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An appraisal of 20.5 acres located in Mount Horeb, Wisconsin. October 15, 1980

Landmark Research, Inc.

[s.l.]: [s.n.], October 15, 1980

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APPRAISAL OF 20.5 ACRES
LOCATED IN
MOUNT HOREB, WISCONSIN

Landmark
Research
Inc.

AN APPRAISAL

OF

20.5 ACRES

LOCATED IN

MOUNT HOREB, WISCONSIN

AS OF

OCTOBER 15, 1980

PREPARED FOR

COUNTY OF DANE, WISCONSIN

PREPARED BY

LANDMARK RESEARCH, INC.

JAMES A. GRAASKAMP

YVONNE M. SCHELL

Landmark
Research
Inc.

December 1, 1980

James A. Graaskamp, Ph.D., SREA, CRE
Tim Warner, MS, MAI, SREA
Jean B. Davis, MS

Mr. George H. Hibner, Director
Development Aids
Office of the County Executive
210 Monona Avenue
City-County Building
Madison, Wisconsin 53709

Dear Mr. Hibner:

With this letter we are transmitting three copies of the fair market value appraisal as requested by your office for approximately 20.5 acres in the Village of Mount Horeb, currently owned by Mr. Alvin E. Henze, described in further detail in this report.

Highest and Best Use for the property was determined to be a 20-unit town-house project at the five-six acres (a density of one unit per gross acre) at the south end of the site, requiring PD-1 zoning under the Village of Mount Horeb ordinances. Such a development would provide a residential use compatible with single-family neighborhoods, leave the woods and steep slopes undisturbed for natural storm water flows toward Stewart Lake, and protect the contiguous single-family areas from encroachment of noise and crowds of the Stewart Lake area. Best use assumes an open space covenant to permanently preserve the woods and assumes the necessary lift station for sewer and water. Such a program would require a zoning change but the solution should receive favorable consideration since it protects environmentally sensitive areas, the tax base of Mount Horeb, and the privacy of the neighbors while serving an unmet need for this type of housing in the Mount Horeb area.

Several engineers and residential developers were consulted to assist in the analysis of potential land uses and of engineering problems potential in the site necessary to the determination of highest and best use (most probable use) of the property. As you recall, no funds were provided for architectural, legal or engineering fact finding and so the feasibility of the most probable use assumption, which is critical to a value estimate, must be regarded as preliminary. Your attention is called to the assumptions, limiting conditions, and controls on use that are included in this report.

Given the determination of best use, then it is our opinion that the most probable price for which the property would sell, that is the fair market value of the subject property if sold by its present owner under no obligation to sell to a purchaser willing but not obliged to buy as of October 15, 1980 is in the amount of:

SIXTY THOUSAND DOLLARS
(\$60,000)

Mr. Hibner
Page Two
December 1, 1980

The above value assumes the cash sale of the property for the seller, in all likelihood to a developer required to secure his own financing. The conclusion is based on vacant land sales in the Mount Horeb area and sales data of raw land relevant to six Madison area condominium townhouse developments. The range and market comparison price estimates for Mount Horeb sales, and further supported by Madison area sales, was tested with the development cash flow appraisal method to replicate the manner in which the most probable purchaser would analyze the subject as a business opportunity. The traditional cost approach is inappropriate to the appraisal problem.

My associate, Yvonne M. Schell, real estate appraiser and analyst, and I have inspected the property on several occasions. Buyers, sellers or agents of similar properties were interviewed to confirm sale and property information and to compile a buyer profile.

We are pleased to have been of service, and Ms. Schell and I remain available to answer any specific questions you may have regarding this report.

FOR LANDMARK RESEARCH, INC.

James A. Graaskamp, Ph.D., SREA, CRE

Yvonne M. Schell

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I. APPRAISAL PROBLEM ASSIGNMENT

A. Statement of Issue

This appraisal is intended to serve as a benchmark for the contemplated purchase at fair market value of the subject property by the Dane County Parks and Recreation Department for expansion of Stewart Park. Therefore, to meet governmental regulations, an appraisal of the subject property must meet the standards of fair market value methods as determined by state statute and the American Institute of Real Estate Appraisers.

B. Special Problems Implicit in Property Type

On the one hand, the subject property of 20.5 acres is surrounded on three sides by quality single family residential neighborhoods, can be serviced with municipal sewer and water, and reaches to within a few hundred yards of downtown Mount Horeb. On the other hand, much of the site has steep slopes, mature hardwoods, and the northern portion has springs which feed Stewart Lake in the county park on the northern border of the subject. There is legitimate concern over the runoff and siltation of Stewart Lake that would be caused by conventional subdivision development. Therefore, the appraiser has a special problem in defining highest and best use (Most Probable Use), the fundamental assumption of fair market value.

C. Definition of Value

1. Value Definition

The fundamental purpose of an appraisal assignment is most usually to estimate value. The value definition required is Fair Market Value, defined as:

The highest price in terms of money which a property will bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus.

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

1. Buyer and seller are typically motivated.
2. Both parties are well informed or well advised, and each acting in what he considers his own best interest.
3. A reasonable time is allowed for exposure in the open market.
4. Payment is made in cash or its equivalent.
5. Financing, if any, is on terms generally available in the community at the specified date and typical for the property type 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,¹ or credits incurred in the transaction.¹

¹Byrl N. Boyce, REAL ESTATE APPRAISAL TERMINOLOGY, Sponsored by the American Institute of Real Estate Appraisers and the Society of Real Estate Appraisers (Cambridge, Mass.: Ballinger Publishing Co., 1975).

This definition assumes an efficient market where a number of fully informed, reasonably prudent buyers and sellers with alternative solutions are acting rationally and logically to maximize their financial well-being. It also assumes payment in cash if cash sales prevail.

For purposes of this appraisal, the terms fair market value and most probable selling price will be considered synonymous.

D. Definition of Fair Market Value
Appraisal Methodology

1. Market Comparison Approach

The appraisal process prefers to base valuation on actual sales of comparable property where buyer and seller were under no unusual duress and where no special financing, that is, financing not obtainable in the market place was provided by seller.

Application of the market approach in this report is limited by an absence of sales of physically comparable land with similar development potential. However, there are a variety of market sales in the Mount Horeb area in which one or another of the various comparable attributes are present. These sales represent a range within which transactions might occur. A further refinement of this range is possible with a developer income simulation.

2. Cost Approach

Because this appraisal is of unimproved land, the cost approach

is used only to determine the difference in costs of site improvements for comparable properties and alternative site improvement possibilities for the subject property.

E. Definition of Legal Interest to be Appraised

1. The subject property includes all land and improvements owned in fee simple by Alvin E. and Madeleine H. Henze as joint tenants, acquired by Warranty Deed. The original parcel of land consisted of 22.08 acres as surveyed by Alex Ely on May 24, 1954; the subject consists of this land, less three parcels conveyed to: (1) James and Dorothy Kruckman, June 16, 1954 (.58 acres), (2) Wallace and Betty Kalbacken, October 25, 1954 (1.03 acres), and (3) Helmer and Stella Venden, September 9, 1964 (.03 acres) leaving approximately 20.5 acres. Exhibits 1 and 2 show the original survey and the chain of ownership for the subject. Copies of transfer documents are included in the Appendix.

2. The rights to be acquired are all rights included with fee simple title.

3. Although the land is presently zoned A-1 in the Village of Mt. Horeb, the zoning might be modified to R-1 or PD-1 zoning codes in order to protect environmentally sensitive portions of the site and to resolve conflicts between conventional lot subdividing and physical attributes of the site, while retaining tax base for the community of Mount Horeb. However, there are no permits, political approvals, or other land use entitlements for change of zoning included in the rights

EXHIBIT 1

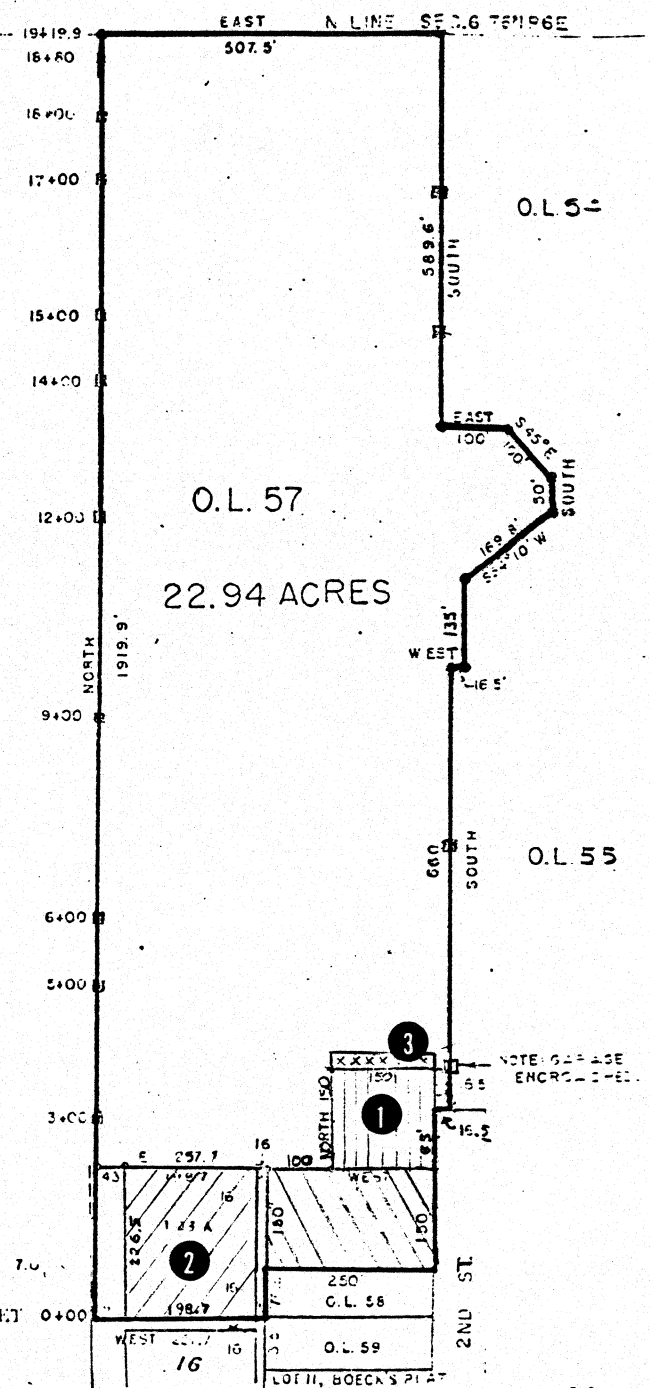
SURVEY OF SUBJECT SITE

SURVEY PLAT

ALEX W. ELY
 DANE COUNTY SURVEYOR
 DANE COUNTY COURT HOUSE
 MADISON, WISCONSIN
 DIAL 5-2411 EXT. 56

Map No. 144

Name AL HENZE
 Address MOUNT HOREB
 Description OUTLOT 57 OF THE
 ASSESSOR'S PLAT OF THE
 VILLAGE OF MT. HOREB,
 DANE CO., WIS.



- X = X IN CURB
- = WOODEN STAKES SET
- = IRON STAKES SET
- ⊙ = IRON STAKES FOUND

SCALE OF MAP - 1 INCH = 200 FEET

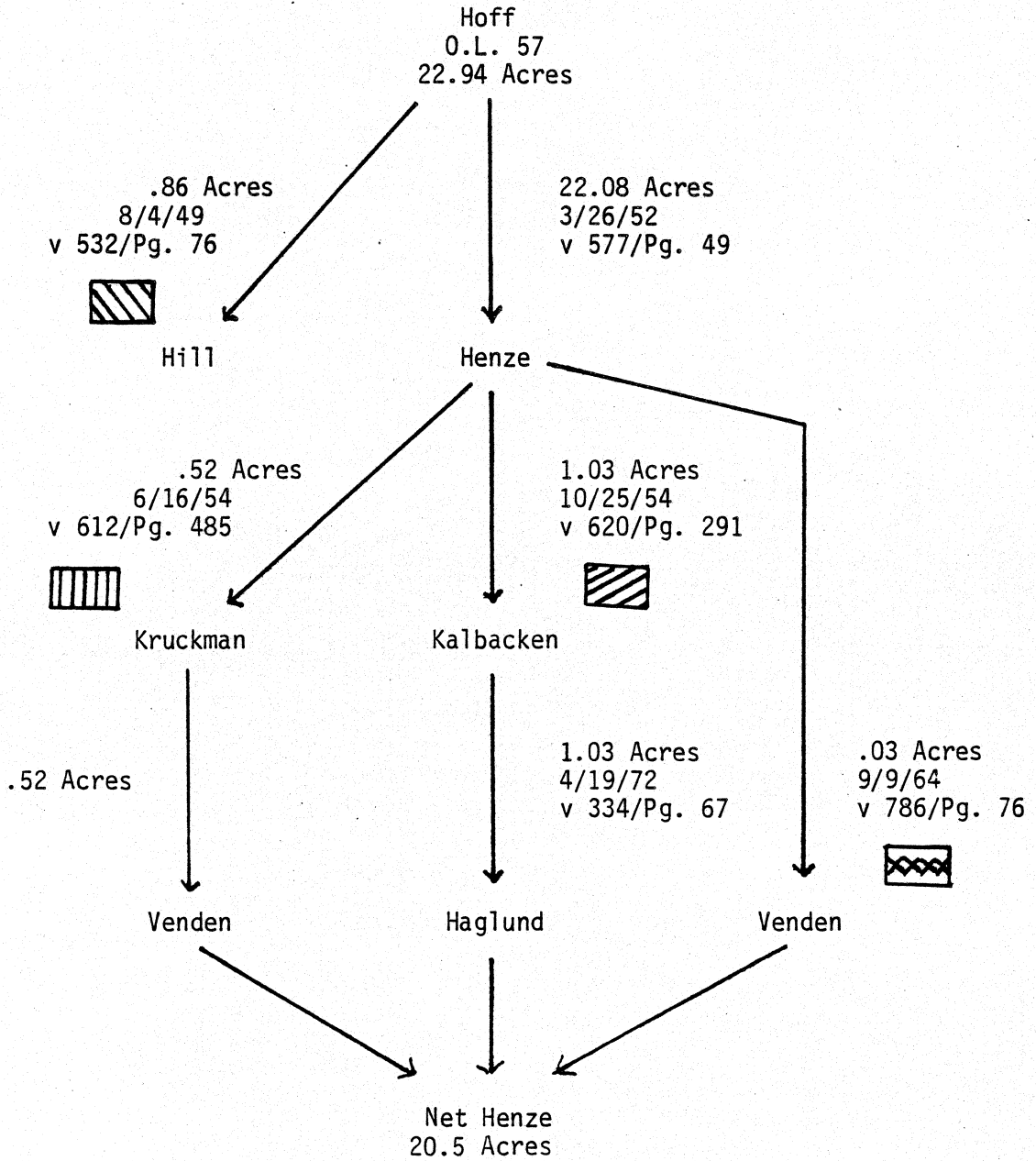
State of Wisconsin
 County of Dane

I, Alex W. Ely, a registered engineer of the State of Wisconsin, do hereby certify that the above survey is a correctly dimensioned representation to scale of the boundaries, that all buildings and improvements are within the boundary lines, and that no encroachments by adjoining owners appear from said survey, EXCEPT GARAGE

Alex W. Ely

EXHIBIT 2

TREE OF OWNERSHIP FOR SUBJECT PROPERTY



to be transferred by sale.

4. The subject property is densely covered with several types of mature trees. The value of these trees was determined for aesthetic purposes only and not for their value as veneer logs.

II. PROPERTY ANALYSIS TO DETERMINE MOST PROBABLE USE

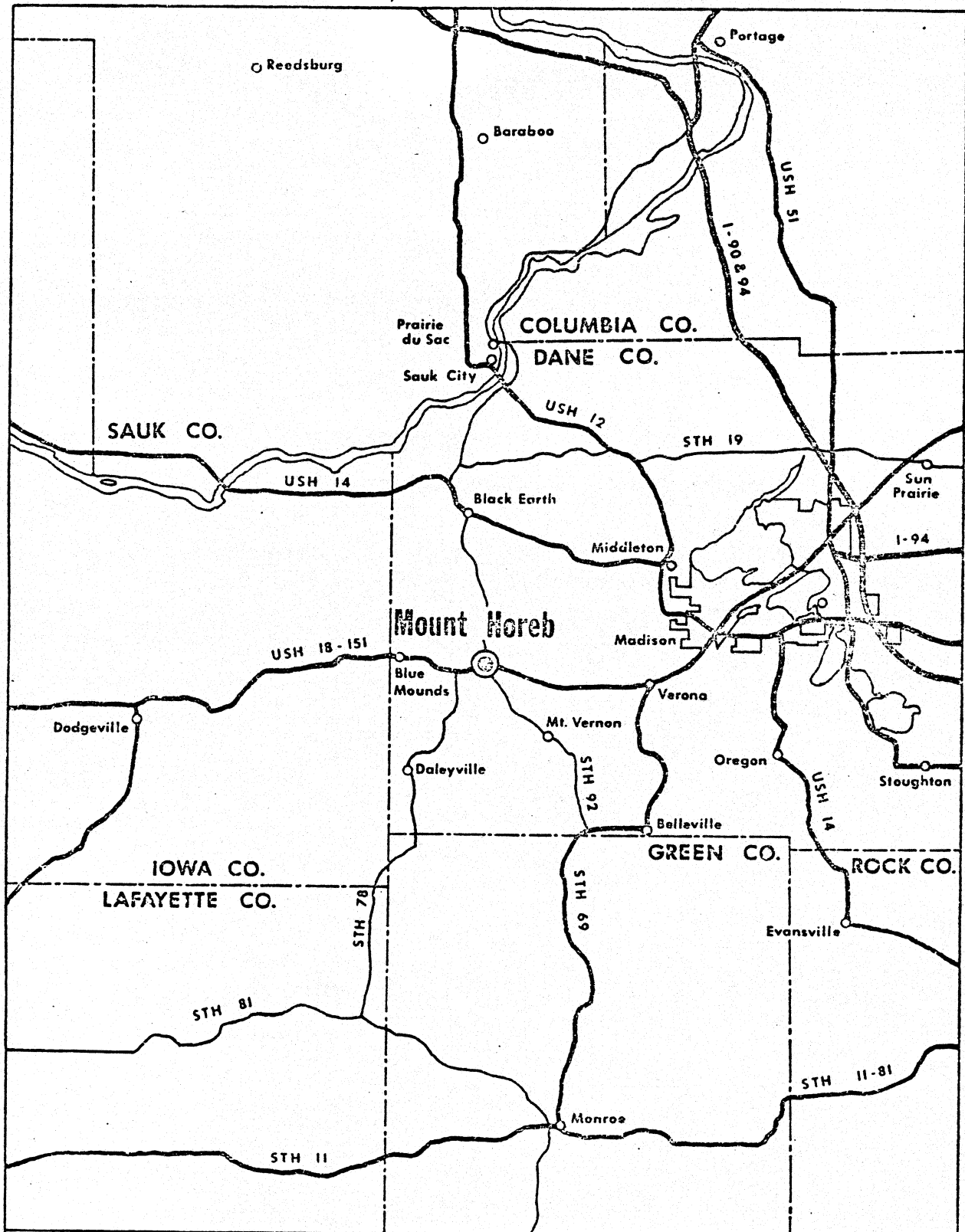
A. Site Analysis

The subject site is located in the Village of Mount Horeb which is located in the Southwestern corner of Dane County (Exhibit 3). It is approximately a half an hour drive from Madison along Highway 18 - 151. The Village was founded by an early Norwegian settler and still maintains its Norwegian character, which serves as a tourist attraction during the summer. The landscape and terrain in this area, consisting of forested hills and valleys with intermittent streams, also provides an attraction to city residents and tourists.

1. Size and Shape

The site consists of approximately 20.5 acres and is basically rectangular in shape having approximate dimensions of 1,693' x 508'. It has a bulge about midway along its eastern boundary because of the earlier existence of a limestone quarry. Three narrow strips perpendicular to the southern boundary provide access to the site from North Grove Street and Second Street and from the alley that lies between the two streets. The parcel is located in the north central part of the Village, about three blocks north of Main Street (US Highway 18 - 151) and downtown Mount Horeb, and directly south of Stewart County Park. Residential areas are to the west and south of the subject. Vacant land abuts the property on the east. One of the City's more prestigious residential areas lies to the northeast of the site (Exhibit 4 and 5).

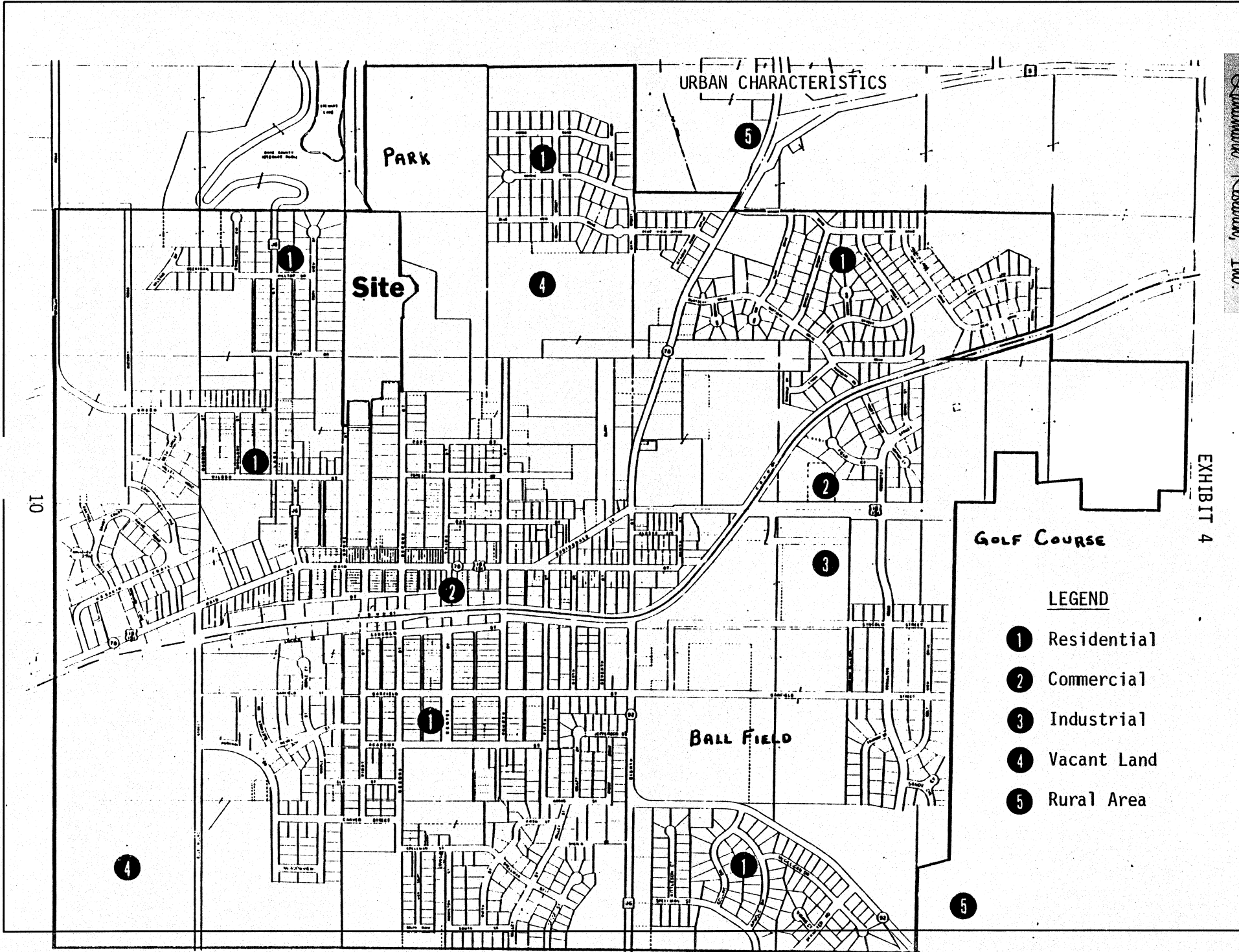
EXHIBIT 3
MT. HOREB LOCATION MAP



Regional Setting

0 5 10 miles





URBAN CHARACTERISTICS

PARK

Site

BALL FIELD

GOLF COURSE

LEGEND

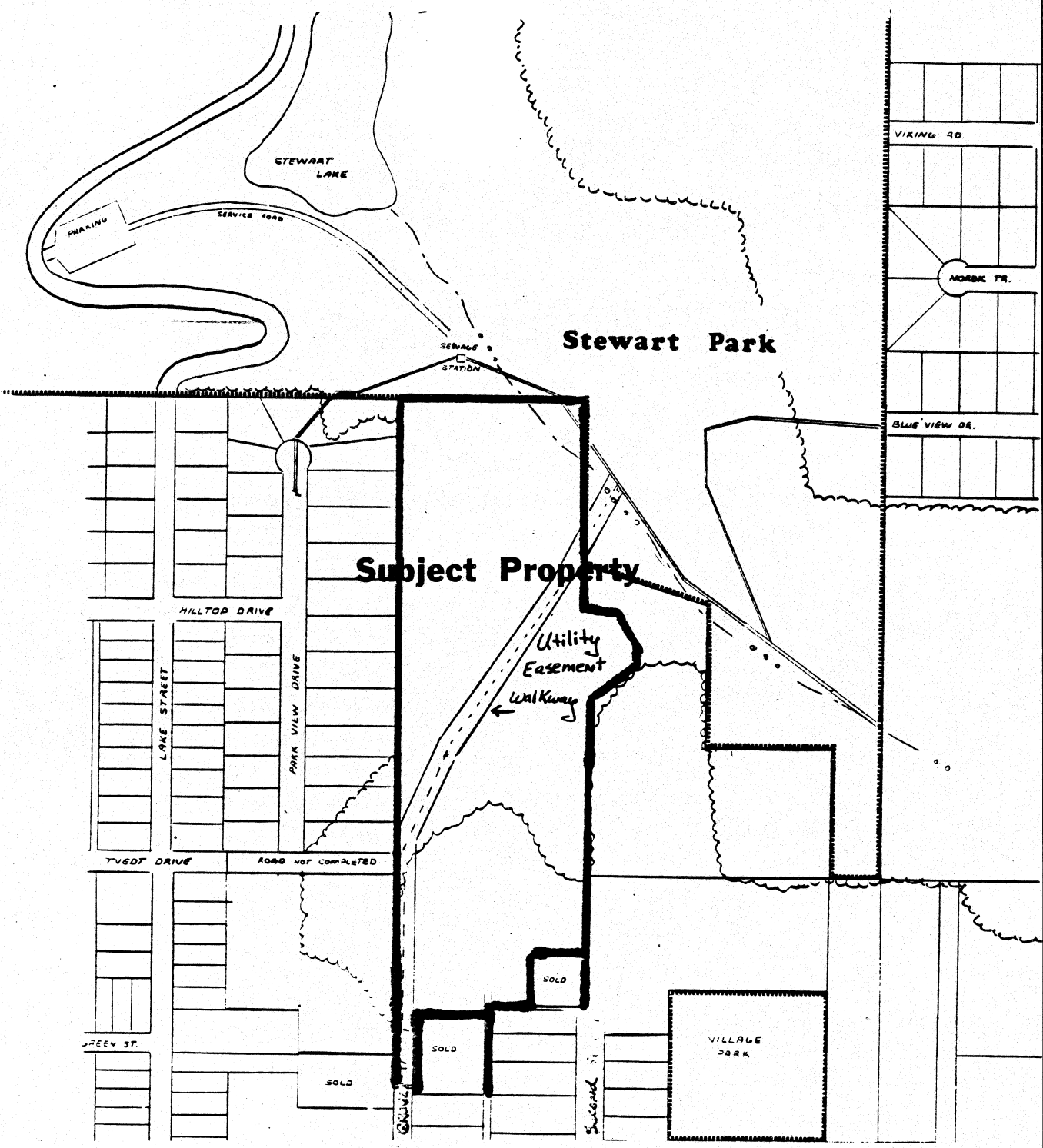
- ① Residential
- ② Commercial
- ③ Industrial
- ④ Vacant Land
- ⑤ Rural Area

EXHIBIT 4

10

5

EXHIBIT 5
Subject Location Map



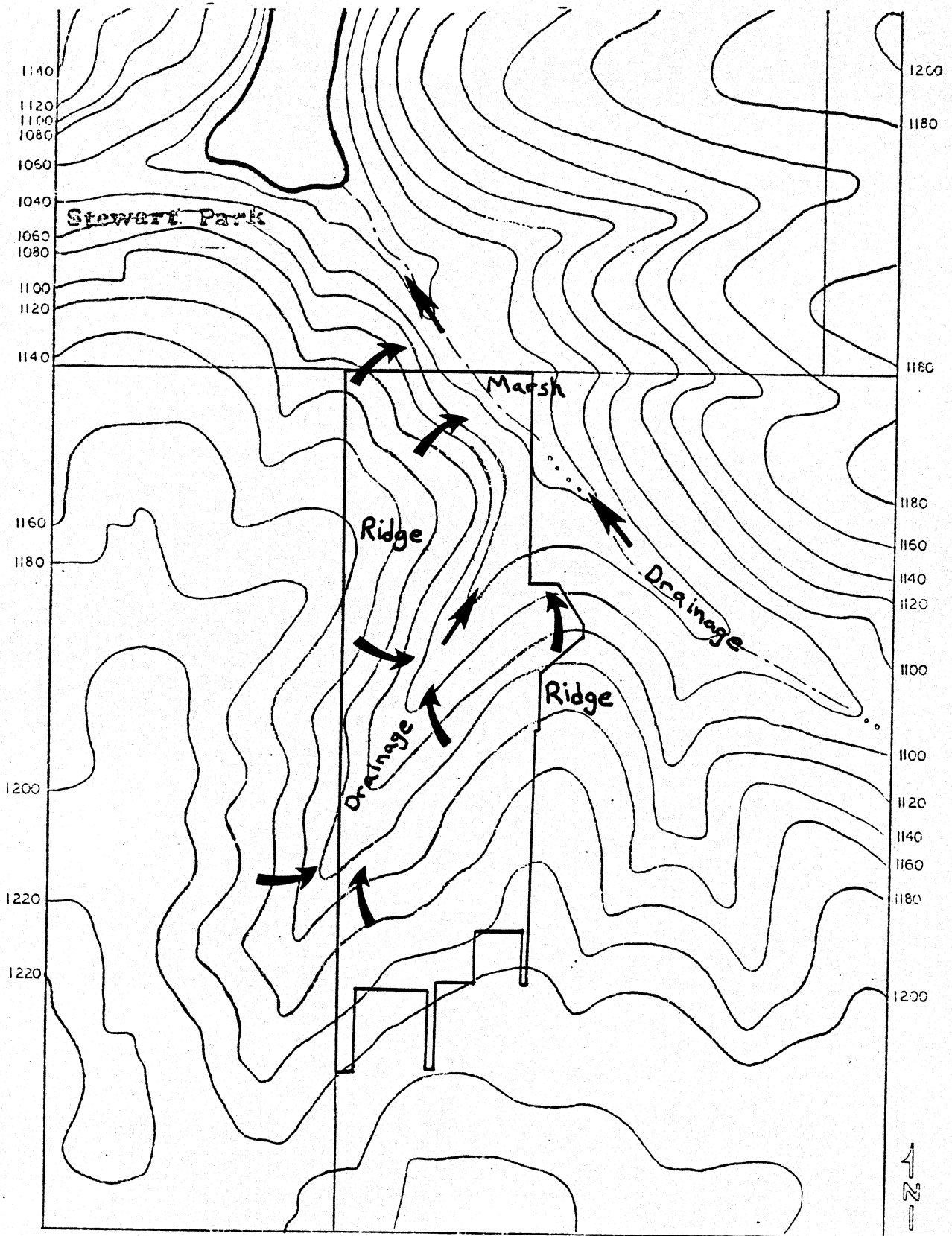
2. Site Drainage and Topography

The property slopes toward a ravine that bisects the parcel in a southwesterly to northeasterly direction. Drainage of storm water flows down the ravine in this direction. The highest elevation on the site is 1,200 feet above sea level at the southern border of the property. This ridge runs about 1,200 feet along the eastern boundary of the parcel. Another ridge lies along the northern 600 feet of the western boundary of the property. The terrain drops 160 feet from the southern border to the low point in the northeast corner of the site where the natural springs that feed into Stewart Lake are located; the elevation at this low point is 1,040 feet above sea level. Slopes on the majority of the site vary from 10 to 20 percent, but on the steepest areas in the northern portion of the property, slopes may occur up to 50 percent (Exhibit 6).

