

**APPRAISAL REVIEW**

118 Acre Zavoral Mining Site  
East of the Highway 97 and Highway 95 Intersection  
Scandia, Minnesota 55073

August 12, 2011

Prepared for:  
Mr. Gregory Korstad  
Larkin Hoffman Daly & Lindgren  
7900 Xerxes Avenue South, Suite 1500  
Minneapolis, Minnesota 55431

Job Number: 11181-1



**SHENEHON COMPANY**  
BUSINESS & REAL ESTATE VALUATIONS

November 22, 2011

Mr. Gregory Korstad  
Larkin Hoffman Daly & Lindgren  
7900 Xerxes Avenue South, Suite 1500  
Minneapolis, Minnesota 55431

RE: Appraisal review of the appraisal measuring the impact on property values within a one-mile radius of the 118 Acre Zavoral Mining Site, located East of the Highway 97 and Highway 95 Intersection, Scandia, Minnesota, if mining operations were to resume.

Dear Mr. Korstad:

At your request we reviewed the appraisal measuring the impact on property values within a one-mile radius of the above-referenced property if mining operations were to resume. The appraisal was prepared by Mr. Michael J. Bettendorf, MAI of BRKW Appraisals, Inc. for the City of Scandia and is dated August 12, 2011. The effective date of our review (i.e. the effective date of our value) is November 1, 2011. The purpose of our appraisal review is to evaluate the methodology used in arriving at their conclusions and to develop an opinion based on the information within the appraisal on the impact of the mining operation. Our findings, analyses, and conclusions are presented in the attached Appraisal Review. The depth of discussion contained in the report is specific to the intended use. Shenehon Company is not responsible for unauthorized or improper use of the report. Detaching this transmittal letter from the report may mislead the intended user.

In the context of this appraisal review report (also referred to as the "review report"), "appraiser" refers to Mr. Michael J. Bettendorf, MAI and "the appraisal" or "the work under review" refers to his appraisal measuring the impact of the subject's mining operations on adjacent properties conveyed in the appraisal report dated August 12, 2011.

The appraisal aimed to determine if there would be an impact on property values within a one-mile radius of the Zavoral Mining Site if mining operations were to resume. The work under review concludes a diminution in market value for properties within ¼ mile of the subject property, when it states on page 3 of the cover letter that, "The sales data contained in this analysis reveals that the market fails to recognize a measurable impact, based on proximity to an existing gravel mine or perceived hazard area." However, the appraisal concluded that there would be a negative impact on property values near the mining site if mining operations were to resume and that "The negative impact would remain as long as the facility is in operation." "It was concluded that the impact is limited to a radius of ¼ mile from the site." Within that area, the impact on properties ranged from two to five percent (2%-5%). Since the data used in this appraiser's analysis admittedly did not

Mr. Gregory Korstad  
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recognize a measurable impact, we are unable to evaluate the data, if any, that was additionally relied on by the appraiser in concluding the 2%-5% diminution in value.

After careful consideration of the work under review, we conclude that the appraisal and data within did not demonstrate a measurable impact on the market value of residential dwellings located in close proximity to mining operations. Additionally, the appraiser uses a small sample of paired sales that rely on subjective or qualitative adjustments that demonstrate nominal differences in market value. Therefore, we do not consider the analysis adequate or relevant as it pertains to measuring the impact on residential values from mining operations. Furthermore, we are unable to validly conclude similarly with the appraiser's final conclusion that residential properties within a quarter (1/4) mile of the Zavoral Mining Site will have a negative impact on market values in the range of 2%-5%.

Our report complies with the reporting requirements of the Uniform Standards of Professional Appraisal Practice. We inspected the Zavoral mining site and investigated information believed to be pertinent to its valuation. To the best of our knowledge and belief, the statements and opinions contained in this report are correct and reasonable subject to the limiting conditions set forth.

Thank you for selecting Shenehon Company for your valuation needs. If you have any questions concerning the report, please contact us at 612.333.6533.

