:	7.47%
Tenancy:	Single
Year Built:	1986
Lot Size:	11.10 AC
APN/Parcel ID:	32.320.0800
Listing ID	19850914
Last Updated	20 days ago

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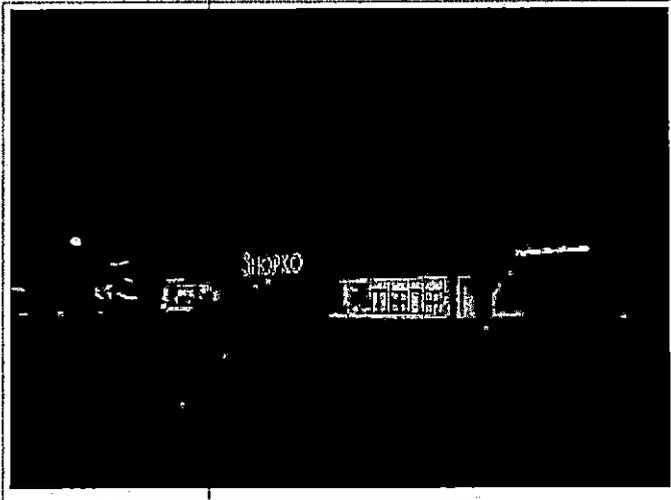
**Marcus & Millichap Real Estate Investment
Brokerage Company**

**Glen Kunofsky — (212) 430-5115
Matt Fitzgerald — (262) 364-1950**

Retail Property For Sale

Shopko

2677 South Prairie View Road, Chippewa Falls, WI 54729



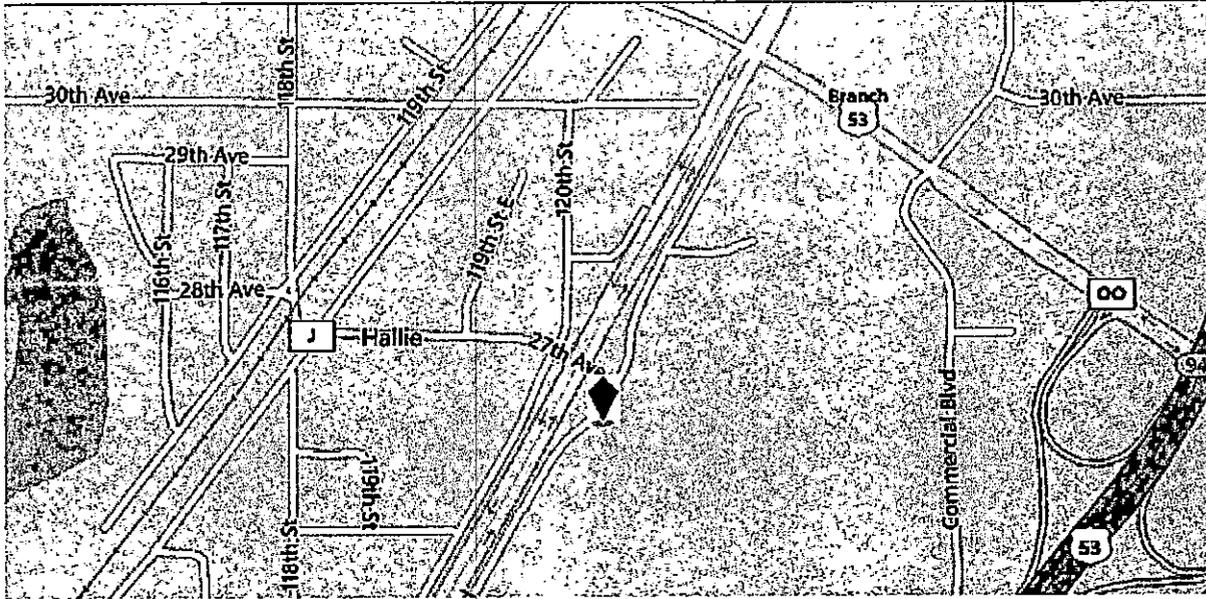
Price:	\$8,275,862
Building Size:	91,012 SF
Price/SF:	\$90.93
Property Type:	Retail
Property Sub-type:	Free Standing Bldg
Property Use Type:	Net Lease Investment with 10+ years left on lease
Cap Rate:	7.25%
Tenancy:	Single
Lot Size:	10.75 AC
Listing ID	19471954
Last Updated	26 days ago

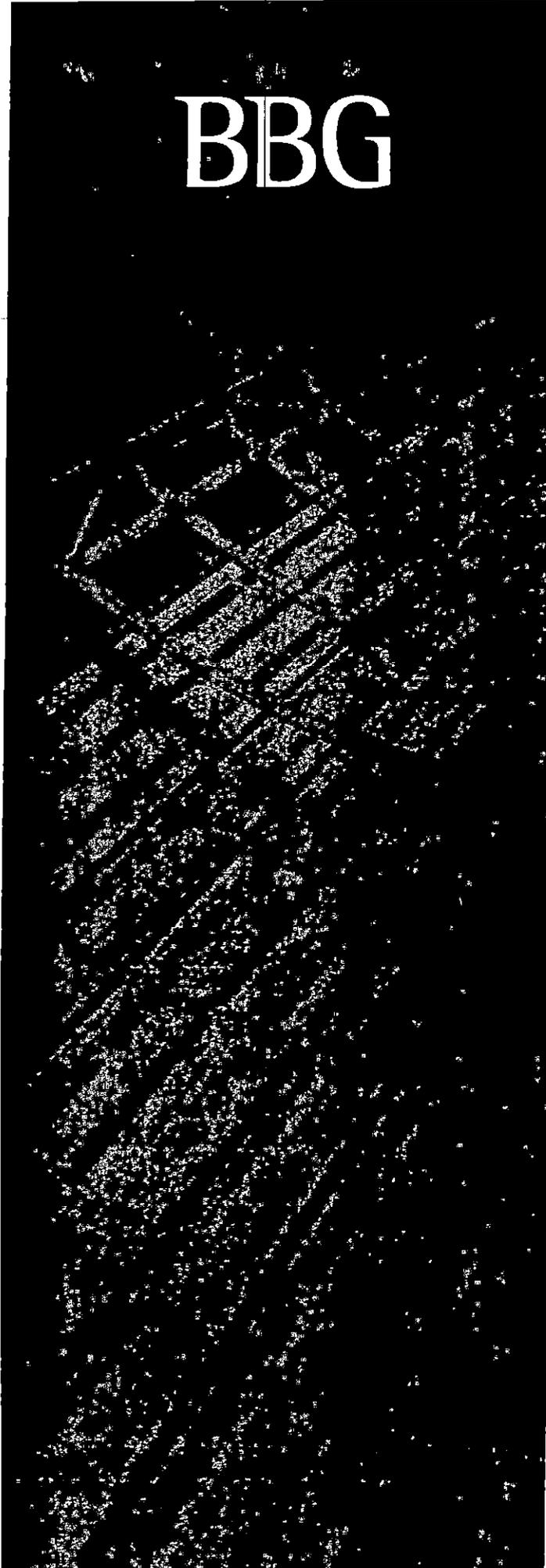
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County)

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BBG

AN APPRAISAL REPORT OF

SHOPKO

AN EXISTING RETAIL PROPERTY TOTALING 94,413

SF NRA

9366 STATE HIGHWAY 16

ONALASKA, WI 54650

FOR

MS. KAREN BELONGE

SHOPKO STORES OPERATING CO. LLC

700 PILGRIM WAY

GREEN BAY, WI 54304

Date of Valuation "As Is": January 1, 2016

Date of Report: August 5, 2016

BY

BBG, INC.

8300 DOUGLAS AVENUE, SUITE 600

DALLAS, TX 75225

877.524.1187

For questions or more information about this report,
Please contact your BBG client manager
Brett M. Suszek, MAI, AI-GRS at 872-221-7056
bsuszek@bbgres.com

BBG

August 5, 2016

Ms. Karen Belonge
ShopKo Stores Operating Co. LLC
700 Pilgrim Way
Green Bay, WI 54304

Re: **BBG File No. 0116004482**
9366 State Highway 16
Onalaska, WI 54650

Dear Ms. Belonge:

As requested, we have completed a real estate appraisal and submit our *Appraisal Report* on the above referenced property. The purpose of this appraisal was to form an opinion of the retrospective Market Value of the Fee Simple interest in the subject property "As Is", as of January 1, 2016 subject to the general underlying assumptions and limiting conditions. The analysis and the conclusions and opinions of value are not based on a requested minimum valuation, a specific valuation or the approval of a loan.

This appraisal report was completed in accordance with the Uniform Standard of Professional Appraisal Practice adopted by The Appraisal Foundation, and in accordance with the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute. The letter of engagement appears in the Exhibits section of this report.

The subject of this report consists of a single retail building having a total net rentable area (NRA) of 94,413 SF. The subject is operated as a ShopKo department store, although given the Fee Simple premise sought in this appraisal, the subject is assumed to be vacant and available for occupancy. The total site size is 8.68 AC. The subject was constructed in 1989 and is considered to be in average condition. The subject contains real property only, and no personal or intangible property is included.

Based on our conclusions, the retrospective Fair Market Value of the Fee Simple interest in the subject, "As Is", as of January 1, 2016, subject to the general underlying assumptions and limiting conditions was:

\$3,900,000

Extraordinary Assumptions

We assume the subject was in a similar condition as of our retrospective valuation date as it was observed during our inspection of the property.

Use of this Extraordinary Assumption may impact the value conclusion

DETROIT

P - 734 462 0700
F - 734 462 0705

17199 NORTH LAUREL PARK DRIVE
• STE 404
LIVONIA, MI 48152

BBGRFS.COM

August 5, 2016
Page 2

Hypothetical Conditions
None

Exposure Time/Marketing Period

Based on exposure times of comparable sales and interviews with active participants in the local market, the Market Value opinions could be achieved with exposure time of 12 months. Furthermore, it is our opinion that sales could be consummated at the Market Value opinions within twelve-month marketing periods of the effective date.

Our firm appreciates the opportunity to have performed this appraisal assignment on your behalf. If we may be of further service, please contact us.

Respectfully submitted,
BBG, Inc.



Brett M. Suszek, MAI, AI-GRS
Director
Certified General Appraiser
Wisconsin License #2190-10

TABLE OF CONTENTS

SUMMARY OF SALIENT FACTS1
ASSUMPTIONS AND LIMITING CONDITIONS.....3
CERTIFICATION7
INTRODUCTION8
LA CROSSE AREA ANALYSIS.....11
PRIMARY MARKET ANALYSIS.....17
RETAIL MARKET OVERVIEW21
SITE ANALYSIS.....24
IMPROVEMENT ANALYSIS31
HIGHEST AND BEST USE ANALYSIS34
REAL ESTATE TAX ANALYSIS.....37
APPRAISAL PROCESS.....39
SALES COMPARISON APPROACH.....41
INCOME CAPITALIZATION APPROACH47
RECONCILIATION55
EXHIBITS56

SUMMARY OF SALIENT FACTS

Subject: 9366 State Highway 16
 Onalaska, WI 54650
 94,413 SF (NRA)

Purpose of the Appraisal: Form an opinion of the retrospective Fair Market Value of the subject property.

Interest Valued: Fee Simple Interest

Intended Use: Ad valorem tax appeal

Intended Users: Paradigm Tax Group, the property owner(s), and applicable tax authorities

Effective Dates:

"As Is": January 1, 2016

Date of Inspection: July 25, 2016

Date of Report: August 5, 2016

Summary of Subject Property

Total Site Information	
Parcel	Total
Size (SF):	378,101
Size (acres):	8.68
Shape:	Irregular
Topography:	Level
Known Wetlands:	No
Known Environmental Issues:	No
Zoning:	M-1, Light Industrial
Flood Plain:	X
Improvements:	Yes
Utilities:	All Available

Improvements	
Building Name:	Retail Department Store
Size (SF GBA):	94,413
Size (SF NRA):	94,413
Year Built:	1989
Construction Class:	C
Construction Quality:	Average
Condition:	Average
Occupancy:	Assumed Vacant & Available
Use:	Single Tenant
Known Environmental Issues:	No

SUMMARY OF SALIENT FACTS

Highest and Best Use:

As Vacant:

Hold for future commercial development or build to suit

As Improved:

Continue the existing use

Value Indication of Subject "as is"

Summary of Values, As Is	
Sales Comparison Approach	\$3,870,000
Income Capitalization Approach	\$3,940,000
Cost Approach	Not Applied
Reconciled	\$3,900,000
Per/SF	\$41.31

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report has been made with the following general assumptions:

1. Any legal description or plats reported herein are assumed to be accurate. Any sketches, surveys, plats, photographs, drawings or other exhibits are included only to assist the intended user to better understand and visualize the subject property, the environs, and the competitive data. We have made no survey of the property and assume no responsibility in connection with such matters.
2. The appraiser has not conducted any engineering or architectural surveys in connection with this appraisal assignment. Information reported pertaining to dimensions, sizes, and areas is either based on measurements taken by the appraiser or the appraiser's staff or was obtained or taken from referenced sources and is considered reliable. No responsibility is assumed for the costs of preparation or for arranging geotechnical engineering, architectural, or other types of studies, surveys, or inspections that require the expertise of a qualified professional.
3. No responsibility is assumed for matters legal in nature. Title is assumed to be good and marketable and in Leased fee unless otherwise stated in the report. The property is considered to be free and clear of existing liens, easements, restrictions, and encumbrances, except as stated.
4. Unless otherwise stated herein, it is assumed there are no encroachments or violations of any zoning or other regulations affecting the subject property and the utilization of the land and improvements is within the boundaries or property lines of the property described and that there are no trespasses or encroachments.
5. BBG, Inc. assumes there are no private deed restrictions affecting the property which would limit the use of the subject property in any way.
6. It is assumed the subject property is not adversely affected by the potential of floods; unless otherwise stated herein.
7. It is assumed all water and sewer facilities (existing and proposed) are or will be in good working order and are or will be of sufficient size to adequately serve any proposed buildings.
8. Unless otherwise stated within the report, the depiction of the physical condition of the improvements described herein is based on visual inspection. No liability is assumed for the soundness of structural members since no engineering tests were conducted. No liability is assumed for the condition of mechanical equipment, plumbing, or electrical components, as complete tests were not made. No responsibility is assumed for hidden, unapparent or masked property conditions or characteristics that were not clearly apparent during our inspection.
9. If building improvements are present on the site, no significant evidence of termite damage or infestation was observed during our physical inspection, unless so stated in the report. No termite inspection report was available, unless so stated in the report. No responsibility is assumed for hidden damages or infestation.
10. Any proposed or incomplete improvements included in this report are assumed to be satisfactorily completed in a workmanlike manner or will be thus completed within a reasonable length of time according to plans and specifications submitted.
11. No responsibility is assumed for hidden defects or for conformity to specific governmental requirements, such as fire, building, safety, earthquake, or occupancy codes, except where specific professional or governmental inspections have been completed and reported in the appraisal report.
12. Responsible ownership and competent property management are assumed.
13. The appraisers assume no responsibility for any changes in economic or physical conditions which occur following the effective date of value within this report that would influence or potentially affect

ASSUMPTIONS AND LIMITING CONDITIONS

- the analyses, opinions, or conclusions in the report. Any subsequent changes are beyond the scope of the report.
14. The value estimates reported herein apply to the entire property. Any proration or division of the total into fractional interests will invalidate the value estimates, unless such proration or division of interests is set forth in the report.
 15. Any division of the land and improvement values estimated herein is applicable only under the program of utilization shown. These separate valuations are invalidated by any other application.
 16. Unless otherwise stated in the report, only the real property is considered, so no consideration is given to the value of personal property or equipment located on the premises or the costs of moving or relocating such personal property or equipment.
 17. Unless otherwise stated, it is assumed that there are no subsurface oil, gas or other 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. Unless otherwise stated it is also assumed that there are no air or development rights of value that may be transferred.
 18. Any projections of income and expenses, including the reversion at time of resale, are not predictions of the future. Rather, they are our best estimate of current market thinking of what future trends will be. No warranty or representation is made that these projections will materialize. The real estate market is constantly fluctuating and changing. It is not the task of an appraiser to estimate the conditions of a future real estate market, but rather to reflect what the investment community envisions for the future in terms of expectations of growth in rental rates, expenses, and supply and demand. The forecasts, projections, or operating estimates contained herein are based on current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are, therefore, subject to changes with future conditions.
 19. Unless subsoil opinions based upon engineering core borings were furnished, it is assumed there are no subsoil defects present, which would impair development of the land to its maximum permitted use or would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover them.
 20. BBG, Inc. representatives are not experts in determining the presence or absence of hazardous substances, defined as all hazardous or toxic materials, wastes, pollutants or contaminants (including, but not limited to, asbestos, PCB, UFFI, or other raw materials or chemicals) used in construction or otherwise present on the property. We assume no responsibility for the studies or analyses which would be required to determine the presence or absence of such substances or for loss as a result of the presence of such substances. Appraisers are not qualified to detect such substances. The client is urged to retain an expert in this field.
 21. We are not experts in determining the habitat for protected or endangered species, including, but not limited to, animal or plant life (such as bald eagles, gophers, tortoises, etc.) that may be present on the property. We assume no responsibility for the studies or analyses which would be required to determine the presence or absence of such species or for loss as a result of the presence of such species. The appraiser hereby reserves the right to alter, amend, revise, or rescind any of the value opinions based upon any subsequent endangered species impact studies, research, and investigation that may be provided.
 22. No environmental impact studies were either requested or made in conjunction with this analysis. The appraiser hereby reserves the right to alter, amend, revise, or rescind any of the value opinions based upon any subsequent environmental impact studies, research, and investigation that may be provided.
 23. The appraisal is based on the premise that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in the report; further, that all applicable zoning, building, and use regulations and restrictions of all types have been complied with

ASSUMPTIONS AND LIMITING CONDITIONS

- unless otherwise stated in the report; further, it is assumed that all required licenses, consents, permits, or other legislative or administrative authority, local, state, federal and/or private entity or organization have been or can be obtained or renewed for any use considered in the value estimate.
24. Neither all nor any part of the contents of this report or copy thereof, shall be conveyed to the public through advertising, public relations, news, sales, or any other media, without the prior written consent and approval of the appraisers. This limitation pertains to any valuation conclusions, the identity of the analyst or the firm and any reference to the professional organization of which the appraiser is affiliated or to the designations thereof.
 25. Although the appraiser has made, insofar as is practical, every effort to verify as factual and true all information and data set forth in this report, no responsibility is assumed for the accuracy of any information furnished the appraiser either by the client or others. If for any reason, future investigations should prove any data to be in substantial variance with that presented in this report, the appraiser reserves the right to alter or change any or all analyses, opinions, or conclusions and/or estimates of value.
 26. If this report has been prepared in a so-called "public non-disclosure" state, real estate sales prices and other data, such as rents, prices, and financing, are not a matter of public record. If this is such a "non-disclosure" state, although extensive effort has been expended to verify pertinent data with buyers, sellers, brokers, lenders, lessors, lessees, and other sources considered reliable, it has not always been possible to independently verify all significant facts. In these instances, the appraiser may have relied on verification obtained and reported by appraisers outside of our office. Also, as necessary, assumptions and adjustments have been made based on comparisons and analyses using data in the report and on interviews with market participants. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.
 27. The American Disabilities Act (ADA) became effective January 26, 1992. The appraiser has not made a specific compliance survey or analysis of the property to determine whether or not it is in conformity with the various detailed requirements of ADA. It is possible that a compliance survey of the property and a detailed analysis of the requirements of the ADA would 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 impact upon the value of the property. Since the appraiser has no direct evidence relating to this issue, possible noncompliance with the requirements of ADA was not considered in estimating the value of the property.
 28. This appraisal report has been prepared for the exclusive benefit of the client. It may not be used or relied upon by any other party. Any other party who is not the identified client within this report who uses or relies upon any information in this report does so at their own risk.
 29. The dollar amount of any value opinion herein rendered is based upon the purchasing power and price of the United States Dollar as of the effective date of value. This appraisal is based on market conditions existing as of the date of this appraisal.
 30. The right is reserved by the appraiser to make adjustments to the analyses, opinions, and conclusions set forth in this report as may be required by consideration of additional or more reliable data that may become available. No change of this report shall be made by anyone other than the appraiser or appraisers. The appraiser(s) shall have no responsibility for any unauthorized change(s) to the report.
 31. If the client instructions to the appraiser were to inspect only the exterior of the improvements in the appraisal process, the physical attributes of the property were observed from the street(s) as of the inspection date of the appraisal. Physical characteristics of the property were obtained from tax assessment records, available plans, if any, descriptive information, and interviewing the client and other knowledgeable persons. It is assumed the interior of the subject property is consistent with the exterior conditions as observed and that other information relied upon is accurate.

ASSUMPTIONS AND LIMITING CONDITIONS

32. The submission of this report constitutes completion of the services authorized. It is submitted on the condition the client will provide reasonable notice and customary compensation, including expert witness fees, relating to any subsequent required attendance at conferences, depositions, and judicial or administrative proceedings. In the event the appraiser is subpoenaed for either an appearance or a request to produce documents, a best effort will be made to notify the client immediately. The client has the sole responsibility for obtaining a protective order, providing legal instruction not to appear with the appraisal report and related work files and will answer all questions pertaining to the assignment, the preparation of the report, and the reasoning used to formulate the estimate of value. Unless paid in whole or in part by the party issuing the subpoena or by another party of interest in the matter, the client is responsible for all unpaid fees resulting from the appearance or production of documents regardless of who orders the work.
33. Use of this appraisal report constitutes acknowledgement and acceptance of the general assumptions and limiting conditions, special assumptions (if any), extraordinary assumptions (if any), and hypothetical conditions (if any) on which this estimate of market value is based.
34. If provided, the estimated insurable value is included at the request of the client and has not been performed by a qualified insurance agent or risk management underwriter. This cost estimate should not be solely relied upon for insurable value purposes. The appraisers are not familiar with the definition of insurable value from the insurance provider, the local governmental underwriting regulations, or the types of insurance coverage available. These factors can impact cost estimates and are beyond the scope of the intended use of this appraisal. The appraisers are not cost experts in cost estimating for insurance purposes.

Extraordinary Assumptions

We assume the subject was in a similar condition as of our retrospective valuation date as it was observed during our inspection of the property.

Use of this Extraordinary Assumption may impact the value conclusion

Hypothetical Condition

None

CERTIFICATION

We certify that, to the best of our 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 our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- The appraisers signing this report have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- Our 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.
- 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.
- Brett M. Suszek, MAI, AI-GRS performed an interior and exterior inspection of the subject on March 17, 2016.
- No one has provided assistance to the person signing this certification.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- Brett Suszek has a permanent license in the state of Wisconsin.
- We understand that our report will be used by the client. We certify that we have no financial interest or family relationship with the officers, directors, stockholders, or partners of the Client, the general contractor, any subcontractors, the buyer or seller of the property, or engage in any business that might present a conflict of interest.
- As of the date of this report, Brett Suszek has completed the continuing education program for designated members of the Appraisal Institute.



