

**GENERAL AREA ANALYSIS****(FERRO 3)**

The subject property is located in the city of Great Falls, Cascade County, Montana. Great Falls is located in north central Montana, approximately 100 miles south of the Canadian border. It serves as a dominant economic and cultural center for north central Montana, and serves a ten county area. The city of Great Falls is the main governmental, financial, retail and service center in north central Montana. The ten county area, which Great Falls services, has a fairly stable economic base centered around agriculture. Great Falls draws many Canadian shoppers, thereby benefiting both our retail and hospitality industries. Some growth is anticipated in the retail and hospitality industries. The agricultural industry is uncertain at this time due to statewide drought conditions.

According to the official census of 2000, Great Falls has a population of 56,690, which is an increase of 2.9% from the 1990 U.S. Census; Cascade County has a population of 80,357, which shows an increase in population in Cascade County of 3.43% from the 1990 U.S. Census. The city accounts for approximately 70% of the County's population. It is the opinion of community leaders that the population of Great Falls has stabilized, and there should be slow growth in population. It is my opinion that the populations of Great Falls and Cascade County should show slow growth into the foreseeable future.

The economic base for Great Falls is centered around government, wholesale and retail trade, and services industries. Malmstrom Air Force Base is the largest local employer. Other major employers in the city include Benefis Health Care, the University of Great Falls, city government and public schools. Malmstrom Air Force Base has had wide fluctuations in military strength and civilian employment in the past, which has had a major impact on the Great Falls economy. The Base Closure Commission elected to relocate Malmstrom's refueling mission with nearly 700 military personnel transferring to another base; however, a civil engineering mission with approximately 282 active duty personnel has replaced the refueling unit at Malmstrom. This mission has lessened the impact created by the loss of the refueling unit. The Pentagon downgraded Minuteman III missiles to single warheads and eliminated Minuteman R missiles, which includes nearly two-thirds of those missiles supported by Malmstrom Air Force Base. However, the Minuteman II missiles are being replaced with reconfigured Minuteman III missiles, and the base will have 300 Minuteman III missiles. The Pentagon announced their long-term plan which calls for 450 to 500 Minuteman III missiles. If the final figure is placed at 500 missiles, the existence of Malmstrom Air Force Base appears to be secure. Even 450 missiles bodes well for the base. The missile wing has not been affected by the Base Closure Commission; however, there remains some uncertainty whether the Base will be closed during the next round of base closures.

There has been activity in the construction of commercial properties, particularly retail stores. Wal-Mart Stores, Inc. constructed a 135,000 square foot Sam's Club warehouse and a super store on the Northwest Bypass. Construction of several retail stores in the Marketplace Subdivision has been completed and includes Barnes & Noble, Office Max, Petco, Pier I Imports, a 10 theater complex, several smaller retail stores, including a Quizno's sandwich shop. Old Navy, Michael's and Famous (FERRO 3) Shoes have constructed stores in the Marketplace Subdivision, as well; Home Depot, Denver Mattress and Furniture Row have

also constructed big box stores in this area. There is a McDonald's fast food restaurant and a branch of First Interstate Bank in the subdivision. Great Falls Clinic has a medical clinic adjacent to McDonald's. There is a small strip retail complex that is partially occupied between the Great Falls Clinic and First Interstate. Additional construction in the area includes the Golden Corral (buffet-style) restaurant, Tony Roma's restaurant, Howard's Pizzeria and the Crossroads Memorial Church. Both Hampton Inn and Holiday Inn Express have constructed motels in the subdivision. The recent construction has strengthened Great Falls' position as a regional shopping destination.

Pasta Montana, constructed in northeast Great Falls, has an employment of approximately 100 people. In conjunction with the pasta plant General Mills constructed a \$12 million dollar addition that provides flour directly to the pasta plant. The pasta plant is the first new large industrial property to be constructed in Great Falls in a decade. A new barley malting plant is being constructed north of Great Falls that will provide 35+ permanent jobs. It is also expected to create spin off industrial businesses that can take advantage of a commodities industrial park being constructed in conjunction with the malting plant. Most of the existing industrial properties are older shop/warehouse facilities, many of which were constructed to provide services to the smelter when it was in operation. The entire industrial segment of the Great Falls market has been stable for the last ten years. American Ethanol plans to construct a \$100 million plant northeast of Great Falls. Construction was scheduled to begin in late 1994 with full operation by the spring of 1996; however, financing has not been completed, and construction is pending. The plant is projected to create 100 permanent jobs and 450 construction jobs.