Respectfully,

**SHENEHON COMPANY**

Certified to this 22nd day  
of November, 2011.



Robert J. Strachota, MAI, CRE<sup>®</sup>, MCBA, FIBA  
President, Shareholder  
Minnesota License No. 4000882  
Certified General Appraiser  
Email: value@shenehon.com

/ckp

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**PURPOSE, INTENDED USE AND USER**

The intended use of this appraisal review is to evaluate the methodology used to arrive at their damage conclusion and develop an opinion based on the information within the appraisal for the purpose of studying the impact of proposed mining operations on nearby properties. We have also reviewed the report to provide feedback for an Environment Impact Statement (EIS) that is being completed on the subject's mining operations. The intended user of this report is Gregory Korstad, Larkin Hoffman Daly & Lindgren on behalf of Tiller Corporation.

**PROPERTY IDENTIFICATION**

The subject property is a vacant parcel formerly used for mining purposes located East of the Highway 97 and Highway 95 Intersection, Scandia, Minnesota. The property identification numbers are: 18-032-19-32-0003, 18-032-19-31-0001, 18-032-19-33-0004, 18-032-19-33-0003, 18-032-19-34-0001, 19-032-19-21-0002 and 19-032-19-22-0001.

**RELEVANT DATES****Effect Date of the Review**

The effect date of the review is August 12, 2011. The date of the review report is November 22, 2011.

**Date of Work Under Review**

The date of the work under review is August 12, 2011.

**PROPERTY RIGHTS APPRAISED**

The subject appraisal estimates a value loss of 2%-5% as a result of resumed mining operations. The appraiser did not identify the type and definition of value or if the value/loss is based on a fee simple or market value definition.

Our analysis is based on the market value for the fee simple interest of the real estate defined in *The Dictionary of Real Estate Appraisal*, Fifth Edition, page 78, as:

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

**MARKET VALUE DEFINITION**

Market value is defined in *The Dictionary of Real Estate Appraisal*, Fifth Edition, page 122, as:

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

Agencies that regulate federal financial institutions in the United States define market value as stated in the *Uniform Standards of Professional Appraisal Practice (USPAP)*, 2010-2011 Edition, page A-105, as:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

**SCOPE OF WORK**

The scope of work relates to the extent and manner information is researched and analyzed based upon the review assignment. Through the use of extraordinary assumption, in accordance with USPAP, the reader should be aware that the reviewer is assuming that the information contained in the work under review is complete, accurate and has not been misrepresented. We have no reason to doubt the accuracy of any of the information we have relied on, and we are disclosing our reliance to such information as required by USPAP. If any of the material is found to be inaccurate, the opinions and conclusions of the reviewer may differ. We inspected the exterior of the subject property but did not inspect the comparable sales. The reviewer completed the following steps:

1. Relied upon the following information from the work under review:
  - a) property identification and legal description
  - b) description of the site and the physical state of the site
  - c) the appraiser's extraordinary assumptions and hypothetical conditions
2. Analyzed the real estate market taking into account stability and/or changes by conducting independent research.
  - a) researched residential market information
  - b) researched different gravel mining sites
  - c) researched comparable home sales surrounding gravel mining sites

Sources utilized to obtain additional relevant information include, but are not limited to, assessors, public records, our office files, published information, and discussions with the owner's representative.

This Appraisal Review complies with the reporting requirements set forth under Standards Rule 3 of USPAP. An Appraisal Review states the findings and conclusions pertaining to the work under review, and summarizes any data and analyses used by the reviewer to support a different value conclusion, if any, which matches the reporting requirements of Standards Rule 2-2(b). Additional documentation is retained in Shenhon Company's confidential work files.

