

Heritage Preservation Application Statement

City of Minneapolis,

Because of the unsafe and dangerous condition of the structure located at 2309 West 53rd Street, it should be fully demolished. The cost of renovation is economically unfeasible (see specifications and scope of work).

The reasons the existing structure is unsafe and needs to be demolished are as follows:

- There is extensive water damage throughout the structure due to continued leaking of the roof and a major plumbing and heating flood in February 2013.
- There is mold present throughout the structure.
- The structural integrity of the building is in dilapidated condition (see letter from Structural Engineer and photographs).
- Portions of the structure are boarded.
- There is no present electrical, plumbing, heating or water present in the structure.
- The sewer connection to the street has collapsed.

Due to the items listed above, the structure in its present condition is unlivable. We believe any vacant, dilapidated home is unsafe for the local community.

The current structure has a negative economic value on the property in its present condition. The cost of renovation is entirely prohibitive (please see specifications and scope of work).

The best use of the property and economic value for the current owners and surrounding neighbors would be the demolition of the existing structure and construction of a new home.

Thank you for your time in this matter.

Sincerely,

Jerry Carlson

Jerry Carlson
Lee Homes Inc.
8 Willow Road
North Oaks, MN 55127

Dear City of Minneapolis,

I am the builder and prior owner of 2309 West 53rd Street in Minneapolis. I purchased the property on 4/10/2012. I sold the property to the current owners on 8/2/2013 with the intent to tear down the structure and build a new home. They used a one-time construction loan for the financing of the new build. At no time during my purchase or my selling of the property was I aware of any potential issue for pulling a wrecking permit.

This home was in such difficult shape that it had to be sold for cash. Some of the issues included a bad foundation, leaking roof, continuous water intrusion into the basement, exterior and interior rot, inadequate electric and sagging floors throughout the house.

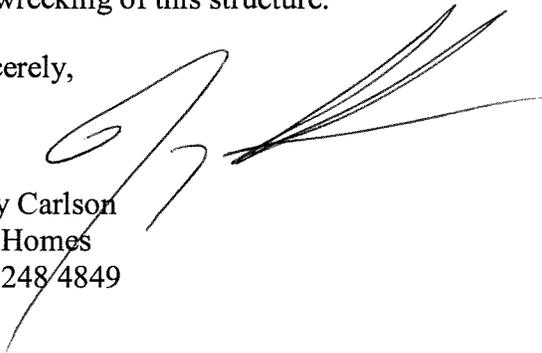
In the February of 2013 we suffered a large water break to the upstairs plumbing and heating system (please see letter from Ron Molstad). Water ran for numerous days which we believe may have caused the sewer to collapse just outside the house discovered by North Suburban Water and Sewer. Because of the water break and damage to the home along with possibility of mold issues, we performed no restoration work on the home, as the home at this point was uninhabitable and un-repairable.

At Lee Homes we always try to be eco friendly, because of this the few things that weren't destroyed from the water damage we tried to salvage. We have had a salvager working on the premises the last few months. Because of the water break in the heating and plumbing systems all pipes for both have been completely removed along with boiler and furnace, both of which were completely ruined. The salvager puts salvageable items on Craigslist and other media outlets.

Because of the condition of the property, I sincerely hope to be allowed to move forward with the wrecking of this structure.

Sincerely,

Jerry Carlson
Lee Homes
651 248 4849

A handwritten signature in black ink, appearing to be 'J. Carlson', written over a light blue horizontal line. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Becklin & Whitney
Consulting Engineers, Inc.
139 1ST AVE. E, SUITE 100
P. O. BOX 471
CAMBRIDGE, MN 55008
PHONE (763) 689-5631 FAX (763) 552-5631

September 12, 2013

Jerry Carlson
Lee Homes

RE: Structural & Code Review of Home
2309 W 53rd Street
Minneapolis, MN
Hennepin County, Minnesota

To Whom It May Concern:

Introduction & Background

We were asked to review the home at 2309 W 53rd Street and determine what is required to bring the structure up to Current Building Code requirements. The purpose of our report is to aid in determining if structure can be economically repaired or if demolition is warranted. We will be addressing both structural issues and other Building Code issues. We visited the site on Tuesday, September 3, and met with Jerry Carlson or Lee Homes.

The home is a two story w/ a full basement and is located on the south side of West 53rd Street. The home has been vacant for a couple of years. The home was likely built in the 1930's. It is our understanding that the roof has been leaking for some time and there was heating system leak that flooded portion of the home last winter. We have been provided with numerous photos of all portions of the structure. The photos are being with this letter.