3. Soils

Most of Mount Horeb is built on soils with very shallow depth to bedrock, mostly dolomite and limestone. This poses serious excavation problems for development within the Village and for finding soil that will percolate for the installation of septic tanks on homesites outside of the Village (Exhibit 7). About two-thirds of the subject property has Dunbarton Silt Loam soil, with 12 to 20 percent slopes (DuD2) (Exhibit 8). This soil is present on the ridges and slopes of the subject property. The major limitations of this soil are a very severe hazard of erosion, moderately slow permeability, low available water capacity, and very limited depth to bedrock. Con-

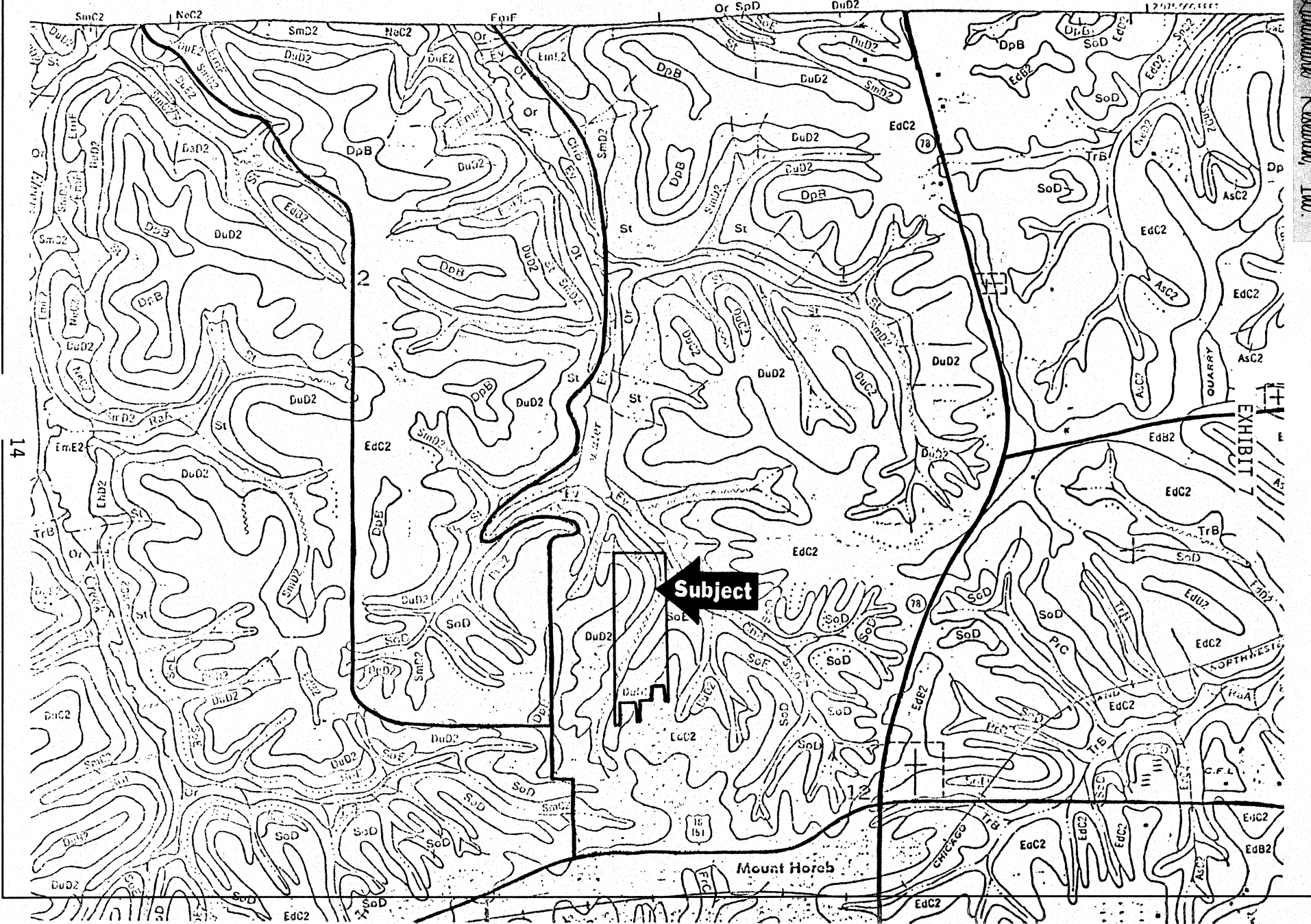
EXHIBIT 6
SITE TOPOGRAPHY AND DRAINAGE MAP



WEST 1/2 OF THE NORTH WEST 1/4, SECTION 12, T6N, R6E

MOUNT HOREB SOILS

R. 6 E. | R. 7 E.



Soilworks Research, Inc.

EXHIBIT 7

Subject

Mount Horeb

CHICAGO TR

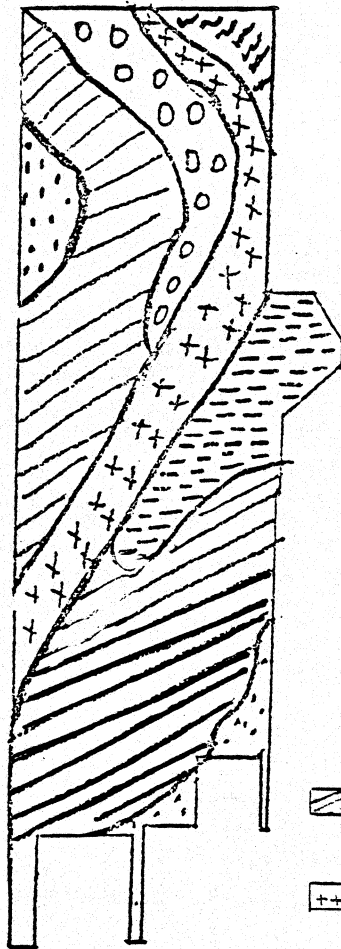
NORTHWEST

C.F.L.







AS

AS

EXHIBIT 8
SUBJECT PROPERTY
SOIL TYPES



LEGEND

-  Dunbarton silt loam,
12 - 20% slopes (DuD₂)
-  Seaton silt loam,
12 - 20% slopes (SmD₂)
-  Edmund silt loam
6 - 12% slopes (EdC₂)
-  Sogn silt loam
20 - 35% slopes (SoE)
-  Elvers silt loam (Ev)
-  Stony & rocky land (St)

trolling erosion of this soil would have to be of major concern to any prospective developer of the site.

The other soils that are found along the ridges and slopes, where building might take place, also exhibit the need for erosion control for development. These soils are: The Edmund Silt Loam, 6 to 12 percent slopes (EdC2) and Sogn Silt Loam, 20 to 35 percent slopes. The Edmund Soil, which the majority of the Village is built on, has about 13 to 16 inches of soil to bedrock. Its major limitations are slope, severe hazard of erosion, high rate of runoff and low available water capacity. The Sogn Soil has limitations because of steepness, severe hazard of erosion, and the very limited depth over bedrock.

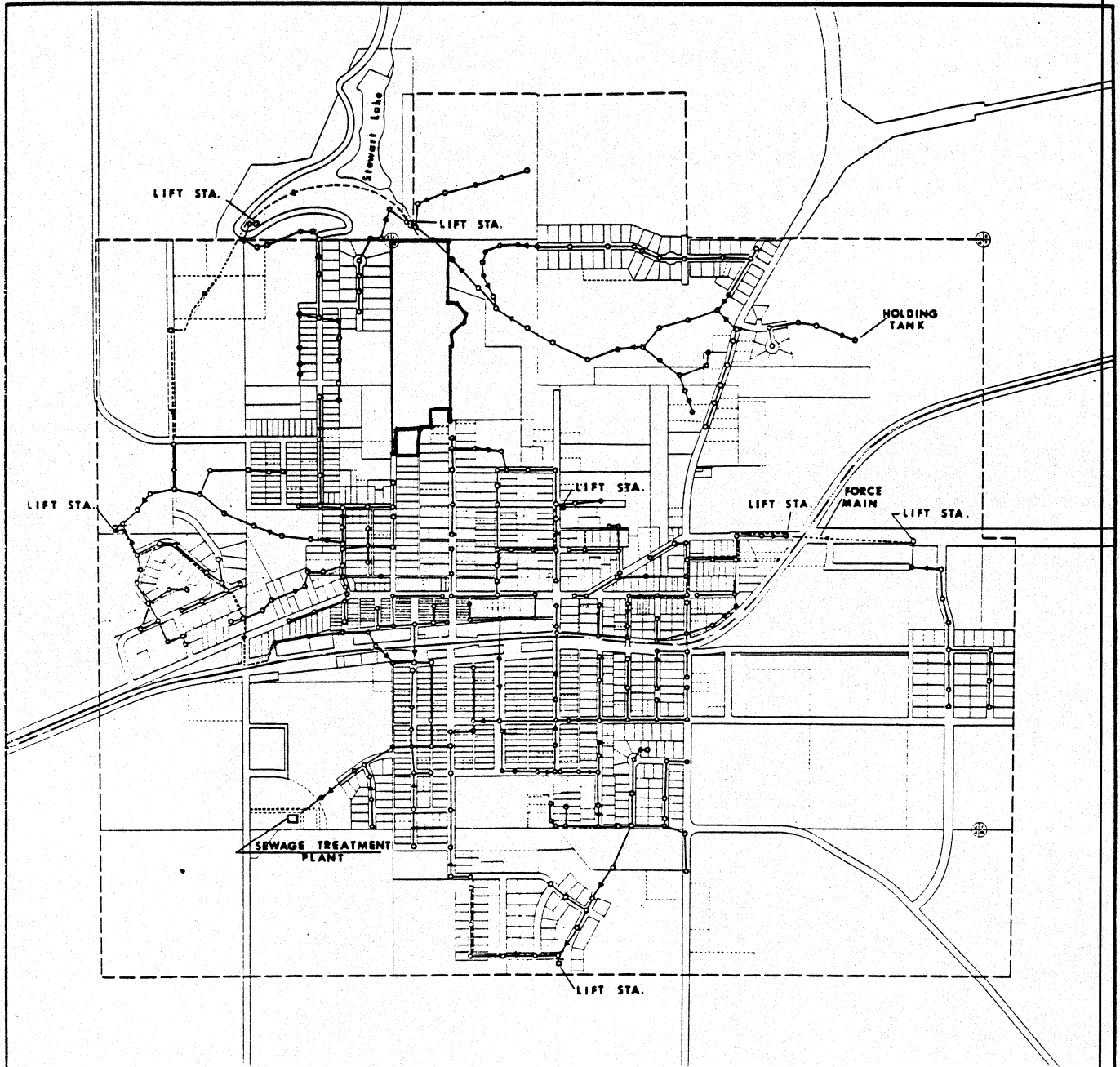
Because of the soil characteristics described above, the developer of this site must be concerned with soil erosion on the slopes and the problems encountered with shallow depth to bedrock. Most local developers have had to deal with the excavation of this bedrock previously and are well aware of the costs involved. These costs set a limit on the price that a developer is willing to pay for land in the area.

4. Sanitary Sewer

The Village of Mount Horeb has a sanitary sewer system that presently services all but a few developed lots that are located at the north end of Grove and Second Streets. Because of the hilly topography in the Village, seven lift stations exist in order to collect all of the sewage at one central point for treatment (Exhibit 9). The sewage treatment plant is located in the southwest corner of

EXHIBIT 9

MT. HOREB SEWERAGE SYSTEM



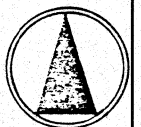
**MOUNT HOREB,
WISCONSIN**

LEGEND

- manhole
- sewer main
- force main

Source: Lakeland Engineers
Madison, Wisconsin - Jan. 1971

SEWERAGE SYSTEM



the Village. It has a capacity of 790,000 gallons per day, which is expected to be adequate for another 20 years, based on a projected population of 5,000 for the year 2000. The tax district could use additional homes to amortize the costs of the system in place.

A sewer main intersects the northeast corner of the subject parcel. Since this is the low point on the property, a sewer main installed on the property would allow gravity drainage into this line. The effluent would be transported to the lift station located in Stewart Park for treatment. This station has a more than adequate capacity to handle development on the site.

A sewage easement running northeasterly from the southwest corner to the eastern property line of the subject property was granted to the City in 1976. This easement runs along the valley and provides a path across the subject. With a minimum amount of work, this path could be converted to a walkway for future residents of the site (Exhibit 5).

Other mains that could service the site are the mains along Park View Drive, west of the subject, and the main on Second Street, which stops short of the south end of the subject by about 100 feet. Because the property drops in elevation from each of these mains, a lift station or pump would have to be installed in order to tap into either of these mains.

No septic tank permits will be issued within the Village limits; therefore, a developer of platted lots must provide sewer service to the lots. The requirements for these lines is an 8 inch

PVC pipe for the main and 4 inch PVC laterals to each lot. Manholes are required approximately every 300 feet.

The cost of the sewer main is approximately \$20 per lineal foot and the cost of the laterals are about \$200 per lot or \$5 per lineal foot. A 10 percent down payment is required from the developer at the time of the preparation by the engineer. Before excavation begins, the developer must pay one-third of the approximate cost to the Village. The remaining two-thirds is paid in equal annual installments over the following two years.

5. Water

Exhibit 10 shows the location of the three water wells in the Village. The capacity of these range from 50,000 gallons to 100,000 gallons with depths from 777 feet to 1,400 feet. In addition, there is an elevated water tower steel storage tank with a volume of 300,000 gallons of water that provides the necessary pressure in the water system.

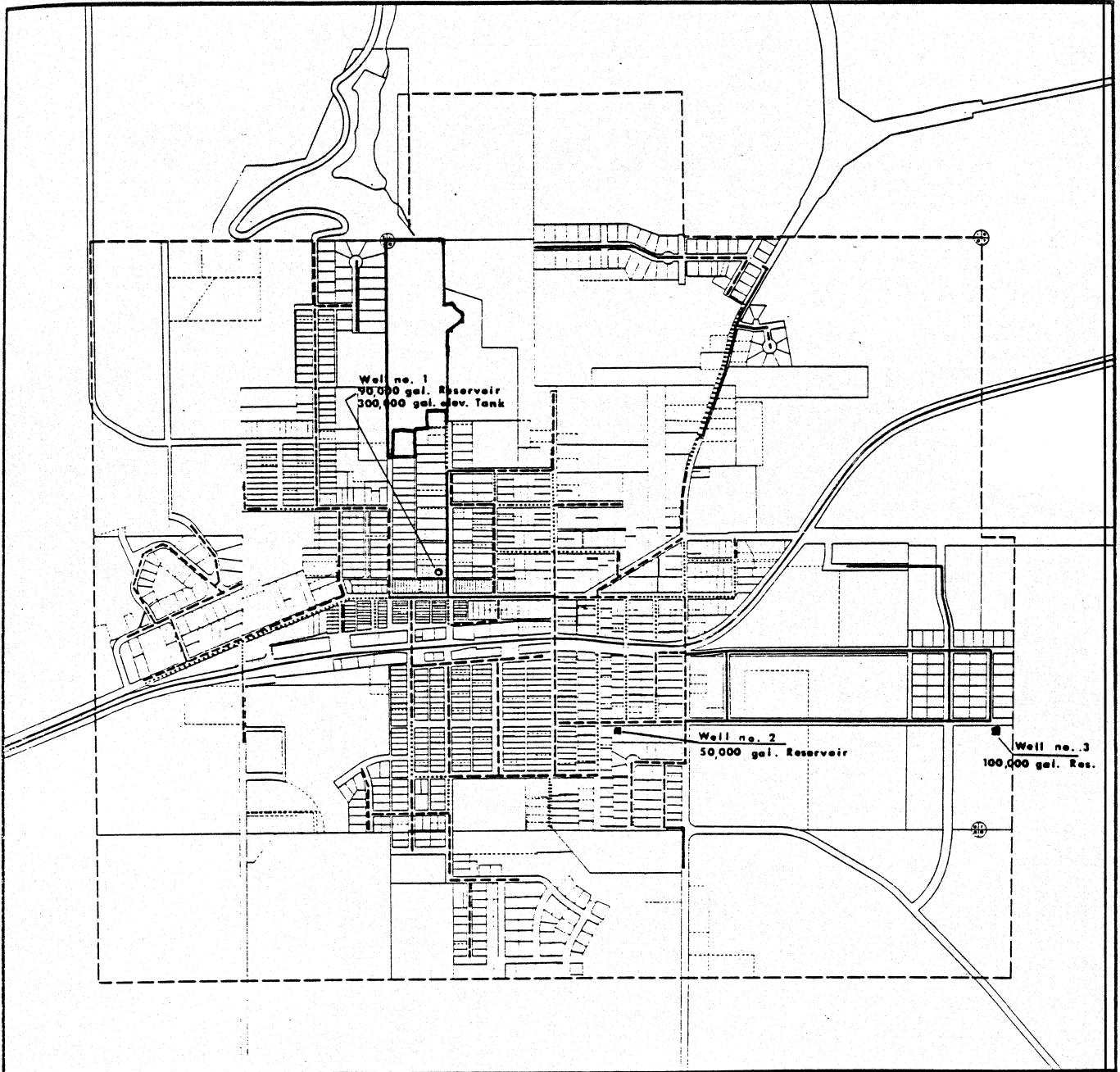
Water mains run along Park View Drive, west of the subject; north on Grove Street to Wilson Street, south of the subject; and north on Second Street to the southwestern edge of the subject. Water mains are 6 inches wide with 3/4 to 1 inch laterals and are the responsibility of the developer.

6. Storm Sewer

Because of the soil's high susceptibility to erosion from runoff, any conventional land development program must consider effective storm water control. A storm water management area was

EXHIBIT 10

MT. HOREB WATER DISTRIBUTION SYSTEM



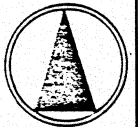
**MOUNT HOREB,
WISCONSIN**

LEGEND

- 8" watermain
- - - - - 4" watermain
- 4" watermain

Source : Lakeland Engineers
Madison, Wisconsin - Jan. 1971

**WATER DISTRIBUTION
SYSTEM**



erected last year with 4" x 8" concrete studs to control water runoff from the Parkview Heights subdivision located west of the subject. The system has not been effective and has broken down under the heavy runoff from the subdivision (Exhibit 12).

7. Natural Gas

Madison Gas & Electric Co. supplies gas to Mount Horeb. Lines are located along Park View Drive, Grove Street, and Second Street. There is currently no problem in obtaining natural gas in the area. Rates are \$4.50 a lineal foot and are reviewed every March. There is no longer free footage for extension of the line. The developer/homeowner must pay the full estimated cost before the lines will be laid; this cost is a function of the number of units served.

8. Electricity

Electricity is provided by Mount Horeb Electric Utility and underground lines are located along the eastern edge of the Park View Subdivision, this being the western edge of the subject site, and along Grove Street and Second Street. There is no free footage and costs are approximately \$2 a lineal foot. Cash is required before trenching begins. If the total estimated cost for the extension is greater than \$2,000, then the electric company reviews the proposal to determine if costs of operating and maintaining the line will be recovered by revenue received from the utility provided; this implies that electricity lines can be laid for up to 1,000 feet before any proposal would be questioned. If costs should exceed \$5,000 for a single family residence, then the proposal would surely be rejected. Decisions in

the \$2,000 to \$5,000 range could go either way.

9. Vegetation

Approximately 15 of the 20 acres of the site are wooded with black walnut, hickory, and a variety of other trees (Exhibit 11). Although it is recognized that these trees have significant value as veneer logs, the most probable use of this site does not appear to be for this purpose, therefore, this value is not considered in this appraisal.

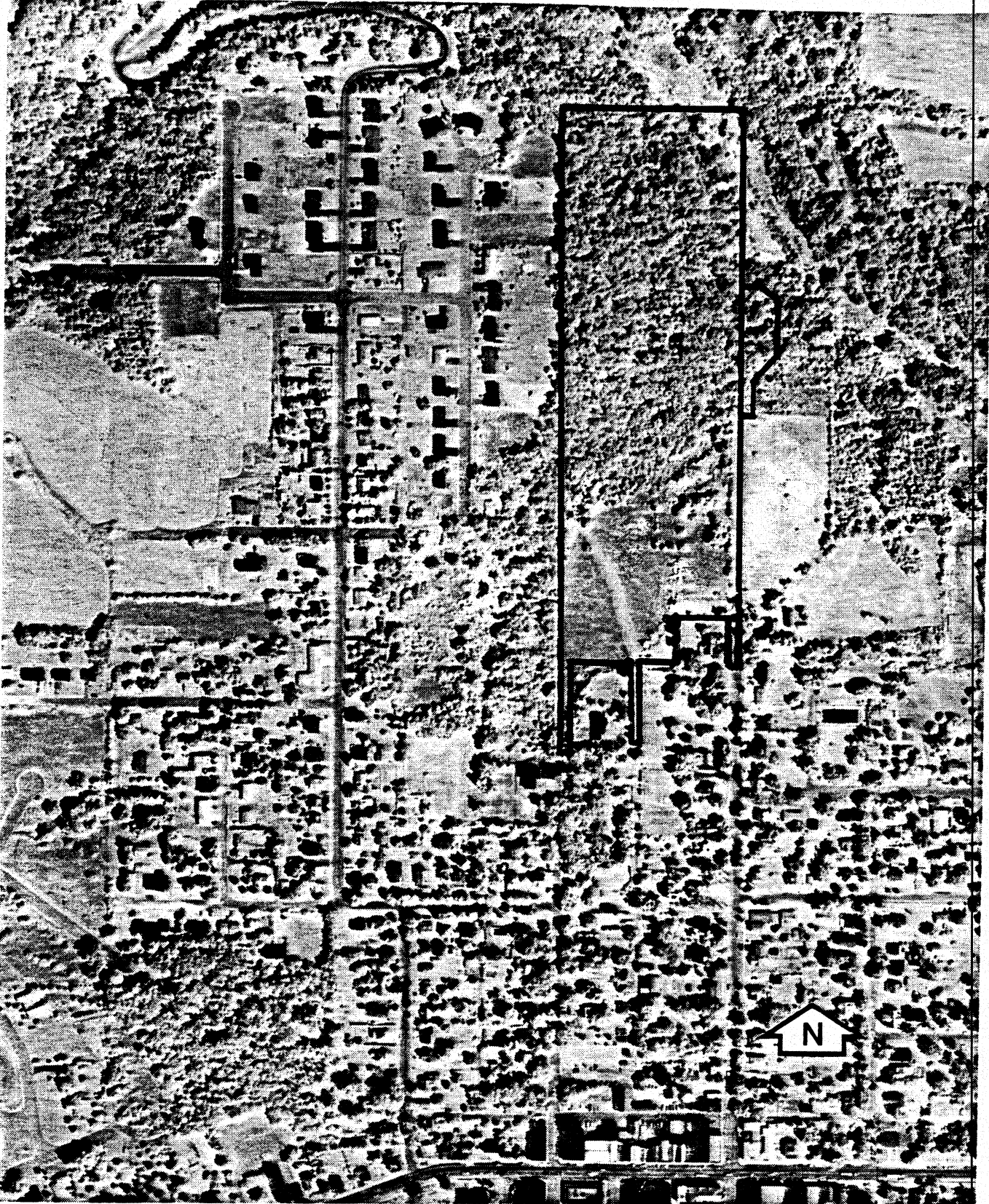
10. Site Access

Access to the site is from Grove Street, Second Street, and the alley in between. The alley can provide alternative access to future residents as well as access to laborers and suppliers during construction on the site. The subject drops at about an 8 percent grade from the end of Second Street making continuation of the street possible. Grove Street drops off more steeply and provides a significant grading problem which may discourage continuation onto the subject property.

11. Zoning

The subject site is zoned A-1, agricultural district. The permitted uses for this district are confined to single family dwellings with five or more acres of land and to certain farming operations. The residential areas surrounding the site are zoned R-1, Single Family Residence districts. The R-1 district permits single family dwellings and accessory buildings, churches and schools, professional home offices and public parks, golf courses and play-

EXHIBIT 11
AERIAL PHOTOGRAPH OF SUBJECT



grounds. The minimum lot size in this district is 10,000 square feet with the building not to exceed 30 percent of the total lot area.

The village provides for a Planned Development district (PD-1) in its zoning ordinance. This district was established to allow for "greater freedom, imagination, and flexibility of the land while insuring substantial compliance to the basic intent of the zoning ordinance." It was further intended to encourage and facilitate preservation of open spaces. To date, no PD-1 developments have been proposed to the Village Board, but the purposes of this PUD ordinance are well suited to a development plan for this site, especially at densities lower than those permissible under R-1. While approval of a PD-1 development would depend on Board members' acceptance of a land use plan negotiated with the village, such a plan would provide many advantages to the community in terms of erosion control, open space, tax base, and a greater variety of residential unit types which might offset the recent decline in construction of single family detached homes because of higher prices and other factors. PD-1 zoning would seem most compatible with the definition of Highest and Best Use which emphasizes a use which is not only legal, physically possible, in demand, and financially viable at current interest rates, but also is compatible with community development goals and fiscal planning. (See the Appendix for full definition of Highest and Best Use.)

12. Opportunity to Rezone

The following scenarios examine the use of the site under R-1 and PD-1 zoning. The presence of the residential developments around

the site is precedent to rezoning of the subject property low density residential. Upon consultation with the Village Planner, it is believed that it would not be a problem to have the property rezoned R-1 upon the submission of an acceptable preliminary plat and that the right plan under PD-1 zoning would receive serious consideration.

To avoid conflicts with village standards, a planned development would need to concentrate townhouses in the traditional country style of Tamarack Trails and Cherokee Park (in Madison) on the south five or six acres of the site. A significant portion would be for one floor units with two car attached garages, of high quality construction, offering amenities including built-in appliances and fireplaces. The development would be built at a density of four to five units per net developable acre with land and open space allocation of one acre per unit in terms of the total site. The project would be located in the southeastern portion of the property where clearing and grading would be minimal and where siltation into Stewart Lake would not be a problem. The balance of the property would be preserved with a conservation covenant to the benefit of Mount Horeb to prevent encroachment of Stewart Park crowds into surrounding residential areas.

