

Consent Agenda

June 21, 2022

MET IN REGULAR SESSION

The Board of Supervisors met in regular session at 10:00 A.M. All members present. Chairman Wichman presiding.

PLEDGE OF ALLEGIANCE

1. CONSENT AGENDA

After discussion was held by the Board, a motion was made by Schultz, and second by Shea, to approve:

- A. June 14, 2022, Minutes as read.
- B. Amend June 9, 2022, Minutes as read.
- C. Renewal of Iowa Retail Permit Application for Cigarette/Tobacco/Nicotine/Vapor for Desoto Bend Mini Mart, Missouri Valley.
- D. Renewal of Iowa Retail Permit Application for Cigarette/Tobacco/Nicotine/Vapor for Taylor Oil Company, Inc., Council Bluffs.
- E. Renewal of Class E Liquor License (LE, granting privileges of Class B Wine Permit / Class C Beer Permit (Carryout Beer) / Class E Liquor License (LE) / Sunday Sales for Casey's Marketing Company d/b/a Casey's General Store #3205, Council Bluffs.
- F. County Treasurer – Employment of Sarah Ebke as Clerk II.
- G. Communications – Employment of Ryan Thomas as a Communications Technologist.

UNANIMOUS VOTE. Motion Carried.

2. SCHEDULED SESSIONS

Motion by Schultz, second by Shea, to approve and authorize Chairman to sign Law Enforcement Services Contracts between Pottawattamie County and the following: City of Carson, City of Crescent, City of Hancock, City of Macedonia, City of McClelland, City of Minden, City of Neola, City of Oakland, City of Treynor, City of Underwood, and City of Walnut.

UNANIMOUS VOTE. Motion Carried.

Chairman Wichman stepped down as Chair. Chairman Pro-Tem Shea presumed the Chair. After discussion was held by the Board, a motion was made by Wichman, second by Grobe, to have Jail staff will work 40 hours per week to get paid for 40 hours and that hours will be 8 AM to 4:30 PM effective July 1, 2022.

AYES: Shea, Belt, Wichman, Grobe NAYS: Schultz Motion Carried.

Chairman Wichman resumed as Chair.

Motion by Shea, second by Belt, to approve and authorize Board to sign **Planning and Zoning Resolution NO. 2022-08** entitled: Final Plat of Schmidt's Creek Phase 1 and 2, a subdivision situated in Hazell Dell Township.

PLANNING AND ZONING RESOLUTION NO. 2022-08

WHEREAS, this Board had approved the preliminary plat of **Schmidt's Creek Phase 1 and 2**, residential subdivisions situated in **Hazel Dell Township**, by approval of Planning and Zoning Resolution No. **2022-03**, dated **February 14, 2022**; and

WHEREAS the final plat and supporting documents required by Chapter 9.10 of the Pottawattamie County, Iowa, Code and Chapter 354, Code of Iowa, has been filed with this Board for its study and consideration under **Case #SUB-2021-04**; and

WHEREAS, this Board has examined the final plats and have found they are in substantial compliance with the approved preliminary plats; and

WHEREAS, after careful study, and due consideration this Board has determined that the final plat and supporting documents conform to the requirements of Chapter 9.10 of the Pottawattamie County, Iowa, Code and Chapter 354, Code of Iowa, and it has deemed it to be in the best interest of Pottawattamie County, Iowa, to approve the final plats.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF POTTAWATTAMIE COUNTY, IOWA: That the final plat of **Schmidt's Creek Phase 1 and 2**,

residential subdivisions in Pottawattamie County, Iowa, be, and the same is hereby approved as the final plats of said subdivisions.

And that the Chairman of the Board of Supervisors is hereby authorized to enter such approval upon said final plats.

PASSED AND APPROVED June 21, 2022.

| | ROLL CALL VOTE | | | |
|-----------------------|-----------------------|------------|----------------|---------------|
| | AYE | NAY | ABSTAIN | ABSENT |
| _____ | ○ | ○ | ○ | ○ |
| Tim Wichman, Chairman | | | | |
| _____ | ○ | ○ | ○ | ○ |
| Scott Belt | | | | |
| _____ | ○ | ○ | ○ | ○ |
| Lynn Grobe | | | | |
| _____ | ○ | ○ | ○ | ○ |
| Justin Schultz | | | | |
| _____ | ○ | ○ | ○ | ○ |
| Brian Shea | | | | |

Attest: _____
 Melvyn Houser, County Auditor
 Pottawattamie County, Iowa

RECORD: After Passage

Roll Call Vote: **AYES: Wichman, Belt, Grobe, Schultz, Shea. Motion Carried.**

Motion by Shea, second by Grobe, to approve and authorize Board to sign certificate of completion form 64003 to certify completion on the trail project and the segments from L34 to Weston including two bridge crossing over Mosquito Creek along Railroad Highway.
 UNANIMOUS VOTE. Motion Carried.

3. OTHER

Motion by Schultz, second by Belt, for approval of rate change for Federal Standard Mileage Rate for remainder of 2022, at 62.5¢ per mile.
 UNANIMOUS VOTE. Motion Carried.

Motion made by Schultz, second by Shea, to approve application for permit to display fireworks filed by Robert Caputo, on July 4th and if it rains to be postponed and rescheduled for the following weekend, at 22881 Three Bridge Road.
 UNANIMOUS VOTE. Motion Carried.

Jana Lemrick/ Director, Human Resources appeared before the board to discuss the Department Head Contracts. Discussion only. No action taken.

4. RECEIVED/FILED

A. Salary Action(s):

- 1) SWI Juvenile Detention Center – Employment of Kenneth VanDorn as a full time Youth Corrections Worker.
- 2) SWI Juvenile Detention Center – Employment of Jaydan Dooley as a part time Youth Corrections Worker.
- 3) Community Services – Payroll status change for Shelly Hovey.
- 4) Communications – Payroll status change for Kristen Ewer.

B. Reports:

- 1) Recorder Fee Book for May 2022.

5. PUBLIC COMMENTS

No comments.

6. ADJOURN

Motion by Shea, second by Belt, to adjourn meeting.
UNANIMOUS VOTE. Motion Carried.

THE BOARD ADJOURNED SUBJECT TO CALL AT 12:04 P.M.

Tim Wichman, Chairman

ATTEST: _____
Becky Lenihan, Finance & Tax Officer

APPROVED: June 28, 2022
PUBLISH: X

Scheduled Sessions

Jeff Theulen/Chief Deputy,
Sheriff Office

**Discussion and/or approval to approve Change Order
Number 003 in the amount of \$23,228.99 for Sheriff
Office Expansion.**



AIA[®]

Document G701™ – 2017

Change Order

PROJECT: *(Name and address)*
 11-20109-00 Pottawattamie County
 Sheriff's Office Expansion
 1400 Big Lake Road
 Council Bluffs, IA

CONTRACT INFORMATION:
 Contract For: General Construction

CHANGE ORDER INFORMATION:
 Change Order Number: 003

Date: November 26, 2019

Date: June 17, 2022

OWNER: *(Name and address)*
 Pottawattamie County Board of
 Supervisors
 227 South 6th Street
 Council Bluffs, IA 51501

ARCHITECT: *(Name and address)*
 DLR Group, Inc. (an Iowa corporation)

CONTRACTOR: *(Name and address)*
 D.R. Anderson Constructors Co.

1430 Locust Street, Suite 200
 Des Moines, IA 50309

7735 Irvington Rd
 Omaha, NE 68122

THE CONTRACT IS CHANGED AS FOLLOWS:

(Insert a detailed description of the change and, if applicable, attach or reference specific exhibits. Also include agreed upon adjustments attributable to executed Construction Change Directives.)

| | | |
|----|--|---------------------|
| 1. | COR-013, Delete Lighting per PR-008 | (\$ 905.09) |
| 2. | COR-014, AHU Revisions per CR-013 | (\$ 2,039.00) |
| 3. | COR-015, Add Drinking Fountain per PR-010 | \$ 6,550.12 |
| 4. | COR-016, Training Room 101 Roller Shade Revisions per PR-011 | \$ 863.63 |
| 5. | CR-007.1, Additional Dump Fees | \$ 11,835.59 |
| 6. | CR-014, Add Power at L-1's | \$ 6,923.74 |
| | TOTAL | \$ 23,228.99 |

| | |
|--|-----------------|
| The original Contract Sum was | \$ 2,754,200.00 |
| The net change by previously authorized Change Orders | \$ 301,903.76 |
| The Contract Sum prior to this Change Order was | \$ 3,056,103.76 |
| The Contract Sum will be increased by this Change Order in the amount of | \$ 23,228.99 |
| The new Contract Sum including this Change Order will be | \$ 3,079,332.75 |
| The Contract Time will be increased by Zero (0) days. | |
| The new date of Substantial Completion will be | |

NOTE: This Change Order does not include adjustments to the Contract Sum or Guaranteed Maximum Price, or the Contract Time, that have been authorized by Construction Change Directive until the cost and time have been agreed upon by both the Owner and Contractor, in which case a Change Order is executed to supersede the Construction Change Directive.

NOT VALID UNTIL SIGNED BY THE ARCHITECT, CONTRACTOR AND OWNER.

DLR Group, Inc. (an Iowa corporation)

D.R. Anderson Constructors Co.

Pottawattamie County Board of
Supervisors

ARCHITECT *(Firm name)*

CONTRACTOR *(Firm name)*

OWNER *(Firm name)*

SIGNATURE

SIGNATURE

SIGNATURE

O.H. Martin Berglund
PRINTED NAME AND TITLE

J.P. Mertlik President
PRINTED NAME AND TITLE

PRINTED NAME AND TITLE

June 17, 2022

6/17/22

DATE

DATE

DATE



7735 Irvington Road
Omaha, NE 68134
Ph : (402) 572-7350

Change Request

To: Stephen Burgess
DLR Group
6457 Frances Street, Suite 200
Omaha, NE 68106-2280
Ph: 402-393-4100

Number: PR-008
Date: 3/4/22
Job: 9573 Pott Co Sheriff's Addition
Phone:

Description: Delete Lighting
Reason: Owner Requested
Source: Proposal Request # 008

We are pleased to offer the following specifications and pricing to make the following changes:

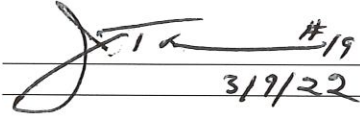
- ITEM NO. 1. DRAWING E1.0 LIGHTING PLAN, CRAWL SPACE
 - A. Delete Drawing E1.0 in its entirety and substitute new drawing as shown on Attachment E1.0.
 - 1. Eliminate Light Fixtures in Crawl Space of addition on west side of existing Vestibule/200.

| Description | Labor | Material | Equipment | Subcontract | Burden | Price |
|------------------|-------|----------|-----------|-------------|---------------|------------------|
| Electrical - Sub | | | | \$-905.09 | | \$-905.09 |
| | | | | | Subtotal: | \$-905.09 |
| | | | | | Total: | \$-905.09 |

Reviewed, recommend approval.
Stephen H. Burgess 03.07.2022

If you have any questions, please contact me at 402-572-7350.

Submitted by: Scott Wieczorek
D.R. ANDERSON CONSTRUCTORS CO.

Approved by:  #19
Date: 3/9/22



7735 Irvington Road
Omaha, NE 68134
Ph : (402) 572-7350

Change Request

To: Stephen Burgess
DLR Group
6457 Frances Street, Suite 200
Omaha, NE 68106-2280
Ph: 402-393-4100

Number: CR-013
Date: 3/4/22
Job: 9573 Pott Co Sheriff's Addition
Phone:

Description: AHU Revisions

Reason: Owner Requested

We are pleased to offer the following specifications and pricing to make the following changes:

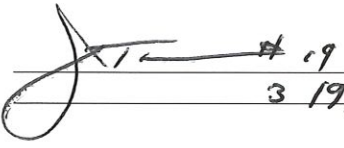
1. Revise AHU to improve delivery date due to supply chain issues obtaining factory controls.
2. Add field installed BACnet controller

| Description | Labor | Material | Equipment | Subcontract | Burden | Price |
|-------------|-------|----------|-----------|-------------|---------------|--------------------|
| HVAC - Sub | | | | \$-4,336.00 | | \$-4,336.00 |
| HVAC - Sub | | | | \$2,297.00 | | \$2,297.00 |
| | | | | | Subtotal: | \$-2,039.00 |
| | | | | | Total: | \$-2,039.00 |

Reviewed, recommend approval.
Stephen H. Burgess 03.07.2022

If you have any questions, please contact me at 402-572-7350.

Submitted by: Scott Wieczorek
D.R. ANDERSON CONSTRUCTORS CO.

Approved by: 
Date: 3/19/22



7735 Irvington Road
Omaha, NE 68134
Ph : (402) 572-7350

Change Request

To: Stephen Burgess
DLR Group
6457 Frances Street, Suite 200
Omaha, NE 68106-2280
Ph: 402-393-4100

Number: PR-010
Date: 5/3/22
Job: 9573 Pott Co Sheriff's Addition
Phone:

Description: Add Drinking Fountain

Reason: Owner Requested

We are pleased to offer the following specifications and pricing to make the following changes:

Add drinking fountain in existing locker area as noted by PR-010

| Description | Labor | Material | Equipment | Subcontract | Burden | Price |
|------------------|-------|----------|-----------|-------------|---------------|-------------------|
| Plumbing - Sub | | | | \$5,257.82 | | \$5,257.82 |
| Electrical - Sub | | | | \$969.00 | | \$969.00 |
| | | | | | Subtotal: | \$6,226.82 |
| | | | Insurance | \$6,226.82 | 0.19% | \$11.96 |
| | | | GCOH&P | \$6,226.82 | 5.00% | \$311.34 |
| | | | | | Total: | \$6,550.12 |

Reviewed: 05.26.2022
Stephen H. Burgess
DLR Group

If you have any questions, please contact me at 402-572-7350.

Submitted by: Scott Wieczorek
D.R. ANDERSON CONSTRUCTORS CO.

Approved by: _____
Date: _____

CO No. 104
CO Date 5/3/2022
Customer Order Number 9573



CHANGE ORDER

Customer Information

D R Anderson Constructors Co
PO Box 34340
Omaha, NE 68122

8506 S 117th St, LaVista, NE 68128

Job Information

Pottawattamie Sheriff Office
1400 Big Lake Rd
Council Bluffs, IA 51501

Description:

PR-010: Add EWC-1 in Maintenance/140.

| | Breakdown | Extended Price |
|----------|-----------|----------------|
| Labor | | 1,430.19 |
| Material | | 3,827.63 |

Total this Change Order: 5,257.82

Accepted By _____

Accepted Date _____

Please sign and return as soon as possible.

April 25, 2022
D R Anderson Constructors Co.
7735 Irvington Rd.
Omaha, NE 68122
Attention: Scott Wieczorek
RE: PR-010 (Pottawattamie Co. Sheriff's Office.)

Sir,

Please find enclosed our proposal for the above mentioned project.

This Proposal includes the following:

1: Add (1) Dedicate GFCI Circuit for water fountain.

Please Note: This proposal EXCLUDES the following:

1: Any work not listed above.

2: Sales Tax.

Adder Proposal Price: \$969.00
(Nine Hundred Sixty Nine Dollars.)

Please call if you have any questions concerning this proposal.

As always thank you for allowing ABC to quote your electrical projects.

Thank you,

Jeff Mohr, Estimator

Estimate Report

Estimate: PR-10

04/25/22 1:01:38 PM

Estimated by: Jeff Mohr

File: PR-10.bhs

Page 2

Worksheet Location: PR-10 (Sheet 1)

| DB # | Ph. | Description | Quantity | Mat. | Cost | U | Tot. Mat. | Lab. Hrs. | U | Tot. Hrs. |
|--------|-----|-------------------------------------|----------|--------|------|---|-----------|-----------|---|-----------|
| | 0 | PR-10 | | | | | | | | |
| | 0 | ADD WATERFOUNTAIN IN MATINANCE AREA | | | | | | | | |
| I 5512 | 1 | OT-4SQ 1 1/2D W/BK COMB | 1.00 | 252.67 | C | | 2.53 | 0.21 | E | 0.21 |
| I 5608 | 1 | OT-4SQ 1G 5/8 D PL RING | 1.00 | 134.87 | C | | 1.35 | 0.07 | E | 0.07 |
| I 5540 | 1 | OT-4SQ 2 1/8D COM KO | 1.00 | 301.47 | C | | 3.01 | 0.21 | E | 0.21 |
| I 5618 | 1 | OT-4SQ COVER BLANK 1/2KO | 1.00 | 156.74 | C | | 1.57 | 0.07 | E | 0.07 |
| I 3680 | 20 | GD-GROUND SCREW/TAIL | 2.00 | 1.40 | E | | 2.79 | 5.50 | C | 0.11 |
| I 1084 | 6 | DE2-20A IV DPLX-HUBBELL | 1.00 | 286.00 | C | | 2.86 | 22.00 | C | 0.22 |
| I 5788 | 6 | PL-1G SS DUPLEX PLATE | 1.00 | 0.83 | E | | 0.83 | 2.75 | C | 0.03 |
| I 1844 | 1 | EM-3/4 EMT-CONDUIT | 70.00 | 151.99 | C | | 106.39 | 4.95 | C | 3.47 |
| I 1922 | 1 | EM-3/4 COMP COUP C | 6.00 | 102.45 | C | | 6.15 | 0.00 | C | 0.00 |
| I 1942 | 1 | EM-3/4 COMP CONN C | 4.00 | 89.84 | C | | 3.59 | 11.00 | C | 0.44 |
| I 3868 | 1 | HA-3/4 MINERALLAC | 14.00 | 55.46 | C | | 7.76 | 6.60 | C | 0.92 |
| I 8188 | 3 | WC-THHN-STRA #12 | 240.00 | 267.07 | M | | 64.10 | 5.78 | M | 1.39 |
| I 6836 | 7 | PCB-20A 1P B-O BKR.GFCI | 1.00 | 96.25 | E | | 96.25 | 0.28 | E | 0.28 |

Regular Worksheet Page

Page Multiplier = 1

Material Multiplier = 1

Labor Multiplier = 1

Phase = 0 : Phase Multiplier = 1

Page is Active.

Raw Material Total = \$299.18

Raw Labor Hours = 7.40 Hours

Estimate Report

Estimate: PR-10
Estimated by: Jeff Mohr
File: PR-10.bhs

04/25/22 1:01:38 PM

Page 1

Summary Page

| | | | |
|-------------------|----------|----------|----------|
| Raw Material Cost | | \$299.18 | |
| Material Tax | 0.0000% | \$0.00 | |
| Material Markup | 0.0000% | \$0.00 | |
| Material Total | | | \$299.18 |
| Labor Cost | | \$540.43 | |
| Labor Tax | 0.0000% | \$0.00 | |
| Labor Markup | 0.0000% | \$0.00 | |
| Labor Total | | | \$540.43 |
| Job Expense | | | \$0.00 |
| Job Cost | | | \$839.61 |
| Overhead: | 10.0000% | \$83.96 | |
| SubTotal1: | | | \$923.57 |
| Profit: | 5.0000% | \$46.18 | |
| SubTotal2: | | | \$969.75 |

| Markup Category | Percent | Dollars | Lck |
|--------------------------|---------|---------|-----|
| Special Insurance | 0.00 | \$0.00 | N |
| Performance Bond | 0.00 | \$0.00 | N |
| Taxes | 0.00 | \$0.00 | N |
| Adjustments | 0.00 | \$0.00 | N |
| Summary Markups Total: | | \$0.00 | |
| Quotes/Subcontract Total | | \$0.00 | |

Active Linked Estimates

| | |
|-----------------|----------|
| Estimate Total: | \$969.75 |
| Figure Used: | \$969.00 |

Labor/Material Ratio = 64: 36
Square Footage Calculations Not Performed



7735 Irvington Road
Omaha, NE 68134
Ph : (402) 572-7350

Change Request

To: Stephen Burgess
DLR Group
6457 Frances Street, Suite 200
Omaha, NE 68106-2280
Ph: 402-393-4100

Number: PR-011
Date: 5/25/22
Job: 9573 Pott Co Sheriff's Addition
Phone:

Description: Training Room 101 Roller Shade Rev

Reason: Owner Requested

We are pleased to offer the following specifications and pricing to make the following changes:

Add Cost to provide SW7500 Blackout Fabric and provide and install Side/Sill Channel on (4) windows in Training Room 101

| Description | Labor | Material | Equipment | Subcontract | Burden | Price |
|------------------------|-------|----------|-----------|-------------|---------------|-----------------|
| Window Treatment - Sub | | \$821.00 | | | | \$821.00 |
| | | | | | Subtotal: | \$821.00 |
| | | | Insurance | \$821.00 | 0.19% | \$1.58 |
| | | | GCOH&P | \$821.00 | 5.00% | \$41.05 |
| | | | | | Total: | \$863.63 |

Reviewed: 05.26.2022
Stephen H. Burgess
DLR Group

If you have any questions, please contact me at 402-572-7350.

Submitted by: Scott Wieczorek
D.R. ANDERSON CONSTRUCTORS CO.

Approved by: _____
Date: _____



7735 Irvington Road
Omaha, NE 68134
Ph : (402) 572-7350

Change Request

To: Stephen Burgess
DLR Group
6457 Frances Street, Suite 200
Omaha, NE 68106-2280
Ph: 402-393-4100

Number: CR-007.1
Date: 4/14/22
Job: 9573 Pott Co Sheriff's Addition
Phone:

Description: Additional Dump Fees

Reason: Owner Requested

We are pleased to offer the following specifications and pricing to make the following changes:

Additional dump/landfill fees for materials hauled-off on 12-03.

As noted on attached email, there was miscommunication with scale house operator on fees for materials placed at entry roads. The landfill did charge fees for these materials.

| Description | Labor | Material | Equipment | Subcontract | Burden | Price |
|---------------|-------|----------|-----------|-------------|---------------|--------------------|
| Earthwork Sub | | | | \$11,251.42 | | \$11,251.42 |
| | | | | | Subtotal: | \$11,251.42 |
| | | | Insurance | \$11,251.42 | 0.19% | \$21.60 |
| | | | GCOH&P | \$11,251.42 | 5.00% | \$562.57 |
| | | | | | Total: | \$11,835.59 |

Reviewed: April 20, 2022
Stephen H. Burgess

If you have any questions, please contact me at 402-572-7350.

Submitted by: Scott Wieczorek
D.R. ANDERSON CONSTRUCTORS CO.

Approved by: _____
Date: _____

Scott Wieczorek

From: Matt Weis <matt@nationalconcretecutting.com>
Sent: Thursday, April 14, 2022 4:24 PM
To: Scott Wieczorek
Subject: RE: Pott County COR 2

Scott,

COR 2 is just for additional dump fees for the dirt at the landfill. \$5942.26 that was listed as fees (landfill dump fees) on COR 1 was the first invoice I received from the landfill. I mistakenly thought that was for everything we hauled. They sent a second invoice later and that \$11,251.42 was just the dump fees from 12/3. The trucking of that material was covered under COR 1. I'm not even trying to make any money on it, just want the cost covered. Hope that helps. Let me know.

Thanks.

Matt Weis

National Concrete Cutting
PM/Estimator
C:402-510-7822



WE HAVE MOVED!

Our New Office and Shop Location
4875 East Manawa Dr.
Council Bluffs, IA 51501

From: Scott Wieczorek <SWieczorek@dranderson.com>
Sent: Thursday, April 14, 2022 4:15 PM
To: Matt Weis <matt@nationalconcretecutting.com>
Subject: RE: Pott County COR 2

Matt,

Trying to review this and I am not sure what was hauled on the 3rd. Can you get me some additional info on this? Going through previous CO's I thought this would have been covered?

CHANGE ORDER

NATIONAL CONCRETE CUTTING, INC.

4875 E Manawa Dr * COUNCIL BLUFFS * IOWA *51501
TELEPHONE (712) 325-1125 FAX (712) 329-8989 TOLL FREE (800) 338-8821
E-mail matt@nationalconcretecutting.com

Concrete Sawing Specialized Demolition Core Drilling Breaking and Removing Wall Sawing Trenching

| | | |
|-----------------------|-------------------------------|---------------|
| PROPOSAL SUBMITTED TO | JOB NAME | PROPASAL DATE |
| DR Anderson | <u>Pott Co Sheriff</u> | 1/12/22 |
| STREET ADDRESS | JOB ADDRESS | PHONE NUMBER |
| CITY,STATE ZIP CODE | CONTACT NAME | FAX NUMBER |
| | | |

We hereby submit a proposal for: Demo as described below.

COMPLETED WORK

1. Dump fees for loads hauled 12/3/21

CHANGE ORDER: \$11,251.42

This proposal is based on conducting all work during normal working hours unless specifically stated in the proposal. Work required by customer to be done after hours or weekends or holidays will be billed separately for additional charges. All excavations, borings, sawing and breaking are done in locations and depths as laid out and specified and supervised by the Owner, Contractor or their Representatives. WE ARE NOT RESPONSIBLE FOR DAMAGE TO ANY PIPES, CONDUITS CABLES, FACILITIES, STRUCTURES, OR EQUIPMENT LOCATED BEHIND THE SURFACE OR WALL OR SLAB. We are not responsible for delays due to weather or circumstances beyond our control. Any alterations or deviation from above specifications involving extra cost will be executed only by written orders. Said additional work will become an extra change order above the estimate. All agreements contingent upon strike accidents or delays beyond our control. Customer, Owner Contractor to carry fire, tornado, and other necessary insurance. Our workers are fully covered by Workers Compensation Insurance.