Observations & Discussion

Roof Structure & Ceiling (2nd Floor)

The roof has many leaks, which is apparent from all of evidence of leaks in the ceiling of the second floor. There is deterioration of the roof structure from many leak locations.

The roofing needs to be replaced and all damaged roof boards replaced. We believe that portions or the roof structure framing is deteriorated. A new roof structure may need to be installed on the home. All of the ceilings are lathe & plaster and falling down in many locations. All of the ceilings on second floor will need to be removed and replaced w/ a vapor barrier and new gypsum.

Ceiling of 1st Floor and Flooring of 1st and 2nd

There is also water damage to ceiling for 1st floor and flooring of 2nd floor. The Ceilings and floor covering will need to be removed and replaced as needed. We suspect that 1/3 to 1/2 of ceilings and floors will need to be replaced.

Walls

The siding on the home is in bad shape. The siding needs to be replaced. A weather resistive barrier will need to be added behind new siding.

Based on the age of structure and plaster walls, insulation in the wall is likely of low R value or nonexistent in many locations. Interior walls should be stripped and new insulation and vapor barrier installed along with new gypsum wall covering.

Foundation

The foundation is badly deteriorated on the south and east wall. These foundation walls need to be replaced or reinforced. Reinforcement could be accomplished with an engineered interior 2x6 wall designed to retain the existing concrete wall and soil behind.

Recommendations for Repair

Replace the entire roof structure. This includes replacing all ceilings on 2nd floor. New ceilings would include a vapor barrier and new gypsum.

Remove and replace remaining ceiling and floors as needed. We suspect the floor and ceiling structures are sound in most cases and that all of flooring needs to be replaced and 1/2 of ceilings need to be replaced.

Wall need to be stripped to studs on both sides and rebuilt to code. Wall restorative work would include new siding, weather resistive barrier, insulation, vapor barrier and gypsum.

The south and east foundation walls need to be removed and replaced or reinforced as described above.

Conclusions

The home is in dilapidated condition. A lot of repairs are needed to bring it up to Code. Lee Homes will need to determine costs for repair vs. costs of demolition and building a new structure. Our judgment is that the costs of repair are too high and repair will not be economically feasible.

Attachments

Photos



SPECIFICATION, OR REPORT WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND THAT I AM A DULY REGISTERED PROFESSIONAL ENGINEER UNDER THE LAWS OF THE STATE OF MINNESOTA.

William A Becklin

WILLIAM A. BECKLIN, P.E.
DATE: SEPTEMBER 12, 2013 REG. NO.
18494

I HEREBY CERTIFY THAT THIS PLAN,

Bryan and Marcie Nichols

2309 West 53rd Street, Minneapolis

Bid if Restoration was done to bring home back to livable

1300 square feet

1 bedroom 1 bath

No Garage or parking

\$252,500 house only

New price with lot included \$482,500

Subject to final review

Standard Features List 9-14-2013

Foundation

Engineered reinforced walls added to interior to help hold crumbling & cracked foundation

Both sets of stairs in home brought to code (presently unsafe to even walk on)

Remove all sheetrock, lath and plaster on entire home from flood

Repair or replace all floor areas with water damage water damage and or mold

Repair or replace water damage and or mold areas of exterior walls

Mold abatement through-out home

Cost \$30,00.00 (Allowance Number This may go up when walls are exposed)

Windows remove and replace what windows are left

Anderson 100 Series or casement replacement windows through-out

Windows are taped and sealed.

Cost \$12,000

Siding, Soffits & Fascia

Removal and replace of all siding

Repair of all rotted areas with new wood

Tyvek house wrap

LP smart siding & Hardie shakes on all sides of the home

Painting of complete exterior

Cost \$21,000

Misc. Exterior

Removal and replace concrete on Front Stoop, steps & sidewalk

Front steps will extend from the front door and the sidewalk will taper down to 42 inches

Cost \$4,500

Water Proofing

Add Interior & exterior draitile around perimeter of basement with sump pump.

All foundation walls to be sprayed with watch dog below grade & poly wall above grade

Passive Radon system with sealed sump basket with venting through the roof

Cost \$8,500

Roofing

Complete removal & replace of the entire old roof

Structural trusses to be used

Shingles to be 30 Year timberline

Cost \$26,500

Plumbing

Kitchen sink double stainless steel (sink is included in granite allowance)

Garbage disposal & water line for refrigerator included

Delta, single pull chrome kitchen faucet with sprayer.

