

MEMORANDUM

TO: Columbus Redevelopment Commission

FROM: Heather Pope, Redevelopment Director

DATE: February 15, 2013

RE: Demolition of buildings at 801 Second Street

As you all know 2 of the 3 buildings at 801 Second Street (former REMC property) were damaged during the June 2008 flood. In May 2010 CDI purchased the property from REMC. In April 2012 CDI transferred the REMC property to CRC. A Phase I and Phase II environmental study has been completed on the property in 2009. No further action is required on the site.

Columbus receives Community Development Block Grant (CDBG) funding on a formula basis annually or Community Development Block Grant/Entitlement Grants. That doesn't allow the City of Columbus to apply for the Indiana Office of Community and Rural Affairs (OCRA), Community Development Block Grant/State's program.

In July 2008, Congress appropriated supplemental funding to Indiana for emergency disaster assistance in states affected by severe storms and flooding in 2008. OCRA is the lead state agency in distributing these CDBG funds for public infrastructure restoration, economic revitalization, and other non-housing disaster recovery activities. The funds are being used by the state for long-term disaster recovery efforts for damage caused by any previous natural disaster which received a federal declaration in 2008 (DR-1740, DR-1766 and DR-1795). The supplemental funding (Disaster Recovery – 2nd Appropriation) is the funding source for the clearance/demolition grant. The CDBG - Disaster Recovery funding is the only CDBG funding the City of Columbus is eligible to receive through OCRA's CDBG program, this funding opportunity will not be available again.

In September 2012 the City applied for Community Development Block Grant Disaster Recovery Funds with the assistance of Administrative Recourses association (ARa) in the demolition and removal of all buildings, structures, pavement, and any other site improvements (ie grading and seeding). As part of the application process City Council approved two resolutions in September, (1) to declare the property blighted due to the current conditions and (2) authorizing the Mayor's signing of the application and committing local matching funds. The City Council had much discussion about the buildings, mainly the Operations Building (large metal building located in the back of the property along the rail road tracks). It was understood by the City Council and those present that we could file for funding to demolish all three buildings but it was not required to do so. However, if the City / Redevelopment Commission chose to demolish all three and we had not requested funding for all three we could not go back and ask for more money.

We were awarded the grant to demolish the buildings located at 801 Second Street in late November 2012. Based on an estimate to demolish all three structures the application was for \$113,400 with a \$12,600 match with TIF funds. If the demolition would come in higher than the estimate, overages would be the responsibility of the Redevelopment Commission.

The buildings at 801 Second Street include:

1. Operations building – approximately 14,100 square feet. The building is a steel pre-engineered building with a concrete floor. The building is primarily open with approximately 1800 square feet of office space. The building also includes a loading dock.
2. Storage barn – approximately 3,150 square feet. The building is a pole barn with a concrete floor. The building is primarily open.
3. Administrative building – approximately 3,000 square foot each floor. The two-story building has a brick exterior and is primarily office space.

Second Street

Administration

Storage

Columbus

Operations



City of Columbus
Former REMC Site
DR2 - Clearance Project
September 28, 2012

ITEM	LUMP SUM PRICE	CDBG	LOCAL	TOTAL
<i>Demolition/Clearance:</i>				
Mobilization/Demobilization	\$ 10,000.00	\$ 10,000.00	\$ -	\$ 10,000
Removal of structure, foundation and all other concrete and impervious surfaces	\$ 75,000.00	\$ 75,000.00	\$ -	\$ 75,000
Utility abandonment	\$ 20,000.00	\$ 20,000.00	\$ -	\$ 20,000
Fill	\$ 10,000.00	\$ 8,400.00	\$ 1,600.00	\$ 10,000
Site Restoration	\$ 5,000.00	\$ -	\$ 5,000.00	\$ 5,000
	\$ 120,000.00	\$ 113,400.00	\$ 6,600.00	\$ 120,000.00
<i>Administration:</i>				
Grant Administration	\$ 3,000.00	\$ -	\$ 3,000.00	\$ 3,000.00
Environmental Review	\$ 3,000.00	\$ -	\$ 3,000.00	\$ 3,000.00
	\$ 6,000.00	\$ -	\$ 6,000.00	\$ 6,000.00
	\$ 126,000.00	\$ 113,400.00	\$ 12,600.00	\$ 126,000.00

\$ 46,267.20

**SUMMARY REPORT
REAL ESTATE APPRAISAL**

Of

REMC - Office Building
801 2nd Street, Columbus,
Bartholomew County, Indiana, 47201



As of
August 31, 2011

Prepared For
Columbus Downtown, Inc.
415 Washington Street
Columbus, Indiana
47201

Prepared by
APPRAISERS, INC.
Belinda Graber, Certified General Appraiser, Indiana-CG69100736



APPRAISERS, INC.

50 Washington Street, Suite 3B
Columbus, Indiana, 47201

812-372-9391
Fax: 812-376-3781

October 3, 2011

Columbus Downtown, Inc.
415 Washington Street
Columbus, Indiana 47201

Attention: CWC Latitudes, LLC
Mr. C. Edward Curtain, FASLA
Consultant

Regarding: Summary Report, Real Estate Appraisal
REMC - Office Building
801 2nd Street, Columbus,
Bartholomew County, Indiana, 47201

Dear Mr. Curtain:

At your request, I have prepared an appraisal for the above referenced property, which may be briefly described as follows:

The subject of this appraisal report is to estimate the market value of an existing office building containing approximately 3,239 square feet of finished office space with a full finished basement situated upon 1.708 acres of land.

Please reference page 10 of this report for important information regarding the scope of research and analysis for this appraisal, including property identification, inspection, highest and best use analysis and valuation methodology.

I certify that I have no present or contemplated future interest in the property beyond this estimate of value. The subject site was valued for Columbus Downtown, Inc. on January 9, 2009. The scope of the previous report was to appraise the land as though vacant - of which the subject of this report was only a portion of.

Your attention is directed to the Limiting Conditions and Assumptions section of this report (page 8). Acceptance of this report constitutes an agreement with these conditions and assumptions. In particular, I note the following:

Columbus Downtown, Inc.
October 3, 2011
Page 2

Hypothetical Conditions:

- There are no hypothetical conditions for this appraisal.

Extraordinary Assumptions:

- It is assumed that the site area could be filled to street grade.
- The site has no environmental conditions.

Based on the appraisal described in the accompanying report, subject to the Limiting Conditions and Assumptions, Extraordinary Assumptions and Hypothetical Conditions (if any), I have made the following value conclusion(s):

Current As Is Market Value:

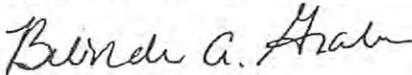
The "As Is" market value of the Fee Simple estate of the property, as of August 31, 2011, is

\$515,000

Five Hundred Fifteen Thousand Dollars

The market exposure time¹ preceding August 31, 2011 would have been 6 months.

Respectfully submitted,
APPRAISERS, INC.



Belinda Graber,
Indiana Certified General Appraiser
Indiana-CG69100736

¹ Exposure Time: see definition on page 9.

TABLE OF CONTENTS

Summary of Important Facts and Conclusions	5
Definitions.....	6
Limiting Conditions and Assumptions	8
Scope of Work	10
Market Area Analysis	12
Location Map	17
Property Description	18
Site Plan/Tax Map/Survey	20
Subject Photographs.....	24
Assessment and Taxes	31
Zoning.....	32
Highest and Best Use.....	32
Valuation Methodology	33
Analyses Applied.....	34
Land Value.....	34
Sales Comparison Approach – Land Valuation.....	34
Land Comparables	35
Comparables Map	39
Analysis Grid	39
Comparable Land Sale Adjustments.....	40
Sales Comparison Approach Conclusion – Land Valuation.....	42
Sales Comparison Approach.....	42
Comparables	42
Comparables Map	47
Analysis Grid	47
Comparable Sale Adjustments.....	49
Sales Comparison Approach Conclusion.....	50
Final Reconciliation.....	50
Value Indications	50
Value Conclusion.....	51
Certification Statement	52
Addenda	53

Summary of Important Facts and Conclusions

GENERAL

Subject:	REMC - Office Building 801 2nd Street, Columbus, Bartholomew County, Indiana, 47201
	The site is improved with a one story wood frame office building with brick veneer over a full basement.
Owner:	Columbus Downtown, Inc.
Legal Description:	To be provided – see site plan provided
Date of Report:	October 3, 2011
Intended Use:	The intended use is for internal decision making purposes.
Intended User(s):	The property owner and assigns.

Assessment:

Tax ID	Land	Improvements	Other	Total	Taxes
19952511900	\$191,245	\$201,400	\$15,400	\$408,045	\$9,695
Totals:	\$191,245	\$201,400	\$15,400	\$408,045	\$9,695

Sale History: This property was part of a trade between Columbus Downtown Development and REMC. This portion of the land area is improved with an office and storage building. The total sales price for the property was \$732,000 and it included all 3.54 acres of land.

Current Listing/Contract(s): The subject is listed by Russell Development for \$875,000.

PROPERTY

Land: Parcel	Tax ID	Total Acres	Total SF	Usable Acres	Usable SF
Parcel 1	19952511900	1.708	74,400	1.46	63,598
Totals:		1.708	74,400	1.46	63,598

Improvements:

Building	Year Built	Condition	Stories	GBA*	RA*
801 2nd Street	1957	Good	1.00	6,478	6,478
Totals:				6,478	6,478

*See area definitions, page 7.

Zoning: CC: Commercial Community

Highest and Best Use of the Site: Speculative development

Highest and Best Use as Improved: Redevelopment

VALUE INDICATIONS

Land Value: \$515,000

Sales Comparison Approach: \$ 315,000

Reconciled Value(s): As Is
 Value Conclusion(s) \$515,000
 Effective Date(s) August 31, 2011
 Property Rights Fee Simple

Definitions**Market Value:**²

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

A **Fee Simple** estate is defined² 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.

² Appraisal Institute, The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010).

A **Leased Fee** interest is defined² as:

A freehold (ownership interest) where the possessory interest has been granted to another party by the creation of a contractual landlord-tenant relationship (i.e., a lease).

Marketing Time is defined² as:

An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of the appraisal.

Marketing time differs from exposure time, which is always presumed to precede the effective date of the appraisal.

Advisory Opinion 7 of the Appraisal Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions" address the determination of reasonable exposure and marketing time.

Exposure Time is defined² as:

1. The time a property remains on the market.
2. The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market.

See Marketing Time, above.

Gross Building Area (GBA): Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the region.²

Rentable Area (RA): For office buildings, the tenant's pro rata portion of the entire office floor, excluding elements of the building that penetrate through the floor to the areas below. The rentable area of a floor is computed by measuring the inside finished surface of the dominant portion of the permanent building walls, excluding any major permanent penetrations of the floor. Alternatively, the amount of space on which the rent is based; calculated according to local practice.²

Gross Leasable Area (GLA): Total floor area designed for the occupancy and exclusive use of tenants, including basements and mezzanines; measured from the center of joint partitioning to the outside wall surfaces.²

As Is Market Value

The estimate of the market value of the real property in its current physical condition, use and zoning as of the appraisal date.²

Stabilized Value

Stabilized value is the prospective value of a property after construction has been completed and market occupancy and cash flow have been achieved.³

As Complete Value

The prospective value of a property after all construction has been completed. This value reflects all expenditures for lease-up and occupancy that may be expected to have occurred at that point in time, which may or may not put the property at stabilized value.

Limiting Conditions and Assumptions

Acceptance of and/or use of this report constitutes acceptance of the following limiting conditions and assumptions; these can only be modified by written documents executed by both parties.

This appraisal is to be used only for the purpose stated herein. While distribution of this appraisal in its entirety is at the discretion of the client, individual sections shall not be distributed; this report is intended to be used in whole and not in part.

No part of this appraisal, its value estimates or the identity of the firm or the appraiser(s) may be communicated to the public through advertising, public relations, media sales, or other media.

All files, work papers and documents developed in connection with this assignment are the property of Appraisers, Inc.. Information, estimates and opinions are verified where possible, but cannot be guaranteed. Plans provided are intended to assist the client in visualizing the property; no other use of these plans is intended or permitted.

No hidden or unapparent conditions of the property, subsoil or structure, which would make the property more or less valuable, were discovered by the appraiser(s) or made known to the appraiser(s). No responsibility is assumed for such conditions or engineering necessary to discover them. Unless otherwise stated, this appraisal assumes there is no existence of hazardous materials or conditions, in any form, on or near the subject property.

Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyl, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, was not called to the attention of the appraiser nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials

³ Narrative1.com. Thomas W. Armstrong, MAI

on or in the property unless otherwise stated. The appraiser, however, is not qualified to test for such substances. The presence of such hazardous substances may affect the value of the property. The value opinion developed herein is predicated on the assumption that no such hazardous substances exist on or in the property or in such proximity thereto, which would cause a loss in value. No responsibility is assumed for any such hazardous substances, nor for any expertise or knowledge required to discover them.

Unless stated herein, the property is assumed to be outside of areas where flood hazard insurance is mandatory. Maps used by public and private agencies to determine these areas are limited with respect to accuracy. Due diligence has been exercised in interpreting these maps, but no responsibility is assumed for misinterpretation.

Good title, free of liens, encumbrances and special assessments is assumed. No responsibility is assumed for matters of a legal nature.

Necessary licenses, permits, consents, legislative or administrative authority from any local, state or Federal government or private entity are assumed to be in place or reasonably obtainable.

It is assumed there are no zoning violations, encroachments, easements or other restrictions which would affect the subject property, unless otherwise stated.

The appraiser(s) are not required to give testimony in Court in connection with this appraisal. If the appraisers are subpoenaed pursuant to a court order, the client agrees to pay the appraiser(s) Appraisers, Inc.'s regular per diem rate plus expenses.

Appraisals are based on the data available at the time the assignment is completed. Amendments/modifications to appraisals based on new information made available after the appraisal was completed will be made, as soon as reasonably possible, for an additional fee.

Americans with Disabilities Act (ADA) of 1990

A civil rights act passed by Congress guaranteeing individuals with disabilities equal opportunity in public accommodations, employment, transportation, government services, and telecommunications. Statutory deadlines become effective on various dates between 1990 and 1997. Appraisers, Inc. has not made a determination regarding the subject's ADA compliance or non-compliance. **Non-compliance could have a negative impact on value, however this has not been considered or analyzed in this appraisal.**

Scope of Work

According to the Uniform Standards of Professional Appraisal Practice, it is the appraiser's responsibility to develop and report a scope of work that results in credible results that are appropriate for the appraisal problem and intended user(s). Therefore, the appraiser must identify and consider:

- the client and intended users;
- the intended use of the report;
- the type and definition of value;
- the effective date of value;
- assignment conditions;
- typical client expectations; and
- typical appraisal work by peers for similar assignments.

This appraisal is prepared for Columbus Downtown, Inc. The problem to be solved is to estimate the 'as is' market value of the subject property. The intended use is for internal decision making purposes. This appraisal is intended for the use of the property owner and assigns.

SCOPE OF WORK

Report Type:	This is a Summary Report as defined by Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2(B). This format provides a summary of the appraisal process, subject and market data and valuation analyses.
Property Identification:	The subject has been identified by the legal description and the assessors' parcel number.
Inspection:	A complete interior and exterior inspection of the subject property has been made, and photographs taken.
Market Area and Analysis of Market Conditions:	A complete analysis of market conditions has been made. The appraiser maintains and has access to comprehensive databases for this market area and has reviewed the market for sales and listings relevant to this analysis.
Highest and Best Use Analysis:	A complete as vacant and as improved highest and best use analysis for the subject has been made. Physically possible, legally permissible and financially feasible uses were considered, and the maximally productive use was concluded.

Valuation Analyses

Cost Approach:

A cost approach was not applied due to the age and condition of the building improvements. However, land value was determined.

Sales Comparison Approach:

The sales comparison approach was developed in order to determine the value of the property as improved.

Income Approach:

An income approach was not developed due to the fact that the highest and best use of the site was determined to be "as if vacant" based upon the values developed via the sales comparison approach and the value of the underlying land.

Hypothetical Conditions:

- There are no hypothetical conditions for this appraisal.

Extraordinary Assumptions:

- It is assumed that the site area could be filled to street grade.
- This report and value indication assumes that the site is free and clear of any environmental issues.

Information Not Available:

- Survey
- Environmental study

Market Area Analysis

The subject of this appraisal report is located inside the city limits of the city of Columbus, which is the county seat of Bartholomew County, Indiana. According to the Columbus Chamber of Commerce, Columbus is classified as a 2nd class city under Indiana law, which classifies by population. The city of Columbus is located in south-central Indiana and is approximately 43 miles south of the state capital, Indianapolis. Bartholomew County is centrally located between Indianapolis, Indiana and Louisville, Kentucky along Interstate 65. This area is within 24 hour truck or rail delivery to 80 of the top 100 U.S. Markets.

Located in the southern portion of the state, Columbus has access to the economic and cultural benefits of the nearby cities of Bloomington and Indianapolis, while still retaining its unique charm. Columbus is known internationally as a showcase for contemporary architecture with 50 major structures that have been designed by world renowned architects.

The Columbus area has access to I-65 at SR 46 on the west side of the city, at SR 58 to the south and at US 31 to the north. I-65 provides direct access to the Indianapolis metropolitan area approximately 45 miles to the north, and to Louisville approximately 70 miles to the south. This area is also served by several State Highways including SR 58, SR 46, SR 11 and SR 7. Limited commercial and private air transportation is available at the Columbus Municipal Airport. Complete domestic and international passenger air service is available at Indianapolis International Airport located in Indianapolis. There are nineteen interstate trucking carriers with terminals in Columbus and Conrail provides rail service with four freight trains operating daily. Columbus transportation is rounded out by taxi services and by the Columbus Transit system for intra-city bus service.

As the county seat of Bartholomew County, Columbus is home to the governmental offices of the county, including elected County Commissioners and Council members. The county government is responsible for tax assessments and collections of property tax, construction and maintenance of county roads, and law enforcement. A mayor and city council, which consists of seven elected members, govern the city of Columbus. The city provides its own law enforcement, fire, street and sanitation services.

The city government is eager to cooperate with incoming businesses, utilizing incentives such as tax abatements to assist in development or expansion. Within certain designated areas of the city, businesses are eligible for up to 100 percent tax abatement on equipment and facilities, with the deduction declining on an 11-year basis. The Columbus Enterprise Development Corporation, a not-for-profit organization, is also active in encouraging new businesses, offering leased space, services, planning and development assistance.

Vision 20/20, a downtown steering committee for the central business in Columbus, has been very successful in changing the make-up of downtown Columbus. This group of business and community leaders activated a plan to renovate downtown Columbus making it a destination location for hospitality and entertainment. The first phase of the plan included plans for a hotel, new parking garages with retail spaces and attraction of theme restaurants for the area.

A new hotel, Indigo, is open as well as two parking garages, two new restaurants, and the Commons. Cummins, Inc. is also occupying a newly constructed 100,000 square foot office building in the downtown. Cummins, Inc. has recently announced the proposed construction of an additional office building for the downtown including another parking garage. The downtown is changing rapidly due to the efforts of the Columbus Redevelopment Commission and is bringing about an amazing change for the community.

Bartholomew County has shown a consistent growth rate in population and is expected to continue this trend in the future. The table below illustrates the population trends for Bartholomew County. In year 2010 the city of Columbus was at a population of 44,061, which accounted for approximately 57% of the total population of Bartholomew County.

Population Trends in Bartholomew County

	1989	1994	1999	2004	2009	2010
Total Population	63,375	67,273	70,639	72,534	75,933	76,794
Change Since 1989		3,898	7,264	9,159	12,558	13,419
Pct. Change Since 1989		6.2%	11.5%	14.5%	19.8%	21.2%

Median family income for Bartholomew County was at \$64,075 and median household income was at \$52,545 for 2009. Average wage per job in 2010 was at \$43,667, with an overall wage growth since 2000 of 22.7%.

Columbus has historically been known as a manufacturing city with its largest industrial employer being Cummins, Inc. Cummins, Inc. employs over 5,400 workers and produces light to heavy duty diesel engines, a variety of filters and engine related products, and power generators. Cummins is the third largest employer in the state in terms of number of employees and revenues. Cummins has gone from a troubled company in early 2001 to one with record earnings. Other large employers in the area are detailed below.