## **ADEQUACY AND RELEVANCE**

In our opinion, the data considered (and any adjustments made) in the appraisal under review was not sufficient and relevant to the subject property. The valuation issues we observed are highlighted as follows:

- According to Washington County Records, the mining site measures 118.34 acres. However, in the work under review, only 114 acres are accounted for. It appears that the appraiser has omitted a portion of the mining site but fails to explain his reasoning. The omission is small; however, it should be noted.
- The work under review concludes that residential homes near an active mine have diminished property values. As it states in the appraisal, if the mine were to reopen, the land would be restored to its natural state after operations have ceased. The City of Scandia details requirements and rules for land reclamation specific to mining and related activities in City Ordinance No. 103. Ordinance No. 103 ensures that the reclamation plan will be inspected and the land will not be left in a disrupted or unsafe state. It could be argued that although surrounding properties would be near an active mine for a limited period of time, it could be considered a delayed benefit, instead of a detriment, because this nearby land will be returned to its natural state prior to any redevelopment.
- In the sales comparison analysis, sales were selected from 2006 and 2007. The argument was made in the appraisal that 2006-2007 was the most recent period of stabilized values so it provides the best comparables. Although the real estate market has been volatile in recent years, we still consider it more applicable to use recent sales to evaluate trends. The time period from January 2010 to the present has been relatively stable and we consider it an applicable time frame for evaluating current trends versus using data from 2006-2007.
- Although the work under review concludes a diminution in market value for properties within 1/4 mile of the subject property, it states on page 3 of the cover letter that, “The sales data contained in this analysis reveals that the market fails to recognize a measurable impact, based on proximity to an existing gravel mine or perceived hazard area.” The appraiser argues that since the gravel mine has been inactive for twenty years, if operations were to resume, it would be similar to opening a new mine. This statement is speculative and weak because the mine has existed in that location for more than twenty years, whether operating or not. It implies that the gravel mine property and its former operations have gone unnoticed by residents in the area for the past twenty some years even though on the appraisal cover letter it states, “The area is...covered with...material stockpiles” and it is located at a prominent intersection. To imply that the gravel mine has been incognito for years is unbelievable. It is, and has been, an obvious fixture in the area for many years.
- Finally, the appraiser attempts to compare other Minnesota gravel mines to the subject property and extract data supporting a diminution in market value for properties near mines. However, he compares four mines in incomparable locations, Maple Grove/Osseo, Hastings, Rosemount and Andover. It states on page 29 in the report that, “The study has been focused on urban/suburban settings where there is a general conformity in terms of lot size and building design.” However, the subject property is zoned agricultural and is located in a very rural area. Therefore, the gravel mines selected are not comparable and do not provide

relevant data. We understand that the appraiser was attempting to find comparable homes similar to one another, but he failed to use comparables in a similar geographic area. Coincidentally, there are three additional active sand and gravel mines in Scandia and one just north in Franconia Township that could have been analyzed. On page 57 of the report, he argues against using sales data in Scandia stating that, “The homes are located on acreage sites that vary from 1 acre to 29 acres with variations between wooded and pasture land. There is also a wide variety of building design and layout age and condition, style of finish, outbuildings and other factors that makes the possibility of isolating the impact very problematic. As such, no meaningful information for the study was obtained in this area.” On page 59, the appraiser makes the same arguments for not using sales near the gravel mine in Franconia Township, just north of the Zavoral site. However, it seems to make the most sense to use sales data as close to the Zavoral mining site as possible to minimize differences in location, density, land use, etcetera versus selecting mining sites all across the metro area and having more adjustments to consider. In the instance of the Zavoral gravel mine, we believe that the most accurate data, despite limited sales, would be from the surrounding rural areas of North Washington County.

## **METHODS AND TECHNIQUES**

In our opinion, the appraisal methods and techniques used in the work under review are consistent with those that are generally accepted in the appraisal industry. We disagree with the application and analysis of market date. We would choose closer gravel mines to analyze along with a different set of comparable home sales, the analysis would be similar. We agree with his method of comparing homes close to gravel mines versus homes further away to determine if there is a measurable diminution in market value related to proximity.

