

APPRAISAL REPORT

of a
Single Family Residence

Timothy M. McCarthy & Brigid A. Bonner
25 Willow Woods Dr.
Tonka Bay, Minnesota 55331

PID 28-117-23-13-0016

MNCIS#
27CV09-09144

Prepared for:

James R. Atchison
Hennepin County Assessor
A2103 Government Center
Minneapolis, MN 55487

By:

Thomas M. Kunik, AMA
Appraiser

Appraisal Date:

January 2, 2008

A2103 Government Center
Minneapolis, MN 55487

June 08, 2010

James R. Atchison
Hennepin County Assessor
A2103 Government Center
Minneapolis, MN 55487

Dear Mr. Atchison:

I submit this summary appraisal report of a complete appraisal for your consideration in the above referenced case to be heard in Minnesota Tax Court. As a summary report, it is important to recognize that this report may not be properly understood without a knowledge of the differences in value reflected in different areas of Lake Minnetonka.

I hereby certify that I have personally inspected the property at 25 Willow Woods Dr., Tonka Bay, Minnesota.

Legally described as:	Registered Land Survey No. 0972 Tract H; Plat 64499 Parcel 5000 A Single Family Residence located in the County of Hennepin. PID # 28-117-23-13-0016
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The purpose of this appraisal is to estimate the market value of a fee simple interest of the property as defined in this report. The content of this report complies with the Uniform Standards of Professional Practice of the Appraisal Foundation. These opinions are based upon an inspection of the property and careful consideration of the many factors that influence market value. They are subject to the assumptions of limiting conditions set forth in this report.

The property was appraised owned in fee simple and unencumbered, subject to the conditions outlined herein.

My final estimate of value for the subject as of January 2, 2008 is \$1,880,000.00.

Respectfully Submitted,

Thomas M. Kunik, AMA
Appraiser, Hennepin County
Minnesota Assessor License #2651

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SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

ADDRESS: 25 Willow Woods Dr.
Tonka Bay, MN 55331

PID Number: 28-117-23-13-0016

Owner/Taxpayer: Timothy M. McCarthy & Brigid A. Bonner

Appraisal Purpose: To estimate the market value of the fee simple interest of the subject property as of January 2, 2008.

Appraisal Function: To be submitted as evidence in a tax appeal before the Minnesota Tax Court, Small Claims Division
(MNCIS # 27CV 09-09144)

Zoning: Parcel (28-117-23-13-0016) R-1A Single Family Residential

Highest and Best Use: If vacant - Residential
As improved - Residential

Site Size: 28-117-23-13-0016 @ 21,494 SF

Improvements: House built in 1987

Hennepin County Assessor

Estimated Market Value on 1/2/2008:	<u>Land</u>	<u>Building</u>	<u>Total</u>
	\$1,740,000	\$ 258,000	\$1,998,000

Indications of Value Market Approach: \$ 1,880,000

Reconciled Market Value: \$ 1,880,000

	<u>Land</u>	<u>Building</u>	<u>Total</u>
28-117-23-13-0016 1-2-2008	\$1,590,000	\$ 290,000	\$ 1,880,000

CERTIFICATION

I certify that, except as otherwise noted, in the appraisal report:

I have personally viewed the subject property. All comparables described within the attached report have had site visits.

I have no present or contemplated future interest in the real estate that is the subject of this appraisal report.

I have no personal interest either with respect to the property that is the subject of this report or with the parties involved. My compensation is not contingent upon the valuation conclusions within the appraisal report.

To the best of my knowledge and belief the statements of fact contained in this appraisal report, upon which the analyses, opinions and conclusions expressed herein are based, are true and correct.

This appraisal report sets forth all of the limiting conditions affecting the analyses, opinions and conclusions contained in this report.

The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or approval of a loan.

This appraisal report has been made in conformity with the Uniform Standards of Professional Appraisal Practice.

No one provided significant assistance in preparation of the analyses, conclusions, and opinions concerning the real estate that are set forth in this appraisal report to the undersigned.

Thomas M. Kunik, AMA
Appraiser, Hennepin County
Minnesota Assessor License #2651

GENERAL UNDERLYING ASSUMPTIONS

The legal description used in this report is assumed to be correct.