Gerber water closet

Bath to have a free standing soaking tub with Delta chrome faucets

Bath to have separate shower fiberglass pan and tiled walls (\$5.00 sq/ft. material) standard installation on ceramic

Bath to include Shower door in chrome

Bath to have double sinks with Delta single pull chrome faucets

Hot and cold valves for washer

50-gallon natural gas power vented water heater.

Two (2) exterior water spigots.

Venting location at installers' discretion.

Cost \$16,500

Heating

There is no usable heating in the home at this time

Carrier 13 seer central air conditioner.

Carrier 92% + forced air-heating system installed according to the requirements of National Society of Heating and Ventilation

Venting for dryer.

Heat, cool thermostat.

Air to air exchanger.

Location of heat ducts, returns and thermostat at installers' discretion.

Cost \$20,000

Electrical

All electrical work to comply with STATP ordinances.

All electrical brought to up to code

200 AMP electrical service sized to fit plan.

Three (3) - telephone rough-ins provided.

Three (3) - cable jacks provided.

Includes 12 recessed lights.

Telephone connections and fees to be the responsibility of the buyer

Cost \$12,500

Insulation remove and replace

All exterior wood framed walls to receive batt. Insulation (R19) with 4 mil-poly vapor barriers over.

Upper ceiling contains blown in fiberglass insulation (R-44) with 4 mil-poly vapor barriers over.

Foundation walls to Thermax (R10) taped, and sealed at all opening and seams.

Close cell polyurethane foam on all Rim Joists and Cants

Cost \$11,000

All Sheetrock to be removed & replaced

Wall surfaces are covered with 1/2" gypsum board. All joints to receive tape, three (3) coats of joint cement and will be sanded to finish. Ceilings to receive 5/8" gypsum board. Ceiling joints to receive tape, two (2) coats of joint cement and will have a knock down finish.

Garage to be sheet rocked complete and to receive (1) coat of fire tape

Cost \$12,000

Millwork to be removed & replaced

All millwork to be removed (we will salvage what if any we possible can)

Enameled solid core flat doors

No trim on windows, minimal trim on doors

Stool and apron

4 1/4" flat style baseboards.

Closets to contain wire rod and shelving.

Cost \$14,000

Exterior Doors remove and replace

Two (2) Exteriors insulated six panel steel doors. Dead bolts on all exterior doors.

Entry contains single glass door with glass side light

Cost \$4,000

Cabinets (No cabinet in home at this time)

Enameled flat style cabinets made to fit

42" uppers cabinets

Two bin pull out garbage

Concealed hinges

Cost \$15,000

Painting

Interior woodwork enameled

Interior wall surfaces to receive two (2) coats Sherwin Williams Flat Paint.

Base wall color: Homeowners choice.

Secondary accent color: Homeowners choice

Cost \$14,000

Bath Accessories, Countertops, Mirrors

Countertops: kitchen to be granite with under mount sink

Vanity: to have granite and under mount sink

Mirrors: Custom made to fit vanity sizes.

One (1)-towel bars and one (1) paper holder included per bath.

Cost \$5,000

Remove & replace all flooring

Carpet: Stairs, Bedroom & Closet (\$30.00 sq/yd. installed).

Hardwood: Entry, Kitchen, great room & dining (\$9.00 sq/ft. installed).

Ceramic: Bath, (\$5.00 sq/ft. material). Standard installation

Cost \$13,000

Lighting

Lighting fixture allowance: **\$2,000.00.**

Appliances

No appliances in home at this time

Allowance: **\$5,000.00**

Sod & Landscaping

Repair and replace all damaged and disturbed areas from const.

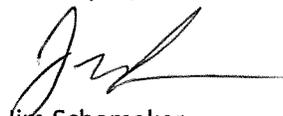
Cost 6,000.00

Jim Schomaker Construction
Cement Contractor
7275 West 165th Street
Rosemount, MN 55068

To Whom it May Concern:

Per a request from Lee Homes on August 9, 2013, I was asked to go inspect and render an opinion of the foundation of 2309 West 53rd Street in Minneapolis. I found that the foundation has numerous large cracks and substantial deterioration. There appears to have been many patch type repairs throughout the years. I believe the foundation is sub-standard and may be compromised.