## **ANALYSES, OPINIONS, AND CONCLUSIONS**

Although we agree with the appraiser’s methods and techniques, we do not agree with the analysis and final conclusion. In our opinion, the appraiser’s analyses, opinions, and conclusions were not supported, appropriate and reasonable. We agree with his analysis of the comparable sales and his findings from the market data summarized by his statement on page 3 of the cover letter, “The sales data contained in this analysis reveals that the market fails to recognize a measurable impact, based on proximity to an existing gravel mine or perceived hazard areas.” Additionally, he states on page 61 in the Study Conclusions, “Basically the analysis is inconclusive. The presence of a gravel operation is one of many factors (design, number of bedrooms, age/condition etc.) that are considered in the price being paid for a property.” However, we disagree with his final conclusion of a self-proclaimed “logical”, yet admittedly unsupported, diminution in market value of 2%-5% for properties within a quarter (1/4) mile of the Zavoral gravel mine. Despite his own admission to an inconclusive study, he speculates on page 3 of the cover letter, “It is logical to assume that the value of properties abutting a new gravel mining operation could be adversely affected.” Therefore, it appears that the appraiser ignored the sales analysis study and relied most heavily, or perhaps exclusively, on a general perception to arrive at his final conclusion. However “logical” it may seem to him, we feel that the data has proven that there is no measureable impact on market value for properties near a gravel mine, thus his conclusion is unsupportable. We concede that market value is an opinion of value, it is accepted that different appraisers using similar information and analysis would arrive at slightly different values for the same property. However, based on the issues discussed, we conclude that this appraiser did not arrive at a supportable conclusion.

**REVIEWER CONCLUSION**

Based on our review of the subject appraisal, we conclude that the appraisal and data within did not demonstrate a measurable impact on the market value of residential dwellings located in close proximity to mining operations. Additionally, the appraiser uses a small sample of paired sales that rely on subjective or qualitative adjustments that demonstrate nominal differences in market value. Therefore, we do not consider it an adequate and relevant document as it pertains to measuring the impact on residential values from mining operations. Furthermore, we do not agree, based on the analysis in the appraisal, with the appraiser's final conclusion that residential properties within a quarter (1/4) mile of the Zavoral Mining Site will have a negative impact on market values in the range of 2%-5%. There is inadequate support within the appraisal to prove a diminution in value for a short term reopening and reclamation of the Zavoral Mine.

# **ADDENDA**

**ADDENDUM A**  
**CERTIFICATION**

I certify that to the best of my knowledge and belief:

1. I considered the factors that have an impact on value in developing the market value in the appraisal report. I did not knowingly withhold any significant information from the appraisal report, and I believe that all the statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in or bias with respect to the subject property and have no personal interest in or bias with respect to the parties involved.
4. Neither my engagement nor my compensation is contingent upon a predetermined value or result.
5. The report analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice, the Appraisal Institute, the American Society of Appraisers, The Counselors of Real Estate®, and the Institute of Business Appraisers.
6. Shenehon Company inspected the subject property.
7. Kate Ostlund provided significant appraisal assistance.
8. As of the date of this report, I have completed the requirements of the continuing education program of the states in which I am licensed and of the associations of which I am a member.
9. I have previously prepared appraisal reports of various types of properties like the subject and therefore have the knowledge and experience to meet the competency provision of the Uniform Standards of Professional Appraisal Practice of The Appraisal Foundation.
10. The use of this report is subject to the requirements of the Appraisal Institute, the American Society of Appraisers, The Counselors of Real Estate®, and the Institute of Business Appraisers relating to review by its duly authorized representatives. The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice.
11. I am an employee of Shenehon Company and it accepts responsibility for the opinions in the report subject to the Certification and the Assumptions and Limiting Conditions specified in the report.
12. Shenehon Company has appraised the subject property zero time(s) during the previous three years.