No survey of the property has been made by the appraiser, and no responsibility is assumed in connection with such matters. Sketches in this report are included only to assist the reader in visualizing the property.

No responsibility is assumed for matters of a legal nature affecting title to the property nor is an opinion of title rendered. The title is assumed to be good and marketable.

Information furnished by others is assumed to be true, correct and reliable. A reasonable effort has been made to verify such information; however, no responsibility for its accuracy is assumed by the appraiser. All mortgages, liens, encumbrances, leases, and servitudes have been disregarded unless so specified within the report. The property is appraised as though under responsible ownership and competent management.

It is assumed that there are no hidden or unapparent conditions of the property (other than those addressed in this appraisal), subsoil, or structures which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover such factors.

It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws unless non-compliance is stated, defined and considered in the appraisal report.

It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless an exception has been stated, defined and considered in the appraisal report.

It is assumed that all required licenses, consents or other legislative or administrative authority from any local, state or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted within the report.

GENERAL LIMITING CONDITIONS

Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event, only with properly written qualification and only in its entirety. The distribution of the total valuation in this report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land improvements must not be used in conjunction with any other appraisal and are invalid if so used.

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 medium without written consent and approval of the appraiser. Nor shall the appraiser, firm, or professional organization of which the appraiser is a member be identified without written consent of the appraiser.

FUNCTION OF THE APPRAISAL

This appraisal report has been prepared for litigation pending before the State of Minnesota Tax Court.

PROPERTY RIGHTS APPRAISED

The subject is appraised in fee simple as though unencumbered and subject to the City of Tonka Bay Zoning Ordinance.

The date of the appraisal is January 2, 2008.

SCOPE OF THE APPRAISAL

This appraisal is intended to be a comprehensive asset valuation analysis to determine the market value of the subject property given the conditions of the real estate market, and the physical and financial condition of the asset as of the dates of the appraisal. In this appraisal, the most probable market value of the fee simple interest is estimated. The scope of this appraisal encompasses the research and analysis necessary to prepare a report in accordance with the Standards of Professional Practice of the Appraisal Institute. In regard to the subject property, the following steps were involved:

1. The property located at 25 Willow Woods Drive, Tonka Bay, Minnesota, was inspected on November 24, 2009. The owner, Ms. Brigid Bonner, and I were present at the time of the inspection.
2. Regional, city and neighborhood data was compiled using several sources. The primary sources were the North Star MLS, Hennepin County and the City of Tonka Bay.
3. The subject property data was based upon a physical inspection, and information provided by city staff.
4. All approaches to value were considered for this appraisal. Because of limited rental market data available and the age of the subject, the cost approach and income approach were not used. The appropriate scope of work for this appraisal assignment includes the market approach only. The property sales used were collected from the certificates of real estate value on file. Sales were verified with knowledgeable parties.
5. After assembling and analyzing the data defined in the scope of the appraisal, a final estimate of value was made for the property.

IDENTIFICATION OF THE SUBJECT PROPERTY

The subject property is located on the West side of Gideon's Bay. The property sits northeast of city hall approximately ¼ mile. 25 Willow Woods Drive is east of County Road 19 off of Woodpecker Ridge Rd. in the City of Tonka Bay. The subject property consists of a 1987- built, 3,821 square foot rambler that is slab on grade with an attached three car garage of good quality. The lot is 21,494 square feet in size with 130 feet of frontage on a sugar sand based shoreline.

The property address is: 25 Willow Woods Drive
 Tonka Bay, Minnesota 55331

The property identification number used by Hennepin County for property taxes on the petitioned parcel is:

PID: 28-117-23-13-0016 Torrens

The primary property parcel is legally described as:

Plat: 64499 Parcel: 5000

Registered Land Survey No. 0972

The property owners/ taxpayers as listed by Hennepin County are:

Timothy M. McCarthy & Brigid A. Bonner

PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to estimate the market value of the fee simple estate of the single family residence located at 25 Willow Woods Drive, in the City of Tonka Bay, as of January 2, 2008.