Major employers for Bartholomew County, specifically in the city of Columbus are as follows:

- Columbus Regional Hospital: Columbus, IN
- Cancer Center at Regional Hospital: Columbus, IN
- NTN Driveshaft Inc.: Columbus, IN
- Cosco Home & Office Products: Columbus, IN
- Cummins Inc.: Columbus, IN

- Toyota Industrial Equipment Manufacturing Inc: Columbus, IN
- Emcon Technologies (recently purchased by Faurcia): Columbus, IN
- Hostess Brands Inc: Columbus, IN
- Impact Forge Group Inc: Columbus, IN
- Columbus Container Inc: Columbus, IN

Employment figures for the county are detailed in the following chart.

YEAR	LABOR FORCE	EMPLOYED	UNEMPLOYED	BARHOLOMEW COUNTY RATE	INDIANA RATE
1994	38,750	37,410	1,340	3.5	4.9
1995	40,080	38,850	1,230	3.1	4.7
1996	39,180	38,060	1,120	2.9	4.1
1997	39,320	38,430	890	2.3	3.5
1998	39,510	38,650	860	2.2	3.1
1999	39,050	38,230	820	2.1	3.0
2000	38,520	37,620	900	2.3	3.2
2001	37,940	36,490	1,450	3.8	4.4
2002	38,420	36,820	1,600	4.2	5.1
2003	37,961	36,403	1,558	4.1	5.1
2004	36,213	34,635	1,578	4.4	5.2
2005	37,396	35,587	1,809	4.8	5.4
2006	38,519	36,914	1,605	4.2	5.0
2007	38,418	37,034	1,381	3.6	4.5
2008	39,706	37,886	1,820	4.6	5.8
2009	38,180	34,612	3,568	9.3	10.1
2010	37,652	34,161	3,491	9.3	10.2
May 2011	38,029	35,259	2,770	7.3	8.3

Bartholomew County has consistently had lower unemployment rates in comparison to the state unemployment rates. This is due in part to the steady employment base locally and to the stable industries that are located here.

The following chart details information regarding owner and non-owner occupied housing units for the area.

	Columbus	Bartholomew County
2000 Housing Units	17,162	29,853
Owner Occupied Units	60.4%	69.5%
Renter Occupied Units	32.7%	24.1%
Vacant Housing Units	6.9%	6.4%
2008 Housing Units	18,491	32,330
Owner Occupied Units	60.0%	68.0%
Renter Occupied Units	30.3%	22.9%
Vacant Housing Units	9.7%	9.1%
2013 Housing Units	19,395	34,018
Owner Occupied Units	58.2%	66.2%
Renter Occupied Units	30.7%	23.4%
Vacant Housing Units	11.0%	10.4%
Median Home Value		
1990	\$61,510	\$57,244

2000	\$104,020	\$99,308
2008	\$127,520	\$121,618
2013	\$138,874	\$131,497

The following chart details building permits for the county.

Housing Unit Building Permits – Bartholomew County, Indiana								
	2002	2003	2004	2005	2006	2007	2008	2009
Total Units	131	283	278	292	281	245	177	118
Units in Single-Family Structures	131	283	278	292	281	245	177	118
Units in All Multi-Family	0	0	0	0	0	0	0	0

According to the local code enforcement office that keeps track of building permits all multi-family properties are classified as commercial and are unable to be separated. There are a few new multi-family projects that have been constructed over the last two years.

The area is served by an outstanding hospital locally – Columbus Regional Hospital. Columbus Regional Hospital serves a 10-county area. A \$40 million renovation and expansion project included a state-of-the-art cancer center and birthing center, improved outpatient services, and facilities for cardiac catheterization and gastroenterology procedures. An active physician recruitment program has increased the physicians on staff to 150. Columbus has a new round the clock medical helicopter service – LifeLine Critical Care Transport that serves south-central and southeastern Indiana. Other health care facilities include nursing homes, assisted living communities, a retirement center, a mental health facility, a substance abuse treatment facility, immediate care centers, and an occupational health facility. This facility was flooded on June 7, 2008. Flood damages to the facility were over \$125 million. The facility re-opened and is operating at full capacity.

Columbus residents are fortunate in having convenient access to some of the finest education facilities in the country. Indiana University, nationally acclaimed for its music, dentistry and education schools, is less than an hour's drive from Columbus. Located within the city is a branch of Indiana University/Purdue University at Indianapolis (IUPUI), a joint venture of both colleges enabling students to receive degrees from either school while studying in their own city. Other universities within 50 miles of Columbus include: Ball State University, DePauw University, Notre Dame, Rose-Hulman Institute of Technology, and 18 other private institutions offering accredited degrees in every field. Local elementary and secondary education also excels in Columbus. The Bartholomew County Consolidate School Corporation operates 17 schools: 11 elementary, 2 middle schools, 2 high schools and 1 adult day school. The Bartholomew County Consolidated School Corporation also has recently opened the first Charter School in the area.

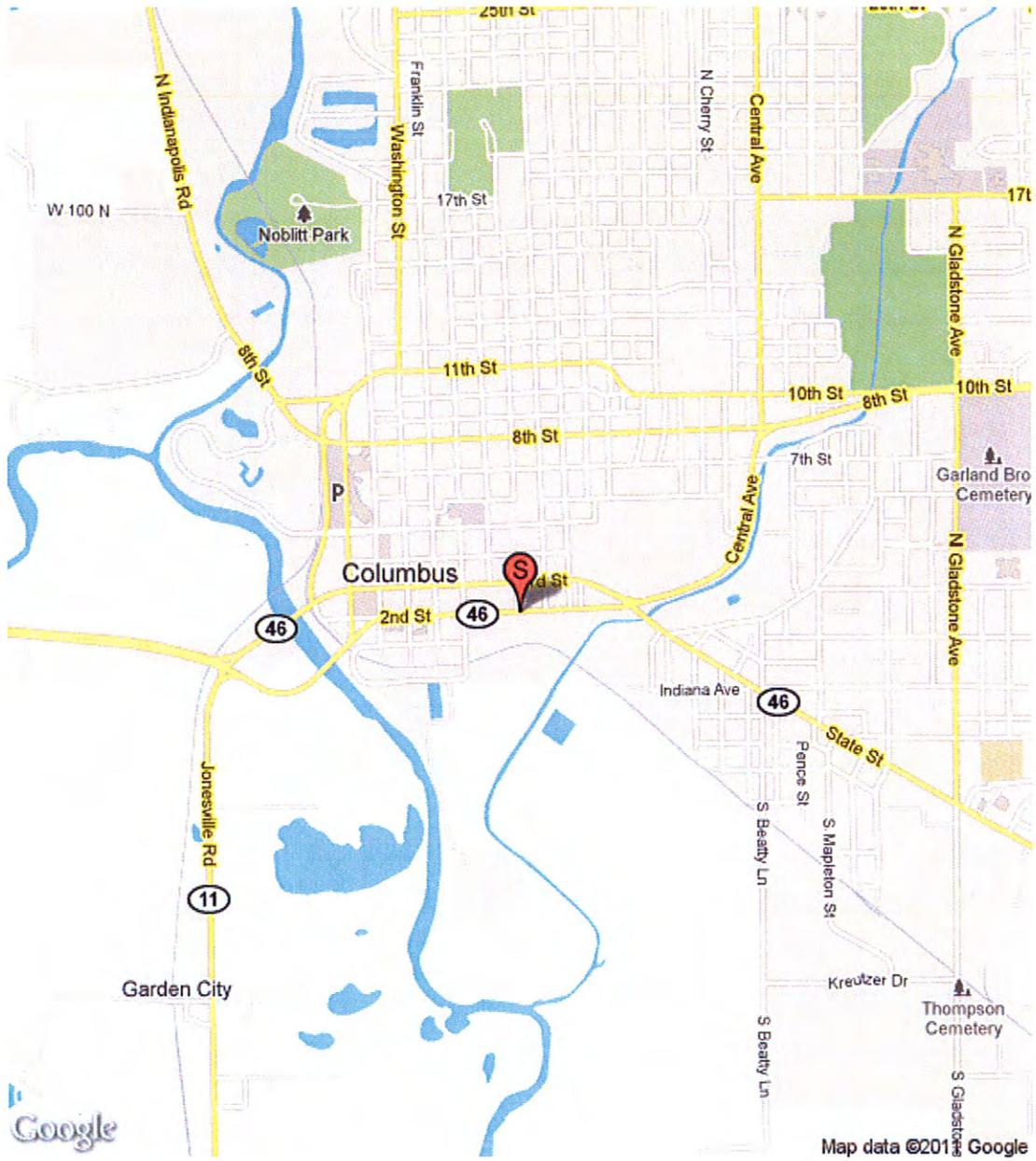
Columbus and Bartholomew County is served by two electrical services. Duke Energy serves Columbus urban areas and Bartholomew County Rural Electrical Membership Corporation is a co-op serving urban and rural areas. Natural Gas is serviced by Indiana Gas Company, Inc. and is available throughout the Columbus community. Additionally,

there are four local propane dealers. Water and sewer services are city owned, Columbus Utilities. Approximately 95% of the city is served by municipal water and sewer services.

On June 7, 2008 the city of Columbus was devastated by a flood that damaged a number of commercial and residential structures. Some of the flooded structures remain vacant – unable to be rebuilt due to the current flood protection grade levels. A majority of the flooded structures have been cleaned up and reconstructed including Columbus Regional Hospital and the tech center for Cummins, Inc. Millions of dollars were spent in the effort to bring Columbus back to its pre-flood state. The clean-up and restoration of the community has been remarkable illustrating the strong resolve of Columbus residents to survive and prosper. The local planning department applied for a grant from FEMA in order to buy those properties that were destroyed in a targeted area of Columbus that currently remain vacant. The properties were appraised and purchased. The homes are to be razed and a new city green space will be developed in their place.

Columbus is a thriving city, with both citizens and government dedicated to maintaining its unique charm and economic stability. While the local economy has been strong, current economic trends nationally have had a dampening effect on those local industries that serve the automotive industry. The subject property is located at 801 2nd Street, historically the location of Bartholomew County REMC.

Location Map



Property Description

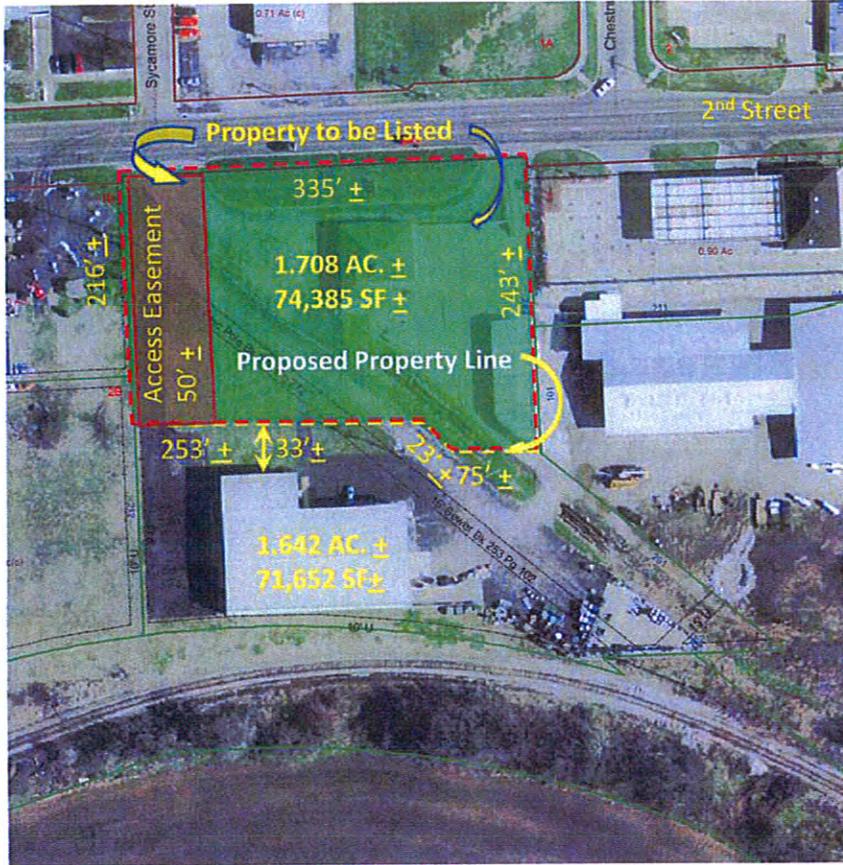
The site is improved with a one story wood frame office building with brick veneer over a full basement.

SITE

Location:	The subject site is located on the south side of 2nd Street between its intersection with Sycamore Street and Chestnut Street.
Current Use of the Property:	The property is currently improved with a vacant office building and an industrial shed.
Site Size:	Total: 1.708 acres; 74,400 square feet Usable: 1.46 acres; 63,598 square feet According to the plat provided approximately 0.248 acres of land area is to be used as an access easement for the property to the south.
Shape:	The site is roughly rectangular.
Frontage/Access:	The subject property has good access with frontage as follows: <ul style="list-style-type: none">• Second Street: 285 feet• Secondary Front Street: 50 feet The site has an average depth of 230 feet. It is not a corner lot.
Visibility:	Average
Topography:	The site is at grade at its western most boundary and slopes to the northeast. It is estimated that there is a 10-12 drop in grade.
Soil Conditions:	The soil conditions observed at the subject appear to be typical of the region and adequate to support development. It is assumed that soil conditions are such that a building could be supported.
Utilities:	Electricity: The site is served by public electricity. Sewer: Columbus City Utilities Water: Columbus City Utilities Natural Gas: Vectren Underground Utilities: The site is serviced by underground utilities. Adequacy: The subject's utilities are typical and adequate for the market area.

Site Improvements:	<ul style="list-style-type: none"> • Asphalt parking lot in average condition • Concrete walks • Wooden steps to lower level • One story utility storage building containing ~2,625 square feet.
Flood Zone:	<p>The subject is located in an area mapped by the Federal Emergency Management Agency (FEMA). The subject is located in FEMA flood zone AE, which is classified as a flood hazard area.</p> <p>FEMA Map Number: 1800070020D FEMA Map Date: February 19, 1997</p> <p>It appears as though the majority of the site is in a designated flood zone. This should be verified with an actual survey and flood determination by FEMA.</p>
Wetlands/Watershed:	No wetlands were observed during my site inspection.
Environmental Issues:	There are no known adverse environmental conditions on the subject site. Please reference Limiting Conditions and Assumptions.
Encumbrance / Easements:	There no known adverse encumbrances or easements. Please reference Limiting Conditions and Assumptions.
Site Comments:	The site is at grade on its western boundary and below grade along its eastern boundary.

Site Plan/Tax Map/Survey



**REMC Property
Proposed Subdivision**

Date: 5-23-11

Scale: NTS

North

IMPROVEMENTS DESCRIPTION

Development/Property Name: REMC - Office Building

Property Type: Commercial

Overview: The site is improved with a one story wood frame office building with brick veneer over a full basement.

GENERAL - 801 2ND STREET

Building Identification: 801 2nd Street

Building Description: Office building contains ~3,239 square feet of above grade gross building area over a 3,239 basement.

Building Class: C

Construction: Wood frame

Construction Quality: Average

Year Built: 1957

Renovations: 1968

Effective Age: 35 years

Remaining Useful Life: 15

Condition: Average

Appeal/Appearance: Average

Areas, Ratios & Numbers: Number of Stories: 1.00
Gross Building Area Above Grade: 3,239 Square Feet
Gross Leasable Area: NA
Rentable Area: 3,239 Square Feet
Basement: 3,239 Square Feet Finished

Building Efficiency Ratio: 100.0%

FOUNDATION, FRAME & EXTERIOR - 801 2ND STREET

Foundation:	Poured concrete footings
Basement/Sublevels:	3,239 square feet; 1 sublevel(s)
Basement Use:	Partially finished office area and loading dock.
Structural Frame:	Wooden Frame
Exterior:	Concrete Block, Brick Veneer
Windows:	Casement & Fixed Casement
Roof/Cover:	Hip roof with asphalt or fiberglass shingles
Service Access/ Overhead Doors:	Two overhead garage doors – lower level
Other:	Wooden staircase along the southern elevation to lower level

INTERIOR - 801 2ND STREET

Interior Layout:	Open
Floor Cover:	Carpet, Linoleum, Tile
Walls:	Painted drywall, paneling
Ceilings & Ceiling Height:	Acoustic ceiling panels / 10-11'
Lighting:	A mix of fluorescent and incandescent lighting.
Restrooms:	Unisex bathrooms – one on each level
Other:	Main level vault

MECHANICAL SYSTEMS - 801 2ND STREET

Heating:	Forced air
Cooling:	Central
Electrical:	Assumed to be adequate for most uses.
Plumbing Condition:	Assumed to be average – all plumbing was winterized

Sprinkler:	None
Elevators/Escalators:	None - staircase
Security:	Average

PARKING

Parking Type and Number of Spaces:	Type: Paved open surface parking Spaces: 48 Condition: Fair
Parking Ratio:	7.41 spaces per 1,000 square feet.

PROPERTY ANALYSIS

Design & Functional Utility:	The overall design and functional utility of the building would be good for use as a distribution hub.
Deferred Maintenance:	The building improvements flooded in 2008. The improvements appear to have had mediation and would require build out. The lower level was underwater and has been dried out and all drywall removed or treated – but unfinished.
Capital Improvements:	The property is appraised in its 'as is' condition.
Comments:	Overall the existing improvements could have interim economic benefit to the site.

Americans With Disabilities Act

Please reference the Limiting Conditions and Assumptions section of this report on page 9.

Hazardous Substances

Please reference the Limiting Conditions and Assumptions section of this report on page 9.

