

February 20, 2023

Mr. David De Angelis
Village Manager
Village of Elm Grove
13600 Juneau Boulevard
Elm Grove, WI 53122

RE: Authorization & Engagement of Appraisal Report of a portion of the Canadian Pacific rail corridor north of Bluemound Road to just north of Wall Street in Elm Grove, WI

Dear Mr. De Angelis:

Pursuant to your request, I herewith submit my fee estimate for a real estate appraisal of the above captioned property known as the Canadian Pacific rail corridor. The property consists of a portion of the corridor north of Bluemound Road to just north of Wall Street in the Village of Elm Grove, Waukesha County, WI.

The purpose of the appraisal is to develop an opinion of the current market value for the property and to submit the report to the Canadian Pacific Railroad in conjunction with the intended purchase of the rail corridor that is the subject of this engagement agreement. We understand the intended use of the report is to assist with acquisition of a portion of the corridor.

The appraisal will be made in conformity with and is subject to the requirements of the Code of Professional Ethics and Standards of Professional Conduct of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice.

The total professional fees to complete the appraisal will be \$3,400. A retainer of \$0 is due upon acceptance of this agreement. If the client requests a draft, payment is due upon delivery of the draft. The balance of the professional fees is due upon completion. Full payment shall be made upon delivery of the report. Interest to accrue at 1.0% per month (12.0% annum) on all amounts not paid within 45 days.

Additional professional fees incurred for time committed subsequent to the production of the Final Report, will be billed separately. Should additional consulting services, such as additional analysis or testimony work, be requested or required, we will charge based on hourly rates for the additional time. The current hourly rate for litigation consulting services by S. Steven Vitale, MAI is \$200.00 per hour plus out of pocket expenses.

We will furnish you a pdf copy of the report. Bound hard copies are available for a cost of \$25 per report. The estimated completion date is 60 days from our receipt of your formal authorization to proceed, retainer and the requested information.

Valbridge Property Advisors | Milwaukee has not provided appraisal services regarding the subject property within the three years preceding the date of this letter. However, we appraised the property for Elm Grove in 2018 in a report identified as Valbridge Project WI01-18-0087.

The appraisal shall be prepared for the identified client and its intended use as indicated in the second paragraph of Page 1 of this engagement agreement and is for the purpose of facilitating the sale transaction as described. The intended user of this report is the Village of Elm Grove.

The appraisal will not take into consideration the possibility that the property may be contaminated with PCB's, or any other hazardous, or radioactive substances. The value reported will be exclusive of the costs to discover, remove, or render harmless such environmental impairments. If you have any concern such substances may exist in the property, you should hire a qualified independent engineer or contractor to investigate. We cannot assume any responsibility for the discovery, analysis, or treatment of such substances on the subject or its surroundings.

Below is a list of requested information related to the property.

1. Plat of survey with legal description
2. Title insurance report
3. Description of rail line and any other improvements
4. List/description of known structural defects and or deferred maintenance
5. Disclosure of hazardous/potentially hazardous materials or underground storage tanks, and any Environmental reports, if available
6. Copies of any leases encumbering property
7. Contact person with CP Railroad
8. Contract of Sale/Recent Purchase Information - listing of all sales and prices, if any
9. Any other information you deem pertinent

Attached to and incorporated in this engagement letter are Valbridge Property Advisors | Milwaukee Terms and Conditions of Agreement. These Terms and Conditions are a substantive part of our engagement and govern the work to be performed for you.

Thank you for giving us the opportunity to serve you; we look forward to working with you on this assignment.

Respectfully submitted,
Valbridge Property Advisors | Vitale Realty Advisors, LLC



S. Steven Vitale, MAI, SGA
Senior Managing Director
Wisconsin License #506-10
License Expires 12-14-2023
svitale@valbridge.com
(262) 782-7990

AGREED AND ACCEPTED

Signature

Title

Name

Date

**TERMS AND CONDITIONS OF AGREEMENT
APPRAISAL**

1. These Terms and Conditions, when attached to any agreement for appraisal services between Client and Appraiser ("Agreement"), shall be deemed a part of such Agreement as though set forth in full therein.
2. Appraiser shall exercise independent judgment and complete the appraisal assignment called for by the Agreement ("Assignment") in accordance with sound appraisal practice and the Code of Professional Ethics and Standards of Professional Conduct of the Appraisal Institute.