Proposal by **NATIONAL CONCRETE CUTTING, INC.** **Authorized Signature** _____

Acceptance of Proposal

The above prices, specifications and conditions are satisfactory and hereby accepted.
 You are authorized to do the work as specified. All payments will be net 30 days upon
 Completion unless explicitly stated as part of the proposal above

Typed or Printed Name _____

Date of Acceptance _____

Signature _____

IOWA WASTE SERVICES LLC
 59722 290TH ST
 MALVERN, IA 51551
 712-624-8039

INVOICE

RECEIVED
emailed

Printed 01/03/22

| | |
|----------------|-------------|
| DATE | PAGE |
| 12/31/21 | 1 |
| INVOICE NUMBER | |
| 1219 | |
| AMOUNT DUE | AMOUNT PAID |
| 11251.42 | \$ |

National Concrete Cutting
 4875 East Manawa Dr.
 Council Bluffs IA 51501

*Boh
 Co Tail*

| |
|-------------|
| ACCOUNT NO. |
| 1097 |

DETACH AND RETURN TOP PORTION WITH REMITTANCE

| DATE | TICKET | VEHICLE | REFERENCE | DESCRIPTION | QUANTITY | AMOUNT |
|----------|---------------|-----------|-----------|-----------------------|----------|---------|
| / / | | | | Previous amount due | | 0.00 |
| 12/28/21 | | | | Last payment received | | 5578.18 |
| 12/03/21 | 01-00074452 ✓ | | | MSW | 18.46 | 514.85 |
| 12/03/21 | 01-00074454 | | | MSW | 22.07 | 615.53 |
| 12/03/21 | 01-00074456 ✓ | | NATIONAL | C&D | 22.46 | 554.54 |
| 12/03/21 | 01-00074456 ✓ | | NATIONAL | ENV FEE | 1.00 | 28.08 |
| 12/03/21 | 01-00074456 ✓ | | NATIONAL | STATE FEE | 1.00 | 43.80 |
| 12/03/21 | 01-00074459 | | NATIONAL | C&D | 19.90 | 491.33 |
| 12/03/21 | 01-00074459 | | NATIONAL | ENV FEE | 1.00 | 24.88 |
| 12/03/21 | 01-00074459 | | NATIONAL | STATE FEE | 1.00 | 38.81 |
| 12/03/21 | 01-00074484 | | NATIONAL | C&D | 23.48 | 579.72 |
| 12/03/21 | 01-00074484 | | NATIONAL | ENV FEE | 1.00 | 29.35 |
| 12/03/21 | 01-00074484 | | NATIONAL | STATE FEE | 1.00 | 45.79 |
| 12/03/21 | 01-00074489 ✓ | | NATIONAL | C&D | 24.21 | 597.74 |
| 12/03/21 | 01-00074489 ✓ | | NATIONAL | ENV FEE | 1.00 | 30.26 |
| 12/03/21 | 01-00074489 ✓ | | NATIONAL | STATE FEE | 1.00 | 47.21 |
| 12/03/21 | 01-00074497 | LEICK2012 | | MSW | 23.04 | 642.59 |
| 12/03/21 | 01-00074500 ✓ | | NATIONAL | C&D | 18.98 | 468.62 |
| 12/03/21 | 01-00074500 ✓ | | NATIONAL | ENV FEE | 1.00 | 23.73 |
| 12/03/21 | 01-00074500 ✓ | | NATIONAL | STATE FEE | 1.00 | 37.01 |
| 12/03/21 | 01-00074516 | | NATIONAL | C&D | 23.17 | 572.07 |
| 12/03/21 | 01-00074516 | | NATIONAL | ENV FEE | 1.00 | 28.96 |
| 12/03/21 | 01-00074516 | | NATIONAL | STATE FEE | 1.00 | 45.18 |
| 12/03/21 | 01-00074521 ✓ | | NATIONAL | C&D | 23.54 | 581.20 |
| 12/03/21 | 01-00074521 ✓ | | NATIONAL | ENV FEE | 1.00 | 29.43 |
| 12/03/21 | 01-00074521 ✓ | | NATIONAL | STATE FEE | 1.00 | 45.90 |
| 12/03/21 | 01-00074527 | | NATIONAL | C&D | 20.48 | 505.65 |
| 12/03/21 | 01-00074527 | | NATIONAL | ENV FEE | 1.00 | 25.60 |
| 12/03/21 | 01-00074527 | | NATIONAL | STATE FEE | 1.00 | 39.94 |
| 12/03/21 | 01-00074544 | | | MSW | 24.22 | 675.50 |

IOWA WASTE SERVICES LLC
 59722 290TH ST
 MALVERN, IA 51551
 712-624-8039

INVOICE

Printed 01/03/22

| | |
|----------------|-------------|
| DATE | PAGE |
| 12/31/21 | 2 |
| INVOICE NUMBER | |
| | |
| AMOUNT DUE | 1219 |
| | AMOUNT PAID |
| 11251.42 | \$ |

National Concrete Cutting

4875 East Manawa Dr.
 Council Bluffs IA 51501

| |
|------------|
| ACCOUNT NO |
| 1097 |

DETACH AND RETURN TOP PORTION WITH REMITTANCE

| DATE | TICKET | VEHICLE | REFERENCE | DESCRIPTION | QUANTITY | AMOUNT |
|----------|---------------|-----------|-----------|------------------|----------|----------|
| 12/03/21 | 01-00074556 ✓ | | | MSW | 25.17 | 701.99 |
| 12/03/21 | 01-00074562 | | NATIONAL | C&D | 27.63 | 682.18 |
| 12/03/21 | 01-00074562 | | NATIONAL | ENV FEE | 1.00 | 34.54 |
| 12/03/21 | 01-00074562 | | NATIONAL | STATE FEE | 1.00 | 53.88 |
| 12/03/21 | 01-00074568 ✓ | | NATIONAL | C&D | 19.51 | 481.70 |
| 12/03/21 | 01-00074568 ✓ | | NATIONAL | ENV FEE | 1.00 | 24.39 |
| 12/03/21 | 01-00074568 | | NATIONAL | STATE FEE | 1.00 | 38.04 |
| 12/03/21 | 01-00074575 | | NATIONAL | C&D | 25.28 | 624.16 |
| 12/03/21 | 01-00074575 | | NATIONAL | ENV FEE | 1.00 | 31.60 |
| 12/03/21 | 01-00074575 | | NATIONAL | STATE FEE | 1.00 | 49.30 |
| 12/03/21 | 01-00074582 ✓ | | NATIONAL | C&D | 23.98 | 592.07 |
| 12/03/21 | 01-00074582 ✓ | | NATIONAL | ENV FEE | 1.00 | 29.98 |
| 12/03/21 | 01-00074582 ✓ | | NATIONAL | STATE FEE | 1.00 | 46.76 |
| 12/03/21 | 01-00074585 | LEICK2012 | | MSW | 17.84 | 497.56 |
| | Net weight | 403.42 | | | | |
| | | | | Invoice total | | 11251.42 |
| | | | | Total amount due | | 11251.42 |



7735 Irvington Road
Omaha, NE 68134
Ph : (402) 572-7350

Change Request

To: Stephen Burgess
DLR Group
6457 Frances Street, Suite 200
Omaha, NE 68106-2280
Ph: 402-393-4100

Number: CR-014
Date: 5/27/22
Job: 9573 Pott Co Sheriff's Addition
Phone:

Description: Add Power at L-1's

Reason: Owner Requested

Source: RFI # 08

We are pleased to offer the following specifications and pricing to make the following changes:

Add (8) Dedicated GFCI Circuits for L-1 sinks in Restrooms 106 and 107.

| Description | Labor | Material | Equipment | Subcontract | Burden | Price |
|------------------|-------|----------|-----------|-------------|---------------|-------------------|
| Electrical - Sub | | | | \$6,582.00 | | \$6,582.00 |
| | | | | | Subtotal: | \$6,582.00 |
| | | | Insurance | \$6,582.00 | 0.19% | \$12.64 |
| | | | GCOH&P | \$6,582.00 | 5.00% | \$329.10 |
| | | | | | Total: | \$6,923.74 |

If you have any questions, please contact me at 402-572-7350.

Submitted by: Scott Wieczorek
D.R. ANDERSON CONSTRUCTORS CO.

Approved by: _____
Date: _____

April 27, 2022
D R Anderson Constructors Co.
7735 Irvington Rd.
Omaha, NE 68122
Attention: Scott Wieczorek
RE: RFI-08 (Pottawattamie Co. Sheriff's Office.)

Sir,

Please find enclosed our proposal for the above mentioned project.

This Proposal includes the following:

1: Add (8) Dedicated GFCI Circuits for sinks in Restrooms 106 and 107.

Please Note: This proposal EXCLUDES the following:

1: Any work not listed above.

2: Sales Tax.

Adder Proposal Price: \$6,582.00

(Six Thousand Five Hundred Eighty Two Dollars.)

Please call if you have any questions concerning this proposal.

As always thank you for allowing ABC to quote your electrical projects.

Thank you,

Jeff Mohr, Estimator

Estimate Report

Estimate: RFI-08
Estimated by: Jeff Mohr
File: RFI-08.bhs

05/27/22 9:20:30 AM

Page 2

Worksheet Location: PR-10 (Sheet 1)

| DB # | Ph. | Description | Quantity | Mat. | Cost | U | Tot. Mat. | Lab. Hrs. | U | Tot. Hrs. |
|------|------|---|----------|--------|------|---------|-----------|-----------|---|-----------|
| | | 0 PR-10 | | | | | | | | |
| | | 0 ADD POWER TO TWO SINKS IN RESTROOMS 106 AND 107 | | | | | | | | |
| | | 0 4-20A 120V GFCI CKT'S TO EACH FOR HAND DRYERS, FAUCET'S AND SOPA DISPENSERS | | | | | | | | |
| I | 5512 | 1 OT-4SQ 1 1/2D W/BK COMB | 8.00 | 252.67 | C | 20.21 | 0.21 | E | | 1.67 |
| I | 5608 | 1 OT-4SQ 1G 5/8 D PL RING | 8.00 | 134.87 | C | 10.79 | 0.07 | E | | 0.53 |
| I | 3680 | 20 GD-GROUND SCREW/TAIL | 12.00 | 1.90 | E | 22.84 | 5.50 | C | | 0.66 |
| I | 5540 | 1 OT-4SQ 2 1/8D COM KO | 4.00 | 301.47 | C | 12.06 | 0.21 | E | | 0.84 |
| I | 5618 | 1 OT-4SQ COVER BLANK 1/2KO | 4.00 | 156.74 | C | 6.27 | 0.07 | E | | 0.26 |
| I | 1844 | 1 EM-3/4 EMT-CONDUIT | 350.00 | 151.99 | C | 531.95 | 4.95 | C | | 17.33 |
| I | 1864 | 1 EM-3/4 EMT-90-ELLS | 8.00 | 13.49 | E | 107.89 | 0.13 | E | | 1.06 |
| I | 1922 | 1 EM-3/4 COMP COUP C | 34.00 | 102.45 | C | 34.83 | 0.00 | C | | 0.00 |
| I | 1942 | 1 EM-3/4 COMP CONN C | 24.00 | 89.84 | C | 21.56 | 11.00 | C | | 2.64 |
| I | 3868 | 1 HA-3/4 MINERALLAC | 58.33 | 55.46 | C | 32.35 | 6.60 | C | | 3.85 |
| I | 8188 | 3 WC-THHN-STRA #12 | 1800.00 | 244.48 | M | 440.06 | 5.78 | M | | 10.40 |
| I | 1084 | 6 DE2-20A IV DPLX-HUBBELL | 8.00 | 286.00 | C | 22.88 | 22.00 | C | | 1.76 |
| I | 5788 | 6 PL-1G SS DUPLEX PLATE | 8.00 | 0.83 | E | 6.60 | 2.75 | C | | 0.22 |
| I | 6836 | 7 PCB-20A 1P B-O BKR.GFCI | 8.00 | 157.30 | E | 1258.40 | 0.28 | E | | 2.20 |

Regular Worksheet Page

Page Multiplier = 1

Material Multiplier = 1

Labor Multiplier = 1

Phase = 0 : Phase Multiplier = 1

Page is Active.

Raw Material Total = \$2,528.69

Raw Labor Hours = 43.41 Hours

Estimate Report

Estimate: RFI-08
Estimated by: Jeff Mohr
File: RFI-08.bhs

05/27/22 9:20:30 AM

Page 1

Summary Page

| | | | |
|-------------------|----------|------------|------------|
| Raw Material Cost | | \$2,528.69 | |
| Material Tax | 0.0000% | \$0.00 | |
| Material Markup | 0.0000% | \$0.00 | |
| <hr/> | | | |
| Material Total | | \$2,528.69 | |
| Labor Cost | | \$3,170.23 | |
| Labor Tax | 0.0000% | \$0.00 | |
| Labor Markup | 0.0000% | \$0.00 | |
| <hr/> | | | |
| Labor Total | | \$3,170.23 | |
| Job Expense | | \$0.00 | |
| <hr/> | | | |
| Job Cost | | | \$5,698.92 |
| Overhead: | 10.0000% | \$569.89 | |
| SubTotal1: | | | \$6,268.81 |
| Profit: | 5.0000% | \$313.44 | |
| SubTotal2: | | | \$6,582.25 |

| Markup Category | Percent | Dollars | Lck |
|--------------------------|---------|---------|-----|
| Special Insurance | 0.00 | \$0.00 | N |
| Performance Bond | 0.00 | \$0.00 | N |
| Taxes | 0.00 | \$0.00 | N |
| Adjustments | 0.00 | \$0.00 | N |
| <hr/> | | | |
| Summary Markups Total: | | \$0.00 | |
| Quotes/Subcontract Total | | \$0.00 | |

Active Linked Estimates

| | |
|-----------------|------------|
| Estimate Total: | \$6,582.25 |
| Figure Used: | \$6,582.25 |

Labor/Material Ratio = 56: 44
Square Footage Calculations Not Performed

**Becky Lenihan/Tax and Finance Officer,
Auditor's Office.**

**Discussion and/or decision to approve and
authorize the Board to sign Transfer
Resolutions:**

**Resolution No. 46-2022 – Transfer from Rural Services to
Secondary Roads Fund.**

RESOLUTION NO. 46-2022

RESOLUTION for Transfer from Rural Services Fund to Secondary Roads Fund

WHEREAS, it is desired to transfer money from Rural Services Fund to Secondary Roads Fund; and

WHEREAS, said transfer is in accordance with Section 331.432, Code of Iowa; and

NOW THEREFORE BE IT RESOLVED, that the Pottawattamie County Board of Supervisors as follows:

SECTION 1: The sum of \$1,303,750 is ordered to be transferred from Rural Services Fund to Secondary Roads Fund, and

SECTION 2: The Auditor is directed to correct his/her book accordingly and to notify the Treasurer of this operating transfer.

Dated this 28th Day of June, 2022.

| | ROLL CALL VOTE | | | |
|--------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | AYE | NAY | ABSTAIN | ABSENT |
| _____ Tim Wichman, Chairman | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| _____ Scott Belt | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| _____ Lynn Grobe | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| _____ Justin Schultz | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| _____ Brian Shea | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

ATTEST: _____
Melvyn Houser, County Auditor

Other Business

**Jana Lemrick/Director, Human
Resources and Mark
Shoemaker/Director,
Conservation**

**Discussion and/or decision to approve the job
description for the Mechanical Operations and
Maintenance Technician position.**

Pottawattamie County, Iowa

Class Description

Title: Mechanical Operations and Maintenance Technician **FLSA Status:** Non-Exempt
Department: Conservation **Job Code:**
Bargaining Unit/Grade: Non-Union, 514 **Updated:** 6/15/2022

General Definition of Work

Perform a variety of routine maintenance, service, and repair duties to assist in the upkeep of County equipment and properties. Tasks will consist of general maintenance of buildings including carpentry, minor plumbing, and mechanical and minor electric repairs and maintenance. General maintenance on outside equipment including ski-lifts, outdoor power equipment, small engines, and operation stations for lifts. Directly reports to the Site Manager and Mechanical Operations & Maintenance Manager.

Essential Functions

To perform this job successfully, an individual must be able to perform each essential function satisfactorily. The requirements listed below are representative of the knowledge, skill, and/or ability required. Reasonable accommodations may be made to enable an individual with disabilities to perform the essential functions.

Perform routine maintenance on buildings including but not limited to siding replacement, window replacement, inside wall changes including framing, electrical, plumbing, and finish work.

Perform routine maintenance and repair on machinery and equipment, change filter, grease and oil as needed. Examine belts, shafts, bearings, and equipment to wear.

Perform minor repairs on electrical fixtures and equipment such as switches, receptacle, fans, + lights.

Perform minor plumbing repairs and install water pipes, faucets, toilets, sewer drains, and vents, maintain septic system.

Conducts carpentry work, repairs and replace building frames, insulation, drywall, roofing, and painting and concrete work as needed.

Operate a vehicle safely and in compliance with traffic laws and regulations, in the performance of job duties. Operate pickups and trailers, skid steer, high lifts and other heavy machinery, and equipment as needed.

Perform snow removal as needed.

Perform duties in high lift up to 60 ft. in the air, or on maintenance lift chairs.

Conduct routine inspections (lights, tires, fluid levels, safety device, etc.) on assigned vehicles to assure proper operation, inform supervisor of needed parts or repairs.

Work in other departments when needed and perform other duties as assigned.

Pottawattamie County, Iowa

Class Description

Minimum Qualifications

Must be eighteen (18) years old at the time of hire. High School Diploma or GED required.

2-5 years' experience in various aspects of manual labor, power-tool use, equipment construction, plumbing, operations of heavy equipment, or equivalent combination of education and experience required.

Must be able and willing to work flexible schedule to include early mornings, overnights, holidays, and weekends required.

Special Qualifications

Must be reliable and punctual and have own transportation.

Be able to work in a cold environment for extended periods of time.

Solid mechanical and electrical aptitude.

Skills to be able to assist in troubleshooting and repair any ski hill machinery.

Previous experience working at a ski area with chair lifts, snowmaking machines, snowmobiles, and snowcats will be highly preferred.

Work as part of a team and can foster a positive, fun, and safe work environment.

Flexibility to work during evenings, weekends, and holidays

Knowledge, Skill, and Abilities

General knowledge of tools and techniques, equipment, and machinery used in the trade.

General knowledge of the safe operation of tools and equipment.

Ability to prioritize and manage multiple, and concurrent projects.

Ability to pay close attention to detail and to effectively organize time and anticipate, plan, and successfully respond to changing circumstances.

Ability to establish and maintain effective working relationships with co-workers, supervisors, other departments, and the public.

Working Conditions

The physical demands and work environment characteristics described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

Attendance at work is an essential function of this position. Work is performed mainly outdoors and requires a considerable amount of physical activity.

An incumbent must have the ability to frequently lift, push, pull and/or carry equipment, supplies and other materials weighing up to 50 lbs. and to occasionally lift, push, pull and/or carry equipment, supplies and other materials weighing up to 100 lbs with a two-man lift. Work regularly requires speaking or hearing, using hands to grasp, handle, or feel. Reaching with hands and arms. Frequently requires standing,

Pottawattamie County, Iowa

Class Description

walking, climbing, or balancing, stooping, kneeling, crouching, or crawling, pushing, or pulling, occasionally requires sitting, or repetitive motions. Work has standard vision requirements. Vocal communication is required for expression or exchanging ideas by means of spoken word and conveying detailed or important instructions to others accurately, loudly, or quickly; hearing is required to perceive information at normal spoken word levels and to receive detailed information through oral communication. Operating motor vehicles or equipment and observing general surroundings and activities. Work frequently requires working near moving mechanical parts, exposure to outdoor weather conditions and exposure to the risk of electric shock and occasionally requires wet humid conditions, working in high places, exposure to toxic or caustic chemicals, expose to extreme cold, expose to extreme heat, exposure to vibration, and blood borne pathogens. May be required to wear specialized PPE, including fall arrest harnesses.

**Jason Slack/Director, Building & Grounds
and Jana Lemrick/Director, Human
Resources and Steve Winchell/Captain, Jail**

**Discussion and/or decision regarding pay for
Jail Maintenance Superintendent position.**

Jana Lemrick/Director, Human **Resources**

Discussion and/or decision to approve and authorize Board to sign corrected Memorandum of Understanding Between Pottawattamie County and the American Federation of State, County and Municipal Employees (AFSCME), Local 2364-911 Agreement for the employees of the Pottawattamie County Communications Center, effective July 1, 2022, through June 30, 2023.

**MEMORANDUM OF UNDERSTANDING
BETWEEN
POTTAWATTAMIE COUNTY
AND THE
AMERICAN FEDERATION OF STATE, COUNTY AND
MUNICIPAL EMPLOYEES (AFSCME),
LOCAL 2364-911**

Pottawattamie County and the American Federation of State, County and Municipal Employees (AFSCME) (hereinafter the "Bargaining Unit") are parties to a Collective-Bargaining Agreement and have agreed to certain terms and conditions for Employees of the Pottawattamie County Communications Center covered under the contract.

It is agreed between the parties that this memorandum of understanding will be effective July 1st, 2022 - June 30th, 2023.

Uniforms

Each full-time, non-introductory, Employee shall be provided five (5) uniform shirts by the Employer after successful completion of the training program. The Employer shall thereafter replace up to five (5) uniform shirts each fiscal year.

Longevity

Employees with more than five (5) years continuous service shall be eligible for longevity pay pursuant to the following schedule:

| | |
|------------------------------|-----------|
| 5 th Anniversary | \$.30/hr |
| 10 th Anniversary | \$.65/hr |
| 15 th Anniversary | \$.95/hr |
| 20 th Anniversary | \$1.05/hr |

Employees who are eligible for longevity shall receive longevity and longevity increases at the beginning of the pay period in which the Employee's anniversary date occurs.

Working Out of Classification

The bargaining unit Employees qualified to act in a supervisory capacity shall receive additional compensation for each hour worked in such capacity as follows:

Two Dollars (\$2.00) per hour

The Director shall establish an eligibility list based upon the Employees ability to perform the Supervisor, Assistant Supervisor and Communication Training Officer duties; and the following minimum standards:

No Employee shall be required to perform the duties of the Supervisor, Assistant Supervisor or Communication Training Officer until training has been completed.

Callback Pay

An Employee who is called back to work by the Employer shall be paid a minimum of two (2) hours pay at one and one-half (1 ½) his regular pay or shall receive compensatory time unless such call back is one (1) hour or less prior to the Employee's regular shift. Also, the minimum does not apply when an Employee is ordered to work beyond the Employee's regular shift. This shall include call back time for court appearance, which shall also include telephonic and video hearings, provided that the Employee is testifying because of circumstances arising out of his or her assigned work duties and further provided that the Employee has been ordered to testify by a Supervisor or is subpoenaed. Call back time shall also include being called in to work for training, having to be present for Internal Affairs investigations or as directed by the Director of Operations, Assistant Director of Operations or a Shift Supervisor.

Perfect Attendance Leave

After completion of the Introductory Period, an Employee shall be eligible to earn twelve (12) hours off with pay at the regular rate for each calendar quarter in which perfect attendance is achieved. This leave must be used within twelve (12) months of being earned. Perfect Attendance leave must be taken in twelve (12) hour increments.

Employees are not eligible for Perfect Attendance Leave if the following occurs:

1. Employee utilizes personal or family sick leave.
2. If the Employee utilizes any other paid leave for the purpose of sick leave or FMLA leave.
3. If attendance points are assessed for a tardy.
4. If the Employee is in an unpaid status, to include unpaid suspensions.

Holidays, vacation, compensatory time off, casual day, Perfect Attendance day, on the job injury, funeral in the immediate family or jury duty shall not count against perfect attendance.

Requests for earned leave shall be made in accordance with the Vacation Article of the agreement.

Temporary/Part-time Employees shall not be eligible for perfect attendance compensation.

Shift Differential

A shift differential of ninety cents (\$.90) per hour will be paid to bargaining unit Employees whose regularly schedule shift occurs between 1800-0600. To be eligible the Employee must work at least three (3) hours of the applicable shift for at least (50%) of the available hours during the month. Shift differential shall not be paid for work performed as overtime.

Hours of Work

It is understood and agreed to by both parties that the hours of work will be reviewed after one year to determine feasibility by both parties.

This article is intended to set forth the normal work week and work schedule, but shall not be construed as a guarantee of hours of work per day or week or days of, work per week.

Section 1. The minimal work schedule for Employees working a continuous shift shall commence on July 1st, 2022 and thereafter shall continue using the following schedule, to wit:

- Two (2) consecutive twelve (12) hour workdays, followed by two (2) consecutive days off, followed by one (1) twelve (12) hour day and one (1) six (6) hour day, followed by three (3) consecutive days off, followed by two (2) twelve (12) hour days on and one (1) day off and ending with one (1) six (6) hour day on and three (3) twelve (12) hour days on.
- A repetition of the schedule above.
- The first shift shall be from 0600-1800, while the second shift will be from 1800-0600.
- Scheduled six (6) hour days shall be divided into the front and back half of the respective shift. The front half will be scheduled on days leading up to the three (3) consecutive days off. The back half will be scheduled leading up to the three (3) twelve (12) hour days on.
- No Employee shall be required or ordered to work beyond sixteen (16) hours in any shift.
- The above schedule creates a forty-two (42) hour work week. As a result, every seven (7) day week commencing on Saturday and ending on Friday, each Employee shall be required to take two (2) hours of earned time off (ETO).
 - The time off shall be in increments of at least thirty (30) minutes, up to and including two (2) hours. The ETO shall be utilized before any paid leave is granted with the exception of holiday leave and Perfect Attendance leave.
 - If for any reason the Employee is unable to take the full two (2) hours off during a seven (7) day work week, the Employee shall be compensated in accordance with Article 8, Overtime Compensation.
- Employees shall report to their duty assignments and shall remain there until the end of their shifts or until relieved by his/her shift supervisor or acting supervisor.
 - Employees unable to report for duty shall notify the Employer as soon as possible.
 - Employees shall receive, when possible, a thirty (30) minute lunch period and two (2), fifteen (15) minute breaks. The thirty (30) minute lunch period shall be a paid lunch period for continuous shift Employees. When staffing permits, Employees may combine the paid lunch break and the two (2) fifteen (15) minute breaks.
 - In the event the Center only has minimum staffing, the Employees may take their break in the break room as time permits. Minimum staffing requirements are determined by the Director. It is understood that the nature of a telecommunicator's work may at times require that no lunch or shortened break periods be taken.