The test: Appraisal of Real Estate, Twelfth Edition, copyright 2001, defines market value as:

“Market Value: The most probable sale price as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably and for self-interest, and assuming that neither is in undue stress.”

Minnesota Statutes section 273.03, subdivision 8 defines market value as:

“Market value means the usual selling price at the place where the property to which the term is applied shall be at the time of assessment: being the price which would be obtained at a private sale or at an auction sale, if it is determined by the assessor that the price from the auction sale represents an arm's length transaction. The price obtained at a forced sale shall not be considered.”

Implicit in this definition is the consummation of a sale as of a specified date and that passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated.
2. Both parties are well informed or well advised, and each acting in what the party considers its own best interest.
3. A reasonable time is allowed for exposure in the open market.
4. Payment is made in cash or its equivalent.
5. Financing, if any, is on terms generally available in the community at the specific date and typical for the property in its locale.
6. The price represents a normal consideration for the property sold, unaffected by special financing amounts and/or terms, services, fees, costs, or credits incurred in the transaction.

SITE DESCRIPTION

The subject consists of an irregular shaped parcel. The parcel area contains 21,494 square feet, per the Hennepin County Surveyors Office. The current area size is using the new digitized GIS system in the Hennepin County Surveyor's Office, well within their tolerance for accuracy without having an actual survey done on the property. The property parcel is legally described as:

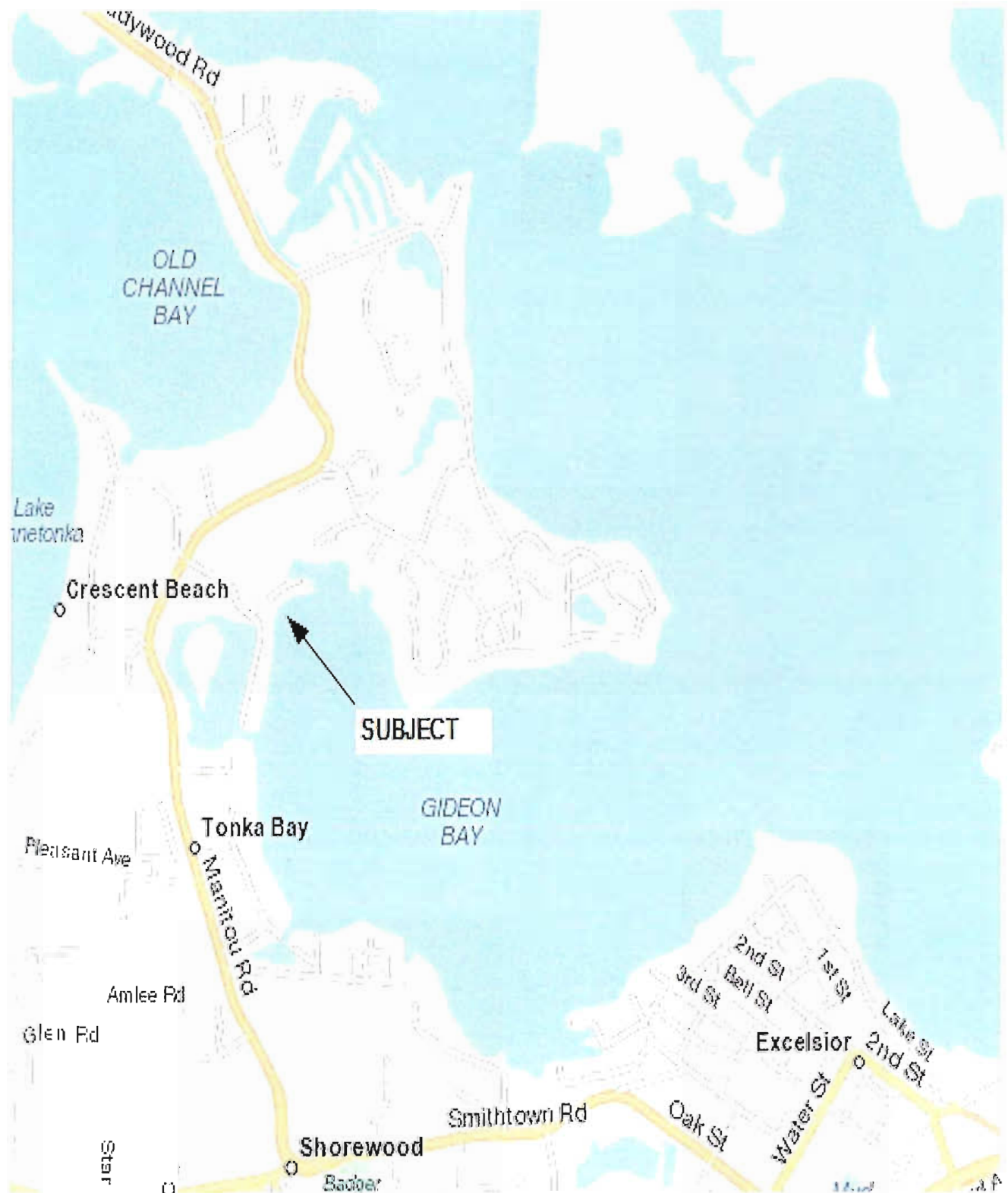
(28-117-23-13-0016)
Registered Land Survey # 0972; Current Title: Torrens; Tract: H
Plat-64499 ; Parcel- 5000