B. Key Linkages of Site

Site linkages are the relationships of the site to activity centers, population centers, or neighborhood features which might generate demand for the subject property and its attributes. Some linkages might be negative and detract from the locational marketability.

EXHIBIT 12
PHOTOGRAPHS OF SUBJECT PROPERTY
VIEW OF SITE FROM SOUTH PROPERTY LINE



Looking West



Looking North

EXHIBIT 12 (Continued)

EASTERN RIDGE OF PROPERTY



Looking Northwest



Looking East

EXHIBIT 12 (Continued)



Entrance to Property
from Alley



View from Quarry Site
Looking Northeast

EXHIBIT 12 (Continued)



Example of Mature Walnut Tree on Property (Located in North Valley)

Natural Spring in Northeastern Corner of Property



EXHIBIT 12 (Continued)



Stewart Lake, Located
North of Site



Storm Water Management Area for
Park View Heights Subdivision

EXHIBIT 12 (Continued)



View of Ridge Along
Western Boundary

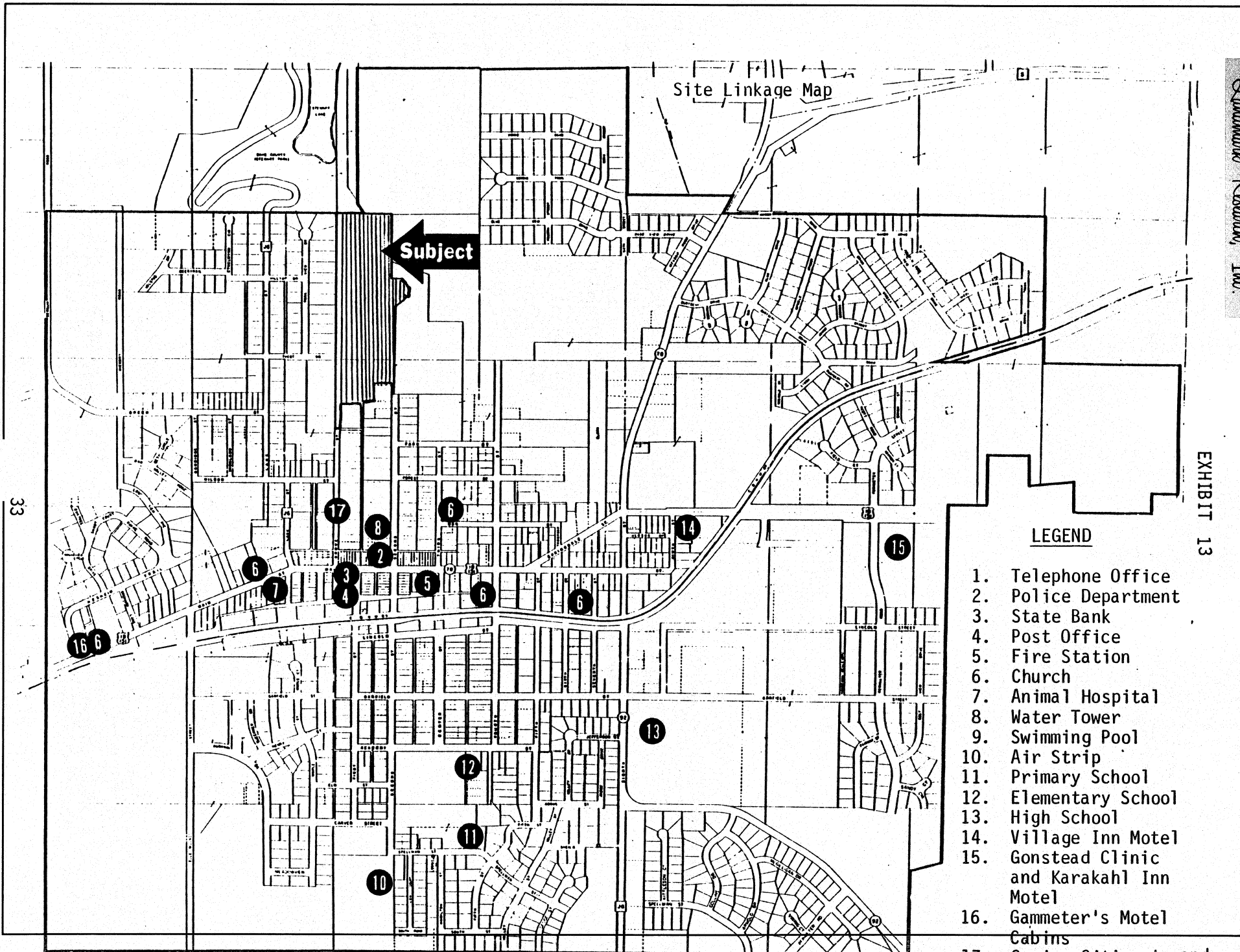


View of Stewart Lake
from Northwestern Ridge

The map in Exhibit 13 shows the location of the various Mount Horeb amenities. The downtown Central Business District is located just three blocks south of the subject property. This provides an attractive amenity to future residents of the site because they will be within walking distance or a short drive of restaurants, grocery and retail shopping, public and private offices, the local bank, and the post office. The police and fire station are also in this area, allowing greater protection and expedient service in the event of an emergency. The new community center and senior citizen's center, located two blocks south of the subject on Grove Street, offers a variety of activities to Mount Horeb residents.

Other specialized shopping and services that may be desired are available in the City of Madison, approximately 20 miles from Mount Horeb. Madison serves as an employment base for many of Mount Horeb's residents and provides a variety of services. The linkage between Madison and Mount Horeb is Highway 18 - 151. This is a two-lane highway with a speed limit of 55 mph in rural areas. The highway passes through Verona, between the two cities, where the speed limit is reduced to 30 mph.

The State of Wisconsin Highway Department has proposed upgrading Highway 151 between Madison and Dodgeville to a four-lane highway. The first phase of this project is to upgrade the highway from Dodgeville to the east side of Mount Horeb. Construction is scheduled to begin in 1984 and to be completed by 1986. The proposed



Site Linkage Map

Subject

LEGEND

- 1. Telephone Office
- 2. Police Department
- 3. State Bank
- 4. Post Office
- 5. Fire Station
- 6. Church
- 7. Animal Hospital
- 8. Water Tower
- 9. Swimming Pool
- 10. Air Strip
- 11. Primary School
- 12. Elementary School
- 13. High School
- 14. Village Inn Motel
- 15. Gonstead Clinic and Karakahl Inn Motel
- 16. Gammeter's Motel Cabins
- 17. Senior Citizen's and Community Center

highway will be south of Mount Horeb and will reduce the traffic on Main Street, making traveling through town easier for residents.

The subject is surrounded by single-family residential areas on two sides and by parkland and vacant land on the other sides. This provides an open space environment for future residents who want the privacy and aesthetics of living in the country and the amenities offered by the village.

C. Dynamic Attributes of Site

The dynamic attributes of a site describe how people in the community or in the market for property perceive the site in terms of beauty, prestige, anxiety, etc. The subject site has been viewed by many residents as one of the more aesthetic areas in town, but at the same time, as one of the least feasible areas to build on because of the hilly terrain and the poor access. The impact, if any, of noise attributed to Stewart Lake and teenage summer crowds on the value of the property depends in large part on the development program selected; the more trees that remain, the more development is concentrated to the south, the less is the noise transmission or sense of encroachment on privacy.

D. Environmental Impacts

The poor soil conditions that were previously discussed apply mostly to a high density subdivision in which many of the existing trees would be removed from the hillsides. In this instance, storm water provisions would have to be made before the Village would approve

a plat which affected the majority of the site. If sod and woods are left largely undisturbed, they will continue to provide natural filtration on the site.

III. MOST PROBABLE USE

A. General Market Characteristics

Exhibit 14 shows subdivision and certified survey activity in Mount Horeb over the last six years. Parcels created have varied from a low of 12 in 1975 to a high of 275 in 1979. This can be compared with the number of building permits issued over this same period (Exhibit 15). The average number of units built over the last six years has been 45 per year. In comparing these two charts, it can be seen that building permits issued since 1979 have been only 16 percent of the parcels created in these two years. The surplus of vacant lots in Mount Horeb is approximately 420 to date (Exhibit 16). These range in size from .32 acres to .5 acres. The average lot size is about .32 acres or 14,000 square feet and is marketed to the family earning between \$15,000 and \$25,000 per year. New development has been occurring in all areas in Mount Horeb and no area appears to be growing faster than another.

Lots have been moving very slowly in Mount Horeb in the past year. The two major factors responsible for this slowdown are:

1. The high price of gasoline.

The sharp increase in gasoline prices has had a severe effect on the number of Madison residents moving to the area. According to a recent survey conducted by the Village,

EXHIBIT 14

LAND DIVISIONS
MT. HOREB
1974 - 1979

	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1974-1980 Total</u>
Parcels Created By Subdivision	16	11	51	27	61	274	23	463
Parcels Created By Certified Survey	0	1	2	5	0	1	0	9
Total	16	12	53	32	61	275	23	472
Cumulative Built on (Single Family and 2-Family, 1974-1979)								251
Net Addition to Buildable Lots								221

EXHIBIT 15

BUILDING PERMITS ISSUED
MT. HOREB
1970 - 1980

	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>Total</u>
Single Family	10	29	12	17	13	31	33	62	39	31	13	290
2-Family	--	4	8	8	2	2	2	14	4	4	1	49
Multi- Family	8	15	--	28	8	--	12	24	--	0	0	95
Total	18	48	20	53	23	33	47	100	43	35	14	434

Source: Dane County Regional Planning Commission

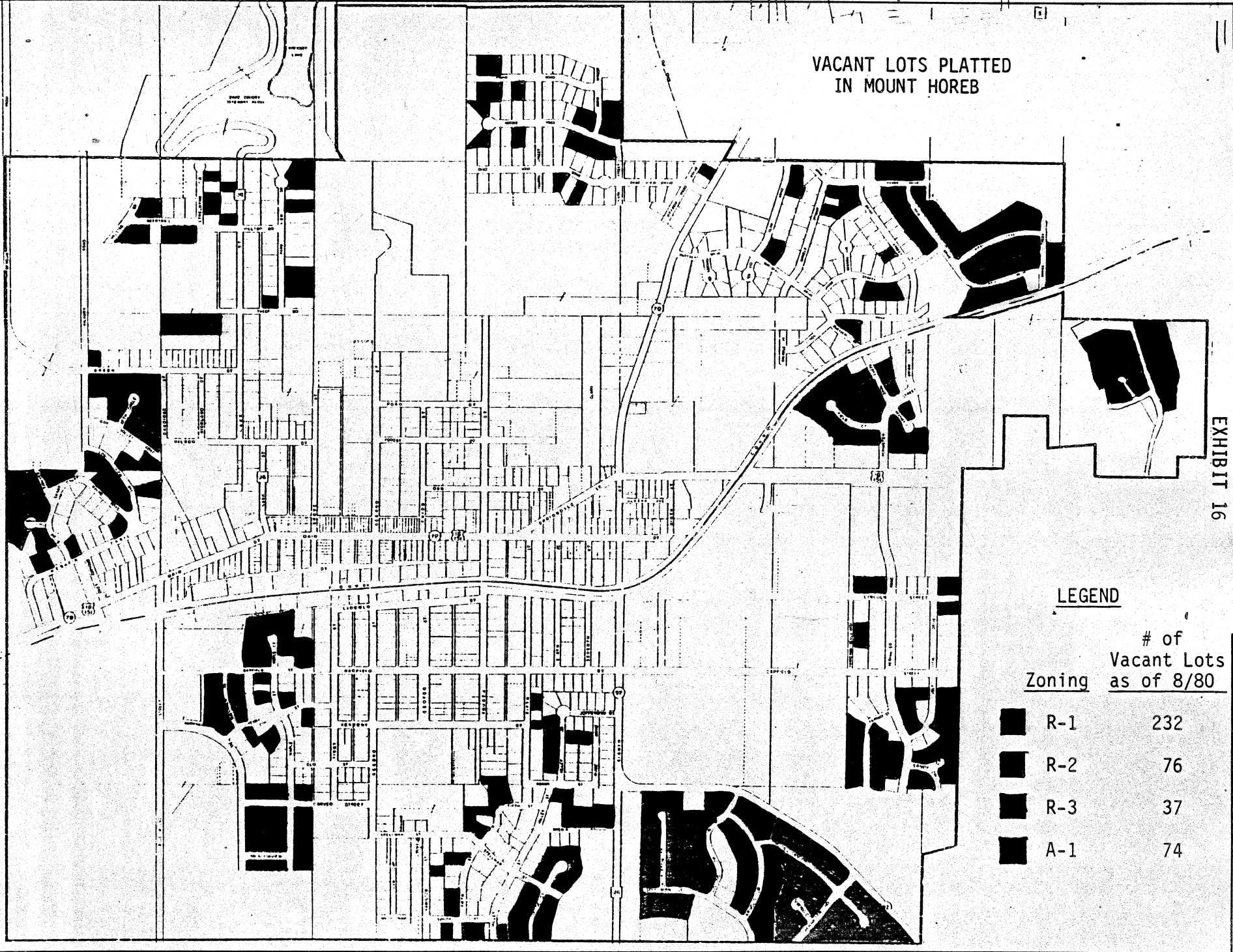
VACANT LOTS PLATTED
IN MOUNT HOREB

38

EXHIBIT 16

LEGEND

Zoning	# of Vacant Lots as of 8/80
R-1	232
R-2	76
R-3	37
A-1	74



70 percent of homeowners work in Madison, and over 60 percent of all residents who have moved to the Village within the last five years work in Madison. With the rising price of gasoline, the cost of a 40 mile daily commute is becoming more and more of a concern to these people.

2. Cost of Mortgage Money

With a shortage of mortgage funds and rising interest rates squeezing the home buyer's budget, it has become very difficult for home buyers to finance a purchase unless they have a substantial down payment or the seller can afford to finance the sale of his house. Because Mount Horeb is not an affluent community, having a median household income of \$18,900 and 72 percent of its residents earning less than \$25,000 a year, these economic conditions have had a noticeable effect on single family home purchases.¹

It is not clear whether the cost of commuting or the cost of mortgage funds will continue to cut off home purchases in Mount Horeb. Perhaps the switch to gas efficient autos will be completed when interest rates fall so that the market for new homes in Mount Horeb will improve.

Exhibit 17 illustrates the population trend in Mount Horeb and Dane County in the past decade.

¹1980 Survey Conducted by Mount Horeb.

EXHIBIT 17

DANE COUNTY AND MOUNT HOREB POPULATION TREND
1970 - 1979

VILLAGE OF MOUNT HOREB

<u>Year</u>	<u>Population</u>	<u>% Change Over Five Years</u>	<u>Annual % Change Over Five Years</u>
1970	2,402		
1975	2,793	16.3	3.3
1979	3,297*	18.0	4.5

DANE COUNTY

1970	290,272		
1975	305,532	5.2	1.0
1979	323,499	5.9	1.5

Source: Dane County Planning Commission, Regional Trends in Dane County, Wisconsin, 1979

*Estimate

The annual growth rate in Mount Horeb has been almost three times that of the County in the past decade. The beauty of the Mount Horeb area has been a major contributing factor to growth. The lifestyle in a smaller community and the natural beauty of the Mount Horeb area, the long range effects of the gasoline shortage on this growth, and trends toward less expensive, more compact single family homes may affect the rate of absorption of traditional single family lots for younger families with children.

B. Alternative Use Scenarios

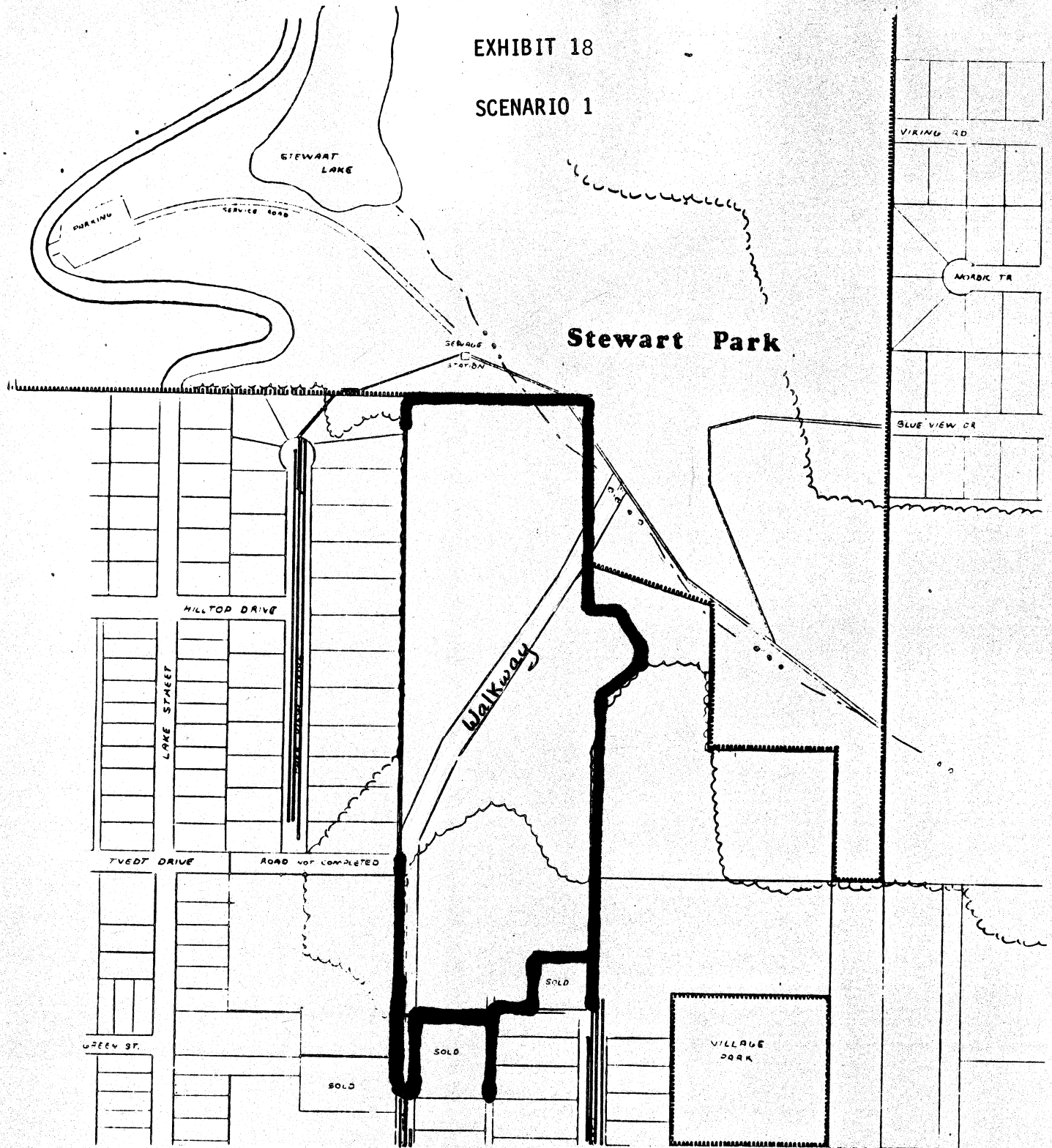
A combination of the physical characteristics of the property and the general demand characteristics suggest the following alternative scenarios for use of the subject property.

Scenario No. 1

The entire parcel could be sold for the construction of a home by an individual who is seeking the private estate that twenty acres can provide, who appreciates the aesthetic beauty of the woods and hills, but who also seeks the conveniences and amenities that the Village has to offer (Exhibit 18). The only seller costs in this scenario would be for legal fees and a certified survey. No compliance with subdivision regulations would be required. Because of the problems with constructing a road through the hilly terrain and the costs of utility extensions, the least costly and most probable site for a home would be in the southeastern corner of the property. This site would allow the shortest distance for utility connections and a minimal cost for grading and clearing for foundation and driveway. Water, gas, and electricity are available at the end of Second Street at the southeast corner of the subject property. A grinder pump and 1-1/4 inch PVC pressure pipe to the sewer main would have to be installed on the homesite. This total cost would run around \$5,000 to \$7,000 (\$2,000 for the pump and \$10 per lineal foot for the pressure pipe) depending on where the pump was located and how long the pressure pipe would have to be. This expense would have to be borne by the

EXHIBIT 18

SCENARIO 1



- | Electricity
- | Gas
- | Sewer
- | Water

purchaser and must be considered in the pricing and marketing of the property.

Scenario 2

The subject would be divided into two parcels, bisecting the property in a northwesterly to southeasterly direction, approximately ten acres each (Exhibit 19). This division would allow for two homesites, each with enough land to provide ample privacy. This division would not require a platting procedure, but would require greater outlay to the seller for utility extensions and road grading to the common southern corner of the property. (This excludes the strip of land extending from Second Street).

Scenario 3

The site would be divided into three parcels consisting of approximately 10 acres, 6 acres, and 5.5 acres, parcels 1, 2, and 3 respectively (Exhibit 20). Because each of the parcels are larger than five acres, the division would not be subject to the Village Board's perusal. This division would allow for a wider market appeal because of the three different sizes offered. Gas and water would be extended from Park View Drive to the common intersection of the three parcels along the western boundary. Electricity is provided along the eastern border of the site. Sewage can be gravity fed into the sewer main running northeast of the site by placement of sewer laterals by lot 1 and lot 2 purchasers. The purchaser of lot 3 would find it more economical to install a grinder pump on the site. Decreased marketability and pricing of these parcels because of potentially high

EXHIBIT 19

SCENARIO 2

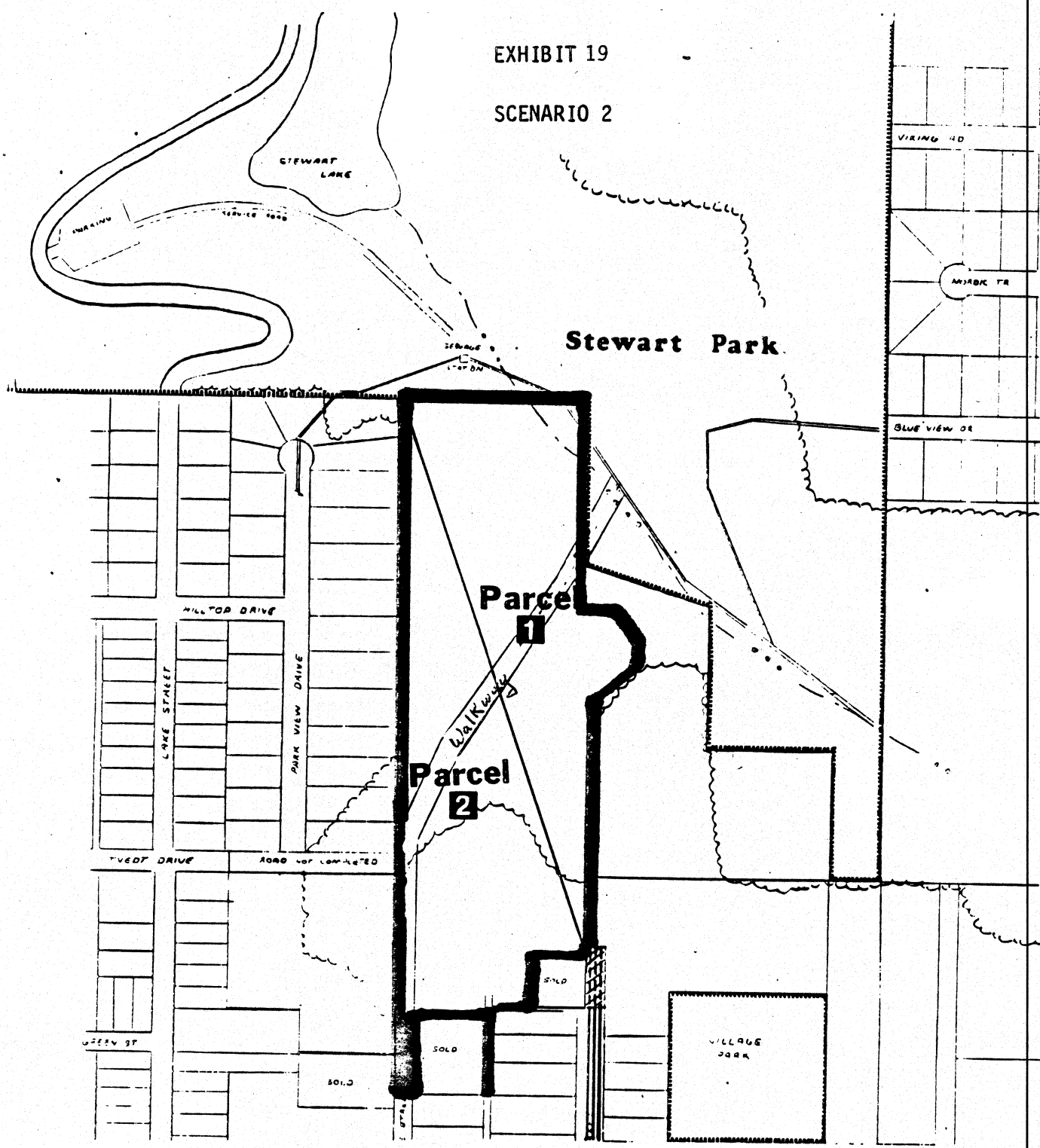
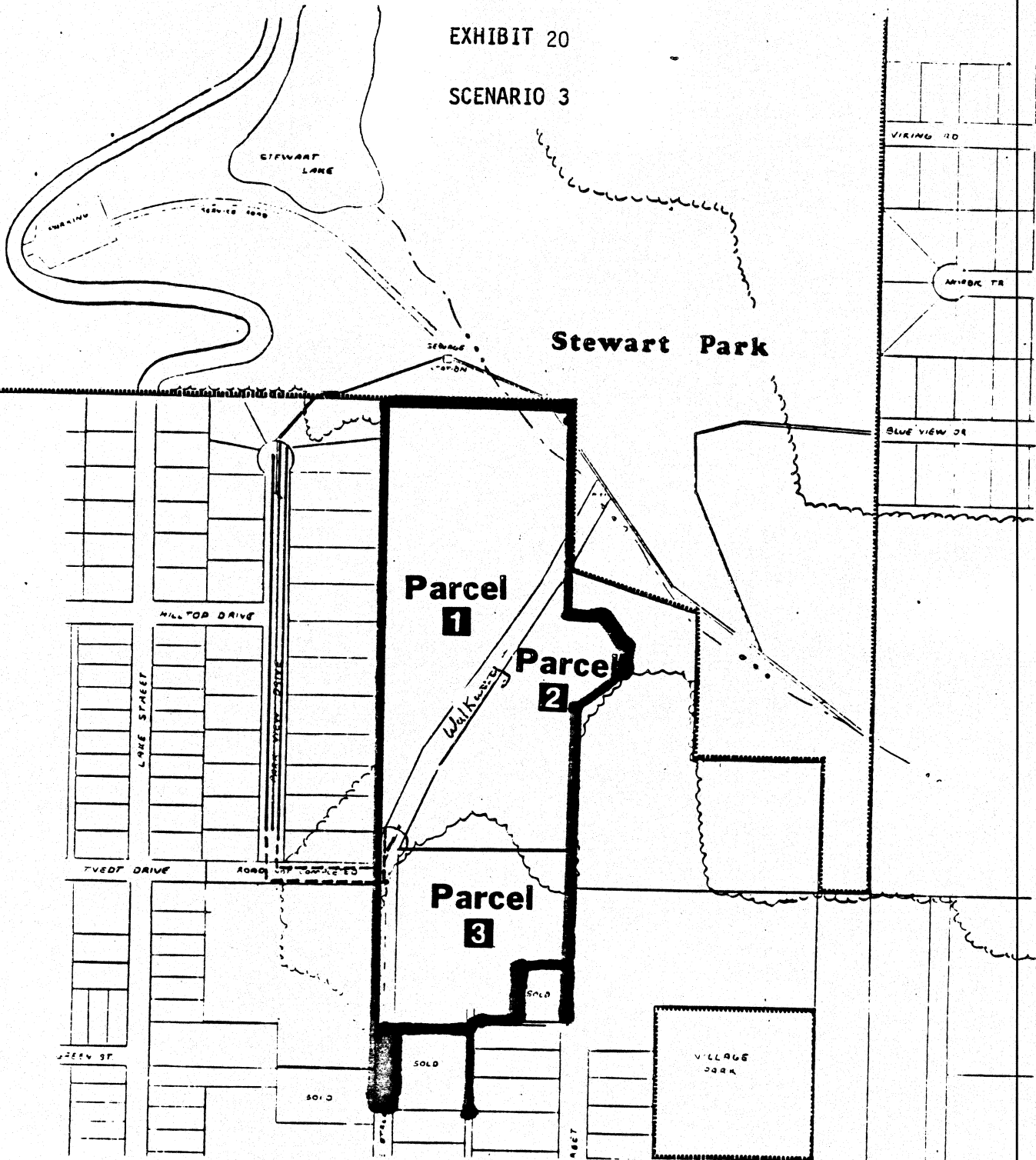


EXHIBIT 20

SCENARIO 3



utility and sewer lateral placement costs must be recognized in this scenario.