Section 2. Day-Light Savings Time:

- Employees that are affected by Daylight Savings Time shall be paid for actual hours worked. Those Employees so affected by the one (1) hour addition to their regular shift shall work an additional one (1) hour and will be paid at time and one-half (1½) for that additional hour.
 - When daylight savings time begins in the spring and the clocks are set one (1) hour ahead, those Employees working a shift so affected by the one (1) hour reduction in their regular work shift shall have a choice of:
 - End their shift and use one (1) hour of their vacation or compensatory time; or work stay over onto day shift and work one (1) hour.
 - If an Employee takes the shift off, the Employee will be required to utilize twelve (12) hours of vacation or compensatory time in order to meet the forty (40) hour work week.

Section 3. All Employees working on the communication floor, regardless of classification will be placed in an on-call status, in rotation as outlined below

- a. On-call status will incur based on a waterfall rotation in order of seniority.
- b. Frequency of on-call status will be dependent on the number of people assigned to the Employee's shift.
- c. Employees can trade their on-call weeks or give them away if another Employee is willing to accept being on-call in their place. The On-Call Trade or Acceptance Agreement form is the responsibility of the Employees to fill out.
- d. Prior to the Employee being called in, overtime will be offered to all Employees based on seniority, utilizing a call out list. If no one voluntarily takes the overtime the on-call person will be notified of the overtime.
- e. On-call response time is one (1) hour from the time of notification.
- f. Employees placed in an on-call status will be compensated a flat rate of \$5.00 per hour regardless of if the Employee is called in to work or not. If an Employee in on-call status is required to respond to the communication center for work, they are paid either the flat rate fee or overtime pay, whichever of the two is greater.

Section 4. In the event there are extenuating circumstances and increased staffing is required an Employee can be forced from each shift preceding or following the hours the overtime is required, for a maximum four (4) hours. Employees will be notified of these circumstances in a timely manner.

Pottawattamie County Board of
Supervisors Chairman

AFSCME/IA Council 61

**Approve and authorize Chairman to sign
Employment Agreements with:**

**Chief Information Officer David Bayer,
HR Director Jana Lemrick, Buildings and
Grounds Director Jason Slack, Budget
and Finance Director Mitch Kay, Planning
and Development Director Matt Wyant,
Community Services Director Suzanne
Watson, Engineer John Rasmussen,
Conservation Director Mark Shoemaker,
Veteran Affairs Director Margarita Dooley
and GIS Coordinator Jamie Petersen.**

**Discussion and/or decision to
approve application for Permit to
Display Fireworks filed by Conor
Gillaspie, for display on July 4th, at
101 Maple Dr, Treynor.**



POTTAWATTAMIE COUNTY
APPLICATION FOR PERMIT TO DISPLAY FIREWORKS

DEADLINE TO SUBMIT APPLICATION: 21 DAYS PRIOR TO DATE OF DISPLAY

1. Telephone Number(s): Business: (402) 980-6358 Residential: (402) 980-6358
2. Date and location of the fireworks display and storage. These facilities may be inspected prior to this permit being issued.
27538 Dogwood Rd
Treynor, IA 51575
3. How long will the display fireworks be stored before and after display?
Stored 7/1-7/3, all 1.3g cakes will be fired 7/3
4. Display fireworks operator information: (Please provide additional sheets if necessary.)
Name: Conor M Gillaspie Date of Birth: 07/18/1987
Address: 101 Maple Dr
City: Treynor State: IA Zip: 51575
Telephone Number(s): (402) 980-6358
5. What training or expertise does the Display Fireworks Operator possess? Attach all supporting documentation and/or a resume if available.
Federal Explosives License/Permit / Secure magazine storage on site
Experienced w/ scripting & fire platforms
6. Provide safety guidelines for display fireworks display, including fire suspension plan, distance of fireworks from spectators, and how and where fireworks will be stored prior to and following display.
Spectators will be multiple hundreds of feet from display
fireworks will be stored in legal magazine storage located on
the acreage, Treynor volunteer fire department will be present w/ water
7. Number of anticipated spectators for the display? Adults: approx 120 Children: approx 40
8. Documents to be attached: In addition to any documents supporting your above responses, please attach the following: 1) Certificate of Liability Insurance for this event, and 2) Application Fee of \$25.00, made payable to Pottawattamie County, Iowa.



FIREWORKS DISPLAY ACKNOWLEDGEMENT AND WAIVER

I understand that the Code of Iowa prohibits certain use of fireworks, but that the Pottawattamie County Board of Supervisors may, upon a written application, grant a permit for the display of display fireworks by municipalities, fair associations, amusement parks, and other organizations or groups of individuals approved by the County Board of Supervisors when the fireworks display will be handled by a competent operator. I understand that the Code of Iowa provides that the sale of fire works for such display may be made for that purpose only. I understand further that this permit will be null and void during times when open burning is prohibited by the State Fire Marshall. Permits to display fireworks are NOT valid during times of a county-wide burn ban.

I hereby acknowledge that I have adequate insurance coverage for any and all claims that may result from the requested display of fireworks. I agree to hold Pottawattamie County harmless from any suit or claim that may result from the granting of a permit for this event. I further acknowledge and agree that I have obtained the services of a competent operator to handle the fireworks display as required under the Iowa Code. Information concerning the competency of the operator is attached as provided below.

I hereby request that the Pottawattamie County Board of Supervisors grant a permit for display of fireworks to the following:

Date of Fireworks Display: 7/3/2022


Name of Municipality or
Other Organization Requesting Permit: _____

Name of Individual Requesting Permit: Conor M Gillaspie

Address: 101 Maple Dr

City/State/Zip Code: Treynor, IA 51575

Telephone Number: (402) 980-6358

Signature of Person Requesting Permit: 

I certify by this signature that I am legally authorized to sign on behalf of the municipality or organization above.

AN APPLICATION, APPLICATION FEE OF \$25.00, CERTIFICATE OF INSURANCE, AND EVIDENCE OF OPERATOR'S COMPETENCE (INCLUDING OPERATOR'S STAFF, SITE PLAN – DISTANCES FROM SPECTATORS AND SAFETY PLAN) TO HANDLE THE FIREWORKS DISPLAY MUST BE ATTACHED TO THIS REQUEST.

U.S. Department of Justice
Bureau of Alcohol, Tobacco, Firearms and Explosives

Federal Explosives License/Permit (18 U.S.C. Chapter 40)

In accordance with the provisions of Title XI, Organized Crime Control Act of 1970, and the regulations issued thereunder (27 CFR Part 555), you may engage in the activity specified in this license or permit within the limitations of Chapter 40, Title 18, United States Code and the regulations issued thereunder, until the expiration date shown. **THIS LICENSE IS NOT TRANSFERABLE UNDER 27 CFR 555.53.** See "WARNINGS" and "NOTICES" on reverse.

Direct ATF
Correspondence To
ATF - Chief, FELC
244 Noody Road
Martinsburg, WV 25405-9431

License/Permit
Number
5-IA-155-54-4L-00623

Chief, Federal Explosives Licensing Center (FELC)

Expiration
Date
November 1, 2024

Mama Howard

Name
GILLASPIE, CONOR MICHAEL

Premises Address (Changes? Notify the FELC at least 10 days before the move.)

**27538 DOGWOOD RD
TREYNOR, IA 51575-**

Type of License or Permit
54-USER OF EXPLOSIVES

Purchasing Certification Statement

The licensee or permittee named above shall use a copy of this license or permit to assist a transferee of explosives to verify the identity and the licensed status of the licensee or permittee as provided by 27 CFR Part 555. The signature on each copy must be an original signature. A faxed, scanned or e-mailed copy of the license or permit with a signature intended to be an original signature is acceptable. The signature must be that of the Federal Explosives License (FEL) or a responsible person of the FEL. Certify that this is a true copy of a license or permit issued to the licensee or permittee named above to engage in the business or operations specified above under "Type of License or Permit."

Mailing Address (Changes? Notify the FELC of any changes.)

GILLASPIE, CONOR MICHAEL
101 MAPLE DR
TREYNOR, IA 51575-

[Signature]

Owner

Licensee/Permittee Responsible Person Signature

Position Title

Gillaspie, Conor Michael

11/01/2021

Printed Name

Date

ATF Form 5400.14-5400.15 Part 1
Revised September 2011

Previous License in 1 Handlet
© 2011 ATF. CONOR MICHAEL GILLASPIE 101 MAPLE DR TREYNOR IA 51575-0001

Federal Explosives License (FEL) Customer Service Information

Federal Explosives Licensing Center (FELC)
244 Noody Road
Martinsburg, WV 25405-9431

1-800-free Telephone Number (877) 283-3352
Fax Number (304) 616-4401
E-mail: FELC@atf.gov

ATF Homepage: www.atf.gov

Change of Address (27 CFR 555.54(a)(1)). Licensees or permittees may during the term of their current license or permit remove their business or operations to a new location at which they intend regularly to carry on such business or operations. The licensee or permittee is required to give notification of the new location of the business or operations not less than 10 days prior to such removal with the Chief, Federal Explosives Licensing Center. The license or permit will be valid for the remainder of the term of the original license or permit. (The Chief, FELC, shall, if the licensee or permittee is not qualified, refer the request for amended license or permit to the Director of Industry Operations for denial in accordance with § 555.54.)

Right of Succession (27 CFR 555.59) (a) Certain persons other than the licensee or permittee may secure the right to carry on the same explosive materials business or operations at the same address shown on, and for the remainder of the term of, a current license or permit. Such persons are: (1) The surviving spouse or child, or executor, administrator, or other legal representative of a deceased licensee or permittee, and (2) A receiver or trustee in bankruptcy, or an assignee for benefit of creditors. (b) In order to secure the right provided by this section, the person or persons continuing the business or operations shall furnish the license or permit for that business or operations for endorsement of such succession to the Chief, FELC, within 30 days from the date on which the successor begins to carry on the business or operations.

(Continued on reverse side)

Cut Here ✂

| | |
|---|--------------------------|
| Federal Explosives License/Permit (FEL) Information Card | |
| License/Permit Name: | GILLASPIE, CONOR MICHAEL |
| Business Name: | |
| License/Permit Number: | 5-IA-155-54-4L-00623 |
| License/Permit Type: | 54-USER OF EXPLOSIVES |
| Expiration: | November 1, 2024 |
| Please Note: Not Valid for the Sale or Other Disposition of Explosives. | |

I do not use artillery shells for safety reasons. 90% of my fireworks are 1.4g consumer fireworks. I will be firing all 1.3g fireworks in my grand finale using an e-fire platform. All 1.3g items are finale cakes with tube sizes all under 2" in diameter. The entire show will be scripted and fired using a Cobra firing system so even as the operator I will be a safe distance from ALL fireworks. The Troynor volunteer fire department will be present and all fireworks will be immediately hosed down following the show.

As an operator, I take the responsibility of following all rules and regulations very seriously.

Any questions/concerns may be answered at:

email: cmgoutdoorsLLC@hotmail.com

or

(402) 980-6358

CERTIFICATE OF LIABILITY INSURANCE - IOWA



Castle & Associates, Inc
 15 E Main St
 Treynor, IA 51575
 (402) 291-8767
 (043/276)

American Family Mutual Insurance Company, S.I.
 6000 American Parkway
 Madison, WI 53783
 For customer service and claims service,
 24 hours a day, 7 days a week
1-800-MY AMFAM (1-800-692-6326)
amfam.com

Insured's Name and Address:
 Conor and Amanda Gillaspie
 101 Maple Dr
 Treynor, IA 51575

This certificate is issued as a matter of information only and confers no rights upon the Certificate Holder. This certificate does not amend, extend or alter the coverage afforded by the policies listed below.

COVERAGES

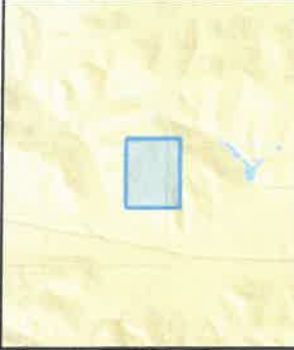
This is to certify that policies of insurance listed below have been issued to the insured name above for the policy period indicated, notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate may be issued or may pertain, the insurance afforded by the policies described herein is subject to all the terms, exclusions, and conditions of such policies.

| TYPE OF INSURANCE | POLICY NUMBER | POLICY DATE | | LIMITS OF LIABILITY |
|--|----------------|---|--|--|
| | | EFFECTIVE (Mo, Day, Yr) | EXPIRATION (Mo, Day, Yr) | |
| Homeowners/ Mobilehomeowners Liability | | | | Bodily Injury and Property Damage Each Occurrence \$,000 |
| Boatowners Liability | | | | Bodily Injury and Property Damage Each Occurrence \$,000 |
| Farm/Ranch Liability | 91001-90257-72 | 06/24/2021 | 06/24/2023 | Farm Liability & Personal Liability Each Occurrence \$ 1,000,000 Farm Employer's Liability Each Occurrence \$,000 |
| Workers Compensation and Employers Liability † | | | | Statutory ***** Each Accident \$,000 Disease - Each Employee \$,000 Damage - Policy Limit \$,000 |
| General Liability <input type="checkbox"/> Commercial General Liability (occurrence) <input type="checkbox"/> <input type="checkbox"/> | | | | General Aggregate \$,000 Products - Completed Operations Aggregate \$,000 Personal and Advertising Injury \$,000 Each Occurrence \$,000 Damage to Premises Rented to You \$,000 Medical Expense (Any One Person) \$,000 |
| Businessowners Liability | | | | Each Occurrence†† \$,000 Aggregate†† \$,000 |
| Liquor Liability | | | | Common Cause Limit \$,000 Aggregate Limit \$,000 |
| Automobile Liability <input type="checkbox"/> Any Auto <input type="checkbox"/> All Owned Autos <input type="checkbox"/> Scheduled Autos <input type="checkbox"/> Hired Auto <input type="checkbox"/> Nonowned Autos <input type="checkbox"/> | | | | Bodily Injury - Each Person \$,000 Bodily Injury - Each Accident \$,000 Property Damage \$,000 Bodily Injury and Property Damage Combined \$,000 |
| Umbrella Liability <input type="checkbox"/> Commercial Blanket Excess <input checked="" type="checkbox"/> Personal Umbrella Liability | 14U5-4743-01 | 07/25/2021 | 07/25/2023 | Each Occurrence/Aggregate \$ 1,000,000 Bodily Injury and Property Damage \$ 1,000,000 Each Occurrence \$ 1,000,000 |
| Other (Miscellaneous Coverages) | | | | |
| DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / RESTRICTIONS / SPECIAL ITEMS 27538 Dogwood Rd, Treynor IA 51575 | | †The individual or partners shown as insured elected to be covered under this policy <input checked="" type="checkbox"/> Have <input type="checkbox"/> Have not ††Products-Completed Operations aggregate is equal to each occurrence limit and is included in policy aggregate. | | |
| CERTIFICATE HOLDER'S NAME AND ADDRESS | | CANCELLATION | | |
| | | Should any of the above described policies be cancelled before the expiration date thereof notice will be delivered in accordance with the policy provisions | | |
| | | DATE ISSUED 06/22/2022 | AUTHORIZED REPRESENTATIVE Jane Goos | |

Map Title



Users of Pottawattamie County (The County) GIS data agree that he/she will at all times indemnify and hold The County and its officers, employees, and agents harmless from any damages, claims, lawsuits, costs, or liability arising from any act, omission, or commission with respect to the release and use of information in this Agreement and any of the terms thereof. The County makes no claim as to the accuracy of the spatial data and its associated data tables and assumes no responsibility for their positional or content accuracy. The County makes no claim as to the ability of the spatial data to fulfill the Contracting Organization's application requirements. In providing data (or access to data), The County assumes no obligation to assist in the use of the data, or in the development, use, or maintenance of any applications applied to the data. In no event shall The County be liable for any direct, indirect, incidental, consequential or special damages that may result from the use of the GIS data.



Legend

World Imagery (Map Service)
World Imagery

High Resolution 60cm
Imagery

High Resolution 30cm
Imagery

Citations

1 2m Resolution Metadata

Pottawattamie County GIS Dept.
223 S 6th St.
Council Bluffs, IA 51501
(712) 328-4885
gis@pottcounty-ia.gov
https://gis.pottcounty-ia.gov

8/9/2021



Received/Filed

Office of **№ 043243**
Pottawattamie County Treasurer

6-20-22 for May 2022
 Date

Received from Pottawattamie County
Sheriffs office

Payor Pottawattamie County Sheriffs
Office

Amount Sixty Seven Thousand Five Hundred
Twenty Six Dollars & 59/100 \$ 67,526.59

Account to be credited See below

Descriptions of funds See below

Received by PA

Date received 6/20/22 OK's

| May 1, 2022 | | |
|--------------------------------------|----------------------|---------------------------|
| Pottawattamie County Sheriffs Office | | |
| Total | Description | Line Item |
| \$0.00 | Bank Interest | 0001-4-05-1060-600000-000 |
| \$2,610.00 | Weapon Permits | 0001-1-05-1060-441000-000 |
| \$64,916.59 | Civil Fees | 0001-1-05-1060-440000-000 |
| \$0.00 | Outstanding Checks | 0001-1-05-1060-820000-000 |
| \$67,526.59 | Total Deposit | |
| | \$38,066.52 | total check #221933 |
| | \$29,460.07 | total check #221934 |
| | \$67,526.59 | total deposit |

Pottawattamie County Sheriff's Office

Report of Fees Disbursed for

05/02/2022 - 05/31/2022

I Andy Brown, Sheriff of Pottawattamie County IA., do hereby certify that the following is a correct statement of fees disbursed by me from my office for the period 05/02/2022 - 05/31/2022.

Disbursements:

Paid to Others:

State - Weapon Permit Amount 630.00

Refunds; Publication; Sales; Com 344,716.88

Subtotal 345,346.88

Paid to Treasurer:

Service Fees - Notary Fees; Copy Fees 37,478.57

Postage 3,361.30

Transport - Officer Expenses 15,498.69

Mileage Amount 7,978.03

Report Amount 180.00

County - Weapon Permit Amount 2,610.00

Other - Subpoena 420.00

Subtotal 67,526.59

Total 412,873.47

The above information is respectfully submitted on 6/18/2022



Andy Brown
Pottawattamie County, IA

Pottawattamie County Sheriff's Office

Report of Fees Collected for

05/02/2022 - 05/31/2022

I Andy Brown, Sheriff of Pottawattamie County IA., do hereby certify that the following is a correct statement of fees collected by me in my office for the period 05/02/2022 - 05/31/2022.

Receipts:

| | |
|---------------------------------------|------------------|
| Service Fees - Notary Fees; Copy Fees | 41,802.48 |
| Postage | 3,926.03 |
| Transport - Officer Expenses | 15,498.69 |
| Mileage Amount | 7,916.03 |
| Report Amount | 220.00 |
| County - Weapon Permit Amount | 2,670.00 |
| State - Weapon Permit Amount | 630.00 |
| Refunds; Publication; Sales; Com | 313,308.12 |
| Other - Subpoena | 385.00 |
| Unapplied | 94.00 |
| Total | <hr/> 386,450.35 |

The above information is respectfully submitted on 6/18/2022



Andy Brown
Pottawattamie County, IA

Appraisal of Commerical Properties in Pottawattamie County
Completed By: Mitchell & Associates, INC.
May 2022

| FACILITY | ADDRESS | VALUE |
|-----------------|--------------------------------------|--------------|
| AVOCA | 358 Elm St. Avoca, IA | \$120,000.00 |
| CALADONIA | 15021 490th St. Griswold, IA | \$72,000.00 |
| HANCOCK | 217 N. Main St., Hancock, IA | \$60,500.00 |
| LEWIS | 15484 State Orchard Rd. Co.Bluffs,IA | \$200,000.00 |
| WALNUT | 705 Oak St., Walnut, IA | \$100,000.00 |

| | |
|----------------------------|---------------------|
| Total Market Value: | \$552,500.00 |
|----------------------------|---------------------|

AN
APPRAISAL

OF

**COMMERCIAL PROPERTY
LOCATED AT
358 ELM STREET
AVOCA, IOWA**

AS OF

May 16, 2022

PREPARED FOR

Ms. Kristina Treantos
Via email
Kristina.treantos@pottcounty-ia.gov

PREPARED BY

D. Rick Whitesides, MAI, SRA
Certified General Appraiser

MITCHELL & ASSOCIATES, INC.
14611 West Center Road
Omaha, Nebraska 68144



MITCHELL & ASSOCIATES, INC.

ROBERT F. MITCHELL, SR., 1893-1983
ROBERT F. MITCHELL, JR., SRPA 1927-2020
R. GREGG MITCHELL, SRA

D. RICK WHITESIDES, MAI, SRA
W. BRUCE WILKIE
BETH ANDERSEN
RICHARD C. WITTMANN
REBECCA BELLOWS
JAMES ANDERSEN

KEVIN P. HERMSEN, MAI
DAVID C. WELLSANDT, MAI
MELISSA L. RUTHERFORD
MARK SCHAECHER
ALEX FINKLE

May 31, 2022

Ms. Kristina Treantos
Via email
Kristina.treantos@pottcounty-ia.gov

RE: File #00220814 - Appraisal
Commercial Property
358 Elm St.
Avoca, Iowa

Dear Ms. Treantos:

In response to your request and for the purpose of estimating the Market Value of the above referenced property for asset management purposes, I have personally visited the property, and then conducted an analysis of the matters pertinent to its current market value. My findings are included in the following report of 66 pages, plus the supporting Addenda.

This report is intended to be in conformity with the prevailing Standards and Ethics of the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation and the Appraisal Institute. It is independently prepared so is not based on a requested minimum value, specific valuation nor the approval of a loan. It is also in conformity with the laws and Minimum Standards of the State of Iowa where I am licensed.

Your attention is directed toward the sections titled Limiting Conditions and Assumptions, Definitions, and Appraiser's Certification, which address contingencies of the appraisal. Additional contingencies may be interspersed throughout the report where appropriate; therefore, this report should be considered in its entirety. Your attention is also directed to the special consideration noted on page 11 **regarding the COVID-19 outbreak**. The effective date for this appraisal is in a time where the community is experiencing a serious reaction to the outbreak including many closures or cancellations including school districts, state and federal declarations of emergency. Public health officials are calling for social distancing and limited exposure to others. There is currently insufficient data to indicate market reactions to the outbreak as it applies to the general market or to specific properties in regards to any effects on value or marketing times.

Conditional only upon my standard Certification, Assumptions and Limiting Conditions, and the estimated exposure time as stated in this report, it is my opinion the "as is" Market Value of the subject properties fee simple estate, as of May 16, 2022 was:

ONE HUNDRED TWENTY THOUSAND DOLLARS
(\$120,000)

Respectfully submitted,

D. Rick Whitesides, MAI, SRA
General Certified Appraiser - IA CG0143 NE CG9201429;

S:\Reports\2022\00220814\Report.doc

Real Estate Appraisers & Consultants

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IDENTIFICATION OF THE PROPERTY
AND SUMMARY OF SALIENT FACTS

LOCATION: 358 Elm Street, Avoca, Iowa 51521. This is about 2 blocks south of West High Street and one block west of Ellsworth Street, in Avoca Iowa, which is in the eastern portion of Pottawattamie County, Iowa.

LEGAL DESCRIPTION: Lots 1, 2, 3 in Block 19 Original town of Avoca, Pottawattamie County, Iowa

OWNER OF RECORD: Pottawattamie County
Council Bluffs, Iowa

CLIENT/INTENDED USE: The report was ordered by Ms. Kristina Treantos with Pottawattamie County, who advised this appraisal would be used in asset management purposes. There are no other intended uses or users of this report.

APPRAISAL PURPOSE: Purpose of this appraisal is to provide a supported estimate of the 'as is' fee simple market value of the subject property, as of the date of the site visit.

INSPECTION DATE: On May 16, 2022, I personally visited subject in the company of Shawn Bluml with Pottawattamie County. Most photos used in this report were taken at the time of this inspection.

EFFECTIVE DATE: This appraisal has an effective date of May 16, 2022, the date of the property visit.

SUBJECT DESCRIPTION: The subject property consists of one building used as a maintenance building. This building contains one drive-in bay an open office and a restroom it was built in 1985. The building is of pre-engineered steel construction with metal panels on the elevations and pitched roof. There is one overhead door for vehicle entry and a pedestrian door. The building has 1,920 square feet and is located upon a corner site with 20,550 SF which is totally fenced.