The subject parcel is zoned R-1A, Single Family Residential which requires a minimum size of 20,000 square feet and a minimum lot width of 75 feet. The subject site is considered by the city to be a legally conforming lot as to its size and width.

The subject site is located in the center of the city from north to south and on the eastern edge on the lake in the City of Tonka Bay. The site is easily accessible by Interstate 394, Highway 12, and Highway 7. Willow Woods Dr. is accessed from Hennepin County Rd. 19 and Woodpecker Ridge Road.

The subject site area is irregularly shaped. The site is level from the street to the structure and gradually slopes down to the lake in the back of the site. The north and south boundary of the property borders single family residence, the eastern boundary borders Lake Minnetonka, and the western boundary borders Willow Woods Drive. The site is adequately landscaped and access to the lake is at the eastern side.

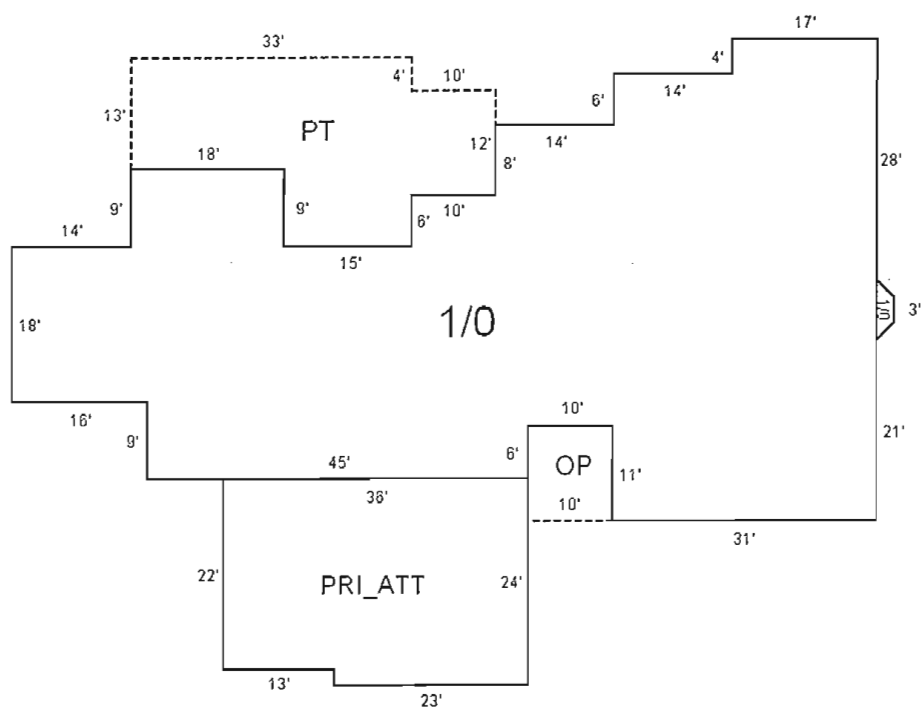
Map of The City of Tonka Bay



Subject Aerial Map



Subject Photo and Sketch



Sketch by Apex Medina™

DESCRIPTION OF THE IMPROVEMENTS

The subject property is located on Willow Woods Drive in the City of Tonka Bay, a lake Minnetonka community. The house was built in 1987 and is grade on slab with a gross building area of 3821 square feet. There is an attached three car garage of 838 square feet and an open porch area on the street side entrance of the house. On the lake side of the house there is paver block style patio of 684 square feet. The house consists of three bedrooms, three baths and three fireplaces. The master bedroom is located at the lake side of the house and contains a private bathroom that has a separate tub and shower, two walk-in closets and views of the lake. The kitchen, dining room, living room, family room, and office all have lake views. The kitchen and hall areas have glazed tile for flooring, with carpet flooring throughout the rest of the house. The kitchen has hardwood cabinets, and solid surface (corian) style countertops that have been updated from the original. The office has a wall of built in cabinets/bookcases.

The exterior of the house is predominantly cedar lap siding on the sides and back, with brick as a secondary on the front of the house. The windows are a good quality casement style. The attached three car garage is insulated and sheet rocked. There is an open porch type area at the streetside entryway that keeps out the rain and snow. At the lake side is a recently updated patio area of 684 square feet. The roof is a hip style with cedar handsplit shakes as a covering.

Mechanically, the house is average in utility. The heating and air conditioning is supplied from a forced-air system. The subject's electrical system is adequate for the size of the home and is supplied by a 200 amp service.