3. All statements of fact in the appraisal report which are used as the basis of Appraiser's analyses, opinions, and conclusions will be true and correct to the best of Appraiser's knowledge and belief. Appraiser may rely upon the accuracy of information and material furnished to Appraiser by Client.
4. Appraiser shall have no responsibility for legal matters, questions of survey or title, soil or subsoil conditions, engineering, or other similar technical matters. The appraisal report will not constitute a survey of the property appraised.
5. Any party, except the Canadian Pacific Railroad or any of its subsidiaries or affiliates who may hold title to rail corridor which is the subject of this engagement agreement, who is not the client or intended user identified in the appraisal or engagement letter is not entitled to rely upon the contents of the appraisal without express written consent of Vitale Realty Advisors, LLC and Client. Distribution of the report is at the sole discretion of the client. We assume no responsibility for unauthorized use of the appraisal by a third-party.
6. Client shall, in a timely manner, provide Appraiser with such materials with respect to the Assignment as are requested by Appraiser and in the possession or under the control of Client. Client shall attempt to provide Appraiser with sufficient access to the real property to be appraised. A delay in receipt of information may delay completion of the assignment.
7. Each party shall be responsible for its own act(s) or omission(s) and answer legally for same.
8. Unless expressly specified in the Agreement, the fee quoted does not include the attendance or giving of testimony by Appraiser at any court, regulatory, or other proceedings, or any conferences or other work in preparation for such proceeding. If any partner or employee of Valbridge Property Advisors or Vitale Realty Advisors, LLC is asked or required to appear and/or testify at any deposition, trial, or other proceeding about the preparation, conclusions or any other aspect of this assignment, Client shall compensate Appraiser for the time spent by S. Steven Vitale in appearing and/or testifying and in preparing to testify according to the Appraiser's then current hourly rate plus reimbursement of expenses.
9. In the event Client requests additional consultation or work beyond the scope of this assignment or following completion of the initial assignment or in the event that the appraiser is deposed or called as a witness to testify at a trial or other proceeding, Client shall pay an additional charge for this work, at the Appraiser's standard hourly rate, whether or not the completed appraisal report has been delivered to Client at the time of the request. Often the Appraiser will be called upon as a witness to testify about the appraisal report or the Appraiser's conclusions or methodology. Any additional work for this purpose will be charged at Appraiser's standard hourly rate.
10. Client agrees that the appraisal report shall not be quoted or referred to in any financial statement of Client or in any documents filed with any governmental agency, if it is anticipated that such statement or documents will be relied upon by a member of the public in making an

investment in property that is the subject of the appraisal, without the prior written consent of Appraiser.

11. The data gathered in the course of the Assignment (except data furnished by Client) shall remain the property of the Appraiser. The appraisal report prepared pursuant to the Agreement shall remain the property of Client. With respect to data provided by Client, Appraiser shall not violate the confidential nature of the appraiser-client relationship by improperly disclosing any confidential information furnished to Appraiser. Notwithstanding the foregoing, Appraiser is authorized by Client to disclose all or any portion of the appraisal report and the related appraisal data to appropriate representatives of the Appraisal Institute if such disclosure is required to enable Appraiser to comply with the Bylaws and Regulations of such Institute as now or hereafter in effect.
12. The fee for this appraisal is not contingent upon the valuation of the property, the funding of any loan, or the outcome of litigation. Should the assignment be terminated prior to completion, Client agrees to pay for time and costs incurred prior to our receipt of written notice of cancellation.
13. In the event Client fails to make payment when due and payable, then from that date until payment in full is received, the amount due and payable shall bear interest at the rate of 12.0% per annum.
14. We will not make a specific compliance survey and analysis of the property to determine if it is in conformity with the various requirements of the Americans with Disabilities Act ("ADA") which became effective January 26, 1992. It is possible that a compliance survey of the property, together with an analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this could have a negative effect on the value of the property. Since we have no direct evidence relating to this issue, we will not consider possible non-compliance with the requirements of ADA in estimating the value of the property.
15. The appraisal does not guarantee compliance with building code and life safety code requirements of the local jurisdiction. Nor does it certify that tenants have complied with all requirements necessary to obtain use and occupancy permits. It is assumed that all required licenses, consents, certificates of occupancy or other legislative or administrative authority from any local, state or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value conclusion contained in this report is based unless specifically stated to the contrary.
16. The Valbridge Property Advisors office responsible for the preparation of this report is independently owned and operated by Vitale Realty Advisors, LLC. Valbridge Property Advisors, Inc. has not been engaged to provide this report, does not provide valuation services, and has taken no part in the preparation of this report.

17. This report and any associated work files are subject to evaluation by Valbridge Property Advisors, Inc. for quality control purposes. If Client is unwilling to waive confidentiality for this purpose, client must inform Vitale Realty Advisors, LLC upon acceptance of this assignment.
18. Each party shall reserve the right to pursue any legal remedy in the Circuit Court of Waukesha County. However, before the commencement of any legal action, the parties shall endeavor in good faith to resolve their dispute by mediation. The cost of a mediator shall be shared equally between the parties.
19. This document contains the entire agreement of the parties. No other agreement, statement or promise made on or before the effective date of this agreement will be binding on the parties. This agreement may only be modified by subsequent written agreement of the parties.