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Robert J. Strachota, MAI, CRE®, MCBA, FIBA  
President, Shareholder  
Minnesota License No. 4000882  
Certified General Appraiser

**ADDENDUM B**  
**ASSUMPTIONS AND LIMITING CONDITIONS**

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## ASSUMPTIONS AND LIMITING CONDITIONS

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This appraisal report was written based on the following assumptions and limiting conditions:

1. The property is appraised free and clear of any and all liens or indebtedness, leases/encumbrances, unless otherwise stated. Documents dealing with such matters were not reviewed.
2. Title is assumed to be clear and marketable unless otherwise stated. Shenehon Company assumes no responsibility for title considerations.
3. All factual data furnished by the client, property owner, owner's representative, or persons designated by the client or owner is assumed to be accurate and correct. The information contained in this report was gathered from reliable sources and is assumed to be correct, but no warranty is given for its accuracy.
4. No responsibility is assumed for the legal description provided or for matters pertaining to legal issues. It is assumed that the land and improvements are located within the boundaries or property lines of the legally described property and that the building complies with all ordinances unless otherwise stated.
5. No analysis of soil conditions was required and none was made. The appraiser is not qualified to make such an analysis. All opinions in this report assume stable soils. No responsibility is assumed for unknown soil conditions or for obtaining the engineering studies that may be required to discover them.
6. Estimates in this appraisal report are based upon the present status of the national business economy and the current purchasing power of the dollar. The forecasts, projections, or operating estimates contained herein are based upon current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are, therefore, subject to change in future conditions.
7. Any maps, drawings, and photographs included in this report are for illustrative purposes only and are included to assist the reader in visualizing the property. Data pertaining to the size or area of the subject property and comparable properties was obtained from reliable sources.
8. The market value in this appraisal report is based upon the physical conditions of the property at the time of inspection, unless otherwise indicated, and the market conditions applicable as of the date of valuation, which may differ from the market conditions applicable as of the date of inspection.
9. The appraiser is not required to prepare for or appear in court or before any board or governmental body by reason of this appraisal report unless previous arrangements were made. If Shenehon Company is compelled to produce documents or testify with regard to work performed, the client shall reimburse Shenehon Company for all costs and expenses incurred.
10. Information relating to the appraisal report such as market data, studies, field notes, conversation notes, and calculations is more fully documented in Shenehon Company's confidential work files.

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## ASSUMPTIONS AND LIMITING CONDITIONS

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11. The allocation of the total value conclusion in this report between the land and the improvements applies only under the stated highest and best use of the property. The allocation of the value between the land and the improvements must not be used in conjunction with any other appraisal and is invalid if so used.
12. Full compliance with all applicable zoning and use regulations and restrictions is assumed unless the nonconformity has been stated, defined, and considered in the appraisal report. Full compliance with all applicable federal, state, and local environmental regulations and laws is assumed unless noncompliance is stated, defined, and considered in the appraisal report. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authorizations from any local, state, or national government or private entity or organization were or may be obtained or renewed for any use on which the value conclusion contained in this report is based.
13. The subject property is assumed to be under responsible ownership and competent management.
14. This appraisal recognizes that available financing is a major consideration by typical purchasers of real estate in the market, and the appraisal assumes availability of financing to responsible and sufficiently substantial purchasers of the property in amounts similar to those indicated or implied in this report.
15. Unless otherwise stated in this report, the existence of hazardous materials, which may or may not be present on the subject property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property, and the appraiser is not qualified to detect such substances. The presence of hazardous materials may affect the value of the subject property. The value conclusion is predicated on the assumption that there is no such material on or in the subject property that would result in a loss of value. No responsibility is assumed for any such conditions or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.
16. The appraiser has not made a specific compliance survey or analysis of the property to determine whether or not it conforms with the detailed requirements of the Americans with Disabilities Act (ADA) which became effective January 26, 1992. Alterations required to comply with ADA regulations may have a negative impact on the value of the subject property.
17. The client agrees that by performing the services rendered, Shenehon Company does not assume, bridge, abrogate, or undertake to discharge any duty of the client to any other entity.
18. Any use of this appraisal report, by the client, is contingent upon payment of all fees in accordance with the agreed upon terms.
19. In consideration for performing the services rendered at the fee charged, Shenehon Company expressly limits its liability to five times the amount of the fee paid or \$100,000, whichever is less. Shenehon Company expressly disclaims liability as an insurer or guarantor. Any persons seeking greater protection from loss or damage than is provided for herein should obtain appropriate insurance. The client shall indemnify and hold harmless Shenehon