Overall, the subject is in good condition. No major problems were observed during the inspection. The only detriments noticed to the structure would be its lack of a basement and a layout issue of the flow from room to room. The subject owner mentioned the build-up of water milfoil when the cutting machines worked in Gideon's Bay. The owners have maintained the property and it appears newer than its actual age. The view of lake is exceptional from most of the rooms inside the house.

ADDITIONAL PHOTOS



Lakeside of House



View of Lake

HIGHEST AND BEST USE

The highest and best use is defined as:

“The reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.”

This definition is from The Appraisal of Real Estate, 12th edition, copyright 2001, American Institute of Real Estate Appraisers.

The highest and best use analysis requires two separate studies – one for the site as if vacant and ready for development and one site as presently improved. In each of these studies, there are four items to consider.

1. POSSIBLE USE - These uses are physically possible on the site.
2. LEGAL USE - Those uses which are permitted by zoning ordinances and/or deed restrictions of the subject site.
3. FEASIBLE USE - Those possible and legal uses which will provide a net return to the owner.
4. HIGHEST AND BEST USE - Of the feasible uses, this will produce the greatest net return or highest present value of the site.

A search of title was not completed and this analysis assumes no private deed restriction.

Conclusions of Highest and Best Use

If Vacant

The subject's primary site is an irregular shaped parcel containing 21,494 square feet. The site is level from the street to the structure and gradually slopes down to the lake in the back. The current zoning of R-1A, Single Family Residential, allows several options. Examples of acceptable uses include single family detached dwellings; day care facilities serving twelve (12) or fewer persons; residential care facilities serving six (6) or fewer persons. Of the uses that are

physically possible, legally possible, not speculative, and profitable would be to use the subject site for single family residential.

As Improved

On the date of the appraisal, January 2, 2008, the subject's primary site was improved in 1987 with a detached single family residence. The use of the subject site is in conformance with zoning codes. Given the subject property is currently zoned R-1A, Single Family Residential, the current improvements are considered to be an acceptable use of the site.

SALES HISTORY

According to Hennepin County property tax records, the most recent sale for the subject property was:

06/1997 Sale price: \$ 703,000.00.

The buyers are the current owners. This sale was not listed in MLS, but an expired listing from 1996 showed an asking price of \$759,000.