Subject Photographs



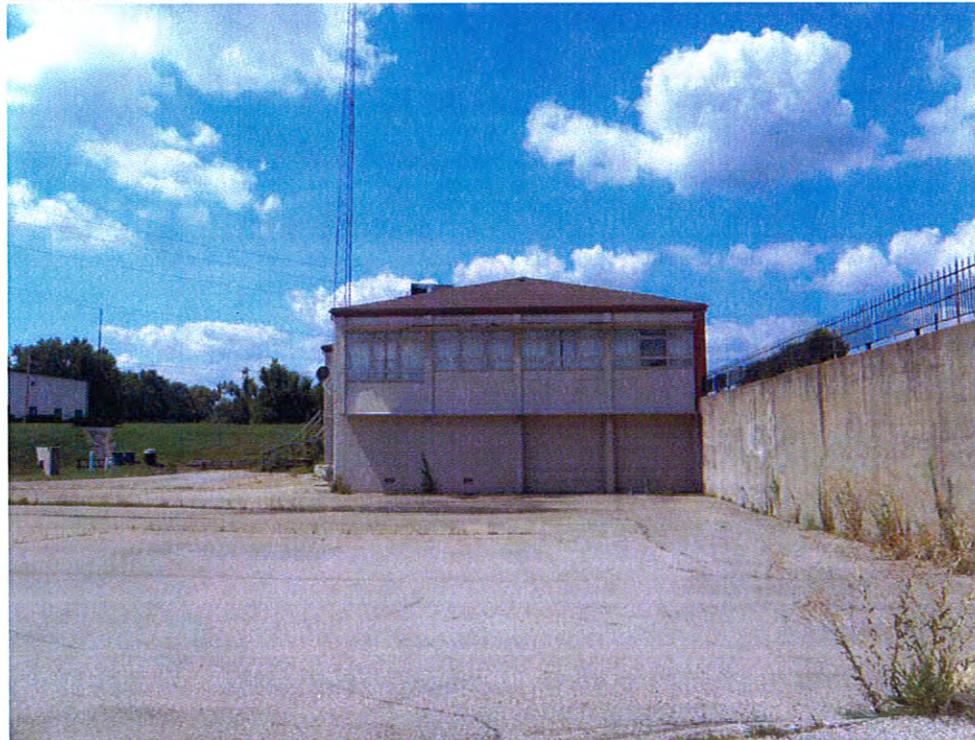
VIEWING SOUTHEAST TOWARD OFFICE BUILDING FROM 2ND STREET



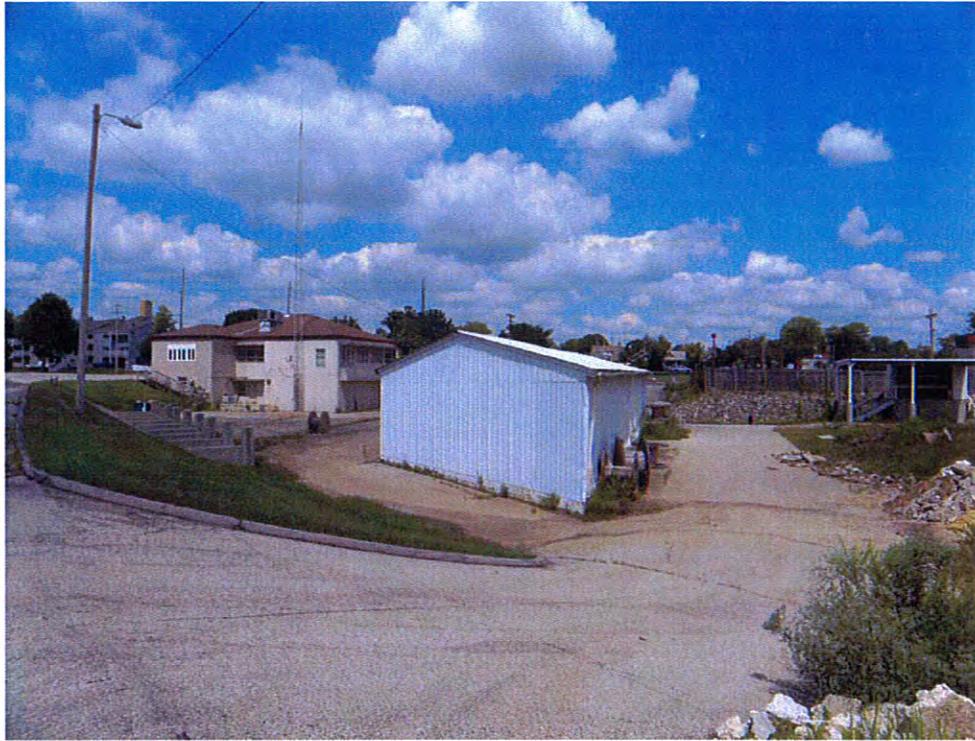
VIEWING NORTHEAST TOWARD THE SOUTHWEST CORNER OF BLDG



VIEWING NORTH TOWARD THE BUILDING SOUTHERN ELEVATION



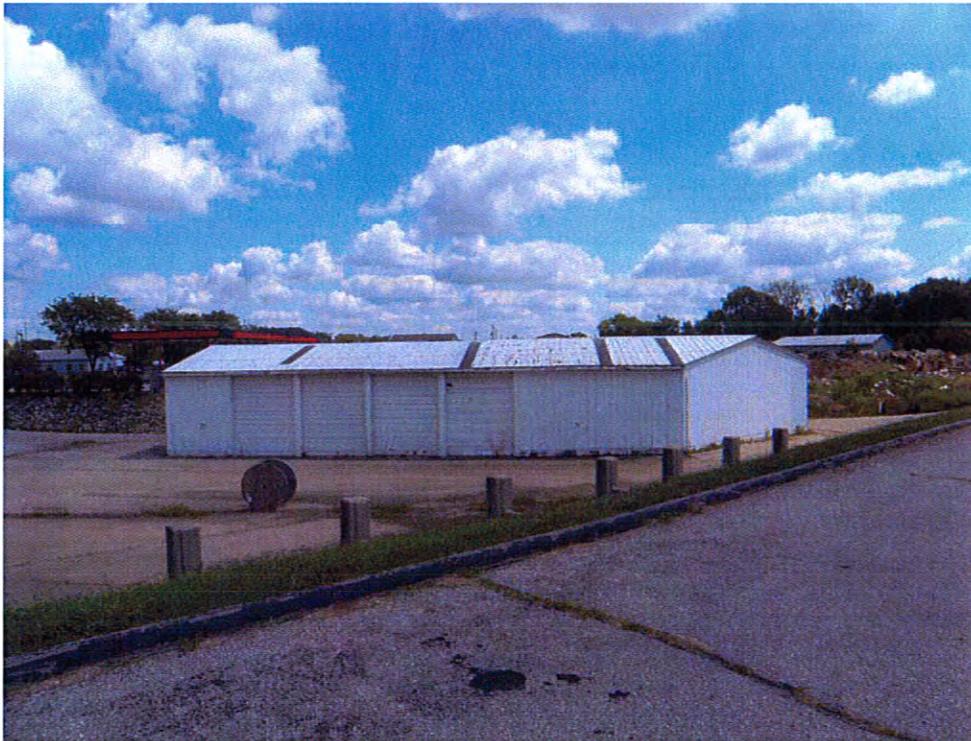
VIEWING WEST TOWARD EASTERN ELEVATION



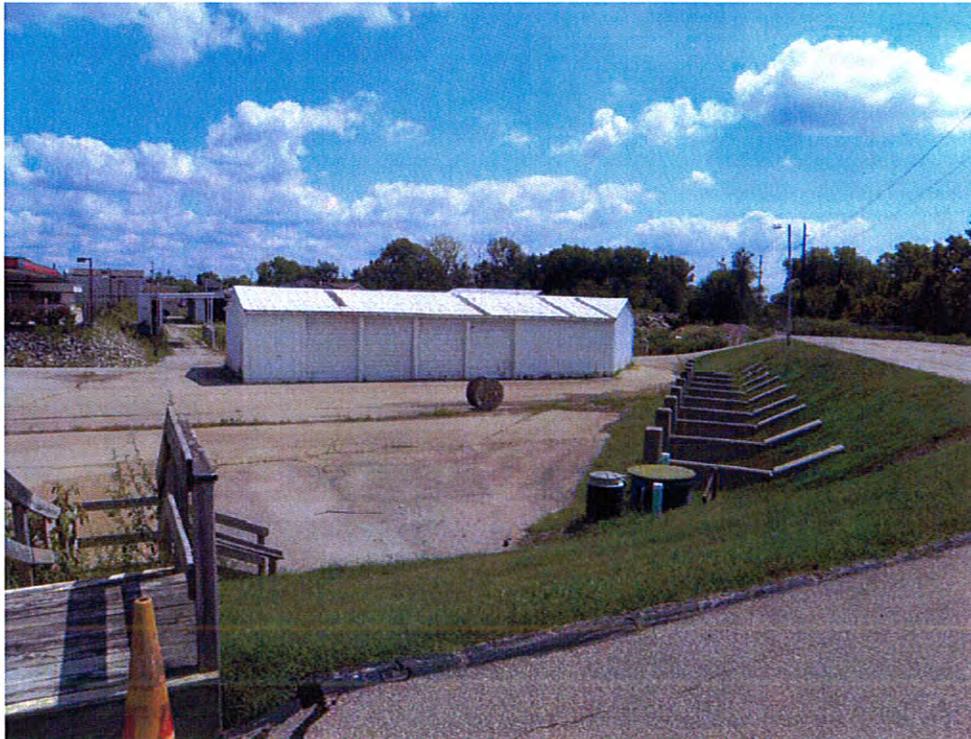
VIEWING NORTHWEST FROM THE SOUTHEAST CORNER OF THE SITE



**VIEWING SOUTH TOWARD UTILITY BUILDING FROM EASTERN
ENTRANCE OFF OF SECOND STREET**



VIEWING EAST TOWARD UTILITY STORAGE BUILDING





VIEWING EAST ALONG SECOND STREET



MAIN LEVEL OFFICE AREA - TYPICAL



MEN'S RESTROOM – MAIN LEVEL



KITCHENETTE – MAIN LEVEL



VIEWING TOWARD MAIN ENTRANCE



INTERIOR FINISH LOWER LEVEL

Assessment and Taxes

REAL ESTATE ASSESSMENT AND TAXES

Taxing Authority	Bartholomew County
Assessment Year	2009

ASSESSED VALUES

Tax ID	Land	Improvements	Other	Total	Taxes
19952511900	\$191,245	\$201,400	\$15,400	\$408,045	\$9,695
Totals:	\$191,245	\$201,400	\$15,400	\$408,045	\$9,695

TAX RATE AND TAXES

Tax ID	City	County	Other	Combined	Taxes
19952511900	\$2.38	\$0.00	\$0.00	\$2.38	\$9,695
Total:					\$9,695

OTHER METRICS

Tax ID	Units of Comparison		Implied Value		
	Assessed Value Per		Total	Equalization	Implied
	SF	GBA	Acre	Assessment	Ratio
19952511900	\$62.99	\$238,902	\$408,045	100%	\$408,045
Totals:	\$62.99	\$238,902	\$408,045		\$408,045

Comments

The subject property has not been individually assessed - this is only an assessment allocation.

Zoning

LAND USE CONTROLS

Zoning Code	Zoning Code
Zoning Description	The 'CC', Commercial: Community Center, zoning district is intended to establish appropriate locations for a variety of goods and services to (1) community-wide consumers and (2) those who travel through or visit the area. This zoning district is not intended for use along traffic corridors, but should instead be applied at significant intersections along major transportation routes. This zoning district should be applied only to areas with adequate infrastructure and road access to accommodate moderately high traffic volumes.
Zoning Density/FAR	0.09
Current Use Legally Conforming	Yes
Zoning Change Likely	No
Set Back Distance	50
Side Yard Distance	35
Zoning Comments	Current zoning is consistent with the previous use of the property.

Highest and Best Use

Highest and best use may be defined as

the reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.²

1. **Legally Permissible:** What uses are permitted by zoning and other legal restrictions?
2. **Physically Possible:** To what use is the site physically adaptable?
3. **Financially Feasible:** Which possible and permissible use will produce any net return to the owner of the site?

4. **Maximally Productive.** Among the feasible uses which use will produce the highest net return, (i.e., the highest present worth)?

Highest and Best Use of the Site

The highest and best use of the site, as vacant, is for speculative development.

The highest and best use of the site as vacant is believed to be a high traffic use that would complement the proposed development.

Highest and Best Use as Improved

The subject site is improved with an older office building that was used for REMC, a local utility company. The property flooded in 2008 and since that time has been vacant. The value of the underlying land currently exceeds the value of the property as improved. Therefore, the highest and best use of the property as improved would be its redevelopment into a location sensitive use.

Valuation Methodology

Three basic approaches may be used to arrive at an estimate of market value. They are:

1. The Cost Approach
2. The Sales Comparison Approach
3. The Income Approach

Cost Approach

The Cost Approach is summarized as follows:

$$\begin{array}{l} \text{Cost New} \\ - \text{Depreciation} \\ \hline + \text{Land Value} \\ \hline = \text{Value} \end{array}$$

Sales Comparison Approach

The Sales Comparison Approach compares sales of similar properties with the subject property. Each comparable sale is adjusted for its inferior or superior characteristics. The values derived from the adjusted comparable sales form a range of value for the subject. By process of correlation and analysis, a final indicated value is derived.

Income Approach

The Income Approach converts the anticipated flow of future benefits (income) to a present value estimate through a capitalization and or a discounting process.

Final Reconciliation

The appraisal process concludes with the Final Reconciliation of the values derived from the approaches applied for a single estimate of market value. Different properties require different means of analysis and lend themselves to one approach over the others.

Analyses Applied

A **cost analysis** was considered and was not developed due to the subjectivity in estimating overall depreciation for the property. The cost approach is most relevant when the building improvements are new or nearly new. The building improvements flooded in 2008 with the interior of the lower level still in an unfinished condition. However, the land value was determined.

A **sales comparison analysis** was considered and developed to determine the market value of the property improved as an office building.

An **income analysis** was considered and was not developed due to the current condition of the building improvements.

Land Value

The subject's land value has been developed via the sales comparison approach.

Sales Comparison Approach – Land Valuation

The Sales Comparison Approach is based on the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership. It is based on the principles of supply and demand, balance, substitution and externalities. The following steps describe the applied process of the Sales Comparison Approach.

- The market in which the subject property competes is investigated; comparable sales, contracts for sale and current offerings are reviewed.
- The most pertinent data is further analyzed and the quality of the transaction is determined.
- The most meaningful unit of value for the subject property is determined.
- Each comparable sale is analyzed and where appropriate, adjusted to equate with the subject property.
- The value indication of each comparable sale is analyzed and the data reconciled for a final indication of value via the Sales Comparison Approach.

Land Comparables

I have researched three comparables for this analysis; these are documented on the following pages followed by a location map and analysis grid. All sales have been researched through numerous sources, inspected and verified by a party to the transaction.

Comparable	Address City	Date Price	Price per Acre Price per Land Unit	Land Units Zoning
Subject	801 2nd Street	8/31/11	\$0	20.00
	Columbus	\$0	\$0	Zoning Code
1	610 2nd Street	3/1/06	\$694,444	0.00
	Columbus	\$750,000	\$0	CC: Community
2	803 Washington Street	6/11/10	\$807,143	0.00
	Columbus	\$339,000	\$0	CD: Commercial
3	2822 Central Avenue	2/4/11	\$420,188	0.00
	Columbus	\$895,000	\$0	CC: Community

Land Comparable 1



Transaction

ID	22	Date	3/1/06
Address	610 2nd Street	Price	\$750,000
City	Columbus	Price per Acre	\$694,444
State	Indiana	Financing	Cash to Seller
Tax ID	03-95-24-430-011.600-005	Property Rights	Fee Simple
Grantor	Thomas R. Wetherald	Days on Market	Over two o years
Grantee	Bushmann Realty, LLC	Verification Source	Owner
Legal Description	Part Lot 1B- Replat		

Site

Acres	1.1	Topography	Level
Land SF	47,045	Zoning	CC: Community Center
Road Frontage	150'+314'+150'	Flood Zone	Zone X
Shape	Rectangular	Encumbrance or	Typical
Utilities	City water & sewer	Environmental Issues	None

Improvements

GBA		Condition	
GLA		Ancillary Buildings	
No. of Stories		Parking	
Year Built			

Notes

This is the sale of a vacant Hardee's located in downtown Columbus, Indiana. After purchasing the property the buildings were razed and a new McDonald's was constructed.

Land Comparable 2



Transaction

ID	69	Date	6/11/10
Address	803 Washington Street	Price	\$339,000
City	Columbus	Acre Unit Price	\$807,143
State	Indiana	Financing	Cash to seller
Tax ID	1.99524E+12	Property Rights	Fee Simple
Grantor	Sprague Rentals, LLC	Days on Market	Over 5 years
Grantee	Mainsource Bank	Verification Source	Seller, government records
Legal Description	Lots 115 & 116- Irwin's 1st		

Site

Acres	0.4	Topography	Level
Land SF	18,295	Zoning	CD: Commercial Downtown
Road Frontage	120' along Washington	Flood Zone	Zone X
Shape	Rectangular	Encumbrance or	None to affect value
Utilities	All utilities	Environmental Issues	None to affect value

Improvements

GBA	Condition
GLA	Ancillary Buildings
No. of Stories	Parking
Year Built	

Notes

This is the sale of a vacant auto service improvement situated upon 0.42 acres of land on Washington Street. At time of purchase improvements were demolished for development of a bank branch.

Land Comparable 3



Transaction

ID	70	Date	2/4/11
Address	2822 Central Avenue	Price	\$895,000
City	Columbus	Acre Unit Price	\$420,188
State	Indiana	Financing	Cash to seller
Tax ID	19961821202	Property Rights	Fee Simple
Grantor	C&B Enterprises, Inc	Days on Market	Unknown
Grantee	Kroger Limited Partnership I	Verification Source	Government records
Legal Description	Lot 3B- Central Ave Plaza		

Site

Acres	2.1	Topography	Level
Land SF	92,783	Zoning	CC: Community Center
Road Frontage	245' along Central Avenue	Flood Zone	Zone X
Shape	Rectangular	Encumbrance or	None to affect value
Utilities	All utilities	Environmental Issues	None to affect value

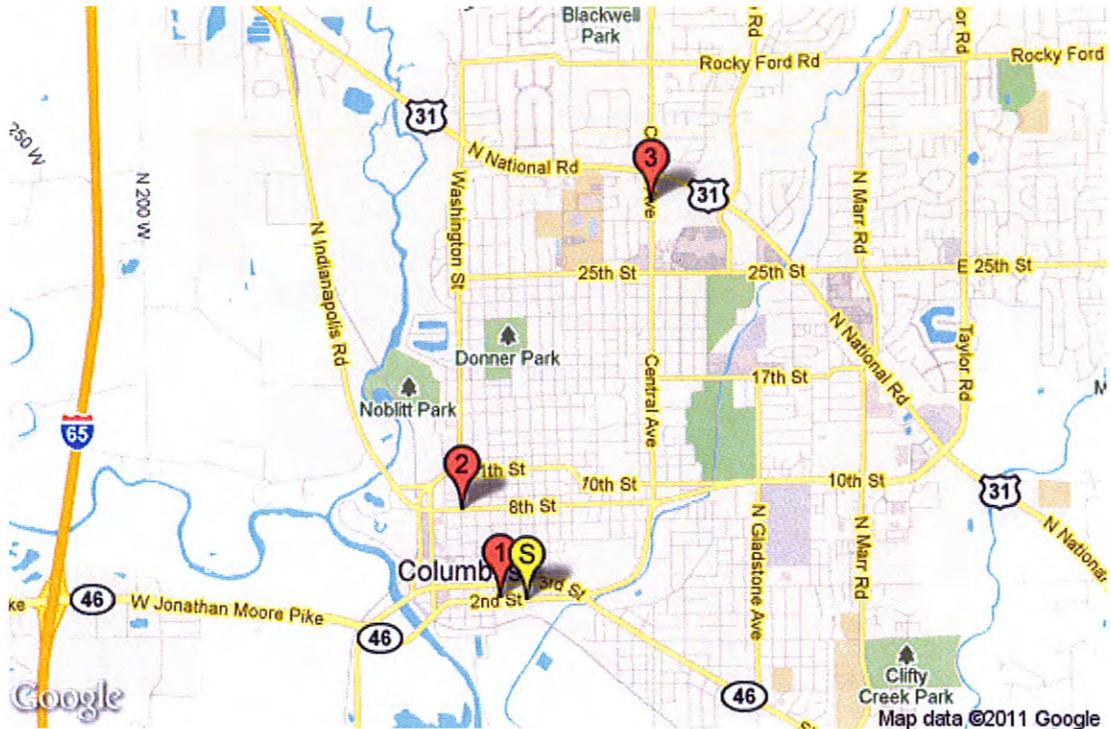
Improvements

GBA	Condition
GLA	Ancillary Buildings
No. of Stories	Parking
Year Built	

Notes

This is the sale of a tract of 2.13 acres improved with a car wash. At the time of sale improvements were demolished for development of a gasoline station.

Comparables Map



Analysis Grid

The above sales have been analyzed and compared with the subject property. I have considered adjustments in the areas of:

- Property Rights Sold
- Financing
- Conditions of Sale
- Market Trends
- Location
- Physical Characteristics

On the following page is a sales comparison grid displaying the subject property, the comparables and the adjustments applied.

Land Analysis Grid		Comp 1		Comp 2		Comp 3	
Address	801 2nd Street	610 2nd Street		803 Washington Street		2822 Central Avenue	
City	Columbus	Columbus		Columbus		Columbus	
State	Indiana	Indiana		Indiana		Indiana	
Date	8/31/2011	3/1/2006		6/11/2010		2/4/2011	
Price	\$0	\$750,000		\$339,000		\$895,000	
Acres	1.71	1.08		0.42		2.13	
Acre Unit Price	\$0	\$694,444		\$807,143		\$420,188	
Transaction Adjustments							
Property Rights	Fee Simple	Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple	0.0%
Financing	Conventional	Cash to Seller	0.0%	Cash to seller	0.0%	Cash to seller	0.0%
Conditions of Sale	Cash	Arms Length	0.0%	Arms length	0.0%	Arms length	0.0%
		0.0%		0.0%		0.0%	
Expenditures After Sale		\$15,000		\$15,000		\$25,000	
		2.0%		4.4%		2.8%	
Adjusted Acre Unit Price		\$708,333		\$842,857		\$431,925	
Market Trends Through 8/31/11	2.0%	11.5%		2.4%		1.1%	
Adjusted Acre Unit Price		\$789,903		\$863,501		\$436,827	
Location	Good	Good		Good		Good	
% Adjustment		0%		0%		0%	
\$ Adjustment		\$0		\$0		\$0	
Acres	1.71	1.08		0.42		2.13	
% Adjustment		-25%		-50%		0%	
\$ Adjustment							
Access	Along 2nd	Superior		Superior		Superior	
% Adjustment		-20%		-5%		-5%	
\$ Adjustment		-\$157,981		-\$43,175		-\$21,841	
Site Preparation	\$77,500	(\$77,500)		(\$77,500)		(\$77,500)	
% Adjustment		-9%		-9%		-17%	
\$ Adjustment		-\$71,091		-\$77,715		-\$74,261	
Easement	~14% per acre	None		None		None	
% Adjustment		-7%		-7%		-7%	
\$ Adjustment		-\$55,293		-\$60,445		-\$30,578	
Adjusted Acre Unit Price		\$308,062		\$250,415		\$310,147	
Net Adjustments		-55.6%		-69.0%		-26.2%	
Gross Adjustments		83.1%		82.9%		34.1%	

Comparable Land Sale Adjustments

Property Rights

All sales transactions were sales of the fee simple estate. No adjustments were needed or applied for property rights.