Columbus Hospital and Montana Deaconess Medical Center merged into one medical center known as Benefis Health Care, with east and west campuses. The east campus is the acute care facility, and the west campus is the long-term care facility. Benefis constructed a \$5.3 million office building on the 400 block of 13th Avenue South near its west campus. Both Great Falls Clinic and Benefis Health Care are constructing cancer centers, further strengthening Great Falls as a major medical center in north central Montana. An independent outpatient surgical center and medical office building were recently constructed on Ninth Street South, and a second medical office building is proposed to be constructed across the street from the surgery center. Centene Corporation, which is a nationwide company that processes medical claims, is constructing an office building within the medical corridor. This company is expected to employ around 250 people.

Days Inn, Comfort Inn and Fairfield Inn constructed motel facilities in the late 1990's, which facilities added about 190 rooms to the city's lodging market. A 45-room hotel near Benefis (east) was constructed in 1993. This hotel caters to the hospital's out-of-town patients and their families, as well as to the general public. Recent motel additions to the city include LaQuinta Inn and Extended Stay America motels in the Broadwater Bay Business Park, and the Crystal Inn motel off of the 1-90 airport interchange. Most of the new retail outlets have been constructed on either the west side or Tenth Avenue South commercial strips, causing a negative effect to the central business district. With the relocation of Sears to the Tenth Avenue South commercial strip and the closing (FERRO 4) of the Bon Marche Department Store, there are no anchor stores remaining in the central business district.

The central business district contains all of the financial institutions and most of the larger office buildings. There is an oversupply of low quality office space in Great Falls; however, good quality office space has a high occupancy rate. The demand for higher quality space has been good, causing the renovation of some older buildings into good quality offices. There is a sufficient supply of older buildings capable of being renovated; thus, the likelihood of constructing new office buildings is limited for the near future. The general trend for the central business district is considered to be static. America's Mortgage Servicing, Inc. opened its western regional office in the vacant Sears building that was remodeled into office space. National Electronics Warranty (NEW) opened a warranty service call center with approximately 300 employees in the renovated U.S. West office building located in the central business district. NEW also purchased the former Bon building, and has renovated it into office space for 350 to 500 employees. The added employment is beneficial to the central business district. This offsets somewhat the negative effect of the lack of department stores in the central business district.

The single family housing market has seen considerable activity in sales of pre-existing homes and new construction. Both prices and numbers of homes sold have increased significantly in the past few years. New single-family home construction has consisted primarily of custom-built homes in the price range of \$150,000+. Speculative construction by homebuilders is static. I believe the housing market in Great Falls is improving, and is expected to continue improving into the foreseeable future. It is my opinion that new construction will also remain stable into the foreseeable future.

The general attitude of Great Falls is that the city is building on its successes of the 1990's. The construction of new retail stores, motels, the pasta plant, the malt barley plant, the location of the regional offices of America's Mortgage Servicing, Inc., NEW and Centene Corporation, as well as the proposed construction of an ethanol refinery have given a boost to the general economy of the city. It is my opinion therefore that the city's role as a regional retail and service center will continue into the near future, and will help the city maintain a stable economic base. The trend for the economic future of Great Falls appears to be stable to slow growth.

### **NEIGHBORHOOD ANALYSIS**

The subject property is located east of 20th Street South, between 19th and 20th Avenues South, adjacent to the College of Technology on its southern border. For appraisal purposes a neighborhood is defined in terms of common characteristics, trends and groupings of complementary uses. The subject neighborhood is bounded by Tenth Avenue South on the north, 24th Avenue South on the south; 32nd Street South on the east and 20th Street South on the west. The subject neighborhood contains the east campus of Benefis Medical Center, the Great Falls Clinic and its (FERRO 5) surgery center, the McLaughlin Research Center, University of Great Falls (UGF) and MSU- Great Falls College of Technology. Both the Great Falls Clinic and Benefis Medical center are constructing cancer treatment centers north of the subject site. Centene Corporation recently purchased 24+ acres across 26th Street South from the subject, and is developing a medical claims and day care center on approximately 8 acres of the site. Their long-term goal is to create a campus for medically related business facilities. The city of Great Falls also purchased an additional 10 acres adjacent, and west of

the Centene site for future development. Forest Glenn, LLC, recently purchased 20 acres across 26th Street South from the subject property for a patio home planned unit development. The overall trend for the neighborhood is for steady to strong growth into the near future, particularly with medically related facilities.