Thank you,

A handwritten signature in black ink, appearing to read 'Jim Schomaker', with a long horizontal stroke extending to the right.

Jim Schomaker
612-618-5032



Bainville

EXTERIORS INC.

MN LIC #20204063

2434 Hillview Road
Moundsview MN 55112
Office 763-783-3994 Fax 763-784-1895
Siding ~ Soffit ~ Fascia
Windows ~ Seamless Gutters

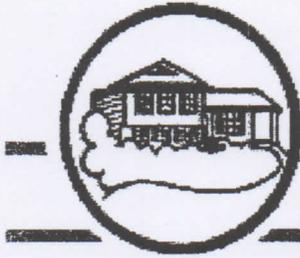
To Lee Homes and
City of Minneapolis

I inspected the siding on 2309 West 53rd Street Minneapolis MN and found significant deterioration and damage on quite a few areas on the home. Many areas appear to have been damaged in the application and or removal of the previous siding. There are thousands of nails and penetrations with many of them splitting shakes throughout the home. There appears to be water getting behind the siding because of these penetrations. The continued water intrusion into the home will accelerate the deterioration further of both the walls and shakes.

There is extensive damage by woodpeckers and other animals through-out. There are areas of rot on the shakes, trim, soffits, and fascia. All of the decorative trim boards that where on the home originally were cut or ripped off to apply the new siding. The back and side of the home has bare plywood with substandard siding in some areas

Lance Bainville
Bainville Exteriors
612-616-4399

10f2



Bainville

EXTERIORS INC.

MN LIC #20204063

2434 Hillview Road
Moundsview MN 55112
Office 763-783-3994 Fax 763-784-1895
Siding ~ Soffit ~ Fascia
Windows ~ Seamless Gutters

To Lee Homes and
The City of Minneapolis

Upon inspection of the roof I have determined that it is worn and has failed. It is and has been leaking for some time and is in extremely poor condition. There is also water leaking in and around the chimney which is brittle and falls apart to the touch.

Lance Bainville
Bainville Exteriors

20f2



City of Minneapolis,

In the beginning of February 2013, I arrived at the home at 2309 West 53rd Street in Minneapolis to handle a couple items requested by the builder. Upon my arrival I discovered that the plumbing upstairs had burst and flooded the entire home with water on all levels pouring through the ceilings. When I arrived in the basement there were 3-4 inches of standing water.

At that point I contacted the builder. He asked me to cut the water off and lock up the structure.

Regards,

A handwritten signature in blue ink that reads "Ron Molstad". The signature is fluid and cursive, with a long horizontal stroke at the end.

Ron Molstad

651-248-1609

9/13/2013

Remodel Valuation

To The City of Minneapolis,

The house located at 2309 West 53rd would require an extensive remodel of the structure which would make it economically infeasible to do.

The existing structure style has some economic viability and antiquation issues which constrains its value. This is over and above the repair and remodeling costs. There are two rooms, a bath and a porch upstairs. Only one of rooms can be considered a bedroom. The other room is considered a common room as it's needed to access the bath. There is also a porch, which in order to get to you have to go through the bathroom. The main floor has a Living room, Dining room, Kitchen and a back porch. The basement is unfinished.

There are no one-bedroom comparables in the area. The home also does not have a garage and would be unable to have one. Attached are sold comparables that were closed after 3/1/2013. The comparables used are 2-3 Bedrooms and the large majority have 2 baths. All have garages.

I believe the remodeled value would \$240,000-\$245,000.

See attached comparables.

Sincerely,



Richard Kotoski

Coldwell Banker Burnet

651-486-5507



Lee Homes <leehomescorp@gmail.com>

2br 1 1/2 story sold 1/1/13+ 2309 w 53rd

1 message

Richard Kotoski <rkotoski@cbburnet.com>

Fri, Sep 13, 2013 at 4:54 PM

To: "Kotoski, richard" <rkotoski@cbburnet.com>

Cc: "Carlson, Jerry" <leehomescorp@gmail.com>, ariana@cbburnet.com

Richard Kotoski
Coldwell Banker Burnet
100 Village Center Drive
North Oaks, MN 55127
[651-486-5507](tel:651-486-5507) Direct
[651-483-1200](tel:651-483-1200) Office
[651-387-1314](tel:651-387-1314) Cell
[651-482-9149](tel:651-482-9149) Home

Click the following URL to see the report:

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[Click this link if you wish to Unsubscribe.](#)