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## ASSUMPTIONS AND LIMITING CONDITIONS

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Company and its employees against all claims by any third party or any judgment for loss or damage relating to the performance or nonperformance of any services by Shenehon Company.

20. Unless specifically brought to the appraiser's attention, the appraiser assumes that there are no hidden or unexpected conditions of the asset being appraised that would adversely affect or enhance the value.
21. In the event of a dispute involving interpretation or application of this agreement, the parties shall be governed under the laws of the state of Minnesota.
22. Shenehon Company and/or the appraisers are not qualified to render expert opinions regarding structural issues, water damage, environmental assessments, engineering/mechanical issues, ADA and/or building code compliance, land planning, architectural expertise, or soil conditions. If requested, Shenehon Company will recommend qualified experts in these fields to assist the client and/or the appraisal process.
23. The appraisal report has been prepared for Gregory Korstad for the intended use of studying the impact of proposed mining operations on nearby properties.. Possession of this report, or a copy thereof, does not carry with it the right of publication, either in whole or in part, nor may it be used for any purpose other than the one stated in the Letter of Transmittal and the Intended Use of the Report, without the express, written consent of the appraiser and the client. Authorized copies of this report will be signed in blue ink by the appraiser. Unsigned copies or copies not signed in blue ink should be considered incomplete. All unauthorized or incomplete copies of this report also should be considered confidential and, as such, must be returned, in their entirety, to Shenehon Company.

**ADDENDUM C**  
**QUALIFICATION OF APPRAISER**

# QUALIFICATIONS OF ROBERT J. STRACHOTA

## BIOGRAPHICAL DATA AND EDUCATION

Born and raised in Milwaukee, Wisconsin. Graduated from Marquette University High School in Milwaukee. Relocated to the Twin Cities and graduated from the University of St. Thomas in St. Paul. Awarded a bachelor of arts degree in finance with honorable distinction. Holds a permanent membership in Delta Epsilon Sigma, a National College Honor Society. Awarded a master of business administration degree from the University of Minnesota. Awarded the distinguished alumni award by the University of St. Thomas for Corporate and Community Responsibility. Inducted into the College of Fellows in the Institute of Business Appraisers. Successfully completed numerous appraisal courses and seminars which have been sponsored by the Appraisal Institute, the Institute of Business Appraisers, the Minnesota Association of Professional Appraisers (MAPA), the American Society of Real Estate Counselors, the Hennepin County Bar Association, NAIOP, the American Institute of CPAs, and other professional groups.

## PROFESSIONAL QUALIFICATIONS OR ASSOCIATIONS

Counselor of Real Estate - American Society of Real Estate Counselors® (CRE®)  
Member - Appraisal Institute (MAI) - Certified through December 31, 2012  
Member - Institute of Business Appraisers (MCBA) (BVAL) (Fellow)  
Industrial Organization Economist Associate - American Bar Association (ABA)  
Member - National Association of Industrial and Office Properties - Minnesota Chapter (NAIOP)  
Member - Urban Land Institute (ULI)  
Member - Building Owners and Managers Association - Greater Minneapolis Chapter (BOMA)  
Member - Commissioner of Commerce Task Force for Appraiser Licensing – 1990  
NAIOP Judges Panel for Building Awards  
Member - Lambda Alpha International - Honorary Land Economics Society