ZONING: Subject is zoned HC (Highway Corridor District) under Avoca jurisdiction. This district is intended to be applied to sites fronting on major highways for uses and services normally associated with the traveling public. Highway Commercial areas should be designed so that all or most of the needs of the traveling public can be accommodated at one stop. Other uses include sales, services, and retail which serve the needs of markets ranging from several neighborhoods to the overall region. The district is further characterized by a need for adequate off-street parking. (see zoning regulations in Addenda).

IDENTIFICATION OF THE PROPERTY
AND SUMMARY OF SALIENT FACTS (CONTINUED)

FLOOD PLAIN STATUS: **Subject does appear to be located in a designated flood zone**, per CoreLogic, referencing FEMA Map 19155C0327F, dated April 16, 2013 (map in report).

TITLE HISTORY: Per county records, subject does not appear to have sold in the past five years.

TAX ASSESSMENT: Real estate taxes for Pottawattamie County are combined in one billing for all governmental subdivisions. The County Assessor is responsible for estimating ‘actual value’ to which tax rates are applied. Subject (Parcel #7739 16 133 005) is assessed as follows:

| 2022 | Comm. Land | Current Value | | Total | Class |
|------------|------------|------------------|--|----------|-------|
| | | | | | |
| | | Improvement | | | |
| Full Value | \$20,100 | \$36,600 | | \$56,700 | C |
| Exempt | \$20,100 | \$36,600 | | \$56,700 | C |
| Net Total | \$0 | \$0 | | \$0 | C |
| 2021 | Comm. Land | Prior Year Value | | Total | Class |
| | | | | | |
| | | Improvement | | | |
| Full Value | \$20,100 | \$36,600 | | \$56,700 | C |
| Exempt | \$20,100 | \$36,600 | | \$56,700 | C |
| Net Total | \$0 | \$0 | | \$0 | C |

TAX RATE: The 2020 tax rate was \$35.930920 per \$1,000 of assessed value, which appears normal for commercial properties in this area. The 2021 tax rate has not been set, as of the effective date of this report.

REAL ESTATE TAXES: Per Pottawattamie County Treasurer’s Office, shows net real estate taxes of \$0 as it is owned by a government entity. Generally these taxes have delinquent dates of September 1, 2020 for the first half and March 1, 2021 for the second half. Subject is appraised as if all historic tax obligations (including additional interest or penalties) are paid current.

PERSONAL PROPERTY: No furniture, fixtures, business or equipment values are included in this report.

HIGHEST & BEST USE: As concluded herein, highest and best use of subject is ‘as is’ with a maintenance shed.

EXPOSURE TIME: As described herein, exposure time is estimated time a property interest being appraised would have been offered on the market prior to a hypothetical consummation of sale at market value on effective date of appraisal. Based on a retrospective opinion of past events, assuming a competitive, open market, I estimated that would have been within 12-months, reflecting current market conditions.

IDENTIFICATION OF THE PROPERTY
AND SUMMARY OF SALIENT FACTS (CONTINUED)

ENVIRONMENTAL
CONDITIONS:

Existing improvement is a maintenance shed It is unknown if hazardous components/materials (urea formaldehyde foam insulation, asbestos, etc.) were used in construction/renovation or if the site has contaminants. No evidence of underground fuel storage tanks or contamination was observed. As a result, environmental conditions are presumed non-adverse. However, it may be prudent to obtain a current certified survey and environmental assessment of the property. This appraisal makes no allowance for environmental remediation or abatement requirements. Your attention is directed to Limiting Conditions and Assumptions at the conclusion of this report.

SUMMARY OF INDICATED VALUES FROM THIS REPORT

| | |
|--|----------------|
| Market Value via the Cost Approach | Not Applicable |
| Market Value via the Direct Sales Comparison Approach | \$125,000 |
| Market Value via the Income Capitalization Approach (Fee Simple) | \$110,000 |

SCOPE OF WORK

Scope of work refers to research and analysis in this assignment and includes the extent to which the property is identified, type and extent of data researched, and type and extent of analysis applied.

Extent of Property Identification: The property was identified by its addresses of 358 Elm Street, Avoca, Iowa. Per Pottawattamie County records, this address corresponds to County Parcel number and legal descriptions summarized in the Salient Facts section of this report.

Type and Extent of Data Researched: I personally visited the property, building measurements were taken from county assessors web site and verified on site, which provided the information for the property descriptions. Site size was obtained from the assessor's website also. Other data was collected from County public records, conversations with local property owners and brokers, information published in real estate industry publications and Mitchell & Associates appraisal files. I was not provided with a current soils testing report or survey; therefore, I did not consider the impact on property value of any possible restrictions or soil issues that might be revealed by these reports. The **COVID-19** virus is having significant impacts to how people live around the world. The impacts are fairly recent in the area, but there have been many closures. Public health officials are calling for social distancing and limited exposure to others.

As we progress through 2022, fewer cases are reported but some cautionary measures are still promoted. Such news has increased the level of fear and anxiety among the community. Single-family sales have been brisk due to the shrinking inventories and rising prices. Commercial businesses may experience reduced sales due to recent closing of bars and restaurants except for drive-thru service, and avoiding places where 10+ people gather. Other businesses are opting for employees to work remotely.

There is currently insufficient data to indicate market reactions to the outbreak as it applies to the general market or to specific properties (e.g. places of reported exposures) in regards to any effects on value or marketing times.

Type and Extent of Analysis Applied: A highest and best use analysis of the property was developed utilizing inferred or trend methodology, appropriate of the property in light of its site size and building size as well as the location in a mature area. Due to the age of the structure, estimating depreciation would be so subjective as to render the cost approach unreliable; therefore, it was omitted from this appraisal. I researched and found recent sales of buildings supporting the use of the Direct Sales Comparison Approach. The Income Capitalization Approach was not developed due to a lack of market information.

Conclusion: The conclusions and analyses were reconciled into the final estimate of value. Based on my training, experience (see credentials in the Addenda intended to satisfy the Competency Rule of USPAP) and judgment, I concluded that this appraisal in a summary format including the Direct Sales Comparison and income approach is appropriate to support a credible estimate of the Fee Simple value and consistent with the Standards of the 2020-2021 Uniform Standards of Professional Appraisal Practice (USPAP).

EXTERIOR PHOTOS



Front (East side)



North side



West side



South side



Sand storage

APPRAISER'S CERTIFICATION

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 interest in the property that is the subject of this report and 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 opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

I have not performed a previous appraisal of the subject property and have not done an appraisal review involving the subject, or an appraisal consulting assignment involving the subject, within the past three years.

The reported analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute and the Uniform Standards of Appraisal Practice.

The reported analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the requirements of the Uniform Standards of Appraisal Practice

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

I have made a personal inspection of the property that is the subject of this report.

No one provided significant real property appraisal assistance to the person signing this certification. If there are exceptions, the name of each individual providing significant real property appraisal assistance is stated in the scope of the report.¹

As of the date of this report, I, D. Rick Whitesides, have completed the requirements of the continuing education program of the Appraisal Institute.

APPRAISER:



D. Rick Whitesides, MAI, SRA - NE CG920142
IA CG01439

¹ Source for Items #1-#9, Standards Rule 2-3, *Uniform Standards of Professional Appraisal Practices*, 2001 Edition

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal has been based on the following limiting conditions:

For purposes of this appraisal, any marketing program for the sale of the property would assume cash or its equivalent.

No detailed soil studies covering the subject property were available for this appraisal. It is therefore assumed that soil conditions are adequate to support standard construction consistent with highest and best use.

The date of value to which the conclusions and opinions expressed in this report apply, is set forth in the letter of transmittal. Further, the dollar amount of any value opinion rendered in this report is based upon the purchasing power of the American dollar existing on that date.

The appraiser assumes no responsibility for economic or physical factors which may affect the opinions in this report which occur after the date of the letter transmitting the report or which cause unpredictable changes. Events such as (but not limited to) natural disasters, wars and economic calamities are examples of such factors.

The appraiser reserves the right to make such adjustments to the analysis, opinions and conclusions set forth in this report as may be required by consideration of additional data or more reliable data that may become available.

No opinion as to title is rendered. Data relating to ownership and legal description was obtained from county records and is considered reliable. Title is assumed to be marketable and free and clear of all liens, encumbrances, easements and restrictions except those specifically discussed in the report. The property is appraised assuming it to be under responsible ownership and competent management and available for its highest and best use.

If no title policy was made available to the appraiser, they assume no responsibility for such items of record not disclosed by their customary investigation.

The appraiser assumes no responsibility for hidden or non-apparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for arranging for engineering studies that may be required to discover them.

The property is appraised assuming it to be in full compliance with all applicable federal, state and local environmental regulations and laws, unless otherwise stated.

The property is appraised assuming that all applicable zoning and use regulations and restrictions have been complied with, unless otherwise stated.

The property is appraised assuming that all required licenses, certificates of occupancy, consents or other legislative or administrative authority from any local, state or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based, unless otherwise stated.

No engineering survey has been made by the appraiser. Except as specifically stated, data relative to size and area was taken from sources considered reliable and no encroachment of real property improvements is considered to exist.

No opinion is expressed as to the value of subsurface oil, gas or mineral rights whether the property is subject to surface entry for the exploration or removal of such materials except as is expressly stated.

Maps, plats, and exhibits included in this report are for illustration only as an aid in visualizing matters discussed within the report. They should not be considered as surveys or relied upon for any other purpose, nor should they be removed from, reproduced, or used apart from the report.

No opinion is intended to be expressed for matters, which require legal expertise or specialized investigation, or knowledge beyond that customarily employed by real estate appraisers.

Possession of this report, or copy of it, does not carry with it the right of publication. It may not be used for any purposes by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event only with the proper written qualification and only in its entirety.

ASSUMPTIONS AND LIMITING CONDITIONS (CONTINUED)

Testimony or attendance in court or at any other hearing is not required by reason of rendering this appraisal, unless such arrangements are made in a reasonable time in advance.

The appraiser has personally inspected the subject property and find no obvious evidence of structural deficiencies, except as stated in this report; however, no responsibility for hidden defects or conformity to specific governmental requirements, such as fire, building and safety, earthquake or occupancy codes can be assumed without provision of specific professional or government inspections.

No consideration has been given in this appraisal as to the value of the property located on the premises considered by the appraiser to be personal property, nor has he given consideration to the cost of moving or relocating such personal property; only the real property has been considered.

Information obtained for use in this appraisal is believed to be true and correct to the best of my abilities; however, no responsibility is assumed for errors or omissions, or for information not disclosed which might otherwise affect the valuation estimate.

Disclosure of the contents of this appraisal report is governed by the Bylaws and Regulations of the Appraisal Institute.

Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser or firm with which he is connected, or any reference to the American Institute of Real Estate Appraisers or to the MAI or SRA designations) shall be disseminated to the public through advertising media, public relations media, news media, sales media or any other public means of communication without prior written consent and approval of the appraiser.

Comments concerning the location, market area, trends, construction quality and costs of the property appraised herein represent the opinion of the appraiser formed after examination and study of the subject property.

This appraisal represents the independent opinion of the appraiser free from any commitments and free from any present or expected future interest in the property, with the sole compensation for the employment being a fair professional fee.

The Americans with Disabilities Act ("ADA") became effective January 26, 1992. I have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since I have no direct evidence relating to this issue, I did not consider possible non-compliance with the requirements of ADA in estimating the value of the property.

Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss of value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

DEFINITIONS:

- FEE SIMPLE ESTATE:¹ 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.
- LEASED FEE ESTATE:² An ownership interest held by a landlord with the right of use and occupancy conveyed by lease to others. The rights of lessor (the leased fee owner) and leased fee are specified by contract terms contained within the lease.
- MARKET VALUE:² The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date³ and the passing of title from seller to buyer under conditions whereby:
- (1) Buyer and seller are typically motivated;
 - (2) Both parties are well informed or well advised, and acting in what they consider their own best interests;
 - (3) A reasonable time is allowed for exposure in the open market;
 - (4) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and,
 - (5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

¹ The Dictionary of Real Estate Appraisal, 4th Edition, Appraisal Institute, Chicago

² Excerpted from Vol. 55 No. 165, Federal Register Section 34.44 Appraisal Standards

³ See discussion regarding exposure time and marketability within the Highest and Best Use analysis of this report

VALUATION AND THE APPRAISAL PROCESS

An appraisal is an estimate, an opinion of value. Its accuracy depends on the basic competence and integrity of the appraiser and on the soundness and skill by which he or she processed the data. Its worth is influenced by the availability of pertinent data. The professional appraiser seeks current facts and seeks to be practical. Most importantly, the appraiser's opinion must be without bias. As with other types of "markets," the real property appraiser does not make the market; rather, he or she interprets the market.

Generally, the appraiser uses three approaches to value: 1) Cost Approach; 2) Direct Sales Comparison Approach; and, 3) Income Approach. Each of these approaches is discussed separately below. They are all comparative approaches in that the basic data comes from direct comparisons in the market, indirect comparisons in the market, and/or the appraiser's judgment, which is based on market experience.

In the Cost Approach, the cost to reproduce the property at the date of the appraisal, less an appropriate allowance for depreciation (physical deterioration, functional obsolescence, and economic obsolescence), is made by market comparisons of cost and depreciation. The Cost Approach tends to set the upper limit of value since no property can be worth more than it would cost to build another property of equal utility assuming no reasonable delays. In land appraisals this approach is not applicable as land cannot be replaced but is considered a non-depreciating asset.

In the Direct Sales Comparison Approach, the subject property is compared to sales of similar properties. The sales are analyzed to determine similarities and differences, which affect value when observed in the market. These similarities and differences then serve as points of comparison between the market data and the subject property. When necessary, adjustments are made to the comparables to account for these differences. The resulting adjusted value per unit is then used to estimate the value via this approach.

In the Income Capitalization Approach, the future operation of the property is estimated from past historical data relating to the subject and/or from comparable market data. Gross rental schedules, vacancy and collection losses, fixed expenses, operating expenses and reserves are projected and used to estimate net income. This net income is converted to a value estimate using the capitalization process. The capitalization rate (comprised of a return on and a return of the investment) is based on demonstrated rates found in the market. (In land appraisals, recapture is not a part of the capitalization rate as land is considered a non-depreciating asset.) The method and technique of capitalization is determined by the nature of the property in the market.

All approaches were considered for this report, however, the availability, adequacy and pertinence of data may limit the approaches actually used, as discussed in the Reconciliation of this report.

MARKET AREA DESCRIPTION AND ANALYSIS

Market areas influence value of specific properties in many ways. These influences are best understood considering their social, economic, governmental and environmental characteristics. It has been said that “social, economic, governmental and environmental forces also influence property value near the subject property which, in turn, directly affects the value of the subject property itself.”¹ Therefore, we will examine each characteristic considering the subject’s market area.

Market Area: Subject is in Avoca Iowa, near the center of Pottawattamie County, northeast of the Omaha/Council Bluffs metro (CBSA). This area is described as follows:

Social Characteristics

Demographics: The 2021 population² within one, 3 and 5 miles of Avoca was reported as 1,417, 1,756 and 2,105 respectively; which is about 4% higher than 2010. Households in 2021 were up 0.4% from 2010. Average family size was 2.26 persons.

Education: The market area is served by the AHST Public School District (Avoca, Hancock Shelby Tennant and Walnut communities). The level of education achieved for persons ages 25 or older within the area is shown as follows.

| 2021 Population 25+ by Educational Attainment | | | |
|--|-------|-------|-------|
| Total | 1,026 | 1,272 | 1,529 |
| Less than 9th Grade | 0.6% | 0.6% | 0.6% |
| 9th - 12th Grade, No Diploma | 7.6% | 7.5% | 7.1% |
| High School Graduate | 27.6% | 27.5% | 28.1% |
| GED/Alternative Credential | 4.5% | 4.2% | 4.1% |
| Some College, No Degree | 21.5% | 21.5% | 21.5% |
| Associate Degree | 14.2% | 14.3% | 14.2% |
| Bachelor's Degree | 17.8% | 18.1% | 18.2% |
| Graduate/Professional Degree | 6.1% | 6.3% | 6.3% |

Employment: Employment by industry within the city is shown as follows.

| 2021 Employed Population 16+ by Industry | | | |
|---|-------|-------|-------|
| Total | 807 | 1,002 | 1,198 |
| Agriculture/Mining | 4.3% | 4.2% | 5.4% |
| Construction | 9.4% | 9.4% | 9.3% |
| Manufacturing | 8.2% | 8.4% | 8.4% |
| Wholesale Trade | 1.2% | 1.3% | 1.3% |
| Retail Trade | 12.9% | 12.4% | 12.4% |
| Transportation/Utilities | 11.2% | 11.8% | 11.4% |
| Information | 1.0% | 0.9% | 0.8% |
| Finance/Insurance/Real Estate | 9.4% | 9.4% | 9.2% |
| Services | 37.3% | 36.6% | 36.3% |
| Public Administration | 5.2% | 5.6% | 5.3% |

¹ Appraisal of Real Estate, 13th Edition, 2008

² www.stdbonline.com

MARKET AREA DESCRIPTION AND ANALYSIS (CONTINUED)

Social Characteristics (Continued)

It was shown that 808 persons are in the workforces in Avoca. Largest employers in this community are Wings America, Casey's General Stores, F6 Hospitality, Avoca Specialty Care, Dollar General, Estes Express Lines, Cobblestone Inn & Suites and Chapman Metering; unemployment rate was 2.2%:

Housing: The market area 642 housing units within one mile and has roughly 74.5% of occupants owning their home and 25.5% of homes being renter occupied.

Roadway Linkage: City of Avoca is accessed via Highway 59 which links to Interstate Highway 80 just north of this community.

Recreation:

Avoca has a 9 hole public golf course, aquatic center and a museum.

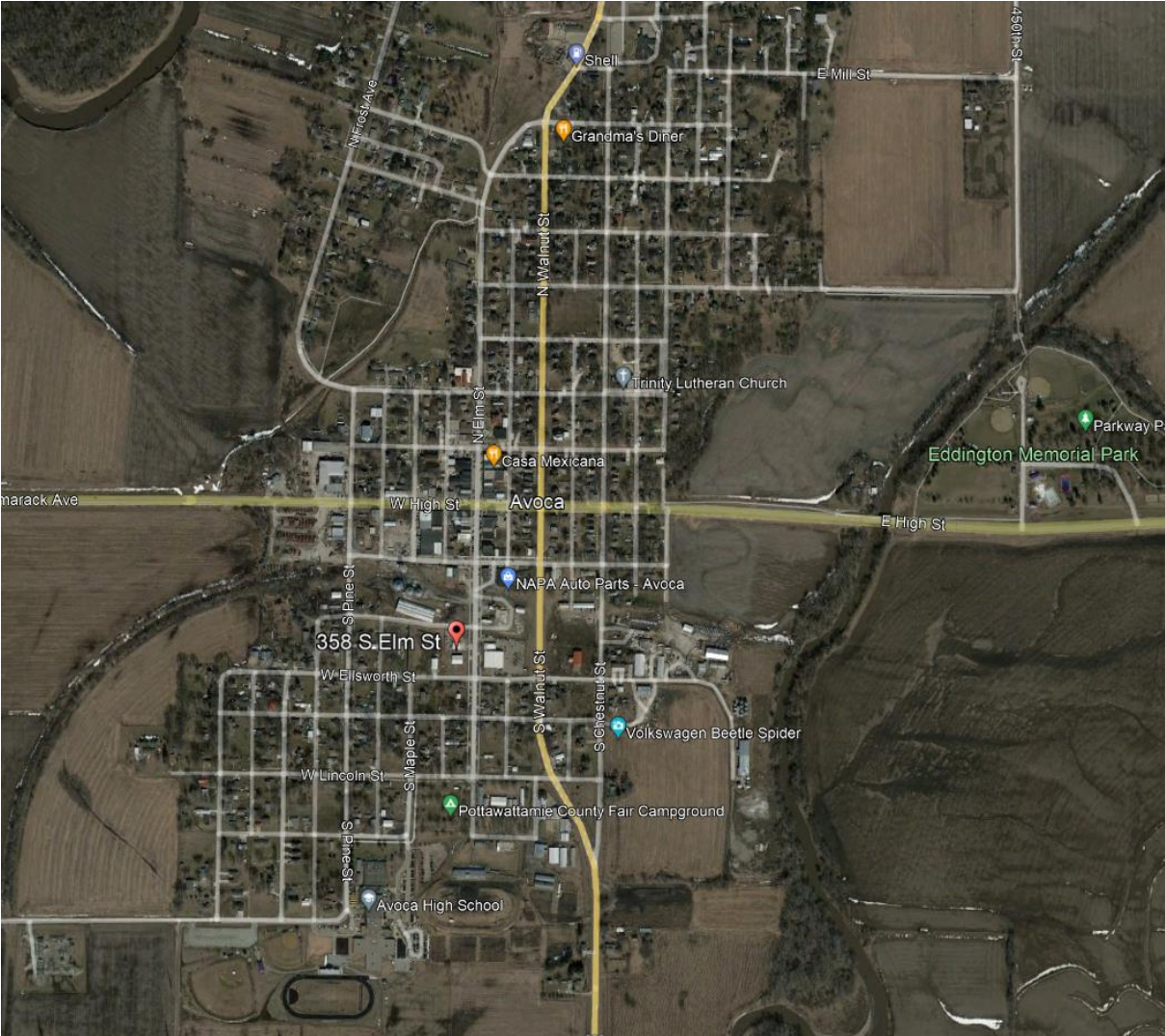
Retail Centers: Shopping is available in town and also available in nearby communities.

Utilities: Water is provided by City of Avoca, MidAmerican Energy provides gas and electricity to the community.

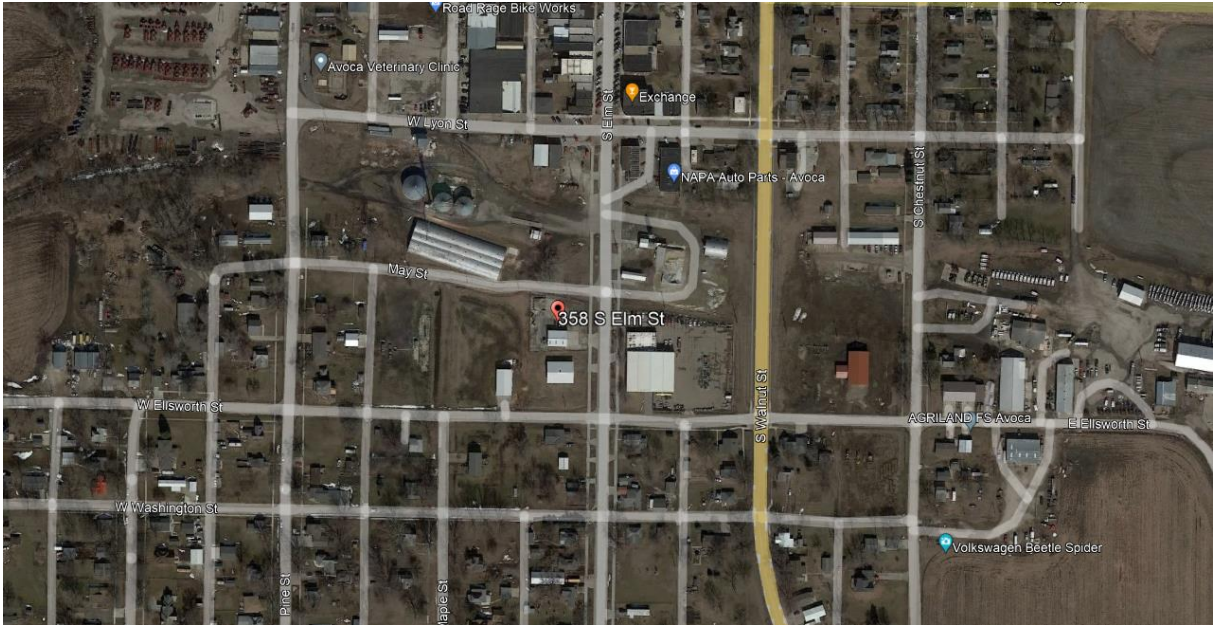
Governmental Characteristics

Administration: Avoca has a mayor and city council form of government.

Market Area Aerial



Immediate Market Area Aerial



MARKET AREA VIEWS



View north along Elm Street,
subject at left



View south along Elm Street,
subject at right

SITE DESCRIPTION AND ANALYSIS

Subject property is located on the west side of Elm Street which is just south of the business district in Avoca which is in the east portion of Pottawattamie County. The property is surrounded by commercial or industrial properties. Following is a summary of subject characteristics:

Size: Subject parcel has frontage along Elm Street with site area listed as 20,550 square feet or 0.47 acres. These dimensions were taken from public records, as no survey was provided.

Topography: Subject site appears to have level terrain near the grade level of abutting roads. This site appears to have adequate surface water drainage.

Soils: Subject is presumed free of hazardous materials and the load bearing capacities adequate for improvements. Obvious environmental problems were not observed. See Limiting Conditions as relate to effects on value if environmental contamination is found on property.

Utilities: Subject has electricity, natural gas, water and a sewer.

Easements/Encroachments/Restrictions: No adverse easements or encroachments were noted on the plats and none are known.

