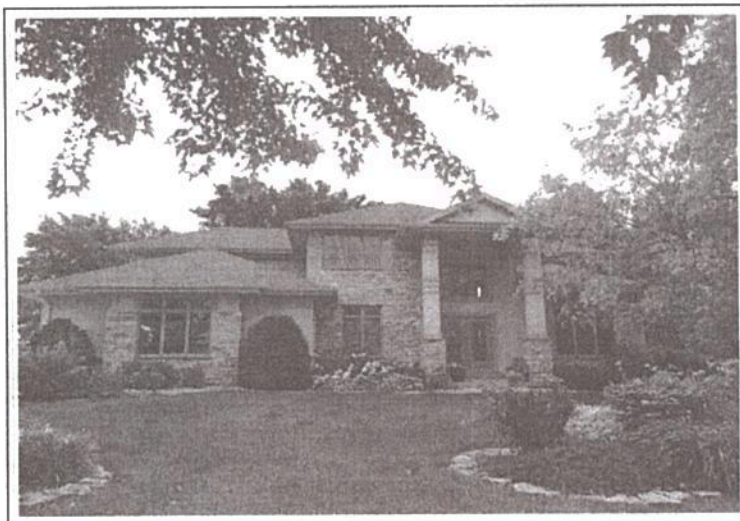


SKS Appraisal Services, LLC

170620005
File No. 1605R-Kessel

APPRAISAL OF



Residential Property Appraisal Report

LOCATED AT:

1605 Red Tail Dr
Verona, WI 53593

FOR:

Capitol Bank
710 N. High Point Rd
Madison, WI 53717

BORROWER:

Robert & Kari Kessel

AS OF:

June 30, 2017

BY:

Sharon Schoolmeesters WCRA#1644-9
Certified and Licensed Residential Appraiser

PO Box 5045, Madison, WI 53705

Uniform Residential Appraisal Report

170620005 File No. 1605R-Kessel

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.

Property Address 1605 Red Tail Dr, City Verona, State WI, Zip Code 53593. Borrower Robert & Kari Kessel, Owner of Public Record Robert A & Kari D Kessel, County Dane. Legal Description HAWK'S LANDING GOLF CLUB, LOT 82. Assessor's Parcel # 251/0708-334-0116-3, Tax Year 2016, R.E. Taxes \$ 18,950. Neighborhood Name Hawk's Landing, Map Reference X:43.0205 Y:-89.3301, Census Tract 0109.03. Occupant [X] Owner [] Tenant [] Vacant [] Special Assessments \$ 0. Property Rights Appraised [X] Fee Simple [] Leasehold [] Other (describe) []. Assignment Type [] Purchase Transaction [X] Refinance Transaction [] Other (describe) []. Lender/Client Capitol Bank, Address 710 N. High Point Rd, Madison, WI 53717. Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? [] Yes [X] No. Report data source(s) used, offering price(s), and date(s): SCWMLS, City and County Public Records.

I [] did [] not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed.

Contract Price \$, Date of Contract, Is the property seller the owner of public record? [] Yes [] No, Data Source(s). Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower? [] Yes [] No. If Yes, report the total dollar amount and describe the items to be paid.

Note: Race and the racial composition of the neighborhood are not appraisal factors.

Table with Neighborhood Characteristics, One-Unit Housing Trends, One-Unit Housing, and Present Land Use % columns. Includes data for Location (Suburban), Property Values (Stable), PRICE, AGE, One-Unit (70%), 2-4 Unit (7%), Multi-Family (3%), Commercial (10%), and Other Prk (10%).

Neighborhood Boundaries: Neighborhood is bounded by Cty Rd M/Pleasant View Rd to the east, Midtown Rd to the south, Timber Rd to the west and Valley View Rd to the north. Neighborhood Description: See Attached Addendum.

Market Conditions (including support for the above conclusions): See Attached Addendum.

Dimensions Irregular, Area 25910 sf, Shape Irregular, View B;Res;Glfw. Specific Zoning Classification SR-C1, Zoning Description See Attached Addendum. Zoning Compliance [X] Legal [] Legal Nonconforming (Grandfathered Use) [] No Zoning [] Illegal (describe) []. Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use? [X] Yes [] No. If No, describe. See Attached Addendum.