Brett M. Suszek, MAI, AI-GRS
Director
Certified General Appraiser
Wisconsin License #2190-10
Expires 12/14/2017

INTRODUCTION

Property Appraised

A single retail building located at
9366 State Highway 16
Onalaska, WI, 54650

Property Identification

The subject of this report consists of a single retail building having a total net rentable area (NRA) of 94,413 SF. The subject is operated as a ShopKo department store, although given the Fee Simple premise sought in this appraisal, the subject is assumed to be vacant and available for occupancy. The total site size is 8.68 AC. The subject was constructed in 1989 and is considered to be in average condition. The subject contains real property only, and no personal or intangible property is included.

Total Site Information	
Parcel	Total
Size (SF):	378,101
Size (acres):	8.68
Shape:	Irregular
Topography:	Level
Known Wetlands:	No
Known Environmental Issues:	No
Zoning:	M-1, Light Industrial
Flood Plain:	X
Improvements:	Yes
Utilities:	All Available

Improvements	
Building Name:	Retail Department Store
Size (SF GBA):	94,413
Size (SF NRA):	94,413
Year Built:	1989
Construction Class:	C
Construction Quality:	Average
Condition:	Average
Occupancy:	Assumed Vacant & Available
Use:	Single Tenant
Known Environmental Issues:	No

Legal Description

Parcel Summary					
Address	Tax ID	Legal Description		Owner	Acres
9366 Wisconsin 16	18-3589-9	CERTIFIED SURVEY MAP NO. 115 VOL 7 LOT 2 DOC NO. 1169362 (SHOPKO)		Spirit SPE Portfolio 2006- 1 LLC	8.680
Total				Total	8.680

Scope of Appraisal/Extent of the Data Collection Process

The value opinions are reported herein in an Appraisal Report that follows generally accepted appraisal procedures as set forth in the Uniform Standards of Professional Appraisal Practice (USPAP). This appraisal utilized two of the three accepted approaches to value: (1) Sales Comparison Approach and (2) Income Capitalization Approach. The Cost Approach was considered, but not applied, as market participants typically do not consider this approach in their analysis. Further, there is not an active development market in the subject's area. The procedures and methodologies employed in these approaches are outlined in the Appraisal Process section of this report. Following is a summary of steps completed by the appraisers in this assignment.

1. Brett M. Suszek gathered data on regional, city, and neighborhood characteristics.
2. Data regarding the subject property, improved comparables, and rent comparables in the general market area were gathered and analyzed by Brett M. Suszek.
3. Brett M. Suszek analyzed the site characteristics, building improvements, surrounding land uses and supply and demand to establish the highest and best use.
4. Brett M. Suszek analyzed the data to arrive at a conclusion of a probable value via the Sales Comparison and Income Capitalization Approaches to value.
5. Brett M. Suszek reconciled the results of this analysis into a Market Value estimate.
6. Brett M. Suszek prepared an Appraisal Report.

This appraisal includes real property only. No personal or intangible property is included with the subject property.

It is important to note that the fee simple premise of value represents the real estate only. No personal property or intangible/business value is included. Further, the improvements are considered vacant and available for occupancy (as opposed to occupied) under the fee simple premise. This will be discussed in greater detail within this report.

Competency

The appraisers involved in this assignment have, collectively, considerable experience in appraising this property type. The appraisers are actively engaged in appraisal work in the geographical area of the subject property. The company maintains a database on this area for similar properties. We believe we have adequate knowledge of the property type and location to meet the competency requirements of USPAP.

Intended Use and User of the Appraisal

The purpose of this appraisal was to conclude the Fair Market Value of the Fee Simple interest in the subject, "As Is" as of January 1, 2016.

Intended Use: Ad valorem tax appeal.

Intended Users: Paradigm Tax Group, the property owner(s), and applicable tax authorities.

Property Rights Appraised

The subject property is appraised assuming fee simple ownership. Fee simple ownership 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.¹

Definition of Market Value

According to U.S. Treasury Department regulations, Market Value is defined as:

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 and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are 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.⁽¹⁾

History of the Subject Property

Title to the subject property is currently vested in the name of Spirit SPE Portfolio 2006-1 LLC. According to public records there have been no transfers of the subject property in the last three years.

To the best of our knowledge, the subject is not currently offered on the market, and there are no other outstanding offers or options for the sale of the property.

¹ Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 5th ed. (Chicago: Appraisal Institute 2010).

⁽¹⁾ (Interagency Appraisal and Evaluation Guidelines; December 10, 2010, Federal Register, Volume 75 Number 237, Page 77472)

LA CROSSE AREA ANALYSIS

Introduction

The subject site is located in the city of Onalaska, within La Crosse County and the La Crosse-Onalaska market area.

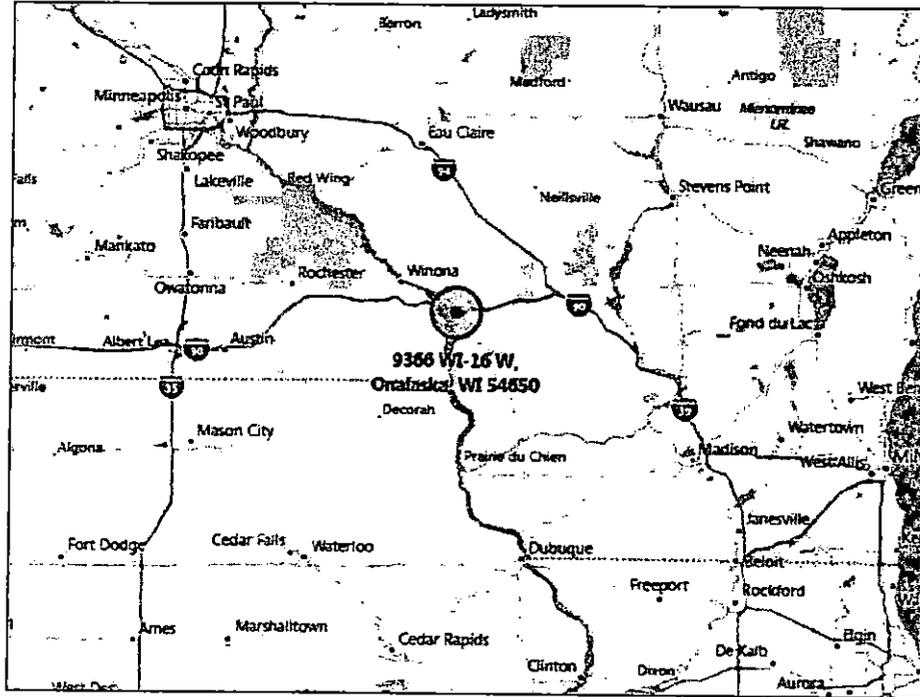


Figure 1: Regional Map

The following analysis is derived from Moody's Economy.com for the region.

MOODY'S
ANALYTICS

LA CROSSE-ONALASKA WI-MN

Data Bureau: NSA code: USA_ML43

ECONOMIC DRIVERS

MEDICAL CENTER

DEFENSE

MANUFACTURING

EMPLOYMENT GROWTH RANK

2015-2017
254
4th quintile

2015-2020
223
3rd quintile

RELATIVE COSTS

LIVING
88%

BUSINESS
85%

VITALITY

RELATIVE
82%

RANK
305

BUSINESS CYCLE STATUS

EXPANSION

Recovery

At Risk

Moderating Recession

In Recession

STRENGTHS & WEAKNESSES

STRENGTHS

- Low costs of living and doing business.
- Highly educated population thanks in part to UW-La Crosse and other colleges.
- Mid-wage industries play above-average role.

WEAKNESSES

- Fort McCoy exposes LAR to federal budget cuts and Army downsizing.
- Weak in-migration.

ANALYSIS

Recent Performance. La Crosse-Onalaska is making tentative progress. After backtracking earlier in the year, the economy has added jobs in recent months. Employment is at a new cycle high and year-ago job growth is above 1% for the first time in 2016, but the pace still trails that in Wisconsin and the U.S. Manufacturing has made up some of the ground it lost earlier this year and private services are expanding at a slow but steady pace. Labor force participation in LAR has surged in recent quarters, arresting the fall in the jobless rate and keeping the labor market from getting unduly tight. Not all signals are flashing green, however. Even though slack has been wrung out, average hourly earnings are little changed over the past four years. Workers are also putting in fewer hours, and the average paycheck for private sector workers has shrunk.

Manufacturing. Factory employment in LAR will expand only tepidly in years ahead. Last year's gains turned out to be a mirage. Benchmark revisions show that manufacturing employment was about 6% lower at the end of 2015 than initially estimated, erasing what had been nascent signs of an upward trend. Factories have added workers the last three months and payrolls are up slightly from a year ago. However, recent data cast into question the mettle of LAR's manufacturers in the face of depressed foreign demand. Manufacturers of food and printing products are adding workers, but producers of industrial machinery are cutting back. The three account for more than half of LAR's factory jobs. Machinery is Wisconsin's largest export industry, and this has proved a liability for LAR as Canada's economy struggles. Fortunately, LAR's manufacturers do not export an unusually high share of what they produce, and Trane Co., which makes HVAC equipment, will benefit from a pick-up in U.S. residential and commercial construction.

Military. Fort McCoy's strategic relevance will support civilian employment and ensure its place as an anchor of the LAR economy. Fort McCoy, Wisconsin's only Army installation, employs about 1,300 civilians, 400 military, and 300 contract employees and issued \$35 million in contracts for construction, services, and supplies in federal fiscal 2015. Army Reserve and National Guard training has become the base's most crucial function. Since 2010, the number of personnel trained at the base has increased from about 111,000 to more than 155,000, a record for the base. More trainees will support more year-round civilian jobs and reduce the probability of significant funding cuts. Also, the lack of urban encroachment on the base is an invaluable asset that will help safeguard Fort McCoy from closure.

Demographics. Demographics are not LAR's strong suit. Population growth clocked in at 0.3% last year, the smallest increase since 2011 and less than half of the national average. Net migration was negative for the first time in more than a decade, and LAR will struggle to attract new residents and expand its population in the years ahead. Poor demographics will place bounds on growth in consumer industries such as retail, and the outside healthcare industry will be hurt since demand for medical services will increase more slowly. Finally, a smaller pool of prospective students bodes ill for University of Wisconsin-La Crosse, where enrollment is already declining.

La Crosse-Onalaska is primed for accelerated growth. Private services will lead the charge in 2017, though manufacturing will provide modest support. Fort McCoy will lend stability, while decreased enrollment will hamper the contribution of University of Wisconsin-La Crosse. Over the long run, a heavy reliance on government and mediocre population trends will constrain LAR's prospects to slightly below the U.S. average.

Kara Naccarelli
June 2016

1-866-275-3266
help@economy.com

FORECAST RISKS

SHORT TERM
▲

LONG TERM
▲

RISK EXPOSURE
2016-2021 **277** 4th quintile

UPSIDE

- Better in-migration to Wisconsin increases enrollment at UW-La Crosse.
- Energy-related manufacturing gains momentum, diversifying LAR's concentrated factory base.
- Industry-tailored education programs resolve long-term skills gap.

DOWNSIDE

- Fort McCoy's budget/training capacity is cut.
- Healthcare consolidation weakens job growth.

MOODY'S RATING

Aa1

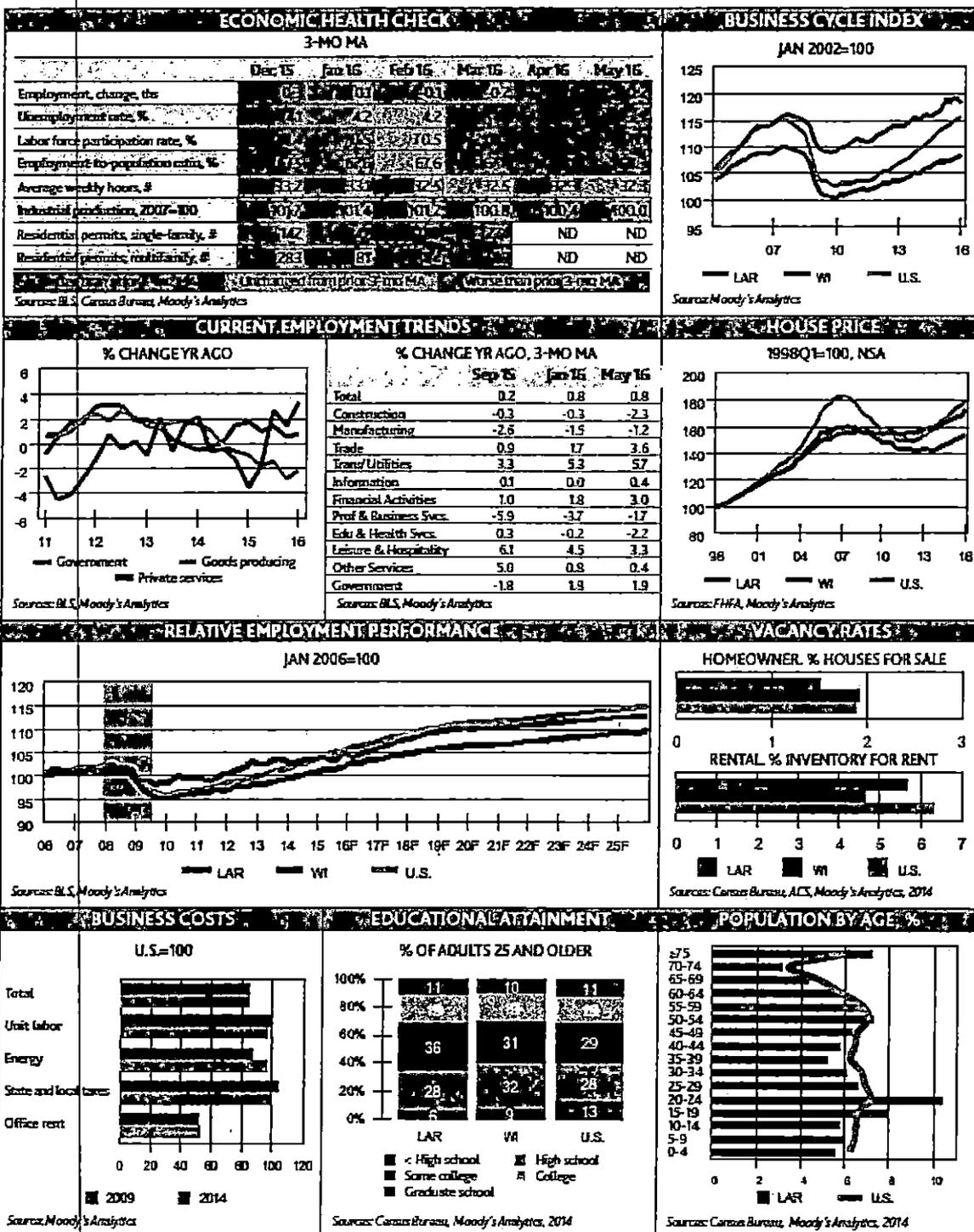
COUNTY AS OF OCTOBER 2015

	2010	2011	2012	2013	2014	2015	INDICATORS	2016	2017	2018	2019	2020	2021
	6.5	6.6	6.8	6.9	6.8	6.9	Gross metro product (C09\$ bl)	72	7.4	7.6	7.7	7.8	8.0
	4.5	16	28	15	-1.3	0.8	% change	4.6	3.5	2.7	2.5	1.3	1.7
	74.1	74.1	75.7	76.7	76.8	77.4	Total employment (ths)	78.0	79.6	81.0	81.9	82.1	82.4
	0.7	0.7	2.2	1.3	0.7	0.7	% change	0.8	2.1	1.8	1.0	0.3	0.3
	6.7	6.1	5.5	5.1	4.3	3.9	Unemployment rate (%)	3.9	3.5	3.1	3.2	3.4	3.4
	0.9	6.9	4.7	-0.1	3.8	3.0	Personal income growth (%)	4.4	7.0	6.3	4.5	3.7	3.7
	49.4	48.6	49.7	49.7	50.6	52.3	Median household income (\$ ths)	54.0	56.4	59.0	61.0	62.7	64.4
	133.9	134.2	135.6	136.0	136.6	137.0	Population (ths)	137	138.2	138.8	139.3	139.9	140.4
	0.6	0.2	1.0	0.3	0.5	0.3	% change	0.5	0.4	0.4	0.4	0.4	0.4
	0.4	0.0	1.0	0.7	0.3	-0.0	Net migration (ths)	0.4	0.3	0.3	0.3	0.3	0.3
	249	252	281	294	243	275	Single-family permits (#)	197	278	323	316	309	330
	78	48	57	190	55	452	Multifamily permits (#)	80	76	74	57	51	61
	186.4	185.3	187.2	190.2	194.6	200.1	FHFA house price (1995Q1=100)	210.7	219.5	224.8	228.7	233.7	239.8

MOODY'S ANALYTICS / Precip: U.S. Metro / Midwest / June 2016

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PRÉCIS® U.S. METRO MIDWEST » La Crosse-Onalaska WI-MN



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EMPLOYMENT & INDUSTRY		MIGRATION FLOWS																																									
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COMPARATIVE EMPLOYMENT AND INCOME						
Sector	% of Total Employment			Average Annual Earnings		
	LAR	WI	U.S.	LAR	WI	U.S.
Mining	0.2%	0.1%	0.5%	nd	\$44,718	\$108,705
Construction	3.5%	3.8%	4.5%	\$55,324	\$59,378	\$61,655
Manufacturing	10.8%	16.2%	8.7%	\$62,394	\$70,861	\$78,447
Durable	54.6%	60.8%	63.0%	nd	\$71,544	\$80,476
Non-durable	45.4%	39.2%	37.0%	nd	\$69,788	\$75,052
Transportation/Utilities	4.2%	3.6%	3.8%	nd	\$61,147	\$65,427
Wholesale Trade	4.8%	4.2%	4.1%	nd	\$74,475	\$83,751
Retail Trade	11.2%	10.6%	11.0%	\$25,539	\$29,091	\$33,494
Information	1.4%	1.7%	1.9%	\$68,136	\$75,958	\$108,937
Financial Activities	4.9%	5.2%	5.7%	\$37,424	\$47,346	\$54,020
Prof. and Bus. Services	8.0%	10.8%	13.9%	nd	\$55,530	\$65,204
Educ. and Health Services	21.2%	15.1%	15.5%	\$55,709	\$57,771	\$52,501
Leisure and Hosp. Services	10.4%	9.3%	10.7%	\$17,162	\$20,009	\$26,128
Other Services	5.5%	5.1%	4.0%	\$30,846	\$33,901	\$35,571
Government	13.8%	14.2%	15.5%	\$59,074	\$63,552	\$73,862

NET MIGRATION, #				
	2012	2013	2014	2015
Domestic	929	13	155	-128
Foreign	94	102	121	119
Total	1,023	115	276	-9

Sources: BLS (top), 2014; Census Bureau, Moody's Analytics

PER CAPITA INCOME		HIGH-TECH EMPLOYMENT		LEADING INDUSTRIES BY WAGE PER EMPLOYEE																																																	
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Recent Performance

La Crosse-Onalaska is making tentative progress. After backtracking earlier in the year, the economy has added jobs in recent months. Employment is at a new cycle high and year-ago job growth is above 1% for the first time in 2016, but the pace still trails that in Wisconsin and the U.S. Manufacturing has made up some of the ground it lost earlier this year and private services are expanding at a slow but steady pace. Labor force participation in LAR has surged in recent quarters, arresting the fall in the jobless rate and keeping the labor market from getting unduly tight. Not all signals are flashing green, however. Even though slack has been wrung out, average hourly earnings are little changed over the past four years. Workers are also putting in fewer hours, and the average paycheck for private sector workers has shrunk.

Manufacturing

Factory employment in LAR will expand only tepidly in years ahead. Last year's gains turned out to be a mirage. Benchmark revisions show that manufacturing employment was about 6% lower at the end of 2015 than initially estimated, erasing what had been nascent signs of an upward trend. Factories have added workers the last three months and payrolls are up slightly from a year ago. However, recent data call into question the mettle of LAR's manufacturers in the face of depressed foreign demand. Manufacturers of food and printing products are adding workers, but producers of industrial machinery are cutting back. The three account for more than half of LAR's factory jobs. Machinery is Wisconsin's largest export industry, and this has proved a liability for LAR as Canada's economy struggles. Fortunately, LAR's manufacturers do not export an unusually high share of what they produce, and Trane Co., which makes HVAC equipment, will benefit from a pickup in U.S. residential and commercial construction.

Military

Fort McCoy's strategic relevance will support civilian employment and ensure its place as an anchor of the LAR economy. Fort McCoy, Wisconsin's only Army installation, employs about 1,300 civilians, 400 military, and 300 contract employees and issued \$35 million in contracts for construction, services, and supplies in federal fiscal 2015. Army Reserve and National Guard training has become the base's most crucial function. Since 2010, the number of personnel trained at the base has increased from about 111,000 to more than 155,000, a record for the base. More trainees will support more year-round civilian jobs and reduce the probability of significant funding cuts. Also, the lack of urban encroachment on the base is an invaluable asset that will help safeguard Fort McCoy from closure.

Demographics

Demographics are not LAR's strong suit. Population growth clocked in at 0.3% last year, the smallest increase since 2011 and less than half of the national average. Net migration was negative for the first time in more than a decade, and LAR will struggle to attract new residents and expand its population in the years ahead. Poor demographics will place bounds on growth in consumer industries such as retail, and the outsize healthcare industry will be hurt since demand for medical services will increase more slowly. Finally, a smaller pool of prospective students bodes ill for University of Wisconsin-La Crosse, where enrollment is already declining.

Conclusion

La Crosse-Onalaska is primed for accelerated growth. Private services will lead the charge in 2017, though manufacturing will provide modest support. Fort McCoy will lend stability, while decreased

enrollment will hamper the contribution of University of Wisconsin-La Crosse. Over the long run, a heavy reliance on government and mediocre population trends will constrain LAR's prospects to slightly below the U.S. average.

PRIMARY MARKET ANALYSIS

A market area is defined as being, "a group of complementary land uses. Social, economic, governmental, and environmental forces influence property values in the vicinity of a subject property, which, in turn, directly affect the value of the subject property itself. Therefore, the boundaries of the area of influence must be delineated to conduct a thorough analysis. The area of influence is the area within which the forces affect all surrounding properties in the same way they affect the property being appraised. Although physical boundaries may be drawn, the significant boundaries are those that fix the limits of influences on property values. By coincidence, these limits may be physically observable.

The purpose of a market area analysis is to provide a bridge between the study of general influences on all property values and the analysis of a particular subject. Market area boundaries are identified by determining the area in which the four forces that affect value (social, economic, governmental and environmental) operate in the same way they affect the subject property.