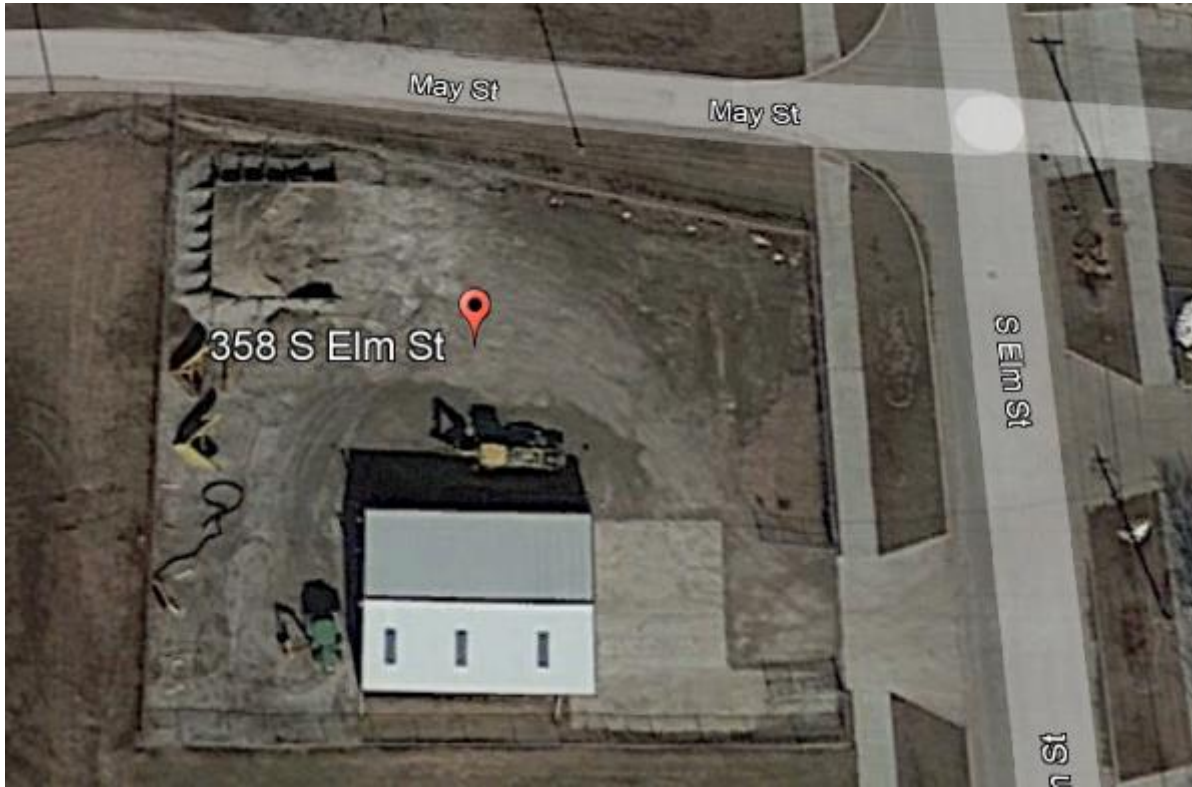
Flood Plain/Drainage: **Subject does appear to be located in a designated flood zone**, per CoreLogic, referencing FEMA Map 19155C0327F, dated April 16, 2013 (map in report).

Zoning: Subject is zoned HC (Highway Corridor District) under Avoca jurisdiction. This district is intended to be applied to sites fronting on major highways for uses and services normally associated with the traveling public. Highway Commercial areas should be designed so that all or most of the needs of the traveling public can be accommodated at one stop. Other uses include sales, services, and retail which serve the needs of markets ranging from several neighborhoods to the overall region. The district is further characterized by a need for adequate off-street parking. (see zoning regulations in Addenda).

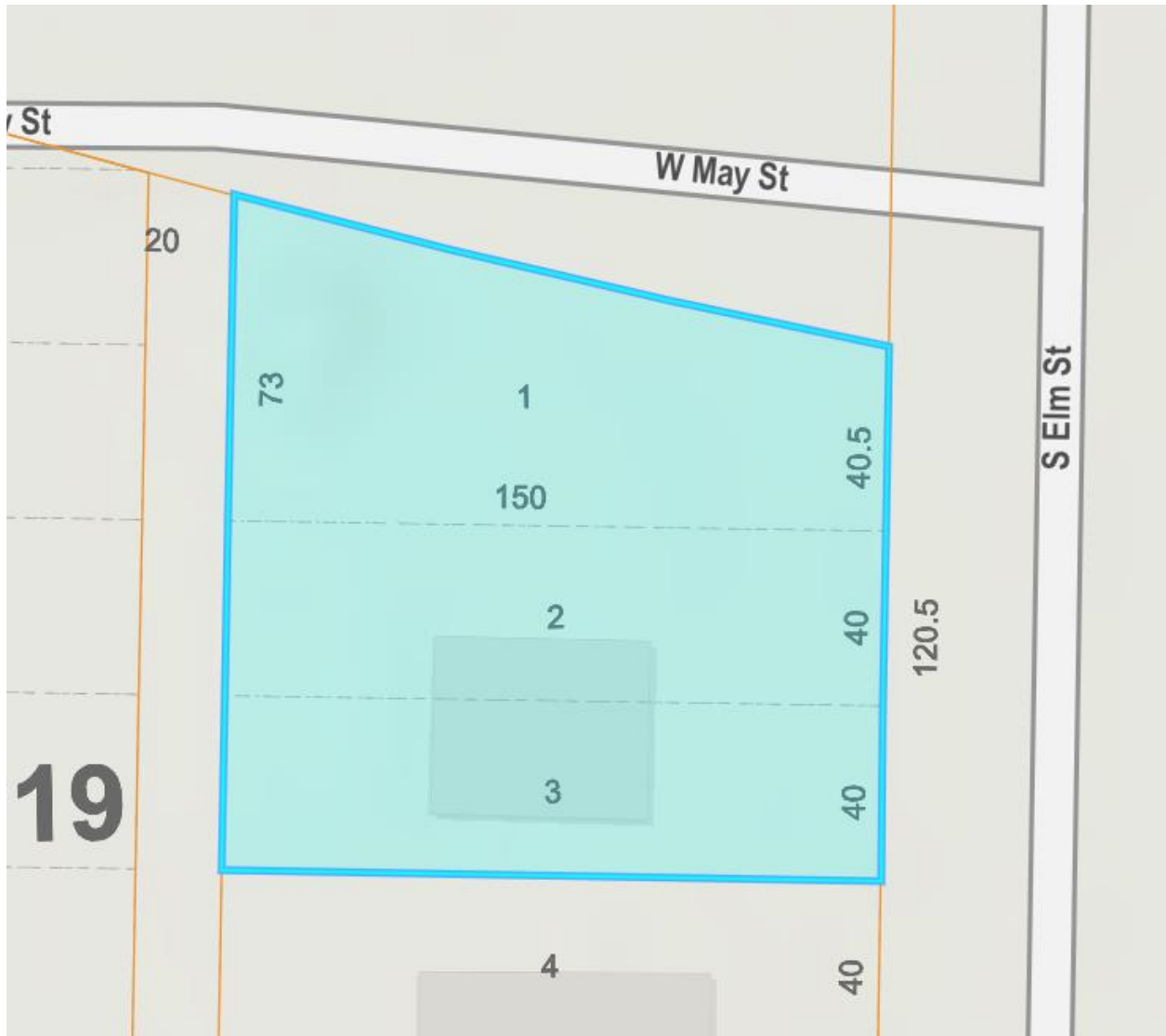
Visibility: Subject has frontage along Elm Street which is a 2 lane street handling north/south bound traffic and carries moderate amounts of traffic. The views to and from the subject are not dramatically obscured by abutting properties or terrain. Based on these factors the subject is considered to have average visibility characteristics.

Access: Subject parcel has a corner location in an area of commercial land uses. Highway 59 connects this area to Interstate 80. Based on this, subject is considered to have average access characteristics.

Subject Parcel Aerial



Subject Plat Map



Subject Flood Map



The closest match to 358 elm st. avoca ia is 358 S ELM ST AVOCA, IA 51521-3509

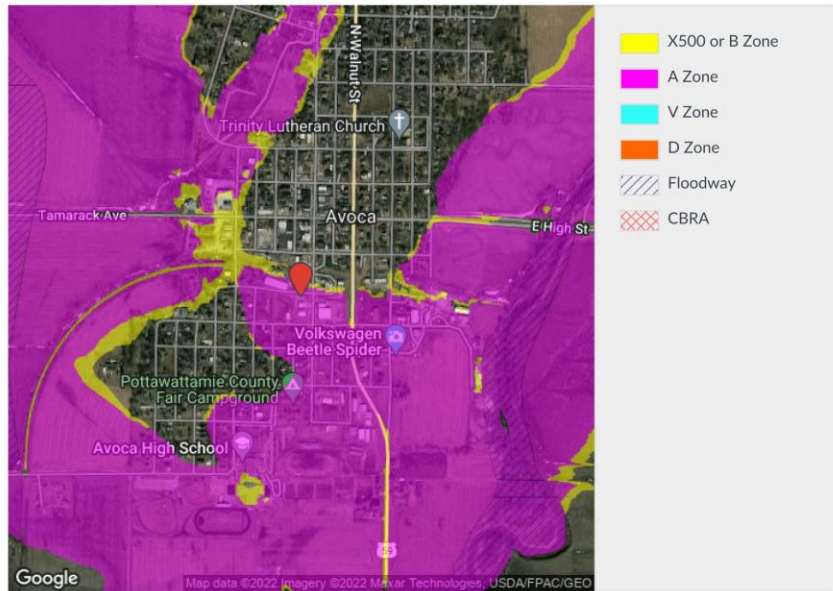
358 S ELM ST AVOCA, IA 51521-3509

LOCATION ACCURACY: 📍 Excellent

Flood Zone Determination Report

Flood Zone Determination: **IN**

| | | | |
|------------|----------------|------------|-------------|
| COMMUNITY | 190233 | PANEL | 0327F |
| PANEL DATE | April 16, 2013 | MAP NUMBER | 19155C0327F |



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Report generated May 26, 2022 by commercial@mitchellassociates.com

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DESCRIPTION AND ANALYSIS OF IMPROVEMENTS

The subject property consists of one building used as a maintenance building. This building contains one drive-in bay an open office and a restroom it was built in 1985. The building is of pre-engineered steel construction with metal panels on the elevations and pitched roof. There is one overhead door for vehicle entry and a pedestrian door. The building has 1,920 square feet and is located upon a corner site with 20,550 SF which is totally fenced. Based on my observations and public records the general building components and their condition were summarized as follows:

STRUCTURAL FEATURES:

Footings & Foundation: Footings were not observed; foundation appears to be poured concrete.

Superstructure: Building is of pre-engineered steel construction with metal panels on the exterior elevations and a pitched roof.

Floors: Is poured concrete, specific thickness and load-bearing capacity is unknown.

Roof: Roof is a pitched design and was covered with metal panels. It is drained by a gutter and downspout system.

Walls: Exterior walls are metal panels.

Windows & Doors: Entry into the building is a direct entry through 2 metal pedestrian doors in an aluminum frame. The windows in the building were aluminum sliders. There were 2 overhead drive-in doors of insulated metal construction, which were about 14' x 14' and electrically operated.

MECHANICAL FEATURES:

Electrical Systems: Electric service was 110/220 volt service; protected by circuit breakers.

Lighting: The building had fluorescent fixtures.

Heating & Air Conditioning: There was a gas fired tube heater

Fire Protection System: None observed

Security System: None observed

DESCRIPTION AND ANALYSIS OF IMPROVEMENTS (CONTINUED)

INTERIOR:

Restrooms: There was a restroom equipped with a residential stool, sink. No specific investigation of whether or not these facilities meet requirements of the Americans with Disabilities Act was conducted (see disclaimer in Assumptions at the conclusion of this report).

Interior Finish: The open office portion of the building has no real finish

Site Improvements: There was concrete drive from the street to the building then that changes to crushed rock, the balance of the site has turf grass. This site has a chain link fence surrounding it. There is an area used for sand storage with and a wood retaining wall.

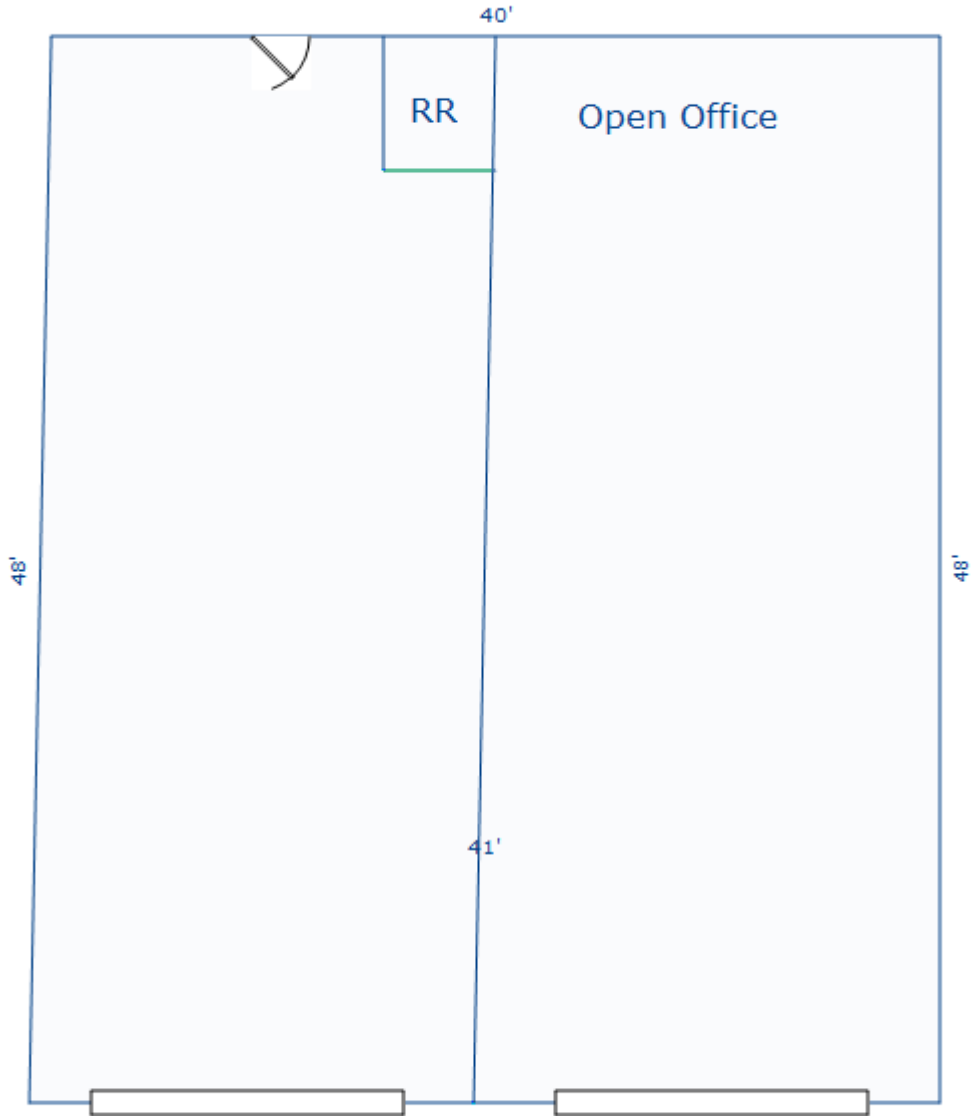
CONDITION/DEPRECIATION:

Subject was reported to have been constructed in 1985. Therefore, it has a chronological age of 37 years. The subject was considered in average/fair condition. Therefore, it is estimated to have effective age of 25 years. Per Marshall Valuation, buildings similar to subject would have an economic life of 40 years. Based on these factors, subject is estimated to have non-curable depreciation of 50% (20-year effective age ÷ 40-year economic life).

Functional Obsolescence: The subject's layout and floor plan is typical for this type of structure in this area.

External Obsolescence: No external obsolescence was observed (in market area description), as there appears adequate demand for these type properties.

Building Sketch



INTERIOR PHOTOS



South bay



Restroom



Open office area



Rear portion of south bay



North bay

HIGHEST AND BEST USE

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

Highest and best use of a specific property is not determined through subjective analysis by the appraiser; rather, shaped by the competitive forces in the market where property is located. Therefore, the analysis and interpretation of highest and best use is an economic study of market forces focused on the subject. The benefit of real estate development produces for a community or amenity contribution provided by a planned project (i.e., public space in a park-like area) is not considered in the appraiser's analysis of highest and best use. Also implied is that the determination of highest and best use results from the appraiser's judgment and analytical skills, i.e., that the use determined from analysis represents an interpretation or opinion not a fact to be found. In appraisal practice, the concept of highest and best use represents the premises upon which value is based. In the context of most probable selling price (market value) another appropriate term to reflect highest and best use would be most probable use. In the context of investment value, an alternate term would be most profitable use.

In order for a particular use or a piece of real property to be the highest and best use of that real property, several requirements must be met:

1. The use must be legally permissible or reasonably possible.
2. The use must be physically possible on the site.
3. The use must be economically and financially feasible under projected market conditions existing.
4. The use must be the most profitable of the legally permissible, physically possible, and economically feasible alternatives.

In estimating its market value, real property is appraised in terms of its highest and best use. Highest and best use analysis is analogous to a feasibility study, in that it is progressive. Legally permissible or physically possible uses are first considered. After analyzing one, the other is fully considered.

Regarding possible uses, there are five basic categories, which are:

1. Residential,
2. Commercial,
3. Industrial,
4. Agricultural, and
5. Special or public use.

After permissible and possible are concluded, economically feasible uses are next identified; that is, those that would pay competitive return on investment in improvements as well as land. Of these, the "maximally productive" or most profitable is highest and best use also referred to as the "ideal" use.¹

In estimating highest and best use of property, the site is first analyzed as though vacant, unimproved and available for development to its most profitable, likely, legal use. When improvements are present, it is necessary to estimate the highest and best use of the site as improved. In both cases, the property is analyzed from the viewpoint of possible, permissible and feasible uses.

¹ Appraisal of Real Estate, 13th Edition, Chicago

HIGHEST AND BEST USE (CONTINUED)

SITE 'AS IF' VACANT

Referring to highest and best use 'as if' vacant, first test is physical adaptability of land. Potential uses include are generally commercial in nature. Agricultural uses are not physically possible due to site size in relation to large acreage needs of modern farm operations. The 20,550 SF site appears entirely usable and could accommodate most uses, obviously limited by its size. No adverse physical or economic conditions were observed.

Second test is legal permissibility of use. Site is zoned HC (Highway Commercial District). Legal uses are slightly limiting, as the zoning is designed intended to accommodate commercial related activities uses. (see zoning regulations in Addenda).

Third test is the financial feasibility, calling for a use generating highest return on and of investment. The site is located along Elm Street, a lightly traveled street. Office and retail users would not find the site attractive due to the minimal traffic and surrounding commercial/industrial properties. Civic users are often not-for-profit entities that operate on limited budgets. As a result, civic users would likely not be willing to pay as much as a commercial or industrial user for a site with the subject characteristics.

Based on site size, zoning, economic and physical characteristics, it is my judgment that the highest and best use, as if vacant, would be for industrial use within the scope of the present zoning.

"AS IMPROVED"

The four tests of highest and best use, (legal permissibility, physical possibility, financial feasibility and maximum productivity) can be applied to the property "as improved" to determine the use that will maximize the subject property's value. The use maximizing the highest value is the highest and best use of the property "as improved."

The four basic courses of action that can be applied to a property are:

- To demolish improvements and redevelop the site for a new use; or
- To modify improvements (e.g. renovate, modernize, or convert), or
- To cure items of deferred maintenance and retain the improvements; or
- To maintain the improvements "as is"

I analyzed the four courses of action for the subject mixed-use building, in keeping with the four main tests of highest and best use, with my analysis described in the following paragraphs:

Demolish & Redevelop: The existing improvements contribute to site value (concluded in large part by competing properties), and it would not be financially feasible to demolish them in order to redevelop the land for some alternate use. Therefore, this option is eliminated on grounds of financial feasibility.

HIGHEST AND BEST USE (CONTINUED)

“AS IMPROVED” (CONTINUED)

Modify Improvements: I was unable to identify modifications or conversions of existing improvements that would increase property value by an amount greater than anticipated cost of modifications or conversions. Therefore, the option to modify improvements is eliminated on grounds it would not maximize property value.

Cure Deferred Maintenance or Maintain Improvements: Subject is considered in average condition, with some minor deferred maintenance observed. The cost to cure this deficiency is not considered to increase the value beyond the costs of those improvements. Therefore, the option to cure deferred maintenance is ruled out.

The only remaining course of action meeting tests of legal permissibility, physical possibility, financial feasibility, and maximum productivity is to continue current use of the subject as a light industrial or maintenance building.

EXPOSURE TIME

In order to sell property, it must be exposed to the open market. The following discussion is provided to illustrate current market conditions and estimate exposure time needed to market subject.

Exposure time may be defined as estimated length of time a property interest being appraised would have been offered on the open market prior to a hypothetical consummation of sale at market value on effective date of the appraisal; a retrospective estimate based on analysis of past events assuming a competitive, open market.

The concept of reasonable exposure time encompasses not only adequate, sufficient, reasonable time, but also adequate, sufficient, reasonable effort and considers type property being appraised, supply/ demand conditions, as of effective date of appraisal and analysis of historical sales information (sold after exposure and completion of negotiations between buyer/seller). Therefore, reasonable exposure time is a function of price and use, not an isolated estimate of time. Reasonable exposure is always presumed to precede effective date of appraisal and differs for various types of real estate under various market conditions. Therefore, my estimate of 12-18 months exposure time is based on subject's determined highest and best use in a highly competitive retail market evidencing some demand (albeit limited) for the type of space offered, its highly desirable location, but also factoring the slowdown in the real estate market over the past couple years caused by recessionary conditions.

HIGHEST AND BEST USE (CONTINUED)

MARKETING TIME

Marketing time for the purpose of this report, is defined as an estimated amount of time it might take to sell a property interest in real estate at estimated market value during the period immediately after the effective date of the appraisal.”

As with reasonable exposure time, estimated marketing time is not intended as a prediction of a date of sale or a one-line statement. The concept of marketing time encompasses other market conditions that may affect marketing, e.g., identification of typical buyers/sellers for type of real estate involved, typical equity investment levels, and/or financing terms. Therefore, reasonable marketing time is a function of price, use, and anticipated market conditions such as changes in cost/availability of funds, not an isolated estimate of time. Marketing time occurs after effective date of market value estimate and considers such brokerage functions as advertising, arranging financing and marketing property to specific investors. Estimates of both reasonable exposure and marketing times are not predictions, rather only judgments made by an appraiser.

Properties similar to the subject would appeal primarily to owners due to the single tenant design of the subject. A market search done as part of this appraisal provided limited data and, as a result, accurately estimating exact time needed to market the property was subjective, but area brokers reported recent marketing times for most reasonably priced commercial properties in metro area ranging from 1-24 months. The real estate market slowed in late 2007 due to recessionary conditions, and this slowdown was magnified by the destabilization of the financial markets in October 2008. Loans are still available for qualified borrowers, but typically at lower loan-to-value ratios, mitigating lender risk. Present rates (as of effective date of this report) range from 4.5% to 6% with terms of 3-30 years and amortizations of 15-30 years. Therefore, I concluded if subject were listed for sale in the current market at/near appraised value, reasonable marketing time is anticipated within 12 months, assuming the offering is placed with a competent broker active in the area and experienced with this property type. Real estate brokerage commissions in the area for this property type typically are near 4%-7% of gross sale price. Market also reacts more quickly to properties with attractive price/ value ratios, tending to neglect those perceived as unrealistically priced. Skill of those marketing property can also influence exposure time needed to consummate a sale, as well as the overall economic environment in which property exists. Therefore, the abovementioned marketing time is considered reasonably well supported, but is not guaranteed.

COST APPROACH

The purpose of the Cost Approach is to estimate a Market Value for the subject property based upon the cost to construct a new property that enjoys the same utility as the subject property. This approach is based upon the principle of substitution, as it is assumed that a knowledgeable purchaser would not pay more for a property than the cost to build a new one. The improvements are literally constructed “on paper” and then any accrued depreciation is subtracted from this value. This depreciated value estimate is then added to the Market Value off the subject site in its highest and best use to arrive at an estimate of value for the property as a whole. More specifically, the steps of the Cost Approach are as follows:

1. Estimate the value of the site in its highest and best use as if vacant.
2. Estimate the replacement cost new of all of the improvements.
3. Estimate accrued depreciation from all sources.
4. Deduct accrued depreciation from the cost new.
5. Add the estimated value of the site to arrive at a value for the entire property by the Cost Approach.

Due to the older age of the original building, the reliability of this approach is diminished, so it was not developed in this report.

DIRECT SALES COMPARISON APPROACH

The Direct Sales Comparison Approach (also known as the Market Data Approach) is the process in which a market value estimate is derived by analyzing the market for similar properties and comparing these properties to the subject property. This approach is premised upon the principle of substitution which suggests that a prudent person will not pay more to purchase a property than it will cost him or her to purchase an equally desirable substitute property. Another basic premise of the Direct Sales Comparison Approach is that the market value of a property is directly related to the prices of comparable, competitive properties.¹

The comparative analysis performed in this approach focuses on similarities and differences among properties and transactions observed in the market which affect value. These similarities and differences then serve as points of comparison between the market data and the subject property. Typically, the major points of comparison are:


- Property Rights Conveyed
- Financing Terms
- Condition of Sale
- Time
- Physical Characteristics
- Economic Characteristics

A sale of a property that is an exact duplicate of the subject property would be an important and ideal indication of value. In reality, no two properties are exactly alike. As a result, an adjustment process is used when analyzing the major points of comparison.