## SITE ANALYSIS

The following site description is based on inspections of the subject property and data in the Public Records.

### Location and Site Description

The subject site is located on the east side of 20th Street South, between 19th and 20th Avenues South, and is adjacent to the southerly border of MSU-Great Falls College of Technology. The subject site is legally described as: Lot 2, Block 1, Lots 1 and 2, Block 3, and Lot 1, Block 4 of the Vo Tech Addition to the City of Great Falls, Cascade County, Montana. Lots 1 and 2, Block 3 are separated by 19th Alley South and from Lot 1, Block 4 by 20th Avenue South. Both of the lots in Blocks 3 and 4 are separated by 20th Street South. None of the streets nor the alley is currently developed. **I've been instructed by my client to appraise the subject property under the hypothetical condition that the three separate parcels are to be considered contiguous, even though they are separated by streets and alley.** Although the subject site is considered to be a contiguous parcel, no value will be given to the land contained in the dedicated roadways and alley.

The total areas of the individual lots are:

Lot 2, Block 1: 513,877+ square feet;

Lot 1, Block 3: 10,756+ square feet;

Lot 2, Block 3: 10,862+ square feet;

Lot 1, Block 4: 5,080+ square feet

The total combined area of the site equals 540,575+ square feet, or 12.41+ acres.

### Zoning and Utilities

The subject site is located within the city limits. Under the recently enacted zoning regulations the subject site is zoned "Public Lands and Institutions (PLI)," which zoning allows for (FERRO 6) the development of commercial property by either public or private entities in support of stand-alone or existing institutional uses. PLI zoning in the subject neighborhood is designed primarily in support of educational and medical facilities. Although the subject property is within the city limits, the property owner would have to pay for the extension of the existing sewer and water lines currently located in 19th Avenue South and 19th Alley South, as well as the extension of the water line located in the proposed extension of 23rd Street South. Power is provided Northwestern Energy and natural gas is provided by Energy West; municipal services are provided by the City of Great Falls.

### Easements

There are no easements on the subject property, except for the aforementioned streets and alley that separates Blocks 1, 3 and 4.

### **Drainage and Soil Conditions**

The subject site is generally level with a slight slope from the southeast to the northwest and some slight swales throughout the site; drainage appears to be adequate. A visual inspection of the site did not reveal any unusual soil conditions or hazardous waste materials that may be present on or under the site. A Phase I Environmental Assessment was not provided to me. Thus, I cannot comment on actual soil conditions or the existence of hazardous wastes, if any, on/under the site. I am not an expert in detecting hazardous materials that may be present on/under the site, which materials may affect the value of the property. The value estimate is predicated upon the assumption that there is no such material on the property. Any such environmental risk discovered at a later date may require a revised estimate of value that may or may not be simply a reduction of the value by the estimated cost to cure the environmental condition. Properties known to have environmental risk may also carry a stigma in the marketplace that may or may not affect the value. If future soil tests should reveal the existence of any unusual soil conditions or hazardous wastes, I reserve the right to review and adjust my appraisal accordingly.

### **Access and Street Improvements**

As of the writing of this report, the subject site has access from 19th and 20th Avenues South, which dead-ends into the subject's Lot 2 and fronts on the lots in Blocks 3 and 4. None of the roads fronting the subject property are improved at the present time. Twenty-Third Street South, which borders the subject's Lot 2, Block 1 on the east, is being extended along the eastern edge of the subject property as part of the Centene Development. Upon development of the subject site, the property owner will be required to pay his proportionate share of the cost of developing a roadway, as well as extension of the sewer and/or water contained within the roadway easement. (FERRO 7)

## **IMPROVEMENT ANALYSIS**

### **Description of Improvements**

At the time of inspection the subject site was vacant.

### **PROPERTY OWNERSHIP**

According to the County Assessor's records, the current owner of record is the High School District "A" of Cascade County, which acquired the property from the College of Great Falls, as recorded in reel 98, document 1525 on 6/17/75 in the Clerk and Recorder's office of Cascade County, Montana.