Lee Homes <leehomescorp@gmail.com>

comps

1 message

Richard Kotoski <rkotoski@cbburnet.com>

Fri, Sep 13, 2013 at 5:27 PM

To: "Kotoski, richard" <rkotoski@cbburnet.com>, "Carlson, Jerry" <leehomescorp@gmail.com>

Richard Kotoski
Coldwell Banker Burnet
100 Village Center Drive
North Oaks, MN 55127
[651-486-5507](tel:651-486-5507) Direct
[651-483-1200](tel:651-483-1200) Office
[651-387-1314](tel:651-387-1314) Cell
[651-482-9149](tel:651-482-9149) Home

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[Click this link if you wish to Unsubscribe.](#)



Lee Homes <leehomescorp@gmail.com>

solds 2-3 br

1 message

Richard Kotoski <rkotoski@cbburnet.com>

Fri, Sep 13, 2013 at 5:15 PM

To: "Kotoski, richard" <rkotoski@cbburnet.com>, "Carlson, Jerry" <leehomescorp@gmail.com>

Cc: ariana@cbburnet.com

Richard Kotoski
Coldwell Banker Burnet
100 Village Center Drive
North Oaks, MN 55127
[651-486-5507](tel:651-486-5507) Direct
[651-483-1200](tel:651-483-1200) Office
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[651-482-9149](tel:651-482-9149) Home

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[Click this link if you wish to Unsubscribe.](#)



Lee Homes <leehomescorp@gmail.com>

use this map

1 message

Richard Kotoski <rkotoski@cbburnet.com>
To: "Carlson, Jerry" <leehomescorp@gmail.com>
Cc: ariana@cbburnet.com

Fri, Sep 13, 2013 at 6:06 PM

Richard Kotoski
Coldwell Banker Burnet
100 Village Center Drive
North Oaks, MN 55127
[651-486-5507](tel:651-486-5507) Direct
[651-483-1200](tel:651-483-1200) Office
[651-387-1314](tel:651-387-1314) Cell
[651-482-9149](tel:651-482-9149) Home

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Lee Homes <leehomescorp@gmail.com>

use this one 1/4 page

1 message

Richard Kotoski <rkotoski@cbburnet.com>
To: "Carlson, Jerry" <leehomescorp@gmail.com>

Fri, Sep 13, 2013 at 6:05 PM

Richard Kotoski
Coldwell Banker Burnet
100 Village Center Drive
North Oaks, MN 55127
[651-486-5507](tel:651-486-5507) Direct
[651-483-1200](tel:651-483-1200) Office
[651-387-1314](tel:651-387-1314) Cell
[651-482-9149](tel:651-482-9149) Home

Click the following URL to see the report:

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A. Settlement Statement (HUD-1)

B. Type of Loan

1. <input type="checkbox"/> FHA	2. <input type="checkbox"/> RHS	3. <input checked="" type="checkbox"/> Conv. Unins.	6. File Number: 21108	7. Loan Number: 3250134727	8. Mortgage Insurance Case Number:
4. <input type="checkbox"/> VA	5. <input type="checkbox"/> Conv. Ins.	<input type="checkbox"/> Other			

C. Note: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(POC)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.

D. Name & Address of Borrower: Bryan L. Nichols, 5104 Penn Ave. S, Minneapolis, MN 55419
Marcie M. Nichols, 5104 Penn Ave. S, Minneapolis, MN 55419

E. Name & Address of Seller: Exceptional Homes By Design, Inc., a Minnesota Corporation, 8 Willow Road, North Oaks, MN 55127

F. Name & Address of Lender: Associated Bank, N. A., 200 North Adams Street, Green Bay, WI 54301, Loan: 3250134727

G. Property Location: 2309 W 53rd Street Minneapolis, Minnesota 55410

Lot 003, Block 002, RERAT'S CREEKSIDE ADDITION Subdivision, Hennepin County, Minnesota

17-028-24-44-0118

H. Settlement Agent: TitleSmart, Inc., 2127 East County Road D, Suite A, Maplewood, MN 55109, (651) 779-3075
Place of Settlement: 2127 East County Road D, Suite A, Maplewood, MN 55109