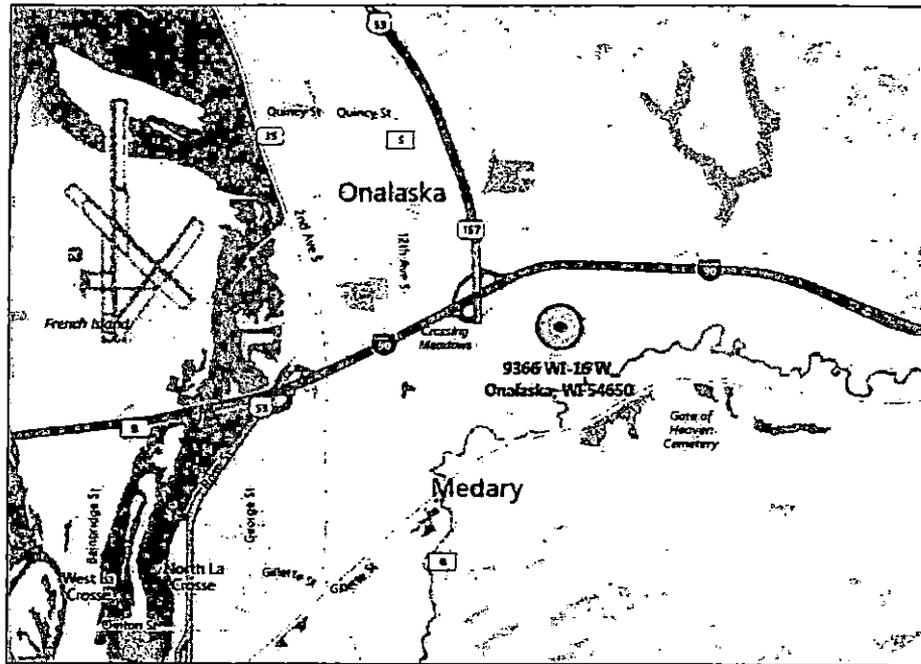


Figure 2: Primary Market Map

General Description:

The subject neighborhood is generally described as the city of Onalaska, WI. The subject is located in the southeast portion of the neighborhood.

Access:

The area is accessed primarily by I-90 that runs east-west, accessing Minnesota to the west and I-94 to the east. State Route 157, to the northwest of the subject, is a north-south corridor extending north from I-90 to Holeman and Galesville.

Land Use Patterns:

The subject is accessed via State Highway 16 which offers nearby access to both highways.

The immediate area of the subject is primarily retail in nature, anchored by large department stores such as Kohl's and Target (east of subject); and JCPenney (south of subject); and Gander Mountain (west of subject). The Valley View Mall to the south of the subject is the anchor of the retail nature of the area. The central portion of the neighborhood is dominated by residential uses, primarily single-family residences. To the south of the retail node is primarily undeveloped land, and there is an industrial cluster to the southwest of the retail node.

Life Stages and Trends:

The market area is considered to be in a stable stage of its life cycle. Populations and households are projected to remain relatively stable, although currently low due to the relatively rural nature of the area. New development in the area for single-family, multifamily and commercial buildings has been limited over the last few years. We did not note any new retail development in the neighborhood, although vacancy appears to be minimal for competitive retail developments and the neighborhood appears stable in terms of supply and demand. Rental rates are stable and rising according to our analysis of the market.

Demographic Data:

The following data highlights the neighborhood demographics for 2016 for the area(s) immediately surrounding the subject, as provided by Claritas, Inc.

COMPARATIVE DEMOGRAPHIC ANALYSIS FOR PRIMARY TRADE AREA			
Description	1 Mile Radius Totals	3 Mile Radius Totals	5 Mile Radius Totals
Population			
2021 Projection	2,663	24,894	61,843
2016 Estimate	2,564	24,288	60,395
2010 Census	2,431	23,524	58,556
2000 Census	2,001	21,293	55,417
2016 Est. Median Age	44.10	38.90	33.00
2016 Est. Average Age	43.10	39.80	37.40
Households			
2021 Projection	1,149	10,493	24,664
2016 Estimate	1,106	10,215	24,073
2010 Census	1,047	9,846	23,253
2000 Census	794	8,627	21,272
2016 Est. Average Household Size	2.29	2.36	2.33
2016 Est. Households by Household Income			
Income Less than \$15,000	7.9%	9.3%	13.8%
Income \$15,000 - \$24,999	7.2%	10.1%	11.0%
Income \$25,000 - \$34,999	8.7%	9.0%	9.5%
Income \$35,000 - \$49,999	13.6%	16.2%	15.4%
Income \$50,000 - \$74,999	17.7%	19.6%	17.9%
Income \$75,000 - \$99,999	15.6%	15.9%	14.7%
Income \$100,000 - \$124,999	9.9%	6.9%	7.0%
Income \$125,000 - \$149,999	7.9%	5.1%	4.6%
Income \$150,000 - \$199,999	5.4%	3.4%	2.9%
Income \$200,000 - \$249,999	2.5%	1.6%	1.3%
Income \$250,000 - \$499,999	2.9%	2.2%	1.7%
Income \$500,000 and more	0.7%	0.6%	0.5%
2016 Est. Average Household Income	\$85,443	\$73,110	\$66,698
2016 Est. Median Household Income	\$67,755	\$56,788	\$50,575
2016 Est. Tenure of Occupied Housing Units			
Owner Occupied	65.10%	66.17%	58.82%
Renter Occupied	34.90%	33.83%	41.18%
2016 Est. Median All Owner-Occupied Housing Value	\$190,620	\$159,620	\$165,735
Source: 2016 Claritas, Inc.			

Public Facilities/Services:

The subject is adequately served by public utilities and services. All utilities are available to the subject site. The following table highlights the various service providers for the subject area.

Service Providers	
Water & Sewer	City of Onalaska
Electric	Xcel Energy
Gas	Midwest Natural Gas Co.
Schools	Onalaska Schools
Police	Onalaska Police Department
Fire	Onalaska Volunteer Fire Department

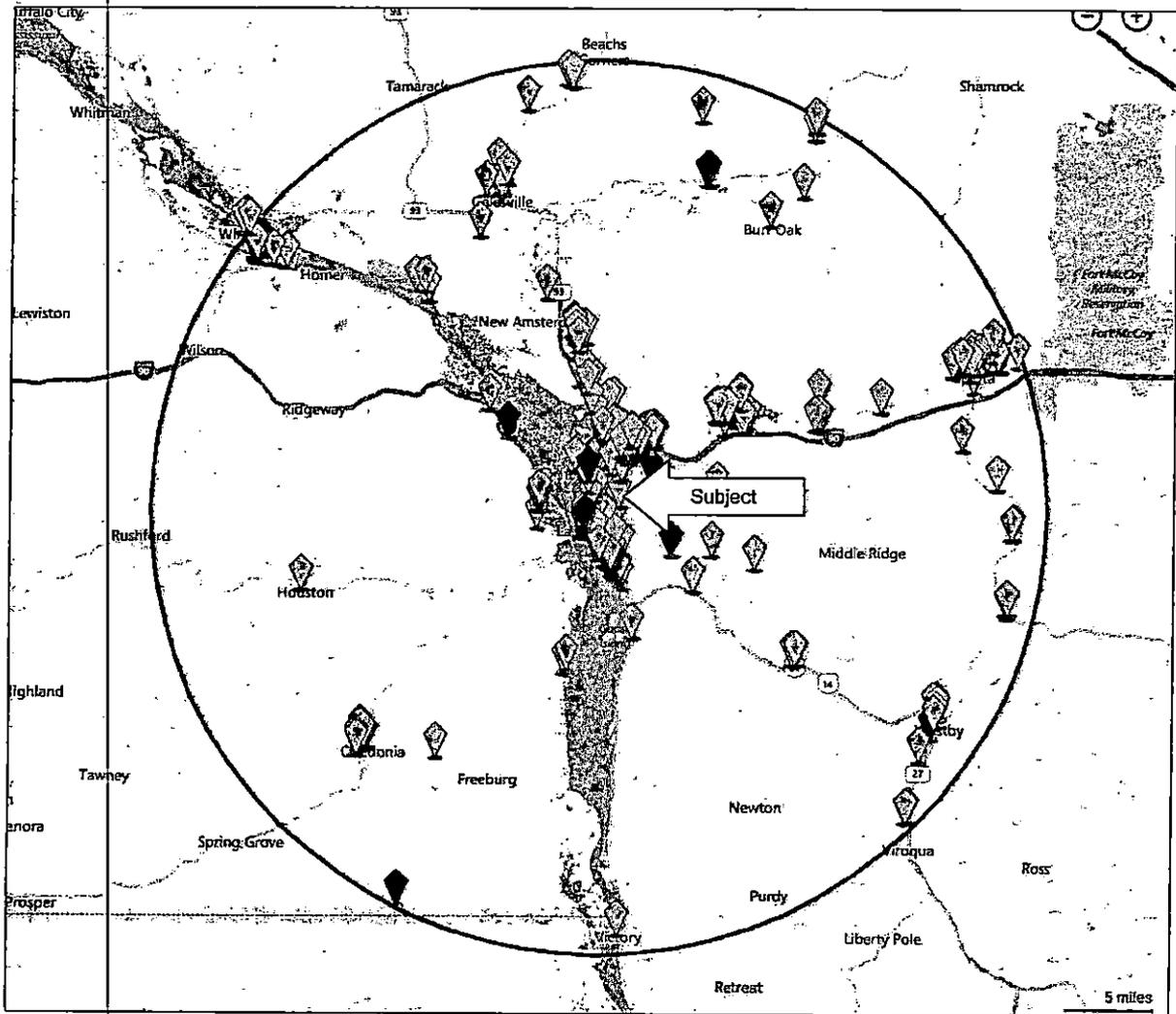
Conclusion:

The subject's neighborhood appears stable, with minimal new development. Rental rates and vacancy are stable. The population and number of households are expected to remain stable in the subject's area. The subject site is adequately served by the road infrastructure and area services.

RETAIL MARKET OVERVIEW

Introduction

The subject is located in Onalaska, WI. The subject's is located in a relatively rural area and a long distance from major markets; therefore, traditional market data from Costar or REIS is not available for the subject's area. In order to analyze the market, we use Costar to measure the performance of retail properties within a 25-mile radius from the subject. A map of the surrounding 25-mile radius from the subject is presented below, and a snapshot of relevant performance metrics is presented on the following page.



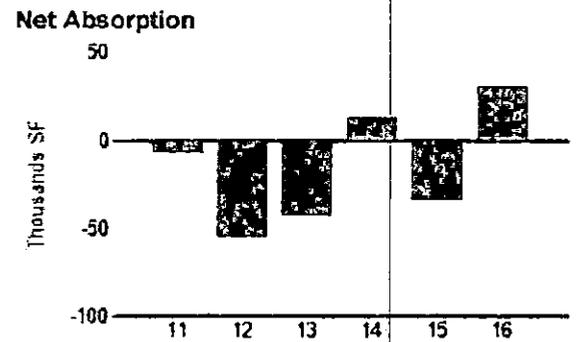
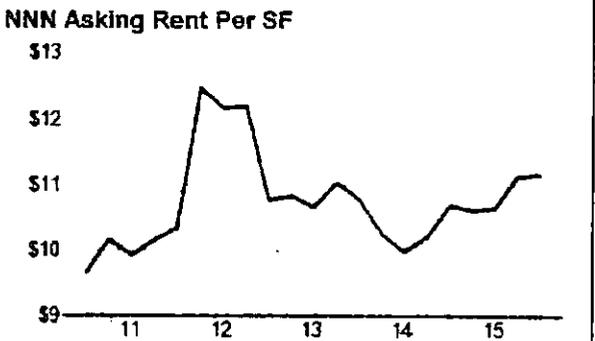
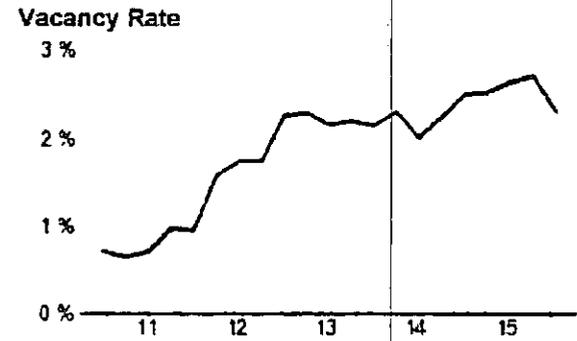
RETAIL MARKET OVERVIEW

Availability	Survey	5-Year Avg
NNN Rent Per SF	\$11.17	\$9.99
Vacancy Rate	2.3%	1.9%
Vacant SF	184,171	147,073
Availability Rate	3.6%	3.1%
Available SF	284,457	240,898
Sublet SF	0	583
Months on Market	18.3	16.7

Inventory	Survey	5-Year Avg
Existing Buildings	525	516
Existing SF	7,929,032	7,842,875
12 Mo. Const. Starts	3,015	7,104
Under Construction	0	2,990
12 Mo. Deliveries	3,015	7,257

Demand	Survey	5-Year Avg
12 Mo. Absorption SF	-2,249	-25,779
12 Mo. Leasing SF	58,987	40,081

Sales	Past Year	5-Year Avg
Sale Price Per SF	\$110	\$83
Asking Price Per SF	\$128	\$112
Sales Volume (Mil.)	\$29	\$17
Cap Rate	6.2%	7.7%



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3/16/2016

Conclusion

As shown, current vacancy is relatively low at 2.3%, up from the five year average of 1.9%. Vacancy has been exhibiting a steady upward trend since 2011. Current rental rates are \$11.17/SF on a triple net basis, up from the five year average of \$9.99/SF.

Current months-on-market for vacancies averages 18.3 months, above the five year average of 16.7 months. The probability of leasing in months does not reach 50% until about 18 months.

Net absorption has been mixed in the market area with most years reporting negative net absorption. Net absorption in the most recent twelve month period has been negative with -2,249 SF vacated. The continued trend of mixed or negative absorption will put upward pressure on the vacancy rate going forward.

The 25-mile radius features 525 total buildings totaling over 7.9M SF of rentable area.

Overall, the market appears stable with relatively low vacancy, although continued negative net absorption may drive vacancy higher.

SITE ANALYSIS

Description/Location:

9366 State Highway 16
Onalaska, WI 54650

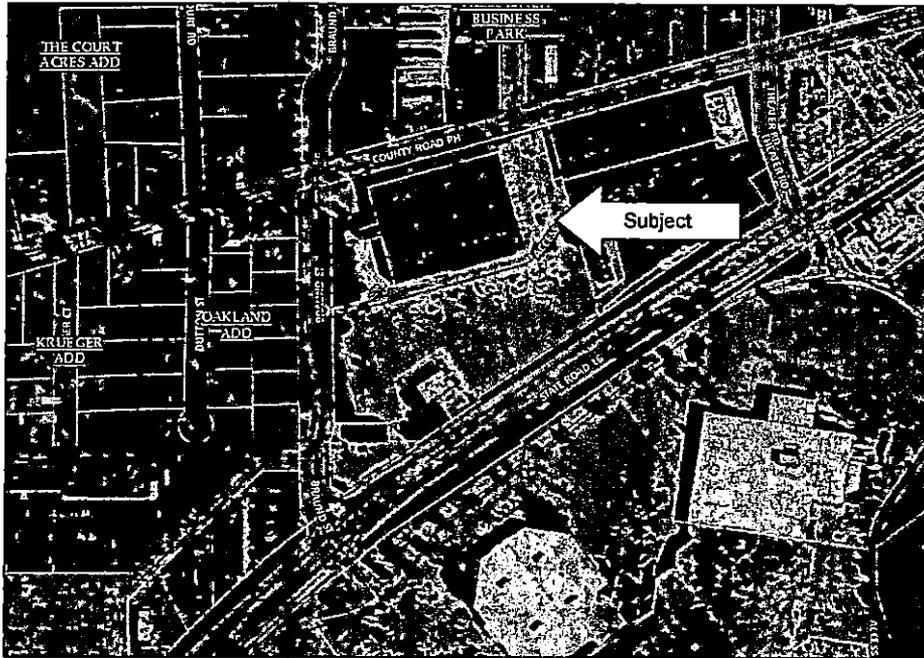


Figure 3: Parcel Map via GIS

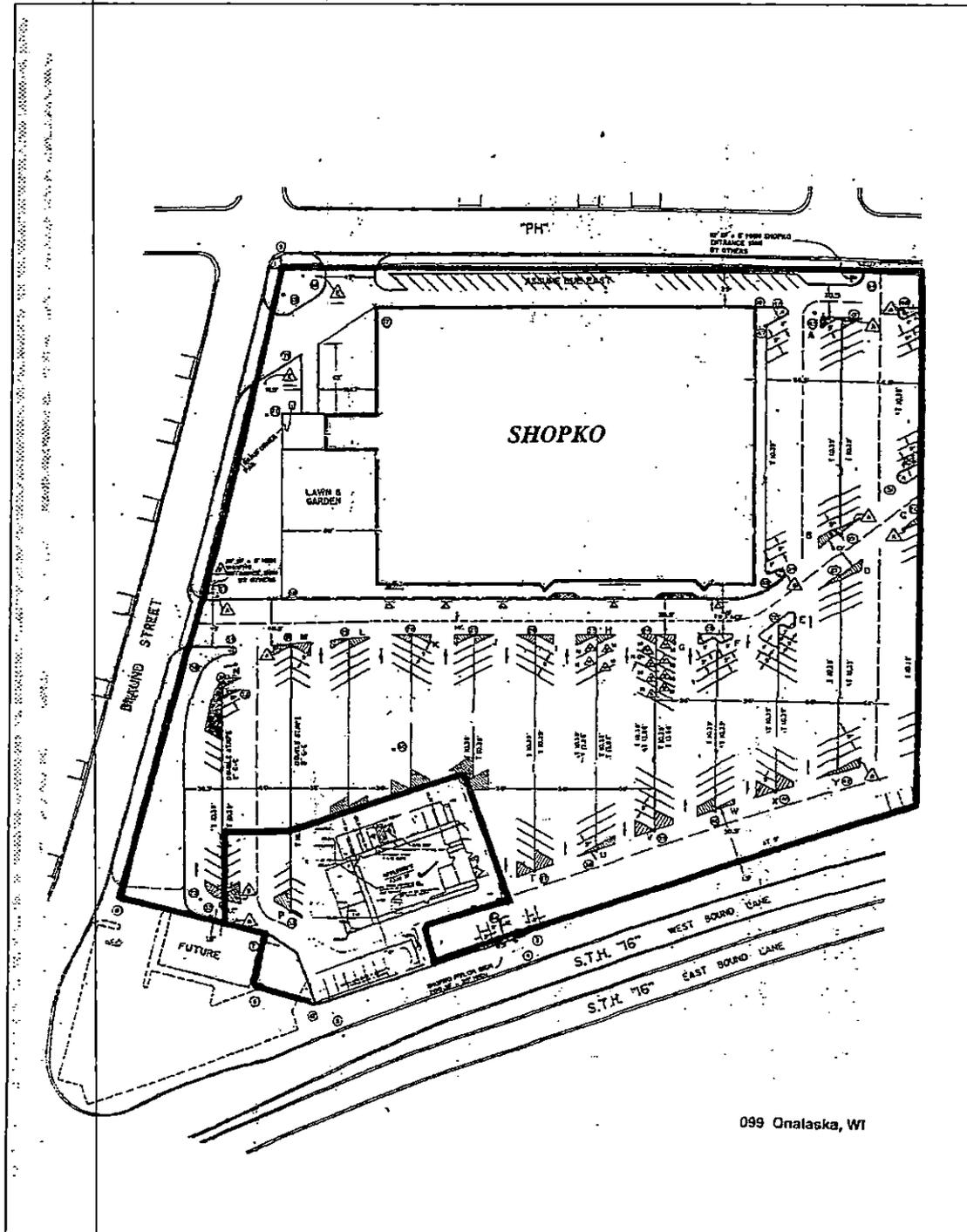


Figure 4: Site survey (provided by client)

Total Site Information	
Parcel	Total
Size (SF):	378,101
Size (acres):	8.68
Shape:	Irregular
Topography:	Level
Known Wetlands:	No
Known Environmental Issues:	No
Zoning:	M-1, Light Industrial
Flood Plain:	X
Improvements:	Yes
Utilities:	All Available

Parcel Summary				
Address	Tax ID	Legal Description	Owner	Acres
9366 Wisconsin 16	18-3589-9	CERTIFIED SURVEY MAP NO. 115 VOL 7 LOT 2 DOC NO. 1169362 (SHOPKO)	Spirit SPE Portfolio 2006-1 LLC	8.680
Total			Total	8.680

Access/Visibility:

Access is considered to be fair. There is no direct access to the subject from State Highway 16. Rather, access is granted via an easement to the adjoining property to the east, and also via a curb cut along Braund Street. Further, there is a curb cut in the rear of the property along the service drive. Visibility is considered to be good considering the high traffic count along State Highway 16. The various traffic counts from fronting roads are presented in the following aerial. The traffic counts are sourced from MPSI while the aerial was obtained from Costar.com.



Average Annual Daily Traffic Count Summary		
Location	Date	Daily Count
State Highway 16	2014	21,700
Braund Road	2014	5,012
PH (Service Road)	2014	1,386
Total	2014	28,098

Source: CoStar / MPSI

Topography/Drainage:

The topography of the site is generally level and drainage appears adequate. No issues with regard to drainage were observed or noted by the property representative.

Flood Plain:

According to FEMA flood map #55063C0253D, dated January 6, 2012, the subject is located within flood zone X (outside the 500-year flood plain).

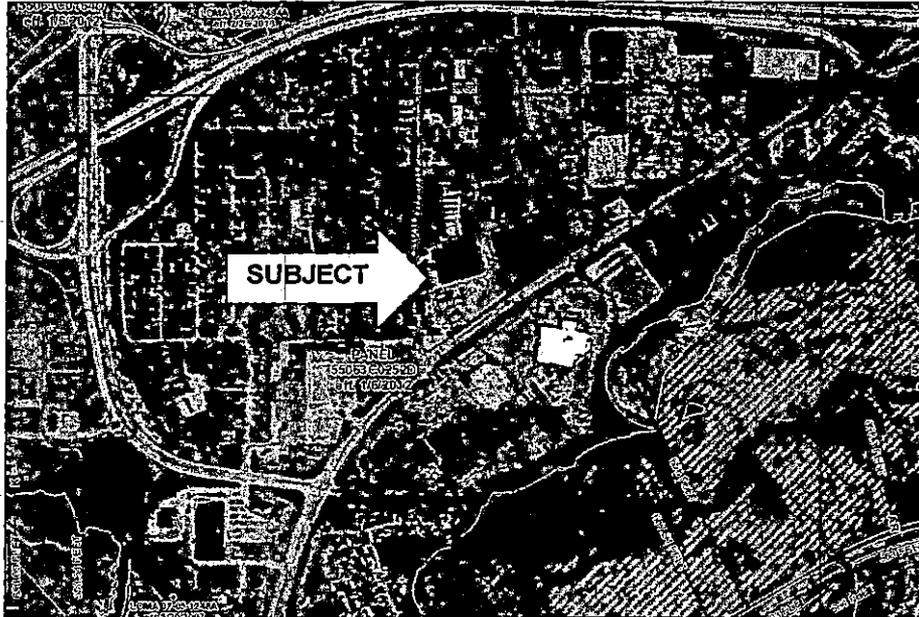


Figure 5: Flood Map

Soil/Subsoil Conditions:

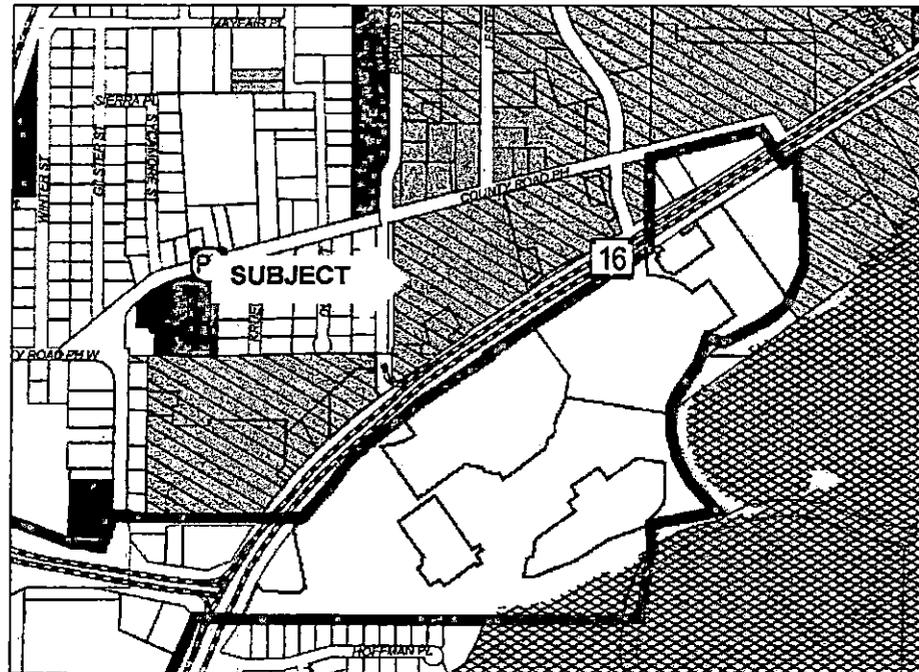
A geotechnical analysis describing the soil and subsoil conditions at the subject site was not furnished to BBG, Inc. No soil conditions were observed by the appraisers that were construed as detrimental. The appraisers assume there are no hidden or unapparent soil conditions that would render the site less valuable.