Financing

All sales were cash sales to the seller and required no adjustment.

Conditions of Sale

All land sales were arm's length transactions requiring no adjustment.

Economic Trends

Based upon local economic conditions land it appears as though land values are keeping up with inflation at best – which is believed to be approximately 2% annually.

Location

The subject site is located on the south side of 2nd Street – which is an eastern bound one-way road. The site is located near the central business district and adjoins the area where an indoor sports arena is to be constructed. According to traffic counts provided by the Indiana Department of Transportation, approximately 15,100 cars per day pass the site. None of the other land sales had traffic counts available however were believed to be comparable. Therefore, no adjustment was made to the comparable land sales for location.

Acres

This adjustment category is for size differences between the subject site and the comparable sales. The subject site contains a total of 1.708 acres of land area which includes a portion of land area that is shared with an adjoining use to the south. Therefore, economy of scale adjustments was applied to those comparables – either smaller or larger than the subject property.

Access

The subject site is located along 2nd Street – which is a one way street going east. Comparable sale number one – was surrounded by three streets, comparable two by two streets and comparable one by two separate entrance and exits. Therefore, adjustments were made to all sales to reflect their superior access.

Site Preparation

As mentioned previously in this report, the subject site is below the street grade of 2nd Street and would require fill to be buildable. Fill is estimated to cost approximately \$8.00 per cubic yard. The site is approximately 10' below grade in approximately 60% of the land area. It requires 1,613 cubic yards of material to fill a one acre site one foot. Therefore, in order to fill a one acre site 10' the cost would be \$129,040. Assuming that approximately 60% of the site area needs to be filled an adjustment per acre to comparable sales is estimated to be \$77,500

Sales Comparison Approach Conclusion – Land Valuation

The adjusted values of the comparable properties range from \$310,860 to \$363,356; the average is \$338,314. All of the value indications have been considered, and in the final analysis, comparable number one has been given most weight in arriving at my final reconciled per acre value of \$300,000.

As Is Market Value

Indicated Value per Acre: \$300,000

Subject Size: 1.708

Indicated Value: \$512,400

Rounded: \$515,000

Five Hundred Fifteen Thousand Dollars

Sales Comparison Approach

The Sales Comparison Approach is based on the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership. It is based on the principles of supply and demand, balance, substitution and externalities. The following steps describe the applied process of the Sales Comparison Approach.

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- The most meaningful unit of value for the subject property is determined.
- Each comparable sale is analyzed and where appropriate, adjusted to equate with the subject property.
- The value indication of each comparable sale is analyzed and the data reconciled for a final indication of value via the Sales Comparison Approach.

Comparables

I have researched three comparables for this analysis; these are documented on the following pages followed by a location map and analysis grid. All sales have been researched through numerous sources, inspected and verified by a party to the transaction.

Comparable	Address	Grantor	Price	Price Per SF	Year Built
	City	Grantee	Date	GBA	Construction
Subject	801 2nd Street	Columbus Downtown, Inc.	\$0	\$0	40
	Columbus	NA, Appraisal Record	8/31/11	NA	Good
1	2506 25th Street	Bloomfield State Bank	\$365,000	\$104.52	1970
	Columbus	Elwood 25th Street, LLC	7/5/11	3,492	Wood framing with masonry
2	4570 Jonathan Moore Pike	Home Federal Bank	\$140,000	\$53.89	1980
	Columbus	Christopher Lee Bartels	4/1/09	2,598	Wood framing with masonry
3	70 Carr Hill Road	Rex Breeden - Trust	\$397,500	\$120.45	1974
	Columbus	Centra Financial Services, LLC	4/28/10	3,300	Wood framing with masonry

Comparable 1



Transaction

ID	41	Date	7/5/11
Address	2506 25th Street	Price	\$365,000
City	Columbus	Price Per SF	\$104.52
State	Indiana	Transaction Type	Closed
Tax ID	19961814707	Financing	Cash to seller
Grantor	Bloomfield State Bank	Property Rights	Fee Simple
Grantee	Ewood 25th Street, LLC	Days on Market	Less than 6 months
Legal Description	Part Lot 4B 2nd Replat	Verification Source	Government records

Site

Acres	1.4	Topography	Level
Land SF	60,113	Zoning	Community Center
Road Frontage	129'	Flood Zone	Zone X
Shape	Rectangular	Encumbrance or	None to affect value
Utilities	All	Environmental Issues	None to affect value

Improvements & Financial Data

GBA	3,492	PGI	
Rentable Area	3,492	EGI	
No. of Units	1	Expense Ratio	
Year Built	1970	NOI	
Renovations		Cap Rate	
Condition	Average	EGIM	

Notes

Sale of a previous insurance office along 25th Street. The previous owner of the property had gotten into financial trouble and the property reverted back to the bank ownership. The sale occurred within 6 months of the owner vacating the property and appears to be below market value for the high traffic area.

Comparable 2



Transaction

ID	42	Date	4/1/09
Address	4570 Jonathan Moore Pike	Price	\$140,000
City	Columbus	Price Per SF	\$53.89
State	Indiana	Transaction Type	Closed
Tax ID	19952143505	Financing	Cash to seller
Grantor	Home Federal Bank	Property Rights	Fee Simple
Grantee	Christopher Lee Bartels	Days on Market	Unknown
Legal Description	Lot 5 Little Creek Plaza	Verification Source	Government records

Site

Acres	0.5	Topography	Sloping
Land SF	22,651	Zoning	Neighborhood Center
Road Frontage	None-access from State	Flood Zone	Zone X
Shape	Irregular	Encumbrance or	None to affect value
Utilities	All	Environmental Issues	None to affect value

Improvements & Financial Data

GBA	2,598	PGI	
Rentable Area	2,006	EGI	
No. of Units	1	Expense Ratio	
Year Built	1980	NOI	
Renovations		Cap Rate	
Condition	Fair	EGIM	

Notes

The sale of an office building in an area of land that had remained 80% vacant on State Road 46.

Comparable 3



Transaction

ID	75	Date	4/28/10
Address	70 Carr Hill Road	Price	\$397,500
City	Columbus	Price Per SF	\$120.45
State	Indiana	Transaction Type	Closed
Tax ID	19952622600	Financing	Cash to seller
Grantor	Rex Breeden - Trust	Property Rights	Fee Simple
Grantee	Centra Financial Services,	Days on Market	~180
Legal Description		Verification Source	Owner

Site

Acres	0.6	Topography	Level
Land SF	26,572	Zoning	Commercial
Road Frontage	100'	Flood Zone	Z
Shape	Rectangular	Encumbrance or	
Utilities	City water & sewer	Environmental Issues	

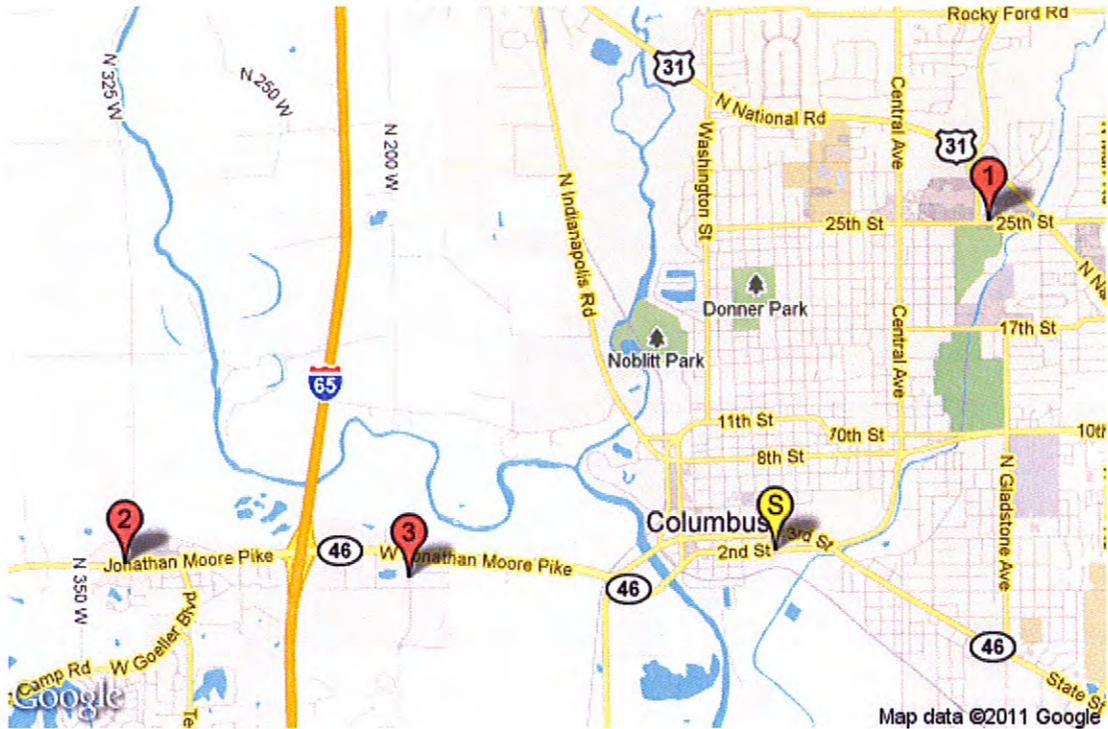
Improvements & Financial Data

GBA	3,300	PGI	
Rentable Area	3,300	EGI	
No. of Units	1	Expense Ratio	
Year Built	1974	NOI	
Renovations		Cap Rate	
Condition	Good	EGIM	

Notes

This is the sale of an old Indiana Gas building. The building had sold on contract two years prior for \$425,000 at which time it was renovated into a medical office building. Credit Union purchased as a loan center.

Comparables Map



Analysis Grid

The above sales have been analyzed and compared with the subject property. I have considered adjustments in the areas of:

- Property Rights Sold
- Financing
- Conditions of Sale
- Market Trends
- Location
- Physical Characteristics

On the following page is a sales comparison grid displaying the subject property, the comparables and the adjustments applied.

Analysis Grid		Comp 1	Comp 2	Comp 3
Address	801 2nd Street	2506 25th Street	4570 Jonathan Moore	70 Carr Hill Road
City	Columbus	Columbus	Columbus	Columbus
State	Indiana	Indiana	Indiana	Indiana
Date	8/31/2011	7/5/2011	4/1/2009	4/28/2010
Price	\$0	\$365,000	\$140,000	\$397,500
GBA	NA	3,492	2,598	3,300
GBA Unit Price	\$0.00	\$104.52	\$53.89	\$120.45
Transaction Adjustments				
Property Rights	Fee Simple	Fee Simple 0.0%	Fee Simple 0.0%	Fee Simple 0.0%
Financing	Conventional	Cash to seller 0.0%	Cash to seller 0.0%	Cash to seller 0.0%
Conditions of Sale	Cash	Arm's Length 0.0%	Arm's Length 0.0%	Arm's Length 0.0%
Expenditures After Sale		\$0	\$0	\$0
Adjusted GBA Unit Price		\$104.52	\$53.89	\$120.45
Market Trends Through 8/31/11	2.0%	0.3%	4.9%	2.7%
Adjusted GBA Unit Price		\$104.85	\$56.53	\$123.70
Location	Average	Equal	Equal	Equal
% Adjustment		0%	0%	0%
\$ Adjustment		\$0.00	\$0.00	\$0.00
GBA	3,300	3,492	2,598	3,300
% Adjustment		0%	0%	0%
\$ Adjustment		\$0.00	\$0.00	\$0.00
Effective Age	35	25	35	15
% Adjustment		-10%	0%	-20%
\$ Adjustment		-\$10.48	\$0.00	-\$24.74
Basement	3,300	None	None	None
% Adjustment		9%	24%	8%
\$ Adjustment		\$9.44	\$13.57	\$9.90
Adjusted GBA Unit Price		\$103.80	\$70.10	\$108.86
Net Adjustments		-0.7%	30.1%	-9.6%
Gross Adjustments		19.4%	30.1%	31.4%

Comparable Sale Adjustments

Property Rights

All sales were the sale of the unencumbered fee simple estate. No adjustments were necessary for property rights transferred.

Financing

All comparable sales utilized in this report were cash sales to the seller. No adjustments were made for any non-typical financing arrangements.

Conditions of Sale

All sales were viewed as arm's length transactions. Comparable sale 1 is the sale of an office building that had been taken back by the bank. This sale was never advertised and believed to be at a market price even considering the motivation of the seller.

Economic Trends

The office market in the local area has experienced some market value decline since around 2006. Within the last few years market values of office buildings has started to increase. All of the sales utilized are recent transactions and have been adjusted upward 2% per year to reflect current market conditions.

Location

All sales were sales of office buildings in heavily traveled locations within the Columbus market. All comparable sales were believed to be in equal locations with the subject property.

Gross Building Area

None of the sales utilized required adjustments for differences in size with the subject property. The subject has a full semi-finished building which effectively doubles its building size. The basement square footages however are considered in following adjustments.

Effective Age

All sales were given estimated effective ages. Comparable sales number one and three required downward adjustments to reflect the superior age and condition of the comparable sales.

Basement

Based upon the contribution value of the basement adjustments were made to the comparable sales. A contribution value of \$33,000 was applied.

Sales Comparison Approach Conclusion

The adjusted values of the comparable properties range from \$70.10 to \$108.86; the average is \$94.25. All of the value indications have been considered, and in the final analysis, all comparables have been given equal weight in arriving at my final reconciled per square foot value of \$95.00.

As Is Market Value	
Indicated Value per Square Foot:	\$95.00
Subject Size:	3,300
Indicated Value:	\$313,500
Rounded:	\$315,000
Three Hundred Fifteen Thousand Dollars	

Final Reconciliation

The process of reconciliation involves the analysis of each approach to value. The quality of data applied, the significance of each approach as it relates to market behavior and defensibility of each approach are considered and weighed. Finally, each is considered separately and comparatively with each other.

Value Indications

Land Value:	\$515,000
Sales Comparison Approach:	\$315,000

Cost Approach

As mentioned previously in this report the cost approach was not completely developed – however a land value was estimated. In order to perform an accurate highest and best use analysis a land value was established for the subject site “as if” vacant. The land value was well supported by recent and proximate transactions. The cost to demolish the current building improvements and to fill the site were estimated and deducted from the value of the land as vacant. The resulting value indication is well supported.

Sales Comparison Approach

The sales comparison approach was developed by utilizing three recent and proximate sales. The comparables were adjusted for physical differences with the subject property. The resulting value via the sales comparison approach is well supported and clearly indicates that the value of the site “as vacant” exceeds its current value “as improved”. Therefore, the highest and best use of the subject property is land value – the office building and use could be an interim use until the land is redeveloped.

Value Conclusion

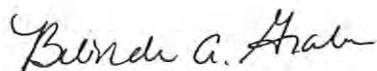
Based on the data and analyses developed in this appraisal, I have reconciled to the following value conclusion(s), as of August 31, 2011, subject to the Limiting Conditions and Assumptions of this appraisal.

Reconciled Value(s): Premise: As Is
Interest: Fee Simple
Value Conclusion: \$515,000
Five Hundred Fifteen Thousand Dollars

Certification Statement

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

- The statements of fact contained in this report are true and correct.
- 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.
- I have no present or prospective future interest in the property that is the subject of this report, and have no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report, or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).
- No one provided significant real property appraisal assistance to the person(s) signing this certification.
- I certify sufficient competence to appraise this property through education and experience, in addition to the internal resources of the appraisal firm.
- The subject site was valued for Columbus Downtown, Inc. on January 9, 2009. The scope of the previous report was to appraise the land as though vacant - of which the subject of this report was only a portion of.
- Belinda Graber has made an inspection of the subject property.



Belinda Graber,
Indiana Certified General Appraiser
Indiana-CG69100736

Addenda

QUALIFICATIONS OF THE APPRAISER

BELINDA A. GRABER
APPRAISERS, INC.
50 WASHINGTON STREET, SUITE 3B
COLUMBUS, INDIANA 47201
(812) 372-9391

EDUCATION

Bachelor of Arts Degree, Indiana University

Realtors National Marketing Institute

*CI 101 Commercial Investment

Appraisal Institute

*Examinations #1A1 and #1A2

*Capitalization Theory & Techniques Part A

*Capitalization Theory & Techniques Part B

*Case Studies

*Report Writing and Valuation Analysis

*Standards of Professional Practice

*Real Estate Appraisal Principles

*Business Valuation I & II

*Real Estate Risk Analysis

*Appraising From Blueprints and Specifications

*Appraising Residential Subdivisions

*Narrative Report Writing

*Highest & Best Use and Market Analysis

*Advanced Sales Comparison & Cost Approaches

*Valuation of Detrimental Conditions in Real Estate

*Automated Valuation Models

*Appraisal Office Management

*Appraising Special-Purpose Properties: Challenges of Limited Markets

*Recently passed comprehensive exam for MAI

Real Estate Securities & Syndication Institute

*Course #101

*Course #201

Indiana University

*Real Estate Finance & Investment Analysis

New York University

*Hotel-Motel Market Studies, Feasibility Analysis and Valuations

QUALIFICATIONS OF THE APPRAISER – (cont.)

LICENSES AND MEMBERSHIPS

Indiana Certified General Appraiser (CG69100736)
Real Estate Broker, State of Indiana (PB51438624)
Columbus Board of Realtors
MIBOR
IRED
Indiana Association of Realtors
National Association of Realtors
Associate Member – Appraisal Institute – MAI Candidate

EXPERIENCE

March 1985 - Present
Appraisers, Inc. - Real Estate Appraisal Company
President & Chief Real Estate Appraiser

November 1984 - March 1985
Breedon, Inc. - Realtors-Developers
Chief Real Estate Appraiser

August 1983 - November 1984
Don R. Scheidt & Company, Inc.,
Commercial Real Estate Appraiser

TYPES OF PROPERTY APPRAISED

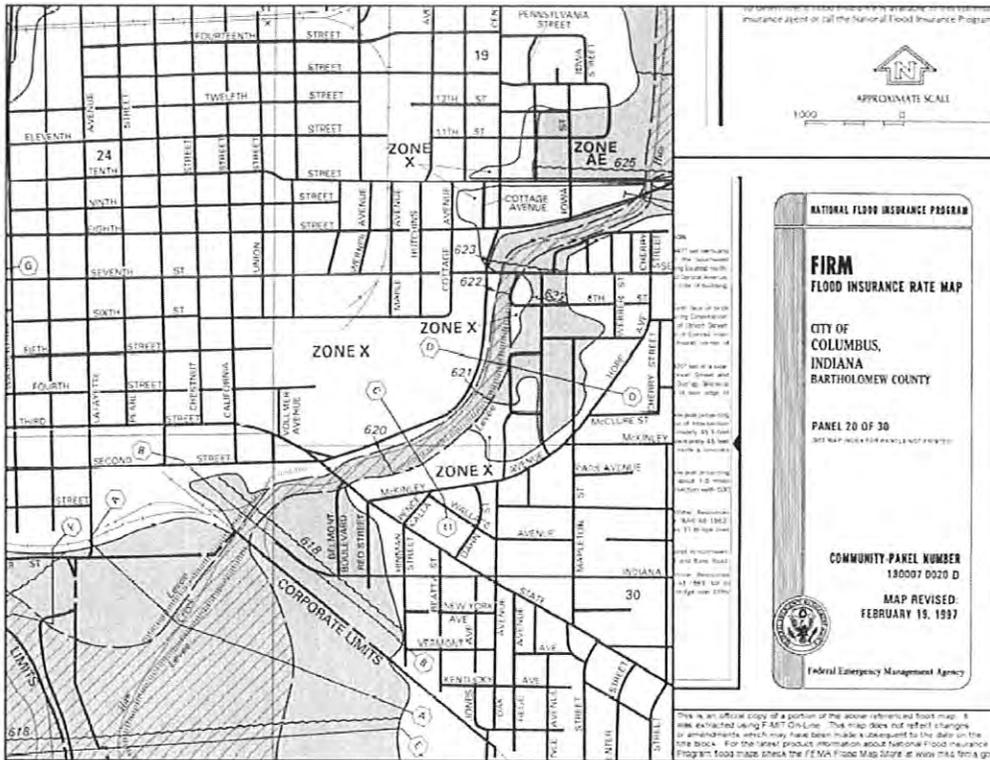
- *Single and Multi-Family Residences
- *Retail Stores
- *Mobile Home Parks
- *Apartment Projects
- *Residential and Industrial Subdivisions
- *Medical, Dental Clinics
- *Nursing Homes
- *Office Buildings
- *Industrial Properties
- *Service Stations
- *Shopping Centers
- *Motels and Hotels
- *Theaters
- *Vacant Land
- *Various Commercial Specialty Property
- *Special Use Properties

QUALIFICATIONS OF THE APPRAISER – (cont.)