I. Settlement Date: 8/2/2013 **Proration Date:** 8/2/2013 **Disbursement Date:** 8/2/2013

*Official
Lot Sale
only*

J. Summary of Borrower's Transaction		K. Summary of Seller's Transaction	
100. Gross Amount Due from Borrower		400. Gross Amount Due to Seller	
101. Contract sales price <i>LOT -</i>	\$230,000.00	401. Contract sales price	\$230,000.00
102. Personal property		402. Personal property	
103. Settlement charges to borrower (line 1400)	\$409,099.85	403.	
104. Commission Draw 6% of \$744,145.00 to Coldwell Ba	\$44,648.70	404.	
105. First Draw to Contractor to Exceptional Homes By De	\$60,000.00	405.	
Adjustments for items paid by seller in advance		Adjustments for items paid by seller in advance	
106. City/town taxes		406. City/town taxes	
107. County taxes		407. County taxes	
108. Assessments		408. Assessments	
109. HOA Dues		409. HOA Dues	
110.		410.	
111.		411.	
112.		412.	
120. Gross Amount Due from Borrower	\$743,748.55	420. Gross Amount Due to Seller	\$230,000.00
200. Amounts Paid by or in Behalf of Borrower		500. Reductions in Amount Due to Seller	
201. Deposit or earnest money	\$1,000.00	501. Excess deposit (see instructions)	
202. Principal amount of new loan(s)	\$650,000.00	502. Settlement charges to seller (line 1400)	\$300.00
203. Existing loan(s) taken subject to		503. Existing loan(s) taken subject to	
204.		504. Payoff of first mortgage loan	
205.		505. Payoff of second mortgage loan	
206. Earnest money to builder from Exceptional Homes B	\$5,000.00	506. 1st Half 2013 Taxes w/ Penalty to Hennepin County	\$1,895.36
207.		507. No Levied/Pending Assessments	
208.		508.	
209.		509.	
Adjustments for items unpaid by seller		Adjustments for items unpaid by seller	
210. City/town taxes		510. City/town taxes	
211. County taxes 7/1/2013 to 8/2/2013	\$313.53	511. County taxes 7/1/2013 to 8/2/2013	\$313.53
212. Assessments		512. Assessments	
213. HOA Dues		513. HOA Dues	
214.		514. Water	\$143.79
215.		515.	
216. Seller Paid SDT	\$782.00	516. Seller Paid SDT	\$782.00
217.		517.	
218.		518.	
219.		519.	
220. Total Paid by/for Borrower	\$657,095.53	520. Total Reduction Amount Due Seller	\$3,434.68
300. Cash at Settlement from/to Borrower		600. Cash at Settlement to/from Seller	
301. Gross amount due from borrower (line 120)	\$743,748.55	601. Gross amount due to seller (line 420)	\$230,000.00
302. Less amounts paid by/for borrower (line 220)	(\$657,095.53)	602. Less reductions in amount due seller (line 520)	(\$3,434.68)
303. Cash <input checked="" type="checkbox"/> From <input type="checkbox"/> To Borrower	\$86,653.02	603. Cash <input checked="" type="checkbox"/> To <input type="checkbox"/> From Seller	\$226,565.32

SUBSTITUTE FORM 1099 SELLER STATEMENT - The information contained in Blocks E, G, H and I and on line 401 (or, if line 401 is asterisked, lines 403 and 404), 406, 407 and 408-412 (applicable part of buyer's real estate tax reportable to the IRS) is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction will be imposed on you if this item is required to be reported and the IRS determines that it has not been reported.

SELLER INSTRUCTION - If this real estate was your principal residence, file form 2119, Sale or Exchange of Principal Residence, for any gain, with your income tax return; for other transactions, complete the applicable parts of form 4797, Form 6252 and/or Schedule D (Form 1040).

You are required to provide the Settlement Agent with your correct taxpayer identification number. If you do not provide the Settlement Agent with your correct taxpayer identification number, you may be subject to civil or criminal penalties.