Scenario 4

The parcel would be subdivided into 33 single-family lots with an average size of 15,000 square feet (Exhibit 21). This plan also includes the installation of a storm water control area to handle increased runoff due to tree removal. In this scenario, it is assumed that a change in zoning and a variance on cul-de-sac lengths could be obtained from the Village. As discussed earlier, the zoning variance does not appear to be a problem from talking with the Village Planner. The extension of the cul-de-sac from the allowed 1,000 feet to 1,200 feet also seems reasonable since there is limited alternative road development for this parcel. Roads in this plan cut across some 20 percent slopes but grading and clearing costs to lay a 10 percent grade road have been calculated in the cost estimates. Marketing problems with these lots would occur because of competition from the surplus of lots existent in the community and because creatively designed houses resulting in increased construction costs would be required to fit many of the steeper sloping lots. Mount Horeb generally tends to be a very traditional community exhibiting conventional styles and tastes; this might make marketing of these lots difficult.

Scenario 5

This proposes a townhouse complex of individually owned two-bedroom units built in four phases totalling 20 units (Exhibit 22). The units would contain approximately 1,000 square feet each plus a

EXHIBIT 21

SCENARIO 4

County Park
Stewart Park

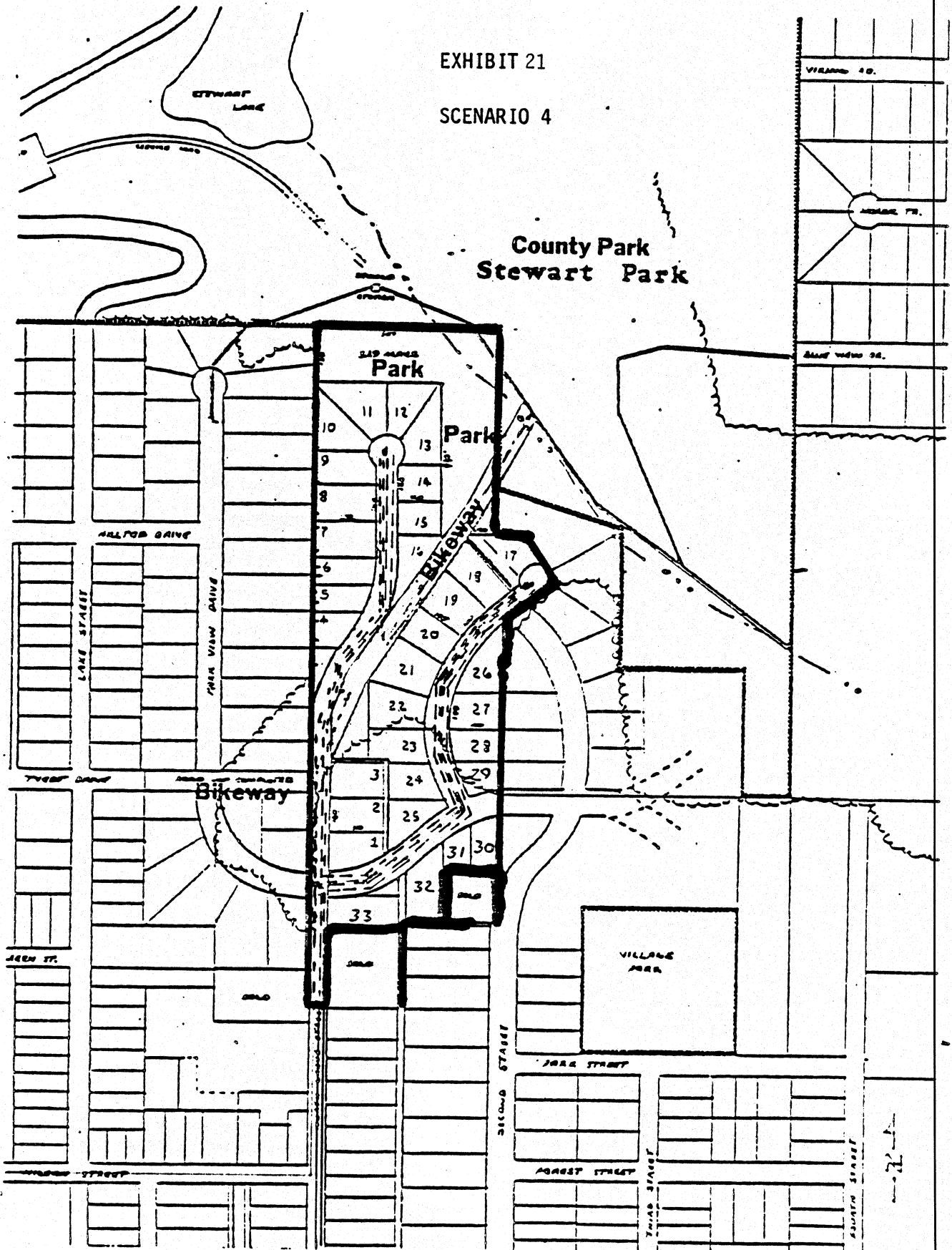
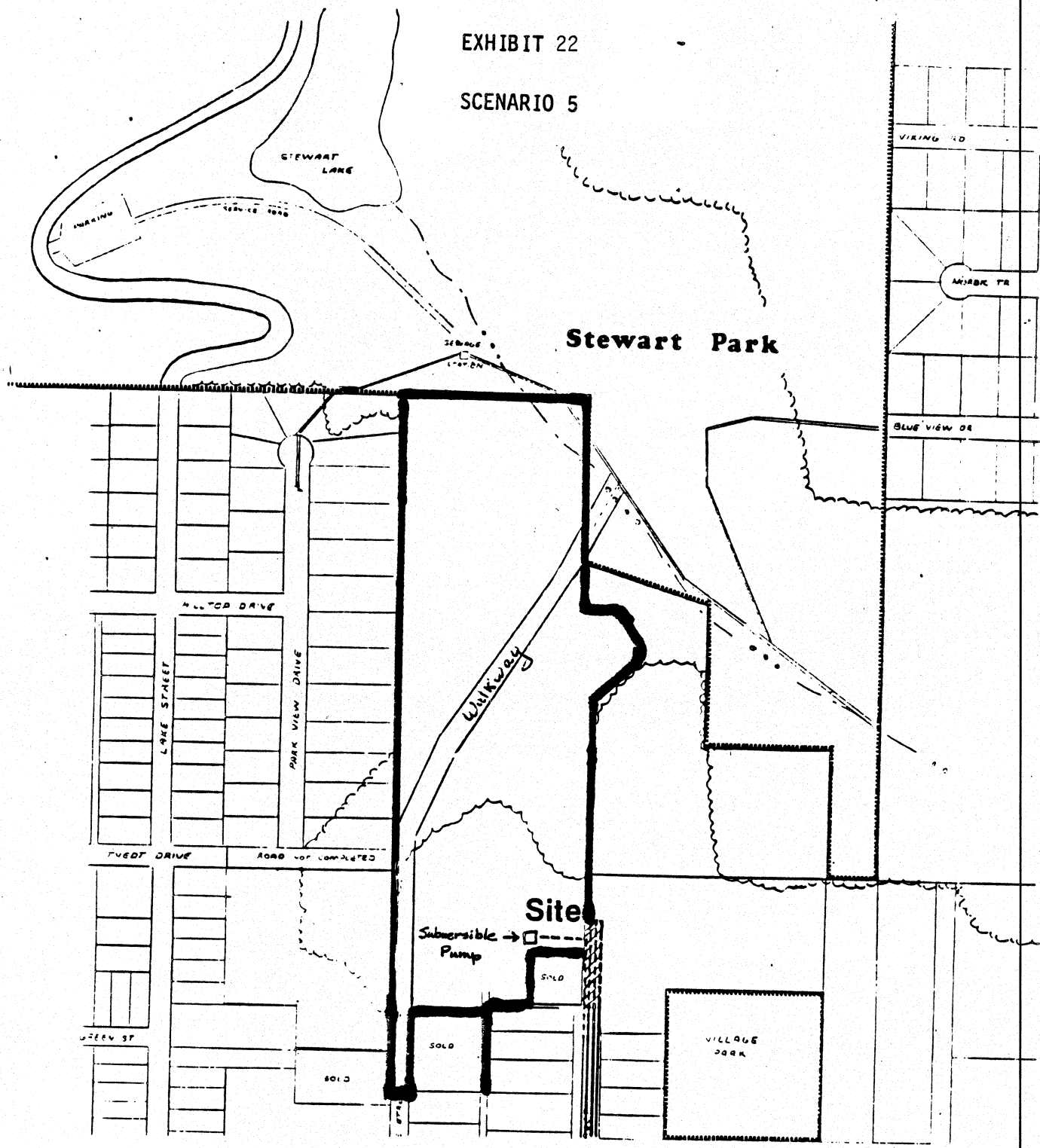


EXHIBIT 22

SCENARIO 5



double car attached garage. The units would be of higher quality construction and design to conform to the existing residential developments in the area and to optimize the value from the unique location and aesthetic beauty of the subject property. Utilities and road access would be provided from Second Street. A submersible pump and pressure pipe to the Second Street sewer main would have to be installed to process and transfer sewage from the site. This pump will service 20 or more households.

A low density planned unit development as proposed would be one of the better ways to utilize the site because a minimum amount of grading and clearing would be involved. The buildings would be located in the southeast corner of the parcel along a gently sloping hill. Residents would be able to enjoy the natural beauty of the parcel and still be within walking distance of downtown. The proposed complex would offer four to five units per net buildable acre and a total land allocation of one acre for each dwelling unit. This density is well below the required one-quarter acre lot allowance for single family homes. The developer could negotiate a dedication to the Village of the springs in the northern part of the parcel to satisfy water quality requirements and could provide an open space covenant to the Village to protect the balance of the woods and slopes. The complex should be designed to provide easy access from the units to the utility easement walkway. The most probable purchasers of these units would be the elderly, newly retired couples, or one and two person households who wish to eliminate maintenance problems but who

desire the advantages of home ownership, these groups represent more than 25 percent of the active home buyers market in the United States and Wisconsin today. In targeting this market, the developer will be less affected by the decrease in growth due to fewer commuter residents. Twenty-one percent, or approximately 692 residents in Mount Horeb are over 60 years of age; of these, approximately 81 percent or 561 residents earn over \$10,000 a year.¹ Most members of this group will have equity in current homes and might be able to make larger downpayments so that annual income might not be as important a factor for reasonably priced units. The empty nester family often has the income from two persons working while the one person household may be the widow, the professional person seeking protection from inflationary rents or the household with one surviving parent. Although this type of development has never been attempted in Mount Horeb or in any of the similar communities nearby, the developer of these units should be assuming little more marketing risk than is found in established markets like Madison.

C. Discussion of Alternative Use Scenario

To determine what the most probable use scenario is for the subject property, it is necessary to examine all of the scenarios that are physically and legally possible for the site, and to rank them as to their economic feasibility, given their individual market appeal and risk level.

¹1980 Mount Horeb Village Survey

Development costs for all of the scenarios are calculated in Exhibit 23. These were obtained from civil engineers, plumbing consultants, utility company personnel, surveyors, and current construction cost manuals. Exhibits 18-22 show the proposed layout of roads and utilities for each of the scenarios. These designs were determined by village subdivision regulations and by the topography, soils and ground cover of the land.

Cash flow calculations for Scenario 1 are shown in Exhibit 24. Because no purchases of acreage tracts for building a single family home have occurred within the village limits in the last three years, it is necessary to look at purchases of land outside the village and to make adjustments for differing amenities to the sale price of these.

Sales of land outside of the Village that had similar characteristics to the subject were reviewed to determine an average sale price per acre; an average of \$3,700 an acre was determined as a possible market value for these sales. Sale prices and revenue predictions for Scenarios 1, 2, and 3 were calculated from this figure.

The first adjustment that must be considered is the difference in costs to improve rural sites versus the subject site. Ordinarily, these costs are substantially greater for property in the country, however, because of the long utility connections required for the subject, these costs are approximately equal in Scenario 1. The land slopes downward to the subject from the end of Second Street at about an 8 to 10 percent grade. Since the Village will not allow septic tanks, the purchaser would be required to install a grinder pump with

EXHIBIT 23

DEVELOPMENT BUDGETS FOR ALTERNATIVE SCENARIOS

	Costs/Unit	SCENARIO 1 Homestead		SCENARIO 2 2 Parcels		SCENARIO 3 3 Parcels		SCENARIO 4 33 Lots		SCENARIO 5 Condo	
		Quantity	Cost	Quantity	Cost	Quantity	Cost	Quantity	Cost	Quantity	Cost
Sanitary Sewer											
8" Sewer Main ¹	20/LF							3,450	\$69,000		
4" Sewer Lateral	200/lot or \$5/LF							33	6,600		
Submersible Pump	20,000/unit									1	\$20,000
1 1/4" PVC Pressure Pipe	10/LF									300	3,000
Manholes	750/ea.			2	1,500			10	7,500	1	750
Water Distribution											
6" Water Main ¹	13/LF			250	3,250	550	7,150	2,700	35,100	300	3,900
1" Water Lateral	100/lot or \$5/LF							33	3,300		
Hydrants, Valves, etc.	400/ea.					1	400	3	1,200		
Natural Gas											
Gas Main	\$4.50/LF			200	900	600	2,700	2,700	12,150	200	900
Electric Cable (buried)	150/lot or \$2/LF			200	400	Already in		33	4,950	200	400
Streets ²											
6" Base Coarse Gravel ³ (40' wide)	\$2.25/sq. yd.							11,320	25,470	888	2,000
2 1/2" Bituminous Surface ³ (40' wide)	\$4/sq. yd.							11,320	45,280	888	3,552
Curb and Gutter	5/LF							5,800	29,000		
Sidewalk (5' wide, 4" thick)	6/LF							2,125	12,750		
Grading and Clearing	300/lot or \$3/LF			200	600	650	1,950	33	9,900	3%	1,424
Landscaping (Finish work)	100/lot							33	3,300		1,000
Storm Water Management								1	20,000		
Total		0		\$6,650		\$12,200		\$285,500		36,926	
Developer/Owner Costs											
Engineering and Surveying		\$400		\$400		\$ 800		\$14,140		--	4
Legal Fees		250		160		250		3,000		4,000	
Permits and Inspections				250		250		3,000		--	
Bonds and Insurance								4,000		--	
Area Assessment Charge	275/acre							20	5,500	20	5,500
Preliminary Plat									330		150
Total Developer's Cost		\$650		\$7,460		\$13,500		\$315,470		\$46,576	
Contingency 15%		98		1,120		2,025		47,321		6,986	
TOTAL COST		\$748		\$8,580		\$15,525		\$362,791		\$53,562	

¹Includes cost for blasting

²Requirements for public roads by Village

³Includes grading and clearing costs

⁴Engineering & Surveying, Permits & Inspections, Bonds & Insurance are included in calculation of building cost per sq. ft.

SOURCES

1. Max Koletzey (Village Engineer), Bob Bates, Mark Koletzey; Lakeland Engineers

2. Richard Thies, Madison Gas & Electric

3. Al Bendickson, Mt. Horeb Electric Utility

4. Dane County Surveying, Inc.

5. Don Knapp, Benjamin Plumbing

6. Al Woods, Mt. Horeb Administrator

7. Mean's Construction Cost Manual

EXHIBIT 24

CASH FLOW CALCULATIONS
SCENARIO 1

Home Owner Costs Associated with Subject:

Minimum for new homeowner

\$2,000	Grinder Pump
3,000	1 1/2" PVC Pressure Pipe
1,250	Water Lateral
900	Natural Gas
400	Electricity
300	Driveway
<u>\$7,850</u>	

Home Owner Costs Associated with Country Parcels

septic tank for 3 bedroom house ¹	\$2,500 - \$3,500
2 additional bedrooms (\$200/ea.)	400
water well - 200 feet on hill, 40-50 foot of casing ¹	2,000
pump installation ¹	1,000
electricity	100
gas	225 - 450
	<u>\$6,225 - \$7,450</u>

Assuming Costs will net each other out, other factors possibly affecting value are:

Advantages of

<u>City</u>	<u>Country</u>
- Closer to city amenities, esp., benefit from increased fire and police protection	- lower taxes
- Closer to shopping, esp, grocery	- greater privacy
- Closer to schools	- more open space
- <u>Perhaps</u> greater opportunity for value appreciation, at least in the mind of the buyer	- better access to highway
- 5% downward adjustment in price per acre for village land	

Cash Flow

Average Country Land price per acre =	\$ 3,700
Revenue at \$3,150 per acre	= 64,575
Less expenses ²	= <u>7,205</u>
Net Income	<u>57,370</u>
NPV at 10% - 1 yr. sale	52,155
NPV at 10% - 2 yr. sale	47,413

¹Sources: Henshue Excavating, Ampe Excavating, Four Lakes Engineering.
²Development costs (Exhibit 23) plus sales costs.

a 1-1/4 inch PVC pressure pipe connection to the sewer main, a major expense to the purchaser. These costs assume that the buyer would be willing to locate in the southeastern corner of the property; should he wish to locate elsewhere on the subject, these costs would increase.

Another adjustment that must be made to the two types of property is for the benefits of country living versus the benefits of village living. From talking with owners of acreage plots within the Village and outside of the Village, it was determined that given the same physical characteristics of a parcel, most people would prefer to own land outside of the Village because of the lower property taxes and greater privacy. This advantage outweighed the perceived benefits from the various village amenities. Because of these demands, prices per acre for the subject were decreased by 5 percent in determining sale prices in Scenarios 1-3 for an adjusted sale price per acre of \$3,515. Because the 20.5 acre tract in Scenario 1 is four times larger than the land area in any of the sales reviewed to determine the \$3,515 per acre price, a 10 percent downward adjustment was made to the anticipated sale price in Scenario 1 to allow for any decrease in the unit price because of the larger land area.

Scenario 1 shows three different investment values for the subject: (1) assuming an immediate sale, (2) assuming a sale in approximately one year, and (3) assuming a sale in approximately two years. The major undetermined factor, and therefore risk of this scenario, is the length of time required to sell the parcel. Mount Horeb does not exhibit a high demand for prestigious residential

estates. Seven residences have sold for over \$100,000 in and around Mount Horeb in the last three years according to the MLS sold books. The two exclusive builders in the town, Century Builders, Inc., and Hefty Construction, have each built an average of one residence per year in this cost range over the last three years. There does appear to be some current demand in the Village for exclusive homes and estates as evidenced by the recent sale of a \$160,000 home on two lots in Deertrail Subdivision just to the west of the subject. Mr. Robert Ibinger, who owns one of the more exclusive home sites in the area, recently received a handsome offer for his 14 acre estate in Nordic Hills. The extent of demand by this market and its effective demand for a parcel the size of the subject is uncertain. Although Mr. Ibinger received an offer for his 14 acres, no market purchase of this size property for building a single residence has occurred within the Village in the past three years. Acreage sales in the country also seem to be for smaller sized parcels. The only three market transactions for vacant land around the Village noted in the last three years were for parcels of 1.71 acres, 2.07 acres, and 3.85 acres. A few other sales involving around 5 acre parcels were observed but these involved land with building improvements or represented non-market transactions.

Scenarios 2 and 3 are not economically feasible. Because of the high cost of utility connections and road placement required of the purchaser, net cash flows are less in Scenario 2 and 3 than in Scenario 1 (Exhibits 25 and 26). These calculations are made assuming

EXHIBIT 25
CASH FLOW CALCULATIONS
SCENARIO 2

Site Improvement Costs Anticipated by Buyer

	<u>Quantity</u>	<u>Parcel 1</u> <u>Cost</u>	<u>Quantity</u> <u>1</u>	<u>Parcel 2</u> <u>Cost</u> <u>\$2,000</u>
Grinder Pump				
Pressure Pipe			400 -500	4,000- 5,000
Sewer Lateral	500'-650'	\$2,500-\$ 3,250	0	0
Water Lateral	500'-600'	2,500- 3,000	200'-300'	1,000- 1,500
Gas	500'-600'	2,250- 2,700	200'-300'	900- 1,350
Electricity	500'-600'	1,000- 1,200	200'-300'	400- 600
Road/Driveway ¹	150'-200'	450- 600	550'-600'	1,650- 1,800
		<u>\$8,950-\$10,750</u>		<u>\$9,950-\$12,250</u>
Adjusted Price per Acre for Village		\$ 3,515		\$ 3,515
Predicted Price		35,150		35,150
Adjustment for Variance in Cost from Country Home Site Improvements		<u>(3,012)²</u>		<u>(4,262)²</u>
Predicted Selling Price		\$32,138		\$30,888

Cash Flow

	<u>1981</u> <u>Year 1</u>	<u>1982</u> <u>Year 2</u>	<u>Total</u>
Revenue from Sales	\$32,138	\$30,888	63,026
Less:			
Sales Costs (10%)	3,214	3,089	6,303
Development Cost ³	<u>8,580</u>	<u>0</u>	<u>8,580</u>
Gross Cash Flow	20,344	27,799	48,143
NPV (10% discount) ⁴	18,495	22,974	<u>\$41,469 (Rounded)</u>

¹\$3/LF for grading and clearing.

²Average difference between subject site improvements and country site improvements as shown in Exhibit 24.

³Exhibit 23.

⁴Includes holding costs.

CASH FLOW CALCULATIONS
SCENARIO 3

Site Improvement Costs Anticipated by Buyer

	Quantity	Parcel 1 Cost	Quantity	Parcel 2 Cost	Quantity	Parcel 3 Cost
Grinder Pump					1	\$2,000
Pressure Pipe					400 -500	\$ 4,000-\$ 5,000
Sewer Lateral	500'-650'	\$ 2,500-\$ 3,250	500'-650'	\$2,500-\$ 3,250		
Water Lateral	600'-800'	3,000- 4,000	500'-550'	2,500- 2,750	400'	2,000
Gas	600'-800'	2,700- 3,600	500'-550'	2,250- 2,475	400'	1,800
Electricity	50'-100'	100- 200	500'-550'	1,000- 1,100	400'	800
Road/Driveway ¹	600'-800'	<u>1,800- 2,400</u>	500'-550'	<u>1,500- 1,650</u>	300'-350'	<u>900- 1,050</u>
		\$10,100-\$13,450		\$9,750-\$11,225		\$11,500-\$12,650
Adjusted Price per Acre for Village		\$ 3,515		\$ 3,515		\$ 3,515
Predicted Price		35,150		21,090		19,333
Adjustment for Variance in Costs from Country Home Site Improvements		<u>(4,937)²</u>		<u>(3,649)²</u>		<u>(5,237)²</u>
Predicted Selling Price		\$30,213		\$17,441		\$14,096

Cash Flow

	1981 Year 1	1981 Year 2	Total
Revenue from Sales	\$14,096	\$47,654	61,750
Less:			
Sales Costs (10%)	1,410	4,765	6,175
Development Costs ³	<u>15,525</u>		<u>15,525</u>
Gross Cash Flow	(2,839)	42,889	40,050
NPV (10% discount) ⁴	(2,839)	35,445	<u>32,606</u>

¹\$3/LF for grading and clearing.

²Average difference between subject site improvements and country site improvements as shown in Exhibit 24.

³Exhibit 23.

⁴Includes holding costs

one parcel sells each year in Scenario 2 and three parcels sell in two years in Scenario 3. Assuming that all the parcels sold immediately, the net income would still be only \$48,143 in Scenario 2 and \$40,050 in Scenario 3.

Scenario 4 is not financially feasible under the assumptions given (Exhibit 27). The absorption rate for the proposed lots was determined by examination of absorption rates in the neighboring new subdivisions. The Dewitt's Subdivision at the west end of town, just south of Green Street, and the Deertrail Subdivision, west of Park View Heights, are the most similar to the subject in terms of topography and aesthetics; both are hilly and wooded. Deertrail was platted in 1976 and has sold five out of eleven lots to date, Dewitt's Subdivision was platted in 1975 and has sold five out of twenty lots to date. Assuming a two year platting and development period, these two subdivisions have captured 8 percent and 4 percent, respectively, of the total number of building permits issued in these years. Nordic Hills, to the northeast of the subject, is one of the more established, prestigious areas to live within the Village. The first addition to Nordic Hills was platted in 1977 and has sold approximately 6.2 lots a year, capturing from 20 to 25 percent of the new housing market. (This is assuming that the number of new lots sold closely approximate the number of building permits issued in the Village.) The lower absorption rates experienced by Deertrail and Dewitt's Subidivision are contributed in part to the steep roads, approximately 14 percent grade, and the sloping lots in the subdivision. The proposed sub-

EXHIBIT 27
CASH FLOW CALCULATIONS
SCENARIO 4

	<u>1981</u> <u>Year 1</u>	<u>1982</u> <u>Year 2</u>	<u>1983</u> <u>Year 3</u>	<u>1984</u> <u>Year 4</u>	<u>1985</u> <u>Year 5</u>	<u>1986</u> <u>Year 6</u>	<u>Total</u>
Lots Sold*		5	5	6	6	7	29
Sale Price/lot ¹		\$15,000	\$15,750	\$16,500	\$ 17,000	\$ 18,000	
Revenue from Sales		75,000	78,750	99,000	102,000	126,000	\$480,750
Less:							
Sales Cost (10%)		7,500	7,875	9,900	10,200	12,600	48,075
Development Loan: ²							
Interest & Fees	\$21,775 ³	47,592	37,813	26,630	9,812	0	143,622
Principal Payment	0	82,450	82,450	98,940	98,951	0	362,791
Cash Flow	(21,775)	(62,542)	(49,388)	(36,470)	(16,963)	113,400	<u>(73,738)</u>

SUBDIVISION FAILS--NO NET VALUE

*Absorption Rate Table

	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>Total</u>
New Housing Market Projections	15	25	27	29	31	33	160
20% of Market Development Period		5	5	6	6	7	29

¹Assumes a price appreciation of 5% or less a year.

²Exhibit 29, 17% annual interest.

³Includes 2 point fee of \$6258.

⁴Based on number of building permits issued 1970-1980, 1981 single family permits were 13. Housing market statistics assume a market rebound in 1982, but a leveling off of growth and housing starts at a 3.3% increase per year after that because of the dampening effects of continually rising gasoline prices on consumer demand. (Exhibit 14, 15 and 17)

division would not contain steep roads, but it would have sloping lots. It is estimated that the absorption rate for lots on the subject site would be greater than that experienced by these two subdivisions, but that it would fall short of the absorption rate of the well established Nordic Hills; therefore, an absorption rate of 20 percent of the total housing market is applied to the proposed subdivision.

Sale prices in Deertrail, Nordic Hills, and Dewitt's Subdivisions have ranged from \$10,900 in January of this year to \$16,000 just recently in Nordic Hills. (This was for a 20,000 square foot lot.) The average selling price has been around \$11,000 (Appendix A). The average size of these lots ranges from 14,000 square feet to 15,000 square feet. Because of the aesthetics of the subject site, it is believed that the lots would sell at the top of this range. Allowing for a 5 percent annual appreciation, the lots are expected to sell for \$15,000 in 1982.

Calculations in Exhibit 27 are made over a six year holding period. The total cash flow at the end of this period is negative before discounting for real estate taxes, administrative expenses, developer's profit, opportunity costs and financial risk.

Scenario 5 is the most financially feasible alternative, but it also has the greatest political and market risks because of the newness of its concept in the area (Exhibit 28). These risks have been compensated for in allocating a discount rate for the project. Although this type of unit has not been offered to Mount Horeb residents in the past, there is reason to believe that a market exists

EXHIBIT 28
CASH FLOW CALCULATIONS
SCENARIO 5

	<u>1981</u> Year 1	<u>1982</u> Year 2	<u>1983</u> Year 3	<u>1984</u> Year 4	<u>1985</u> Year 5	<u>Total</u>
No. of Sales		5	5	5	5	20
Sales Price ¹		\$ 75,000	\$ 78,750	\$ 82,690	\$ 86,825	
Revenue		\$375,000	\$393,750	\$413,450	\$434,125	
Less:						
Sales Costs at 10%		37,500	39,375	41,345	43,413	
Net Sales		\$337,500	\$354,375	\$372,105	\$390,713	\$1,454,693
Land Development Loan: ²						
Fees and Interest	\$2,592 ³	7,891	4,856	1,821	0	17,160
Principal Pay-back	0	17,855	17,855	17,852	0	53,562
Principal Repayment on Bldg. Construction Loan ⁴	0	247,500	272,250	299,475	329,425	1,148,650
Administrative & Real Estate Tax Expense	4,000	2,000	2,000	2,000	2,000	12,000
Total Cost	6,592	275,246	296,961	321,148	331,425	\$1,231,372
Cash Flow	(6,592)	62,254	57,414	50,957	59,288	223,321
NPV at 45%	(6,592)	29,610	18,833	11,527	9,250	62,628
NPV at 50%	(6,592)	27,668	17,011	10,066	7,807	55,960

¹Appreciated at 5% a year (rounded).

²Exhibit 30.

³Includes 2 point fee of \$1,071.