The known sales with the greatest degree of comparability used in this analysis are adjusted for the difference between the comparable and the subject property. Adjustments are always made FROM the comparable TO the subject property. For example, if the comparable property sold two years ago and market analysis suggests that prices have increased 5%, then the sale price of the comparable would be increased by 5% to give the indication of value for the subject. Conversely, if the comparable property was in a superior location as compared to the subject and this difference was estimated at 5%, a negative adjustment of 5% would be applied to the sale price of the comparable to give the indication of value for the subject. The adjustments for different physical and economic characteristics are handled in the same manner. Adjustments may be by percentages or by dollar amounts or both.

No sales of similar properties were found in Avoca, Walnut, Griswold or Hancock; therefore, I utilized sales from Council Bluffs. Following are descriptions of known industrial, commercial or mixed use properties which sold in recent years in the Council Bluffs metropolitan area. After the sales, I have shown location maps, adjustment grids, explanation and my final conclusions of the subject property market value from this approach.

¹ Appraisal of Real Estate, 13th Edition, Chicago

| | | |
|---|-----------------------|--|
| 821 S 27th St Council Bluffs, IA 51501 Class C Manufacturing Building of 3,100 SF Sold on 11/9/2021 for \$225,000 - Public Record | |  |
| buyer | | |
| A Vital Corp 23319 Hunt Ave Council Bluffs, IA 51503 | | |
| seller | | |
| Boetel Charles B | | |
| vital data | | |
| Escrow/Contract: | - | Sale Price: \$225,000 |
| Sale Date: | 11/9/2021 | Status: - |
| Days on Market: | - | Building SF: 3,100 SF |
| Exchange: | No | Price/SF: \$72.58 |
| Conditions: | - | Pro Forma Cap Rate: - |
| Land Area SF: | 10,890 | Actual Cap Rate: - |
| Acres: | 0.25 | Down Pmnt: - |
| \$/SF Land Gross: | \$20.66 | Pct Down: - |
| Year Built, Age: | 1972 Age: 49 | Doc No: 000000018837 |
| Parking Spaces: | 2 | Trans Tax: - |
| Parking Ratio: | - | Corner: No |
| FAR | 0.28 | Zoning: - |
| Lot Dimensions: | - | Percent Improved: 84.9% |
| Frontage: | - | Submarket: Downtown Council Bluffs I |
| Tenancy: | Single | Map Page: - |
| Comp ID: | 5782756 | Parcel No: 7544-34-402-001 |
| | | Property Type: Industrial |
| income expense data | | Listing Broker |
| Expenses | - Taxes | |
| | \$5,368 | |
| | - Operating Expenses | |
| | \$5,368 | |
| | Total Expenses | |
| | \$5,368 | |
| | | Buyer Broker |
| financing | | |



| | | |
|---|----------------------|--|
| 717 Veterans Memorial Hwy Council Bluffs, IA 51501 Class C Service Building of 3,456 SF Sold on 5/27/2021 for \$450,000 - Public Record | |  |
| buyer | | |
| Georgi Ivanov 717 Veterans Memorial Hwy Council Bluffs, IA 51501 | | |
| seller | | |
| Harter Chris & Mildred D | | |
| vital data | | |
| Escrow/Contract: | - | Sale Price: \$450,000 |
| Sale Date: | 5/27/2021 | Status: - |
| Days on Market: | - | Building SF: 3,456 SF |
| Exchange: | No | Price/SF: \$130.21 |
| Conditions: | - | Pro Forma Cap Rate: - |
| Land Area SF: | 148,104 | Actual Cap Rate: - |
| Acres: | 3.4 | Down Pmnt: - |
| \$/SF Land Gross: | \$3.04 | Pct Down: - |
| Year Built, Age: | 1981 Age: 40 | Doc No: 00000009277 |
| Parking Spaces: | - | Trans Tax: - |
| Parking Ratio: | 0/1000 SF | Corner: No |
| FAR | 0.02 | Zoning: Industrial |
| Lot Dimensions: | - | Percent Improved: 18.4% |
| Frontage: | - | Submarket: Council Bluffs Ind |
| Tenancy: | Single | Map Page: - |
| Comp ID: | 5576734 | Parcel No: 7444-12-353-006 |
| | | Property Type: Industrial |
| income expense data | | Listing Broker |
| Expenses | - Taxes | |
| | \$14,241 | |
| | - Operating Expenses | |
| | \$14,241 | |
| | Total Expenses | |
| | \$14,241 | |
| | | Buyer Broker |
| financing | | |



Comparable #3



Property Identification

Sale ID 4258
Address 1005 South 17th Street
Council Bluffs, Iowa
Market Council Bluffs

Property Type Industrial :: Light Industrial
Legal Description Lots 1-2 and the west 20' of Lot 3
including the north 1/2 of the vacated
adjacent alley, Block 11, Fleming &
Davis

Property Characteristics

Gross Building Area 2,400 SF
Gross Leasable Area 2,400 SF
Finish - Above Grade 416 SF
Eave Height 14.00'
Construction Average Quality, Class S
Built/Remodeled 1998/
Condition Average

Gross Site Size 10,880 SF
Usable Site Size 10,880 SF
Zoning I-2
Features Fenced, Mezzanine
Fire Sprinkler

Transaction

Sale Date July 17, 2019
Contract Price \$192,500
Contract \$80.21
Price/SF GBA
Contract \$80.21
Price/SF GLA
Adjusted Price \$192,500
Adjusted \$80.21
Price/SF GBA
Adjusted \$80.21
Price/SF GLA

Conditions of Sale Normal
Property Rights Fee Simple
Grantor All Pro Towing, LLC
Grantee Perfect Diamond Lawns, LLC
Recorded Warranty Deed 2019-09108
Source Broker

The property previously sold February 2017, for \$160,000. The 2019 sale represents appreciation near 8% per year.

Comparable #4



Property Identification

Sale ID 4269
Address 919 South 15th Street
Council Bluffs, Iowa
Market Council Bluffs

Property Type Industrial :: Light Industrial
Legal Description Lots 15 and 16, Block 8, Fleming &
Davis Subdivision and part of the
vacated alley

Property Characteristics

Gross Building Area 2,592 SF
Gross Leasable Area 2,592 SF
Finish - Above Grade 348 SF
Eave Height 12.00'
Construction Average Quality, Class D
Built/Remodeled 2006/
Condition Average

Gross Site Size 8,160 SF
Usable Site Size 8,160 SF
Zoning I-2
Features Fenced, Mezzanine
Fire Sprinkler

Transaction

Sale Date October 05, 2018
Contract Price \$160,000
Contract \$61.73
Price/SF GBA
Contract \$61.73
Price/SF GLA
Adjusted Price \$160,000
Adjusted \$61.73
Price/SF GBA
Adjusted \$61.73
Price/SF GLA

Conditions of Sale Normal
Property Rights Fee Simple
Grantor Fouts Investments, LLC
Grantee L & T Properties, LLC
Recorded Warranty Deed 2018-13139
Source Public Records, Broker

Comparable #5



Property Identification

Sale ID 4326
Address 712 South 15th Street
Council Bluffs, Iowa
Market Council Bluffs

Property Type Industrial :: Light Industrial
Legal Description South 1/2 of Lost 5 and 6, Block 32,
Everetts Addition

Property Characteristics

Gross Building Area 2,000 SF
Gross Leasable Area 2,000 SF
Finish - Above Grade 444 SF
Eave Height 16.00'
Construction Average Quality, Class D
Built/Remodeled 2006/
Condition Average

Gross Site Size 8,160 SF
Usable Site Size 8,160 SF
Zoning I-1
Features Fenced
Fire Sprinkler

Transaction

Sale Date February 11, 2020
Contract Price \$170,000
Contract \$85.00
Price/SF GBA
Contract \$85.00
Price/SF GLA
Adjusted Price \$170,000
Adjusted \$85.00
Price/SF GBA
Adjusted \$85.00
Price/SF GLA

Conditions of Sale Normal
Property Rights Fee Simple
Grantor ZaCar Corp
Grantee T & G Carper, LLC
Recorded Warranty Deed 2020/01996
Source Public Records, CoStar

This sale represents appreciation of 1.15% per year from previous sale in 2014.

Comparable #6



Property Identification

Sale ID 4328
Address 1516 Avenue C
Council Bluffs, Iowa
Market Council Bluffs

Property Type Industrial :: Light Industrial
Legal Description Lots 1, 2, and part of Lot 3, Block 3,
Beers Subdivision

Property Characteristics

Gross Building Area 2,400 SF
Gross Leasable Area 2,400 SF
Finish - Above Grade 316 SF
Eave Height 12.00'
Construction Average Quality, Class S
Built/Remodeled 1981/
Condition Average

Gross Site Size 14,705 SF
Usable Site Size 14,705 SF
Zoning C-2
Features Fenced
Fire Sprinkler

Transaction

Sale Date January 03, 2019
Contract Price \$210,000
Contract \$87.50
Price/SF GBA
Contract \$87.50
Price/SF GLA
Adjusted Price \$210,000
Adjusted \$87.50
Price/SF GBA
Adjusted \$87.50
Price/SF GLA

Conditions of Sale Normal
Property Rights Fee Simple
Grantor Cooks Towing & Repair, Inc
Grantee DHI, LLC
Recorded Warranty Deed 2019-00195
Source Public Records

Comparable #7



Property Identification

Sale ID 4329
Address 1324 9th Avenue
Council Bluffs, Iowa
Market Council Bluffs

Property Type Industrial :: Light Industrial
Legal Description Lots 6-7, Part of Lot 8, Block 26,
Riddles Subdivision

Property Characteristics

Gross Building Area 3,520 SF
Gross Leasable Area 3,520 SF
Finish - Above Grade 720 SF
Eave Height 10.00'
Construction Average Quality, Class C
Built/Remodeled 1988/
Condition Average

Gross Site Size 12,194 SF
Usable Site Size 12,194 SF
Zoning I-1
Features Fenced
Fire Sprinkler

Transaction

Sale Date September 13, 2018
Contract Price \$215,000
Contract \$61.08
Price/SF GBA
Contract \$61.08
Price/SF GLA
Adjusted Price \$215,000
Adjusted \$61.08
Price/SF GBA
Adjusted \$61.08
Price/SF GLA

Conditions of Sale Normal
Property Rights Fee Simple
Grantor L & T Properties, LLC
Grantee Michael John Kilnoski
Recorded Warranty Deed 2018-12027
Source Public Records

Comparable #8



Property Identification

Sale ID 4811
Address 2414 9th Avenue
Council Bluffs, Iowa
Market Council Bluffs

Property Type Industrial :: Light Industrial
Legal Description Part of Lots 3-5, Block 1 and part of
Lot 9, Block 17, Ninth Avenue
Addition

Property Characteristics

Gross Building Area 5,400 SF
Gross Leasable Area 5,400 SF
Finish - Above Grade 1,196 SF
Eave Height 12.00'
Construction Good Quality, Class S
Built/Remodeled 2010/
Condition Good

Gross Site Size 13,890 SF
Usable Site Size 13,890 SF
Zoning I-1
Features
Fire Sprinkler

Transaction

Sale Date September 23, 2020
Contract Price \$390,000
Contract \$72.22
Price/SF GBA
Contract \$72.22
Price/SF GLA
Adjusted Price \$390,000
Adjusted \$72.22
Price/SF GBA
Adjusted \$72.22
Price/SF GLA

Conditions of Sale Normal
Property Rights Fee Simple
Grantor Jo Ter Ran Investments, LLC
Grantee Ht 9th Ave, LLC
Recorded Warranty Deed 2020-13944
Source Public Records, Broker

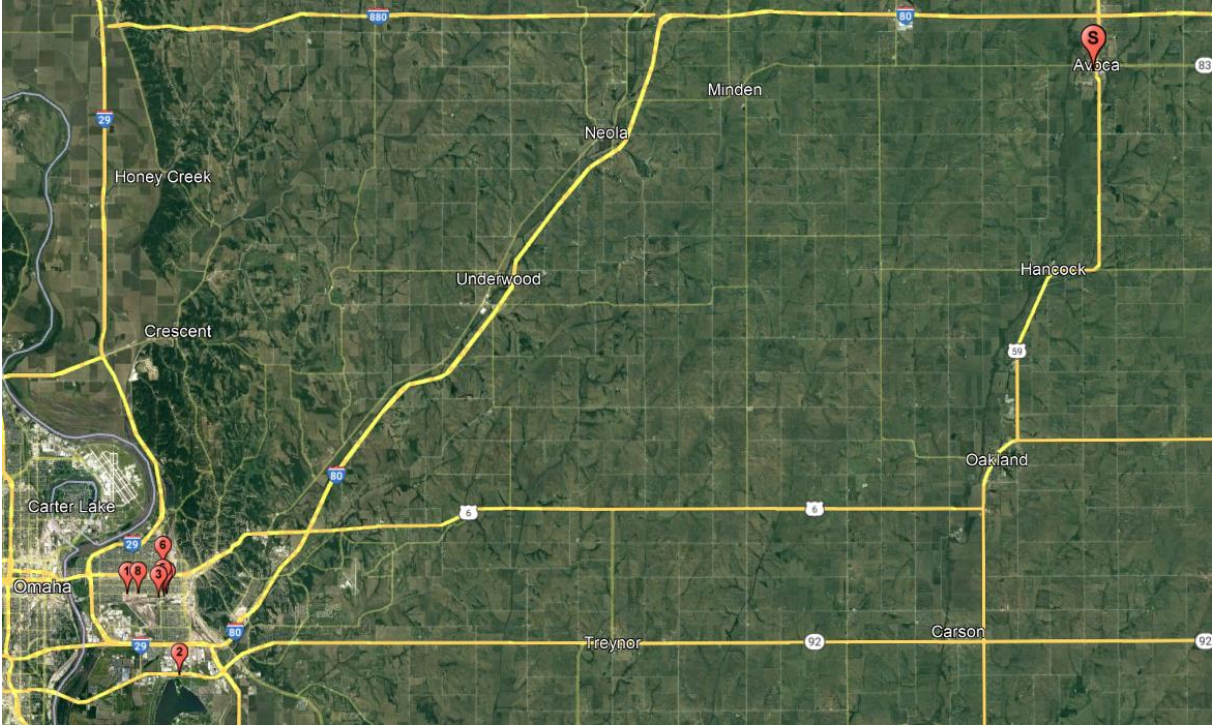
Broker noted there was a lot of interest in the property. Sale represents annual appreciation near 5.90% from its 2011 sale.

| | | |
|--|-----------------------|--|
| 2101 N Lavista Heights Rd Avoca, IA 51521 Class C Warehouse Building of 26,470 SF Sold on 6/4/2021 for \$582,000 - Research Complete | |  |
| buyer | | |
| Taylor Dieckman 14803 Black St Bennington, NE 68007 (402) 677-0761 | | |
| seller | | |
| Joyce Mez 1523 N Willow St Avoca, IA 51521 (712) 343-6354 | | |
| vital data | | |
| Escrow/Contract: | - | Sale Price: \$582,000 |
| Sale Date: | 6/4/2021 | Status: Full Value |
| Days on Market: | - | Building SF: 26,470 SF |
| Exchange: | No | Price/SF: \$21.99 |
| Conditions: | - | Pro Forma Cap Rate: - |
| Land Area SF: | 130,680 | Actual Cap Rate: - |
| Acres: | 3 | Down Pmnt: - |
| \$/SF Land Gross: | \$4.45 | Pct Down: - |
| Year Built, Age: | 2005 Age: 16 | Doc No: 00000008923 |
| Parking Spaces: | - | Trans Tax: - |
| Parking Ratio: | - | Corner: No |
| FAR | 0.20 | Zoning: Industrial |
| Lot Dimensions: | - | No Tenants: 1 |
| Frontage: | - | Percent Improved: 72.1% |
| Tenancy: | - | Submarket: E Pottawattamie County In |
| Comp ID: | 5576738 | Map Page: - |
| | | Parcel No: 7739-04-401-001 |
| | | Property Type: Industrial |
| income expense data | | Listing Broker |
| Expenses | - Taxes | |
| | - Operating Expenses | |
| | Total Expenses | |
| | | \$15,976 |
| | | \$15,976 |
| | | Buyer Broker |
| financing | | |



County showed this as a multi-parcel sale so it was not investigated further.

Sales Map



DIRECT SALES COMPARISON APPROACH (CONTINUED)

Comparable Sales Grid

| | SUBJECT PROPERTY 358 Elm Street Avoca, Iowa | SALE #1: | SALE #2: | SALE #3: | SALE #4: |
|--|--|--|---|---|--|
| | | 821 So 27th Street Council Bluffs, Iowa | 717 Veterans Mem Hy Council Bluffs, Iowa | 1005 So 17th Street Council Bluffs, Iowa | 919 So 15th Street Council Bluffs, Iowa |
| | | ADJUSTED | ADJUSTED | ADJUSTED | ADJUSTED |
| SALE PRICE | N/A | \$225,000 | \$450,000 | \$192,500 | \$160,000 |
| SALE PRICE/SF | N/A | \$72.58 | \$130.21 | \$80.21 | \$61.73 |
| GIM/OCR | NA/NA | NA/NA | NA/NA | NA/NA | NA/NA |
| MARKET ADJUSTMENTS | | | | | |
| PROPERTY RIGHTS CONVEYED | Fee Simple | Similar 0% | Similar 0% | Similar 0% | Similar 0% |
| | | \$225,000 | \$450,000 | \$192,500 | \$160,000 |
| FINANCING | N/A | Cash 0% | Cash 0% | Cash 0% | Cash 0% |
| | | \$225,000 | \$450,000 | \$192,500 | \$160,000 |
| CONDITION OF SALE | N/A | Normal 0% | Normal 0% | Normal 0% | Normal 0% |
| | | \$225,000 | \$450,000 | \$192,500 | \$160,000 |
| DATE OF SALE | May-22 (Inspection) | Nov-21 2% | May-21 3% | Jul-19 7% | Oct-18 11% |
| | | \$229,500 | \$463,500 | \$205,975 | \$177,600 |
| PHYSICAL ADJUSTMENTS (LUMP SUM) | | | | | |
| BUILDING SIZE/SF | 1,920 | 3,100 0% | 3,456 0% | 2,400 0% | 2,592 0% |
| LOCATION/SITE | Avoca | Co Bluffs -20% | Co Bluffs -20% | Co Bluffs -20% | Co Bluffs -20% |
| QUALITY OF CONSTRUCTION | Average/Cls S | Avg/Cls C -5% | Avg/Cls S 0% | Avg/Cls S 0% | Avg/Cls S 0% |
| INTERIOR FINISH | Minimal | 5% 0% | 3% 17% | -5% 13% | -3% |
| AGE/CONDITION | 37/Average | 49/Avg 6% | 40/AvFr 2% | 21/Avg -4% | 12/Avg -13% |
| SITE TO BUILDING RATIO | 10.70:1 | 3.51:1 3% | 42.85:1 -16% | 4.5:1 3% | 3.14:1 4% |
| AMENITIES | Fenced | None 4% | None 4% | Fenced 0% | Fenced 0% |
| NET PERCENTAGE LUMP SUM ADJUSTMENTS | | -12% | -30% | -26% | -32% |
| FINAL ADJUSTED PRICE | | \$201,960 | \$324,450 | \$152,422 | \$120,768 |
| FINAL ADJUSTED PRICE/SF | | \$65.15 | \$93.88 | \$63.51 | \$46.59 |
| TOTAL NET ADJUSTMENTS | | -10% | -27% | -19% | -21% |
| TOTAL GROSS ADJUSTMENTS | | 37% | 29% | 36% | 47% |

DIRECT SALES COMPARISON APPROACH (CONTINUED)

Comparable Sales Grid

| | SUBJECT PROPERTY 358 Elm Street Avoca, Iowa | SALE #5: | SALE #6: | SALE #7: | SALE #8: |
|--|--|---|---------------------------------------|---|---|
| | | 712 So 15t Street Council Bluffs, Iowa | 1516 Avenue C Council Bluffs, Iowa | 1324 9th Avenue Council Bluffs, Iowa | 2414 9th Avenue Council Bluffs, Iowa |
| | | ADJUSTED | ADJUSTED | ADJUSTED | ADJUSTED |
| SALE PRICE | N/A | \$170,000 | \$210,000 | \$215,000 | \$390,000 |
| SALE PRICE/SF | N/A | \$85.00 | \$87.50 | \$61.08 | \$72.22 |
| GIM/OCR | NA/NA | NA/NA | NA/NA | NA/NA | NA/NA |
| MARKET ADJUSTMENTS | | | | | |
| PROPERTY RIGHTS CONVEYED | Fee Simple | Similar 0% | Similar 0% | Similar 0% | Similar 0% |
| | | \$170,000 | \$210,000 | \$215,000 | \$390,000 |
| FINANCING | N/A | Cash 0% | Cash 0% | Cash 0% | Cash 0% |
| | | \$170,000 | \$210,000 | \$215,000 | \$390,000 |
| CONDITION OF SALE | N/A | Normal 0% | Normal 0% | Normal 0% | Normal 0% |
| | | \$170,000 | \$210,000 | \$215,000 | \$390,000 |
| DATE OF SALE | May-22 (Inspection) | Feb-20 6% | Jan-19 9% | Sep-18 11% | Sep-20 5% |
| | | \$180,200 | \$228,900 | \$238,650 | \$409,500 |
| PHYSICAL ADJUSTMENTS (LUMP SUM) | | | | | |
| BUILDING SIZE/SF | 1,920 | 2,000 0% | 2,400 0% | 3,520 0% | 5,400 0% |
| LOCATION/SITE | Avoca | Co Bluffs -20% | Co Bluffs -20% | Co Bluffs -20% | Co Bluffs -20% |
| QUALITY OF CONSTRUCTION | Average/Cls S | Avg/Cls D 0% | Avg/Cls S 0% | Avg/Cls C -5% | Gd/Cls S 0% |
| INTERIOR FINISH | Minimal | 22% -8% | 13% -3% | 20% -7% | 22% -8% |
| AGE/CONDITION | 37/Average | 14/Avg -13% | 38/Avg 0% | 30/Avg -3% | 10/Gd -14% |
| SITE TO BUILDING RATIO | 10.70:1 | 4.08:1 3% | 6.13:1 3% | 3.46:1 4% | 2.57:1 4% |
| AMENITIES | Fenced | Fenced 0% | Fenced 0% | Fenced 0% | None 4% |
| NET PERCENTAGE LUMP SUM ADJUSTMENTS | | -38% | -20% | -31% | -34% |
| FINAL ADJUSTED PRICE | | \$111,724 | \$183,120 | \$164,669 | \$270,270 |
| FINAL ADJUSTED PRICE/SF | | \$55.86 | \$76.30 | \$46.78 | \$50.05 |
| TOTAL NET ADJUSTMENTS | | -32% | -11% | -20% | -29% |
| TOTAL GROSS ADJUSTMENTS | | 47% | 32% | 46% | 51% |

DIRECT SALES COMPARISON APPROACH (CONTINUED)

ADJUSTMENT RATIONALE

The preceding represents the only known sales of industrial properties considered of similar condition, design, use, and/or location in Pottawattamie County or competing areas of the metro. All these properties were considered to be similar to the subject, but did require some adjusting to make them equal to subject. Sale prices were reduced to the common denominator of price per square foot of GBA, as this is a normal unit of measurement in market buying and selling decisions.

Market Condition Adjustments

Adjustments were not required for property rights conveyed, financing, or condition of sale, as all were considered normal for the market.

All the sales were considered for adjustment due to date of sale. I observed a general increase in property values in the metro area over the past few years, typically ranging from 3% to 4% annually until late 2007 when recessionary conditions began. The market slowdown was magnified following destabilization of the financial markets in October 2008, demonstrated by the lack of known sales occurring since that time. The market has been improving since 2010 and therefore, I applied an annual appreciation to these sales of 3% after that time.

Physical Condition Adjustments

The sales are typically adjusted for the relative improvement size difference with the subject building, due to dissimilar sizes and economies of scale. Adjustments were not considered necessary as all were similar in size to subject.

Adjustments were considered for overall construction quality. Adjustments were derived from Marshall Valuation Service estimated costs to bring properties equal to the subject and from the market reaction to these differences.

Adjustments for age of improvements were given as typically buyers are concerned about remaining economic life of property. A rounded 1/2% per year of difference with subject age was derived as an appropriate adjustment and applied accordingly. Additional adjustments for condition were applied separately, based on cost estimates to bring properties equal and accounts for the effective age of the improvements.

Adjustments for amenities were also considered as properties with additional features, such as fencing generally yield higher sale prices. Subject has a fenced outdoor storage area sales #3 through #7 had fencing, so those sales were not adjusted the remaining sales had no amenities so positive adjustments were applied to all the sales.

Adjustments for location were considered as all of these properties were located in areas with more desirability than the subject so large negative adjustments were applied. Adjustments were based upon the cost of living for housing in those areas.

DIRECT SALES COMPARISON APPROACH (CONTINUED)

RECONCILIATION

Before adjusting, the sale prices ranged from \$61.08/SF in Sale #7 to \$130.21/SF in Sale #2. After the aforementioned adjustments were applied, the indicated values ranged from \$46.59/SF in Sale #4 to \$93.88/SF in Sale #2. Net percentage adjustments ranged from -32% to -10% while gross adjustments ranged from 29% to 51%.