- *Mortgage Loan Financing
- *Review Appraisals
- *Employee Relocation
- *Estate Valuations
- *Divorce
- *Internal Decision Making
- *Feasibility Studies
- *Eminent Domain

References, Transcripts and Appraisal Work Examples available upon request.





**SUMMARY REPORT
REAL ESTATE APPRAISAL**

Of

REMC - Industrial Building
831 2nd Street, Columbus,
Bartholomew County, Indiana, 47201



As of
August 31, 2011

Prepared For
Columbus Downtown, Inc.
415 Washington Street
Columbus, Indiana 47202

Prepared by
APPRAISERS, INC.
Belinda Graber, Certified General Appraiser, Indiana-CG69100736



APPRAISERS, INC.

50 Washington Street, Suite 3B
Columbus, Indiana, 47201

812-372-9391
Fax: 812-376-3781

October 3, 2011

Columbus Downtown, Inc.
415 Washington Street
Columbus, Indiana 47202

Attention: CWC Latitudes, LLC
Mr. Ed Curtain, FASLA
Consultant

Re: Summary Report, Real Estate Appraisal
REMC - Industrial Building
831 2nd Street, Columbus,
Bartholomew County, Indiana, 47201

Dear Mr. Curtain:

At your request, I have prepared an appraisal for the above referenced property, which may be briefly described as follows:

The subject site is improved with a 13,960 square foot pre-engineered steel building with ~1,800 square feet in office space and the balance in 20' clear span industrial space.

Please reference page 10 of this report for important information regarding the scope of research and analysis for this appraisal, including property identification, inspection, highest and best use analysis and valuation methodology.

I certify that I have no present or contemplated future interest in the property beyond this estimate of value. The appraiser has performed the following prior services regarding the subject within the previous three years of the appraisal date: the subject site was valued for the Columbus Downtown Development on January 6, 2009. The scope of the previous appraisal was to appraise the land as though free and clear of encumbrance and ready for development.

Mr. Curtain
Columbus Downtown, Inc.
October 3, 2011
Page 2

Your attention is directed to the Limiting Conditions and Assumptions section of this report (page 8). Acceptance of this report constitutes an agreement with these conditions and assumptions. In particular, I note the following:

Hypothetical Conditions:

- This appraisal assumes that the site is free and clear of any environmental issues.

Extraordinary Assumptions:

- The appraised values assume that the property could be used as a maintenance facility or a warehousing facility similar to its previous use.
- This appraisal assumes that the property adjoining west is developed into an indoor sports arena.

Based on the appraisal described in the accompanying report, subject to the Limiting Conditions and Assumptions, Extraordinary Assumptions and Hypothetical Conditions (if any), I have made the following value conclusion(s):

Current As Is Market Value:

The "As Is" market value of the Fee Simple estate of the property, as of August 31, 2011, is

\$620,000

Six Hundred Twenty Thousand Dollars

The market exposure time¹ proceeding August 31, 2011 would have been 12 months.

Respectfully submitted,
APPRAISERS, INC.



Belinda Graber,
Indiana Certified General Appraiser
CG69100736

¹ Exposure Time: see definition on page 9.

TABLE OF CONTENTS

Summary of Important Facts and Conclusions.....	5
Definitions.....	6
Limiting Conditions and Assumptions	8
Scope of Work	10
Market Area Analysis	11
Location Map.....	16
Property Description.....	17
Site Plan/Tax Map/Survey	19
Subject Photographs.....	23
Assessment and Taxes	29
Zoning.....	29
Highest and Best Use.....	31
Valuation Methodology	32
Analyses Applied.....	32
Sales Comparison Approach.....	33
Comparables	33
Comparables Map.....	37
Analysis Grid	37
Comparable Sale Adjustments.....	39
Sales Comparison Approach Conclusion.....	40
Income Approach.....	40
Direct Capitalization Analysis	40
Potential Gross Income (PGI).....	40
Market Rent	41
Comparables Map.....	45
Analysis Grid	45
Comparable Rent Adjustments	46
Summary of Market Rent.....	48
Vacancy and Collection Loss.....	48
Capitalization Rate.....	49
Capitalization to Value	52
Direct Capitalization Analysis Conclusion.....	52
Final Reconciliation	53
Value Indications	53
Value Conclusion.....	53
Certification Statement	54
Addenda	55

Summary of Important Facts and Conclusions

GENERAL

Subject:	REMC - Industrial Building 831 2nd Street, Columbus, Bartholomew County, Indiana, 47201
	The subject site is improved with a 13,960 square foot pre-engineered steel building with ~1,800 square feet in office and the balance in 20' clear span industrial space.
Owner:	Columbus Downtown, Inc.
Legal Description:	See site plan - legal description yet to be provided.
Date of Report:	October 3, 2011
Intended Use:	The intended use is for internal decision making purposes.
Intended User(s):	The client as well as all and any assigns.

Assessment:

Tax ID	Land	Improvements	Other	Total	Taxes
19952511900	\$183,855	\$417,800	\$11,300	\$612,955	\$15,357
Totals:	\$183,855	\$417,800	\$11,300	\$612,955	\$15,357

Sale History: The subject sold for \$732,500 on May 12, 2010. The subject site was only a portion of the total purchase price.

Sale to Downtown Columbus, Inc. to be part of a planned indoor sports arena.

Current Listing/Contract(s): The subject is not currently listed for sale, or under contract.

PROPERTY

Land:						
	Parcel	Tax ID	Total Acres	Total SF	Usable Acres	Usable SF
	Parcel 1	19952511900	1.89	82,328	1.64	71,526
		Totals:	1.89	82,328	1.64	71,526

Improvements:

Building	Year Built	Condition	Stories	GBA*	RA*	Units
831 2nd Street	1988	Good	1.00	13,960	13,960	1
Totals:				13,960	13,960	1

*See area definitions, page 7.

Zoning: Commercial: Community (CC)

Highest and Best Use of the Site: Development into a use that is compatible with current zoning regulations.

Highest and Best Use as Improved: Commercial/light industrial use.

VALUE INDICATIONS

Sales Comparison Approach: \$560,000

Income Approach: \$620,000

Reconciled Value(s):	<u>As Is</u>
Value Conclusion(s)	\$620,000
Effective Date(s)	August 31, 2011
Property Rights	Fee Simple

Definitions**Market Value:²**

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

A **Fee Simple** estate is defined² 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.

² Appraisal Institute, The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010).

A **Leased Fee** interest is defined² as:

A freehold (ownership interest) where the possessory interest has been granted to another party by the creation of a contractual landlord-tenant relationship (i.e., a lease).

Marketing Time is defined² as:

An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of the appraisal.

Marketing time differs from exposure time, which is always presumed to precede the effective date of the appraisal.

Advisory Opinion 7 of the Appraisal Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions" address the determination of reasonable exposure and marketing time.

Exposure Time is defined² as:

1. The time a property remains on the market.
2. The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market.

See Marketing Time, above.

Gross Building Area (GBA): Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the region.²

Rentable Area (RA): For office buildings, the tenant's pro rata portion of the entire office floor, excluding elements of the building that penetrate through the floor to the areas below. The rentable area of a floor is computed by measuring the inside finished surface of the dominant portion of the permanent building walls, excluding any major permanent penetrations of the floor. Alternatively, the amount of space on which the rent is based; calculated according to local practice.²

Gross Leasable Area (GLA): Total floor area designed for the occupancy and exclusive use of tenants, including basements and mezzanines; measured from the center of joint partitioning to the outside wall surfaces.²

As Is Market Value

The estimate of the market value of the real property in its current physical condition, use and zoning as of the appraisal date.²

Stabilized Value

Stabilized value is the prospective value of a property after construction has been completed and market occupancy and cash flow have been achieved.³

As Complete Value

The prospective value of a property after all construction has been completed. This value reflects all expenditures for lease-up and occupancy that may be expected to have occurred at that point in time, which may or may not put the property at stabilized value.

Limiting Conditions and Assumptions

Acceptance of and/or use of this report constitutes acceptance of the following limiting conditions and assumptions; these can only be modified by written documents executed by both parties.

This appraisal is to be used only for the purpose stated herein. While distribution of this appraisal in its entirety is at the discretion of the client, individual sections shall not be distributed; this report is intended to be used in whole and not in part.

No part of this appraisal, its value estimates or the identity of the firm or the appraiser(s) may be communicated to the public through advertising, public relations, media sales, or other media.

All files, work papers and documents developed in connection with this assignment are the property of Appraisers, Inc.. Information, estimates and opinions are verified where possible, but cannot be guaranteed. Plans provided are intended to assist the client in visualizing the property; no other use of these plans is intended or permitted.

No hidden or unapparent conditions of the property, subsoil or structure, which would make the property more or less valuable, were discovered by the appraiser(s) or made known to the appraiser(s). No responsibility is assumed for such conditions or engineering necessary to discover them. Unless otherwise stated, this appraisal assumes there is no existence of hazardous materials or conditions, in any form, on or near the subject property.

Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyl, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, was not called to the attention of the appraiser nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to

³ Narrative1.com. Thomas W. Armstrong, MAI

test for such substances. The presence of such hazardous substances may affect the value of the property. The value opinion developed herein is predicated on the assumption that no such hazardous substances exist on or in the property or in such proximity thereto, which would cause a loss in value. No responsibility is assumed for any such hazardous substances, nor for any expertise or knowledge required to discover them.

Unless stated herein, the property is assumed to be outside of areas where flood hazard insurance is mandatory. Maps used by public and private agencies to determine these areas are limited with respect to accuracy. Due diligence has been exercised in interpreting these maps, but no responsibility is assumed for misinterpretation.

Good title, free of liens, encumbrances and special assessments is assumed. No responsibility is assumed for matters of a legal nature.

Necessary licenses, permits, consents, legislative or administrative authority from any local, state or Federal government or private entity are assumed to be in place or reasonably obtainable.

It is assumed there is no zoning violation, encroachments, easements or other restrictions which would affect the subject property, unless otherwise stated.

The appraiser(s) are not required to give testimony in Court in connection with this appraisal. If the appraisers are subpoenaed pursuant to a court order, the client agrees to pay the appraiser(s) Appraisers, Inc.'s regular per diem rate plus expenses.

Appraisals are based on the data available at the time the assignment is completed. Amendments/modifications to appraisals based on new information made available after the appraisal was completed will be made, as soon as reasonably possible, for an additional fee.

Americans with Disabilities Act (ADA) of 1990

A civil rights act passed by Congress guaranteeing individuals with disabilities equal opportunity in public accommodations, employment, transportation, government services, and telecommunications. Statutory deadlines become effective on various dates between 1990 and 1997. Appraisers, Inc. has not made a determination regarding the subject's ADA compliance or non-compliance. **Non-compliance could have a negative impact on value, however this has not been considered or analyzed in this appraisal.**

Scope of Work

According to the Uniform Standards of Professional Appraisal Practice, it is the appraiser's responsibility to develop and report a scope of work that results in credible results that are appropriate for the appraisal problem and intended user(s). Therefore, the appraiser must identify and consider:

- the client and intended users;
- the intended use of the report;
- the type and definition of value;
- the effective date of value;
- assignment conditions;
- typical client expectations; and
- typical appraisal work by peers for similar assignments.

This appraisal was prepared for Columbus Downtown, Inc. The problem to be solved is to estimate the 'as is' market value of the subject property. The intended use is for internal decision making purposes. This appraisal is intended for the use of client as well as all and any assigns.

SCOPE OF WORK

Report Type:	This is a Summary Report as defined by Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2(B). This format provides a summary of the appraisal process, subject and market data and valuation analyses.
Property Identification:	The subject has been identified by the legal description and the assessors' parcel number. A proposed plat of the property has been provided by the consultant.
Inspection:	A complete interior and exterior inspection of the subject property has been made, and photographs taken.
Market Area and Analysis of Market Conditions:	A complete analysis of market conditions has been made. The appraiser maintains and has access to comprehensive databases for this market area and has reviewed the market for sales and listings relevant to this analysis.
Highest and Best Use Analysis:	A complete as vacant and as improved highest and best use analysis for the subject has been made. Physically possible, legally permissible and financially feasible uses were considered, and the maximally productive use was concluded.

Valuation Analyses

Cost Approach:	A cost approach was not applied as estimates of overall depreciation would be too subjective when sales of similar property as well as comparable lease data are readily available.
Sales Comparison Approach:	A sales approach was applied as there is adequate data to develop a value estimate and this approach reflects market behavior for this property type.
Income Approach:	An income approach was applied as the subject is an income producing property and there is adequate data to develop a value estimate with this approach.
Hypothetical Conditions:	<ul style="list-style-type: none">• This appraisal assumes that the site is free and clear of any environmental issues.
Extraordinary Assumptions:	<ul style="list-style-type: none">• The appraised values assume that the property could be used as a maintenance facility or a warehousing facility similar to its previous use.• This appraisal assumes that the property adjoining west is developed into an indoor sports arena.
Information Not Available:	<ul style="list-style-type: none">• Final plat or survey.• Legal description.

Market Area Analysis

The subject of this appraisal report is located inside the city limits of the city of Columbus, which is the county seat of Bartholomew County, Indiana. According to the Columbus Chamber of Commerce, Columbus is classified as a 2nd class city under Indiana law, which classifies by population. The city of Columbus is located in south-central Indiana and is approximately 43 miles south of the state capital, Indianapolis. Bartholomew County is centrally located between Indianapolis, Indiana and Louisville, Kentucky along Interstate 65. This area is within 24 hour truck or rail delivery to 80 of the top 100 U.S. Markets.

Located in the southern portion of the state, Columbus has access to the economic and cultural benefits of the nearby cities of Bloomington and Indianapolis, while still retaining its unique charm. Columbus is known internationally as a showcase for contemporary architecture with 50 major structures that have been designed by world renowned architects.

The Columbus area has access to I-65 at SR 46 on the west side of the city, at SR 58 to the south and at US 31 to the north. I-65 provides direct access to the Indianapolis metropolitan area approximately 45 miles to the north, and to Louisville approximately 70 miles to the south. This area is also served by several State Highways including SR 58, SR 46, SR 11 and SR 7. Limited commercial and private air transportation is available at the Columbus Municipal Airport. Complete domestic and international passenger air service is available at Indianapolis International Airport located in Indianapolis. There are nineteen interstate trucking carriers with terminals in Columbus and Conrail provides rail service with four freight trains operating daily. Columbus transportation is rounded out by taxi services and by the Columbus Transit system for intra-city bus service.

As the county seat of Bartholomew County, Columbus is home to the governmental offices of the county, including elected County Commissioners and Council members. The county government is responsible for tax assessments and collections of property tax, construction and maintenance of county roads, and law enforcement. A mayor and city council, which consists of seven elected members, govern the city of Columbus. The city provides its own law enforcement, fire, street and sanitation services.

The city government is eager to cooperate with incoming businesses, utilizing incentives such as tax abatements to assist in development or expansion. Within certain designated areas of the city, businesses are eligible for up to 100 percent tax abatement on equipment and facilities, with the deduction declining on an 11-year basis. The Columbus Enterprise Development Corporation, a not-for-profit organization, is also active in encouraging new businesses, offering leased space, services, planning and development assistance.

Vision 20/20, a downtown steering committee for the central business in Columbus, has been very successful in changing the make-up of downtown Columbus. This group of business and community leaders activated a plan to renovate downtown Columbus making it a destination location for hospitality and entertainment. The first phase of the plan included plans for a hotel, new parking garages with retail spaces and attraction of theme restaurants for the area.

A new hotel, Indigo, is open as well as two parking garages, two new restaurants, and the Commons. Cummins, Inc. is also occupying a newly constructed 100,000 square foot office building in the downtown. Cummins, Inc. has recently announced the proposed construction of an additional office building for the downtown including another parking garage. The downtown is changing rapidly due to the efforts of the Columbus Redevelopment Commission and is bringing about an amazing change for the community.

Bartholomew County has shown a consistent growth rate in population and is expected to continue this trend in the future. The table below illustrates the population trends for Bartholomew County. In year 2010 the city of Columbus was at a population of 44,061, which accounted for approximately 57% of the total population of Bartholomew County.

Population Trends in Bartholomew County

	1989	1994	1999	2004	2009	2010
Total Population	63,375	67,273	70,639	72,534	75,933	76,794
Change Since 1989		3,898	7,264	9,159	12,558	13,419
Pct. Change Since 1989		6.2%	11.5%	14.5%	19.8%	21.2%

Median family income for Bartholomew County was at \$64,075 and median household income was at \$52,545 for 2009. Average wage per job in 2010 was at \$43,667, with an overall wage growth since 2000 of 22.7%.

Columbus has historically been known as a manufacturing city with its largest industrial employer being Cummins, Inc. Cummins, Inc. employs over 5,400 workers and produces light to heavy duty diesel engines, a variety of filters and engine related products, and power generators. Cummins is the third largest employer in the state in terms of number of employees and revenues. Cummins has gone from a troubled company in early 2001 to one with record earnings. In 2006 Cummins announced that it would produce a new family of light-duty, clean diesel engines at its Columbus Engine plant. As of the current date these plans have been put on indefinite hold. Other large employers in the area are detailed below.

Major employers for Bartholomew County, specifically in the city of Columbus are as follows:

- Columbus Regional Hospital: Columbus, IN
- Cancer Center at Regional Hospital: Columbus, IN
- NTN Driveshaft Inc.: Columbus, IN
- Cosco Home & Office Products: Columbus, IN
- Cummins Inc.: Columbus, IN
- Toyota Industrial Equipment Manufacturing Inc: Columbus, IN
- Emcon Technologies (recently purchased by Faurcia): Columbus, IN
- Hostess Brands Inc: Columbus, IN
- Impact Forge Group Inc: Columbus, IN
- Columbus Container Inc: Columbus, IN

Employment figures for the county are detailed in the following chart.

YEAR	LABOR FORCE	EMPLOYED	UNEMPLOYED	BARHOLOMEW COUNTY RATE	INDIANA RATE
1994	38,750	37,410	1,340	3.5	4.9
1995	40,080	38,850	1,230	3.1	4.7
1996	39,180	38,060	1,120	2.9	4.1
1997	39,320	38,430	890	2.3	3.5
1998	39,510	38,650	860	2.2	3.1
1999	39,050	38,230	820	2.1	3.0
2000	38,520	37,620	900	2.3	3.2
2001	37,940	36,490	1,450	3.8	4.4
2002	38,420	36,820	1,600	4.2	5.1
2003	37,961	36,403	1,558	4.1	5.1

2004	36,213	34,635	1,578	4.4	5.2
2005	37,396	35,587	1,809	4.8	5.4
2006	38,519	36,914	1,605	4.2	5.0
2007	38,418	37,034	1,381	3.6	4.5
2008	39,706	37,886	1,820	4.6	5.8
2009	38,180	34,612	3,568	9.3	10.1
2010	37,652	34,161	3,491	9.3	10.2
May 2011	38,029	35,259	2,770	7.3	8.3

Bartholomew County has consistently had lower unemployment rates in comparison to the state unemployment rates. This is due in part to the steady employment base locally and to the stable industries that are located here.