⁴Assumes each building of 5,000 square feet at \$45.00/square foot in 1980. Includes extras, engineering, surveying and architectural fees, and permits, inspections, bonds, insurance, and construction financing costs. Five units are assumed to be built each year from late 1981 to late 1984. Principal repayment is made upon each sale, releases are at \$49,500 1st - 5th sales, \$54,450 6th - 10th sales, \$59,895 11th - 15th sales, \$65,885 16th - 20th sales, based on the total construction loan each year. Costs are inflated at 10% a year.

for these units within the community. No townhouses have been built or tested in any of the surrounding towns and villages; however, Yahara Home Builders in Stoughton has just recently completed a complex with eight townhouse units. These seem to be well accepted and four are under contract to elderly couples and individuals. Stoughton is approximately 2.5 times larger than Mount Horeb but is growing at a rate approximately .8 percentage points less than Mount Horeb. Total single family building permits issued over the last ten years has been 490 in Stoughton, compared with Mount Horeb's 277. Over the same time period, total multi-family housing permits issued were 136 in Stoughton and 95 in Mount Horeb. Stoughton has a more stable economy and the number of housing starts each year has not fluctuated to the extent that Mount Horeb's has; therefore, it is uncertain that the partial success of condominium units in Stoughton could be replicated in Mount Horeb. This necessitates a closer look at the potential condominium market in Mount Horeb.

Under the assumption that five units could be sold each year, the project proves profitable. The units would be priced at \$75,000 in 1982. Based on this price, monthly expenses for residents are calculated at between \$640 and \$760 (Exhibit 31); these include debt service, monthly maintenance fees, and real estate taxes. This assumes a 30 year, 12.5 percent loan with a 25 to 40 percent down payment. The larger down payment is applied because the target market is elderly residents who often pay a larger percent down. If a ratio of income of 3.5 times expenses is applied to these figures, then approximately

EXHIBIT 31

AVERAGE ANNUAL INCOME REQUIRED
OF CONDOMINIUM PURCHASERS

Loan Assumption: 12.5%, 30 yrs., amortized monthly

Loan to Value	<u>75%</u>	<u>60%</u>
Principal Amount	\$56,250	\$45,000
<u>Fixed Expenses</u>		
Monthly Mortgage Payment	600	480
Taxes ¹	100	100
Maintenance Fee	<u>60</u>	<u>60</u>
Monthly Fixed Expenses	<u>\$760</u>	<u>\$640</u>
Annual Income Required to Qualify for Loan (3.5x)	\$31,920	\$26,880
Approx. Percent of Households ²	N/A ³	<u>345</u>

¹Based on current assessment practices; units assessed at 80% of market value (sale prices), mill rate is 21.16.

²Based on percentages reported in 1980 Village Survey.

³Break down is only for percent earning over \$25,000 annually.

28 percent of Mount Horeb or approximately 345 households could afford these units. The proposed 20 unit complex would only hope to capture 4 to 6 percent in this potential market. The percent of elderly households of this market segment is not available. Approximately one-fifth of Mount Horeb is elderly and 80 percent of these, or 561 residents, earn over \$10,000 a year. No further breakdown of this group is available.

The condominium concept has proven quite successful throughout the country, especially in current times of rising home costs and rising interest rates. James Burkhard, one of the leading condominium developers in Madison, estimates that between 35 and 40 percent of all one to six family type buildings constructed in Madison last year were condominium type units. Townhouses and condominium type units built in Madison to date are estimated by the appraiser to be approximately 5 percent of total housing units in the city. If this same 5 percent is applied to the Mount Horeb area, it suggests that 62 townhouse units could be market supported in the Village. The 20 proposed units would rely on capturing only 32 percent of this market over a period of four years or 8 percent each year.

Current construction costs are estimated at \$45 per square foot based on local builder estimates and the 1980 Marshall & Swift Cost Manual. Each building contains approximately 5,000 square feet or about 1,000 square feet per unit since there are no interior hallways or foyers. The cost per square foot is for high quality construction and includes attached two car garages, built-in appliances, fireplaces,

and miscellaneous soft costs such as engineering and architectural fees, permits, inspections, bonds and insurance, and construction financing.

Developer financing is assumed at 17 percent with a 2 point commitment fee. A 100 percent development loan is applied, assuming that cash was paid by the developer for the land. Principal payments are made in sufficient amount at the time of each release to allow for a payback of the loan by the end of the fourth year (Exhibit 29).

Cash flows were discounted at both a 45 percent and a 50 percent rate. These rates indicate different investor requirements based on their perception and ability to assume financial risks caused by political and market uncertainty. The discount rate applied to Scenario 5 is higher than that used in the other scenarios because of the increased financial risk of the project. Even at this discount rate, this alternative scenario offers a higher justified investment than any of the other scenarios.

D. Ranking of Alternative Use Scenarios

Exhibit 32 shows the summary of the alternative uses of the subject. Scenarios 2, 3, and 4 are not financially feasible because of the cost restrictions of the physical attributes on single family lot development. These costs contribute to the negative and low justified investment for these three scenarios.

Scenario 1 is compatible with the physical attributes of the property and is politically acceptable. However, the effective demand

SUMMARY MATRIX OF FEASIBILITY OF ALTERNATIVE USES

<u>Feasibility Factor</u>	<u>Scenario 1</u>	<u>Scenario 2</u>	<u>Scenario 3</u>	<u>Scenario 4</u>	<u>Scenario 5</u>
Physical Attributes	Compatible	Not compatible	Not compatible	Not compatible	Compatible
Effective Demand	No Market Comparables	Adequate Market Comparables	Adequate Market Comparables	Soft	No Market Comparables
Political Acceptability	Acceptable	Acceptable	Acceptable	Less acceptable	Uncertain
NPV or Justified Investment	\$52,155	\$41,469	\$32,606	Negative	\$62,628
Financial Risks	Ave, since no costs are put into the land to develop it, the risk is in holding costs and opportunity costs of funds until the sale of the property. The major risk is in the length of time to sell the property.	Ave., success would depend on decreasing costs of development which could increase the sale price. This is unlikely since all cost quotes were verified and checked with local engineers.	Ave., success would depend on decreasing costs of development which could increase the sale price. This is unlikely since all cost quotes were verified and checked with local engineers.	High, success would be based on a much more rapidly growing single family housing demand, this is unlikely given the historical market and the permanent effects of the gasoline shortage.	High, because of market and political uncertainties. These have been accounted for in the discount factor applied to the cash flow.

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EXHIBIT 32

for a property of this size in town has not been established so it is uncertain that this would be the best use for the property at this time.

Scenario 5 seems to be the best and most likely use of the property at this time. Although there are political and market uncertainties, there is good reason to believe that neither of these will hinder the project. A potential market exists in town and it is mostly a matter of acceptance of a different kind of home ownership. Because the proposed project would necessitate minimal cutting of timber and is located where siltation into Stewart Lake would not be a problem, it is reasonable to think that PD-1 zoning could be obtained more easily than R-1 zoning which is more likely to pose environmental problems. Consideration of environmental impacts when designing the planned unit development could enhance the natural beauty of the site and allow others an opportunity to enjoy it. Finally, the justified investment for this project, given the discount rate, is greater than in any of the other project scenarios, and it is considered to be the most economical use of the land.

THEREFORE, THE MOST PROBABLE USE OF THE SUBJECT PROPERTY WOULD BE AS A LOW DENSITY PLANNED UNIT DEVELOPMENT OF 20 TOWNHOUSE UNITS CLUSTERED AT THE SOUTH END FOR A GROSS DENSITY OF ONE UNIT PER ACRE.

IV. PREDICTION OF PRICE FROM MARKET SALES

A. Most Probable Buyer

The most probable buyer for the subject property is a residential developer who wishes to make a profit by bringing a new product (townhouses) into an unserved market and who wishes to respect the environmentally sensitive aspects of the subject property. This user could be a local developer or an out-of-town developer.

B. Establishment of Appraisal Methodology

1. The preferred method to predict the most probable price at which the property will sell would be to infer buyer behavior from actual market transactions in which residential developers bought and then produced similar projects.

2. Should the pattern of sales be inadequate or inconclusive it is then necessary to use an alternate approach to forecast the price, essentially, some method which simulates the logic and decision process of the most probable buyer.

3. Once a probable sales price has been predicted along with the zone of probable transaction prices (a range of low to high around the most probable price), it is then desirable to test the appraisal conclusion to see if it permits the buyer to have a reasonable chance of realizing his objectives.

C. Market Approach to Value

No land has been purchased for townhouse development in Mount Horeb, therefore, it is not possible to obtain close comparable sales to infer a market price for the subject property. It is possible, however, to examine market sales that exhibit various comparable attributes to determine a range of prices within which transactions might occur for the subject property.

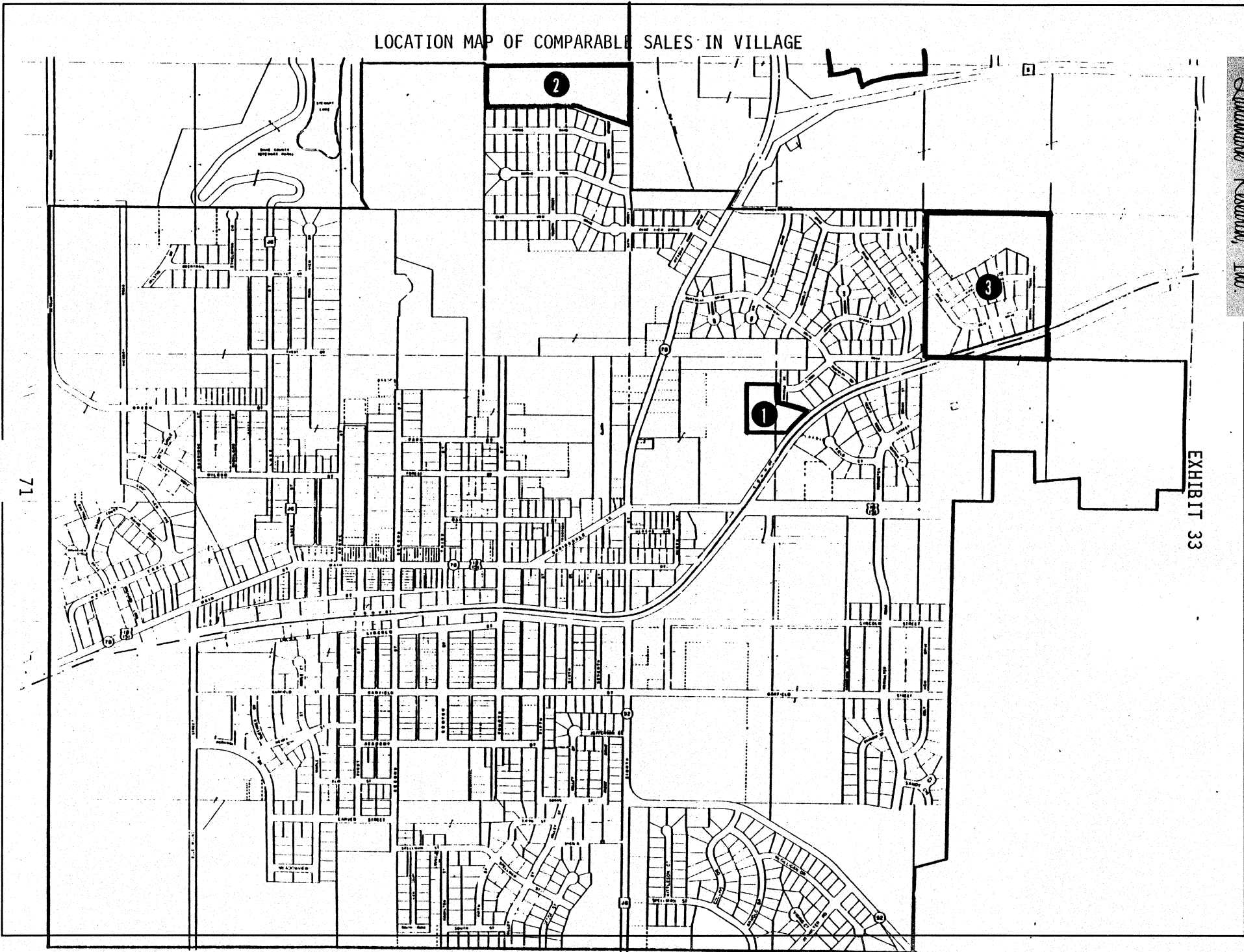
The property sales collected fall into three groups: (1) property having residential subdivision potential within Mount Horeb village limits, (2) property near the village, with physical characteristics similar to the subject, purchased for residential homesites, and (3) similar property purchased in the Madison metropolitan area for condominium and townhouse development (Exhibits 33 and 34).

1. Potential Subdivision Land in the Village

Comparable sales No. 1 through 3 (Exhibit 35) range in size from 10.39 acres to 40.75 acres. All three parcels are flat cropland with only a scattering of trees (Exhibit 36).

Comparable 1 and Comparable 3 were purchased for the purpose of subdividing into single family residential lots. Sale No. 3 has since been platted with 37 lots and has been improved with water and sewer but not with utility connections. Marketing of these lots has begun, but none have been built on to date. Comparable 1 was purchased for development by an out-of-town realty firm. The property was never subdivided and the company defaulted on

LOCATION MAP OF COMPARABLE SALES IN VILLAGE



Sandwich Research, Inc.

EXHIBIT 33

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EXHIBIT 34
LOCATION MAP OF COMPARABLE SALES
OUTSIDE OF VILLAGE

TOWN OF BLUE MOUNDS

T. 6 N. R. 6 E. DANE COUNTY, WIS.



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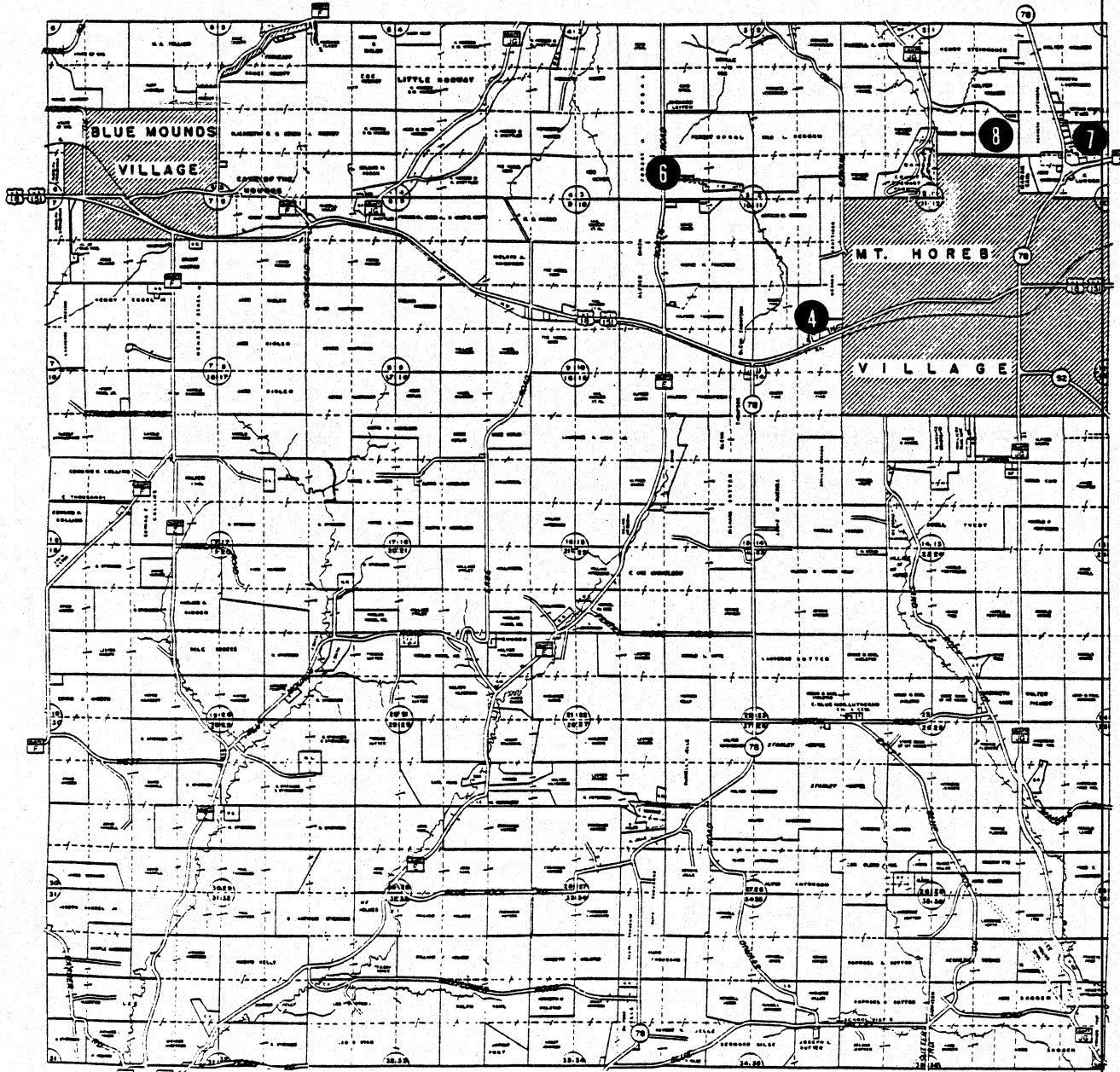


EXHIBIT 35
COMPARABLE SALE NO. 1

Date: 6/3/78

Price: \$55,000

Size: 10.39 Acres

Price per Acre: \$5,294

Improvements: None

Recorded: Vol. 957, p. 41

Instrument: Land Contract, 9% down, 9% interest, 5 year term, 1st year interest only, \$1,000 principal plus interest each quarter after that

Grantor: Hallingdal, a partnership consisting of Max E. Barth, James L. Jones, James Burns and John Gribb

Grantee: La Jo Enterprises Inc.

Location: Part of outlot 112, Village of Mt. Horeb. Lies west of Hallingdal plat and east of the C. & N.W. Railroad

Ground Cover: All gently sloping cropland

Zoning: R-1 and R-2

Remarks: Buyers were a realty firm from Mineral Point. Had intended to build an office on the site and subdivide the property. They never built, defaulted on their payments and Hallingdal has repossessed the property.

Contact: James Jones

EXHIBIT 35 (Continued)

COMPARABLE SALE NO. 2

Date: 9/16/76

Price: \$20,500

Size: 14 Acres

Price per Acre: ~~—~~ \$1,464

Improvements: None

Recorded: Vol. 727, p. 652

Instrument: Warranty Deed

Grantor: Silver Shield Enterprises, Inc.

Grantee: Robert Ibinger

Location: Part of the SE $\frac{1}{4}$ of the SW $\frac{1}{4}$ of Sec. 1. The parcel lies north of the 1st Addition to Nordic Hills in the north central part of the village.

Ground Cover: Some trees at the southeastern corner, otherwise, cropland.

Zoning: A-1

Remarks: Purchased to build exclusive home. Buyer wanted the acreage to protect his privacy.

Contact: Robert Ibinger

EXHIBIT 35 (Continued)

COMPARABLE SALE NO. 3

Date: 11/18/77

Price: \$114,000

Size: 40.75 Acres

Price per Acre: \$2,798

Improvements: None

Recorded: Vol. 886, p. 185

Instrument: Land Contract, 4% down, 6% interest, 10 year term, amortized monthly

Grantor: Walter Durtschi

Grantee: Waldmar Development Corp.

Location: Northeast edge of town. The C. & N.W. Railroad runs across the southern boundary of the property.

Ground Cover: Mostly cropland with a few trees lying along the railroad and in the northeastern corner of the property.

Zoning: A-1

Remarks: Has since platted Kara View Heights with 37 lots on this property. Water and sewer have been put in but no utilities. Walter Durtschi owns a minority interest in Waldmar Development Corp. He felt, however, that the sale price was indicative of market value.

Contact: Walter Durtschi

EXHIBIT 35 (Continued)

COMPARABLE SALE NO. 4

Date: 9/23/77

Price: \$6,000

Size: 1.71 Acres

Price per Acre: \$3,507

Improvements: None, no acceptable percolation test, a holding tank has been installed since sale

Recorded: Vol. 864, p. 311

Instrument: Warranty Deed

Grantor: Irvin Steinhauer

Grantee: Orville Phillips

Location: E $\frac{1}{2}$ of SW $\frac{1}{4}$ of Section 11, Blue Mounds Township. 320 feet North of US Hwy 18-151

Ground Cover: About one-fourth wooded, rest gently sloping grassland

Zoning: A-B

Remarks: The property was rezoned C-2 and purchaser built a Machine Shop. The parcel has an easement across land to the south for ingress and egress on to Hwy 18-151

Contact: Orville Phillips

EXHIBIT 35 (Continued)

COMPARABLE SALE NO. 5

Date: 9/5/80

Price: \$17,000

Size: 2.07 Acres

Price per Acre: \$8,221

Improvements: Septic tank and water well

Recorded: Vol. 2228, p. 39

Instrument: Warranty Deed

Grantor: Bruce Hughes

Grantee: David Zeasman

Location: Part of the NW $\frac{1}{4}$ of the SE $\frac{1}{4}$ of Section 25, Vermont Township, 3 miles north of village, off of Hwy 78.

Ground Cover: 25% wooded. Rest is hilly grassland

Zoning: A-1

Remarks: Purchaser stated that the septic tank and water well were worth \$7,000 to him and that he would have paid no more than \$10,000 for the land, or \$4,831 per acre.

Contact: David Zeasman

EXHIBIT 35 (Continued)

COMPARABLE SALE NO. 6

Date: 4/30/80

Price: \$12,000

Size: 3.85 Acres

Price per Acre: \$3,117

Improvements: None except blacktop road. No acceptable percolation test.

Recorded: Not Recorded

Instrument: Warranty Deed. Cash Sale

Grantor: Elsie Eddy

Grantee: Gary Engberg, David Grossfeld

Location: 1 mile east of Mt. Horeb, off of old North Road

Ground Cover: Mostly wooded and hilly.

Zoning: A-1

Remarks: The site has a captivating view of Tyrol Basin and Little Norway. Although the soil on the site does not perc, a new residence was allowed to be erected because of a grandfather clause in the zoning requirements.

Contact: R. M. Nordness, Sales Agent, Parkwood Realty

EXHIBIT 35 (Continued)

COMPARABLE SALE NO. 7

Date: 7/15/77

Price: \$90,000

Size: 28.78 Acres

Price per Acre: \$3,127

Improvements: None

Recorded: Vol. 867, p. 143

Instrument: Personal Representative Deed, Cash sale

Grantor: Ann Zeplin

Grantee: Carol Berglund

Location: Part of the SE $\frac{1}{4}$ of Section 1, Blue Mounds Township. Lies north of County Road S, just north of the village

Ground Cover: 5.5 acres of woods, rest is farmland. Alfalfa, corn, oats and hay are currently grown on the site

Zoning: A-1

Remarks: The land was purchased to farm, it abutts the purchaser's home.

Contact: Carol Berglund

EXHIBIT 35 (Continued)

COMPARABLE SALE NO. 8

Date: 6/3/77

Price: \$35,000

Size: 39.11 Acres

Price per Acre: \$895

Improvements: None

Recorded: Vol. 816, p. 71

Instrument: Land Contract, 29% down, 8% interest, 5 year term, semi-annual payments made

Grantor: David Powell

Grantee: Robert Ibinger

Location: Part of the W $\frac{1}{2}$ of Section 1, Blue Mounds Township. Just north of the Village and Nordic Hills

Ground Cover: 50% cropland, 50% dense woods

Zoning: A-1

Remarks: The parcel was land-locked. Mr. Ibinger owned the land directly to the South of this parcel which allows him access to the property.

Contact: Robert Ibinger

EXHIBIT 35 (Continued)

COMPARABLE SALE NO. 9

Date: 9/30/77

Price: \$77,600

Size: 1.56 Acres

Number of Dwelling Units per Acre: 10

Price per Acre: \$49,743

Price per Dwelling Unit: \$4,850

Recorded: Vol. 867, p. 380

Terms: Cash at closing

Grantor: Richard and Janet Stevens

Grantee: J. Marshall Osborn

Location: Mondale Court

Legal Description: Lots 8, 9, 10, 11, 12, and 13 First Addition to Durkin
Plat, City of Madison, Dane County, Wisconsin

Ground Cover
and Topography: Slightly wooded, flat

Zoning: R-3

Remarks: Subject was acquired for the development of duplexes to be sold off
as individual investments. Lot 14 was also acquired but was not
part of this transaction. Sales price for the 16 units calculates
to be \$4,850 per unit allocated to the land.

Contact: J. Marshall Osborn

EXHIBIT 35 (Continued)

COMPARABLE SALE NO. 10

Date: 9/80

Price: \$105,000

Size: 3.54 Acres

Number of Dwelling Units per Acre: 5

Price per Acre: \$29,660

Price per Dwelling Unit: \$6,250

Recorded: No

Terms: Land contract terms of between 10% and 29% down with 3-5 year balloon at between 9% and 10½% interest as negotiated

Grantor: Hellenic Orthodox Church

Grantee: Not disclosed

Location: 5901 University Avenue

Ground Cover
and Topography: Well wooded, flat

Zoning: R-1

Remarks: A Planned Unit Development of 16 condominium units is planned for the site. The property has been unclassified to allow for Planned Unit Development of this density upon dedication of 18,000 square feet as greenway area. This would indicate a raw land cost of \$6,250 per dwelling unit.

Contact: George Gialamas, Agent

EXHIBIT 35 (Continued)

COMPARABLE SALE NO. 11

Date: 2/13/78

Price: \$150,000

Size: 5.26 Acres

Number of Dwelling Units per Acre: 8

Price per Dwelling Unit: \$3,750

Recorded: Vol. 916, p. 292

Terms: Cash at closing

Grantor: Unisal Development Inc.

Grantee: Worth Development Corporation

Location: Century Avenue, Middleton

Legal Description: Lot 1, Highlands, Middleton, Dane County, Wisconsin

Ground Cover
and Topography: Grassland, flat

Zoning: R-3, Middleton

Remarks: The purchasers have platted 10, 4-unit sites as Highlands Village West with a private drive accessing the various sites. The R-3 zoning would have allowed for 48 units, but the current configuration calls for 40.

EXHIBIT 35 (Continued)

COMPARABLE SALE NO. 12

Date: 7/27/79

Price: \$70,000

Size: Irregular, Approximately 134 x 52.86 x 181.21 x 254.88 x 82.89 or
51,941 square feet

Number of Dwelling Units per Acre: 13

Price per Dwelling Unit: \$2,800

Recorded: Vol. 1094, p. 626

Terms: Cash at closing

Grantor: Post Road Enterprises

Grantee: Environmental Living, Inc.

Location: Bowman Heights

Legal Description: Lots 18 and 19 and part of Lots 13, 17 and 20 Bowman
Heights, City of Madison, Dane County, Wisconsin

Ground Cover
and Topography: Grassland, flat

Zoning: R-4

Remarks: This sale represents the first transfer of a contract for 3.5 acres
in this development. The total price for the 3.5 acres is \$210,000
and will accommodate 45 units. This transaction for \$70,000 would
accommodate 25 units for a price per dwelling unit of \$2,800. The
entire contract reflects costs of \$4,667 per unit for the 45 units.

Contact: Bill Dreischmeier, purchaser

EXHIBIT 35 (Continued)

COMPARABLE SALE NO. 13

Number of Dwelling Units per Acre: 6

Price per Acre: \$40,000

Price per Dwelling Unit: \$5,000

Owner: Cherokee Development Co.

Location: Northeast corner of Madison, on the Yahara River

Ground Cover
and Topography: Rolling hills, some trees

Remarks: The Cherokee Development has been under development for many years and through many phases of development so that the Dane County Register of Deeds office does not reflect the average values in question. Price allocations were estimated by John Fox, manager. Although this development does not have the trees and topographic variety of the subject property, it does offer amenities in the form of a 18-hole golf course, an indoor tennis court facility, attractive landscaping and a man-made lake.

Contact: John Fox

EXHIBIT 35 (Continued)

COMPARABLE SALE NO. 14

Size: 67 Acres

Number of Dwelling Units per Acre: 4 - 6

Price per Dwelling Unit for land: \$4,000 - \$5,000

Grantor: Rural Insurance Companies

Developer: James Burkhard

Location: Tamarack Trails. Located at the intersection of Westfield and Tree Lane, 2 blocks from Memorial High School to the east and 2 blocks from West Towne Shopping Center to the south

Remarks: The parcel borders a future city park on the west and a subdivision of expensive homes called Westaire on the north; surroundings comparable to the subject. The terms of sale involved a rolling block option whereby the developer took down acres according to a previously negotiated acquisition schedule based on a master plan for the project. The developer indicated that in 1977 he was paying \$20,000 an acre for raw ground under the terms of his purchase agreement, a raw land value of \$4,000 - \$5,000 per dwelling unit, and that these takedowns did not require recording of a transfer tax so that price could not be confirmed at Dane County Register of Deeds office. Amenities include tennis courts, outdoor pool and clubhouse.

Contact: James Burkhard

its land contract. Comparable 2 was purchased for an estate. At the time of its purchase, it was approximately 900 lineal feet north of Nordic Hills Subdivision and did not have immediate development potential. Since then, additions to Nordic Hills have brought building lots to the property line of the comparable.