Uniform Residential Appraisal Report

File # 14789

FEATURE	SUBJECT	COMPARABLE SALE # 4		COMPARABLE SALE # 5		COMPARABLE SALE # 6	
Address	2309 W. 53rd Street Minneapolis, MN 55410-2502	4841 Zenith Avenue S Minneapolis, MN 55410-1824		4912 Washburn Avenue S. Minneapolis, MN 55410-1814			
Proximity to Subject		0.80 miles NW		0.64 miles NW			
Sale Price	\$ 744145	\$ 684195		\$ 798877		\$	
Sale Price/Gross Liv. Area	\$ 259.83 sq.ft.	\$ 295.17 sq.ft.		\$ 313.78 sq.ft.		\$ sq.ft.	
Data Source(s)		NSMLS #4349480,DOM 13		NSMLS #4370646,DOM 8			
Verification Source(s)		Public Records		Public Records			
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+ (-) \$ Adjustment	DESCRIPTION	+ (-) \$ Adjustment	DESCRIPTION	+ (-) \$ Adjustment
Sale or Financing		ArmLth		Listing	-8000		
Concessions		Conv.858	-858	.0			
Date of Sale/Time		s06/13;Unk	0	Active			
Location	N,Res;	N,Res;		N,Res;			
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple			
Site	6098 sf	5227 sf	0	5227 sf	0		
View	N,Res;	N,Res;		N,Res;			
Design (Style)	2 Story	2 Story		2 Story			
Quality of Construction	Q3	Q3		Q3			
Actual Age	0	0	0	0	0		
Condition	C1	C1		C1			
Above Grade	Total Bdrms. Baths	Total Bdrms. Baths		Total Bdrms. Baths		Total Bdrms. Baths	
Room Count	9 4 2.1	9 4 2.1		8 4 2.1	0		
Gross Living Area	2864 sq.ft.	2318 sq.ft.	21800	2546 sq.ft.	12700		
Basement & Finished	1280sf0sf	1185sf0sf	0	1273sf1162sf	-24000		
Rooms Below Grade				3rr1br1.0ba0o	0		
Functional Utility	Average	Average		Average			
Heating/Cooling	F.A./Central	F.A./Central		F.A./Central			
Energy Efficient Items	None Noted	None Noted		None Noted			
Garage/Carport	2 Car Garage	2 Car Garage		2 Car Garage			
Porch/Patio/Deck	Balcony	Porch	0	Deck,Patio,Por.	-5000		
Fireplace (s)	Two	One	3000	One	3000		
Net Adjustment (Total)		<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ 23942	<input type="checkbox"/> + <input checked="" type="checkbox"/> -	\$ 21300	<input type="checkbox"/> + <input type="checkbox"/> -	\$
Adjusted Sale Price of Comparables		Net Adj. 3.5 % Gross Adj. 3.8 %	\$ 708137	Net Adj. -2.7 % Gross Adj. 6.6 %	\$ 777577	Net Adj. % Gross Adj. %	\$

Summary of Sales Comparison Approach

Prior Sale
↓
Recent comp
↓

ITEM	SUBJECT	COMPARABLE SALE #4	COMPARABLE SALE #5	COMPARABLE SALE #6
Date of Prior Sale/Transfer	04/12/2012	06/24/2013		
Price of Prior Sale/Transfer	175000	252353		
Data Source(s)	MLS, Public Records	MLS, Public Records	MLS, Public Records	
Effective Date of Data Source(s)	07/15/2013	07/15/2013	07/15/2013	

Analysis of prior sale or transfer history of the subject property and comparable sales

ANALYSIS / COMMENT

Uniform Residential Appraisal Report

File # 14789

The Intended Use is to evaluate the property that is the subject of this appraisal for an opinion of market value, subject to the stated Scope of Work, purpose of the appraisal, reporting requirements of this appraisal report form, and Definition of Market Value. No additional Intended Users are identified by the appraiser. The appraiser is not responsible for unauthorized or unintended uses of this report. The effective date of value is either the date when the appraiser physically inspects the property or, if specified, another date specifically defined by the Lender/Client.

Unless otherwise stated in this report, the scope of the appraisal is as follows: in arriving at a final value estimate, the appraiser made an investigation to determine market trends, market influences and other significant factors pertinent to the subject property. A more detailed review of the collected data was then performed with all known relevant factors extracted and considered. Sales were examined and confirmed as closed transactions from one or more data sources. Market factors were weighted and their influences on the subject property were determined and appropriately utilized in that subject's final value analysis. All appropriate valuation methods were considered, analyzed, and reconciled to form a basis for the derived opinion of value. The reasons for excluding a valuation approach, if any are excluded, are set forth in the body of the report. A highest and best use analysis appropriate to the assignment type was done on the subject property; highest & best use was determined to be present use based on zoning & surrounding development.