Utilities: Electricity [X], Gas [X], Water [X], Sanitary Sewer [X]. Off-site Improvements—Type: Street Asphalt/Typ, Alley None. FEMA Special Flood Hazard Area [] Yes [X] No, FEMA Flood Zone X, FEMA Map # 55025C0395G, FEMA Map Date 01/02/2009. Are the utilities and off-site improvements typical for the market area? [X] Yes [] No. If No, describe. Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? [] Yes [X] No. If Yes, describe. See Attached Addendum.

GENERAL DESCRIPTION: Units [X] One [] One with Accessory Unit, # of Stories 2, Type [X] Det. [] Att. [] S-Det./End Unit, Design (Style) Transitional, Year Built 2003, Effective Age (Yrs) 10. FOUNDATION: [X] Concrete Slab [] Crawl Space, [X] Full Basement [] Partial Basement, Basement Area 3100 sq. ft., Basement Finish 70%, Evidence of [X] Outside Entry/Exit [] Sump Pump, [] Dampness [] Settlement, Heating [X] FWA [] HWBB [] Radiant, [] Other Fuel Nat. Gas. EXTERIOR DESCRIPTION: Foundation Walls Concrete/gd, Exterior Walls Vinyl/Stco/Msnry/gd, Roof Surface Shingle/gd, Gutters & Downspouts Alum/gd, Window Type Csmtd/gd, Storm Sash/Insulated Insulated/gd, Screens Yes/gd, Amenities [] WoodStove(s) #0, [X] Fireplace(s) # 2, [X] Fence None, [X] Patio/Deck Pvr/Wd [X] Porch Cvr/Frt, [X] Pool None [] Other None. INTERIOR: Floors Cpt,Wd,Tile/gd, Walls Drywall/gd, Trim/Finish Wood/gd, Bath Floor Tile/gd, Bath Wainscot Tile/Mdlr/gd, Car Storage [] None, [X] Driveway # of Cars 4, Driveway Surface Concrete/gd, [X] Garage # of Cars 4, [] Carport # of Cars 0, [X] Att. [] Det. [] Built-in.

Appliances [X] Refrigerator [X] Range/Oven [X] Dishwasher [X] Disposal [X] Microwave [] Washer/Dryer [] Other (describe) []. Finished area above grade contains: 8 Rooms, 4 Bedrooms, 4.1 Bath(s), 4,057 Square Feet of Gross Living Area Above Grade. Additional features (special energy efficient items, etc.): See Attached Addendum.

Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.): C3; No updates in the prior 15 years; The Subject is a 14 year old custom built dwelling with 5 bedrooms, 5.5 baths, finished walk-out lower level and 4 car garage, located on the Hawks Landing Golf Course in the City of Madison, served by the Verona postal service. Dwelling has high quality materials and construction including cherry cabinetry, trim, casings and staircase, stone countertops, hardwood flooring throughout main level w/ tile flooring in baths and laundry, media room, 2 fireplaces w/stone surrounds, wet bar, 9'-12' custom ceilings in dining and master < continued in addendum >

Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? [] Yes [X] No. If Yes, describe.

Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? [X] Yes [] No. If No, describe.

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There are 8 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 549,900 to \$ 999,900
 There are 7 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 514,000 to \$ 1,100,000