The following chart details information regarding owner and non-owner occupied housing units for the area.

	Columbus	Bartholomew County
2000 Housing Units	17,162	29,853
Owner Occupied Units	60.4%	69.5%
Renter Occupied Units	32.7%	24.1%
Vacant Housing Units	6.9%	6.4%
2008 Housing Units	18,491	32,330
Owner Occupied Units	60.0%	68.0%
Renter Occupied Units	30.3%	22.9%
Vacant Housing Units	9.7%	9.1%
2013 Housing Units	19,395	34,018
Owner Occupied Units	58.2%	66.2%
Renter Occupied Units	30.7%	23.4%
Vacant Housing Units	11.0%	10.4%
Median Home Value		
1990	\$61,510	\$57,244
2000	\$104,020	\$99,308
2008	\$127,520	\$121,618
2013	\$138,874	\$131,497

The following chart details building permits for the county.

Housing Unit Building Permits – Bartholomew County, Indiana								
	2002	2003	2004	2005	2006	2007	2008	2009
Total Units	131	283	278	292	281	245	177	118
Units in Single-Family Structures	131	283	278	292	281	245	177	118
Units in All Multi-Family	0	0	0	0	0	0	0	0

According to the local code enforcement office that keeps track of building permits all multi-family properties are classified as commercial and are unable to be separated. There are a few new multi-family projects that have been constructed over the last two years.

The area is served by an outstanding hospital locally – Columbus Regional Hospital. Columbus Regional Hospital serves a 10-county area. A \$40 million renovation and

expansion project included a state-of-the-art cancer center and birthing center, improved outpatient services, and facilities for cardiac catheterization and gastroenterology procedures. An active physician recruitment program has increased the physicians on staff to 150. Columbus has a new round the clock medical helicopter service – LifeLine Critical Care Transport that serves south-central and southeastern Indiana. Other health care facilities include nursing homes, assisted living communities, a retirement center, a mental health facility, a substance abuse treatment facility, immediate care centers, and an occupational health facility. This facility was flooded on June 7, 2008. Flood damages to the facility were over \$125 million. The facility re-opened and is operating at full capacity.

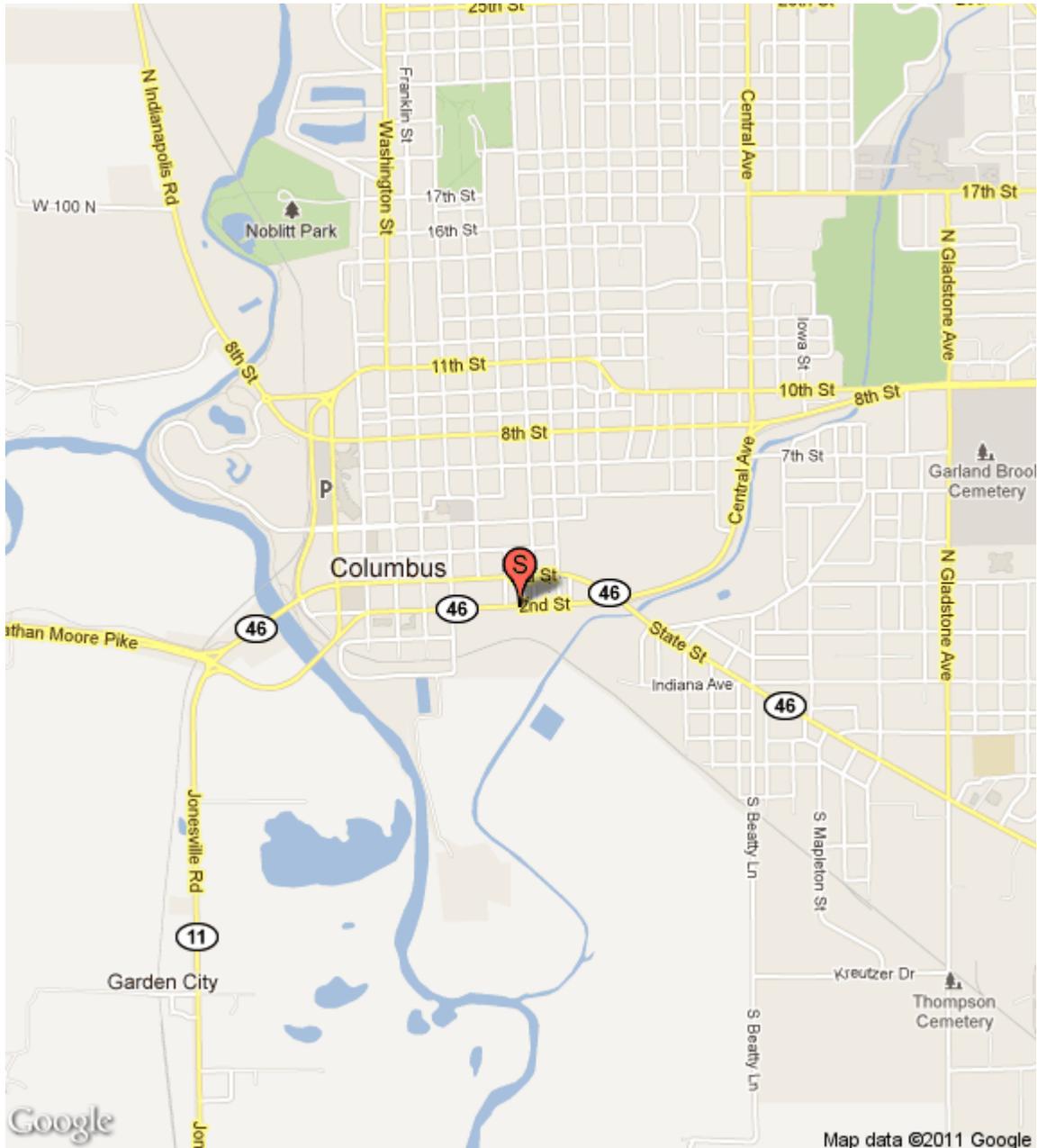
Columbus residents are fortunate in having convenient access to some of the finest education facilities in the country. Indiana University, nationally acclaimed for its music, dentistry and education schools, is less than an hour's drive from Columbus. Located within the city is a branch of Indiana University/Purdue University at Indianapolis (IUPUI), a joint venture of both colleges enabling students to receive degrees from either school while studying in their own city. Other universities within 50 miles of Columbus include: Ball State University, DePauw University, Notre Dame, Rose-Hulman Institute of Technology, and 18 other private institutions offering accredited degrees in every field. Local elementary and secondary education also excels in Columbus. The Bartholomew County Consolidate School Corporation operates 17 schools: 11 elementary, 2 middle schools, 2 high schools and 1 adult day school. The Bartholomew County Consolidated School Corporation also has recently opened the first Charter School in the area.

Columbus and Bartholomew County is served by two electrical services. Duke Energy serves Columbus urban areas and Bartholomew County Rural Electrical Membership Corporation is a co-op serving urban and rural areas. Natural Gas is serviced by Indiana Gas Company, Inc. and is available throughout the Columbus community. Additionally, there are four local propane dealers. Water and sewer services are city owned, Columbus Utilities. Approximately 95% of the city is served by municipal water and sewer services.

On June 7, 2008 the city of Columbus was devastated by a flood that damaged a number of commercial and residential structures. Some of the flooded structures remain vacant – unable to be rebuilt due to the current flood protection grade levels. A majority of the flooded structures have been cleaned up and reconstructed including Columbus Regional Hospital and the tech center for Cummins, Inc. Millions of dollars were spent in the effort to bring Columbus back to its pre-flood state. The clean-up and restoration of the community has been remarkable illustrating the strong resolve of Columbus residents to survive and prosper. The local planning department applied for a grant from FEMA in order to buy those properties that were destroyed in a targeted area of Columbus that currently remain vacant. The properties were appraised and purchased. The homes are to be razed and a new city green space will be developed in their place.

Columbus is a thriving city, with both citizens and government dedicated to maintaining its unique charm and economic stability. While the local economy has been strong, current economic trends nationally have had a dampening effect on those local industries that serve the automotive industry. The subject property is located at 801 2nd Street, Columbus, Indiana, historically the location of REMC.

Location Map



Property Description

The subject site is improved with a 13,960 square foot pre-engineered steel building with ~1,800 square feet in office space and the balance in 20' clear span industrial space.

SITE	
Location:	<p>The subject site is located south of Second Street near its intersection with Sycamore Street in downtown Columbus.</p> <p>The subject site is a part of a 3.35 acre tract that has been demised as a 1.642 acre tract that is accessed by a 50' easement from 2nd Street. Your attention is directed to the site plan contained within this report.</p>
Current Use of the Property:	<p>The subject is currently improved with a pre-engineered steel building containing approximately 13,960 square feet of gross building area. The building has ~1,800 square feet of office space and 12,160 square feet of industrial space.</p>
Site Size:	<p>Total: 1.89 acres; 82,328 square feet</p> <p>Usable: 1.64 acres; 71,526 square feet</p> <p>The usable area calculated is basically the size of the land area to be owned in fee simple ownership with the balance of the land area in an access easement.</p>
Shape:	<p>The site is roughly rectangular.</p>
Frontage/Access:	<p>The subject property has average access with no actual frontage- dimensions are as follows:</p> <ul style="list-style-type: none">• No actual frontage: 310 feet• No actual frontage: 50 feet
Visibility:	<p>Average</p>
Topography:	<p>The subject has slightly rolling topography at grade and no areas of wetlands.</p>
Soil Conditions:	<p>The soil conditions observed at the subject appear to be typical of the region and adequate to support development.</p>
Utilities:	<p>Electricity: The site is served by public electricity. Sewer: Columbus City Utilities Water: Columbus City Utilities Natural Gas: Vectren</p>

Underground Utilities: All

Adequacy: The subject's utilities are typical and adequate for the market area.

Site Improvements: • The subject has average landscaping.

Flood Zone: The subject is located in an area mapped by the Federal Emergency Management Agency (FEMA). The subject is located in FEMA flood zone AE, which is classified as a flood hazard area.

FEMA Map Number: 1800070020D

FEMA Map Date: February 19, 1997

The subject appears to be located in a flood zone.

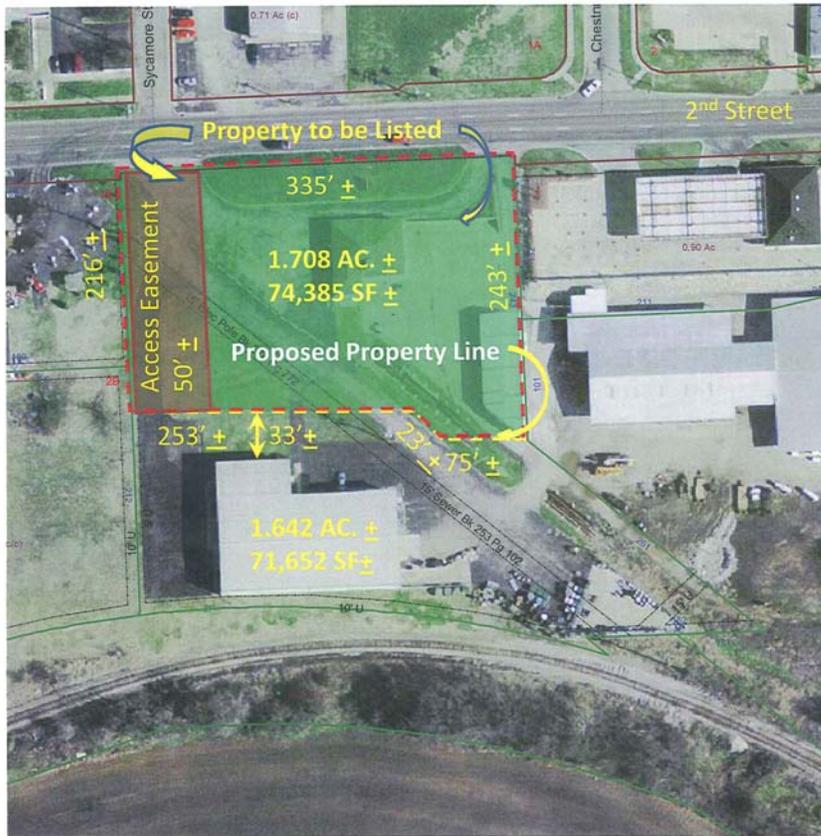
Wetlands/Watershed: No wetlands were observed during our site inspection.

Environmental Issues: This appraisal assumes no environmental conditions exist - however in reality most probably do exist and will be taken care of by the seller.

Encumbrance /
Easements: The subject is to be served by an appurtenant easement for access.

Site Comments: The site has average and typical utility.

Site Plan/Tax Map/Survey



**REMC Property
Proposed Subdivision**

Date: 5-23-11

Scale: NTS

North

The subject of this assignment is the building directly south of the site shaded in green. The subject site is to contain ~1.642 acres of land and a 50' access easement.

IMPROVEMENTS DESCRIPTION

Development/Property Name: REMC - Industrial Building

Property Type: Commercial/Industrial

Overview: The subject site is improved with a 13,960 square foot pre-engineered steel building with ~1,800 square feet in office area and the balance in 20' clear span industrial space.

GENERAL - 831 2ND STREET

Building Identification:	831 2nd Street
Building Description:	The building is a pre-engineered steel building with metal siding, standing seam metal roof and 20' clear span.
Building Class:	B
Construction:	Class S
Construction Quality:	Average
Year Built:	1988
Effective Age:	15 years
Remaining Useful Life:	35 years
Condition:	Good
Appeal/Appearance:	Average
Areas, Ratios & Numbers:	Number of Stories: 1.00 Gross Building Area: 13,960 Gross Leasable Area: 13,960 Rentable Area: 13,960 Number of Units: 1 Building Efficiency Ratio: 100.0%

FOUNDATION, FRAME & EXTERIOR - 831 2ND STREET

Foundation:	Poured concrete slab
Structural Frame:	Heavy Steel Frame
Exterior:	Metal siding
Windows:	Aluminum frame, screens and storms (sliders)
Roof/Cover:	Standing seam metal roof
Service Access/ Overhead Doors:	The building is served by three overhead doors and one loading dock.

INTERIOR - 831 2ND STREET

Interior Layout:	Average
Floor Cover:	Carpet, Linoleum, Tile
Walls:	Painted drywall
Ceilings & Ceiling Height:	Acoustic ceiling panels in office and exposed construction in the warehouse/ 8' office and 20' warehouse
Lighting:	A mix of fluorescent and incandescent lighting.
Restrooms:	Men's and women's restrooms
Other:	Dated office finishes

MECHANICAL SYSTEMS - 831 2ND STREET

Heating:	Geothermal
Cooling:	Central Air
Electrical:	Adequate
Plumbing Condition:	Average
Sprinkler:	None
Elevators/Escalators:	None
Security:	Average
Comments:	Building improvements have a substantial remaining economic life.

PARKING

Parking Type and Number of Spaces:	Type: Paved open surface parking Spaces: 25 Condition: Average
Parking Ratio:	1.79 spaces per 1,000 square feet.
Other:	Fenced in storage area on the east side of the lot

PROPERTY ANALYSIS

Design & Functional Utility:	The overall design and functional utility is believed be average.
Deferred Maintenance:	Paved parking area and drives need to be crack filled and sealed as well as stripped
Capital Improvements:	None noted
Comments:	Overall the property is considered to be in average overall condition based upon its age and previous use as a maintenance facility for REMC.

Americans With Disabilities Act

Please reference the Limiting Conditions and Assumptions section of this report on page 9.

Hazardous Substances

Please reference the Limiting Conditions and Assumptions section of this report on page 9.

Subject Photographs



VIEWING SOUTHEAST TOWARD SUBJECT



VIEWING NORTHEAST FROM THE SOUTHWEST CORNER OF THE SITE



VIEWING WEST TOWARD THE EASTERN ELEVATION



FENCED IN AREA ON THE EASTERN PROPERTY LINE



TYPICAL OFFICE



TYPICAL OFFICE



OPEN AREA IN OFFICE SECTION OF THE BUILDING





MEN'S RESTROOM



CLEAR SPAN INDUSTRIAL SPACE



VIEWING TOWARD THE WEST – INDUSTRIAL



SUSPENDED HEAT

Assessment and Taxes

REAL ESTATE ASSESSMENT AND TAXES

Taxing Authority Bartholomew County
 Assessment Year 2009

ASSESSED VALUES

Tax ID	Land	Improvements	Other	Total	Taxes
19952511900	\$183,855	\$417,800	\$11,300	\$612,955	\$15,357
Totals:	\$183,855	\$417,800	\$11,300	\$612,955	\$15,357

TAX RATE AND TAXES

Tax ID	City	County	Other	Combined	Taxes
19952511900	\$2.51	\$0.00	\$0.00	\$2.51	\$15,357
				Total:	\$15,357

OTHER METRICS

Tax ID	Units of Comparison		Implied Value		
	Assessed Value Per SF GBA	Assessed Value Per Acre	Total Assessment	Equalization Ratio	Implied Value
19952511900	\$43.91	\$324,315	\$612,955	100%	\$612,955
Totals:	\$43.91	\$324,315	\$612,955		\$612,955

Comments

Assessment is applied pro-rata based upon overall assessed value.

Zoning

LAND USE CONTROLS

Zoning Code Commercial: Community Center (CC)

Zoning Description The Commercial: Community Center zoning district is intended to establish appropriate locations for a variety of businesses providing a variety of goods and services to (1) community-wide consumers and (2) those who travel through or visit the area. This zoning district is not intended for use along traffic corridors, but should instead be applied at significant intersections along major transportation routes. This zoning district should be applied only to areas with adequate infrastructure and road access to accommodate moderately high traffic volumes.

Zoning Density/FAR	0.17
Actual Density of Use	Actual density of use
Current Use Legally Conforming	The subject is legal but non-conforming use. See comments.
Zoning Change Likely	A zoning change is unlikely.
Zoning Change Description	Not applicable
Set Back Distance	50'
Side Yard Distance	10'
Zoning Comments	The subject site has been utilized as a utility service maintenance facility. The building improvements are industrial in nature. According to information from the Columbus Planning Department it would be difficult to rezone this property based upon its location in a commercial community zoning district to a more intense zoning such as industrial. Most likely a use variance would be required to use the property other than what is specified under the CC district.

Highest and Best Use

Highest and best use may be defined as

the reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.²

1. **Legally Permissible:** What uses are permitted by zoning and other legal restrictions?
2. **Physically Possible:** To what use is the site physically adaptable?
3. **Financially Feasible:** Which possible and permissible use will produce any net return to the owner of the site?
4. **Maximally Productive.** Among the feasible uses which use will produce the highest net return, (i.e., the highest present worth)?

Highest and Best Use of the Site

The highest and best use of the site, as vacant, is for use that is compatible with current zoning regulations.

The highest and best use of the land as though vacant is most likely a downtown commercial use that does not need high visibility.

Highest and Best Use as Improved

The highest and best use of the subject as improved Commercial/Industrial.

The subject site is improved with an industrial warehouse building containing approximately 1,800 square feet of office space. The building has 20' ceiling clearances and has been well maintained. At the present time no other use could provide a higher return to the land than the continued use of the building as an industrial warehouse with office/showroom area.

Valuation Methodology

Three basic approaches may be used to arrive at an estimate of market value. They are:

1. The Cost Approach
2. The Sales Comparison Approach
3. The Income Approach

Cost Approach

The Cost Approach is summarized as follows:

$$\begin{array}{r} \text{Cost New} \\ - \text{Depreciation} \\ + \text{Land Value} \\ = \text{Value} \end{array}$$

Sales Comparison Approach

The Sales Comparison Approach compares sales of similar properties with the subject property. Each comparable sale is adjusted for its inferior or superior characteristics. The values derived from the adjusted comparable sales form a range of value for the subject. By process of correlation and analysis, a final indicated value is derived.