Development Restrictions:

No known of other than typical utility easements and setbacks, were noted. It is recommended reader of this report conduct their own due diligence in this matter.

Zoning:

The subject is located in Onalaska, WI and is located in the M-1, Light Industrial district and in the PCID overlay district.



M1 Light Industrial District

PCID

“The M-1 Light Industrial District is established to accommodate those uses which are of a non-nuisance type located in relative proximity to residential areas and to preserve and protect lands designated on the Comprehensive Plan for industrial development and use from the intrusion of certain incompatible uses, which might impede the development, and use of lands for industrial purposes.”

The M-1 district is generally permissive and retail use is permitted; specifically, those uses within the B-1 and B-2 commercial districts. Big box retail, such as the subject’s use, is permitted by right. Katie Aspenson (608-781-9590) was contacted regarding the subject’s legal, conforming status but did not respond. We assume the subject is a legal, conforming use.

Zoning: Area, Height, and Bulk Regulations	
District	M-1, Light Industrial
Minimum Lot Area: (SF)	Not Restricted
Minimum Lot Frontage:	100'
Maximum Lot Coverage:	Not Restricted
Minimum Front Yard:	10'
Minimum Rear Yard:	10'
Minimum Side Yard:	6'
Maximum Height:	100'
Parking:	1 space per 250 SF of floor area (Retail use)
<i>Source: Onalaska Zoning Ordinance</i>	

Summary:

The subject site is of sufficient size, topography, and access to compete with alternative development in the surrounding area.

Public services are adequate and linkages are adequate for a retail development. The site is physically suited for retail improvements. The access is considered fair while visibility is considered good. Overall the subject site is adequate for development.



Figure 6: Subject Photo - Exterior

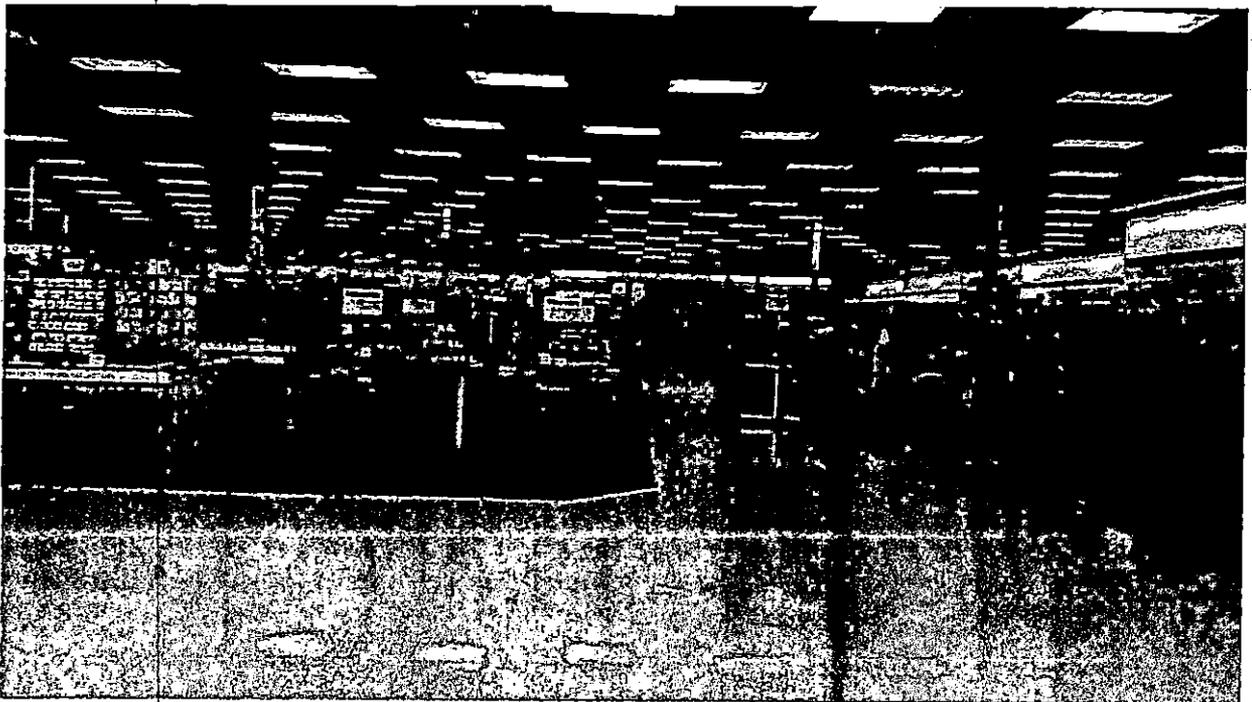


Figure 7: Subject Photo - Interior

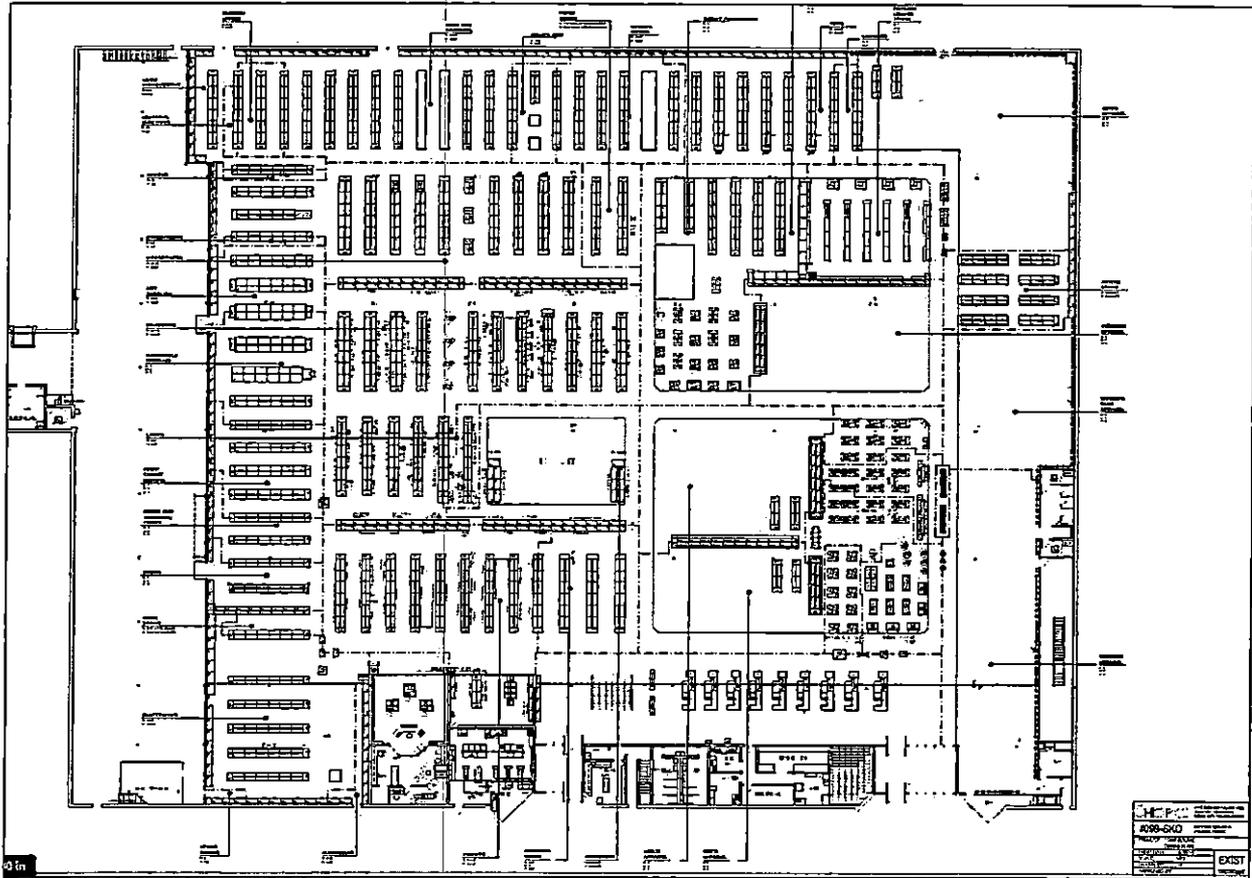


Figure 8: Subject Floor Plan (provided by the client)

Improvements	
Building Name:	Retail Department Store
Size (SF GBA):	94,413
Size (SF NRA):	94,413
Year Built:	1989
Construction Class:	C
Construction Quality:	Average
Condition:	Average
Occupancy:	Assumed Vacant & Available
Use	Single Tenant
Known Environmental Issues:	No

The subject of this report consists of a single retail building having a total net rentable area (NRA) of 94,413 SF. The subject is operated as a ShopKo department store, although given the Fee Simple premise sought in this appraisal, the subject is assumed to be vacant and available for occupancy. The total site size is 8.68 AC. The subject was constructed in 1989 and is considered to be in average condition. The subject contains real property only, and no personal or intangible property is included.

The building is considered Class C, Average construction quality given its structural masonry construction. It features a flat roof system with an EDPM rubber-membrane roof. The subject is heated and cooled via rooftop-mounted units.

The interior is typical for a large-scale retail store (big box, department store). The floors feature a mix of porcelain tiling and commercial carpeting. The ceilings are acoustical ceiling tiles in a suspended metal grid. The store is lighted via flush fluorescent light fixtures. The clear ceiling height is estimated at approximately 16 feet. The store is fully sprinklered.

Parking: The subject features 520 parking stalls for a parking ratio of 5.5 spaces per 1,000 SF of building area. Parking appears sufficient for the subject's large retail use.

Depreciation: The subject consists of a single retail building that was delivered in 1989. The subject is in average condition considering its age. Therefore, we estimate the effective age to be less than its actual age, or 15 years. Based on the subject's design and construction quality, the total economic life is estimated at 45 years. Therefore, the remaining life is 30 years, and physical deterioration is estimated at 33.3%.

Conclusion: The improvements represent a retail building totaling 94,413 SF NRA. The subject is Class C, Average construction and is in Average condition.

HIGHEST AND BEST USE ANALYSIS

Introduction

Highest and Best use is the basic premise of land value and, as such, reflects an appraiser's opinion based upon an analysis of prevailing market occurrences. The subject property is comprised of both the subject site and the subject improvements. As the use of land can be limited by the presence of improvements, Highest and Best Use is usually analyzed individually, for the land as if vacant and the property as improved.

According to the Appraisal of Real Estate, 15th Edition, published by the Appraisal Institute, Highest and Best Use may be defined as:

"The reasonably probable use of property that results in the highest value."

The purpose of estimating the Highest and Best Use of the site, as if vacant, is to identify the uses that cause the site to have value. The use of the subject site found to be physically possible, appropriately supported, financially feasible and that results in the highest present land value is considered to be the Highest and Best Use of the subject site, as if vacant. The purpose of estimating the Highest and Best Use of the subject property, as improved, is to identify the use of the property that is expected to produce the highest overall return per dollar invested.

In estimating the Highest and Best Use of land, as if vacant, there are essentially four stages of analysis:

- 1) Physically Possible Use - the potential uses of the subject that are physically possible.
- 2) Legally Permissible Use - the potential uses of the subject that are permitted by zoning, existing leases and/or deed restrictions.
- 3) Financially Feasible Use - the uses of the subject which are physically possible and financially feasible which will produce a net return to the owner of the subject; and
- 4) Maximally Productive Use - the use of the subject site among the feasible uses that produces the highest net return to the subject. This use is considered the highest and best use of the subject.

The previous stages of the Highest and Best Use analysis were applied to both the subject property as vacant and as existing. Here follows the analysis of the Highest and Best Use of the subject site as vacant.

Analysis of Site as Vacant

Legally Permissible

The first step in determining what is legally permissible is to analyze private restrictions, zoning, building codes, historic district controls, and environmental regulations.

The subject site is currently zoned M-1, Light Industrial within the city of Onalaska. This district is generally permissive and allows a wide array of commercial uses.

Physically Possible

The physical characteristics of a site can affect the uses. These characteristics include: (1) size; (2) shape; (3) terrain or topography; (4) soil condition; (5) utilities; (6) access characteristics; and (7) surrounding land uses. Each of these site characteristics were described and discussed in the Site Analysis section of this report.

The subject is a large parcel of sufficient capacity for large-scale commercial development. Its configuration and generally-level topography are conducive for development. There are no physical limitations to development of the subject site.

Soil and subsoil conditions appear adequate for development as evidenced by area development. Surrounding land uses include smaller retail use and residences. Linkages are average considering the nearby highway network, and visibility is considered average.

Financially Feasible

In determining which uses are legally permissible and physically possible, an appraiser eliminates some uses from consideration. Then the uses that meet the first two criteria are analyzed further. If the uses are income-producing, the analysis will study which are likely to produce an income, or return equal to or greater than the amount needed to satisfy operating expenses, financial obligations, and capital amortization. All uses that are expected to produce a positive return are regarded as financially feasible.

New speculative construction on the subject site is not considered feasible at this time due to the disequilibrium between rental rates and construction costs. There has not been any significant development in the past five years, except for a 12,000 SF Party City developed in 2014 and some other small developments. Speculative construction is not considered financially feasible.

Please note this does not mean the subject's underlying land has no value, it means that the cost of constructing a new improvement would exceed the sales price it would likely garner upon delivery, and therefore an owner would not be motivated to improve the site speculatively.

Maximally Productive

Among financially feasible uses, the use that provides the highest rate of return or value (given a constant rate of return) is the highest and best use. Given the legally permissible and physically possible discussions set forth above, holding the site for future commercial development is to be the only financially feasible use at this time. Therefore, it is our opinion that the maximally productive use of the site is to hold for future development or build-to-suit for a specific tenant.

Analysis as Improved

Legally Permissible

The subject improvements contain a total area of 94,413 SF NRA. Based upon the land area of 8.68 acres, a land-to-building ratio of 4.005:1 is indicated. This is slightly greater than what is observed for similar large-scale retail developments (big box, department stores, grocery stores, etc.).

The subject is considered a legal, conforming use within the M-1, Light Industrial district.

Physically Possible

The improvements are considered to be in average condition and productive for its current use. The subject improvements represent a physically possible use of the site as improved.

Financially Feasible/Maximally Productive

The improvements contribute a financial return to the site that is greater than that which would be generated if the land were vacant. Since the return to the land and improvements is greater than the expenses associated with maintaining them, utilization of the improvements through their economic life is financially feasible. Given the conclusion of the highest and best use "as vacant"; demolition is not financially feasible. Furthermore there are no alternative uses which would allow modifying the existing use to be financially feasible. The subject is a retail building located in an area of similar uses. The subject resembles the ideal improvement and therefore retail use is the only financially feasible use "as improved". Therefore, the existing improvements are representative of the current highest and best use of the property as improved. Given the Fee Simple nature of the value sought, the subject is assumed vacant and available for use; the highest and best use is for buyer occupancy (owner/user purchase) or for an investor to line up a tenant for occupancy of the subject (speculative investment).

Introduction

There are two basic components in any tax, the base and the rate. Multiplying the base times the rate, determines the tax amount. The base is the value of all taxable property in the district. The clerk calculates the rate after the governing body of the town, village or city determines how much money must be raised from the property tax. In Wisconsin, the town, village, or city treasurer collects property taxes for the municipality, the school, the county and the state. The assessor of each taxation district determines the assessed value of all taxable property, with the exception of manufacturing property. The Wisconsin Department of Revenue (DOR) annually assesses all manufacturing property in the state. The assessor is appointed or elected at the local level.

The value the local assessor places on each real property parcel and on each individual's taxable personal property. Under state law, all non-agricultural assessments must be based on the property's market value as of January 1. State law recognizes that every municipality cannot be assessed exactly at market value each year. The law requires that each municipality is within 10 percent of market value once every five years. Assessed values are used to distribute the municipality's tax burden among the individual property owners.

It is necessary for the DOR to determine an equalized value by taxing jurisdiction. Equalized values are needed since property is assessed in different taxing districts at different percentages of market value. Uniform values are called equalized values because local levels of assessment are equalized and all non-agricultural property are valued on an equal basis, namely 100 percent of market value. The equalized values are used for apportioning county property taxes, public school taxes, vocational school taxes and for distributing property tax relief.

Equalized values are used by the taxing jurisdictions (ex: school districts, counties, state) to apportion their tax levies among municipalities. Apportioning is the process of dividing the tax levies for each taxing jurisdiction among all of the municipalities that contain territory in the jurisdiction, based on each district's total value. (ex: a state levy would be apportioned among all of the municipalities in the state; an individual county's levy among all of the municipalities in the county; and a school levy among all of the municipalities in the school district). The value of all property in different municipalities (but in the same taxing jurisdiction) must be known to calculate how much of the total tax levy to apportion to each municipality. The values determined by local assessors cannot be used to apportion levies among different municipalities. To do so would violate the rule of uniformity, since the assessed values are not comparable among municipalities, whereas the equalized values are all at market value.

The governing body of each town, village, city, county, school district and state, levies the total amount of tax to be raised. However, it is the city, village or town that prepares the tax bill and collects the initial tax payment. Each year the governing body of the city, village, town, county and school district adopts a budget for the following year. To finance the expenditures in the budget, it totals all expected revenue sources (ex: state aids, shared taxes, license fees, tuition). This amount is then subtracted from the estimated expenditure figure and the remainder must be raised from the property tax. In the case of the

forestation state tax, the levy is determined by the state legislature and is applied in terms of a statewide rate (\$.1697 per \$1,000 of full value).

The tax rate is the rate necessary to raise sufficient money from the property tax to meet the levy. The tax rate is determined by dividing the total assessment of a district into the levy. The rate is often expressed in terms of dollars per thousand.

The subject property is located in the city of La Crosse, WI. A summary of the parcels and their assessed values are presented in the following table.

Summary of Parcels					
<u>Address</u>	<u>Parcel</u>	<u>Size (Acres)</u>	<u>2016 Assessed Land Value</u>	<u>2016 Assessed Improved Value</u>	<u>2016 Taxable Market Value</u>
9366 Wisconsin 16	18-3589-9	8.680	\$2,729,800	\$4,291,600	\$7,021,400
Total		8.680	\$2,729,800	\$4,291,600	\$7,021,400

Real estate taxes are based on a rate of 2.2040671 per \$100 of assessed value. Taxes for the subject are calculated as follows.

Projected Taxes	
Current Taxable Value	\$7,021,400
Assessment Ratio	93.981242%
Subtotal	\$6,598,799
2015 Tax Rate	2.2040671
Liability	\$154,756.37
Plus: Special Assessments	\$0.00
Total Liability	\$154,756.37
Liability per SF	\$1.64

Based on public records, the subject's taxes are current.

APPRAISAL PROCESS

Overview

The three traditional approaches to valuing improved properties are,

1. Sales Comparison Approach - a comparison of the property appraised with reasonably similar, recently conveyed properties for which the price, terms and conditions of sale are known.
2. Income Approach - the processing of a projected net income into a valuation estimate via one or more capitalization techniques.
3. Cost Approach - an estimate of the replacement cost of all structural improvements as if new, less loss in value attributable to depreciation from all causes plus the value of the land as if vacant.

The Sales Comparison Approach is founded upon the principle of substitution that holds that the cost to acquire an equally desirable substitute property without undue delay ordinarily sets the upper limit of value. At any given time, prices paid for comparable properties are construed by many to reflect the value of the property appraised. The validity of a value indication derived by this approach is heavily dependent upon the availability of data on recent sales of properties similar in location, size, and utility to the appraised property.

The Income Capitalization Approach is based on the principle of anticipation that recognizes the present value of the future income benefits to be derived from ownership in a particular property. The Income Approach is most applicable to properties that are bought and sold for investment purposes, and is considered very reliable when adequate income and expense data are available. Since income producing real estate is most often purchased by investors, this approach is valid and is generally considered the most applicable when the property being appraised was designed for, or is easily capable of producing a rental income.

The Cost Approach is based on the premise that the value of a property can be indicated by the current cost to construct a reproduction or replacement for the improvements minus the amount of depreciation evident in the structures from all causes plus the value of the land and entrepreneurial profit. This approach to value is particularly useful for appraising new or nearly new improvements.

The Appraisal Process is concluded by a review and re-examination of each of the approaches to value that was employed. Consideration is given to the type and reliability of data used, the applicability of each approach to the type of property being appraised and the value being sought.

Subject Specific

Two of the three generally accepted approaches to value have been utilized herein. There is sufficient data on recent sales of similar retail properties to yield a credible Sales Comparison Approach. The

Income Approach is developed by projecting market rent and expenses and capitalizing the resulting NOI by a market-supported OAR and then deducting lease-up costs to arrive at a Fee Simple value.

The Cost Approach was considered, but not applied, as market participants typically do not consider this approach in their analysis. Further, there is not an active development market in the subject's area.

SALES COMPARISON APPROACH

The Sales Comparison Approach is premised upon the Principle of Substitution - a valuation principle that states that a prudent purchaser would pay no more for real property than the cost of acquiring an equally desirable substitute on the open market. This approach to value is very dependent on the availability of good data.

The market was researched for sales comparable to the subject property. The search was defined by properties considered to be similar to the subject in regard to type of construction and potential use, but also similarity with regard to location. Within this analysis, sales of single-tenant retail buildings were utilized to estimate the value of the subject.

We attempted to select comparables in the subject's immediate area. However, due to the subject's large size and the lack of an active transaction market, we expanded our search geographically. We focused on sales of large, vacant department/big box stores. Investment sales were excluded from consideration as these sales do not satisfy the Fee Simple premise. Often, investment sales are a reflection of the credit-worthiness of the tenant and remaining lease term; investors are less concerned with the underlying real estate in these arrangements.

Analysis of Comparable Sales

The sales below represent sales of similar property types that transferred similar property rights. The sales were selected based upon their geographical proximity and physical similarities with regard to the subject. Additionally, the comparables were analyzed based on their transaction date, with the most recent transactions given primary consideration. The following table provides a summary description of the sales considered to be most comparable to the subject.