### **HIGHEST AND BEST USE**

In estimating the site's highest and best use, legal controls, such as zoning, must be considered, along with investor attitudes and the financial feasibility of the alternative uses. Major types of real estate uses, consisting of agricultural, residential, recreational, industrial, commercial and public use, were analyzed.

The subject site is currently zoned PLI by the City, which zoning allows most commercial development that is a stand-alone institution or used in support of other private or public institutions. The subject's location adjacent to MSU-Great Falls College of Technology and near the medical corridor, the University of Great Falls and McLaughlin Research Center, makes this site suitable for development in support of any of these existing institutions. Based on the subject's current zoning and its proximity to existing institutions, it is my opinion the highest and best use of the subject site "as vacant" is for development in support of academic or medically-related facilities in the subject neighborhood. The highest and best use applies to the entire ownership based upon the hypothetical condition that all of the parcels are contiguous.

### **SCOPE OF THE APPRAISAL**

To arrive at an estimate of market value for a given property, it is necessary to gather as much information from the market as possible. The first step in the information gathering process is to obtain as much information as possible on the subject property. This is done through a physical (FERRO 8) inspection of the subject property and a search of public records to ascertain physical characteristics of the property, ownership and any transfers that may have taken place in the recent past.

Once the appraiser is familiar with the subject property market data information is then gathered to assist the appraiser in estimating the subject property's market value via the three approaches to value: the Cost, Sales Comparison and the Income Approaches. Since the subject site is vacant land, the only approach to value that will be considered is the Sales Comparison Approach.

The Sales Comparison Approach analyzes comparable sales of similar properties as a basis for an indication of value for the subject property. The sales are analyzed to find several meaningful factors, such as price per square foot, price per acre and/or price per lot. The unit of comparison I will use is the price per square foot. The comparable sales differ from the subject in various ways, such as location, size, corner influence, time of sale, physical characteristics and amenities. The dissimilarities are adjusted for by adding to the price of the comparable when it is inferior to the subject, and conversely, subtracting from the price of the comparable when it is superior to the subject.

In practice it is very difficult to isolate each factor and accurately assess the amount of adjustment required for each item. In most areas there is simply not sufficient data; therefore, it is necessary for an appraiser to use subjective judgment when analyzing each sale. When analyzing comparable data, there are several generalities that typically can be applied:

1. Value tends to increase per unit of comparison as the size of the parcel decreases.

2. Value tends to increase with zoning density.
3. Value tends to increase as the distance to the main commercial center decreases.
4. Value tends to increase with amenities, such as views or desirable frontage.
5. Value tends to increase as site improvements increase.

### **SALES COMPARISON APPROACH**

In this approach I will analyze six sales of vacant sites I consider to be comparable to the subject site. The unit of comparison I utilized is the price per square foot.

#### **Land Sale #1**

LOCATION: West side of 26h Street South, south of 17' Avenue South, Great Falls, MT  
 GRANTOR: John H. Sheffels, et al.  
 GRANTEE: Centene Corporation (FERRO 9)

RECORDING DOCUMENT: R 0093172  
 DATE OF RECORDING: 10/26/04

LEGAL DESCRIPTION: Lots 1 and 5 of the Medical Tech Park Subdivision, Cascade County, MT

LOT SIZE: 24.212 Acres = 1,054,675 Sq. Ft.  
 ZONING: County R-3  
 UTILITIES: Available upon annexation  
 TOPOGRAPHY: Slight slope  
 HIGHEST & BEST USE: Medical Commercial  
 DATE OF SALE: October, 2004  
 SALES PRICE: \$550,000  
 TERMS OF SALE: Cash

CASH EQ. PRICE: \$550,000  
 UNIT CASH EQ. PRICE: \$.52/Sq. Ft.

CONFIRMED BY: William Ferro, MAI  
 CONFIRMED WITH: Grantee  
 COMMENTS: This site is being developed as a medical claims processing center with day care facility. The annexation for 8 acres of the site is \$.14/sq. ft.; thus, the total cost, including annexation, is \$.66/sq. ft.