MARKETABILITY

According to the Uniform Standards of Professional Practice, appraisals should state as closely as possible the factors which affect the marketability of the subject property. It is felt that the marketability of the property is displayed in the selected comparables. All comparable sales were purchased within a reasonable period of time from the appraisal date. All comparables are located in the general area of the subject and the buyers of the comparables were motivated by the comparables' location. No unusual terms of financing were observed by the comparable buyers in my analysis.

APPRAISAL PROCESS

There are three basic approaches that may be used by appraisers in the estimation of market value: the Cost Approach, the Income Approach, and the Direct Sales Comparison Approach. These three approaches provide data from the market from three different sources when all are available.

The Cost Approach is based on the premise that the value of a property is indicated by the current cost to construct a new improvement (either replacement or reconstruction cost) less accrued depreciation, plus the estimated value of the site. The site value is determined as if vacant and available or the development value of the site to its highest and best use. The valuation of the site is estimated by comparing it to the comparables for any differences between

the subject and the comparables. This approach is most reliable when the improvements are new or nearly new and represents the highest and best use of the subject. The cost approach to value was considered in this appraisal but not deemed applicable due to the age of the subject.

The Income Capitalization Approach is used for investment properties. Its premise involves the estimation of the amount of new income which, when capitalized in a manner that is commensurate with the risk and life expectancy of the improvements, will indicate the present value of the income stream. This approach is not commonly used to determine the value of single family residential properties. The income approach to value was not considered in this appraisal.

Direct Sales Comparison Approach

The Direct Sales Comparison Approach is also known as the Market Approach. It is a method of estimating value where a subject property is compared with like properties that have recently sold. The Direct Sales Comparison Approach is based on the principal of substitution, meaning that the value of a property that is replaceable in the market tends to be set by the cost of acquiring an equal substitute property. For the principal of substitution to be functional, there has to be an adequate number of similar properties in the market.

The direct sales comparison approach is generally the most useful approach for residential properties and is the most easily understood of the three approaches to value estimation.

In the direct sales comparison approach, an estimate of value is obtained by comparing the subject property at 25 Willow Woods Drive to similar properties that have recently sold. Adjustments are made to the comparables for differences in location, sale date, and physical differences for an indication of value for subject for the effective date of the appraisal.