## CERTIFIED AND LICENSED APPRAISER

Certified General Real Property Appraiser:

- Minnesota: license #4000882, expires August 31, 2013
- Arizona: license #30727, expires January 31, 2014
- Colorado: license #CG40027370, expires December 31, 2014
- Florida: license #RZ0002662, expires November 30, 2012
- South Dakota: license #585CG-2012R, expires September 30, 2012
- Virginia: license #4001.014234, expires May 31, 2013
- Wisconsin: license #585-010, expires December 14, 2013

## PROFESSIONAL EXPERIENCE

*Shenehon Company, Minneapolis, Minnesota*

President, 1985 to present

Shareholder, October 1980 to present

*Patchin Appraisals, Inc.*

Manager, February 1978 to September 1980

*Shenehon-Goodlund and Associates, Inc.*

Appraiser, May 1975 to February 1978

Duties and Responsibilities: Prepare professional valuations and market analysis of real estate, business enterprises and intangible property rights. Assignments have involved numerous types of real estate properties and businesses. These assignments have included highest and best use studies, mortgage financing/recapitalization, condemnation, marriage dissolution, economic loss analysis, tax abatement proceedings, feasibility analysis, investment counseling, potential sales and purchases, lease and rental analyses, bankruptcy proceedings, charitable donations, internal management decisions, easements, special assessment appeals, allocation of purchase price, going public or private, lost profits analyses, estate planning, gift tax, ESOP/ESOT, rights-of-way, valuation of limited and general partner interests in real estate and business partnerships, and insurance indemnification. Teaching experience has been with the Board of Realtors in the University of Minnesota Extension and as an adjunct professor and lecturer at the University of St. Thomas and the University of Minnesota degree programs. Additional teaching experience has been for various appraisal associations, bar associations, legal groups, and the Minnesota Institute of Legal Education. Court experience involves testifying at various commission hearings, district courts, tax courts, and federal courts throughout the U.S. Writing experience includes numerous published articles in various local and national trade journals. Arbitration and commissioner experience involves acting as a court approved arbitrator, commissioner or magistrate on numerous real estate and business valuation disputes. Investment experience has involved a variety of business and real estate assets. Appraisal experience has been throughout the U.S. (over 30 states) and Canada.

## PARTIAL CLIENT LIST

3M Corporation  
AGA Medical Corporation  
Allianz  
AmeriPride Services  
Bank of Montreal  
Best Buy  
Cargill  
Catholic Charities  
Citicorp  
City of Minneapolis  
City of St. Paul  
CSM Corporation  
Deutsche Bank Trust Company  
Dominium Group  
Dorsey & Whitney  
Eaton Corporation

Equitable Life Insurance  
Equity Office  
Faegre & Benson  
Federal Aviation Association  
Federal Reserve Bank  
GE Capital  
Gerald Hines Interests  
GMAC Mortgage  
HUD  
Hennepin & Ramsey Counties  
Internal Revenue Service  
J.P. Morgan Bank  
Kraus Anderson  
Lutheran Social Services  
M&I Bank  
Malt-O-Meal

Marquette Bank  
Merrill Lynch-Hubbard  
Metropolitan Airports Commission  
Munsingwear  
National Presto  
Opus Group of Cos.  
Pacific Gas & Electric  
Pohlad Group of Companies  
Principal Financial Group  
Rahr Malting Company  
Ryan Companies  
San Diego Gas & Electric  
Schmitt Music  
SciMed Life Systems  
State of Minnesota  
SurModics

Target  
United Health Care  
United States Army  
United States Fish & Wildlife  
United States Justice Department  
United States Post Office  
University of Minnesota  
University of St. Thomas  
U.S. Bancorp  
W.R. Grace Company  
Walgreen Drug Stores  
Waycross  
Wells Fargo & Co.  
Williams Energy Group  
Xcel Energy  
YMCA