#### **Land Sale #2**

LOCATION: SWC of 17th Avenue South and 26th Street South, Great Falls, MT  
 GRANTOR: John H. Sheffels, et al.  
 GRANTEE: Forest Glen, LLC (FERRO 10)

RECORDING DOCUMENT: R 0072540  
 DATE OF RECORDING: 12/1/03

LEGAL DESCRIPTION: A tract of land in SEIA, Sec. 18, T20N, R4E, COS #SO04119, Cascade County, MT  
 LOT SIZE: 20 Acres = 871,200 Sq. Ft.  
 ZONING: County R-3  
 UTILITIES: Available upon annexation  
 TOPOGRAPHY: Slight slope

HIGHEST & BEST USE: Medical Commercial

DATE OF SALE: December, 2003  
SALES PRICE: \$430,000  
TERMS OF SALE: Cash

CASH EQ. PRICE: \$430,000  
UNIT CASH EQ. PRICE: \$.49/Sq. Ft.  
CONFIRMED BY: William Ferro, MAI  
CONFIRMED WITH: Grantee

COMMENTS: The purchaser plans to develop the site with patio homes. The cost of annexation is projected to be \$.14/sq. ft. The total price per sq. ft., including annexation, is \$.63.

**Land Sale #3**

LOCATION: West side of 23rd Street South, south of 10th Street South, Great Falls, MT  
GRANTOR: John H. Sheffels, et al.  
GRANTEE: City of Great Falls (FERRO 11)

RECORDING DOCUMENT: R 0093173  
DATE OF RECORDING: 10/26/04

LEGAL DESCRIPTION: Lot 3 of the Medical Tech Park Minor Subdivision, Cascade County, MT  
LOT SIZE: 10 Acres = 43 5,600 Sq. Ft.  
ZONING: County R-3  
UTILITIES: All available upon annexation  
TOPOGRAPHY: Slight slope  
HIGHEST & BEST USE: Medical Commercial  
DATE OF SALE: October 2004  
SALES PRICE: \$200,000  
TERMS OF SALE: Cash

CASH EQ. PRICE: \$200,000  
UNIT CASH EQ. PRICE: \$.46/Sq. Ft.

CONFIRMED BY: William Ferro, MAI

CONFIRMED WITH: Grantee

COMMENTS: 23rd Street was not developed as of the date of sale. The cost of annexation, including developing 23rd Street is estimated to be \$.38/sq. ft. Thus, the total cost, including annexation, is \$.84/sq. ft.

**Land Sale #4**

LOCATION: NEC of 57<sup>th</sup> Street and 3<sup>rd</sup> Avenue South, Great Falls, MT  
GRANTOR: Peter D. Bleskin & Dipper J. Ranch, LLC  
GRANTEE: Tony C. Byrd (FERRO 12)

RECORDING DOCUMENT: R 0081157  
DATE OF RECORDING: 4/26/04

LEGAL DESCRIPTION: Tracts 60 and 63, COS S-0004005, and Tracts 6 1 A and 62A, COS S-0004155, Cascade County, MT

LOT SIZE: 19.04 Acres = 829,382 Sq. Ft  
 ZONING: B-2  
 UTILITIES: Near  
 TOPOGRAPHY: Slight slope  
 HIGHEST & BEST USE: Commercial

DATE OF SALE: April, 2004  
 SALES PRICE: \$300,000  
 TERMS OF SALE: Cash

CASH EQ. PRICE: \$300,000  
 UNIT CASH EQ. PRICE: \$.36/sq. ft.

CONFIRMED BY: William Ferro, MAI  
 CONFIRMED WITH: Grantor

**Land Sale #5 (Option)**

LOCATION: Near Benefis and Great Falls Clinic medical campuses, Great Falls, MT  
 GRANTOR: Confidential  
 GRANTEE: Confidential  
 RECORDING DOCUMENT: Not recorded  
 DATE OF RECORDING: Due to close 1/1/06 (FERRO 13)

LEGAL DESCRIPTION: Confidential  
 LOT SIZE: 43.55 Acres, or 1,897,038 Sq. Ft.  
 ZONING: PLI  
 UTILITIES: Near  
 TOPOGRAPHY: Slight slope  
 HIGHEST & BEST USE: Medical

DATE OF OPTION: July, 2005  
 SALES PRICE: \$1,707,414  
 TERMS OF SALE: Cash

CASH EQ. PRICE: \$1,707,414  
 UNIT CASH EQ. PRICE: \$.90/Sq. Ft.

CONFIRMED BY: William Ferro, MAI  
 CONFIRMED WITH: Grantor

COMMENTS: This is an option to purchase that was entered into on 7/1/05. The grantor expects the option to be exercised and closed by 1/1/06.