SALES COMPARISON ADJUSTMENT GRID

		SUBJECT	COMPARABLE #1	COMPARABLE #2	COMPARABLE #3	COMPARABLE #4				
ADDRESS:		25 Willow Woods Dr.	4620 Manitou Rd.	55 Mound Ave.	35 Interlachen Pl.	185 Woodpecker Rdg Rd				
CITY:		Tonka Bay, Mn.	Tonka Bay, Mn.	Tonka Bay, Mn.	Tonka Bay, Mn.	Tonka Bay, Mn.				
PID #:		28-117-23-13-0016	28-117-23-11-0007	28-117-23-43-0033	21-117-23-41-0013	28-117-23-42-0016				
SALE DATE:			Jan.-07	May-07	Dec.-07	Jul.-07				
SALE PRICE:			\$1,705,000	\$2,250,000	\$1,070,000	\$1,550,000				
TIME ADJUSTMENT:			1.20%	0.80%	0.10%	0.60%				
ADJ. SALE PRICE:			\$1,725,460	\$2,268,000	\$1,071,070	\$1,559,300				
ADJ. SALE / SQ. FT.			\$471.95	\$526.22	\$472.46	\$443.49				
TYPE OF BLDG:		1-Story	1 1/2-Story	2-Story	2-Story	2-Story				
1ST FLR AREA:		3,821	2,906	1,646	1,288	2,134				
GROSS BLDG AREA:		3,821	3,656	\$8,250	4,310 (\$24,450)	2,267 \$77,700	3,516	\$15,250		
QUALITY:		Good	Same	Sl.Superior	(\$25,000)	Same	Sl.Superior	(\$25,000)		
AGE:		1987	1966	\$42,000	2002 (\$30,000)	1996 (\$18,000)	1998	(\$22,000)		
CONDITION:		Good	Same	Sl.Superior	(\$25,000)	Same	Sl.Superior	(\$25,000)		
1ST FLR RMS:		10	4	6	5	4				
2ND FLR RMS:		0	2	4	2	6				
BED ROOMS:		3	3	4	4	3				
BATHS:	DLX:	1	1	1	1	1				
	FULL:	1	0	\$5,000	3 (\$10,000)	1	1			
	3/4:	1	1		0 \$3,500	1	1			
	1/2-1/4:	0	1 (\$2,500)	1 (\$2,500)	1 (\$2,500)	1 (\$2,500)	1 (\$2,500)			
BASEMENT AREA:		None	None	1332 (\$13,300)	1288 (\$13,000)	None				
FIN. BSMT. AREA:		0	0	800 (\$24,000)	1,085 (\$33,000)	None				
WALKOUT:		No	No	No	Yes (\$10,000)	No				
FIREPLACES:		3	3	1	\$10,000	1 \$10,000	1 \$10,000			
HEAT/COOLING:		FHA/CA	FHA/CA	FHA/CA	FHA/CA	FHA/CA				
GARAGE: TYPE		3-Car Att.	3-Car Att.	2-Car Att.	\$5,000	2-Car Att.	\$5,000	3-Car Att		
DECK/PTO		684 S.F.	904 S.F.	(\$2,200)	520 S.F.	\$1,600	404 S.F.	\$2,800	710	
PORCHES:		O.P.	G.P.	(\$5,000)	O.P.	O.P.	O.P.			
LOT SIZE SQ. FT:		21,494	45,776 (\$119,000)	16,079	\$29,000	17,418	\$22,600	10,238	\$58,000	
LOCATION:		Gideons Bay	Channel Bay	\$50,000	Same	Channel	\$150,000	Same		
Busy Road		None	Co.Rd.19	\$150,000	None	None	None	None		
FRONTAGE:		130 F.F.	170 F.F.	(\$160,000)	60 F.F.	\$280,000	65 F.F.	\$260,000	50 F.F.	\$320,000
OTHER:	GUEST HSE	None	Yes (\$5,000)	None	None	None	None	None		
BACK BAY ACCESS		None	None	None	None	None	Yes (\$30,000)			
Inferior Layout		Yes	None (\$20,000)	None (\$20,000)	None (\$20,000)	None (\$20,000)	None (\$20,000)			
Big Water View		Yes	Yes	Yes	None	\$100,000	Yes			
NET ADJUSTMENT:			(\$58,450)	\$154,850	\$531,600	\$278,750				
ADJ. SALE PRICE:			\$1,667,010	\$2,422,850	\$1,602,670	\$1,838,050				
ADJ. SALE / SQ. FT:			\$436.28	\$634.09	\$419.44	\$481.04				

Indicated Value As Of January 2, 2008: \$1,880,000

COMPARABLE SALES



Comparable #1

4620 Manitou Rd.
Tonka Bay, Mn.



Comparable #2

55 Mound Ave.
Tonka Bay, Mn.



Comparable #3

35 Interlachen Place
Tonka Bay, Mn.



Comparable #4

185 Woodpecker Ridge
Tonka Bay, Mn.

Owners' Concerns

The main concern of the owners is that the Assessed Year 2008 value doesn't reflect the value in 2009 which is the year the taxes are due on the 2008 value. They are also concerned that the water milfoil cuttings that wash up on their shore decrease their value.

Direct Sales Comparison Approach Adjustment Grid

All 4 comparable sales below are within the City of Tonka Bay and on Lake Minnetonka. The comparables are all good quality single family residential properties. Gross Living Area adjustments were based on \$50.00 per square foot above ground and \$40.00 per square foot below ground. All remaining adjustments are consistent, reasonable, and are indicative of market perception. I did not make an adjustment the build-up of water milfoil cuttings on the shoreline due to this being an issue with all comparable properties.

Comparable #1: Comparable #1 sold in January 2007 for \$1,705,000.00. The structure is a 3,656 square foot 1-1/2 story built in 1966. It is located approximately 3/4 mile north of the subject on County Rd. #19. This property has no basement like the subject but there is a guest cottage on the property of minimal value.

Comparable #2: Comparable #2 sold in May 2007 for \$2,250,000.00. The structure is a 4,310 square foot 2-story built in 2002. It is located approximately 1 mile south of the subject. This property is newer than the subject but it is located on the same bay with similar lakeshore desirability.