Sale prices per acre of these properties range from \$1,464 to \$5,294. Comparable Sale No. 2 represents the low end of this range. This price might be explained by the fact that the purchaser was under no pressure to buy and had plenty of time to look for land with a low selling price. The land did not have any development potential at the time of the purchase, therefore, it is not closely comparable to the other sales in this group or to the subject property. The high end of this price range is illustrated by Comparable Sale No. 1. This land was purchased by an out-of-town developer who did not have plenty of time to examine the market to see what market prices were. The company purchased to subdivide and to build a new real estate office. The fact that the company never developed the site, and in fact defaulted on their land contract, illustrates that the property might have been purchased without full knowledge of the market.

Comparable Sale No. 3 is perhaps the best example of market values in this set of sales. The grantor was a local realtor and developer who was quite familiar with market prices of land in Mount Horeb. The property sold for \$2,798 per acre,

EXHIBIT 36 (Continued)
AERIAL PHOTOGRAPH - COMPARABLE 1

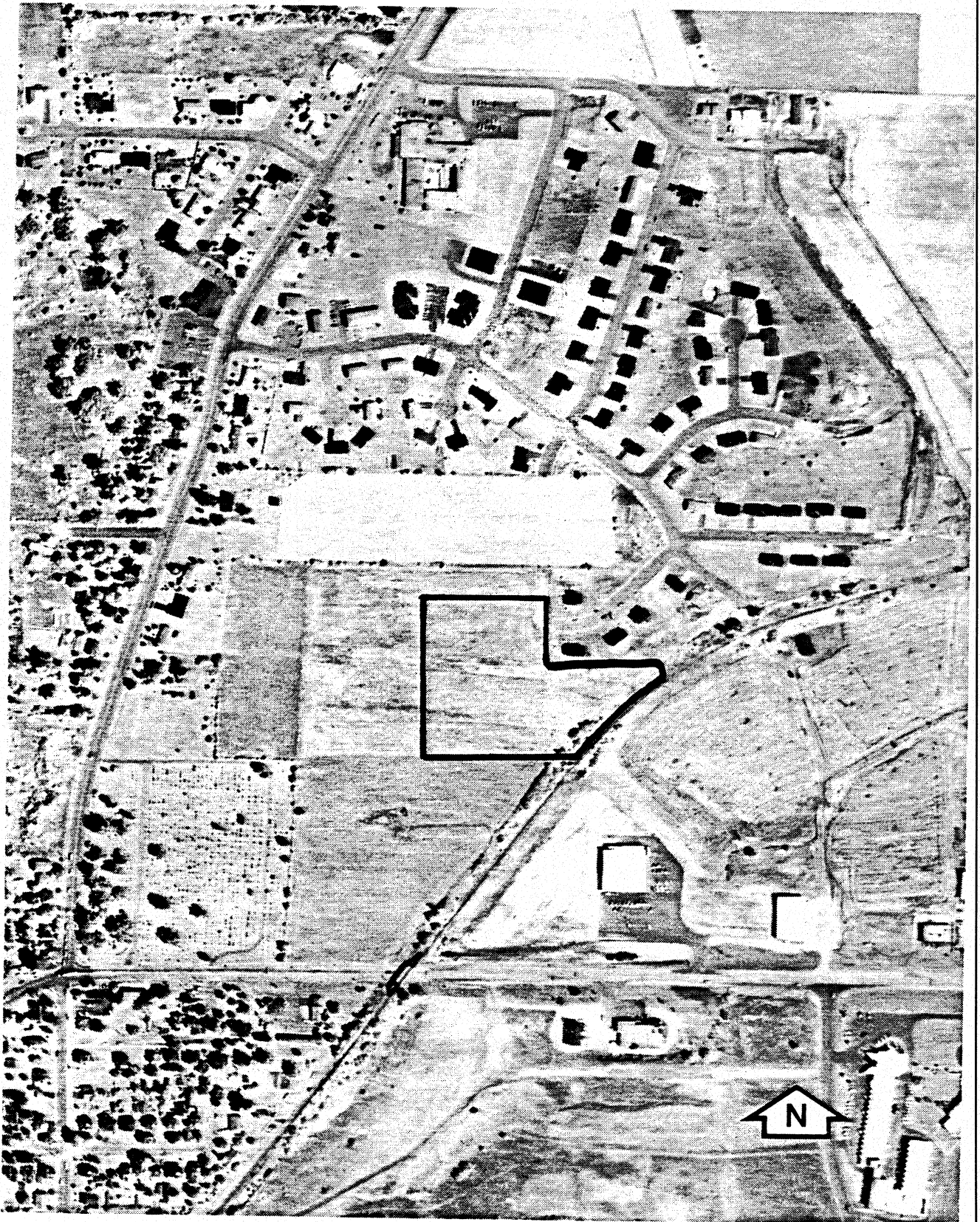


EXHIBIT 36
AERIAL PHOTOGRAPH - COMPARABLE 3

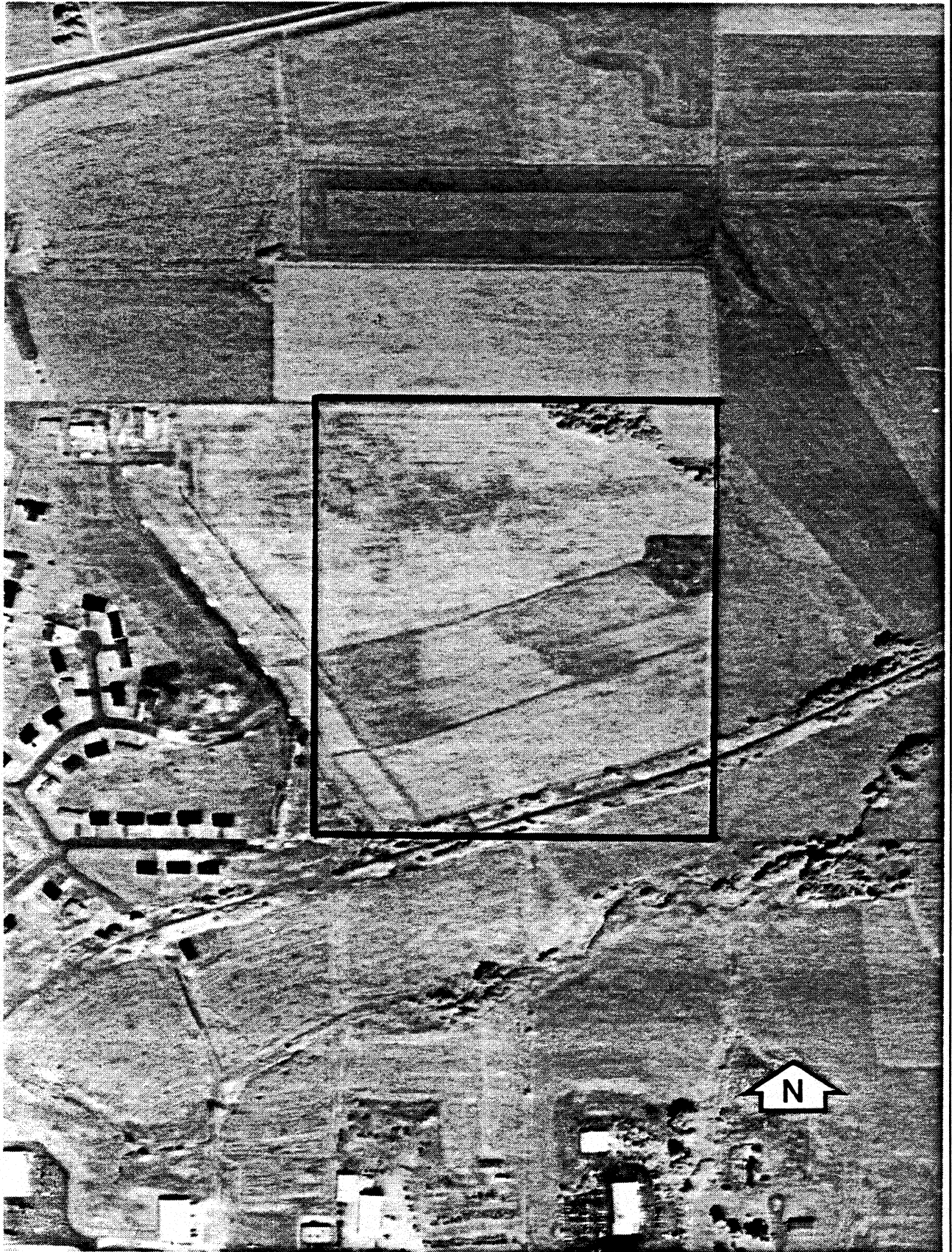
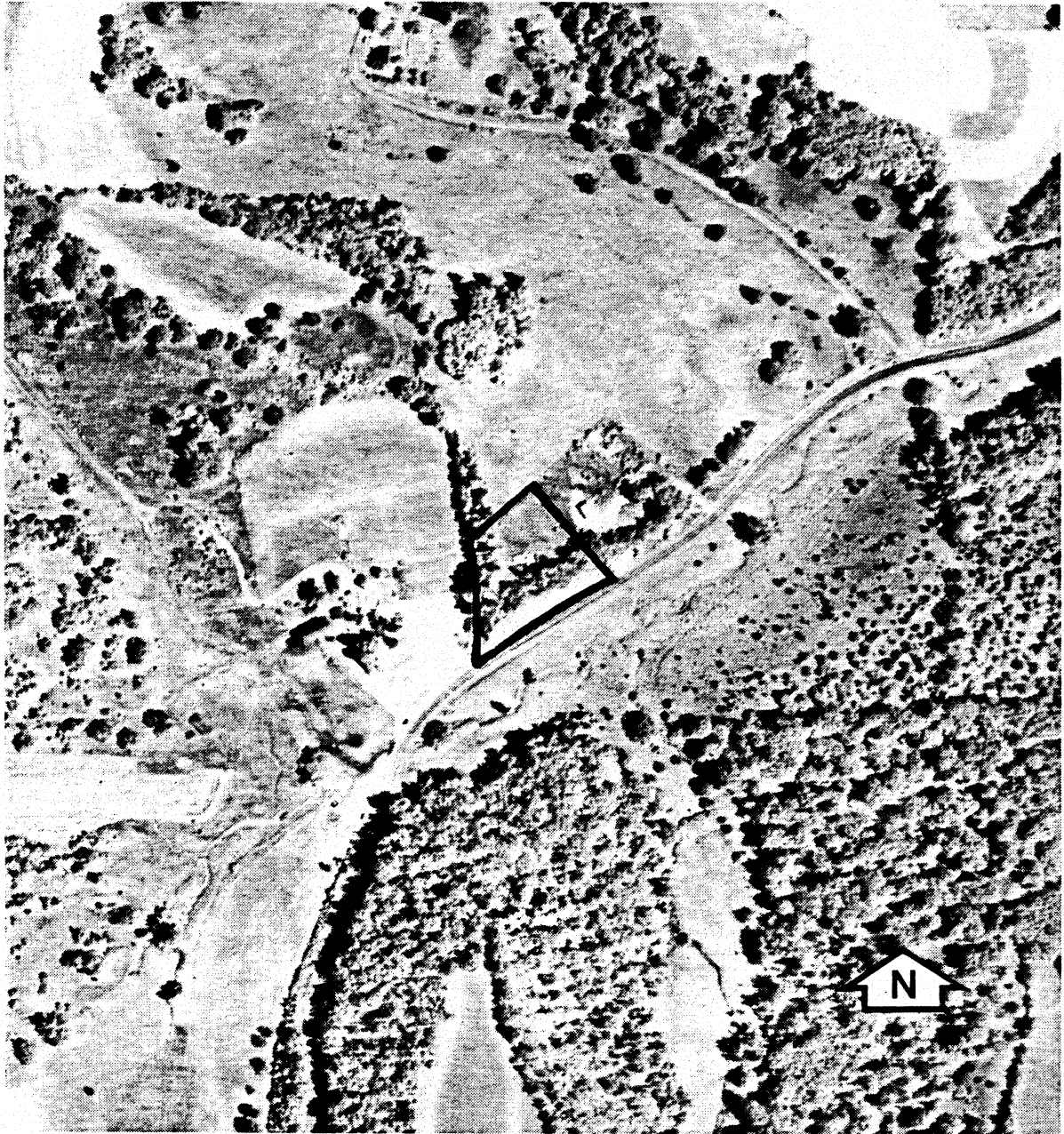


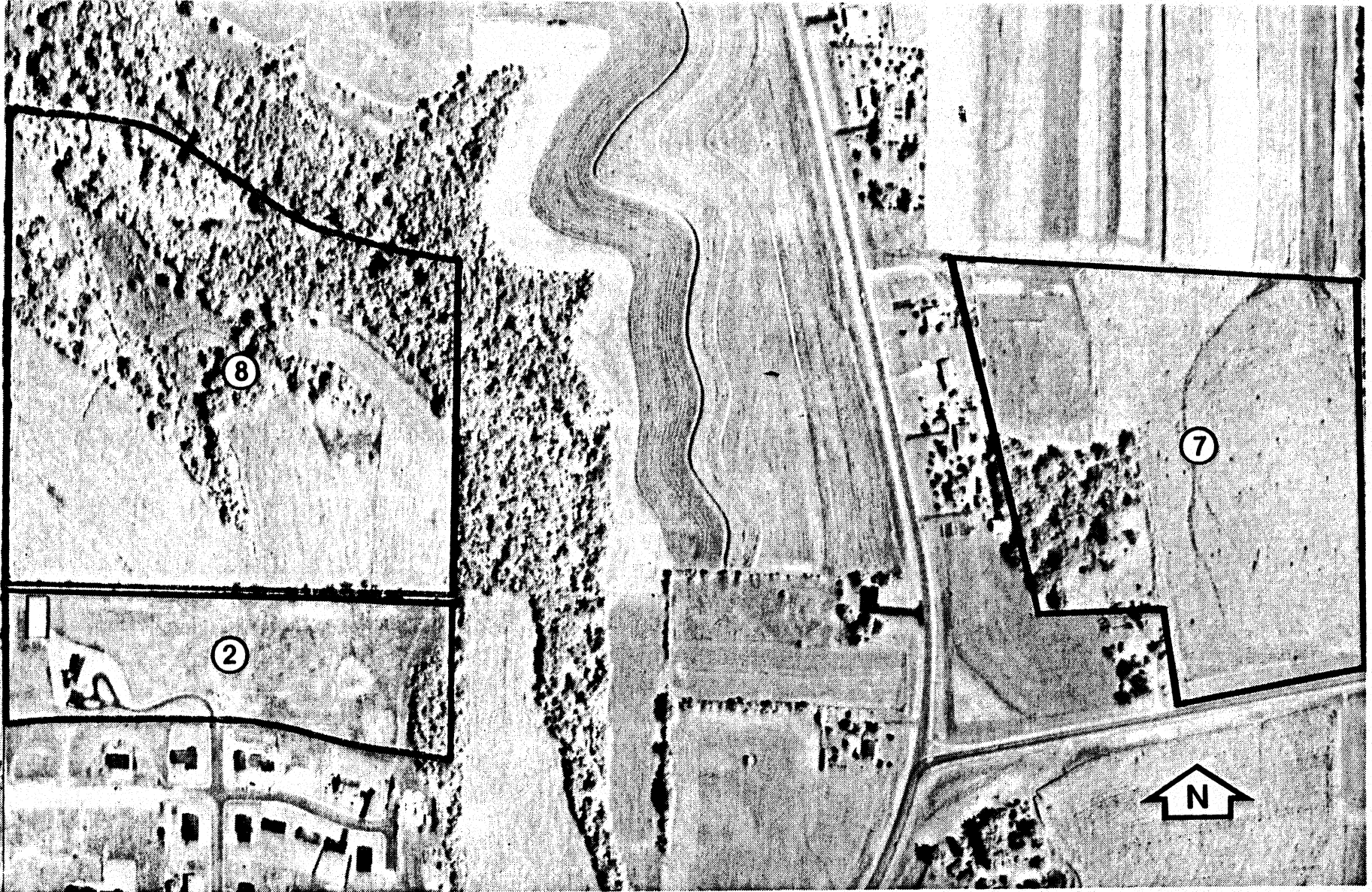
EXHIBIT 36 (Continued)
AERIAL PHOTOGRAPH - COMPARABLE 4



EXHIBIT 36 (Continued)
AERIAL PHOTOGRAPH - COMPARABLE 5



AERIAL PHOTOGRAPH
COMPARABLES 2, 7, & 8



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Sandwich Research, Inc.

EXHIBIT 36 (Continued)

which according to the seller, might have been a bit low based on offers for vacant land in the area. Factors that might have accounted for a lower sales price are: (1) the property was sold to a company in which the seller owned a 40 percent interest (seller did not believe that this affected the transaction price); (2) the size of the property is twice the size of the subject possibly indicating a lower selling price per acre; (3) the land was purchased for single-family development and, as such, would incur higher costs due to the protracted sellout of these lots and the existent market and surplus of similar lots; (4) the parcel is located in the far northeastern corner of the village and hence does not have the convenient access to the downtown central business district that the subject has; and (5) the parcel does not have the aesthetic setting, open space or privacy which the subject offers.

2. Property Near the Village with Physical Characteristics Similar to the Subject

These sales are described on data sheets for Comparable Sales No. 4 through 8 (Exhibit 35). These parcels were reviewed because of their physical similarities to the subject. They are located outside of the village and range in size from 1.71 acres to 39.11 acres. Sales No. 7 and 8 were reviewed because they contained areas with dense woods, were larger in size (28.78 acres and 39.11 acres) and were located near the village. Each parcel has a wooded area that has possible residential lot division potential in the future, but this possibility is so distant

that it is not considered of consequence in the purchase of the land. Sale No. 7 and 8 closed at a sale price per acre of \$3,127 and \$895 respectively. The low sale price is represented by Comparable Sale No. 8. The purchaser in this transaction was the same purchaser as in Comparable Sale No. 2. Besides being under no time pressures to find low priced land, the purchaser was the most likely buyer for the site since he already owned the land abutting it (Sale No. 2), and this land represented the only access to the property. The fact that the property was landlocked depressed the price. Both sites were purchased partly for income from farming, and as such, do not fit the mold of our most probable use.

Sales No. 4 through 6 consist of smaller parcels comprising 1.7 acres, 2.07 acres, and 3.85 acres. Sale No. 4 is slightly wooded and near Highway 18 - 151. It was rezoned from A-1 to C-1 (Commerical District) after the purchase so that a machine shop could be built on the site. It is not considered comparable because it was purchased for commercial use and served to benefit from an ancillary facility adjacent to the site. Sale No. 5 and 6 are wooded and have hilly terrain. Both have views of Tyrol Basin and the Little Norway Valley. These smaller parcels sold for \$4,831 per acre and \$3,117 per acre or an average price of \$3,974 per acre. Both of these parcels are much smaller than the subject and are located some distance from the village. The typical buyer for these tracts is seeking a home site offering seclusion, an aesthetic setting, and a

view of the countryside, characteristics similar to those desired by purchasers of townhouse units on the subject site.

3. Land Purchased for Condominium Development in the Madison Area

Because of the lack of land purchases for condominium development in Mount Horeb and the surrounding area, it was necessary to examine similar land purchases for planned unit development in the Madison area. Sales No. 9 through 14 might serve as comparables to the subject. Details of each of these sales are contained in Exhibit 35.

The physical attributes of these properties vary from a relatively flat, grassy plain (No. 11) to well wooded rolling terrain (No. 10). All of the parcels except No. 11 lie within the Madison city limits, although several lie near the periphery. The land allocation values per unit range from \$3,750 to \$6,250 and densities per gross acre vary from 5 to 13. The appraiser is not aware of any townhouse units within the Madison area that offer a gross land area allocation of one acre per dwelling unit.

The above planned unit development projects can be broken into three groups: (1) those offering attractive landscaping and a variety of amenities such as ponds, pools and clubhouses (No. 13 and 14); (2) those that have limited amenities but offer attractive landscaping and wooded lots (No. 9 and 10); and (3) those that offer limited amenities and do not have as attractive landscaping (No. 11 and 12). Groups 1 and 2 are most comparable to the site because they

offer physical amenities, natural and man-made, that enhance the site, and they have lower concentrations of dwelling units per acre. Even at densities of 5 and 6 units per acre, these properties do not offer the privacy and quality of open space that the subject offers.

Land purchased for planned development in the Madison area tends to sell for more than similar land purchased in Mount Horeb because of the following locational attributes: (1) developers in Madison are assuming less market and financial risk than developers in Mount Horeb because of the greater certainty of market conditions and market acceptance, therefore, developers require a lower risk adjusted rate of return on their equity and are able to justify higher prices for land purchases, and (2) the existence of greater competition and demand for similar developable land in Madison forces higher prices. To determine the range of premiums paid for land in Madison, prices for comparable single-family lots in Mount Horeb and in the Madison area were compared.

Recent lot sales in Kara View and its Second Addition, Nordic Hills and its First Addition, Pheasant Meadows, and Deertrail Subdivisions exhibit an average sale price of \$11,000 per lot and an average lot size of 14,000 square feet (Exhibit 37). The subdivisions do not have any marked dissimilarities, house and lot package prices range from \$65,000 to \$95,000 with Nordic Hills capturing most of the upper end leaving the other subdivisions to service the middle price range. The subdivisions consist of rolling hills with no substantial tree cover.

Deertrail Subdivision is the exception, having steep slopes and dense woods, but the lot sale in this subdivision does not have these characteristics. Similar subdivisions in the Madison area might be found in Meadowood, on the far southwest corner of Madison, and in Tower Hill Park in Fitchburg. The average lot size in these subdivisions is around 14,000 square feet and lots are marketed to middle income households, with finished homes selling from \$65,000 to \$85,000 in Meadowood, and from \$75,000 to \$100,000 in Tower Hill Park. The average sale price of improved lots in these two subdivisions is \$17,000, representing a 55 percent premium over the average sale price for similar lots in Mount Horeb. If this premium can be applied to the price paid per unit for development land for the comparables in the Madison area, it suggests a purchase price per unit from \$2,419 to \$4,032 with a central tendency of approximately \$3,200 per unit.

4. Market Approach to Value

Exhibit 38 shows the price ranges and central tendencies of all the market comparables discussed above. Sales in the Mount Horeb area were adjusted to reflect a price per dwelling unit (or lot) allocated to the land. Land sales that were purchased for reasons other than residential construction were not included in this analysis. The remaining market sales suggest a price range, unadjusted for location, of \$3,081 to \$6,250 per dwelling unit, with a central tendency around \$4,500 per dwelling unit. If the location adjustment of 55 percent is applied to the Madison area sales, then the price range exhibited for all sales is from \$2,419 to \$4,831 a

EXHIBIT 38

SUMMARY OF PRICE RANGES FOR ALL
MARKET COMPARABLE SALES

	1	2	3	4	5
	<u>Number of Sales</u>	<u>Price Per Acre</u>	<u>Price Per Dwelling Unit For Raw Land</u>	<u>Mean of Column 3</u>	<u>Median of Column 3</u>
Sales in Village	3	\$1,464 - \$5,294	\$3,081 (Sale #3)	\$3,081	\$3,081
Sales Outside Village	5	\$895 - \$4,831	\$3,117 - \$4,831 (Sale #4 & #5)	\$3,974	\$3,974
Sales in Madison Area	6	Not Applicable	\$3,750 - \$6,250	\$4,836	\$4,759
Location Adjusted Values			\$2,419 - \$4,032	\$3,322	\$3,177
Total Sales without Location Adjustment			\$3,081 - \$6,250	\$4,450	\$4,667
				say	<u>\$4,700</u> per DU for raw land
Total Sales with Location Adjustment			\$2,419 - \$4,831	\$3,305	\$3,117
				say	<u>\$3,100</u> per DU for raw land

dwelling unit with a central tendency around \$3,100 a unit allocated to land.

The townhouse land purchases in Madison are the most comparable to the subject in terms of buyer motivation and are believed to be most indicative of a price range for the site. Because of the unique location and aesthetic attributes of the subject property, the appraiser believes that it will sell in the mid to upper price range (after application of a location factor) indicated by these sales.

THEREFORE, THE RANGE OF VALUES INDICATED FOR THE SUBJECT FROM REVIEW OF THE MARKET COMPARABLES WOULD BE FROM \$3,200 PER DWELLING UNIT TO \$4,000 PER DWELLING UNIT ALLOCATED TO THE LAND, WITH A CENTRAL TENDENCY OF \$3,600 PER DWELLING UNIT OR A TOTAL PRICE OF \$72,000 ALLOCATED TO THE SUBJECT, ASSUMING A CASH TRANSACTION.

Because of the uncertainty involved in estimating the value of locational difference applied to the Madison area sales, it is necessary to test the value conclusion above by determining what a probable purchaser (a residential developer) would be willing to pay for the land assuming various cash flow scenarios for the property and discounting these to allow for holding costs, developer profit and required return.

D. Test of Value Conclusion

1. Methodology of Buyer Simulation Approach to Value

In an area where a market value is known for the land, the planned unit developer can use this value, ascertain the

density per acre allowed under the local zoning ordinance to determine the total number of units allowed and to estimate the total development and construction costs for the project. With this information, he can work backwards to determine what income is needed to allow him his required yield. The sale price needed for each unit can be determined from the estimated sales absorption of the project. Conversely, this methodology can be applied by investors who know what cash flow they expect to receive to determine the amount that they can afford to pay for the land. This second method can be applied to the subject property.

Land development is a high risk endeavor because of regulatory delays, market uncertainties, and unknown costs in trenching and grading. As a result, developers discount their pro forma cash returns sharply to reflect the opportunity cost of equity and the participation profits required by lenders of development funds. Therefore, we have selected a discount rate of 50 percent.

To determine a range of prices that a developer would be justified in paying for the subject property, it is necessary to examine the potential cash flow from the project under pessimistic, probable, and conservative scenarios.

2. Discussion of Alternative Scenarios

Alternative A, the most probable scenario, assumes five sales each year or a project sellout in four years (Exhibit 28). This seems reasonable to assume because of the market

EXHIBIT 28

ALTERNATIVE A
CASH FLOW CALCULATIONS
SCENARIO 5

	<u>1981</u> <u>Year 1</u>	<u>1982</u> <u>Year 2</u>	<u>1983</u> <u>Year 3</u>	<u>1984</u> <u>Year 4</u>	<u>1985</u> <u>Year 5</u>	<u>Total</u>
No. of Sales		5	5	5	5	20
Sales Price ¹		\$ 75,000	\$ 78,750	\$ 82,690	\$ 86,825	
Revenue		<u>\$375,000</u>	<u>\$393,750</u>	<u>\$413,450</u>	<u>\$434,125</u>	
Less:						
Sales Costs at 10%		37,500	39,375	41,345	43,413	
Net Sales		<u>\$337,500</u>	<u>\$354,375</u>	<u>\$372,105</u>	<u>\$390,713</u>	\$1,454,693
Land Development Loan: ²						
Fees and Interest	\$2,592 ³	7,891	4,856	1,821	0	17,160
Principal Pay-back	0	17,855	17,855	17,852	0	53,562
Principal Repayment on Bldg. Construction Loan ⁴	0	247,500	272,250	299,475	329,425	1,148,650
Administrative & Real Estate Tax Expense	<u>4,000</u>	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>12,000</u>
Total Cost	6,592	275,246	296,961	321,148	331,425	<u>\$1,231,372</u>
Cash Flow	(6,592)	62,254	57,414	50,957	59,288	223,321
NPV at 45%	(6,592)	29,610	18,833	11,527	9,250	62,628
NPV at 50%	(6,592)	27,668	17,011	10,066	7,807	55,960

¹Appreciated at 5% a year (rounded).

²Exhibit 30.

³Includes 2 point fee of \$1,071.

⁴Assumes each building of 5,000 square feet at \$45.00/square foot in 1980. Includes extras, engineering, surveying and architectural fees, and permits, inspections, bonds, insurance, and construction financing costs. Five units are assumed to be built each year from late 1981 to late 1984. Principal repayment is made upon each sale, releases are at \$49,500 1st - 5th sales, \$54,450 6th - 10th sales, \$59,895 11th - 15th sales, \$65,885 16th - 20th sales, based on the total construction loan each year. Costs are inflated at 10% a year.

characteristics discussed previously and the market advantage of the property because of the uniqueness and appeal of its aesthetic setting and its close proximity to various village amenities.

Alternative B takes a pessimistic view of the success of the townhouse project. This scenario projects an absorption of four townhouses a year, or a project sellout in five years (Exhibit 39). This absorption rate assumes a softer market caused by buyer unacceptance of the townhouse concept or by a slowdown due to external factors such as economic downturns, legal, or political difficulties.

A more optimistic attitude is assumed in Alternative C. In this scenario an absorption rate of eight units a year is hypothesized (Exhibit 41). This absorption is reasonable given the unserved market in the village and the amenities offered by the subject.

Current development loan rates average 17 percent plus two points for developers who have established credibility with institutions. Releases and principal payments on this loan are made upon each townhouse sale. Lenders are estimated to require full payment when the project is 75 to 80 percent sold and release payments are based on this projected term.