Generally, sales with the smallest amount of adjustment are the best indicators of value. Sales #6 and #2 required the least adjusting, indicating values of \$76.30 & \$93.88/SF. Sale #6 is supported by 2 other sale indicating values of \$65.15/SF and \$63.51/SF, while sale #2 is not supported. Remaining sales indicated values of \$46.59/SF to \$55.86/SF; majority of the sales 7 out of 8 indicated values from \$46.59 to \$76.30/SF. Therefore, a value estimate for the subject within that range would have the broadest support.

The market search revealed no similar properties on the market currently:

Therefore, based on the foregoing data and analysis, I estimated 'as is' market value of the subject at \$65.00/SF, as of the effective date of this report with the total value developed as follows:

| | | | | | |
|------------------------|---|------------------------|---|--------------|-------------------|
| <u>Indicated Value</u> | x | <u>Gross Bldg Size</u> | = | <u>Total</u> | <u>Rounded to</u> |
| \$65.00/SF | x | 1,920 SF | = | \$124,800 | \$125,000 |

INCOME CAPITALIZATION APPROACH

From an investor's perspective, the earning power of a real estate investment is the critical element affecting its value. The fundamental investment premise is the higher the earnings the higher the value. Investment in an income-producing property represents the exchange of present dollars for the right to receive future dollars. In the Income Capitalization Approach to value, the appraiser analyzes a property's capacity to generate benefits and converts these benefits into an indication of present value.¹

The basic steps involved in this approach are:

1. Estimate potential gross income;
2. Estimate and deduct a vacancy and collection loss allowance;
3. Estimate and deduct expenses;
4. Estimate duration and pattern of income stream;
5. Select an applicable capitalization method and technique;
6. Develop the appropriate rate;
7. Complete the computations necessary to derive an economic value.

The primary reason for making gross income estimates is to identify probable net income benefits that may be derived from ownership interest of the income-producing property. In accepted appraisal practice, the usual basis for a gross income projection is economic rent. Economic (market) rent is defined as being the rental income that a property would most probably command in the open market; it is indicated by current rents paid and asked for comparable space as of the date of the appraisal.

Income Analysis

Subject property is presently owner occupied therefore, no rental information on the property is known.

Comparable properties found are summarized on the following pages. Operating expenses were estimated from actual historic operating statements from expenses for commercial properties I have observed in the metro area combined with national investor surveys.

¹ The Appraisal of Real Estate, 13th Edition, Chicago

Comparable #1



Property Identification

Lease ID 1012

Address 1310 South 17th Street
Council Bluffs, Iowa

Market Council Bluffs

Property Type Industrial :: Light Industrial

Legal Description Lots 1-8, Block 21 Fleming & Davis

Property Characteristics

Gross Building Area 14,000 SF

Finish - Above Grade 2,200 SF

Construction Average Quality, Class C

Built/Remodeled 2003/

Condition Average

Height 18.00'

Gross Site Size 60,984 SF

Usable Site Size 60,984 SF

Zoning I-2

Features

Transaction

Leased Area 14,000 SF

Lease Date February 28, 2018

Lease Term February 28, 2018 - January 31, 2023

Starting Base Rent \$5.20/SF

Rent Description Fixed for lease.

**Starting Additional
Rent**

Expense Terms Triple Net

Lessee

dba MP Nexlevel

Source Broker

Concession Amount N/A

**Concessions
Description**

Comparable #2



Property Identification

Lease ID 1398
Address 15 South 20th Street
Council Bluffs, Iowa
Market Council Bluffs

Property Type Commercial :: Vehicle-Related -
Service
Legal Description

Property Characteristics

Gross Building Area 9,120 SF
Finish - Above Grade N/A
Construction Average Quality, Class C
Built/Remodeled 1979/
Condition Fair
Height N/A

Gross Site Size 40,692 SF
Usable Site Size 40,692 SF
Zoning C-2
Features

Transaction

Leased Area 9,120 SF
Lease Date August 01, 2018
Lease Term September 01, 2018 - August 31,
2023
Starting Base Rent \$5.75/SF
Rent Description
**Starting Additional
Rent**
Expense Terms Triple Net

Lessee
dba Jake's Towing and Transport
Source CoStar
Concession Amount N/A
**Concessions
Description**

Comparable #3



Property Identification

Lease ID 1013
Address 3319 Nebraska Avenue
Council Bluffs, Iowa
Market Council Bluffs

Property Type Industrial :: Light Industrial
Legal Description

Property Characteristics

Gross Building Area 41,760 SF
Finish - Above Grade N/A
Construction Average Quality, Class C
Built/Remodeled 1969/
Condition Average
Height 13.00'

Gross Site Size 100,188 SF
Usable Site Size 100,188 SF
Zoning I-2
Features

Transaction

Leased Area 7,020 SF
Lease Date October 11, 2018
Lease Term October 11, 2018 - October 10, 2021
Starting Base Rent \$4.35/SF
Rent Description Fixed for term.
Starting Additional Rent
Expense Terms Triple Net

Lessee dba McDowell Roofing
Source Broker
Concession Amount N/A
Concessions Description

Comparable #4



Property Identification

Lease ID 1014
Address 2110 23rd Avenue
Council Bluffs, Iowa
Market Council Bluffs

Property Type Industrial :: Light Industrial
Legal Description Lots 8-12, Block 11, Railroad
Addition

Property Characteristics

Gross Building Area 5,000 SF
Finish - Above Grade N/A
Construction Average Quality, Class S
Built/Remodeled 2003/
Condition Average
Height N/A

Gross Site Size 25,245 SF
Usable Site Size 25,245 SF
Zoning I-2
Features

Transaction

Leased Area 2,700 SF
Lease Date October 19, 2018
Lease Term November 19, 2018 -
Starting Base Rent \$7.11/SF
Rent Description 7.78/SF in Year 2
8.22/SF in Year 3
**Starting Additional
Rent**
Expense Terms Gross

Lessee
dba Syndicate Diesel
Source Broker
Concession Amount N/A
**Concessions
Description** One month of free rent

Garage space with mezzanine office.

Comparable #5



Property Identification

Lease ID 1242

Address 1305 Lew Ross Road
Council Bluffs, Iowa

Market Council Bluffs

Property Type Industrial :: Light Industrial

Legal Description Lots 5 & 6, Block 2, First Foundation
Sub., Council Bluffs, Pottawattamie
County, IA

Property Characteristics

Gross Building Area 17,840 SF

Finish - Above Grade 6,244 SF

Construction Average Quality, Class D

Built/Remodeled 1996/

Condition Good

Height 14.00'

Gross Site Size 87,555 SF

Usable Site Size 87,555 SF

Zoning

Features

Transaction

Leased Area 8,000 SF

Lease Date April 22, 2019

Lease Term May 01, 2019 - April 30, 2022

Starting Base Rent \$6.95/SF

Rent Description

**Starting Additional
Rent**

Expense Terms Triple Net

Lessee

dba New Covenant Electronics

Source CoStar Confirmation

Concession Amount N/A

**Concessions
Description**

Comparable #6



Property Identification

Lease ID 1369
Address 1220 35th Avenue
Council Bluffs, Iowa
Market Council Bluffs

Property Type Industrial :: Light Industrial
Legal Description Lot 6, 2nd Foundation Subdivision
Phase II

Property Characteristics

Gross Building Area 14,000 SF
Finish - Above Grade N/A
Construction Good Quality, Class S
Built/Remodeled 2005/
Condition Good
Height 18.00'

Gross Site Size 43,995 SF
Usable Site Size 43,995 SF
Zoning I-2
Features

Transaction

Leased Area 3,700 SF
Lease Date June 30, 2019
Lease Term August 29, 2019 -
Starting Base Rent \$6.00/SF
Rent Description
**Starting Additional
Rent**
Expense Terms Triple Net

Lessee
dba Safariworks Decor
Source CoStar
Concession Amount N/A
**Concessions
Description**

Comparable #7



Property Identification

Lease ID 1368
Address 1220 35th Avenue
Council Bluffs, Iowa
Market Council Bluffs

Property Type Industrial :: Light Industrial
Legal Description Lot 6, 2nd Foundation Subdivision
Phase II

Property Characteristics

Gross Building Area 14,000 SF
Finish - Above Grade N/A
Construction Good Quality, Class S
Built/Remodeled 2005/
Condition Good
Height 18.00'

Gross Site Size 43,995 SF
Usable Site Size 43,995 SF
Zoning I-2
Features

Transaction

Leased Area 7,000 SF
Lease Date December 01, 2019
Lease Term December 01, 2019 -
Starting Base Rent \$5.25/SF
Rent Description
**Starting Additional
Rent**
Expense Terms Triple Net

Lessee
dba Caesar's Entertainment
Source CoStar
Concession Amount N/A
**Concessions
Description**

Comparable #8



Photograph from Pottawattamie County Assessor

Property Identification

Lease ID 1588

Address 1309 Avenue J
Council Bluffs, Iowa

Market 13th & Avenue J

Property Type Industrial :: Light Industrial

Legal Description Lots 1-3, Block 8, Potter-Cobbs First
Addition

Property Characteristics

Gross Building Area 4,160 SF

Finish - Above Grade 784 SF

Construction Average Quality, Class D

Built/Remodeled 1986/

Condition Average

Height 12.00'

Gross Site Size 15,730 SF

Usable Site Size 15,730 SF

Zoning I-2

Features

Transaction

Leased Area 4,160 SF

Lease Date October 31, 2021

Lease Term November 02, 2021 -

Starting Base Rent \$8.25/SF

Rent Description

**Starting Additional
Rent**

Expense Terms Triple Net

Lessee Brown Heavy Equipment

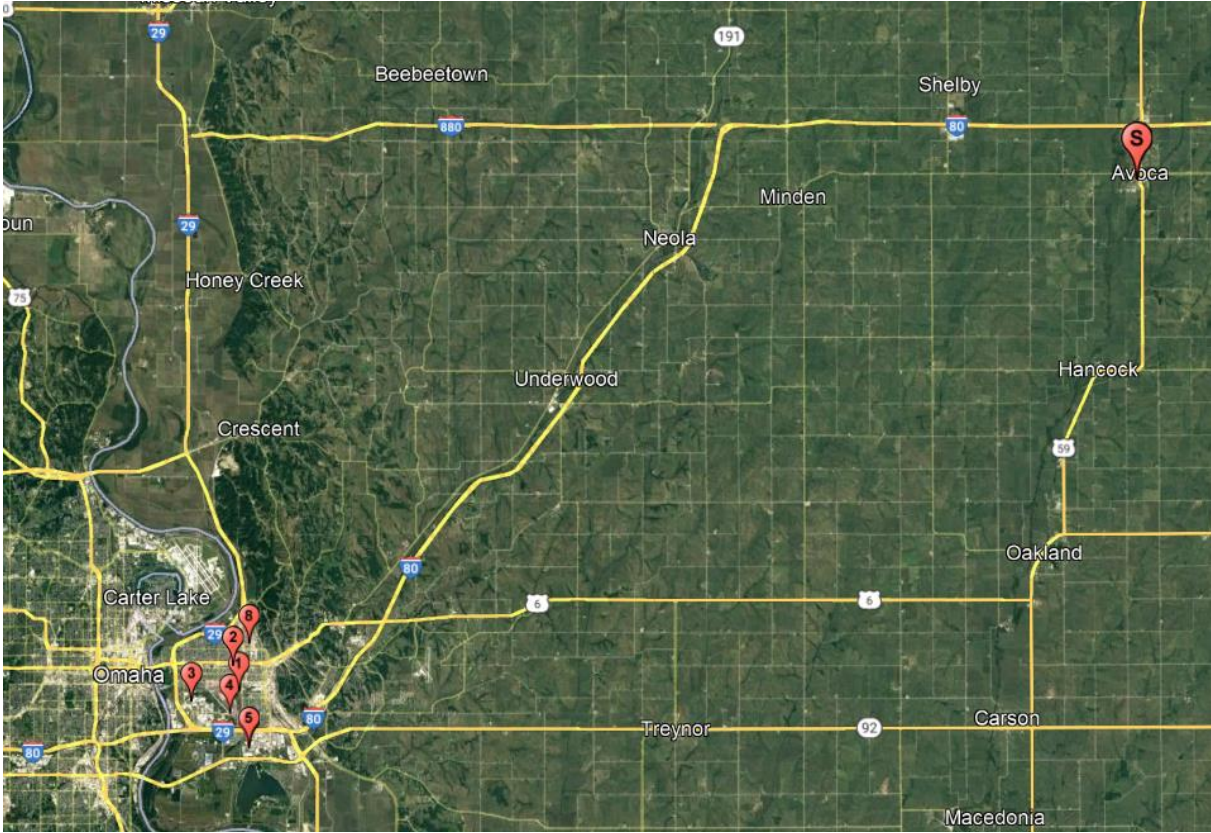
Source CoStar; Marketing Brochure

Concession Amount N/A

**Concessions
Description**

Net expenses were \$1.44/SF for taxes and insurance, and tenant to provide maintenance at own expense.

Comparable Rentals Map



INCOME CAPITALIZATION APPROACH (CONTINUED)

MARKET LEASE RATE ANALYSIS AND CONCLUSION

No comparables of similar properties was found in Avoca, except one building with about 24,000 SF is offered for lease at \$4.00/SF. Council Bluffs did have some comparables which reported rental rates of \$4.35/SF to \$10.50/SF, on triple net and gross terms. These comparables are considered to be similar to subject but in superior locations and would be fairly competitive with it in the current market. As the subject was in average condition and it has fenced outdoor storage, lean to and fueling area; it is my opinion the market rent for the subject would be reasonable at \$6.00/SF on triple net terms.

Miscellaneous Income: Some properties similar to subject in this area receive additional income from garage rentals, vending machines, forfeited deposits, etc. Subject does not appear to have any other potential sources of income.

Vacancy and Collection Losses

A vacancy and collection loss must be deducted from potential gross income to arrive at property effective gross income (EGI). A current 2022 survey conducted by Costar.com reports average vacancy of 48.85% for industrial properties in Council Bluffs but no estimate of vacancy in Griswold.

The subject space is a single tenant design, so it would be either 100% occupied or 100% vacant at any one time. Based upon the subject properties location in an area with primarily agricultural properties nearby, it is my opinion a 10% vacancy rate would be reasonable for the property.

Actual rent, vacancy and EGI were then summarized as follows:

| | | |
|---------------------------------------|----------------------|------------------|
| Potential Commercial Rental Income | 1,920 SF x \$6.00/SF | \$11,520 |
| Less: 10% Vacancy and Collection Loss | | - <u>\$1,152</u> |
| Effective Gross Income | | \$10,368 |

Operating Expenses

Operating expenses that are the property owner's responsibility are deducted from projection of EGI to arrive at property's NOI. Such operating expenses include real estate taxes, insurance, maintenance, utilities and property management fees. To estimate appropriate allowance for operating expenses, I considered actual known data from market expenses of other properties observed. No information for the subject was provided. Estimates of operating expenses were then summarized as follows:

Real Estate Taxes: Property taxes for the subject were not posted so my estimate is based upon the assessed for the subject (\$56,700) and the current tax rate (\$35.930920) which equates to \$2,037. These appear reasonable based upon the sales comparison approach and other properties observed. So stabilized taxes will be estimated at \$2,100 annually with the owner paying these during vacant periods only.

INCOME CAPITALIZATION APPROACH (CONTINUED)

Operating Expenses (Continued)

Insurance: Property and hazard insurance for commercial buildings have been observed near \$0.10/SF to \$0.85/SF of gross building area for sprinklered buildings, and \$0.15/SF to \$0.55/SF for non-sprinklered buildings, and have been rising in recent years. Actual insurance costs for the subject were not disclosed. So, for purposes of this analysis, an estimate of \$1.00/SF is considered reasonable (including flood coverage) or a total cost of a rounded \$2,000 annually.

Management: Typical third party management fees for properties similar to the subject property range 4% to 7% of EGI. The actual management expenses for the subject are unknown. Management duties generally include supervision of property maintenance, bookkeeping, and management overhead. No unusual aspects of the management function are foreseen in conjunction with the subject property, so I estimate an expense of 3% of base rent as reasonable for the subject property.

Administrative & Professional Fees: A general administrative expense was considered appropriate to reflect typical owner accounting and legal fees. This expense category would include a small amount for owner's office overhead and typically ranges from 0.5% to 1.5% of EGI. The actual expenses are unknown as no operating statements were furnished. General administrative expense was estimated at 0.50% of base rent in this analysis.

Utilities: As no operating statements were provided my estimate of \$1.00/SF is based on observations of other commercial properties, with the owner paying during vacant periods only.

Repairs & Maintenance: This expense category reflects items such as repairs to mechanical systems, roof, painting and items of general upkeep such as pest control, cleaning, snow and trash removal. Actual costs were not provided; typical repair & maintenance expenses observed for other commercial properties have ranged from \$0.50/SF to over \$3.00/SF, depending in large part on a property's age and building size. As a result, with the building in average condition with minimal deferred maintenance, I estimate an expense of \$1.00/SF for the subject, rounded to \$2,000 annually.

Reserves for Replacement: Although not typically incurred as an annual cash outlay, a reserve for replacement expense is appropriate to reflect future replacement of short-lived items such as carpeting, mechanical systems (including water heaters and HVAC units), kitchen appliances, exterior paving, roofing, etc. RealtyRates.com investor survey for 1st Q 2022 indicated reserve requirements for industrial properties reported as \$0.26 to \$0.85 with an average of \$0.56/SF. By comparison, the PWC Investors Survey reports replacement reserves for national warehouse properties range from \$0.05/SF to \$0.35/SF, averaging \$0.14/SF in the 1st Q 2022. In my opinion, an appropriate replacement reserve for the subject property is a rounded \$0.20/SF.

Miscellaneous: A miscellaneous expense is typically included to account for such items as tenant-related social expenses, holiday decorations, security services, etc. Therefore, an expense of \$100 per year was considered appropriate.

INCOME CAPITALIZATION APPROACH (CONTINUED)

PROFORMA OPERATING STATEMENT (FEE SIMPLE)

| Rental Income | SQ FT | Rent/SF | Annual Income | |
|---------------------------------|--------|---------|----------------|----------------|
| Estimated Market Rent | 1,920 | \$6.00 | \$11,520 | |
| Total Potential Gross Income | | | \$11,520 | |
| Vacancy & Collection Allowance: | | 10.0% | <u>\$1,152</u> | |
| Effective Rental Income | | | | \$10,368 |
| Other Income | | | | \$0 |
| Total Effective Gross Income: | | | | \$10,368 |
| Operating Expenses: | | | <u>Amount</u> | |
| Management Fee | 3.0% | \$311 | \$31 | |
| General & Administrative | 0.5% | \$52 | \$52 | |
| Real Estate Taxes | 20.25% | \$2,100 | \$210 | |
| Insurance | 19.29% | \$2,000 | \$200 | |
| Utilities | 0.00% | \$0 | \$0 | |
| Repairs & Maintenance | 19.29% | \$2,000 | \$200 | |
| Reserves for Replacement | 3.70% | \$384 | \$384 | |
| Miscellaneous | 0.96% | \$100 | \$100 | |
| Total Expenses | 11.35% | | | \$1,177 |
| Net Operating Income | | | | \$9,191 |

INCOME CAPITALIZATION APPROACH (CONTINUED)

CAPITALIZATION RATE SELECTION, APPLICATION AND ESTIMATE OF VALUE

Several methods of developing a capitalization rate can be used. The best of which is the Market Extraction Method, where the incomes of comparable properties that have recently sold are known. Sale transactions used in this report did not reveal cap rates however, other properties observed which would be considered competitive with subject indicated cap rates of 7.60% to 9.00%.

A national survey was examined for further support of overall capitalization rate. The PWC Real Estate Investor Survey for the 1st Qtr 2022 reports national capitalization rates for secondary industrial properties in a range of 5.25% to 9.00% with average of 7.13%. Capitalization rates in the local market area have typically been higher than national rates. Capitalization rates are typically higher for older and smaller properties.

In order to estimate current capitalization rates, a second method is used called the Band of Investment, Analysis, which is a yield capitalization procedure used in estimating an overall capitalization rate to be applied to the net operating income of a property. The band of investment formula addresses the yield requirements of both the lender's interest and the investor's interest considering current lending and investment rates. When the components used in the band of investment formula are market-derived, the value indication obtained is reflective of market value. RealtyRates.Com released their 1st Q 2022 Investor Survey reporting interest rates for industrial properties ranging from 2.86% to 7.41%, averaging 4.80%. The average spread from 10-Year Treasury notes was 3.24%. Loan-to-value ratios ranged from 50% to 80% (average 70%), average amortization period was 25 years with average term of 11.46 years and average debt coverage ratio of 1.46. Per PwC Investors Survey for 1st Q 2022, institutional grade discount or yield rates for national warehouse properties ranged from 7.00% to 10.00%, averaging 8.50%.

INCOME CAPITALIZATION APPROACH (CONTINUED)

CAPITALIZATION RATE SELECTION, APPLICATION AND ESTIMATE OF VALUE

Based on the preceding, the following components are then used in the band of investment analysis.

Mortgage Components:

| | |
|-------------------------|---|
| Loan/Value Ratio: | 70% |
| Loan Rate: | 5.0% selected |
| Amortization Period: | 25 years with balloon payment due at end of 10 th Year |
| Mortgage Constant (Rm): | .0709 |

Equity Components:

| | |
|-------------------------|------|
| Equity Ratio: | 30% |
| Equity yield rate (Ye): | 9.5% |

The calculation of the overall capitalization rate by the band of investment technique is as follows:

| <u>Band of Investment Technique</u> | | | | |
|---------------------------------------|---|--------------------------|---|-------------------------|
| <u>Loan Ratio</u> | x | <u>Mortgage Constant</u> | = | <u>Weighted Average</u> |
| .70 | x | .0709 | = | 0.049 |
| <u>Equity Ratio</u> | x | <u>Equity Yield Rate</u> | = | |
| .30 | x | .095 | = | (+) <u>0.0285</u> |
| Total Weighted Average | | | | 0.0775 |
| Indicated Overall Capitalization Rate | | | | 7.75% |

This mechanical or calculated overall rate typically is below the market extracted rates as lending terms are still considered favorable for qualified applicants; so, it was given only secondary rounding weight in my overall or “going-in” capitalization rate selection for the subject property.

Therefore, based on subject characteristics with and the current demand for this property type in the local market, I selected a rounded 8.50% as the capitalization rate currently appropriate for the subject property in this market. To arrive at a value estimate for the subject property, the estimated annual net operating income must be divided by the overall capitalization rate. Therefore, I estimate the market value of the subject property, as of the effective date of this report, as follows.

| Fee Simple | | | | | |
|----------------------|---|---------------------|---|-----------------|-----------|
| Net Operating Income | | Capitalization Rate | = | Indicated Value | Rounded |
| \$9,191 | ÷ | 8.50% | = | \$108,130 | \$110,000 |

RECONCILIATION AND FINAL ESTIMATE OF VALUE

Reconciliation is the process of coordinating and integrating related factors to form a conclusion regarding the appraised property's Market Value. Each appraisal approach was considered as to adequacy, accuracy and overall reliability. The following estimates were based on subject's highest and best use in this report and primarily on available market data furnished by the property owner and others.

| | |
|--|----------------|
| Market Value via the Cost Approach | Not Applicable |
| Market Value via the Direct Sales Comparison Approach | \$125,000 |
| Market Value via the Income Capitalization Approach (Fee Simple) | \$110,000 |

The Cost Approach typically uses replacement cost method of determining new cost of building improvements, typically representing the highest value. Depreciation is calculated for deferred maintenance and normal wear and tear. The shortcoming of this method normally results from the calculations for depreciation, as age and obsolescence are difficult to precisely measure in the market place. The subject building is older, resulting in accrued depreciation which becomes subjective reducing the reliability of this approach below acceptable levels. Therefore, it was not developed in this report.

The Direct Sales Comparison Approach compares sales of similar properties. Adjustments were made for variations from the subject property based on available market data. After adjustments, a reasonable range of indicated values was evident and I selected the value from the range most representative of the appraised building. This approach is generally the best method of reflecting market attitudes toward property, particularly when owner-occupied buildings are involved and there is an active market with numerous sales. However, this approach is less persuasive when the property is purchased as an investment. As the subject property is a single-tenant building it would likely appeal to an owner but if leased it could appeal to an investor therefore most weight was given to this approach in the final value estimate for the subject.

The Income Capitalization Approach was considered and could be used in this report. Since an adequate amount of rent, expense and cap rate data was available for the subject property, this approach was considered reliable so was given some weight in the final value estimate for the subject also.

Conditional only upon my standard Certification, Assumptions and Limiting Conditions, and the estimated exposure time as stated in this report, it is my opinion the "as is" Market Value of the subject properties fee simple estate, as of May 16, 2022 was:

ONE HUNDRED TWENTY THOUSAND DOLLARS
(\$120,000)

Respectfully submitted,



D. Rick Whitesides, MAI, SRA
General Certified Appraiser - IA CG01439
NE CG920142

ADDENDA

APPRAISER'S QUALIFICATIONS

D. Rick Whitesides, MAI, SRA

PROFESSIONAL:

| | |
|--|--------------|
| MAI Designation from the Appraisal Institute | 1991 |
| SRA Designation from the Appraisal Institute | 1977 |
| General Certified Appraiser, State of Nebraska (CG 920142) | 1992 |
| General Certified Appraiser, State of Iowa (CG 01439) | 1992 |
| Licensed Real Estate Salesman in the State of Nebraska | 1972 |
| Vice President/Appraiser Mitchell & Associates | 1990-Present |
| Property Underwriter/Assistant Vice President, Occidental Nebraska Federal Savings Bank | 1973-90 |

MEMBER:

Appraisal Institute: Former President Nebraska Chapter and currently active in this chapter and former Chapter Services Chairman for Region II and have served on the National Chapter Services Committee

Nebraska Real Estate Association

Omaha Area Board of Realtors Former Executive Committee, Commercial Investment Council
Tangier Shrine, Scottish Rite and Mercer Lodge

Past Membership: Society of Real Estate Appraisers, Eastern Nebraska, Chapter #111

EDUCATION:

University of Nebraska Lincoln

University of Nebraska Omaha

Continuing education through attendance at various appraisal seminars sponsored by the Appraisal Institute and other industry organizations; courses listed on a separate page.