Comparable Improved Sales Summary							
Sale No.	Address - City	DOS	GBA (SF)	YOC	Occ	Land:Bldg Ratio	Sales Price PSF
1	2222 Crest View Dr, Hudson, WI	May-15	92,971	1989	Vacant	4.48:1	\$40.87
2	5801 W War Memorial, Peoria, IL	May-15	126,222	2003	Vacant	4.29:1	\$62.59
3	5150 Highway 52 NE Frontage, Rochester, MN	Mar-15	137,460	1984	Vacant	4.77:1	\$37.06
4	103 Oak Ave, Menomonie, WI	Mar-15	87,754	1989	Vacant	4.49:1	\$35.21
5	6300 W Brown Deer Rd, Milwaukee, WI	Dec-13	117,609	2006	Vacant	4.07:1	\$34.01
6	2020 N Spring St, Beaver Dam, WI	Nov-13	102,513	2006	Vacant	5.72:1	\$24.39
Maximum							\$62.59
Minimum							\$24.39
Mean							\$39.02
Subject	9366 State Highway 16		94,413	1989	Vacant	4.00:1	

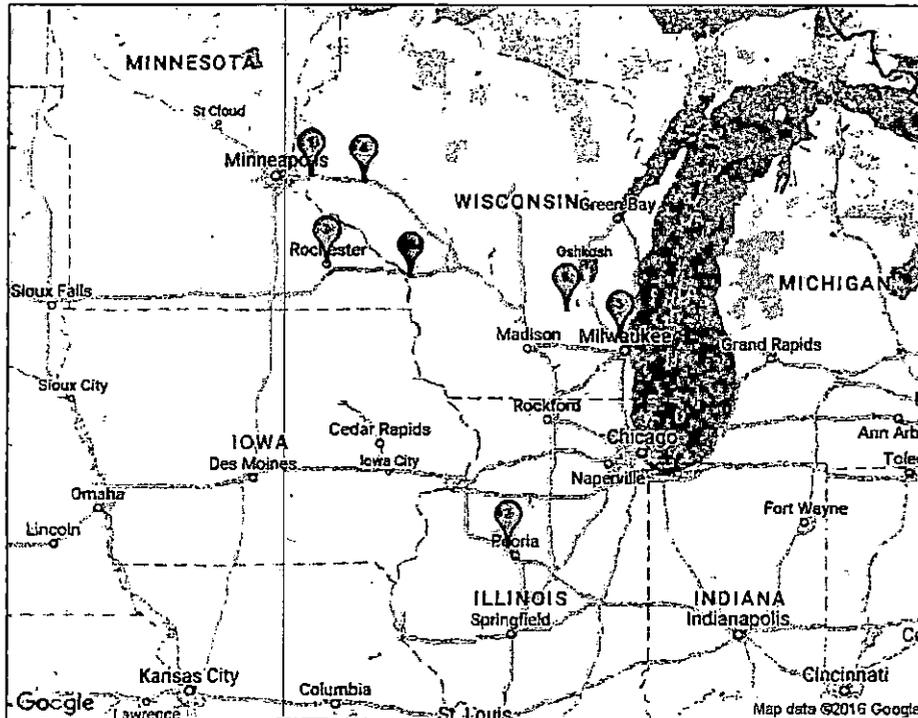


Figure 9: Improved Sales Map

Analysis of Improved Data

The sales that were identified and analyzed reflect prices paid for similar properties throughout the market area from November 7, 2013 to May 14, 2015.

Sales Price Per Square Foot Method

As indicated in the preceding table, the unadjusted sales prices per square foot of gross building area (NRA) range from \$24.39/SF to \$62.59 /SF. We have considered the following characteristics of each comparable sale in our analysis of the subject property. The elements of comparison considered and a brief explanation of each is as follows:

Property Rights Conveyed

The property rights that are transferred between the buyer and seller can have a significant impact on value if a property is encumbered by a significant below or above market lease. Additionally, investors and owner occupiers are typically motivated by different factors.

All sales represented vacant and available buildings and transferred Fee Simple property rights. No adjustments are necessary.

Cash Equivalency/Financing

Adjustments for cash equivalency are required when any advantageous financing was available to the buyer which could potentially affect the sales price. No adjustments are applied.

Conditions Of Sale

Since the definition of market value reflects an arm's length sale, conditions of sale adjustments are required when a sale was not arm's length, or there were undue pressures on the seller or buyer. No adjustments are applied.

Expenditures After Sale

Adjustments can be made for expenditures made immediately after the sale of a property if the buyer knew in advance of them and factored their cost into the purchase price. In reality most buyers will likely make some changes to the property after closing, and this adjustment is not focused on any elective upgrades such as repainting or carpeting the office areas or for example adding tenant driven specific warehouse improvements which are super adequate, but is rather focused on necessary repairs or cures of deferred maintenance. No adjustments are applied.

Market Conditions

Market conditions adjustment are necessary when the market has made significant change since the closing of one of the sales. Sales 5 and 6 transacted more than two years prior to the retrospective valuation date. Since that time, OARs have decreased and values have increased. Therefore, positive adjustments are applied to sales 5 and 6.

Location

One of the more definitive influences on real estate value is location. Consideration for traffic counts; frontage; median income; and number of households was made. Of these factors, traffic counts are given the greatest weight.

All the sales were adjusted based on these criteria relative to the subject. A summary of this data can be found below and in the adjustment grid.

Comparable Sales Location Analysis							
	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5	Comp 6.
Location:							
Submarket Rent/SF	\$11.15	\$13.30	\$11.65	\$13.39	\$6.70	\$7.75	\$6.26
Submarket Vacancy	2.6%	5.2%	6.2%	3.6%	6.9%	17.0%	8.4%
*HH Income	\$56,788	\$72,905	\$73,165	\$69,374	\$39,875	\$45,153	\$51,121
Households:							
*3-mile radius	10,215	8,888	7,479	16,928	5,367	22,037	6,919
*Median HH Value	\$159,620	\$227,026	\$197,566	\$171,832	\$155,435	\$146,942	\$142,567
*Traffic Count	28,098	13,000	10,100	38,843	19,900	29,642	3,838
Overall		Inferior	Inferior	Superior	Inferior	Inferior	Inferior
Adjustment		5.0%	10.0%	-5.0%	15.0%	10.0%	30.0%

*Source: CoStar, MPSI Estimate

Building Size

The building size adjustment takes into consideration the difference in sizes among the subject and comparables. Sales 2, 3, and 5 are adjusted upward, while no adjustments are applied to the remaining comparables.

Construction Class & Quality

Construction quality refers to the type of materials comprising the subject and comparables. No adjustments are applied.

Age & Condition

Condition has a strong influence on the value of improvements as all improvements suffer from incurable physical depreciation. Adjustments must be made when a comparable varies significantly from the subject in condition. *We refer the reader to the improvements section of this report for additional details.* The subject was built in 1989 and is in average condition considering its age. Based on our observations of the market, we apply 1.0% adjustments per one year difference in year built between the comparables and the subject. This has resulted in positive adjustments to sale 3, and downward adjustments to sales 2, 5, and 6.

Land to Building Ratio

Land to building ratio reflects the amount of undeveloped land a site contains. This is an important feature for retail properties as added undeveloped land can have the potential to expand the improvements or feature more parking. Sale 6 has a higher LTB and is adjusted downward. The remaining comparables have generally similar LTBs and no further adjustments are required.

Occupancy

The occupancy of a property can have an impact on the sale price as it is one of the key factors in determining the financial risk of a property. No adjustments are necessary.

Adjustment Summary

The following adjustment grid summarizes the aforementioned adjustments applied to the sales.

SALES COMPARISON APPROACH

Comparable Sales Adjustment Grid							
Comparable Sale Number	Subject Data	1	2	3	4	5	6
Type of Transaction	Sale	Sale	Sale	Sale	Sale	Sale	Sale
Property Rights Conveyed	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Date of Sale		May-15	May-15	Mar-15	Mar-15	Dec-13	Nov-13
Location	Onalaska, WI	Inferior	Inferior	Superior	Inferior	Inferior	Inferior
Building Size (SF)	94,413	92,971	126,222	137,460	87,754	117,609	102,513
Year Built	1989	1989	2003	1984	1989	2006	2006
Construction Class & Quality	C, Average	Class C	Class C	Class C	Class C	Class C	Class C
Condition	Average	Similar	Superior	Inferior	Similar	Superior	Superior
Land to Building Ratio	4.00:1	4.48:1	4.29:1	4.77:1	4.49:1	4.07:1	5.72:1
Occupancy	Assumed Vacant & Available	Vacant	Vacant	Vacant	Vacant	Vacant	Vacant
Sales Price		\$3,800,000	\$7,900,000	\$5,093,936	\$3,090,000	\$4,000,000	\$2,500,000
UnAdjusted Price Per Square Foot		\$40.87	\$62.59	\$37.06	\$35.21	\$34.01	\$24.39
Transactional Adjustments							
Price / SF		\$40.87	\$62.59	\$37.06	\$35.21	\$34.01	\$24.39
Property Rights Conveyed	Fee Simple	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Adjusted Price		\$40.87	\$62.59	\$37.06	\$35.21	\$34.01	\$24.39
Financing Terms	Conventional	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Adjusted Price		\$40.87	\$62.59	\$37.06	\$35.21	\$34.01	\$24.39
Conditions of Sale	None	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Adjusted Price		\$40.87	\$62.59	\$37.06	\$35.21	\$34.01	\$24.39
Expenditures Imm. After Sale		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Adjusted Price		\$40.87	\$62.59	\$37.06	\$35.21	\$34.01	\$24.39
Market Conditions	1/1/2016	0.0%	0.0%	0.0%	0.0%	10.0%	10.0%
Adjusted \$/SF - With Transactional Adjustments		\$40.87	\$62.59	\$37.06	\$35.21	\$37.41	\$26.83
Physical Adjustments							
Location	Onalaska, WI	5.0%	10.0%	-5.0%	15.0%	10.0%	30.0%
Building Size (SF)	94,413	0.0%	3.0%	3.0%	0.0%	2.0%	0.0%
Construction Class & Quality	C, Average	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Condition	Average	0.0%	-7.0%	2.5%	0.0%	-8.5%	-8.5%
Land to Building Ratio	4.00:1	0.0%	0.0%	0.0%	0.0%	0.0%	-3.0%
Occupancy at Time of Sale	Assumed Vacant & Available	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Physical Adjustments		5.0%	6.0%	0.5%	15.0%	3.5%	18.5%
Value Indication Per Square Foot		\$42.92	\$66.34	\$37.24	\$40.49	\$38.72	\$31.79
Total Gross Adjustments (Trans+Phys)		5.00%	20.00%	10.50%	15.00%	30.50%	55.65%
Value Ranges		<u>Before Adjustment</u>		<u>After Adjustment</u>			
Minimum Price		\$24.39		\$31.79			
Maximum Price		\$62.59		\$66.34			
Mean Price		\$39.02		\$42.92			
Median Price		\$36.13		\$39.61			
Standard Deviation		\$12.78		\$12.07			

SALES COMPARISON APPROACH

After adjustments our comparables ranged from \$31.79/SF to \$66.34/SF and our standard deviation has been reduced from \$12.78/SF to \$12.07/SF indicating a tightening of values around the mean granting credence to the adjustments made herein. Further, sale 2 is a clear outlier, and removing this sale, the standard deviation decreases further to \$4.18/SF. We consider that sale 2 appears to be an outlier at the upper end in our reconciliation. In our final analysis we granted primary consideration to sales 1, 3, and 4 requiring the least amount of adjustment. As such, a value of \$41.00/SF appears reasonable. Utilizing this per unit value estimate, the total value of the subject is calculated as follows:

Sales Comparison Approach				
94,413	SF	x	\$41.00	= \$3,870,933
Rounded: \$3,870,000				

INCOME CAPITALIZATION APPROACH

The Income Capitalization Approach is a procedure in appraisal analysis whereby anticipated future economic benefits to be derived from a property are converted into a present value estimate through a capitalization process. This approach is based on the principle of anticipation and value is created by investors' expectations of benefits to be derived in the future. The process of estimating anticipated economic benefits from a particular property therefore requires estimates of potential income and expenses as well as debt costs (if applicable), and the selection of the most appropriate capitalization method.

The most commonly utilized method of processing net income into value is direct capitalization where an overall rate is extracted directly from market sales in which the net income is known or can be closely estimated, and the Discounted Cash Flow Analysis, whereby anticipated future income streams and a reversionary value are discounted to a net present value estimate. The Direct Capitalization has been utilized within our analysis of the market value of the subject property. The Discounted Cash Flow method is considered, but not applied, as this is considered an over-refinement for the subject's property type. Market participants typically do not develop DCFs in analysis of similar properties, and there is limited data to support the assumptions used in a DCF such as the discount rate, terminal capitalization rate, and holding period. Given the Fee Simple nature of the value sought, the DCF is not appropriate.

Rental Analysis

The first step in the Income Approach is a determination of market rent. In order to establish such, we researched the rental rates of several similar retail properties.

Our research focused on retail buildings within close proximity that were physically similar to the subject. However, given the lack of available rental data of big box/department stores, we expanded our search geographically. The best available comparables are shown below.

Summary of Rent Comparables								
No.	Name/ Location	Bldg Size (SF)	Tenant Size (SF)	YOC	Rent PSF	Type Lease		
1	700 E Magnolia Ave, Manitowoc, WI	212,000	95,000	1979	\$5.00	NNN		
2	2602 Shopko Dr, Madison, WI	119,923	119,923	1982	\$5.95	NNN		
3	4404 52nd St, Kenosha, WI	115,499	115,499	1988	\$6.00	NNN		
4	1720 S Federal Ave, Mason City, IA	92,000	92,000	1958	\$5.00	NNN		
Subj	9366 State Highway 16	94,413		1989				

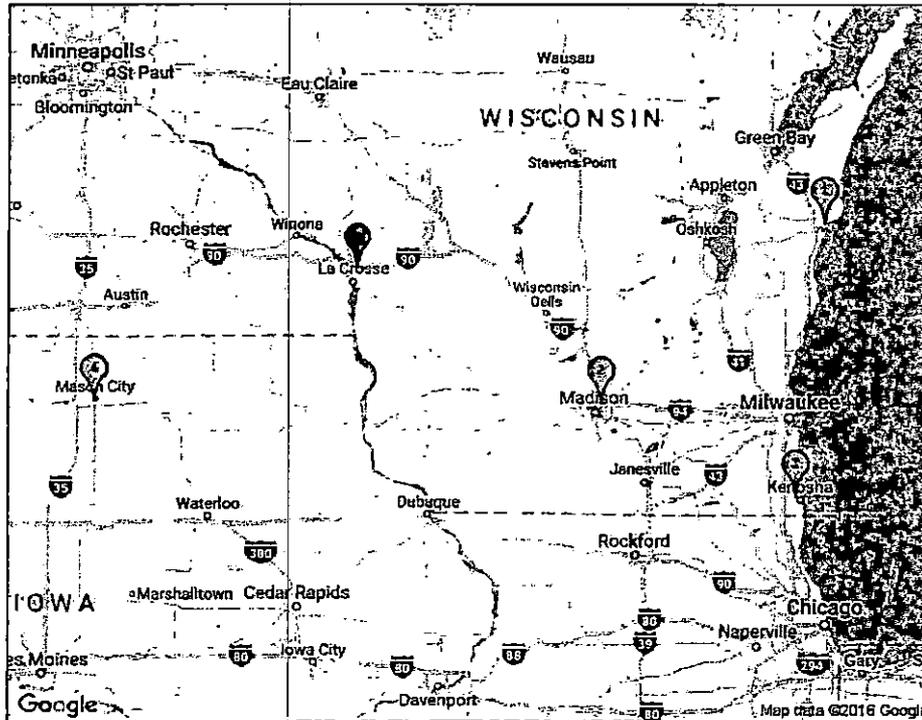


Figure 10: Comparable Retail Rentals Map

We have compared the rentals above to the subject using methodology similar to that described in the Sales Comparison Approach earlier. The results of this analysis are shown in the table below.

Rent Adjustment Grid										
Rent	Rent / SF	Type Lease	Mkt/ Cond	Adj SP/SF	Location	Age/ Cond.	Size	Quality	Net Adj.	Final Adj Rent/SF
1	\$5.00	\$0.00	0%	\$5.00	10%	3%	0%	0%	13%	\$5.65
2	\$5.95	\$0.00	0%	\$5.95	-5%	0%	2%	0%	-3%	\$5.77
3	\$6.00	\$0.00	0%	\$6.00	0%	0%	2%	0%	2%	\$6.12
4	\$5.00	\$0.00	0%	\$5.00	10%	10%	0%	0%	20%	\$6.00
Minimum	\$5.00			\$5.00						\$5.65
Maximum	\$6.00			\$6.00						\$6.12
Mean	\$5.49			\$5.49						\$5.89
Median	\$5.48			\$5.48						\$5.89

Our location adjustments follow a similar methodology as the Sales Comparison Approach, and are summarized in the following table.

Comparable Rentals Location Analysis					
	Subject	Comp 1	Comp 2	Comp 3	Comp 4
Location:					
Submarket Rent/SF	\$11.15	\$9.58	\$10.04	\$10.10	\$7.77
Submarket Vacancy	2.6%	5.3%	6.7%	6.4%	7.5%
*HH Income	\$56,788	\$41,918	\$47,255	\$45,367	\$43,044
Households:					
*3-mile radius	10,215	9,536	31,651	33,136	12,025
*Median HH Value	\$159,620	\$102,945	\$173,907	\$150,895	\$95,222
*Traffic Count	28,098	16,300	34,166	25,961	22,161
Overall		Inferior	Superior	Similar	Inferior
Adjustment		10.0%	-5.0%	0.0%	10.0%

*Source: CoStar, MPSI Estimate

Rents 1 and 4 are older and adjusted upward. Further, rents 2 and 3 are larger and adjusted upward.

After adjustment, the comparables range from \$5.65/SF to \$6.12/SF with an average of \$5.89/SF and a median of \$5.89/SF. We conclude that a market rental rate of \$5.90/SF triple net is supported for the subject.

Reimbursements

Within our analysis, a triple net rent is projected with the prospective tenant reimbursing real estate taxes, insurance, and common area maintenance. Real estate taxes are excluded from our analysis, so insurance and CAM are reimbursed in our direct capitalization methodology. Based on the projected operating expenses discussed below, reimbursements are projected at \$160,502 for the subject.

Vacancy and Collection Loss

As discussed in the Retail Market Overview section, the subject does not fall within a recognized retail market. We searched Costar.com for the performance of retail properties within a 25-mile radius surrounding the subject. Vacancy was 2.6% as of Q4 2015, exhibiting an upward trend after sustained negative net absorption. Considering the trend, as well as the downtime required to find a new tenant in the subject's area, a vacancy factor of 5.0% is concluded to be reasonable, with an additional 1.0% for collection loss.

Operating Expenses

This section of the report analyzes the cost of operation for the subject property. Typically, operating expense can be classified as real estate taxes, insurance, common area maintenance, management, and structural reserves; however, real estate taxes are excluded from analysis. We have considered expense comparables and our experience with similar retail properties in our analysis of appropriate operating expenses for the subject. Additionally, IREM expense data for Region VI shopping centers was consulted as shown in the following table.

2015 IREM Report Open Shopping Centers - Region VI				
			Range	
Category		Median	Low	High
Real Estate Taxes		2.67	1.56	3.53
Insurance		0.25	0.17	0.41
Management		0.67	0.44	0.85
Common area Maintenance		2.04	1.12	3.15
Total		4.47	3.13	6.43

A discussion of each of the expense categories is as follows. All expenses assume prudent management of the property.

1. Insurance: The subject will be insured against casualty loss with additional coverage for property liability. We have utilized \$0.20/SF for this analysis.
2. Common Area Maintenance: This expense for properties similar to the subject includes trash removal, landscaping, and general property maintenance. We have utilized \$1.50/SF for this analysis considering that the subject is a larger property than the average surveyed for IREM data and should exhibit economies of scale.
3. Management: Management fees are typically paid to firm who collects rents and maintains the subject. They are typically based upon a percentage of EGI. In this case, we have applied 3.0% for the subject.
4. Structural Reserves: This account accrues funds for the eventual repair and replacement of building components that are not the responsibility of the tenant. Such charges typically include capital expenditures for parking lots, roof replacement, and other miscellaneous expenditures necessary to maintain the integrity of the structural shell. Based upon our experience with similar properties and the age and condition of the subject, we have estimated structural reserves for the subject property at \$0.15/SF in our analysis.

Based upon the preceding discussion, the reconstructed operating statement is presented below.

Reconstructed Operating Statement			
Potential Rental Income			
	SF	PSF	Total
Gross Potential Rental Income			
Market Rent	94,413	\$5.90	\$ 557,037
Reimbursements		\$1.70	\$ 160,502
Potential Gross Income			717,539
Less: Vacancy Loss @ 5%			(35,877)
Less: Collection Loss @ 1%			(7,175)
Effective Gross Income			674,486
		PSF	Total
Taxes		Excluded	Excluded
Insurance		\$0.20	18,883
Common Area Maintenance		\$1.50	141,620
Management @ 3.0%		\$0.21	20,235
Structural/Reserves		\$0.15	14,162
Total Expenses			(194,899)
Net Operating Income			\$ 479,588

Direct Capitalization

As stated earlier, this method involves capitalizing the Stabilized Net Operating Income (NOI) by an appropriate capitalization rate (Ro) in order to estimate the stabilized value of the project. Ideally, the Overall Capitalization Rate (Ro) utilized in Direct Capitalization is typically derived from comparable sales. The Band of Investment technique and investor surveys have also been utilized.

Band of Investment

Within the band of investment, a mortgage equity analysis with a 60% and 70% loan to value ratio, and an interest rate of 6.00% with a 20-year amortization was utilized. These values were based on the 4th Quarter 2015 RealtyRates.com Investor Survey.

INCOME CAPITALIZATION APPROACH

RealtyRates.com INVESTOR SURVEY - 4th Quarter 2015*						
RETAIL - FREE STANDING						
Item	Input					OAR
Minimum						
Spread Over 10-Year Treasury	0.78%	DCR Technique	1.18	0.042613	0.30	4.51
Debt Coverage Ratio	1.18	Band of Investment Technique				
Interest Rate	2.95%	Mortgage	90%	0.042613	0.038352	
Amortization	40	Equity	10%	0.080116	0.008012	
Mortgage Constant	0.042613	OAR				4.64
Loan-to-Value Ratio	90%	Surveyed Rates				4.85
Equity Dividend Rate	9.01%					
Maximum						
Spread Over 10-Year Treasury	5.72%	DCR Technique	1.83	0.123376	0.60	14.06
Debt Coverage Ratio	1.83	Band of Investment Technique				
Interest Rate	9.92%	Mortgage	60%	0.123376	0.077026	
Amortization	15	Equity	40%	0.173968	0.069587	
Mortgage Constant	0.123376	OAR				14.66
Loan-to-Value Ratio	60%	Surveyed Rates				13.96
Equity Dividend Rate	17.40%					
Average						
Spread Over 10-Year Treasury	3.25%	DCR Technique	1.50	0.070009	0.75	7.86
Debt Coverage Ratio	1.50	Band of Investment Technique				
Interest Rate	5.42%	Mortgage	75%	0.070009	0.052507	
Amortization	28	Equity	25%	0.122380	0.030587	
Mortgage Constant	0.070009	OAR				8.31
Loan-to-Value Ratio	75%	Surveyed Rates				10.63
Equity Dividend Rate	12.23%					

*3rd Quarter 2015 Data

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Band of Investment					
0.70	x	0.085972	=	0.060180	
0.30	x	0.100000	=	0.030000	
				0.090180	
0.60	x	0.085972	=	0.051583	
0.40	x	0.100000	=	0.040000	
				0.091583	
0.70	x	0.085972	=	0.060180	
0.30	x	0.120000	=	0.036000	
				0.096180	
0.60	x	0.085972	=	0.051583	
0.40	x	0.120000	=	0.048000	
				0.099583	

The Band of Investment indicates a range of 9.02% to 9.96%; with an average of 9.44%. The realtyrates.com survey of investors indicates a range between 4.85% and 13.96%, with an average of 10.63%.