The construction loan was based on estimated construction costs at approximately \$45 per square foot as of 1980 (See Appendix for cost details). This cost is for high quality construction and

EXHIBIT 39
 BUYER SIMULATION MODEL
 ALTERNATIVE B
 PESSIMISTIC SCENARIO

	1981 Year 1	1982 Year 2	1983 Year 3	1984 Year 4	1985 Year 5	1986 Year 6	Total
No. of Sales		4	4	4	4	4	20
Sales Price ¹		\$ 75,000	\$ 77,250	\$ 79,500	\$ 81,950	\$ 84,500	
Revenue		\$300,000	\$309,000	\$318,000	\$327,800	\$338,000	
Less:							
Sales Costs at 10%		30,000	30,900	31,800	32,780	33,800	
Net Sales		\$270,000	\$278,100	\$286,200	\$295,020	\$304,200	\$1,433,520
Land Development Loan: ²							
Fees and Interest	\$2,592 ³	8,252	5,975	3,698	1,422	0	21,939
Principal Pay-back	0	13,392	13,392	13,392	13,386	0	53,562
Principal Repayment on Bldg. Construction Loan ⁴	0	198,000	212,850	228,690	245,570	263,540	1,148,650
Administrative & Real Estate Tax Expense	4,000	1,600	1,600	1,600	1,600	1,600	12,000
Total Cost	6,592	221,244	233,817	247,380	261,978	265,140	\$1,236,151
Cash Flow	(6,592)	48,756	44,283	38,820	33,042	39,060	197,369
NPV at 50%	(6,592)	21,669	13,121	7,668	4,351	3,430	43,647

¹Appreciated at 3% a year (rounded).

²Exhibit 40.

³Includes 2 point fee of \$1,071.

⁴Assumes each building of 5,000 square feet at \$45.00/square foot in 1980. Includes extras, engineering, surveying and architectural fees, and permits, inspections, bonds, insurance, and construction financing costs. Five units are assumed to be built each year from late 1981 to late 1984. Principal repayment is made upon each sale, releases are at \$49,500 1st - 5th sales, \$54,450 6th - 10th sales, \$59,895 11th - 15th sales, \$65,885 16th - 20th sales, based on the total construction loan each year. Costs are inflated at 10% a year.

EXHIBIT 41
BUYER SIMULATION MODEL
ALTERNATIVE C
OPTIMISTIC SCENARIO

	<u>1981</u> Year 1	<u>1982</u> Year 2	<u>1983</u> Year 3	<u>1984</u> Year 4	<u>Total</u>
No. of Sales		8	8	4	20
Sales Price ¹		<u>\$ 75,000</u>	<u>\$ 78,750</u>	<u>\$ 82,690</u>	
Revenue		<u>\$600,000</u>	<u>\$630,000</u>	<u>\$330,760</u>	
Less:					
Sales Costs at 10%		<u>60,000</u>	<u>63,000</u>	<u>33,076</u>	
Net Sales		<u>\$540,000</u>	<u>\$567,000</u>	<u>\$297,684</u>	1,404,684
Land Development Loan: ²					
Fees and Interest	\$2,592 ³	7,113	2,560	0	12,265
Principal Pay-back	0	26,784	26,778	0	53,562
Principal Repayment on Bldg. Construction Loan ⁴	0	\$396,000	\$431,145	\$239,580	1,066,725
Administrative & Real Estate Tax Expense	<u>4,000</u>	<u>3,200</u>	<u>3,200</u>	<u>1,600</u>	<u>12,000</u>
Total Cost	6,592	433,097	463,683	241,180	<u>\$1,144,552</u>
Cash Flow	(6,592)	106,903	103,317	56,504	260,132
NPV at 50%	(6,592)	47,512	30,612	11,160	82,692

¹Appreciated at 5% a year (rounded).

²Exhibit 42.

³Includes 2 point fee of \$1,071.

⁴Assumes each building of 5,000 square feet at \$45.00/square foot in 1980. Includes extras, engineering, surveying and architectural fees, and permits, inspections, bonds, insurance, and construction financing costs. Ten units are assumed built in late 1981 to early 1982, five units in early 1983 and five units in mid 1983. Principal repayment is made upon each sale, releases are at \$49,500 for 1st - 10th sales, \$54,450 for 11th - 15th sales, \$59,895 for 16th - 20th sales, based on the total construction loan each year. Costs are inflated at 10% a year.

includes special amenities of double car attached garages, fireplaces, and built-in appliances, as well as miscellaneous soft costs such as engineering and architectural fees, permits, inspections, bonds and insurance, and construction financing. A 10 percent annual inflation of building costs is calculated over the holding period in each of the scenarios so the first units built at the end of 1981 are expected to cost \$49.50 per square foot.

3. Conclusion

A summary of the justified investment for land indicated by each of the alternatives is shown in Exhibit 43.

EXHIBIT 43

SUMMARY OF JUSTIFIED INVESTMENT FOR ALTERNATIVES

	NPV or Justified Land Value	Value Per Unit	Value Per Acre
Pessimistic	\$43,647	\$2,182	\$2,129
Probable	55,960	2,798	2,729
Optimistic	82,692	4,135	4,034
Straight Average	60,766	3,038	2,964
Weighted Average*	59,565	2,978	2,905
Rounded	60,000	3,000	2,900

*.50 to probable scenario, .25 to pessimistic and optimistic scenarios.

It is believed that the probable scenario is the most likely to occur, it is therefore weighted .50. The optimistic and conservative scenarios have an equal chance to occur so they are each weighted .25.

THEREFORE, THE RANGE OF JUSTIFIED INVESTMENT FOR THE SUBJECT PROPERTY DETERMINED BY BUYER SIMULATION IS BETWEEN \$2,200 AND \$4,100 PER DWELLING UNIT FOR RAW LAND WITH A CENTRAL TENDENCY OR MOST PROBABLE PURCHASE PRICE OF \$3,000 PER DWELLING UNIT FOR RAW LAND FOR A CASH TRANSACTION.

VALUE CONCLUSION

A range of market comparables both in the village and outside the village suggests a raw land price per dwelling unit of \$2,419 to \$4,831 for land which can be developed by comparison to the number of dwelling units which can be built. The predicted price for the subject reflects the fact that the topography of the site has an impact on the number of units that can be platted.

The topography of the subject site suggests clustering for a townhouse program to protect the environment, to provide an alternative to the single family lot in plentiful supply in Mount Horeb, and to market to a significant group in the housing market not yet served in Mount Horeb.

Application of the development income approach to a PD-1 solution for best use indicated a net present value to the developer of \$60,000 or \$3,000 per dwelling unit.

A price of \$3,000 per unit for a twenty unit project is lower than dwelling unit raw land prices reflected in market sales of land for townhouse development. This lower price reflects the risk of PD-1 approval and the anticipated desire of consumers for more economical housing alternatives in Mount Horeb.

Based upon the assumptions and conditions presented, it is the opinion of the appraiser that fair market value of the subject property described herein as of October 15, 1980 is:

SIXTY THOUSAND DOLLARS

(\$60,000)

assuming a cash sale.

CERTIFICATE OF APPRAISAL

We hereby certify that we have no interest, present or contemplated, in the property and that neither the employment to make the appraisal nor the compensation is contingent on the value of the property. We certify that we have personally inspected the property and that according to our knowledge and belief, all statements and information in the report are true and correct, subject to the underlying assumptions and limiting conditions.

Based upon the information and subject to the limiting conditions contained in this report, it is our opinion that the Fair Market Value, as defined herein, of this property as of October 15, 1980, is:

SIXTY THOUSAND DOLLARS

(\$60,000)

James A. Graaskamp, Ph.D., SREA, CRE

Yvonne M. Schell

Date

STATEMENT OF LIMITING CONDITIONS

This appraisal was made subject to the following conditions, stipulations, and waivers:

1. The appraiser assumes no responsibility for matters which are legal in nature nor for engineering and cost information which is provided by Lakeland Engineering, Inc., the Village of Mount Horeb Engineering Department.

2. The computation of the total area of the site was determined from 1954 surveys of outlot 57. There is confusion in the surveyor's office pertaining to what area was included in this survey. The appraiser has assumed that this survey included the entire outlot.

3. The maps and drawings in this report are included to assist the reader in visualizing the property. These visual aids are for illustrative purposes only and do not represent an actual survey of the property.

4. Estimates of absorption rates are subject to significant uncertainty, due to unpredictable competition from alternative projects not yet announced and due to economic transition of the Wisconsin economy required by energy conservation. Marketing success is also dependent upon skillful management, proper design, and extent and direction of competitive single family detached home price changes over the next five years.

5. Possession of this report or any copy thereof does not carry with it the right of publication, nor may the same be used for

any other purpose by anyone without the previous written consent of the appraiser, and in any event, only in its entirety.

6. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales or other media without the written consent and approval of the author, particularly as to the valuation conclusions, the identity of the appraiser or of the firm with which he is connected, or the identity of any of his associates.

7. Information furnished regarding property for sale, financing or projections of income and expenses is from sources deemed reliable. No warranty or representation is made as to the accuracy thereof, and it is submitted subject to errors, omissions, change of price, prior sale, lease or financing, or withdrawal without notice.

8. Landmark Research, Inc., will expect to be held harmless from any and all claims that might be brought by third parties which might relate in any way to claims for injury or damage suffered as the result of the implementation of any advice we may have given or services we may have rendered in this connection.

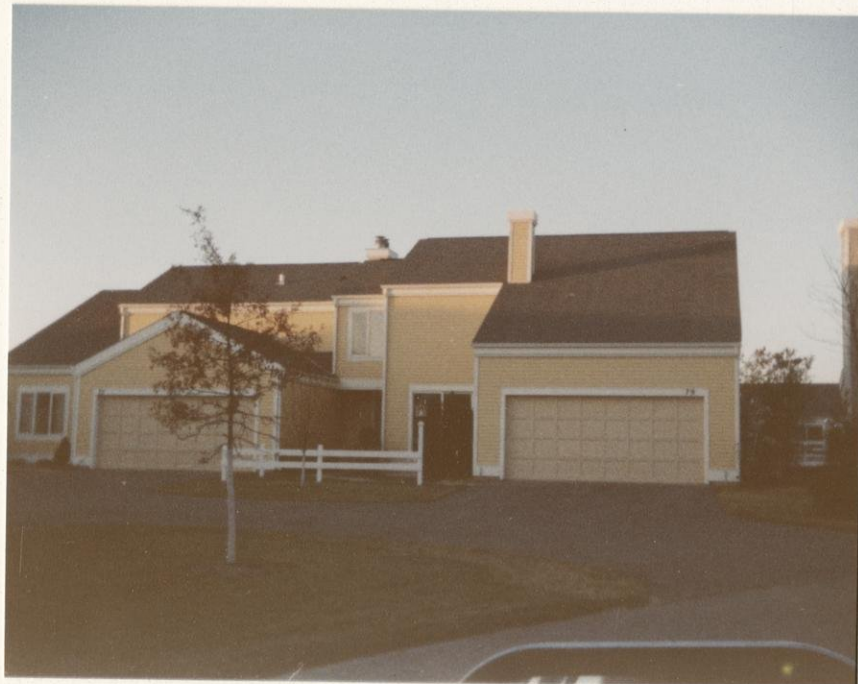
APPENDICES

APPENDIX A

Exhibits Not Included
Within The Report

TAMARACK TRAILS

Townhouses
Phase IV



CHEROKEE PARK

Townhouses on
Golf Course Road



EXHIBIT 29

INTEREST AND PRINCIPAL PAYMENT SCHEDULE ON DEVELOPMENT LOAN
17% ANNUAL INTEREST
SCENARIO 4

<u>Payment Period</u>	<u>Disbursements¹</u>	<u>Balance Outstanding (Beginning of Period)</u>	<u>Principal Payment</u>	<u>Interest Accumulated</u>
1981 Total	\$312,931	\$312,931	0	\$15,517 ²
First		\$312,931	\$16,490	\$10,640
Second		296,441	16,490	10,079
Third		279,951	16,490	9,518
Fourth		263,461	16,490	8,958
Fifth	24,930	246,971	16,490	8,397
1982 Total			<u>\$82,450</u>	<u>\$47,592</u>
First		\$255,411	\$16,490	\$ 8,684
Second		238,921	16,490	8,123
Third		222,431	16,490	7,563
Fourth		205,941	16,490	7,002
Fifth	24,930	189,451	16,490	6,441
1983 Total			<u>\$82,450</u>	<u>\$37,813</u>
First		\$197,891	\$16,490	\$ 5,606
Second		181,401	16,490	5,139
Third		164,911	16,490	4,672
Fourth		148,421	16,490	4,205
Fifth		131,931	16,490	3,738
Sixth		115,441	16,490	3,270
1984 Total			<u>\$98,940</u>	<u>\$26,630</u>
First		\$ 98,951	\$16,490	\$ 2,803
Second		82,461	16,490	2,336
Third		65,971	16,490	1,869
Fourth		49,481	16,490	1,402
Fifth		32,991	16,490	935
Sixth		16,501	16,501	467
1985 Total			<u>\$98,951</u>	<u>\$ 9,812</u>
TOTAL	<u>\$362,791</u>		<u>\$362,791</u>	<u>\$137,364</u>

¹Sewer cost paid over three years: \$33,240 1st year, \$24,930 2nd and 3rd years.

²Assumes two equal disbursements over six-month development period.

EXHIBIT 30

INTEREST AND PRINCIPAL PAYMENT SCHEDULE ON DEVELOPMENT LOAN
17% ANNUAL INTEREST
SCENARIO 5

<u>Payment Period</u>	<u>Balance Outstanding (Beginning of Period)</u>	<u>Principal Payment</u>	<u>Interest Accumulated</u>
1981 Total	\$53,562 ¹	0	\$1,521 ²
First	\$53,562	\$ 3,571	\$1,821
Second	49,991	3,571	1,700
Third	46,420	3,571	1,578
Fourth	42,849	3,571	1,457
Fifth	39,278	3,571	1,335
1982 Total		<u>\$17,855</u>	<u>\$7,891</u>
First	\$35,707	\$ 3,571	\$1,214
Second	32,136	3,571	1,093
Third	28,565	3,571	971
Fourth	24,994	3,571	850
Fifth	21,423	3,571	728
1983 Total		<u>\$17,855</u>	<u>\$4,856</u>
First	\$17,852	\$ 3,571	\$ 607
Second	14,281	3,571	486
Third	10,710	3,571	364
Fourth	7,139	3,571	243
Fifth	3,568	3,568	121
1984 Total		<u>\$17,852</u>	<u>\$1,821</u>
TOTAL		<u>\$53,562</u>	<u>\$16,089</u>

¹Exhibit 23.

²Assumes two equal disbursements over six-month development period.

EXHIBIT 37

SUBDIVISION LOT SALES IN MT. HOREB

<u>Lot Number</u>	<u>Date</u>	<u>Sale Price</u>	<u>Approximate Size</u>	<u>Subdivision Name</u>
3	11/79	\$10,000	14,000 sq. ft.	Kara View
66	late/79	\$10,600	14,000 sq. ft.	Kara View, 2nd Addition
39	1/80	\$10,900	16,000 sq. ft.	Nordic Hills, 1st Addition
CSM 1933, Lot 1 (Outlot)	9/80	\$16,000	20,000 sq. ft.	Nordic Hills
21	10/80	\$11,500	14,000 sq. ft.	Pleasant Meadows
2	10/80	\$11,000	14,000 sq. ft.	Deertrail (Ethelwyn Drive)

EXHIBIT 40

INTEREST AND PRINCIPAL PAYMENT SCHEDULE ON DEVELOPMENT LOAN
 17% ANNUAL INTEREST
 ALTERNATIVE B
 PESSIMISTIC SCENARIO

<u>Payment Period</u>	<u>Balance Outstanding (Beginning of Period)</u>	<u>Principal Payment</u>	<u>Interest Accumulated</u>
1981 Total	\$53,562 ¹	0	\$1,521 ²
First	\$53,562	\$ 3,348	\$2,276
Second	50,214	3,348	2,134
Third	46,866	3,348	1,992
Fourth	43,518	3,348	1,850
1982 Total		<u>\$13,392</u>	<u>\$8,252</u>
First	\$40,170	\$ 3,348	\$1,707
Second	36,822	3,348	1,565
Third	33,474	3,348	1,423
Fourth	30,126	3,348	1,280
1983 Total		<u>\$13,392</u>	<u>\$5,975</u>
First	\$26,778	\$ 3,348	\$1,138
Second	23,430	3,348	996
Third	20,082	3,348	853
Fourth	16,734	3,348	711
1984 Total		<u>\$13,392</u>	<u>\$3,698</u>
First	\$13,386	\$ 3,348	\$ 569
Second	10,038	3,348	427
Third	6,690	3,348	284
Fourth	3,342	3,342	142
1985 Total		<u>\$13,386</u>	<u>\$1,422</u>
TOTAL		<u>\$53,562</u>	<u>\$20,868</u>

¹Exhibit 23²Assumes two equal disbursements over six-month development period.

EXHIBIT 42

INTEREST AND PRINCIPAL PAYMENT SCHEDULE ON DEVELOPMENT LOAN
 17% ANNUAL INTEREST
 ALTERNATIVE C
 OPTIMISTIC SCENARIO

<u>Payment Period</u>	<u>Balance Outstanding (Beginning of Period)</u>	<u>Principal Payment</u>	<u>Interest Accumulated</u>
1981 Total	\$53,562 ¹	0	\$1,521 ²
First	\$53,562	\$ 3,348	\$1,138
Second	50,214	3,348	1,067
Third	46,866	3,348	996
Fourth	43,518	3,348	925
Fifth	40,170	3,348	854
Sixth	36,822	3,348	782
Seventh	33,474	3,348	711
Eighth	30,126	3,348	640
1982 Total		<u>\$26,784</u>	<u>\$7,113</u>
First	\$26,778	\$ 3,348	\$ 569
Second	23,430	3,348	498
Third	20,082	3,348	427
Fourth	16,734	3,348	346
Fifth	13,386	3,348	284
Sixth	10,038	3,348	213
Seventh	6,690	3,348	142
Eighth	3,342	3,342	71
1983 Total		<u>\$26,778</u>	<u>\$2,560</u>
TOTAL		<u>\$53,562</u>	<u>\$20,868</u>

¹Exhibit 23.

²Assumes two equal disbursements over six-month development period.

APPENDIX B

CONSTRUCTION COST CALCULATIONS FROM
MARSHALL & SWIFT COST MANUAL

Multiple Residences Description

Class	Type	Exterior	Interior	Lighting and Plumbing	Heat	Cost Sq. Ft.
D	Excellent	Best stucco or siding, brick and stone trim, heavy basic structure	Good plaster, paint, paneling, fine detail, hardwood, carpet	Good fixtures, many outlets, central TV antenna, intercoms	Warm and cool air	\$36.87

Base Cost = \$36.87 sq. ft.
 x Area Multiplier (.968)
 x Regional Multiplier - Oct. 1980 (1.02)
 x Local Multiplier - Oct. 1980 (1.02)
 = Adjusted Base Cost \$37.13 sq. ft.

Extras

Built in Appliances:

Range & Oven	\$565 - \$720
Exhaust Fan & Hood	155 - 225
Refrigerator	515 - 730
Dishwasher	470 - 560
Garbage Disposal	<u>175 - 225</u>

\$1,880 - \$2,460

Fireplace: 1,500 - 2,000

Double Car Garage: 4,000

say \$8,000 per unit

or \$8.00 per sq. ft.

Adjusted Base = \$37.13 per sq. ft.

+ Cost for extras 8.00

Total \$45.13 say \$45.00 per sq. ft.*

*Verified with Madison developers.

APPENDIX C

DEFINITION OF HIGHEST AND BEST USE¹

That reasonable and probable use that will support the highest present value, as defined, as of the effective date of the appraisal.

Alternatively, that use, from among reasonably probable and legal alternative uses, found to be physically possible, appropriately supported, financially feasible, and which results in highest land value.

The definition immediately above applies specifically to the highest and best use of land. It is to be recognized that in cases where a site has existing improvements on it, the highest and best use may very well be determined to be different from the existing use. The existing use will continue, however, unless and until land value in its highest and best use exceeds the total value of the property in its existing use. See Interim Use.

Implied within these definitions is recognition of the contribution of that specific use to community environment or to community development goals in addition to wealth maximization of individual property owners. Also implied is that the determination of highest and best use results from the appraiser's judgment and analytical skill, i.e., that the use determined from analysis represents an opinion, not a fact to be found. In appraisal practice, the concept of highest and best use represents the premise upon which value is based. In the context of most probable selling price (market value) another appropriate term to reflect highest and best use would be most probable use. In the context of investment value an alternative term would be most profitable use.

¹Byrl N. Boyce, Real Estate Appraisal Terminology, Sponsored by the American Institute of Real Estate Appraisers and The Society of Real Estate Appraisers, (Cambridge, Mass: Ballinger Publishing Co., 1975).

APPENDIX D

Transfer Documents

EVCL 786 PAGE 76

DOCUMENT NO.

1112605

WARRANTY DEED
STATE OF WISCONSIN—FORM 9—

Office of Register of Deeds }
Dane County, Wisconsin }

Received for Record Sept 15
A. D. 1964 at 10:05 o'clock A. M.
and recorded in vol. 786
of 91 Deeds on page 76
Bureau of Register

THIS SPACE RESERVED FOR RECORDING DATA

RETURN TO
COOK & KALBACKEN
ATTORNEYS AT LAW
MT. MOREB, WISCONSIN

THIS INDENTURE, Made by: Alvin E. Henze and
Madeleine H. Henze, his wife.
grantor S of Dane County, Wisconsin, hereby conveys
and warrants to Helmer S. Venden and Stella S.
Venden, his wife, as joint tenants, with
full right of survivorship,
of Dane County, Wisconsin,
for the sum of One (\$1.00) Dollar and other good
and valuable consideration,
the following tract of land in Dane County, State of Wisconsin;

Part of Outlot Fifty-seven (57), Revised and Consolidated
Assessor's Plat of Mt. Moreb, in the Village of Mount
Moreb, more fully described as follows: Beginning at an
iron stake on the Northerly extension of the East line of
Outlot 58, and being 300 feet North of the Northeast cor-
ner of said Outlot 58; thence continue North on said ex-
tension 10 feet; thence West 150 feet; thence South 10
feet to an iron stake; thence East 150 feet to the point
of beginning.



IN WITNESS WHEREOF, the said grantor S ha v.e. herunto set their hands and seal S this 9th
day of September, A. D., 1964

SIGNED AND SEALED IN PRESENCE OF
Wallace I. Kalbacken
Harry J. Cook
Wallace I. Kalbacken
Harry J. Cook

Alvin E. Henze (SEAL)
Madeleine H. Henze (SEAL)
_____ (SEAL)
_____ (SEAL)

STATE OF WISCONSIN,
Dane County.

Personally came before me, this 9th day of September, A. D., 1964 the above named Alvin E.
Henze and Madeleine H. Henze, his wife,

to me known to be the person S who executed the foregoing instrument and acknowledged the same.



Wallace I. Kalbacken
Wallace I. Kalbacken
Notary Public, Dane County, Wis.

THIS INSTRUMENT
DRAFTED BY Attorney Wallace I. Kalbacken.

(Section 59.31 (1) of the Wisconsin Statutes provides that all instruments to be recorded shall have plainly printed or typewritten thereon the names of the grantors, grantees, witnesses and notary).
WARRANTY DEED—STATE OF WISCONSIN—FORM NO. 99
FURNISHED BY DANE COUNTY TITLE COMPANY

1157484

Witness, Ida Hill of Mount Horeb, Wisconsin on the 26th day of March, 1962, made, published and declared her last will and testament, and by which she appointed

Orlando Hill her executor of said will, and therein empowered the said executor

Orlando Hill to grant, bargain, sell and convey any and all real estate of which said testatrix might die seized or possessed, and therein also authorized and empowered said executor upon the sale of any such real estate, to make, execute, acknowledge and deliver sufficient deeds of conveyance to convey and assure to the purchaser or purchasers, all the right, title and interest of the said testatrix in or to the said real estate, and

Witness, the said testatrix died on the 21st day of March 1965, at Mount Horeb, then being an inhabitant of the County of Dane, State of Wisconsin, and

Witness, such proceedings were had in the county court of said County of Dane State of Wisconsin, that on the 30th day of March, 1965, the said will of said Ida Hill was duly allowed and admitted to probate, as and for the last will and testament of the said Ida Hill deceased, and Gaylord Hill administrator with will annexed of administration with

by said court appointed executor of the said last will and testament and letters testamentary were thereupon duly issued out of and under the seal of the said county court to the said Gaylord Hill, empowering him to execute the said will, and carry out all the powers conferred upon the said

therein, and Witness, the said Gaylord Hill is duly qualified as such administrator with will annexed and is now acting as such administrator and executor having contracted with Steve Skalet Jr. and Mitzie S. Skalet, husband and wife for the sale and conveyance to them of the lands herein described, for the sum of

Thirteen Thousand, Five Hundred and no/100 - - - - - Dollars, the same being a full and adequate price therefor. Now Therefore, this Instrument Witnesseth, That the said Gaylord Hill administrator with will annexed of the will of Ida Hill part of of the first part, in pursuance of the said will and the powers therein conferred, and of said letters testamentary and in consideration of the sum annexed Thirteen Thousand Five Hundred and no/100 - - - - - Dollars, to him in and paid by the said Steve Skalet Jr. & Mitzie S. Skalet his wife, parties of the second part, receipt whereof is hereby acknowledged, have granted, bargained, sold and conveyed, and by these presents do as grant, bargain, sell and convey unto the said part 1st of the second part, their heirs and assigns forever, all of the following described piece or parcel of land lying and being in the County of Dane, State of Wisconsin described as follows, to-wit:

Part of Outlot #57, Revised and Consolidated Assessor's Plat of Mt. Horeb, in the Village of Mt. Horeb, Dane County, Wisconsin, more particularly described as follows: Commencing at the Northeast corner of Outlot 58, thence West 150 feet; thence North 90 feet; thence East 150 feet; thence South 90 feet to the point of beginning.



We have and do sell the said tract or parcel of land, with the hereditaments and appurtenances thereunto belonging, unto the said part 1st of the second part, their heirs and assigns forever;

DE 37484 M27.5 2.00

and the said party of the first part do hereby covenant with the part 1st of the second part, their heirs and assigns, that he has not done or suffered any act or thing by which the title hereby conveyed has been impaired, encumbered or affected in any way or manner whatever; and that the same in the quiet and peaceful possession and enjoyment of the said part 1st of the second part, their heirs and assigns forever, he will forever warrant and defend against all acts of the first part.

In Witness Whereof, the said party of the first part has hereunto set his hand and seal this 23rd day of July, 1965.

In Presence of
Carl W. Danhouser } Gaylord Hill (Seal)
Gaylord Hill } as administrator with will annexed (Seal)
Grace R. Danhouser }
Grace R. Danhouser } the executor of the will of said
Ida Hill, Deceased.

State of Wisconsin, }
County of Dane } ss.
Personally came before me this 23rd day of July, 1965, the above named Gaylord Hill



administrator with will annexed to me known to be who executed the above and foregoing deed and acknowledged the same.
Carl W. Danhouser
Notary Public Dane County, Wisconsin
My commission is permanent

This instrument prepared by Attorney Carl W. Danhouser

1137481

1137481

1137481 Notary
Gaylord Hill, Administrator
With Will Annexed of the Will
of Ida Hill, Deceased
139
19
1965
1137481

EXECUTOR'S DEED
OF PART OF TRACT IN 1137481

REGISTER'S OFFICE
Dane County, Wis.
Received for Record this 17 day of July 1965
Vol. 284, Page 286
1137481
Register of Deeds
Steph...
309 N. State St.
Madison, Wis.

DOCUMENT NO.

1322961

THIS INSTRUMENT Made by Wallace I. Kalbacken and Betty J. Kalbacken, his wife, and each individually

grantorS of Dane County, Wisconsin, hereby conveys and warrants to Norman B. Haglund and Barbara A. Haglund, his wife, as joint tenants with full right of survivorship.

granteeS of Dane County, Wisconsin, for the sum of One (\$1.00) Dollar and other good and valuable consideration the following tract of land in Dane County, State of Wisconsin;

Part of Outlot Fifty-seven (57), Revised and Consolidated Assessor's Plat of Mt. Horeb, in the Village of Mount Horeb, described more fully as follows: Beginning at the Southwest corner of Outlot 57; thence East 43 feet to the point of beginning of this description; thence North parallel to the West line of said Outlot 57, 226.5 feet; thence East 198.7 feet; thence South 226.5 feet to a point which is 16 feet West of the Southwest corner of Outlot 58 of the Assessor's Plat; thence West 198.7 feet to the point of beginning.

The North 25 feet of Lot Sixteen (16), Pfeh's Addition to Mount Horeb, in the Village of Mount Horeb.

1322961

WARRANTY DEED STATE OF WISCONSIN—FORM Office of Register of Deeds Dane County, Wisconsin

Received for Record April 20 1972 at 11:35 o'clock A M and recorded in vol 334 of Records on page 67

THIS SPACE RESERVED FOR RECORDING DATA

RETURN TO

State Bank of Mt. Horeb Mt. Horeb, Wisconsin 53572

\$ 39.50 FEE PAID

In Witness Whereof, parties of the first part hereunto set their hands and seals this 19th day of April, A. D., 1972

SIGNED AND SEALED IN PRESENCE OF Harry J. Cook Rubelle Opsal

Wallace I. Kalbacken Betty J. Kalbacken

STATE OF WISCONSIN

Dane County, Wisconsin Personally came before me, this 19th day of April, A. D., 1972 the above named Wallace I. Kalbacken and Betty J. Kalbacken, his wife,

to me known to be the persons who executed the foregoing instrument and acknowledged the same.