FEATURE	SUBJECT	COMPARABLE SALE NO. 1	COMPARABLE SALE NO. 2	COMPARABLE SALE NO. 3
1605 Red Tail Dr Address Verona, WI 53593 Proximity to Subject		1213 Redan Dr Verona, WI 53593 0.30 miles NE	9605 Hill Creek Dr Verona, WI 53593 0.30 miles NW	1613 Hidden Hill Dr Verona, WI 53593-7971 0.47 miles NW
Sale Price	\$	\$ 880,000	\$ 860,000	\$ 855,000
Sale Price/Gross Liv. Area	\$ 0.00 sq. ft.	\$ 197.13 sq. ft.	\$ 272.32 sq. ft.	\$ 262.67 sq. ft.
Data Source(s)		SCWMLS #1766447;DOM 74	SCWMLS #1767954;DOM 197	SCWMLS #1765978;DOM 148
Verification Source(s)		Tax Records	Tax Records	Tax Records
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	DESCRIPTION	DESCRIPTION
Sale or Financing Concessions		Armlth Conv;0	Armlth Conv;0	Armlth Cash;0
Date of Sale/Time		s06/16;c04/16 8,800	s11/16;c09/16 0	s09/16;c06/16 0
Location	B;Res;GlfCse	B;Res;GlfCse	B;Res;GlfCse	B;Res;GlfCse
Leasehold/Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Site	25910 sf	20340 sf 0	21562 sf 0	23522 sf 0
View	B;Res;Glfvw	B;Res;Glfvw	B;Res;Glfvw	B;Res;Glfvw
Design (Style)	DT2;Transitional	DT2;Transitional	DT1;Ranch 0	DT1;Ranch 0
Quality of Construction	Q3	Q3	Q3	Q3
Actual Age	14	10 0	13 0	15 0
Condition	C3	C3	C3	C3
Above Grade	Total Bdrms Baths	Total Bdrms Baths	Total Bdrms Baths	Total Bdrms Baths
Room Count	8 4 4.1	9 4 3.1	7 3 2.0	6 1 1.1
Gross Living Area	4,057 sq. ft.	4,464 sq. ft. -18,315	3,158 sq. ft. 40,455	3,255 sq. ft. 12,000
Basement & Finished	3100sf2183sfwo	2438sf1298sf	3158sf1492sfwo	3255sf2470sfwo
Rooms Below Grade	1rr1br1.0ba3o	1rr1br1.0ba1o 0	1rr1br1.0ba1o 0	1rr3br2.0ba1o -4,900
Functional Utility	Average	Average	Average	Average
Heating/Cooling	FWA C/Air	FWA C/Air	FWA C/Air	FWA C/Air
Energy Efficient Items	Mech,Wndw,Insul	Mech,Wndw,Insul	Mech,Wndw,Insul	Mech,Wndw,Insul
Garage/Carport	4ga4dw	3ga3dw 5,000	3ga3dw 5,000	3ga3dw 5,000
Porch/Patio/Deck	Patio,Dk,FrtPch	Patio,Dk,FrtPch	Patio/Dk,Scn&FrtPch -5,000	Patio,Dk,FrtPch
Amenities	2F/P,WtBr,HT,WO	1F/P,WtBr,BBCrt 0	3 F/P,WtBr,WO 0	1F/P,1WS,WtBr,WO 0
Net Adjustment (Total)		[X] + [] - \$ 15,385	[X] + [] - \$ 60,555	[X] + [] - \$ 43,190
Adjusted Sale Price of Comparables		Net Adj. 1.7% Gross Adj. 5.9% \$ 895,385	Net Adj. 7.0% Gross Adj. 8.2% \$ 920,555	Net Adj. 5.1% Gross Adj. 7.4% \$ 898,190

I [X] did [] did not research the sale or transfer history of the subject property and comparable sales. If not, explain

My research [] did [X] did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.
 Data source(s) SCWMLS, Dane County Public Records
 My research [] did [X] did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.
 Data source(s) SCWMLS, Dane County Public Records
 Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).

ITEM	SUBJECT	COMPARABLE SALE NO. 1	COMPARABLE SALE NO. 2	COMPARABLE SALE NO. 3
Date of Prior Sale/Transfer				
Price of Prior Sale/Transfer				
Data Source(s)	SCWMLS/TxRecord/DOR	SCWMLS/TxRecord/DOR	SCWMLS/TxRecord/DOR	SCWMLS/TxRecord/DOR
Effective Date of Data Source(s)	07/05/2017	07/05/2017	07/05/2017	07/05/2017

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

Summary of Sales Comparison Approach. See Attached Addendum

Indicated Value by Sales Comparison Approach \$ 910,000
 Indicated Value by: Sales Comparison Approach \$ 910,000 Cost Approach (if developed) \$ Income Approach (if developed) \$
 See Attached Addendum

This appraisal is made [X] as is, [] subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, [] subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or [] subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair:

Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$ 910,000 as of 06/30/2017, which is the date of inspection and the effective date of this appraisal.