Market Comparables

The sales selected for analysis in the Sales Comparison Approach represent Fee Simple sales, and therefore do not exhibit OARs. In order to expand our search we surveyed the state of Wisconsin for

INCOME CAPITALIZATION APPROACH

single-tenant investment sales of retail buildings greater than 50,000 SF. The results are presented below.

Property Address	Property City	OAR Survey		Price Per SF	Sale Date	Reported OAR
		Bldg SF	Year Built			
7401 Mineral Point Rd	Madison	99,101	1980	\$114.07	12/23/2015	6.90%
2201 Zeier Rd	Madison	94,120	1992	\$106.25	11/4/2015	7.00%
2101 W Broadway	Madison	97,931		\$76.58	9/29/2015	7.33%
1620-1735 W Silver Spring Dr	Milwaukee	61,910		\$213.77	7/29/2015	6.78%
1578 Appleton Rd	Menasha	81,171	1981	\$123.20	7/28/2015	7.35%
230 N Wisconsin St	De Pere	65,459	1967	\$116.09	5/19/2015	7.46%
2440 E Moreland Blvd	Waukesha	66,550	2007	\$274.61	9/29/2014	8.35%
1560 County Road	Rothschild	97,000		\$129.59	7/29/2014	9.15%
3007 Mall Dr	Eau Claire	82,746	2003	\$117.11	4/16/2014	7.32%
205 Central Bridge St	Wausau	67,951	2002	\$119.94	2/10/2014	8.59%
2931 S Chicago Ave	South Milwaukee	59,730	2005	\$126.54	11/6/2013	8.10%
1500 Pinedcrest Ave	Stevens Point	69,911	2012	\$217.42	9/26/2013	7.10%

The comparables range from 6.78% to 9.15% with an average of 7.62%. As compared to the average of the comparables above, the subject is judged to be inferior due to its rural location, and would require an OAR above the average of the comparables. Further, several of the sales represent build-to-suit properties with higher tenant retention. In analysis of the subject, it is assumed that a new tenant would take the subject as a second-generation product, which is inferior as compared to a build-to-suit proposition.

Overall Capitalization Rate Reconciliation

Based on the Band of Investment Technique, a review of the published investor survey data, market comparables, and the subject's location, an appropriate OAR for application to the subject's NOI is 9.00%.

We have also added a tax adjustment to each Going-In OAR due to the ad valorem tax appeal analysis. This is done by multiplying the assessment ratio of 93.981242% with the millage rate of 2.2040671 per \$100, then multiplying the result by the total vacancy rate (to reflect that the landlord would only be responsible for taxes during periods of downtime). This has resulted in an additional tax factor of 0.10% for a total tax-loaded OAR of 9.10%. We note that this is a rounded figure, but our calculation below utilizes a non-rounded OAR.

Utilizing this overall rate, the value indication for the subject property via the Income Capitalization Approach is located within the following table.

<p>Direct Capitalization Value Indication NOI/Ro = Value Indication</p>
<p>\$479,588 / 0.0910 = \$5,268,129</p>
<p>Rounded: \$5,270,000</p>

Analysis of the Current "As Is" Value

The appraisal problem in this assignment is to determine the fee simple market value for the subject. As such, the property was valued as if "stabilized". At this point, the necessary expenses will be removed to achieve this stabilization, thus indicating the fee simple condition of the subject property. These expenses are:

1. Leasing Commissions – Standard leasing commissions range from 5.0% to 7.0%. In this instance, we have utilized a rate of 5.0% over a 10-year lease term, which is typical for a single-tenant, large retail building such as the subject.
2. Tenant Finish – No additional consideration for tenant finish is deducted from the leased fee value indications. This is because the selected rents were analyzed based on the tenant being responsible for build out, and there is no additional landlord responsibility in the form of tenant improvement allowances.
3. Lost Rent – A prospective purchaser of the subject would anticipate downtime before being able to secure a tenant. The downtime represents lost rent, and this would be considered by a purchaser. We note that this is distinct from the previous vacancy deduction, which is forward-looking and intended to capture future vacancy periods. We conclude that an 18 month downtime period is appropriate, based on the table discussed in the Retail Market Overview section. Current months-on-market for vacancies averages 18.3 months in the 25-mile radius surrounding the subject, above the five year average of 16.7 months. The probability of leasing in months does not reach 50% until about 18 months.

It is important to note that our deduction of lost rent is distinct from the vacancy factor. Further, our lost rent deduction accounts for the vacancy factor so as not to double count the vacancy deduction and overstate lost rent.

The sum of these deductions is as follows, thus indicating the "fee simple" position of the subject.

Adjusted Value Indication - Fee Simple	
Unadjusted Value Indication	\$5,270,000
Less: Leasing Commissions	(\$278,518)
Less: Lost Rent (18 mos.)	(\$1,011,730)
Adjusted "As Dark" Value Indication	\$3,979,752
Rounded	\$3,980,000

RECONCILIATION

In the valuation of the subject, the Sales Comparison and Cost Approaches were utilized. The value indication via each approach is summarized in the following table.

Summary of Values, As Is	
Sales Comparison Approach	\$3,870,000
Income Capitalization Approach	\$3,980,000
Cost Approach	Not Applied

Sales of similar properties were researched and analyzed in the Sales Comparison Approach. The data found from our research was deemed credible and similar to the subject. The Sales Comparison Approach was considered a valid and credible approach to value and was given primary consideration.

The Income Capitalization Approach was developed with a projection of market rent and expenses, and the resulting NOI was capitalized with a market-supported OAR. The subject is assumed vacant and available for occupancy under the Fee Simple premise and this approach is given little weight. Further, the likely buyer would be an owner-user, and this approach is given secondary consideration.

Based upon the value indications detailed above, the retrospective Fair Market Value of the Fee Simple interest of the subject property, subject to the general underlying assumptions and limiting conditions contained herein, "As Is", as of January 1, 2016, was:

\$3,900,000

Extraordinary Assumptions

We assume the subject was in a similar condition as of our retrospective valuation date as it was observed during our inspection of the property.

Use of this Extraordinary Assumption may impact the value conclusion

Hypothetical Condition

None

Exposure Time/Marketing Period

Based on exposure times of comparable sales and interviews with active participants in the local market, the Market Value opinions could be achieved with exposure time of 12 months. Furthermore, it is our opinion that sales could be consummated at the Market Value opinions within twelve-month marketing periods of the effective date.

EXHIBITS

GLOSSARY.....A
CLIENT ENGAGEMENT LETTER.....B
SUBJECT PHOTOS.....C
COMPARABLE IMPROVED SALES.....D
COMPARABLE RENTALS.....E
QUALIFICATIONS OF APPRAISERS.....F

GLOSSARY

Assessed Value: The value of a property according to the tax rolls in ad valorem taxation; may be higher or lower than market value, or based on an assessment ratio that is a percentage of market value.¹

Asset:

1. Generally, something that can be converted to cash or other economic equivalent
2. Any owned property that has economic value, including financial assets (cash or bonds), business interests, intangible assets (copyrights and trademarks), and physical assets (real and personal property).
3. In general business usage, something owned by a business and reflected in the owner's balance sheet.¹

Asset: A resource controlled by the entity as a result of past events and from which future economic benefits are expected to flow to the entity.²

Capital Expenditure: Investments of cash (or the creation of liability) to acquire or improve an asset, e.g., land, buildings, building additions, site improvements, machinery, equipment; as distinguished from cash outflows for expense items that are normally considered part of the current period's operations.¹

Cash Equivalency: An analytical process in which the sale price of a transaction with nonmarket financing or financing with unusual conditions or incentives is converted into a price expressed in terms of cash.¹

Client: The party or parties who engage an appraiser (by employment or contract) in a specific assignment (USPAP).¹

Condominium Ownership: A form of fee ownership of separate units or portions of multiunit buildings that provides for formal filing and recording of a divided interest in real property.³

Cost Approach: A set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive, deducting depreciation from the total cost, and adding the estimated land value. Adjustments may then be made to the indicated fee simple value of the subject property to reflect the value of the property interest being appraised.¹

Credible: Worthy of belief. Credible assignment results require support, by relevant evidence and logic, to the degree necessary for the intended use. (USPAP, 2010-2011 ed).¹

Deferred Maintenance: Needed repairs or replacement of items that should have taken place during the course of normal maintenance.¹

Disposition Value: The most probable price that a specified interest in real property should bring under the following conditions: 1) Consummation of a sale within a future exposure time specified by the client. 2) The property is subjected to market conditions prevailing as of the date of valuation. 3) Both the buyer and seller are acting prudently and knowledgeably. 4) The seller is under compulsion to sell. 5) The buyer is typically motivated. 6) Both parties are acting in what they consider to be their best interests. 7) An adequate marketing effort will be made during the exposure time specified by the client. 8) Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto. 9) The price represents the normal consideration of the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. This definition can also be modified to provide for valuation with specified financing terms.¹

Economic Life: The period over which improvements to real property contribute to property value.¹

Effective Date: 1) The date on which the analyses, opinions, and advice in an appraisal, review, or consulting service apply. 2) In a lease document, the date upon which the lease goes into effect.¹

Effective Gross Income Multiplier (EGIM): The ratio between the sale price (or value) of a property and its effective gross income.¹

Effective Rent: The rental rate net of financial concessions such as periods of

no rent during the lease term and above- or below-market tenant improvements (TIs).¹

Exposure Time: 1) The time a property remains on the market. 2) The estimated length of time 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; a retrospective estimate based on an analysis of past events assuming a competitive and open market.¹

Extraordinary Assumptions: An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2010-2011 ed).¹

Fair Market Value: According to U.S. Treasury Department regulations, Fair Market Value is defined as "The price at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of relevant facts."⁴

Fair Share: That portion of total market supply accounted for by a subject property. For example, a 100-key hotel in 1,000-key market has a fair share of 10%.¹

Fair Value: The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. (FASB).¹

Fair Value: The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.²

Fee Simple Estate: 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.¹

Floor Area Ratio (FAR): The relationship between the above-ground floor area of a building, as described by the building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area; also called land-to-building ratio.¹

Going-Concern Value: 1) The market value of all tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the market value of the going concern. 2) The value of an operating business enterprise. Goodwill may be separately measured but is an integral component of going-concern value when it exists and is recognizable.¹

Gross Building Area (GBA): The total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the region.¹

Highest and Best Use: The reasonably probable and legal use of vacant land or an improved property, that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. Alternatively, the probable use of land or improved property-specific with respect to the user and timing of the use—that is adequately supported and results in the highest present value.¹

Hypothetical Condition: That which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property, such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2010-2011 ed).¹

Income Capitalization Approach: A set of procedures through which an appraiser derives a value indication for an income-producing property by converting its anticipated benefits (cash flows and reversion) into property

value. This conversion can be accomplished in two ways. One year's income expectancy can be capitalized at a market-derived capitalization rate or at a capitalization rate that reflects a specified income pattern, return on investment, and change in the value of the investment. Alternatively, the annual cash flows for the holding period and the reversion can be discounted at a specified yield rate.¹

Inspection: Personal observation of the exterior and/or interior of the real property that is the subject of an assignment. The purpose of an appraiser's inspection is to identify the property characteristics that are relevant to the assignment, such as amenities, general physical condition, and functional utility.¹

Insurable Value: A type value for insurance purposes.¹

Intangible Assets: Assets that manifest themselves by their economic properties; they do not have physical substance; they grant rights and privileges to their owner, and usually generate income for their owner. Intangible Assets can be categorized as arising from: Rights; Relationships; Grouped Intangibles; or Intellectual Property. In general, the accounting profession limits recognition of individual intangible assets to those that are: commonly recognizable; have a statutory or contractual remaining life; and/or must be individually transferrable and separable from the business. An identifiable non-monetary asset without physical substance.¹

Intangible property: Nonphysical assets, including but not limited to franchises, trademarks, patents, copy-rights, goodwill, equities, securities, and contracts as distinguished from physical assets such as facilities and equipment. (USPAP, 2010-2011 ed.)¹

Intended Use: The manner in which the intended user expect to employ the information contained in a report.¹

Intended User: 1) The client and any other party as identified, by name or type, as users of the appraisal, appraisal review, or appraisal consulting report by the appraiser on the basis of communication with the client at the time of the assignment. (USPAP, 2010-2011 ed.) 2) A party who the appraiser intends will employ the information contained in a report.¹

Internal Rate of Return ("IRR"): The annualized yield rate or rate of return on capital that is generated or capable of being generalized within an investment of portfolio over a period of ownership. Alternatively, the indicated return of capital associated with a projected or pro forma income stream. The discount rate that equates the present value of the net cash flows of a project with the present value of the capital investment. It is the rate at which the Net Present Value (NPV) equals zero. The IRR reflects both the return on invested capital and the return of the original investment, which are basic considerations of potential investors. Therefore, deriving the IRR from analysis of market transactions of similar properties having comparable income patterns is a proper method for developing market discount rates for use in valuations to arrive at Market Value. Used in discounted cash flow analysis to find the implied or expected rate of return of the project, the IRR is the rate of return which gives a zero net present value (NPV). See also equity yield rate (YE); financial management rate of return (FMRR); modified internal rate of return (MIRR); yield rate (Y).¹

Investment Value: The value of a property interest to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market.¹

Leasehold Interest: The tenant's possessory interest created by a lease. See also negative leasehold; positive leasehold.¹

Leased Fee Interest: A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord relationship (i.e., a lease).¹

Liquidation Value: The most probable price that a specified interest in real property should bring under the following conditions: 1) Consummation of a sale within a short time period; 2) The property is subjected to market conditions prevailing as of the date of valuation; 3) Both the buyer and seller are acting prudently and knowledgeably; 4) The seller is under extreme compulsion to sell; 5) The buyer is typically motivated. 6) Both parties are acting in what they consider to be their best interests. 7) A normal marketing effort is not possible due to the brief exposure time 8) Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto. 9) 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. This definition can also be modified to provide for valuation with specified financing terms.¹

Load Factor: A measure of the relationship of common area to useable area and therefore the quality and efficiency of building area layout, with higher load factors indicating a higher percentage of common area to overall rentable space than lower load factors; calculated by subtracting the amount of usable area from the rentable area and then dividing the difference by the usable area:¹
Load Factor =

$$\frac{(\text{Rentable Area} - \text{Useable Area})}{\text{Useable Area}}$$

Market Value. The major focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined.*

1. The most widely accepted components of market value are incorporated in the following definition: The most probable price that the specified property interest should sell for in a competitive market after a reasonable exposure time, as of a specified date, in cash, or in terms equivalent to cash, under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, for self-interest, and assuming that neither is under duress.

2. Market value is described in the Uniform Standards of Professional Appraisal Practice (USPAP) as follows: "A type of value, stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the definition of the term identified by the appraiser as applicable in an appraisal. (USPAP, 2010-2011 ed.) USPAP also requires that certain items be included in every appraisal report. Among these items, the following are directly related to the definition of market value:

- Identifications of the specific property rights to be appraised.
- Statement of the effective date of the value opinion.
- Specification as to whether cash, terms equivalent to cash, or other precisely described financing terms are assumed as the basis of the appraisal.
- If the appraisal is conditioned upon financing or other terms, specification as to whether the financing or terms are at, below, or above market interest rates and/or contain unusual conditions or incentives. The terms of above- or below-market interest rates and/or other special incentives must be clearly set forth; their contribution to, or negative influence on, value must be described and estimated; and the market data supporting the opinion of value must be described and explained.

3. 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 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 each acting in what they consider their own 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. (Department of the Treasury, Office of the Comptroller of the Currency, Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, Office of Thrift

Supervision and National Credit Union Administration under 12 CFR Part 34, Real Estate Appraisals and Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 ("FIRREA"); and the Interagency Appraisal and Evaluation Guidelines, Federal Register, Volume 75, No. 237, December 10, 2010.)

4. The International Valuation Standards Council defines market value for the purpose of international standards as follows: The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion. (International Valuation Standards, 8th ed., 2007)

5. Market value is the amount in cash, or in terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of the appraisal, after a reasonable exposure time on the open competitive market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the property at the time of the appraisal. (Uniform Standards for Federal Land Acquisitions) ¹

Market Value "As If Complete" On The Appraisal Date:

Market value as if complete on the effective date of the appraisal is an estimate of the market value of a property with all construction, conversion, or rehabilitation hypothetically completed, or under other specified hypothetical conditions as of the date of the appraisal. With regard to properties wherein anticipated market conditions indicate that stabilized occupancy is not likely as of the date of completion, this estimate of value should reflect the market value of the property as if complete and prepared for occupancy by tenants.

Market Value "As Is" On The Appraisal Date: Value As Is -The value of specific ownership rights to an identified parcel of real estate as of the effective date of the appraisal; relates to what physically exists and is legally permissible and excludes all assumptions concerning hypothetical market conditions or possible rezoning. See also effective date; prospective value opinion.

Market Value of the Total Assets of the Business: The market value of the total assets of the business is the market value of all of the tangible and intangible assets of a business as if sold in aggregate as a going concern. This assumes that the business is expected to continue operations well into the future. ⁴

Marketing Time: An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Appraisal Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property Market Value Opinions" address the determination of reasonable exposure and marketing time.) ³

Net Lease: A lease in which the landlord passes on all expenses to the tenant. Also called modified gross lease, single net lease. See also lease. ¹

Net Rentable Area (NRA): 1) The area on which rent is computed. 2) The Rentable Area of a floor shall be computed by measuring to the inside finished surface of the dominant portion of the permanent outer building walls, excluding any major vertical penetrations of the floor. No deductions shall be made for columns and projections necessary to the building. Include space such as mechanical room, janitorial room, restrooms, and lobby of the floor. ⁵

Penetration Ratio (Rate): The rate at which stores obtain sales from within a trade area or sector relative to the number of potential sales generated; usually applied to existing facilities. Also called: penetration factor. ¹

Prospective opinion of value. A value opinion effective as of a specified future date. The term does not define a type of value. Instead it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy. ¹

Reconciliation: The process of reducing a range of value indications into an appropriate conclusion for that analysis, e.g., the derivation of a value

indication from the adjusted prices of two or more comparable sales in the sales comparison. ¹

Reliable Measurement: [The IAS/IFRS framework requires that] neither an asset nor a liability is recognized in the financial statements unless it has a cost or value that can be measured reliably. ²

Remaining Economic Life: The estimated period during which improvements will continue to represent the highest and best use of the property; an estimate of the number of years remaining in the economic life of the structure or structural components as of the date of the appraisal; used in the economic age-life method of estimating depreciation. ¹

Replacement Cost: The estimated cost to construct, at current prices as of the effective appraisal date, a substitute for the building being appraised, using modern materials and current standards, design, and layout. ¹

Retrospective Value Opinion: A value opinion effective as of a specified historical date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Values as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion". ¹

Sales Comparison Approach: The process of deriving a value indication for the subject property by comparing market information for similar properties with the property being appraised, identifying appropriate units of comparison, and making quantitative comparisons with or quantitative adjustments to the sales price (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison. ¹

Scope of Work: The type and extent of research and analysis in an assignment. (USPAP, 2010-2011 ed.) ¹

Stabilized value: A value opinion that excludes from consideration any abnormal relationship between supply and demand such as is experienced in boom periods when cost and sale price may exceed the long-term value, or during periods of depression, when cost and sale price may fall short of long-term value. It is also a value opinion that excludes from consideration any transitory condition that may cause excessive construction costs, e.g., a premium paid due to a temporary shortage of supply.

Substitution: The principle of substitution states that when several similar or commensurate commodities, goods, services are available, the one with the lowest price will attract the greatest demand and widest distribution. This is the primary principle upon which the cost and sales comparison approaches are based. ³

Total Assets of a Business: Total assets of a business is defined by the Appraisal Institute as "the tangible property (real property and personal property, including inventory and furniture, fixtures and equipment) and intangible property (cash, workforce, contracts, name, patents, copyrights, and other residual intangible assets, to include capitalized economic profit)."

Use Value:

In real estate appraisal, the value a specific property has for a specific use; may be the highest and best use of the property or some other use specified as a condition of the appraisal. ¹

¹Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 5th ed. (Chicago: Appraisal Institute 2010). ²Appraisal Institute, *International Financial Reporting Standards for Real Property Appraiser, IFRS Website, www.ifrs-ebooks.com/index.html*. ³Appraisal Institute, *The Appraisal of Real Estate*, 13th ed. (Chicago: Appraisal Institute 2008). ⁴This definition is taken from "Allocation of Business Assets Into Tangible and Intangible Components: A New Lexicon," *Journal of Real Estate Appraisal*, January 2002, Volume LXX, Number 1. This terminology is to replace former phrases such as: value of the going concern. ⁵Financial Publishing Company, *The Real Estate Dictionary*, 7th ed. ⁶U.S. Treasury Regulations

CLIENT ENGAGEMENT LETTER

BBG

July 7, 2016

Karen Belonge
ShopKo Stores Operating Co. LLC
700 Pilgram Way
Green Bay, WI 54304

RE: Appraisal report of a retail property located at 9366 State Highway 16, Onalaska, WI 54650

Dear Ms. Belonge:

We are pleased to submit this proposal and our Terms and Conditions for the appraisal of the referenced real estate.

PROPOSAL SPECIFICATIONS

Scope of Work:

BBG will perform services as outlined below, providing appraisal services on the above referenced property to complete the appraisal to determine the Retrospective Market Value of the fee simple estate of the real property only for ad valorem tax appeal services presented in a narrative appraisal report format as of January 1, 2016.

Purpose/Value Premise:

Form opinion of the Retrospective Market Value for the real property

Property Rights Appraised:

Fee Simple

Intended Use:

Ad Valorem Tax Appeal

CHICAGO

P + 872.221.7960
F + 312.394.1209

200 WEST MONROE STREET
+ STE 510
CHICAGO, IL 60605

BBGRES.COM

Intended User(s): Paradigm Tax Group, property owner and the applicable tax authorities

Appraisal Standards: Uniform Standards of Professional Appraisal Practice (USPAP) and Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.