It should be noted that this appraisal is not to be construed as an Engineering or House Inspection Report. The appraiser is not an Engineer, Heating Contractor, Electrician, Plumber, Home Inspector, Environmental Inspector, nor similar Housing Construction expert. The appraiser provides an opinion of value. The appraiser does not guarantee that the property is free of defects or environmental problems. The appraiser performs an inspection of visible and accessible areas only. No detailed mechanical or structural analysis is deemed to be implied and any opinions expressed by the appraiser as to the condition or adequacy of the component elements are to be considered preliminary only. The observed condition of the physical items which comprise the subject property are based on a visual inspection of the component exterior surfaces only. Any observed condition comment contained herein is not to be taken as a guaranty that a problem does not exist. Mold may be present in areas that appraiser cannot see. Even if evidence of the presence of mold is visible, the appraiser is not qualified to determine the cause of the mold, the type of mold, or whether the mold might pose a risk to the property or its inhabitants. Unless otherwise stated in this report, the appraiser assumes that all built-in appliances, mechanical systems, plumbing fixtures, wells, septic system, etc., are in satisfactory working order and meet all requirements of the local health authorities. Unless otherwise stated in this report, whenever outside improvements are snow or ice covered in any manner making inspection impractical, the appraiser assumes that, unless some indication exists to the contrary, all such improvements are in satisfactory condition. Unless otherwise noted, all utilities were turned on and appeared properly functional, based on a cursory visual inspection.

The subject property is located within 10 miles from my office. This assignment requires geographical competency as part of the scope of work. I have spent sufficient time in the subjects market and understand the nuances of the local market and the supply and demand factors relating to the specific property type and location involved. Such understanding will not be imparted solely from a consideration of specific data such as demographics, costs, sales and rentals. The necessary understanding of local market conditions provides the bridge between a sale and a comparable sale or a rental and a comparable rental.

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Lot only
value

COST APPROACH TO VALUE (not required by Fannie Mae)

Provide adequate information for the lender/client to replicate the below cost figures and calculations. Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value)

Due to the lack of available land sale data in the immediate market area, the estimated site value was determined by extraction, current sales, listings and/or current Hennepin County tax record information. The subject sales price of \$175,000 plus site prep (remove home) for the site is supported within the market area. An additional site sale at 3901 Abbott Avenue S. for \$350,000 on 09/25/2012 was also analyzed.

<p>ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input checked="" type="checkbox"/> REPLACEMENT COST NEW</p> <p>Source of cost data <u>Local BuildersMS</u></p> <p>Quality rating from cost service <u>Good</u> Effective date of cost data <u>2013</u></p> <p>Comments on Cost Approach (gross living area calculations, depreciation, etc.)</p>	<p>OPINION OF SITE VALUE = \$ <u>250000</u></p> <p>Dwelling <u>2864</u> Sq. Ft. @ \$ <u>170</u> = \$ <u>486880</u></p> <p>..... Sq. Ft. @ \$ = \$ <u>0</u></p> <p>..... = \$</p> <p>Garage/Carport <u>440.0000</u> Sq. Ft. @ \$ <u>35</u> = \$ <u>15400</u></p> <p>Total Estimate of Cost-New = \$ <u>502280</u></p> <p>Less Physical Functional External = \$ (<u>0</u>)</p> <p>Depreciated Cost of Improvements = \$ <u>502280</u></p> <p>"As-is" Value of Site Improvements = \$</p> <p>Estimated Remaining Economic Life (HUD and VA only) <u>70</u> Years Indicated Value by Cost Approach = \$ <u>752300</u></p>
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INCOME APPROACH TO VALUE (not required by Fannie Mae)

Estimated Monthly Market Rent \$ 0 X Gross Rent Multiplier 0 = \$ 0 Indicated Value by Income Approach

Summary of Income Approach (including support for market rent and GRM)

PROJECT INFORMATION FOR PUDS (if applicable)

Is the developer/builder in control of the Homeowners' Association (HOA)? Yes No Unit type(s) Detached Attached

Provide the following information for PUDS ONLY if the developer/builder is in control of the HOA and the subject property is an attached dwelling unit.

Legal Name of Project _____

Total number of phases _____ Total number of units _____ Total number of units sold _____

Total number of units rented _____ Total number of units for sale _____ Data source(s) _____

Was the project created by the conversion of existing building(s) into a PUD? Yes No If Yes, date of conversion _____

Does the project contain any multi-dwelling units? Yes No Data source(s) _____

Are the units, common elements, and recreation facilities complete? Yes No If No, describe the status of completion. _____

Are the common elements leased to or by the Homeowners' Association? Yes No If Yes, describe the rental terms and options. _____

Describe common elements and recreational facilities _____