SALES COMPARISON APPROACH

RECONCILIATION

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ADDENDUM CLARIFYING SCOPE OF WORK AND INTENDER USE AND USER (The following is added in order to comply with USPAP.) The purpose of the appraisal is to offer an opinion of market value for the subject property for Federally-related mortgage loan purposes and is in conformance with the requirements of Title XI of the FIRREA Act of 1989, and the Uniform Standards of Professional Appraisal Practice. The Intended User of this appraisal report is the Lender/Client. The Intended Use is to evaluate the property that is the subject of this appraisal for a mortgage finance transaction, subject to the stated Scope of Work, purpose of the appraisal, reporting requirements of this appraisal report form, and Definition of Market Value. No additional Intended Users are identified by the appraiser. The scope of the appraisal report is based upon a pre-arranged agreement with the intended user (s). Subject property and Comparable property information is obtained from public records, interior and exterior viewing of the subject, exterior only viewing of the comparables (unless noted otherwise), recent MLS data and may include other sources available to the appraiser that are deemed credible and or reliable. Owner of record information was obtained from public records. Tax and assessment information was obtained from public records and MLS. Previous listing information was obtained from MLS, public records, and homeowner.

ADDITIONAL COMMENTS

Complete visual inspection of the interior areas of the subject property includes: A visual observation from standing height of the accessible areas and unobstructed, exposed surfaces of the living area without removal of personal possessions. Living area is defined as legal, finished, permanently heated, living space contiguous with other living area and regarded by a typical purchaser as being habitable and as having utility. The visual observation excludes the attic and any crawl space. Inspection includes the visual observation of attached automobile storage, if any. Exterior inspection includes a visual observation of the unobstructed, exposed, and accessible perimeter of the residential improvements from standing height. It includes the visual observation of foundation walls, exterior walls, visible roof surface, gutters and downspouts, windows, sashes and screens, and chimney. It includes the measurements of the exterior of the house, garage and all significant outbuildings. Observations also included detached accessory buildings judged by the appraiser to have contributory value.

The level of diligence for the inspection process as described above is limited to items that are apparent, accessible and observable based on the qualifications of a real property appraiser. Please note that the appraiser qualifications criteria as established by the Appraiser Qualifications Board of The Appraisal Foundation do not include specific training on the design, construction, maintenance, or technical inspection of real property; or of livability, environmental conditions, "structural soundness" or structural integrity. The level of observation typically employed for the purposes of valuation is generally consistent with that of the average consumer, not of an architect or inspection professional. As a result of these limitations in appraiser training and experience, it is highly recommended that all potential lenders, mortgage insurers, buyers, sellers, and borrowers seek their own comprehensive technical inspections for each of these different functions from qualified home inspectors and other technical inspection professionals prior to making any decisions. Appraiser assumes title is good and marketable and makes no representations about title of property.

In the normal course of business the appraiser attempted to obtain an adequate amount of information about the subject and comparable properties. Some of the UAD standardized responses, especially those in which the appraiser has not had the opportunity to verify personally or measure, could mistakenly imply greater precision and reliability in the data than is factually correct or typical. Consequently, this information should be considered an "estimate" unless otherwise noted by the appraiser. Examples include condition and quality ratings as well as comparable sales and listing data. Not every element of the subject property was viewable and comparable property data was generally obtained from third-party sources ie: SCWMLS, Tax Records.

COST APPROACH TO VALUE (not required by Fannie Mae)

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

COST APPROACH

Table with columns for ESTIMATED, REPRODUCTION OR, REPLACEMENT COST NEW, and OPINION OF SITE VALUE. Includes rows for Dwelling (4,057 Sq. Ft. @ \$), Bsmr: 3100 (Sq. Ft. @ \$), Garage/Carport (1,165 Sq. Ft. @ \$), Total Estimate of Cost-New, Depreciation (Physical, Functional, External), and Depreciated Cost of Improvements.

INCOME

INCOME APPROACH TO VALUE (not required by Fannie Mae)

Estimated Monthly Market Rent \$ X Gross Rent Multiplier = \$ Indicated Value by Income Approach Summary of Income Approach (including support for market rent and GRM)

PUD INFORMATION

PROJECT INFORMATION FOR PUDs (if applicable)

Is the developer/builder in control of the Homeowners' Association (HOA)? Yes No Unit type(s) Detached Attached Provide the following information for PUDs ONLY if the developer/builder is in control of the HOA and the subject property is an attached dwelling unit. Legal name of project Total number of phases Total number of units Total number of units sold Total number of units rented Total number of units for sale Data source(s) Was the project created by the conversion of an existing building(s) into a PUD? Yes No If Yes, date of conversion. Does the project contain any multi-dwelling units? Yes No Data source(s) Are the units, common elements, and recreation facilities complete? Yes No If No, describe the status of completion. Are the common elements leased to or by the Homeowners' Association? Yes No If Yes, describe the rental terms and options. Describe common elements and recreational facilities.