**Land Sale #6**

LOCATION: SEC of 29th Street and 15th Avenue South, Great Falls, MT  
 GRANTOR: Emmanuel Church, a corporation  
 GRANTEE: The Great Falls Clinic Realty, LLP  
 REC. DOCUMENT: WD 298-860  
 DATE OF RECORDING: 10/17/97

LEGAL DESCRIPTION: Mark 21E, Section 17, T20N, R4E, Cascade County, MT (FERRO 14)  
 LOT SIZE: 16.73 Acres = 728,759 Sq. Ft  
 ZONING: R-2 Low Density Residential  
 UTILITIES: Adjacent to property; available upon annexation

TOPOGRAPHY: Slight slope  
 HIGHEST & BEST USE: Medical Commercial

DATE OF SALE: October, 1997  
 SALES PRICE: \$600,000  
 TERMS OF SALE: Cash  
 CASH EQ. PRICE: \$600,000

UNIT CASH EQ. PRICE: \$35,864/Acre = \$.82/Sq. Ft.  
 CONFIRMED BY: William Ferro, MAI  
 CONFIRMED WITH: Realtor and Appraiser

COMMENTS: The purchaser subdivided the site and annexed the 3.3389 acres, on which it constructed an outpatient surgery center. Subsequently the purchaser annexed the remainder of the site, upon which it is constructing a cancer center. Annexation costs for the entire site is \$.09 per sq. ft. The total price per sq. ft. for the developed site, including annexation costs, is \$.91.

In the following chart I compare the sales to the subject site. Because of the limited amount of sales data available, it is not possible to arrive at specific percentage or dollar amount adjustments for each of the elements, examined in the chart. I did make positive or negative adjustments that indicate inferior or superior comparability to the subject. (FERRO 15)

(MOE Note: *I was unable to reproduce the chart on FERRO 16 on Sept. 17. I imagine it is the most helpful data piece in the entire document and will bring copies to the meeting on Wednesday.*)

The comparable sales range from \$.36 to \$.90 per square foot. Sales #1, #2, and #3 are all located near the subject on the west side of 26th Street South. Sale #1 is the location of the new Centene facility and has frontage on 26th Street South. This property is inferior to the subject in date of sale, utilizes and size; it is superior in access due to its frontage on 26th Street South. After considering all adjustments it is my opinion this sale is similar to the subject in overall comparability. Sale #2 is adjacent to sale #1 on the north. This property is inferior to the subject in (FERRO 16) date of sale and utilities; it is superior in location due to its frontage on 26th Street South. After considering all adjustments it is my opinion this sale is similar to the subject in overall comparability. Sale #3 is adjacent to the Centene property on the west. At the time of purchase this property had no direct access to an improved street, but will have access to the extension of 23rd Street South after its completion. This property is inferior to the subject in date of sale, utilities, access and overall comparability. Sale #4 is located on 57th Street South near the air force base. This property is superior to the subject in access; inferior in date of sale, location, utilities and in overall comparability. Sale #5 is an option to purchase that I have been asked to keep confidential until its closing. This property is located within the subject neighborhood. It is inferior to the subject in size; superior in location given that it's located on the east side of 26th Street South near Benefis and Great Falls Clinic; it is also superior in access and overall comparability. Sale #6 is the current location of the Great Falls Clinic's outpatient surgery and cancer center, which is adjacent to other clinic properties. This property is considered inferior to the subject in date of sale; it is superior in location, access and overall comparability.

Based on my analysis of the sales comparables, it is my opinion the indicated price per square foot for the subject should be near the prices per square foot of sales #1 and #2, more than sales #3 and #4, but less than sales #5 and #6. In arriving at a final value estimate for the subject property I have given most weight to sales #1 and 2. The final estimated price per square foot for the subject property is \$.50.

### **CONCLUSION OF VALUE**

The final estimated value of the fee simple estate of the subject site as of the date of last inspection, September 7, 2005, is:

540,575 Sq. Ft. @ \$.50    \$270,288, rd to \$270,000

The value estimate is based on an exposure time of one year. Marketing time is projected to be the same as exposure time. The value estimate is further based on the hypothetical condition that the three separate parcels are to be considered contiguous, even though they are separated by streets and alley.

FERRO APPRAISAL SERVICES, INC.

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