Income Approach

The Income Approach converts the anticipated flow of future benefits (income) to a present value estimate through a capitalization and or a discounting process.

Final Reconciliation

The appraisal process concludes with the Final Reconciliation of the values derived from the approaches applied for a single estimate of market value. Different properties require different means of analysis and lend themselves to one approach over the others.

Analyses Applied

A **cost analysis** was considered and was not developed because estimates of overall depreciation would be too subjective when sales of similar property as well as comparable lease data are available.

A **sales comparison analysis** was considered and was developed because there is adequate data to develop a value estimate and this approach reflects market behavior for this property type.

An **income analysis** was considered and was developed because the subject is an income producing property and there is adequate data to develop a value estimate with this approach.

Sales Comparison Approach

The Sales Comparison Approach is based on the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership. It is based on the principles of supply and demand, balance, substitution and externalities. The following steps describe the applied process of the Sales Comparison Approach.

- The market in which the subject property competes is investigated; comparable sales, contracts for sale and current offerings are reviewed.
- The most pertinent data is further analyzed and the quality of the transaction is determined.
- The most meaningful unit of value for the subject property is determined.
- Each comparable sale is analyzed and where appropriate, adjusted to equate with the subject property.
- The value indication of each comparable sale is analyzed and the data reconciled for a final indication of value via the Sales Comparison Approach.

Comparables

I have researched three comparables for this analysis; these are documented on the following pages followed by a location map and analysis grid. All sales have been researched through numerous sources, inspected and verified by a party to the transaction.

Comparable	Address	Grantor	Price	Price Per SF	Year Built
	City	Grantee	Date	GBA	Construction
Subject	831 2nd Street	Columbus	\$0	\$0	1988
	Columbus	Downtown, Inc. NA, Appraisal Record	8/31/11	13,960	Class S
1	4640 Progress Drive	Tim & Connie Medaris	\$405,000	\$41.33	1998
	Columbus	Elwood Progress Park, LLC	4/23/10	9,800	Wood Frame
2	7440 South International Drive	Mark and Regena L. Nuson, Inc.	\$585,000	\$46.80	2001
	Columbus		3/10/11	12,500	Pre-engineer steel
3	780 South Marr Road	Robert D. Hundley Weise	\$515,000	\$37.89	1979
	Columbus	Enterprises, Inc.	7/3/07	13,593	S

Comparable 1



Transaction

ID	27	Date	4/23/10
Address	4640 Progress Drive	Price	\$405,000
City	Columbus	Price Per SF	\$41.33
State	Indiana	Transaction Type	Closed
Tax ID	19950234900	Financing	Cash to Seller
Grantor	Tim & Connie Medaris	Property Rights	Fee Simple
Grantee	Elwood Progress Park, LLC	Days on Market	Over 6 months
Legal Description	Lot 9 - Progress Park (P/95	Verification Source	Broker

Site

Acres	0.8	Topography	Level
Land SF	33,977	Zoning	Industrial
Road Frontage	60'	Flood Zone	Zone X
Shape	Triangular	Encumbrance or	
Utilities	City water & sewer	Environmental Issues	

Improvements & Financial Data

GBA	9,800	PGI	
Rentable Area	9,800	EGI	
No. of Units	1	Expense Ratio	
Year Built	1998	NOI	
Renovations		Cap Rate	
Condition	Average	EGIM	

Notes

This building was owner-occupied and constructed by Tim & Daughters. This building is a wood framed building with metal siding. Assessment records indicate that this property contains a total of 9,552 SF of main level space with 720 SF of mezzanine storage. This information conflicts with what has been reported by the seller-who also was the building contractor.

Comparable 2



Transaction

ID	28	Date	3/10/11
Address	7440 South International	Price	\$585,000
City	Columbus	Price Per SF	\$46.80
State	Indiana	Transaction Type	Closed
Tax ID	23851532101	Financing	Cash to Seller
Grantor	Mark and Regena L. Chapple	Property Rights	Fee Simple
Grantee	Nuson, Inc.	Days on Market	Over 3 years
Legal Description	Lot 7B - Woodside South	Verification Source	Broker

Site

Acres	3.7	Topography	Level
Land SF	159,430	Zoning	B4
Road Frontage		Flood Zone	Zone X
Shape		Encumbrance or	
Utilities	City water & sewer	Environmental Issues	

Improvements & Financial Data

GBA	12,500	PGI	
Rentable Area	10,000	EGI	
No. of Units	1	Expense Ratio	
Year Built	2001	NOI	
Renovations		Cap Rate	
Condition	Average	EGIM	

Notes

Short-sale originally listed at \$1,500,000 on 10-16-07; reduced to \$1,250,000 on 4-21-2008; \$975,000 on 8-22-08; \$750,000 on 3-25-09; and \$650,000 on 11-11-09. 7,500 SF shop; 2,500 SF ground level office; 2,500 SF unfinished mezzanine above. Site can accept 30,000 SF expansion. Fronts SR 58 West of I-65; strong industrial area.

Comparable 3



Transaction

ID	56	Date	7/3/07
Address	780 South Marr Road	Price	\$515,000
City	Columbus	Price Per SF	\$37.89
State	Indiana	Transaction Type	Closed
Tax ID	19962934600	Financing	Cash to Seller
Grantor	Robert D. Hundley	Property Rights	Fee Simple
Grantee	Weise Enterprises, Inc.	Days on Market	Unknown
Legal Description	Tract W-1 - East Columbus	Verification Source	Broker

Site

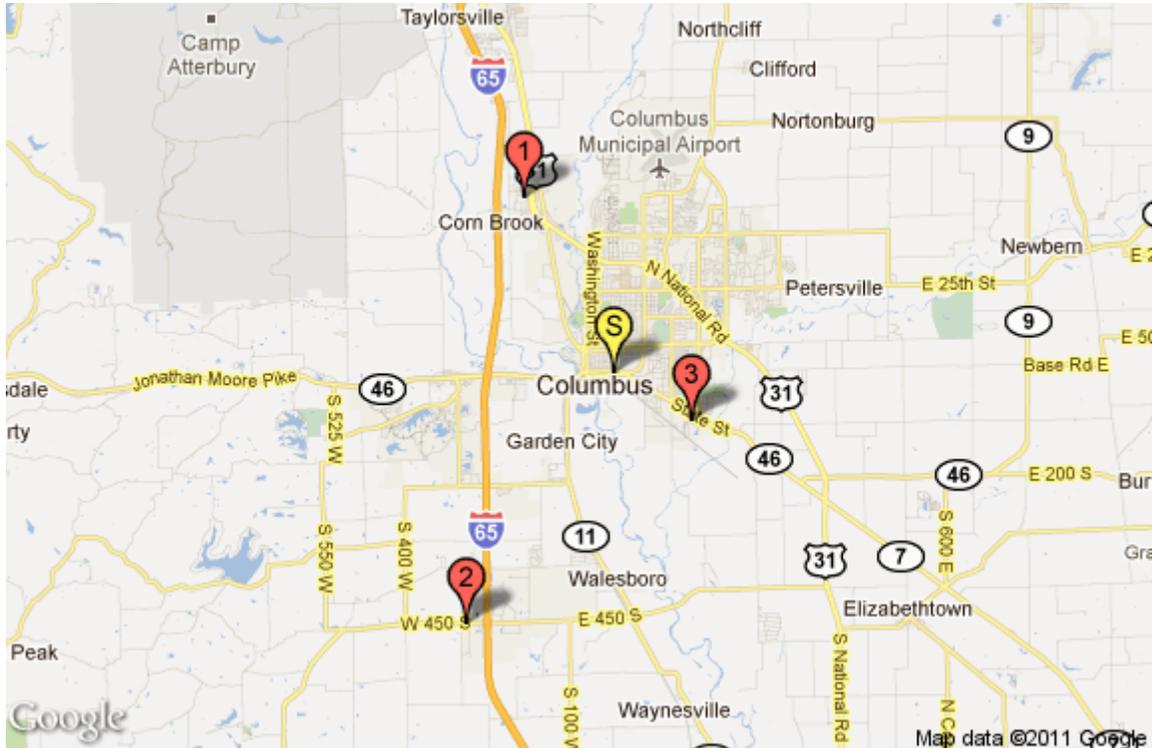
Acres	1.9	Topography	Level
Land SF	84,506	Zoning	I3
Road Frontage	426'	Flood Zone	Zone X
Shape	Slightly irregular -	Encumbrance or	None noted
Utilities	City water & sewer	Environmental Issues	None noted

Improvements & Financial Data

GBA	13,593	PGI	
Rentable Area	13,593	EGI	
No. of Units	1	Expense Ratio	
Year Built	1979	NOI	
Renovations		Cap Rate	
Condition	Average	EGIM	

Notes

Comparables Map



Analysis Grid

The above sales have been analyzed and compared with the subject property. I have considered adjustments in the areas of:

- Property Rights Sold
- Financing
- Conditions of Sale
- Market Trends
- Location
- Physical Characteristics

On the following page is a sales comparison grid displaying the subject property, the comparables and the adjustments applied.

Analysis Grid		Comp 1		Comp 2		Comp 3	
Address	831 2nd Street	4640 Progress	7440 South	780 South Marr			
City	Columbus	Columbus	Columbus	Columbus			
State	Indiana	Indiana	Indiana	Indiana			
Date	8/31/2011	4/23/2010	3/10/2011	7/3/2007			
Price	\$0	\$405,000	\$585,000	\$515,000			
GBA	13,960	9,800	12,500	13,593			
GBA Unit Price	\$0.00	\$41.33	\$46.80	\$37.89			
Transaction Adjustments							
Property Rights	Fee Simple	Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple	0.0%
Financing	Conventional	Cash to Seller	0.0%	Cash to Seller	0.0%	Cash to Seller	0.0%
Conditions of Sale	Cash	Normal	0.0%	Forced	0.0%	Arm's Length	0.0%
Expenditures After Sale		\$0		\$0		\$0	
Adjusted GBA Unit Price		\$41.33		\$46.80		\$37.89	
Market Trends Through	8/31/11	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Adjusted GBA Unit Price		\$41.33		\$46.80		\$37.89	
Location	Average	Equal	Equal	Equal	Equal	Equal	Equal
% Adjustment		0%	0%	0%	0%	0%	0%
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GBA	13,960	9,800	12,500	13,593			
% Adjustment		-10%	0%	0%	0%	0%	0%
\$ Adjustment		-\$4.13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Year Built	1988	1998	2001	1979			
% Adjustment		-10%	-10%	5%			
\$ Adjustment		-\$4.13	-\$4.68	\$1.89			
Land Value	\$85,000	\$68,000	\$128,000	\$77,600			
% Adjustment		4%	-7%	1%			
\$ Adjustment		\$1.65	-\$3.28	\$0.38			
Construction	Class S	Wood Frame	Pre-engineer	S			
% Adjustment		10%	0%	0%			
\$ Adjustment		\$4.13	\$0.00	\$0.00			
Adjusted GBA Unit Price		\$38.85		\$38.84		\$40.16	
Net Adjustments		-6.0%		-17.0%		6.0%	
Gross Adjustments		34.0%		17.0%		6.0%	

Comparable Sale Adjustments

Property Rights

All sales were of the fee simple unencumbered estate. Therefore, no adjustments were necessary for property rights.

Financing

All sales were cash sales to the seller. No adjustments were required for contract sales.

Conditions of Sale

All sales were arm's length transactions. Comparable number two was actually a short sale – however the property had ample market exposure indicating that the sale price was the market value of the property.

Economic Trends

The improved sales that were utilized were relatively recent sales with the exception of comparable sale number three. The industrial market has been relatively soft in the past five years – showing only minor signs of revitalization. No adjustments were made for time.

Location

All properties were located in similar locations as far as accessibility, visibility and demand.

Gross Building Area

The subject property has 13,960 square feet of gross building area. Comparable number one was adjusted downward to reflect economy of scale.

Year Built

All sales were adjusted to reflect dates of construction. Two of the three sales utilized were sales of newer buildings while the third sale was the sale of a building with an older physical age. Adjustments were made accordingly.

Land Value

The value of the subject site, utilized as an industrial use (value in use) was compared to the relative estimated values of the comparable sales. Adjustments were applied based upon differing land values.

Construction

The subject property is a pre-engineered steel building with metal siding and a metal roof. Comparables number two and three are sales of steel framed buildings believed to be equivalent to the subject property. Comparable sale number one was the sale of a wood framed structure which required an upward adjustment.

Sales Comparison Approach Conclusion

The adjusted values of the comparable properties range from \$38.84 to \$40.16; the average is \$39.28. All of the value indications have been considered, and in the final analysis, comparable #3 has been given most weight in arriving at my final reconciled per square foot value of \$40.00.

As Is Market Value	
Indicated Value per Square Foot:	\$40.00
Subject Size:	13,960
Indicated Value:	\$558,400
Rounded:	\$560,000
Five Hundred Sixty Thousand Dollars	

Income Approach

The Income Approach to value is based on the present worth of the future rights to income. This type of analysis considers the property from an investor's point of view, the basic premise being that the amount and quality of the income stream are the basis for value of the property.

Direct Capitalization Analysis

The steps involved in capitalizing the subject's net operating income are as follows:

- Develop the subject's Potential Gross Income (PGI) through analysis of the subject's actual historic income and an analysis of competitive current market income rates.
- Estimate and deduct vacancy and collection losses to develop the Effective Gross Income (EGI).
- Develop and subtract operating expenses to derive the Net Operating Income (NOI).
- Develop the appropriate capitalization rate (R_o).
- Divide the net operating income by the capitalization rate for an estimate of value through the income approach.

Potential Gross Income (PGI)

The subject property was constructed and utilized by REMC, a utility company. The building itself was used as a maintenance building, as well as storage, office, etc.. Since the property was owner occupied no rental history is available. Therefore, a market rent will be estimated and applied in order to develop this approach.

Market Rent

Market Rent Comparables

I have researched three comparable rentals for this analysis; these are documented on the following pages followed by a location map and analysis grid. All sales have been researched through numerous sources, inspected and verified by a party to the transaction.

Comparable	Name	City	Date	Rent	Rent Measure	Terms	SF Leased
1	Crescent Electric Supply	Columbus	6/1/11	5.50	Per SF	Net	6,600
2	Bradford Soap Works, Inc	Columbus	4/1/11	6.60	Per SF	Net	40,000
3	4775 Progress Drive	Columbus	1/1/09	6.00	Per SF	Net	22,353

Lease Comparable 1



Transaction

ID	20	Date	6/1/11
Address	950 South Marr Road	Rent Measure	Per SF
City	Columbus	Rent	\$6
State	Indiana	Concessions	No increase in base.
Market	Columbus	Effective Rent	5.5
Lessor	Agnew Investments, LLC	Rent Steps	CPI @ 5 years
Lessee	Crescent Electric, LLC	Terms	Net
Transaction Type	Contract	Term	5 years

Leased Space

Property Type	Industrial	Tenant Improvements
SF Leased	6,600	Expense Recoveries
Building Class		
Floor Location	Main Level	

Notes

Building has one recessed dock and 6-14' overhead doors. The lease space is ~1,500-1,700 square feet show room 600- 800 square feet of mezzanine. CPI is to be added at the end of five years.

Lease Comparable 2



Transaction

ID	21	Date	4/1/11
Address	7667 South International	Rent Measure	Per SF
City	Columbus	Rent	\$7
State	Indiana	Concessions	
Market	Columbus	Effective Rent	6.6
Lessor	Pintail Investments	Rent Steps	6% every two years
Lessee	Bradford Soap Company	Terms	Net
Transaction Type	Contract	Term	10 years

Leased Space

Property Type	Industrial	Tenant Improvements	
SF Leased	40,000	Expense Recoveries	
Building Class			
Floor Location	Main Level		

Notes

Building is 200'x200' and is 100% air conditioned. 2,000 square feet is in office and restrooms, 22' eave, four truck docks, lease has 3-5 year renew als after the end of this ten year term.

Lease Comparable 3



Transaction

ID	27	Date	1/1/09
Address	4775 Progress Drive	Rent Measure	Per SF
City	Columbus	Rent	\$6
State	Indiana	Concessions	
Market	Columbus	Effective Rent	6
Lessor	Russell Properties, LLC	Rent Steps	CPI
Lessee	Unknown	Terms	Net
Transaction Type	Contract	Term	5 years

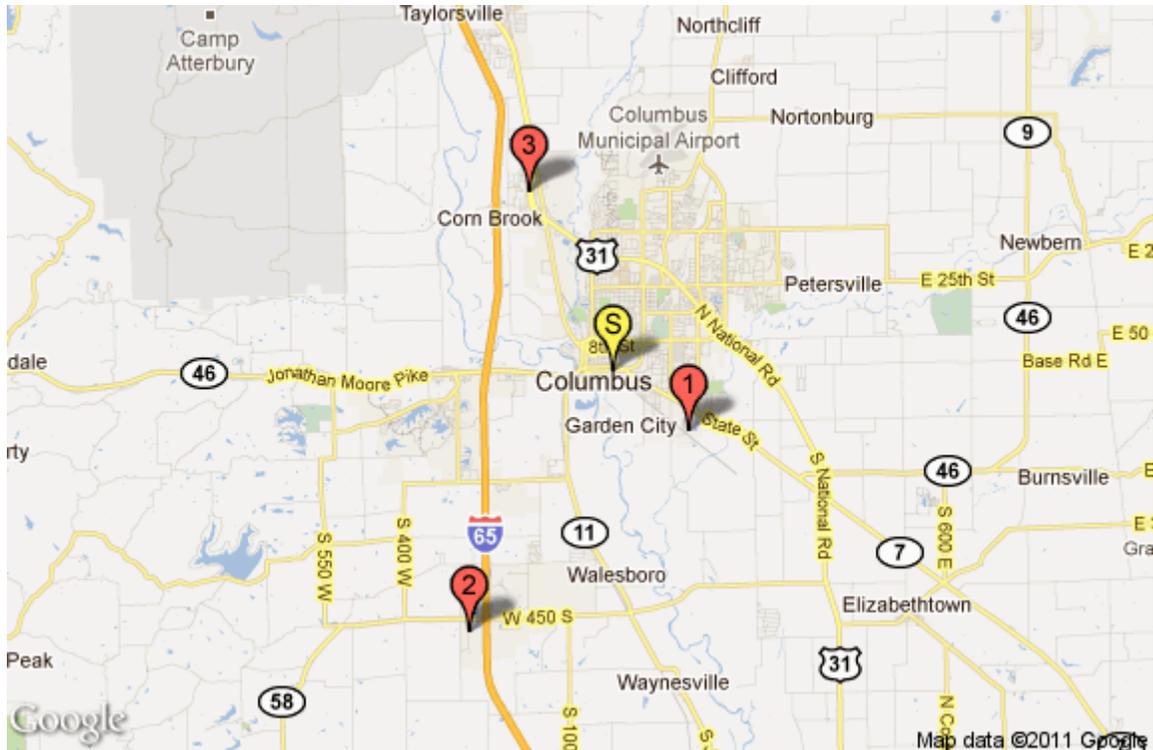
Leased Space

Property Type	Industrial	Tenant Improvements	
SF Leased	22,353	Expense Recoveries	
Building Class			
Floor Location	Main level		

Notes

Building contains 19,739 square feet of industrial space and 1,307 square feet of industrial office and 1,307 of mezzanine storage. Building has two truck docks.

Comparables Map



Analysis Grid

The above rentals have been analyzed and compared with the subject property. I have considered adjustments in the areas of:

- Lease Terms
- Conditions of Lease
- Other
- Economic Trends (time)
- Location
- Physical Characteristics

On the following page is a rental comparison grid displaying the subject property, the comparables and the adjustments applied.