Comparable #3: Comparable #3 sold in December 2007 for \$1,070,000.00. The structure is a 2,267 square foot 2-story built in 1996. It is located approximately 1-1/2 mile north of the subject. This property is located on a channel of less desirable water frontage.

Comparable #4: Comparable #4 sold in July 2007 for \$1,550,000.00. The structure is a 3,516 square foot 2-story built in 1998. It is located less than 1/4 mile south of the subject. This property is the closest in proximity and the most comparable.

CONCLUSIONS OF SALES COMPARISON APPROACH

After adjustments for differences between the subject property and the comparables, the indicated effective sale price ranges from \$418.13 to \$640.63 per square foot. The indicated value range of the subject is \$1,597,670.00 to \$2,447,850.00. The mean value of the comparables is \$1,880,232.50. Comparable #1 has the least net adjustments and Comparable #4 is the closest in proximity to the subject and I would consider Comparable #4 to be the most comparable. The best indicator of value due to the differences in lakeshore properties would be the mean value. Therefore, my opinion of value as of January 2, 2008, is \$1,880,000.00.

Comparable Sales Map



COMPARABLE 1



COMPARABLE 2



COMPARABLE 3



COMPARABLE 4

Comparables Location Map



RECONCILIATION OF VALUE INDICATIONS

For this appraisal, the Direct Sales Comparison Approach (Market Approach) provides the most reliable indication of market value to the availability of significant data and the proximity of that data.

Based on the analysis of all the pertinent facts and giving most weight to the sales comparison approach, it is my opinion that the market value of the subject as of January 2, 2008, is \$1,880,000.00.

Estimated Market Value

As of

January 2, 2008

ONE MILLION EIGHT HUNDRED EIGHTY THOUSAND DOLLARS

\$1,880,000

ADDENDA

HENNEPIN COUNTY CUMULATIVE GROWTH- 03/02/2010							
PERCENT OF CHANGE FROM PREVIOUS YEAR							
	PT	2006	2007	2008	2009	2010	5 YEAR TOTAL
	A	5.40%	2.60%	5.00%	9.70%	6.80%	-13.50%
TONKA BAY	C	24.50%	14.40%	0.00%	1.60%	2.20%	35.10%
	R	14.20%	11.00%	1.20%	3.80%	6.80%	15.80%
	Y	2.60%	7.00%	2.60%	4.80%	8.60%	-1.20%

PROPERTY TYPE INDEX
A= APARTMENT: FOUR OR MORE UNITS
C= COMMERCIAL
F= FARMS
I= INDUSTRIAL
R= SINGLE FAMILY RESIDENTIAL
X= CONDOMINIUMS
Y= TOWNHOMES

QUALIFICATIONS OF THE APPRAISER, THOMAS M. KUNIK, AMA

EXPERIENCE:

Fee Appraisal for Scott Renne Appraisals LLC, January 1999- August 2001
Appraiser- Carver County Assessors Office, April 2000- October 2001
Appraiser- Hennepin County Assessor's Office, October- 2001- Present

APPRAISAL AND RELATED EDUCATION:

Pro Source Educational Services Courses-

- Appraisal 101- Introduction to Appraisal Principals I
- Appraisal 102- Introduction to Appraisal Principles II
- Appraisal 103- Introduction to Appraisal Practices I
- Appraisal 104- Introduction to Appraisal Practices II
- Appraisal 105- Introduction to Appraisal Standards and Ethics
- Appraisal 106/201- Appraisers Guide to Residential Construction

University of Minnesota Continuing Education Courses

- Course A- Assessment Law, History and Procedures
- Course H- Mass Appraisal
- Course J – Basic Income Approach to Value
- USPAP: Uniform Standards of Professional Appraisal Practice
- Ethics for Minnesota Assessors,

International Association of Assessing Officers

- Course 102- income Approach to Value

PROFESSIONAL DESIGNATION:

A.M.A. - Accredited Minnesota Assessor, license # 2651

PROFESSIONAL MEMBERSHIP:

Member, Minnesota Association of Assessing Officers