Fee: \$3,500

Retainer: \$0 (no retainer required)

Expenses: Fee quoted exclusive of expenses

Payment Terms: Fee includes up to four hours of consultation time after delivery of the final reports. Any time incurred thereafter will be billed at an hourly rate as shown below. Travel and waiting time will be incurred at ½ hourly rates shown below:

Managing Director:	\$350/hour
Director	\$275/hour
Senior Appraiser:	\$225/hour
Appraiser:	\$175/hour
Researcher:	\$150/hour
Administrative:	\$85/hour

Report Copies: 1 Final PDF and up to 5 Hard Copies, if requested

July 7, 2016

Page 3

Delivery Date:

Delivery of the appraisal conclusions and/or report(s) will be completed according to the following Delivery Schedule:

Final Report due no later than four (4) weeks from engagement, provided that we receive the signed engagement letter and receipt of all data in a timely manner.

Acceptance Date:

Date of Execution

We appreciate this opportunity to be of service to you on this assignment. If you have additional questions, please contact us.

Sincerely,



Butler Burgher Group, LLC

Brett M. Suszek, MAI, AI-GRS

Director

Phone 872-221-7056

E-mail: bsuszek@bbgres.com

July 7, 2016

Page 4

AGREED AND ACCEPTED

- By signing below, the client authorizes BBG to discuss any and all confidential information related to this assignment with any party listed as an intended user in the draft or final report.
- By signing below, the client authorizes BBG to disclose that they have appraised the subject of this engagement to other parties. Disclosure will not include confidential information.

Kelly Weerts
Signature

7/15/16
Date

KELLY WEERTS
Name

VP-CONTROLLER
Title

920-429-4319
Phone Number

Fax Number

Kelly.Weerts@Shopko.com
E-Mail Address

If Site/Data Contact are different from entity engaging, please provide contact information as follows:

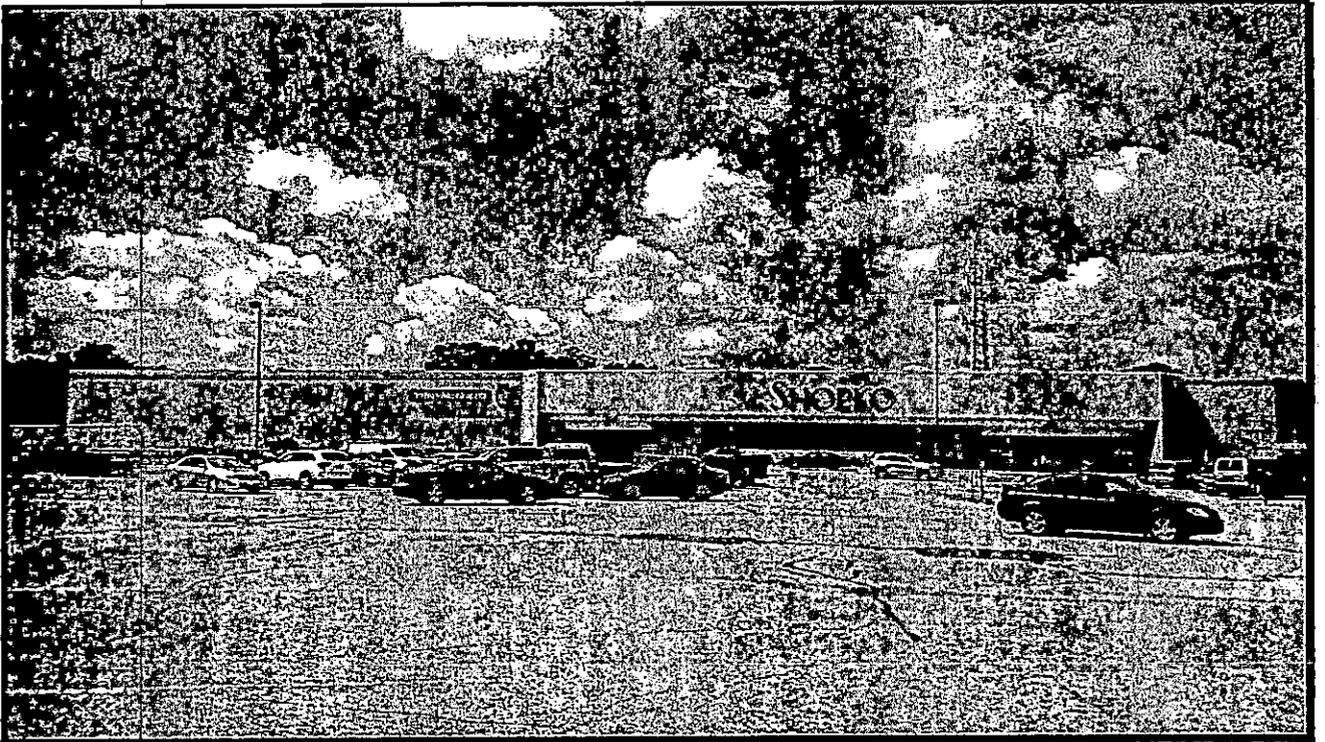
Karen Belongc
Name

Karen.Belongc@Shopko.com
E-mail Address

920-429-4318
Phone Number

Fax Number

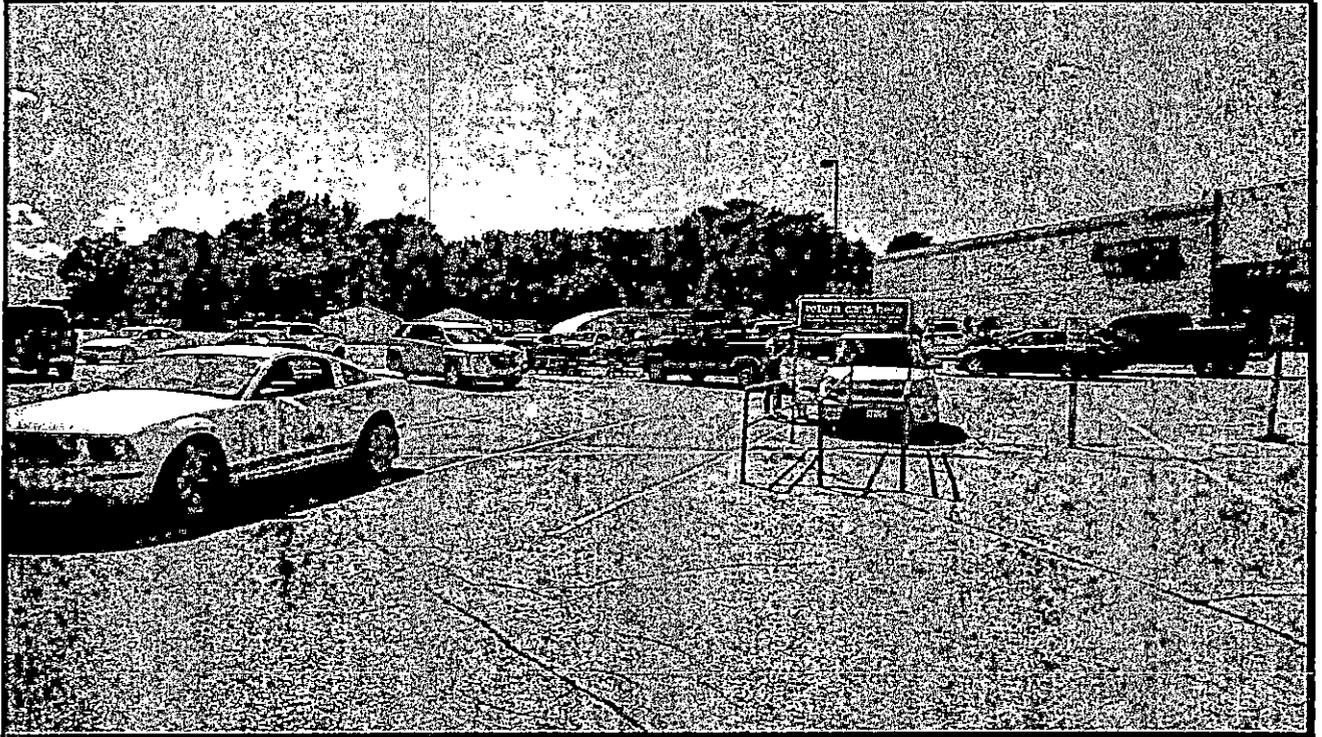
SUBJECT PHOTOS



Subject Exterior



Subject Exterior



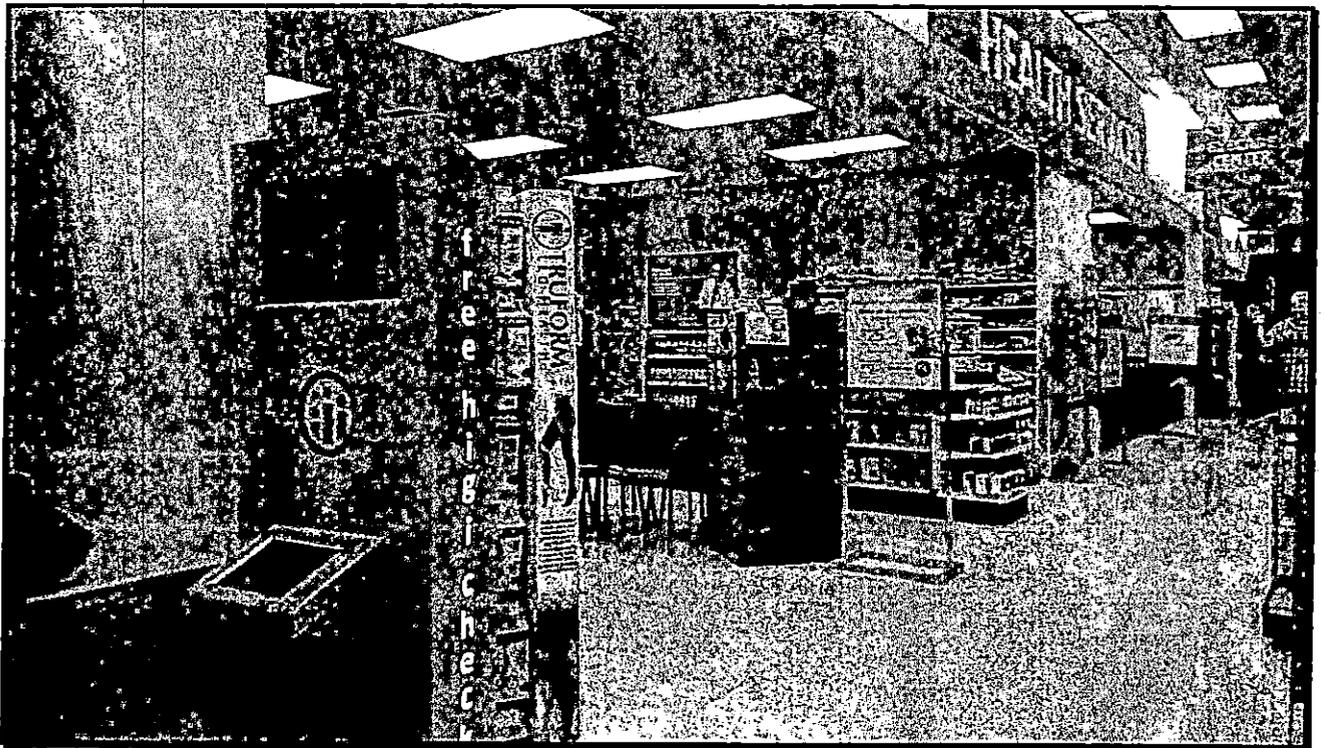
Subject Parking



Subject Signage



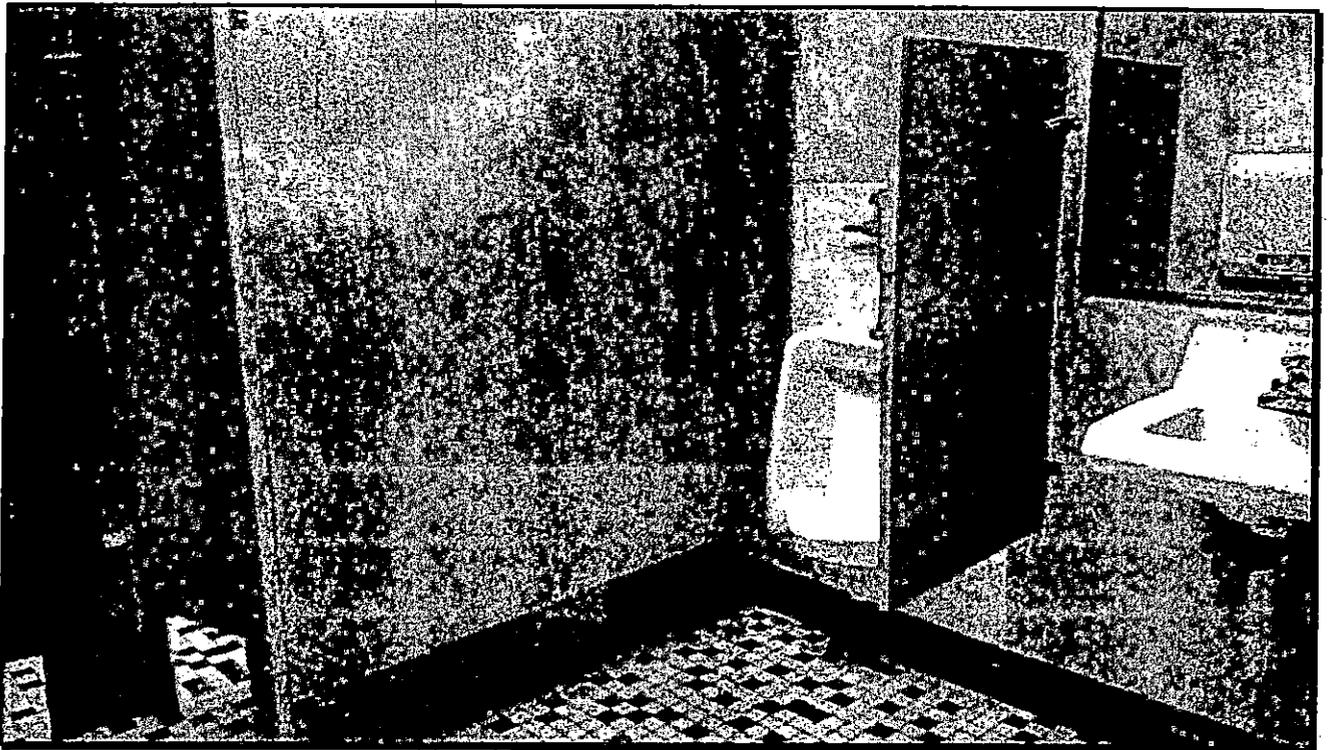
Subject Interior



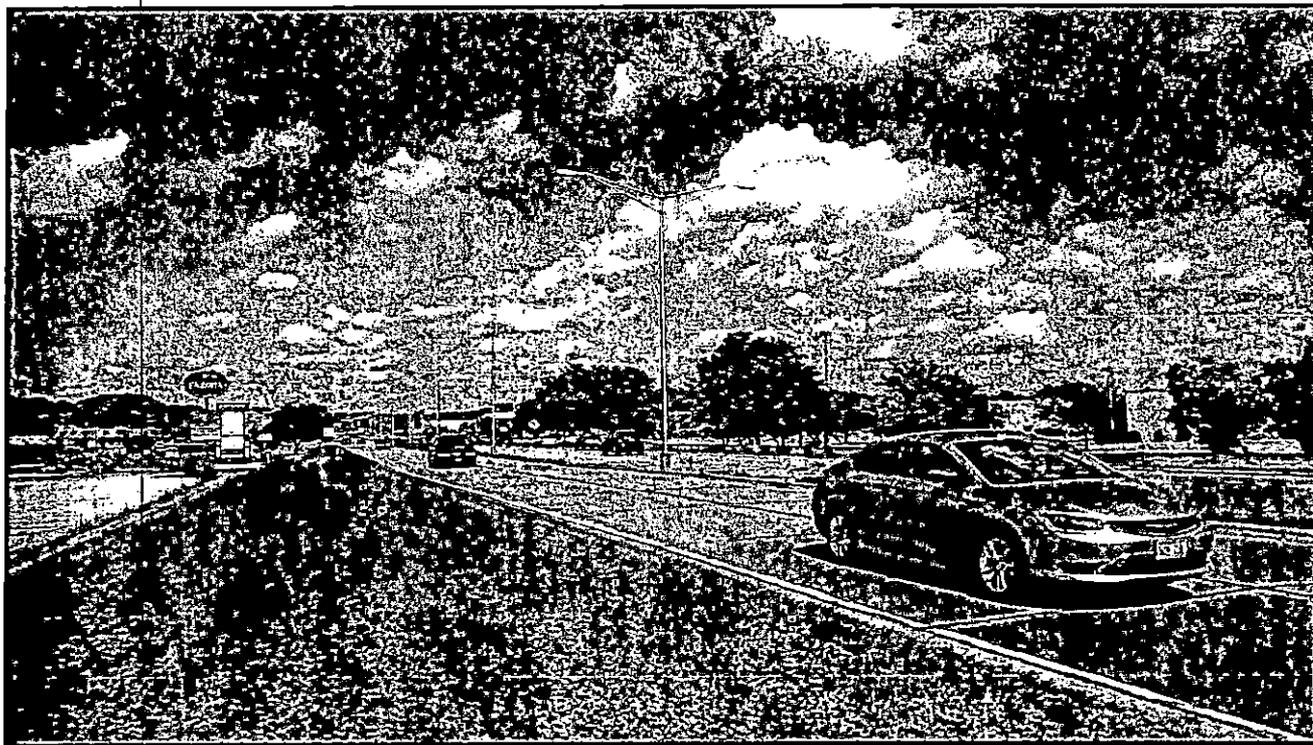
Subject Interior



Subject Entryway



Restrooms



Street Scene



Street Scene

COMPARABLE IMPROVED SALES

PROPERTY INFORMATION



PROPERTY TYPE

Property #: 394524
Property Type: Retail Building
Property Use: Department Store

PROPERTY LOCATION

Address: 2222 Crest View Drive
City, St., Zip: Hudson, WI 54016
County: St Croix
Tax Accounts: 236-1680-05-103

PROPERTY SIZE

	Gross	Net
<i>Land Area:</i>	9.56 Acres (416,477 SF)	9.56 Acres (416,477 SF)
<i>Building Area:</i>	92,971 SF	92,971 SF
<i>Land/ Building Ratio:</i>	4.48 : 1	

BUILDING ATTRIBUTES

Year of Construction: 1989
Quality: Average
Condition: Average

SALE INFORMATION

<i>Consideration:</i>	\$3,800,000	<i>Grantor:</i> Meridian Hudson
<i>Adjustments:</i>	\$0	<i>Grantee:</i> Wal-Brand LLC
<i>Cash Equivalent Price:</i>	\$3,800,000	<i>Date of Sale:</i> 05-14-15
<i>1st Mortgage:</i>	\$0	<i>Sale Status:</i> Closed
<i>2nd Mortgage:</i>	\$0	<i>Record info:</i>
<i>Equity:</i>	\$0	
<i>Sales Price (\$/SF):</i>	\$40.87	

SALE ATTRIBUTES

Occupancy At Sale: 0%

SALE TRANSACTION INFORMATION

Verified On: 3/14/2016
Verified By: Deed/Public record/BMS
Comments: On 5/14/2015, the 92,971 SF retail building at 2222 Crest View Dr in Hudson, WI sold for \$3,800,000 or \$40.87 per square foot.

PROPERTY INFORMATION



PROPERTY TYPE

Property #: 394525
Property Type: Retail Building
Property Use: Department Store

PROPERTY LOCATION

Address: 5801 West War Memorial Drive
City, St., Zip: Peoria, IL 61615
County: Peoria
Tax Accounts: 13-10-201-002

PROPERTY SIZE

	Gross	Net
Land Area:	12.43 Acres (541,451 SF)	12.43 Acres (541,451 SF)
Building Area:	126,222 SF	126,222 SF
Land/ Building Ratio:	4.29 : 1	

BUILDING ATTRIBUTES

Year of Construction: 2003
Quality: Average
Condition: Average

SALE INFORMATION

Consideration:	\$7,900,000	Grantor: Cole Am Peoria IL, LLC
Adjustments:	\$0	Grantee: Methodist Services, Inc.
Cash Equivalent Price:	\$7,900,000	Date of Sale: 05-14-15
1st Mortgage:	\$0	Sale Status: Closed
2nd Mortgage:	\$0	Record info:
Equity:	\$0	
Sales Price (\$/SF):	\$62.59	

SALE ATTRIBUTES

Occupancy At Sale: 0%

SALE TRANSACTION INFORMATION

Verified On: 3/14/2016
Verified By: Marketing brochure/Maloof Commercial Real Estate/Public records/BMS
Comments: This property is a former American TV & Appliance store that was vacant at the time of sale. It was purchased by a religious organization with the intent to convert the space into a college campus for nursing and health sciences.

PROPERTY INFORMATION



PROPERTY TYPE

Property #: 394528
Property Type: Retail Building
Property Use: Department Store

PROPERTY LOCATION

Address: 5150 Highway 52 NE Frontage
City, St., Zip: Rochester, MN
County: Olmsted
Tax Accounts: 74.16.11.057416
Legal Description: Lot 1, Block 1, MENARDS NORTH SUBDIVISION, in the City of Rochester, Olmsted County, Minnesota.

PROPERTY SIZE

	<i>Gross</i>	<i>Net</i>
<i>Land Area:</i>	15.06 Acres (656,014 SF)	15.06 Acres (656,014 SF)
<i>Building Area:</i>	137,460 SF	137,460 SF
<i>Land/ Building Ratio:</i> 4.77 : 1		

BUILDING ATTRIBUTES

Year of Construction: 1984
Quality: Average
Condition: Average

SALE INFORMATION

<i>Consideration:</i>	\$5,093,936	<i>Grantor:</i> Menard John Jr.
<i>Adjustments:</i>	\$0	<i>Grantee:</i> EFR Properties LLC
<i>Cash Equivalent Price:</i>	\$5,093,936	<i>Date of Sale:</i> 03-17-15
<i>1st Mortgage:</i>	\$0	<i>Sale Status:</i> Closed
<i>2nd Mortgage:</i>	\$0	<i>Record info:</i>
<i>Equity:</i>	\$0	
<i>Sales Price (\$/SF):</i>	\$37.06	

SALE ATTRIBUTES

Occupancy At Sale: 0%

SALE TRANSACTION INFORMATION

Verified On: 3/14/2016
Verified By: Edward Pompeian/Realty Growth, Inc./507-202-4755/Public record/BMS
Comments: This represents the allocated portion of a greater transaction totaling \$7,500,000 that included an additional 18,000 SF retail store that would be leased by JoAnn Fabric. The price of \$5,093,936 represents the vacant Menard's only. It was vacant at the time of sale with no deferred maintenance.