Notary Public Harry J. Cook Dane County, Wisconsin

This instrument drafted by Attorney Wallace I. Kalbacken

Delete as required

(Section 69.11 (1) of the Wisconsin Statutes provides that all instruments to be recorded shall hereinafter printed or typewritten thereon the names of the grantors, grantees, witnesses and notary.)

WARRANTY DEED—STATE OF WISCONSIN—FORM NO. 99

FORWARDED BY Dane County Title Company TITLE INSURANCE — ABSTRACTS — MICROFILM

VOL. 334 PAGE 67

VOL 532 PAGE 76

second part, his heirs and assigns, against all and every person or persons, lawfully claiming the whole of any part thereof, they will forever WARRANT and DEFEND. In Witness Whereof, the said parties of the first part have hereunto set their hands and seal as follows: this 6th day of August, A. D., 19 49

Signed and Sealed in Presence of:

B. A. Meide
B A Meide

Margie Martin
Margie Martin

Charles McCarthy (Seal)
Charles McCarthy

Leola McCarthy (Seal)
Leola McCarthy

(Seal)

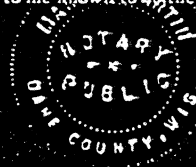
(Seal)

State of Wisconsin,

Dane County, ss.

Personally came before me, this 6th day of August, A. D., 19 49, the above named Charles McCarthy and Leola McCarthy, his wife and in her own right

to me known to be the persons who executed the foregoing instrument and acknowledged the same.



RECORDED

AUG-9 1949

At 10:00 clock P.M.

Margie Martin
Margie Martin

Notary Public, Dane County, Wisconsin

My Commission expires Sept 17th, A. D., 19 50

(N.B.—Ch. 49 Wis. Stat. provides that all instruments to be recorded shall have plainly printed or typewritten thereon the names of the grantors, grantees, witnesses and notary.)

784316

WARRANTY DEED

STATE OF WISCONSIN—FORM No. 1

Section 235.16, Wisconsin Statutes

This Indenture, Made this 4th day of August, A. D., 19 49

between Ruth Hoff, Mary Jane Hoff and Philip G. Hoff, a single man, of Mount Horeb, Wisconsin part 1cs of the first part; and Otto Hill and Ida Hill, husband and wife, jointly with right of survivorship, of Barneveld, Wisconsin part 1cs of the second part.

Witnesseth, That the said parties of the first part, for and in consideration of the sum of One (1.00) Dollar and other good and valuable consideration to them in hand paid by the said parties of the second part, the receipt whereof is hereby confessed and acknowledged, have given, granted, bargained, sold, remised, released, aliened, conveyed and confirmed, and by these presents do give, grant, bargain, sell, remise, release, alien, convey and confirm unto the said parties of the second part, their heirs and assigns forever, the following described real estate, situated in the County of Dane and State of Wisconsin, to-wit:

Commencing at the Northeast corner of Outlot Fifty-eight (58), thence West 250 feet, thence North 150 feet, thence East 250 feet, thence South 150 feet to place of beginning, being a part of Outlot Fifty-seven (57) in the Village of Mount Horeb, Dane County, Wisconsin



together with all and singular the hereditaments and appurtenances thereunto belonging or in any wise...

Have and to Hold the said premises as above described with the hereditaments and appurtenances; unto...

themselves, their heirs, executors and administrators, do covenant, grant, bargain, and agree...

the above bargained premises in the quiet and peaceable possession of the said parties of the second...

Witness Whereof, the said parties of the first part have hereunto set their hands and seals...

SIGNED AND SEALED IN PRESENCE OF

Helen Moon, Helen Moon, Martin A. Tollund, Martin A. Tollund

Ruth Hoff, Ruth Hoff, Mary Jane Hoff, Philip G. Hoff (SEAL)

NOTE - The names of the parties to this instrument and of the witnesses and notary must be printed or typeset thereon to entitle it to be recorded.

State of Wisconsin, Dane County

Personally came before me, this 4th day of August, A.D. 19 49

above named: Ruth Hoff, Mary Jane Hoff and Philip G. Hoff, a single man

known to be the person who executed the foregoing instrument and acknowledged the same.



RECORDED

AUG-9 1949

Notary Public: Dane County, Wis.

At 10:00 clock A.M. My commission expires July 8, A.D. 19 51

WARRANTY DEED

STATE OF WISCONSIN
FORM No. 1

832958

Wisconsin Legal Blank Company
Milwaukee, Wisconsin 18482

VOL 577 PAGE 49

This indenture, Made this 26th day of March, A. D. 1952, between Ruth Hoff, Philip G. Hoff, single and Mary Jane Hoff Solberg of Mount Horeb, Wisconsin;

part 103 of the first part, and Alvin E. Menze of Mount Horeb, Wisconsin

part V of the second part.

Witnesseth, That the said part 103 of the first part, for and in consideration of the sum of One Dollar and other good and valuable consideration

to them in hand paid by the said part V of the second part, the receipt whereof is hereby confessed and acknowledged, have given, granted, bargained, sold, remised, released, aliened, conveyed and confirmed, and by these presents do give, grant, bargain, sell, remise, release, alien, convey and confirm unto the said part V of the second part, his heirs and assigns forever, the following described real estate, situated in the County of Dane and State of Wisconsin, to-wit:

Out Lot Fifty-seven (57) according to the Revised and Consolidated Assessors Plat of the Village of Mt. Horeb, except that part sold to Otto Hill and recorded in Vol. 532 of Deeds, page 76, Dane County Registry, described as follows:

Commencing at the Northeast (NE) corner of Outlot Fifty Eight (58); thence West (W) Two Hundred Fifty (250) feet; thence North (N) One Hundred Fifty (150) feet; thence East (E) Two Hundred Fifty (250) feet; thence South (S) One Hundred Fifty (150) feet to place of beginning.

This deed is given pursuant to Section 70.27 (3) and (5) of Wisconsin Statutes for 1951.



Together with all and singular the hereditaments and appurtenances thereunto belonging or in any wise appertaining; and all the estate, right, title, interest, claim or demand whatsoever, of the said part 103 of the first part, either in law or equity, either in possession or expectancy of, in and to the above bargained premises, and their hereditaments and appurtenances.

To have and to hold the said premises as above described with the hereditaments and appurtenances, unto the said part V of the second part, and to his heirs and assigns FOREVER.

And the said parties of the first part

for themselves, heirs, executors and administrators, do covenant, grant, bargain and agree to and with the said part V of the second part, his heirs and assigns, that at the time of the enrolling and delivery of these presents, they are well seized of the premises above described, as of a good, sure, perfect, absolute and indefeasible estate of inheritance in the law, in fee simple, and that the same are free and clear from all incumbrances whatever.

and that the above bargained premises in the quiet and peaceable possession of the said part V of the second

VOL 577 PAGE 50

part, his heirs and assigns, against all and every person or persons lawfully claiming the whole or any part thereof; they will forever WARRANT AND DEFEND.

In Witness Whereof, the said parties of the first part have hereunto set their hands and seals this 26th day of March, A. D. 19 52.

SIGNED AND SEALED IN PRESENCE OF

Marie In We } Ruth Hoff (SEAL)
Martin A. Tollund } Philip G. Hoff (SEAL)
Larry M. Campbell } Mary Jane Hoff Solberg (SEAL)
James C. Larson } James C. Larson (SEAL)

State of Wisconsin,

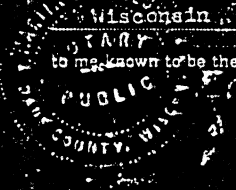
Date _____ County _____ ss.

Personally came before me, this 26th day of March A. D. 19 52,

the above named Ruth Hoff and Philip G. Hoff, single, of Mount Horeb,

Wisconsin,

to me known to be the persons who executed the foregoing instrument and acknowledged the same.



Marie A. Tollund
Martin A. Tollund

Notary Public, Dane County, Wis.

My commission expires July 2 A. D. 19 55

STATE OF NORTH CAROLINA
Cumberland County) ss.

Personally came before me, this 26th day of March A. D., 19 52, the above named Mary Jane Hoff Solberg

to me known to be the person who executed the foregoing instrument and acknowledged the same.



RECORDED

APR 21 1952

At 9:45 o'clock A. M.

E. Fred Johnson
Notary Public, Cumberland County, N.C.
My Commission expires August 1, 1953

State of Wisconsin,

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Dane County, ss.

Personally came before me, this 19th day of June, A. D., 1954.

The above named Thomas J. Friedrich and Evelyn R. Friedrich, his wife.

to me known to be the person or persons who executed the foregoing instrument and acknowledged the same.



RECORDED

JUN 22 1954

At 4:10 o'clock P.M.

William R. Haley

Notary Public, Dane County, Wis. My commission expires March 23, A. D., 1958.

WARRANTY DEED.

STATE OF WISCONSIN—FORM NO. 1

875358

H. C. MILLER CO. MILWAUKEE

This Indenture, Made this 16th day of June, A. D., 1954,

between Alvin E. Henze and Madeleine H. Henze, husband and wife, as joint tenants, and each individually parties of the first part,

and James P. Kruckman and Dorothy Kruckman, husband and wife, as joint tenants, with full right of survivorship parties of the second part.

Witnesseth, That the said parties of the first part, for and in consideration of the sum of One (\$1.00) Dollar and other good and valuable consideration

to them in hand paid by the said parties of the second part, the receipt whereof is hereby confessed and acknowledged, have given, granted, bargained, sold, remised, released, aliened, conveyed and confirmed, and by these presents do give, grant, bargain, sell, remise, release, alien, convey and confirm unto the said parties of the second part, their heirs and assigns forever, the following described real estate, situated in the County of Dane and State of Wisconsin, to-wit:

Part of Outlot 57, Revised and Consolidated Assessor's Plat of Mt. Horeb, in the Village of Mount Horeb, more fully described as follows: Beginning at a point on the East line of said Outlot, 150 feet North of the Northeast corner of Outlot 58; thence continuing North on the East line and on an extension of the East line 150 feet to an iron stake; thence West 150 feet to an iron stake; thence South 150 feet to an iron stake; thence East 150 feet to the point of beginning.



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Together, with all and singular the hereditaments and appurtenances thereunto belonging or in any way appertaining: and all the estate, right, title, interest, claim or demand whatsoever, of the said part 1.0.S. of the first part, either in law or equity, either in possession or expectancy of, in and to the above bargained premises, and their hereditaments and appurtenances.

To have and to hold the said premises as above described with the hereditaments and appurtenances, unto the said part 1.0.S. of the second part, and to their heirs and assigns FOREVER.

And the said Alvin E. Henze and Madeleine H. Henze, husband and wife as joint tenants, and each individually for themselves and for their heirs, executors and administrators, do covenant, grant, bargain and agree to and with the said part 1.0.S. of the second part, their heirs and assigns, that at the time of the ensembling and delivery of these presents they are well seized of the premises above described, as of a good sure, perfect, absolute and indefeasible estate of inheritance in the law, in fee simple, and that the same are free and clear from all incumbrances whatever.

and that the above bargained premises in the quiet and peaceable possession of the said part 1.0.S. of the second part their heirs and assigns, against all and every person or persons lawfully claiming the whole or any part thereof, they will forever WARRANT AND DEFEND.

In Witness Whereof, the said part 1.0.S. of the first part have hereunto set their hand and seal, this 16th day of June, A. D., 1954.

SIGNED AND SEALED IN PRESENCE OF

Harry J. Cook

Wallace I. Kalbacker

Alvin E. Henze
Madeleine H. Henze

STATE OF WISCONSIN

Dane County

Personally came before me, this 16th day of June, A. D., 1954, the above named Alvin E. Henze and Madeleine Henze, husband and wife and each individually

to me known to be the persons who executed the foregoing instrument and acknowledged the same

RECORDED

JUN 22 1954

At 11:00 clock P.M.

Harry J. Cook

Notary Public, Dane County, Wis.

My Commission expires 7/21/57 A. D., 1957



(Section 59.51 (1) of the Wisconsin Statutes provides that all instruments to be recorded shall have plainly printed or typewritten thereon the names of the grantors, grantees, witnesses and notary.)

STATE OF OKLAHOMA)
COUNTY OF PONTOTOC) ss

VGL 620 PAGE 291

Personally came before me this 2nd day of November, 1954, the within named ROSE De FAZIO, formerly Mrs. Frank De Fazio, a widow, to me known to be the person who executed the foregoing instrument, and acknowledged the same.



Geneva Davies (Geneva Davies)
Notary Public

My Commission Expires: October 12, 1955
(Seal)

RECORDED

NOV 4 1954
1135
at Oklahoma City, Okla.

WARRANTY DEED

STATE OF WISCONSIN
FORM No. 1

883944

Wisconsin Legal Blank Company
Milwaukee, Wisconsin 53106

This indenture, Made this 25th day of October, A.D., 1954, between Alvin E. Henze and Madeleine H. Henze, his wife

parties of the first part, as joint tenants and Wallace L. Kalbacken and Betty J. Kalbacken, his wife, with right of survivorship

parties of the second part. Witnesseth, That the said parties of the first part, for and in consideration of the sum of One dollar (\$1.00) and other good and valuable consideration

to their in hand paid by the said parties of the second part, the receipt whereof is hereby confessed and acknowledged, have given, granted, bargained, sold, remised, released, aliened, conveyed and confirmed, and by these presents do give, grant, bargain, sell, remise, release, alien, convey and confirm unto the said parties of the second part, their heirs and assigns forever, the following described real estate, situated in the County of Dane and State of Wisconsin, to-wit:

A part of Outlot 57 of the Assessor's Plat in the Village of Mount Horeb, Dane County, Wisconsin, and described more fully as follows:

Beginning at the Southwest corner of Outlot 57;
Thence East 13 feet to the point of beginning;

Thence North parallel to the West line of said Outlot 57, 226.5 feet;

Thence East 198.7 feet;

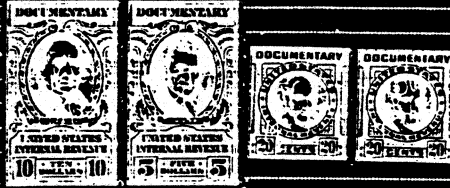
Thence South 226.5 feet to a point which is 16 feet West of the Southwest corner of Outlot 58 of the Assessor's Plat of Mount Horeb.

Thence West 198.7 feet to the point of beginning. Containing 1.03 acres, together with an easement sufficient for driveway purposes over the N.W. corner of the Lot Number 16, Piehs Addition to the Village of Mount Horeb. Said easement to remain in effect so long as Grove Street is not extended Northward for further development for building purposes of Outlot 57.

The parties of the second part hereby agree not to require the parties of the first to install a sidewalk along the West side of Lots 14, 15, 16, Piehs Addition to the Village of Mount Horeb until such time as Grove Street may be extended Northward for further development for building purposes of Outlot 57. This is with reference to Outlot 57, other than the parcel herein described.

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150M



Together with all and singular the hereditaments and appurtenances thereunto belonging or in any way appertaining; and all the estate, right, title, interest, claim or demand whatsoever, of the said part [unclear] of the first part, either in law or equity, either in possession or expectancy of, in and to the above bargained premises and their hereditaments and appurtenances.

To have and to hold the said premises as above described with the hereditaments and appurtenances, unto the said part [unclear] of the second part, and to their heirs and assigns FOREVER.

And the said Alvin E. Henze and Madeleine H. Henze, his wife

for themselves and their heirs, executors and administrators, do covenant, grant, bargain and agree to and with the said part [unclear] of the second part, their heirs and assigns, that at the time of the executing and delivery of these presents are well seized of the premises above described, as of a good, clear, perfect, absolute and indefeasible estate of inheritance in the law, in fee simple, and that the same are free and clear from all incumbrances whatever, -----

and that the above bargained premises in the quiet and peaceable possession of the said part [unclear] of the second

part, their heirs and assigns, against all and every person or persons lawfully claiming the whole or any part thereof, they will forever WARRANT AND DEFEND.

In Witness Whereof, the said part [unclear] of the first part have hereunto set their hands and seals, this 25th day of October, A. D. 1954.

SIGNED AND SEALED IN PRESENCE OF

Harry J. Cook
Patricia Henderson
Patricia Henderson

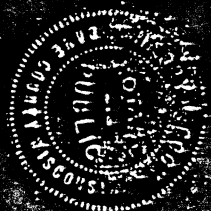
Alvin E. Henze (SEAL)
Madeleine H. Henze (SEAL)
(SEAL)
(SEAL)

State of Wisconsin, } ss.

Dane County.

Personally came before me, this 25th day of October, A. D. 1954, the above named Alvin E. Henze and Madeleine H. Henze, his wife

to me known to be the person who executed the foregoing instrument and acknowledged the same.



RECORDED

NOV 4 1954

11 35 AM

Harry J. Cook
Notary Public, Dane County, Wis.

My commission expires 7/21/57 A. D. 1957

APPENDIX E

Mt. Horeb R-1, PD-1

Zoning Ordinance

A-1 Agricultural District, unless the annexation ordinance temporarily places the land in another district. Within a reasonable time, after completion of the annexation procedures, the Village Plan Commission shall evaluate and recommend a permanent district classification to the Village Board of Trustees.

15.311 R-1 Residential District

(1) Uses Permitted

- (a) Single family dwellings and accessory buildings and uses.
 - (b) Churches and schools.
 - (c) Customary home occupations, including professional home offices provided not more than one (1) name plate or sign and not more than one (1) square foot in area is used in connection with the professional or occupational use.
 - (d) Public parks, golf courses, playgrounds and recreation areas.
 - (e) Public buildings.
 - (f) Public utility buildings subject to the approval of the Plan Commission as being not injurious to the surrounding neighborhood.
 - (g) Swimming pools.
- (2) Height. No dwelling unit shall be erected or structurally altered to exceed a height of thirty-five (35) feet or two and one-half (2 1/2) stories; however, non-residential buildings, and structures permitted in this district shall not exceed a height of sixty (60) feet.
- (3) Lot Coverage. The ground area occupied by the principal and accessory buildings shall not exceed thirty (30%) percent of the total area of the lot.
- (4) Area. Every dwelling or other principal building hereafter erected or structurally altered shall provide a lot having an area of not less than 10,000 square feet, and a width of not less than seventy-five (75) feet, excepting, however, where a lot is smaller in area or width but is a lot of record as of the date of adoption of this ordinance, said lot may be occupied by a single-family dwelling.

- (5) Front Yard. There shall be a front yard of not less than thirty (30) feet from the street right-of-way line.
- (6) Rear Yard. There shall be a rear yard having a depth of not less than fifty (50) feet, excepting that accessory buildings and structures may be placed within the rear yard if set back not less than five (5) feet from rear or side property lines.
- (7) Side Yards. Each lot shall have two (2) side yards, each not less than eight (8) feet, and not less than twenty (20) feet in combination, and provided further, that on corner lots, the side yard adjacent to the street shall be not less than thirty (30) feet.
- (8) Usable Open Space. There shall be a usable open space of not less than 1,500 square feet per dwelling unit.

15.312 R-2 Residential District

(1) Uses Permitted

- (a) Any use permitted in the R-1 Residential District.
 - (b) Two-family residences.
- (2) Height. No dwelling shall be erected or structurally altered to exceed a height of thirty-five (35) feet or two and one-half (2 1/2) stories; however, non-residential buildings and structures permitted in this district shall not exceed a height of sixty (60) feet.
 - (3) Lot Coverage. The ground area covered by the principal and accessory buildings shall not exceed thirty-five (35%) percent of the lot.
 - (4) Area. For detached single-family units, the minimum lot area shall be 7,200 square feet and lot width shall be sixty (60) feet. For two dwelling units, there shall be a minimum lot area of 5,000 square feet per unit and a minimum lot width of seventy-five (75) feet.
 - (5) Front Yard. There shall be a front yard of not less than thirty (30) feet.

property line of such other district a minimum of one hundred (100) feet.

- (5) Front Yard. Each lot shall have a front yard of not less than fifty (50) feet in depth.

15.317 A-1 Agricultural District

- (1) Uses Permitted. Land shall be used and buildings or structures shall be erected, altered, enlarged or used only for one or more of the following purposes:
- (a) Single family dwellings.
 - (b) Agricultural uses, but excluding swine farming, fur farming, commercial dairies, dog kennels, commercial hatcheries.
 - (c) Roadside stands for sale of products grown or raised on premises, provided such stands are located not less than thirty (30) feet from any public street or highway right-of-way.
 - (d) Accessory buildings and uses.
 - (e) Parks, parkways, golf courses but not including commercially operated par 3 or miniature golf courses or golf driving provided that the maintenance building and club houses shall be not less than 300 feet from any lot in a Residence district.
 - (f) Sanitary landfills.
 - (g) Airports and landing strips.
- (2) Height. No dwelling shall exceed thirty-five (35) feet in height or two and one-half (2 1/2) stories. No other principal or accessory building shall exceed sixty (60) feet in height.
- (3) Area. The minimum lot area for single family uses shall be five (5) acres.
- (4) Yards. No building or structure shall be erected less than thirty (30) feet from any property line, or future right of way line as shown on the Official Map of Mount Horeb.

15.318 CO-1 Conservancy District

(1) Uses Permitted

- (a) Harvesting of wild crops, such as marsh hay, ferns, moss berries, tree fruits and tree seeds.
 - (b) Hunting, fishing and trapping.
 - (c) Raising of fish and game animals.
 - (d) Sustained yield forestry.
 - (e) Public park, recreational facilities and structures.
 - (f) Essential services.
 - (g) Accessory buildings and structures incidental to any of the above uses.
- (2) Height. No building or structure shall exceed a height of thirty-five (35) feet.
- (3) Yards. No building or structure shall be erected less than thirty (30) feet from any property line or future right-of-way as shown on the Official Map of Mount Horeb.

15.319 PD-1 Planned Development District

- (1) Statement of Purpose. The Planned Development District is established to provide a regulatory framework designed to encourage and promote environmental quality of Mount Horeb by allowing for greater freedom, imagination, and flexibility in the development of land while insuring substantial compliance to the basic intent of the zoning ordinance and the Mount Horeb Comprehensive Plan. It is further intended to encourage more rational and economic development with relationship to public services, and to encourage and facilitate preservation of open spaces.
- (2) Permitted Uses. The following uses are permitted in The Planned Development District provided however, that no use shall be permitted except in conformity with a specific and precise development plan pursuant to the provisions set forth hereinafter:
- (a) Any use permitted in any of the districts of this ordinance subject to the criteria established in this section are permitted, but such requirements as are made a part of an approved recorded

precise development plan shall be, along with the recorded plan itself, construed to be enforced as a part of these provisions.

- (3) Lot Area, Lot Width, Height, Yard and Usable Open Space Requirements. In the Planned Development District there shall be no predetermined specific lot area, lot width, height, yard and usable open space requirements, but such requirements as are made a part of an approved recorded precise development plan. The minimum land area for Planned Development District shall be five (5) acres.
- (4) Signs. In the Planned Development District, signs shall be in accordance with the provisions of Section 15.50.
- (5) Off-Street Parking. In the Planned Development District, off-street parking facilities shall be provided in accordance with the provision of Section 15.40 and such requirements as are made a part of an approved recorded precise development plan.
- (6) Criteria for Approval. As a basis for determining the acceptability of a Planned Development District application the following criteria shall be applied to the precise development plan for such district with specific consideration as to whether or not it is consistent with the spirit and intent of these provisions, has been prepared with competent professional advice and guidance.
 - (a) Character and Intensity of Land Use. In a Planned Development District, the uses proposed, and their intensity and arrangement on the site shall be of a visual and functional character which:
 1. Are compatible to the physical nature of the site with particular concern for preservation of natural features and open space.
 2. Would produce an attractive environment of sustained aesthetic and ecologic desirability, economic stability and functional practicality compatible with the comprehensive plan for the area as established by the Village.
 3. Would not adversely affect the anticipated provision for school or other municipal services.
 4. Would not create a traffic or parking demand incompatible with the existing or proposed facilities to serve it.

- (b) Economic Feasibility and Impact. The applicant shall provide evidence satisfactory to the Village Board of its economic feasibility, of available adequate financing, and that it would not adversely affect the economic prosperity of the Village or the values of surrounding properties.
- (c) Preservation and Maintenance of Open Space. In a Planned Development District, adequate provision shall be made for the permanent preservation and maintenance of common open space either by private reservation or dedication to the public.
 - 1. In the case of private reservation, the open area to be reserved shall be protected against building development by conveying to the Village as part of the conditions for project approval an open space easement over such open areas restricting the area against any future building or use except as is consistent with that or providing landscaped open space for the aesthetic and recreational benefit of the development.
 - 2. The care and maintenance of such open space reservation shall be assured by establishment of appropriate management organization for the project. The manner of assuring maintenance shall be included in the title to each property.
- (d) Implementation Schedule. Any person, firm or corporation applying for Development District shall submit a reasonable schedule for the implementation of the development to the satisfaction of the Village Board including suitable provisions for assurance that each phase could be brought to completion in a manner which would not result in adverse effect upon the surrounding properties as a result of termination at that point.
- (7) Procedure. The procedure for rezoning to a Planned Development District shall be as required for any other zoning district change under this ordinance, except that in addition thereto, the rezoning may only be considered in conjunction with a development plan, and shall be subject to the following additional requirements:
 - (a) General Development Plan: The applicant shall file with the Plan Commission a General

Development Plan which shall include the following information:

1. A statement describing the general character of the intended development.
2. An accurate map of the project area including its relationship to surrounding properties and existing physical features.
3. A plan of the proposed project showing at least the following information in sufficient detail to make possible the evaluation of the criteria for approval as set forth in these provisions.
4. The pattern of proposed land use including shape, size and arrangement of proposed use areas, density and environmental character.
5. The pattern of public and private streets.
6. The location, size and character of recreational and open space areas reserved or dedicated for public uses such as school park, greenway, etc.
7. A utility feasibility study.
8. Appropriate data on the size of the development, ratio of various land uses, percentages of multi-family units by number of bedrooms, economic analysis of the development, expected staging, and any other plans or data pertinent to evaluation under the criteria of paragraph (6) of this section.
9. General outline of intended organizational structure related to property owner's association, deed restrictions and private provision of common services.

(b) Referral and Hearing:

1. Within a reasonable time after completion of the filing of the application for approval of a general development plan, the Plan Commission, after a public hearing shall forward the application to the Village Board, with a recommendation that the plan be approved as submitted, approved with modifications, or disapproved.

2. Approval of the rezoning and related general development plan shall establish the basic right of use for the area in conformity with the plan as approved, which shall be recorded as an integral component of the district regulations but such plan shall be conditioned upon approval of a specific implementation plan, and shall not make permissible any of the uses as proposed until a specific implementation plan is submitted and approved for all or a portion of the general development plan.

(c) Specific Implementation Plan: A specific and detailed plan for implementation of all or a part of a proposed Planned Development District must be submitted within a reasonable period of time as determined by the Plan Commission. If a specific implementation plan has not been submitted within said time, which the Plan Commission determines to be a reasonable phase of the total plan, a petition to rezone the property back to the previous zoning from the planned development district shall be filed by the Plan Commission. The specific implementation plan shall be submitted to the Plan Commission and shall include the following detailed construction and engineering plans and related detailed documents and schedules:

1. An accurate map of the area covered by the plan including the relationship to the total general development plan.
2. The pattern of public and private roads, driveways, walkways, and parking facilities.
3. Detailed lot layout and subdivision plat where required.
4. The arrangement of building groups, other than single-family residences, and their architectural character.
5. Sanitary sewer and water mains.
6. Grading plan and storm drainage system.
7. The location and treatment of open space areas and recreational or other special amenities.
8. The location and description of any areas to be dedicated to the public.

9. General landscape treatment.
 10. Proof of development capability.
 11. Analysis of economic impact upon the community.
 12. A development schedule indicating: the approximate date when construction of the project can be expected to begin; the stages in which the project will be built and the approximate date when construction of each stage can be expected to begin; the anticipated rate of development; the approximate date when the development of each of the stages will be completed; and the area and location of common open space that will be provided at each stage.
 13. Agreements, bylaws, provisions, or covenants which govern the organizational structure, use maintenance, and continued protection of the Planned Development and any of its common services, common open areas or other facilities.
 14. Any other plans, documents, or schedules requested by the Plan Commission.
- (d) Approval of the Specific Implementation Plan:
1. Following a review of the specific implementation plan, the Plan Commission shall recommend to the Village Board that they be approved as submitted, approved with modifications, or disapproved.
 2. Upon receipt of the Plan Commission recommendation, the Village Board may approve the plan and authorize the development to proceed accordingly, or disapprove the plan.
 3. In the event of approval of the Specific Implementation Plan, the building, site and operational plans for the development, as approved, as well as all other commitments and contractual agreements with the Village offered or required with regard to project value, character and other factors pertinent to an assurance that the proposed development will be carried out basically as presented in the official submittal plans, shall be recorded by the developer within a

reasonable period of time as determined by the Village Board in the Dane County Register of Deeds Office. This shall be accomplished prior to the issuance of any building permit.

4. Any subsequent change or addition to the plans or use shall first be submitted for approval to the Plan Commission and if, in the opinion of the Plan Commission, such change or addition constitutes a substantial alternation of the original plan, the procedure provided in this section shall be required.