Lease Analysis Grid		Comp 1	Comp 2	Comp 3	
Address	831 2nd	950 South Marr Road	7667 South International Drive	4775 Progress Drive	
City	Columbus	Columbus	Columbus	Columbus	
State	Indiana	Indiana	Indiana	Indiana	
Lessee		Crescent Electric,	Bradford Soap Company	xxxx	
Date	8/31/2011	6/1/2011	4/1/2011	1/1/2009	
Effective Rent		\$5.50	\$6.60	\$6.00	
Rent Measure		Per SF	Per SF	Per SF	
Terms		Net	Net	Net	
Term		5 years	10 years	5 years	
SF Leased		6,600	40,000	22,353	
Transaction Adjustments					
Conditions of Lease		Normal	0%	Normal	0%
Other		Similar	0%	Similar	0%
Adjusted Rent		\$5.50	\$6.60	\$6.00	
Market Trends/Year	2.0%	0.5%	0.8%	5.4%	
Adjusted Rent		\$5.53	\$6.65	\$6.32	
Expenses		\$0.00	\$0.00	\$0.00	
Adjusted Rent		\$5.53	\$6.65	\$6.32	
Location	Average	Good	Good	Good	
% Adjustment		0%	0%	0%	
\$ Adjustment		\$0.00	\$0.00	\$0.00	
Condition	Average	Average	Average	Excellent	
% Adjustment		0%	0%	-15%	
\$ Adjustment		\$0.00	\$0.00	-\$0.95	
SF Leased	15760	6600	40000	22353	
% Adjustment		-10%	15%	10%	
\$ Adjustment		-\$0.55	\$1.00	\$0.63	
Ceiling Height	20	16	22	19	
% Adjustment		5%	0%	0%	
\$ Adjustment		\$0.28	\$0.00	\$0.00	
Loading Docks	Yes/1	Superior	Superior	Superior	
% Adjustment		-5%	-5%	-5%	
\$ Adjustment		-\$0.28	-\$0.33	-\$0.32	
% Office	11	32	5	6	
% Adjustment		-10%	10%	10%	
\$ Adjustment		-\$0.55	\$0.67	\$0.63	
Other	Geothermal	Average	100% AC	Average	
% Adjustment		10%	0%	10%	
\$ Adjustment		\$0.55	\$0.00	\$0.63	
Adjusted Rent		\$4.97	\$7.99	\$6.96	
Net Adjustments		-9.6%	21.0%	16.0%	
Gross Adjustments		40.7%	31.1%	58.1%	

Comparable Rent Adjustments

Conditions of Lease

All leases were arm's length lease agreements. No adjustment was necessary for conditions of any of the lease agreements.

Economic Trends

According to information provided by local commercial brokers, owners and other real estate appraisers, it appears as though leases have at least a minimum 2% annual increase. Therefore all leases were adjusted 2% per year based upon the date of the lease agreement and the date of the appraisal. Adjustments were made accordingly.

Type of Lease/Expense Structure

All leases utilized were net lease agreements. A net lease is an agreement in which the tenant pays almost all ownership expenses with the exception of management fees and reserves for replacement.

Location

All lease comparables had similar locations. No adjustments were made nor believed to be necessary.

Condition

Comparable #3 was adjusted downward to reflect its newer construction and condition in comparison with the subject property.

Square Footage Leased

Economy of scale adjustments were made to reflect differences in leased area sizes. Comparable number one had a smaller rental area while the remaining comparables were leases of larger buildings.

Ceiling Height

The subject property has a 20' ceiling clearance. Comparable number one has a 16' ceiling clearance which required an upward adjustment to be comparable with the subject property.

Loading Docks

The subject property has two overhead garage doors and one actual recessed loading dock. The comparable sales utilized all had more overhead doors and loading docks. All lease rates were adjusted downward by 5% to account for the lack of additional docks at the subject property.

% Office

The subject property has 11% of its overall space in office space. Sale number one had more office/showroom space while the remaining comparables had less space. Adjustments were made accordingly.

Other

The subject property has a geothermal heating and cooling system. Geothermal is an energy saving system and is costly to install. An adjustment was applied to all lease comparables to reflect the lower cost of operation with a geothermal system – however an

offsetting adjustment was applied to comparable 2 to reflect the fact it was 100% air conditioned.

Market Rent Reconciliation

Based on the above analysis, I have reconciled to a market rent of \$6.00, as of August 31, 2011, for the subject.

Summary of Market Rent

The table below summarizes the market rent estimates for the subject, organized by space type.

Market Rent by Space Type					
Space Type	Rent	Increases	Type	Term	Notes / Concessions
Industrial	\$6.00	2% at renewal	Net	5 years	Increase is at lease renewal

Vacancy and Collection Loss

Based on a review of market conditions and the subject's operating history I have projected vacancy and collection loss at 15.00%.

Expenses Analysis and Projection

Real Estate Taxes

As the proposed market rent is based upon a net lease arrangement the tenant would be responsible for the real estate taxes.

Insurance

All insurance charges are covered by the tenant in a net lease arrangement.

Utilities

All utilities are the responsibility of the tenant.

Repairs & Maintenance

Repairs and maintenance is a tenant expense in a net lease arrangement.

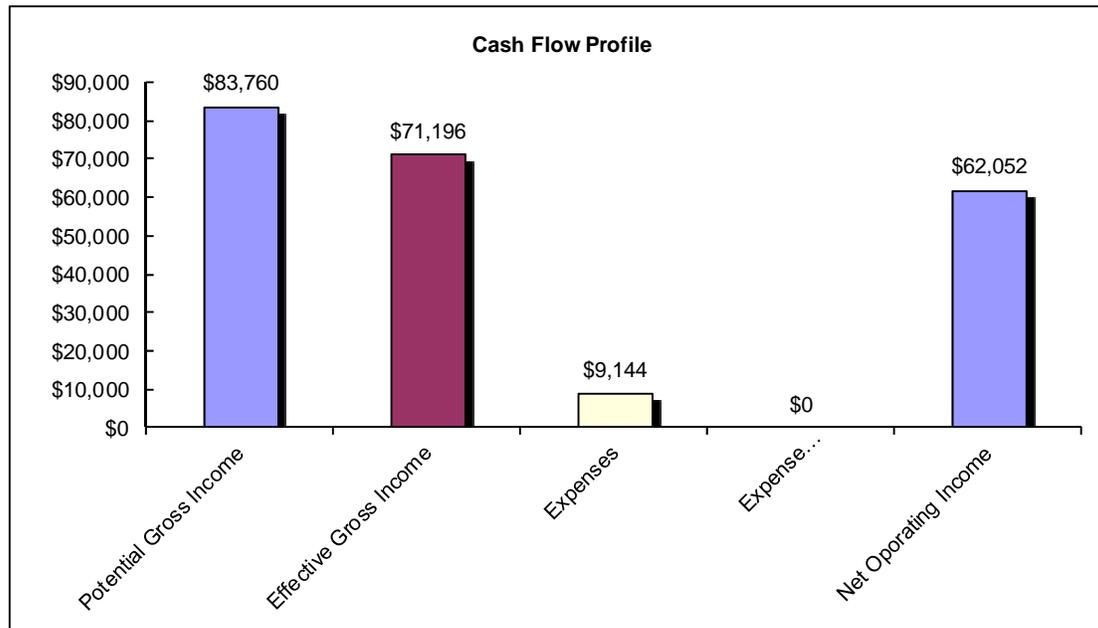
Management

The cost of management is borne by the lessor. A management fee of 5% was used for projection purposes and believed to be a market rate for a single tenant industrial building.

Reserves

Reserves for replacement were estimated to be \$.40 per square foot based upon the current condition of the property. Realtyrates.com provides estimated reserve

requirements for industrial property ranging from a low of \$.22 per square foot to \$.60 per square foot with an average reserve rate of \$.40.



Cash Flow	Potential Gross Income	Effective Gross Income	Expenses	Exp. Reimbursements	NOI
Amount	\$83,760	\$71,196	\$9,144	\$0	\$62,052

Capitalization Rate

The capitalization rate is the factor that converts the stabilized net operating income (NOI) to a present value. It is the ratio of net income to value or sale price.

$$\text{NOI} \div \text{Sale Price} = \text{Capitalization Rate}$$

For example, if a property sells for \$500,000, and has a stabilized NOI of \$50,000, the indicated capitalization rate is 10%.

Band of Investment

This technique utilizes lender and real estate investor investment criteria to develop, or synthesize a capitalization rate. There are four key inputs necessary for this method:

1. The loan-to-value ratio (M)
2. The mortgage interest rate (i)
3. The loan term (n)
4. The equity cap rate or equity dividend rate (R_E)

The mortgage variables are used to build the mortgage constant (R_M), which is the total amount of the payments made in one year, expressed as a percentage of the original loan amount.

$$\text{Payments} \times 12 / \text{Original Loan Amount} = \text{Mortgage Constant } (R_M)$$

The equity cap rate is the annual return to the investor, expressed as a percent of the original amount invested. The annual return to the investor is also known as the equity dividend rate; it is the profit remaining after debt service and all other expenses.

$$\text{After Debt Service Profit} / \text{Equity Investment} = \text{Equity Cap Rate } (R_E)$$

Note that the equity cap rate is not the same (usually, that is) as the equity yield rate. The equity yield rate reflects the total return to the investor over the life of the investment. Factors such as appreciation and mortgage pay down affect and usually increase this return to a point higher than the equity dividend rate. In markets where substantial appreciation is expected, investors will often accept a low or even negative equity dividend rate, anticipating a compensating payoff when the property is eventually sold. In markets where little appreciation is expected, much more weight is given to the annual equity dividend.

Formula:

$$\begin{aligned} R_M \times M &= \text{rate} \\ R_E \times (1-M) &= \text{rate} \\ &= \text{Cap Rate } (R_o) \end{aligned}$$

Debt Coverage Ratio Analysis

This technique develops a capitalization rate based on typical mortgage terms. There are four variables necessary for this method:

1. The loan-to-value ratio (M)
2. The mortgage interest rate (i)
3. The loan term (n)
4. The debt coverage ratio (DCR)

Items 1 through 3 are discussed above under the Band of Investment section. In this method it is also used to develop the mortgage constant (R_M). The debt coverage ratio is the factor by which income exceeds debt on an annual basis.

Formula:

$$\begin{aligned} \text{Debt Coverage Ratio} \times \text{Loan to Value Ratio} \times \text{Mortgage Constant} &= R_o \\ \text{or: } \text{DCR} \times M \times R_M &= R_o \end{aligned}$$

I have researched mortgage rates and terms typical for the subject within the market area. The table below details the Band of Investment and Debt Coverage Ratio Analyses calculations.

Capitalization Rate Calculations

Capitalization Rate Variables

Mortgage Interest Rate	5.95%
Loan Term (Years)	20
Loan To Value Ratio	70.0%
Debt Coverage Ratio	1.5
Equity Dividend Rate	12.50%

Band of Investment Analysis

Mortgage Constant		Loan Ratio	Contributions
0.085625943	x	70.0%	= 5.99%
Equity Dividend Rate		Equity Ratio	
12.50%	x	30.0%	= 3.75%
Band of Investment Capitalization Rate			9.74%

Debt Coverage Ratio Analysis

Debt Coverage Ratio x Loan to Value Ratio x Mortgage Constant			
1.5	x	0.7	x 0.0856259428763479 = 8.99%
Debt Coverage Ratio Capitalization Rate			8.99%

Survey Data

Realtyrates.com provides the following survey information regarding overall rates and equity dividend rates for industrial property throughout the United States for the 2nd Quarter of 2011.

RealtyRates.com INVESTOR SURVEY - 3rd Quarter 2011*						
INDUSTRIAL - ALL TYPES						
Item	Input					OAR
Minimum						
Spread Over 10-Year Treasury	0.83%	DCR Technique	1.15	0.057290	0.80	5.27
Debt Coverage Ratio	1.15	Band of Investment Technique				
Interest Rate	4.00%	Mortgage	80%	0.057290	0.045832	
Amortization	30	Equity	20%	0.075200	0.015040	
Mortgage Constant	0.057290	OAR				6.09
Loan-to-Value Ratio	80%	Surveyed Rates				5.78
Equity Dividend Rate	7.52%					
Maximum						
Spread Over 10-Year Treasury	5.85%	DCR Technique	2.15	0.121855	0.50	13.10
Debt Coverage Ratio	2.15	Band of Investment Technique				
Interest Rate	9.02%	Mortgage	50%	0.121855	0.060927	
Amortization	15	Equity	50%	0.166000	0.083000	
Mortgage Constant	0.121855	OAR				14.39
Loan-to-Value Ratio	50%	Surveyed Rates				13.67
Equity Dividend Rate	16.60%					
Average						
Spread Over 10-Year Treasury	2.78%	DCR Technique	1.50	0.078033	0.70	8.21
Debt Coverage Ratio	1.50	Band of Investment Technique				
Interest Rate	5.95%	Mortgage	70%	0.078033	0.054565	
Amortization	24	Equity	30%	0.125140	0.037634	
Mortgage Constant	0.078033	OAR				9.22
Loan-to-Value Ratio	69.9%	Surveyed Rates				10.24
Equity Dividend Rate	12.51%					

*2nd Quarter 2011 Data

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Capitalization Rate Conclusion

Based upon information provided by the band of investment technique, market transactions, and national survey data, it is believed that an overall rate of 10% is applicable.

Capitalization to Value

Income Capitalization Analysis						
Unit/Space Type	Income	Method	Units/SF	Annual	% of PGI	
Industrial	\$6.00	\$/SF/Year	13,960	\$83,760.00	100.0%	
				Potential Gross Income:	\$83,760	100.0%
				Vacancy & Collection Loss	15.00%	\$12,564
				Other Income:	\$0	
				Effective Gross Income (EGI):	\$71,196	85.0%
Expense	Amount (% or \$)	Method	Annual	\$/SF		
Taxes	\$0	\$/Year	\$0	\$0.00		
Insurance	\$0	\$/Year	\$0	\$0.00		
Utilities	\$0	\$/Year	\$0	\$0.00		
Repairs/Maintenance	\$0	\$/Year	\$0	\$0.00		
Misc./Other	\$0	\$/Year	\$0	\$0.00		
Management	5%	% of EGI	\$3,560	\$0.26		
Reserves	\$0	\$/SF	\$5,584	\$0.40		
			Total Expenses:	\$9,144	\$0.66	
			Expense Ratio (Expenses/EGI):	12.84%		
			Expense Reimbursements:	\$0		
			Net Expense Ratio	12.84%		
			Net Operating Income (NOI):	\$62,052	\$4.45	
			Capitalization Rate:	10.00%		
			Value (NOI/Cap Rate):	\$620,522	\$44.45	
			Rounded:	\$620,000	\$44.41	

Direct Capitalization Analysis Conclusion

Based on the above analysis detailed above, as of August 31, 2011 I have reconciled to a direct capitalization approach value of:

\$620,000
Six Hundred Twenty Thousand Dollars

Final Reconciliation

The process of reconciliation involves the analysis of each approach to value. The quality of data applied the significance of each approach as it relates to market behavior and defensibility of each approach are considered and weighed. Finally, each is considered separately and comparatively with each other.

Value Indications

Sales Comparison Approach:	\$560,000
Income Approach:	
Direct Capitalization	\$620,000

Sales Comparison Approach

The sales comparison approach is weakened by the lack of comparable sale transactions in the local market. Three sales were utilized in developing the sales comparison approach. After adjustments the comparables provided a value range from a low of \$38.84 to a high of \$40.16 with an average of \$39.28 per square foot. Based upon the location and quality of the building a price per square foot of \$40.00 was applied which resulted in a value indication of \$560,000.

Income Approach – Direct Capitalization

Since the subject property is a single tenant industrial building – lease rates for single tenant industrial buildings were utilized for comparison. The lease rates were fairly recent transactions and well supported by market data. In order to value the property by the income approach a stabilized lease rate of \$6.00 was applied. Under a net lease agreement most all of the properties operational expenses pass through to the tenant with the exception of management fees and reserves for replacement. The overall capitalization rate applied was well supported by market data, band of investment calculations and national surveys. The income approach will be given the most consideration in the final value estimate.

Value Conclusion

Based on the data and analyses developed in this appraisal, I have reconciled to the following value conclusion(s), as of August 31, 2011, subject to the Limiting Conditions and Assumptions of this appraisal.

Reconciled Value(s): Premise: As Is
Interest: Fee Simple
Value Conclusion: \$620,000
Six Hundred Twenty Thousand Dollars

Certification Statement

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

- The statements of fact contained in this report are true and correct.
- 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.
- I have no present or prospective future interest in the property that is the subject of this report, and have no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report, or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).
- No one provided significant real property appraisal assistance to the person(s) signing this certification.
- I certify sufficient competence to appraise this property through education and experience, in addition to the internal resources of the appraisal firm.
- The appraiser has performed the following prior services regarding the subject within the previous three years of the appraisal date: the subject site was valued for the Columbus Downtown Development on January 6, 2009. The scope of the previous appraisal was to appraise the land as though free and clear of encumbrance and ready for development.
- Belinda Graber has made an inspection of the subject property.



Belinda Graber,
Certified General Appraiser
Indiana-CG69100736

Addenda

QUALIFICATIONS OF THE APPRAISER

**BELINDA A. GRABER
APPRAISERS, INC.
50 WASHINGTON STREET, SUITE 3B
COLUMBUS, INDIANA 47201
(812) 372-9391**

EDUCATION

Bachelor of Arts Degree, Indiana University

Realtors National Marketing Institute

*CI 101 Commercial Investment

Appraisal Institute

*Examinations #1A1 and #1A2

*Capitalization Theory & Techniques Part A

*Capitalization Theory & Techniques Part B

*Case Studies

*Report Writing and Valuation Analysis

*Standards of Professional Practice

*Real Estate Appraisal Principles

*Business Valuation I & II

*Real Estate Risk Analysis

*Appraising From Blueprints and Specifications

*Appraising Residential Subdivisions

*Narrative Report Writing

*Highest & Best Use and Market Analysis

*Advanced Sales Comparison & Cost Approaches

*Valuation of Detrimental Conditions in Real Estate

*Automated Valuation Models

*Appraisal Office Management

*Appraising Special-Purpose Properties: Challenges of Limited Markets

*Recently passed comprehensive exam for MAI

Real Estate Securities & Syndication Institute

*Course #101

*Course #201

Indiana University

*Real Estate Finance & Investment Analysis

New York University

*Hotel-Motel Market Studies, Feasibility Analysis and Valuations

QUALIFICATIONS OF THE APPRAISER – (cont.)

LICENSES AND MEMBERSHIPS

Indiana Certified General Appraiser (CG69100736)
Real Estate Broker, State of Indiana (PB51438624)
Columbus Board of Realtors
MIBOR
IRED
Indiana Association of Realtors
National Association of Realtors
Associate Member – Appraisal Institute – MAI Candidate

EXPERIENCE

March 1985 - Present
Appraisers, Inc. - Real Estate Appraisal Company
President & Chief Real Estate Appraiser

November 1984 - March 1985
Breedon, Inc. - Realtors-Developers
Chief Real Estate Appraiser

August 1983 - November 1984
Don R. Scheidt & Company, Inc.,
Commercial Real Estate Appraiser

TYPES OF PROPERTY APPRAISED

- *Single and Multi-Family Residences
- *Retail Stores
- *Mobile Home Parks
- *Apartment Projects
- *Residential and Industrial Subdivisions
- *Medical, Dental Clinics
- *Nursing Homes
- *Office Buildings
- *Industrial Properties
- *Service Stations
- *Shopping Centers
- *Motels and Hotels
- *Theaters
- *Vacant Land
- *Various Commercial Specialty Property
- *Special Use Properties

QUALIFICATIONS OF THE APPRAISER – (cont.)

- *Mortgage Loan Financing
- *Review Appraisals
- *Employee Relocation
- *Estate Valuations
- *Divorce
- *Internal Decision Making
- *Feasibility Studies
- *Eminent Domain

References, Transcripts and Appraisal Work Examples available upon request.



Pope, Heather

From: Eric Frey <ericfrey@aracities.org>
Sent: Friday, February 15, 2013 9:25 AM
To: Pope, Heather
Cc: Gamso, Stan; Brown, Kristen; Trena Carter
Subject: ARa Agreement - REMC Grant

Heather,

After your update regarding new considerations and options for the REMC site that may impact the demolition grant, I would like to request that the Redevelopment Commission table our contract until some of those issues are addressed. I don't think it makes sense to consider a contract that would might be have to amended or terminate if the grant conditions change or the grant is deobligated.

Thanks,

Eric A. Frey, II

Executive Director
Administrative Resources association
748 Franklin
Columbus, Indiana 47201
Phone: 812-376-9949
Cell: 812-343-7990