PROPERTY INFORMATION



PROPERTY TYPE

Property #: 394529
Property Type: Retail Building
Property Use: Department Store

PROPERTY LOCATION

Address: 103 Oak Avenue
City, St., Zip: Menomonie, WI 54751
County: Dunn
Tax Accounts: 1725122813143300002
Legal Description: PT SW SW A/K/A L 3 CMP 72

PROPERTY SIZE

	Gross	Net
Land Area:	9.05 Acres (394,218 SF)	9.05 Acres (394,218 SF)
Building Area:	87,754 SF	87,754 SF
Land/ Building Ratio:	4.49 : 1	

BUILDING ATTRIBUTES

Year of Construction: 1989
Quality: Average
Condition: Average

SALE INFORMATION

Consideration:	\$3,090,000	Grantor: Km of Menomonie Wisconsin LP
Adjustments:	\$0	Grantee: Larson Family Real Estate LLP
Cash Equivalent Price:	\$3,090,000	Date of Sale: 03-12-15
1st Mortgage:	\$0	Sale Status: Closed
2nd Mortgage:	\$0	Record info:
Equity:	\$0	
Sales Price (\$/SF):	\$35.21	

SALE ATTRIBUTES

Occupancy At Sale: 0%

SALE TRANSACTION INFORMATION

Verified On: 3/14/2016

Verified By: Deborah Carlson/Cushman &
Wakefield/Northmarq/952-465-3300/Marketing
brochure/Public record/BMS

Comments: On March 12, 2015, the 87,754 sf retail building at 103 Oak Ave was sold for \$3,090,000, or about \$35 per foot.

The property was on the market for about five months with an initial asking price of \$3.4 million. The transaction was in escrow for approximately 60 days.

The buyer plans to occupy "30 or 35 thousand square feet" with move-in date "three to six months" down the road, according to their broker. The rest of the building will be leased out, potentially after some redevelopments.

PROPERTY INFORMATION



PROPERTY TYPE

Property #: 394531
Property Type: Retail Building
Property Use: Department Store

PROPERTY LOCATION

Address: 6300 West Brown Deer Road
City, St., Zip: Brown Deer, WI 53223
County: Milwaukee
Tax Accounts: 030-0109-000-0

PROPERTY SIZE

	Gross	Net
Land Area:	10.98 Acres (478,289 SF)	10.98 Acres (478,289 SF)
Building Area:	117,609 SF	117,609 SF
Land/ Building Ratio:	4.07 : 1	

BUILDING ATTRIBUTES

Year of Construction: 2006
Quality: Average
Condition: Average

SALE INFORMATION

Consideration:	\$4,000,000	Grantor: Lowe's Home Center
Adjustments:	\$0	Grantee: Sam's Real Estate Business Trust
Cash Equivalent Price:	\$4,000,000	Date of Sale: 12-17-13
1st Mortgage:	\$0	Sale Status: Closed
2nd Mortgage:	\$0	Record info:
Equity:	\$0	
Sales Price (\$/SF):	\$34.01	

SALE ATTRIBUTES

Occupancy At Sale: 0%

SALE TRANSACTION INFORMATION

Verified On: 3/14/2016
Verified By: Marketing brochure/Public record/BMS
Comments: This property was a former Lowe's Home Improvement store that was purchased by Walmart for conversion and re-opening under the Walmart banner. The property was vacant at the time of purchase.

PROPERTY INFORMATION



PROPERTY TYPE

Property #: 394532
Property Type: Retail Building
Property Use: Department Store

PROPERTY LOCATION

Address: 2020 North Spring Street
City, St., Zip: Beaver Dam, WI 53916
County: Dodge
Tax Accounts: 206-1214-2721-002

PROPERTY SIZE

	Gross	Net
Land Area:	13.46 Acres (586,318 SF)	13.46 Acres (586,318 SF)
Building Area:	102,513 SF	102,513 SF
Land/ Building Ratio:	5.72 : 1	

BUILDING ATTRIBUTES

Year of Construction: 2006
Quality: Average
Condition: Average

SALE INFORMATION

Consideration:	\$2,500,000	Grantor: Home Depot USA, Inc.
Adjustments:	\$0	Grantee: VMG Holdings LLC
Cash Equivalent Price:	\$2,500,000	Date of Sale: 11-07-13
1st Mortgage:	\$0	Sale Status: Closed
2nd Mortgage:	\$0	Record info:
Equity:	\$0	
Sales Price (\$/SF):	\$24.39	

SALE ATTRIBUTES

Occupancy At Sale: 0%

SALE TRANSACTION INFORMATION

Verified On: 3/14/2016
Verified By: Jon Thoresen/Commercial Property Associates Inc./414-271-3235/BMS
Comments: Jon Thoresen confirmed the sale and indicated that it was a straightforward, vacant sale of a former Home Depot with no deferred maintenance.

COMPARABLE RENTALS

PROPERTY INFORMATION



PROPERTY TYPE

Property #: 317736
Property Type: Retail Building
Property Use: Neighborhood/ Community Center

PROPERTY LOCATION

Address: 700 East Magnolia Avenue
City, St., Zip: Manitowoc, WI 54220
County: Manitowoc
Tax Accounts: 330-008-152
Legal Description: N/A

PROPERTY SIZE

	<i>Gross</i>	<i>Net</i>
<i>Land Area:</i> 14.00 Acres (609,840 SF)		14.00 Acres (609,840 SF)
<i>Building Area:</i> 212,000 SF		212,000 SF
<i>Land/ Building Ratio:</i> 2.88 : 1		
<i># of Stories:</i> 1		

BUILDING ATTRIBUTES

Year of Construction: 1979
Quality: Average
Condition: Average

PROPERTY ATTRIBUTES

Site

Road Frontage: E. Magnolia Avenue
Terrain: Generally level
Utilities: All to site
Zoning: Commercial

Improvements

Construction Details: Concrete & Masonry

RENTAL ATTRIBUTES

Rental Rate: \$4.00 - \$15.00 , \$5.00 - avg
Common Area Maint.: Tenant
Taxes: Tenant
Insurance: Tenant
Occupancy Rate: 100%
Historical Occupancy: 100%

RENTAL TRANSACTION INFORMATION

Verified On: 4/29/2015

Verified By: John S. Kesselman/Kesselman Real Estate/BMS

Comments: This comparable represents Lakeshore Mall, a 212,000 SF retail center located at 700 E. Magnolia Avenue in Manitowoc, Wisconsin. Constructed in 1979 this property is situated on a 14.00-acre tract of land. The property is 100.0% leased-occupied with in-place rents ranging from \$4.00/SF to \$15.00/SF on a net basis.

The broker indicated that the asking rent for the single 95,000 SF big box vacancy would range from \$4 - \$6/SF NNN, say \$5.00/SF average.

PROPERTY INFORMATION



PROPERTY TYPE

Property #: **394537**
Property Type: **Retail Building**
Property Use: **Department Store**

PROPERTY LOCATION

Address: **2602 Shopko Drive**
City, St., Zip: **Madison, WI 53704**
County: **Dane**
Tax Accounts: **0810-314-2101-9**

PROPERTY SIZE

	<i>Gross</i>	<i>Net</i>
<i>Land Area:</i>	12.37 Acres (538,837 SF)	12.37 Acres (538,837 SF)
<i>Building Area:</i>	119,923 SF	119,923 SF
<i>Land/ Building Ratio:</i>	4.49 : 1	

BUILDING ATTRIBUTES

Year of Construction: **1982**
Quality: **Average**
Condition: **Average**

RENTAL ATTRIBUTES

Rental Rate: **\$5.95 – avg**
Common Area Maint.: **Tenant**
Taxes: **Tenant**
Insurance: **Tenant**

RENTAL TRANSACTION INFORMATION

Verified On:
Verified By: **Marketing brochure/BMS**
Comments: **Lee & Associates is listing the vacant ShopKo center for \$5.95/SF, NNN.**

PROPERTY INFORMATION



PROPERTY TYPE

Property #: **394539**
Property Type: **Retail Building**
Property Use: **Department Store**

PROPERTY LOCATION

Address: **4404 52nd Street**
City, St., Zip: **Kenosha, WI 53144**
County: **Kenosha**
Tax Accounts: **08-222-35-151-027**

PROPERTY SIZE

	<i>Gross</i>	<i>Net</i>
<i>Land Area:</i>	10.60 Acres (461,736 SF)	10.60 Acres (461,736 SF)
<i>Building Area:</i>	115,499 SF	115,499 SF
<i>Land/ Building Ratio:</i>	4.00 : 1	

BUILDING ATTRIBUTES

Year of Construction: **1988**
Quality: **Average**
Condition: **Average**

RENTAL ATTRIBUTES

Rental Rate: **\$6.00 – avg**
Common Area Maint.: **Tenant**
Taxes: **Tenant**
Insurance: **Tenant**

RENTAL TRANSACTION INFORMATION

Verified On: **3/14/2016**
Verified By: **Brian Vanevenhoven/NAI MLG Comm/BMS**
Comments: **This represents the listing for the vacant Walmart at \$6.00/SF NNN.**

PROPERTY INFORMATION



PROPERTY TYPE

Property #: 394540
Property Type: Retail Building
Property Use: Department Store

PROPERTY LOCATION

Address: 1720 South Federal Avenue
City, St., Zip: Mason City, IA 50401
County: Cerro Gordo
Tax Accounts: 07-16-276-01-300

PROPERTY SIZE

	Gross	Net
Land Area:	9.25 Acres (402,930 SF)	9.25 Acres (402,930 SF)
Building Area:	92,000 SF	92,000 SF
Land/ Building Ratio:	4.38 : 1	

BUILDING ATTRIBUTES

Year of Construction: 1958
Quality: Average
Condition: Fair

RENTAL ATTRIBUTES

Rental Rate: \$5.00 – avg
Common Area Maint.: Tenant
Taxes: Tenant
Insurance: Tenant

RENTAL TRANSACTION INFORMATION

Verified On: 3/14/2016
Verified By: Brett Schoneman/Schoneman Realtors/BMS
Comments: This represents the listing for the vacant Sears store for \$5.00/SF, NNN.

QUALIFICATIONS OF APPRAISERS

BBG

Brett M. Suszek, MAI, AI-GRS

Director
bsuszek@bbgres.com

PROFILE

Brett M. Suszek is a Director at BBG, where he performs appraisals of a variety of property types covering multiple markets. Mr. Suszek has a wide range of proficiencies acquired in appraisal industry including appraisals and appraisal reviews of nearly all property types. He has prepared appraisals for a variety of uses and users, and completed review appraisals for reports prepared by diverse range of appraisal professionals nationally.

Mr. Suszek's duties at BBG include managing and executing the appraisal process for assignments covering a diversity of property types, uses, and users. Assignments completed include all property types, including retail, industrial, office, development land, and special use properties such as data centers, movie theaters, golf courses, regional shopping malls, marinas, and others. Mr. Suszek has appraised properties in over 20 states, Canada, and Australia. Mr. Suszek has also served as expert witness in property tax appeal cases. Properties appraised range in value up to over \$100 million.

Clients served include law firms, private property owners, financial institutions, REITs, pension funds, CMBS servicers, and other users. Assignments have been completed for a variety of uses, including financing, purchase price allocation, ad valorem tax appeal, litigation support, asset valuation, estate tax planning, and purchase price negotiation.

Mr. Suszek is an MAI designated member as well as an AI-GRS designated member through Appraisal Institute. The AI-GRS designation signifies a designated general review specialist who has distinct competency in the formal review of other appraisers' appraisal reports. Mr. Suszek is a state certified appraiser in the state of Michigan.

Prior to joining BBG, Mr. Suszek was a commercial review appraiser at Flagstar Bank in Troy, Michigan, where he performed reviews of commercial appraisals. He initiated and managed the appraisal process through the final reviews and approvals. Appraisals reviewed included properties of all types up to \$500 million in value for single assets across the country.

Prior to Flagstar Bank, Brett was an analyst at Stout Risius Ross in Southfield, Michigan.

SAMPLE APPRAISED AND REVIEWED PROPERTIES & PORTFOLIOS

- Acted as expert witness in property tax appeal for large Baltimore, Maryland apartment complex featuring significant obsolescence, resulting in tax savings for property owner.
- Tax appeal appraisal of two of Dearborn's largest high-rise office buildings saved client over \$1.5MM in tax savings over three tax years.
- Reviewed mega-regional mall appraisal for collateral totaling over \$500 million.
- 350-unit proposed multifamily development appraised in Boston's core market.
- +250K SF non-stabilized mid-rise office asset appraised in Washington DC's CBD for tax appeal purposes.
- Participated in appraising 70+ property portfolio for asset valuation purposes; multiple property types in several states.
- Purchase price allocation for purchase of owned and leased real property in Australia.
- Performed consultation for property owner quantifying damages related to valuing property components of a distressed multifamily development in Davison, Michigan.
- Appraised six-property portfolio of automobile dealerships across Michigan for estate tax purposes.
- Performed retrospective consulting assignment for large, confidential special use property for litigation support purposes.
- Appraised 10-property, mixed-use portfolio in downtown Detroit.
- +200K SF regional lifestyle center tax appeal assignment completed for multiple tax years.
- +120K SF obsolete data center appraised in Ann Arbor, Michigan.

- Net lease properties valued, including convenience stores and complex flex properties with tenants ranging from Family Dollar, FedEx, US Postal Service, and other BBB+ tenants.
-

PROFESSIONAL AFFILIATIONS & LICENSES

- MAI Designated Member
 - Appraisal Institute, General Review Specialist
 - Illinois Certified General Appraiser #553002517
 - Indiana Certified General Appraiser #CG41600006
 - Michigan Certified General Appraiser #1201073788
 - Wisconsin Certified General Appraiser #2190-10
 - Ohio Certified General Appraiser #201600020
 - Candidate Advisor for MAI Candidates of the Appraisal Institute
-

EDUCATION

- Oakland University, Rochester Hills, MI, Bachelor of Science, Finance
 - Appraisal Institute Coursework (Transcript available upon request)
-

PUBLICATIONS

- "Real Estate Investing in a Down Market: Distressed Owner v. Distressed Asset," *The SRR Journal*, Spring 2011
-

The State of Wisconsin
Department of Safety and Professional Services

Hereby certifies that
BRETT M SUSZEK

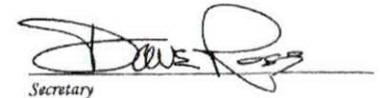
was granted a certificate to practice as a
CERTIFIED GENERAL APPRAISER ELIGIBLE TO APPRAISE FEDERALLY
RELATED TRANSACTIONS IS AQB COMPLIANT

in the State of Wisconsin in accordance with Wisconsin Law
on the 11th day of March in the year 2016.

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

In witness thereof, the State of Wisconsin
Department of Safety and Professional Services
has caused this certificate to be issued under
its official seal.




Secretary



9438 WI 16

Onalaska, WI 54650
 Fully Leased Building
 116,416 SF Retail Freestanding Building

Building

Type	3 Star Retail Freestanding		
GLA	116,416 SF	Tenancy	Single
Stories	1		
Typical Floor	116,416 SF		
Taxes	\$0.95/SF (2015)		
Walk Score®	Car-Dependent (33)		
Transit Score®	Minimal Transit (22)		

Land

Land Acres	10.70 AC	Land SF	465,874 SF
Bldg FAR	0.25		
Zoning	MZA		
Parcel	018-003643-001		

Tenants

Name	SF Occupied
Blain's Farm & Fleet	116,416 SF

Location

Zip	54650
Market	Other Market Areas
County	La Crosse
State	Wisconsin
CBSA	La Crosse-Onalaska, WI-MN
DMA	La Crosse-Eau Claire, WI-MN

Market Conditions

<u>Vacancy Rates</u>		Current	YOY Change
Current Building		0.0%	↔ 0.0%
Market Overall		1.9%	↓ 1.0%
<u>NNN Asking Rents Per SF</u>			
Market Overall		\$12.43	↑ 12.4%

Property Contacts

Recorded Owner Farm & Fleet Of Rice Lake Inc

Demographics

	1 Mi	3 Mi
Population	2,296	20,963
Households	941	8,744
Average Age	41.60	39.80
Median HH Income	\$77,139	\$62,839
Daytime Employees	5,702	17,726
Population Growth '15-'20	↑ 2.0%	↑ 3.3%
Household Growth '15-'20	↑ 1.9%	↑ 3.4%

Traffic

Collection Street	Cross Street	Traffic Vol	Year	Distance
State Road 16	-	10,610	2010	0.13 mi
Pralle Rd	State Hwy 16 NE	10,230	2014	0.13 mi
State Road 16	-	11,613	2010	0.24 mi
State Hwy 16	Co Hwy Ph SW	10,595	2014	0.24 mi
State Road 16	-	19,999	2010	0.28 mi

Made with TrafficMatrix® Products

Assessment

2015 Assessment		
Improvements	\$3,714,000	\$31.90/SF
Land	\$1,286,000	\$2.76/SF
Total Value	\$5,000,000	\$10.73/SF

Property ID: 9696711



La Crosse County Map Viewer

Tax Parcel Search

(1 of 2)

Tax Parcel Information:

Tax Parcel Number	18-3643-1
Tax District Description	City of Onalaska
School District Code	4095
School District Description	ONALASKA SCHOOL
Site Address	9438 STATE ROAD 16
Site City	ONALASKA
Site State	WI
Site Zip	54650
Property Class Code	G2
Property Class	Commercial
Property Description	CERTIFIED SURVEY MAP NO. 146 VOL 1 DOC NO. 905677 LOTS 1 & 2 & CERTIFIED SURVEY MAP NO. SEC 11 S0D34M34SW 2897.18FT TO SLY R/W LN I-90 ALG R/W LN S80D47M41SE 145.62FT TO POB S0D34M34SW 28967.18FT TO SLY R/W LN I-90 ALG SLY R/W LN S80D47M41SE 145.62FT ALG SLY F E LN LOT 2 OF CSM NO. 146 VOL 1 ALG E LN N2D53M48SE 134.85FT TO POB SUBJ TO ESMT IN DOC
First Owner Name	FARM & FLEET OF RICE LAKE INC
Second Owner Name	
Third Owner Name	
Postal Address	PO BOX 5391
Postal City	JANESVILLE
Postal State	WI
Postal Zip	53547
Assessed Land Value	1,286,000.00
Assessed Improvement Value	3,714,000.00
Assessed Total Value	5,000,000.00

[Zoom to](#)

WI-16

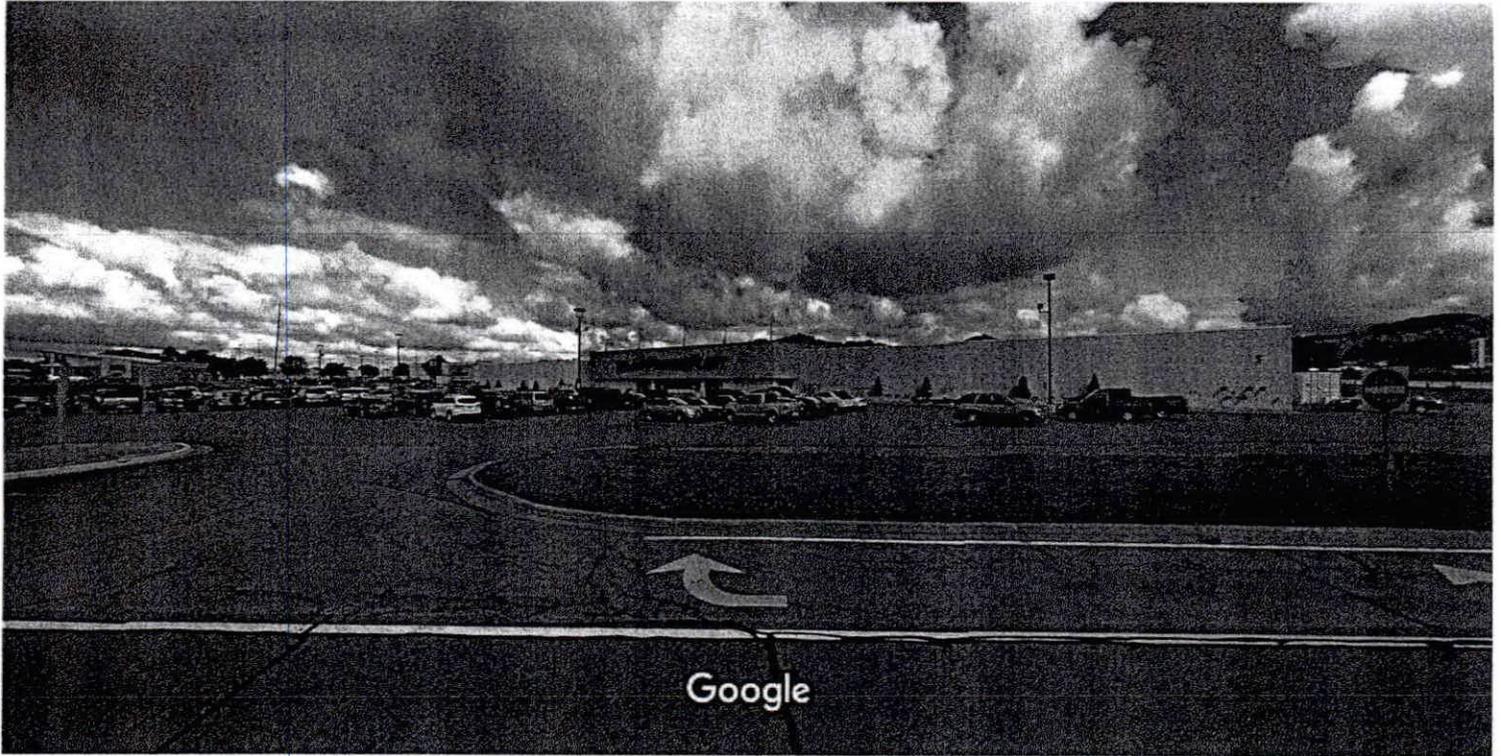


Image capture: Sep 2015 © 2016 Google

Onalaska, Wisconsin

Street View - Sep 2015

Buy

lle Rd



Shopko - Wisconsin Shopko Stores Comparable Analysis

Address	Parcel	City	County	≈ Year Built	Building Sq. Ft.	Land FMV	Building FMV	Total FMV	Total FMV/SF	Total Bldg FMV/SF
2430 E. Mason Street	21-126-11	Green Bay	Brown	1989	105,923	\$1,319,400	\$ 2,860,700	\$4,180,100	\$ 39.46	\$ 27.01
1450 E. Geneva	XPIN 00002	Delavan	Walworth	1995	75,884	\$1,080,000	\$ 2,897,000	\$3,977,000	\$ 52.41	\$ 38.18
4344 Mormon Coulee Rd	17-50323-500	La Crosse	La Crosse	1978	88,669	\$1,715,300	\$ 2,612,700	\$4,328,000	\$ 48.81	\$ 29.47
320 Highway O	276-8001-55-000	Rice Lake	Barron	1994	74,690	\$ 644,900	\$ 2,444,600	\$3,089,500	\$ 41.36	\$ 32.73
518 South Taylor Dr.	215104	Sheboygan	Sheboygan	1993	97,910	\$1,920,400	\$ 1,430,000	\$3,350,400	\$ 34.22	\$ 14.61
822 Park Avenue	206-1114-0321-012	Beaver Dam	Dodge	1996	92,014	\$ 773,300	\$ 2,539,800	\$3,313,100	\$ 36.01	\$ 27.60
1425 Janesville Ave.	226-0514-0931-001	Fort Atkinson	Jefferson	1984	75,063	\$ 454,600	\$ 3,282,200	\$3,736,800	\$ 49.78	\$ 43.73
AVERAGE:				1990	87164.71	\$1,129,700	\$2,581,000	\$3,710,700	\$43	\$30
Subject Shopko										
9366 State Highway 16	018-003589-009	Onalaska	La Crosse	1989	94,413	\$2,729,800	\$ 4,291,600	\$7,021,400	\$ 74.37	\$ 45.46