EXPERIENCE:

Areas of appraisal experience include multi-family residential; commercial; industrial; vacant land; special purpose properties; and single family residential. Appraisals have been completed for mortgage loans, condemnation, litigation, and asset management purposes.

**RECENT APPRAISAL EDUCATION
D. RICK WHITESIDES, MAI, SRA**

| <u>DATE</u> | <u>COURSE</u> | <u>SPONSOR</u> | <u>CLASS HOURS</u> |
|-------------|--|----------------------|--------------------|
| 2017 | Honing In...Updates, Market Perspectives & Prof. Development | AI | 4 |
| 2016 | Local Market Snapshot | AI | 4 |
| 2016 | Understanding the Basics of Excel & Linear Regression | AI | 4 |
| 2016 | Commercial Real Estate Summit | Nebr Cont Legl Ed | 8 |
| 2016 | USPAP Update | AI | 7 |
| 2015 | Commercial Real Estate Summit | Nebr Cont Legl Ed | 8 |
| 2014 | Commercial Real Estate Summit | Nebr Cont Legl Ed | 8 |
| 2014 | The Discounted Cash Flow Model | AI | 7 |
| 2014 | USPAP Update | AI | 7 |
| 2013 | Property Acquisition & Need for Site Assessment | Randall School of RE | 3 |
| 2013 | Environmental Issues in Real Estate | Randall School of RE | 3 |
| 2013 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 8 |
| 2013 | Online Supervising Appraisal Trainees | AI | 4 |
| 2012 | USPAP | Moore Group | 7 |
| 2012 | Effective Appraisal Writing | AI | 7 |
| 2011 | Ethical Decision Making in Real Estate | Randall School of RE | 3 |
| 2011 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 8 |
| 2011 | Commercial Appraisal Engagement & Review | AI | 7 |
| 2011 | Capital Markets Seminar | Daisley Ruff | 3 |
| 2010 | USPAP | AI | 7 |
| 2010 | Capital Markets Seminar | Daisley Ruff | 3 |
| 2010 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 8 |
| 2010 | Appraisal Curriculum Overview | AI | 15 |
| 2009 | Online Business Practices & Ethics | AI | 4 |
| 2009 | Report Writing Workshop | The Moore Group | 7 |
| 2009 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 8 |
| 2008 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 8 |
| 2008 | USPAP | AI | 7 |
| 2007 | Standard 3 Review Training Session | NE Appraiser Bd | 4 |
| 2007 | Understanding & Testing DCF Valuation Models | AI | 4 |
| 2007 | Analyzing Distressed Real Estate | AI | 4 |
| 2007 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 6 |
| 2006 | Uniform Standards of Professional Practice | Moore Group | 7 |
| 2006 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 7 |
| 2005 | Market Analysis & the Site to do Business | AI | 7 |
| 2005 | Radon & Real Estate | Randall School of RE | 3 |
| 2004 | Uniform Standards of Professional Appraisal Practice | AI | 7 |
| 2004 | Loss Prevention for Real Estate Appraisers | AI | 4 |
| 2004 | Rates and Ratios | AI | 7 |
| 2003 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 7 |
| 2003 | Client Pressure Seminar | NE Appraiser Bd. | 3 |
| 2003 | Appraisal Consulting | AI | 7 |
| 2002 | Mark to Market | AI | 3 |
| 2002 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 8.5 |
| 2001 | Appraisers & Gramm-Leach-Bliley Act | AI | 3 |
| 2001 | Regression Analysis in Appraisal Practice | AI | 7 |
| 2001 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 7 |
| | | CLASS | |

| <u>DATE</u> | <u>COURSE</u> | <u>SPONSOR</u> | <u>HOURS</u> |
|-------------|---------------------------------------|----------------------|--------------|
| 2000 | Commercial Appraisal Problem Solving | Mid-West Appraisers | 7 |
| 2000 | Appraisal of Non-Conforming Uses | AI | 7 |
| 2000 | Standards of Professional Practice | AI | 15 |
| 2000 | Ed Tour (Tomorrows Information Today) | NE. Appraiser Board | 3 |
| 2000 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 7 |
| 1999 | Internet Search Strategies | AI | 7 |
| 1999 | Appraisal of Local Retail Properties | AI | 7 |
| 1999 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 8 |
| 1998 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 6 |
| 1997 | Affordable Housing | AI | 7 |
| 1997 | Analyzing Operating Expenses | AI | 7 |
| 1997 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 6 |
| 1996 | Highest & Best Use | AI | 7 |
| 1996 | Standards of Professional Practice | AI | 26 |
| 1995 | Advanced Income Capitalization | AI | 36 |
| 1995 | Emerging Technologies in Appraising | AI | 5 |
| 1995 | Experience Review Training | AI | 4 |
| 1995 | Apartment Update | AI | 1 |
| 1994 | FHA Guidelines | AI | 7 |
| 1994 | Commercial Real Estate Workshop | Nebr Cont Legl Ed. | 3 |
| 1993 | Appraising Apartments | AI | 7 |
| 1993 | Agency Relationships in Real Estate | Randall School of RE | 3 |
| 1993 | Mock Trial Seminar | AI | 7 |
| 1993 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 7 |
| 1993 | FIRREA: Overview & Application | AI | 7 |
| 1992 | ADA Seminar | AI | 5 |
| 1992 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 5 |
| 1991 | Standards of Professional Practice | AIREA | 7 |
| 1990 | Small Residential Form | SREA | 7 |

State of Nebraska Real Property Appraiser Board



Herby certifies that: DWIGHT (RICK) E WHITESIDES

MITCHELL COMMERCIAL VALUATION INC
14611 W CENTER RD
OMAHA, NE 68144-3219

Is credentialed in the State of Nebraska as a:

Certified General Real Property Appraiser

Holding credential number: CG920142

Effective Date: Jan 01, 2022 Expiration Date: Dec 31, 2022

Nebraska Real Property Appraiser Board Director: _____

All address changes, business or residences, must be reported to the Real Property Appraiser Board immediately.

This Credentialing Card is proof that each person is credentialed under the Real Property Appraiser Act unless credential has been canceled, surrendered, suspended, or revoked.

Nebraska Real Property Appraiser Board
301 Centennial Mall South, First Floor PO Box 94963
Lincoln, Nebraska 68509-4963
Phone: 402-471-9015 Fax: 402-471-9917 <https://appraiser.ne.gov/>

| | | | |
|---|------------|----------------------------|----------|
| Administrative Identification Number: | 10064-2022 | Registration Fee Paid: | \$275.00 |
| Random Engagement Audit Program Fee Paid: | \$5.00 | Federal Registry Fee Paid: | \$40.00 |



STATE OF IOWA
IOWA DEPARTMENT OF COMMERCE
PROFESSIONAL LICENSING AND REGULATION

This is to certify that the below named has been granted a certification
as: Certified General Appraiser.

Certification Number: CG01439 Expires: June 30, 2023

Status: Active

Dwight E Whitesides
Mitchell & Associates
14611 W Center Rd
Omaha, Nebraska 68144

USPAP MINIMUM STANDARDS

For the convenience of the reader or any reviewer of this report, we have included a copy of the fourteen points of the Minimum Appraisal Standards. Appraisals must:

1. Conform to USPAP, except that the Departure Provision, which allows below minimum work, will not apply;
2. Include a disclosure of any steps taken in order to comply with the Competency Provision of USPAP;
3. Be based on the market value or other values as defined in the attached DEFINITIONS;
4. [i] Be written and presented in a narrative format;
[ii] Be sufficiently descriptive to enable the reader to ascertain the market value and the rationale for the estimate;
[iii] Provide detail and depth reflective of the complexity of the property appraised;
5. Analyze and report in reasonable detail any prior sales of the property within the last three years;
6. Analyze and report current revenues, expense, and vacancies on income producing properties rather than estimated or projected figures not supported by current market conditions;
7. Use a reasonable marketing period for the property;
8. Analyze current market conditions and trends that will affect the income, absorption, or value of the property;
9. Report both the “as is” (using appropriate deductions and discounts for holding and marketing costs, and entrepreneurial profit) and the stabilized market values for developmental property; report both the value-in-use and liquidation value for owner-occupied property;
10. Include in the USPAP required certification an additional statement that: “The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a “loan””;
11. Contain sufficient supporting documentation to allow the reader to ascertain the appraiser’s logic, reasoning, judgment, and analysis;
12. Include a legal description of the subject property (in addition to the description required by USPAP);
13. Identify and value separately any non-real estate items;
14. Use and reconcile the income, direct sales, and cost approaches to value, and explain the omission of any approach not used;

If any information necessary to complete the appraisal is unavailable, this fact must be disclosed.

Table 2: Land Use Regulations

| Agricultural Uses: | | | | | | | |
|-------------------------------|-----|-----|----|----|-----|----|-----|
| SFR | UDR | FMU | TC | HC | GCI | AR | PUD |
| Animal Production | | | | | C | C | |
| Crop Production | | | | | C | C | |
| Horticulture | | | | | C | C | |
| Intensive Agriculture | | | | | | | |
| Residential Uses: | | | | | | | |
| SFR | UDR | FMU | TC | HC | GCI | AR | PUD |
| Single-Family Detached | P | P | C | | | C | P |
| Townhouse | C | P | C | | | | P |
| Multiple-Family | | P | P | C | | | P |
| Upper-Story Residential | | | P | P | C | | P |
| Group Residential | | C | C | | C | | P |
| Retirement Residential | | C | C | | C | | P |
| Civic Uses: | | | | | | | |
| SFR | UDR | FMU | TC | HC | GCI | AR | PUD |
| Administration | C | C | C | P | P | P | P |
| Cemetery | | | | | P | P | C |
| Clubs | | | C | P | P | P | P |
| College/University | C | C | C | P | P | P | P |
| Convalescent Service | | | | | P | P | P |
| Cultural Services | C | C | P | P | P | P | P |
| Day Care (Limited) | P | P | P | P | P | P | P |
| Day Care (General) | C | C | P | P | P | P | P |
| Detention Facilities | | | | | | | |
| Emergency Res. Serv. | C | C | P | C | C | | P |
| Elder Family Home | C | C | P | | | | P |
| Elder Group Home | C | C | P | | | | P |
| Family Home | C | C | P | P | C | | C |
| Group Care Facility | C | C | P | P | C | | P |
| Group Home | C | C | P | P | P | | P |
| Guidance Services | | | P | P | P | P | P |
| Health Care | C | C | P | | P | P | P |
| Hospitals | | | P | | P | P | P |
| Maintenance Facility | P | P | P | | P | P | P |
| Parks/ Recreation | P | P | P | P | P | P | P |
| Postal Facilities | P | P | P | P | P | P | P |
| Public Assembly | | | P | P | P | P | P |
| Religious Assembly | C | C | P | P | P | P | P |
| Safety Services | C | C | C | C | C | C | P |
| Secondary Education | C | C | C | C | C | C | P |
| Utilities | C | C | C | C | C | C | P |
| Office Uses: | | | | | | | |
| SFR | UDR | FMU | TC | HC | GCI | AR | PUD |
| General Offices | | | P | P | P | P | P |
| Financial Services | | | P | P | P | P | P |
| Medical Offices | | | P | P | P | P | P |
| Transportation Uses: | | | | | | | |
| SFR | UDR | FMU | TC | HC | GCI | AR | PUD |
| Transportation Terminal | | | C | | C | P | |
| Truck Terminal | | | C | | C | P | |
| Miscellaneous Uses: | | | | | | | |
| SFR | UDR | FMU | TC | HC | GCI | AR | PUD |
| Alternative Energy Production | C | C | C | C | C | C | P |
| Broadcasting Tower | | | | | C | C | C |
| Amateur Radio Tower | C | C | C | C | C | C | P |
| Construction Batch Plant | C | C | C | C | C | C | C |
| Landfill (Non-Putrescible) | | | | | | | |
| Landfill (Putrescible) | | | | | | | |

| Commercial Uses: | | | | | | | |
|---------------------------|-----|-----|----|----|-----|----|-----|
| SFR | UDR | MFU | TC | HC | GCI | AR | PUD |
| Ag Sales/Service | | | C | | P | P | P |
| A&E: Auto Rental/Sales | | | C | C | P | P | P |
| A&E: Auto Services | | | CP | C | P | P | P |
| A&E: Body Repair | | | C | | P | P | P |
| A&E: Equip Rental/Sales | | | C | | P | P | P |
| A&E: Equipment Repair | | | C | | P | P | P |
| Bed and Breakfast | C | C | P | P | P | P | P |
| Business Support | | | P | P | P | P | P |
| Business/Trade School | | | P | P | P | P | P |
| Campground | | | | | P | P | P |
| Commercial Rec. Ltd. | | | C | P | P | P | P |
| Commercial Rec. (Gen.) | | | C | P | P | P | P |
| Communication Serv. | | | C | P | P | P | P |
| Construction Sale/Serv | | | C | P | P | P | P |
| Consumer Service | | | C | P | P | P | P |
| Convenience Storage | | | C | | P | P | P |
| Food Sales (Conven) | | | C | C | P | P | P |
| Food Sales (Ltd) | | | C | P | P | P | P |
| Food Sales (General) | | | C | P | P | P | P |
| Funeral Service | | | C | C | P | P | P |
| Gaming Facility | | | C | C | P | P | P |
| General Retail (Small) | | | C | P | P | P | P |
| General Retail (Large) | | | C | P | P | P | P |
| Kennels | | | C | C | P | P | P |
| Laundry Services | | | C | P | P | P | P |
| Liquor Sales | | | C | P | P | P | P |
| Motel/Hotel | | | C | P | P | P | P |
| Personal Improvement | | | C | P | P | P | P |
| Personal Services | | | C | P | P | P | P |
| Pet Services | | | C | P | P | P | P |
| Research Services | | | C | P | P | P | P |
| Restaurants (Drive-in) | | | C | C | P | P | P |
| Restaurants (Gen) | | | C | P | P | P | P |
| Restricted Businesses | | | C | C | C | C | C |
| Surplus Sales | | | C | C | P | P | P |
| Tavern/Lounge | | | C | P | P | P | P |
| Trade Services | | | C | C | P | P | P |
| Vehicle Storage | | | C | C | P | P | P |
| Veterinary Services | | | C | C | P | P | P |
| Parking Uses: | | | | | | | |
| SFR | UDR | MFU | TC | HC | GCI | AR | PUD |
| Off-Street Parking | | | C | C | C | C | P |
| Industrial Uses: | | | | | | | |
| SFR | UDR | MFU | TC | HC | GCI | AR | PUD |
| Custom Manufacturing | | | | | C | C | |
| Light Industry | | | | | C | C | |
| General Industry | | | | | C | C | |
| Heavy Industry | | | | | | C | |
| Recycling Collection | | | | | | C | |
| Recycling Processing | | | | | | C | |
| Resource Extraction | | | | | | | |
| Salvage Services | | | | | | | |
| Vel. Stor (Long-term) | | | | | C | C | |
| Warehousing/Grain Storage | | | | | C | C | |

- E. **Development Standards.** Development standards shall be regulated by district. Table 3 shall provide the development standards for each district and other provisions of this subsection shall provide exceptions or conditional modifications to those regulations.

Table 3: Minimum Development Standards

| Use Types | SFR | UDR | FMU | TC | HC | GCI | AR | PUD |
|--|----------------|---------------|----------------|---------------|----------------|---------------|-----------|------------|
| Min. Lot Area | 10,000 sq. ft. | 6,000 sq. ft. | 10,000 sq. ft. | 1,200 sq. ft. | 10,000 sq. ft. | 7,200 sq. ft. | 10 acres | 9.9(5)(i) |
| Min. Lot Width (ft.) | 60 | 40 | 80 | 20 | 80 | 60 | 200 | 9.9(5)(i) |
| | | | | | | | | |
| Primary Structure Regulations (ft) | SFR | UDR | FMU | TC | HC | GCI | AR | PUD |
| Front Yard | 30 | 20 | 25 | 0 | 20 | 20 | 50 | 9.9(5)(i) |
| Street Side Yard | 30 | 20 | 25 | 0 | 20 | 20 | 50 | 9.9(5)(i) |
| Interior Side Yard | 8 | 6 | 7 | 0 | 15 | 15 | 15 | 9.9(5)(i) |
| Rear Yard | 30 | 20 | 25 | 0 | 10 | 10 | 50 | 9.9(5)(i) |
| Max. Building Height | 35 | 35 | 35 | 35 | 35 | 35 | 35 | 9.9(5)(i) |
| Min. Building Width | Note 3 | Note 3 | Note 3 | Note 3 | Note 3 | Note 3 | Note 3 | 9.9(5)(i) |
| Max. Building Coverage | 35% | 50% | 50% | 100% | 70% | 70% | 5% | 9.9(5)(i) |
| Max. Impervious Coverage | 50% | 60% | 65% | 100% | 80% | 90% | 8% | 9.9(5)(i) |
| Site Area per Housing Unit | 7,500 sq. ft. | 2,250 sq. ft. | 500 sq. ft. | 500 sq. ft. | 500 sq. ft. | NA | 10 acres | 9.9(5)(i) |
| | | | | | | | | |
| Accessory Structure Regulations (ft) | SFR | UDR | FMU | TC | HC | GCI | AR | PUD |
| Front Yard | Note 3 | Note 3 | Note 3 | Note 3 | Note 3 | Note 3 | Note 3 | 9.9(5)(i) |
| Street Side Yard | 35 | 25 | 25 | 0 | 15 | 15 | 50 | 9.9(5)(i) |
| Interior Side Yard | 7 | 7 | 7 | 0 | 0 | 0 | 50 | 9.9(5)(i) |
| Rear Yard | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 9.9(5)(i) |
| Max. Building Height | 15 | 15 | 15 | 15 | 35 | 35 | 35 | 9.9(5)(i) |
| Distance between Accessory and Primary Structure | 7 | 7 | 15 | 15 | 15 | 15 | 15 | 9.9(5)(i) |



MITCHELL & ASSOCIATES, INC.

ROBERT F. MITCHELL, SR., 1893-1983
ROBERT F. MITCHELL, JR., SRPA
R. GREGG MITCHELL, SRA

D. RICK WHITESIDES, MAI, SRA
W. BRUCE WILKIE
BETH ANDERSEN
MELISSA RUTHERFORD

KEVIN P. HERMSEN MAI
DAVID C. WELLSANDT, MAI
RICHARD WITTMANN
MARK SCHAECHER

April 26, 2022

Ms. Kristina Treantos
Via email
Kristina.treantos@pottcounty-is.gov

Re: Appraisal Reports
Properties on following list

Dear Ms. Treantos

Per your request our firm will provide appraisal reports on the attached list of properties for the purposes of estimating the fair market value of the real estate for asset management purposes, subject to the terms and conditions stated as follows:

- 1) The report will be prepared in compliance with the Minimum Appraisal Standards as set forth by the Uniform Standards of Professional Practice (USPAP) and the Standards of the State of Iowa.
- 2) In order to provide the most accurate and timely appraisal possible, the following specific information on the subject property is desired, **if applicable and available**:

Property contact for access if necessary
- 3) Properties to be appraised are as follows:
358 Elm Street, Avoca, IA
15021 490th St., Griswold, IA
15484 State Orchard Rd. Council Bluffs, IA
217 North Main, Hancock, IA
705 Oak Street, Walnut, IA
- 4) Any modifications, excluding correction of errors, will be provided only at additional cost. No court testimony or appearances at any hearing will be provided unless prior arrangements are made. Testimony or appearance at hearings will be billed at the rate of \$250/hour, with a 4 hour minimum.
- 5) The reports will be prepared in a timely manner. Delivery of the report will be approximately 5 weeks, from receipt of a signed copy of this letter; provided the necessary data is made available in a timely manner.

Appraisal Proposal
Industrial Properties
April 26, 2022
Page 2

- 6) The fee to prepare the real estate reports will not exceed \$4,900 and is payable as follows: \$2,450 due upon the signing of this letter and the balance upon receipt of the completed written appraisal report.
- 7) Confidentiality will be respected, so the results and content of the report will only be revealed to you or third parties you may designate. It will not be released to any other entity, without prior permission by you. However, some information furnished may be used in future analysis of other properties, unless you specifically request otherwise. In order to comply with the Gramm-Leach-Bliley Act of 1999, our Privacy Notice is available upon request
- 8) The appraisal will include in the certification required by USPAP; that the appraisal assignment was not based on a requested minimum valuation, specific valuation or the approval of a loan.

If you are in agreement with this proposal, please sign and return the original letter, with the retainer, as soon as possible.

Thank you for the opportunity to be of service.

Respectfully submitted,



D. Rick Whitesides, MAI, SRA
General Certified Appraiser – NE #CG920142
IA #CG01439

ACCEPTED:



Date: 4/28/22

Ms. Kristina Treantos
Pottawattamie County, Iowa

*Retainer will be sent by 5/9/22.

AN
APPRAISAL

OF

**COMMERCIAL PROPERTY
LOCATED AT
15021 490th STREET
GRISWOLD, IOWA**

AS OF

May 16, 2022

PREPARED FOR

Ms. Kristina Treantos
Via email
Kristina.treantos@pottcounty-ia.gov

PREPARED BY

D. Rick Whitesides, MAI, SRA
Certified General Appraiser

MITCHELL & ASSOCIATES, INC.
14611 West Center Road
Omaha, Nebraska 68144



MITCHELL & ASSOCIATES, INC.

ROBERT F. MITCHELL, SR., 1893-1983
ROBERT F. MITCHELL, JR., SRPA 1927-2020
R. GREGG MITCHELL, SRA

D. RICK WHITESIDES, MAI, SRA
W. BRUCE WILKIE
BETH ANDERSEN
RICHARD C. WITTMANN
REBECCA BELLOWS
JAMES ANDERSEN

KEVIN P. HERMSEN, MAI
DAVID C. WELLSANDT, MAI
MELISSA L. RUTHERFORD
MARK SCHAECHER
ALEX FINKLE

May ***, 2022

Ms. Kristina Treantos
Via email
Kristina.treantos@pottcounty-ia.gov

RE: File #00220815 - Appraisal
Commercial Property
15021 490th St.
Griswold, Iowa

Dear Ms. Treantos:

In response to your request and for the purpose of estimating the Market Value of the above referenced property for asset management purposes, I have personally visited the property, and then conducted an analysis of the matters pertinent to its current market value. My findings are included in the following report of 66 pages, plus the supporting Addenda.

This report is intended to be in conformity with the prevailing Standards and Ethics of the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation and the Appraisal Institute. It is independently prepared so is not based on a requested minimum value, specific valuation nor the approval of a loan. It is also in conformity with the laws and Minimum Standards of the State of Iowa where I am licensed.

Your attention is directed toward the sections titled Limiting Conditions and Assumptions, Definitions, and Appraiser's Certification, which address contingencies of the appraisal. Additional contingencies may be interspersed throughout the report where appropriate; therefore, this report should be considered in its entirety. Your attention is also directed to the special consideration noted on page 11 **regarding the COVID-19 outbreak**. The effective date for this appraisal is in a time where the community is experiencing a serious reaction to the outbreak including many closures or cancellations including school districts, state and federal declarations of emergency. Public health officials are calling for social distancing and limited exposure to others. There is currently insufficient data to indicate market reactions to the outbreak as it applies to the general market or to specific properties in regards to any effects on value or marketing times.

Conditional only upon my standard Certification, Assumptions and Limiting Conditions, and the estimated exposure time as stated in this report, it is my opinion the "as is" Market Value of the subject properties fee simple estate, as of May 16, 2022 was:

SEVENTYTWO THOUSAND DOLLARS
(\$72,000)

Respectfully submitted,

D. Rick Whitesides, MAI, SRA
General Certified Appraiser - IA CG0143 NE CG9201429;

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Real Estate Appraisers & Consultants

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IDENTIFICATION OF THE PROPERTY
AND SUMMARY OF SALIENT FACTS

LOCATION: 15021 490th Street, Griswold, Iowa 51535. This is at the intersection of Highway 92 and 490th Street, in the eastern portion of Pottawattamie County, Iowa.

LEGAL DESCRIPTION: Lengthy, a parcel of land in 5-74-38 Pottawattamie County, Iowa

OWNER OF RECORD: Pottawattamie County
Council Bluffs, Iowa

CLIENT/INTENDED USE: The report was ordered by Ms. Kristina Treantos with Pottawattamie County, who advised this appraisal would be used in asset management purposes. There are no other intended uses or users of this report.

APPRAISAL PURPOSE: Purpose of this appraisal is to provide a supported estimate of the ‘as is’ fee simple market value of the subject property, as of the date of the site visit.

INSPECTION DATE: On May 16, 2022, I personally visited subject in the company of Shawn Bluml with Pottawattamie County. Most photos used in this report were taken at the time of this inspection.

EFFECTIVE DATE: This appraisal has an effective date of May 16, 2022, the date of the property visit.

SUBJECT DESCRIPTION: The subject property consists of one building used as a maintenance building. This building contains one drive-in bay a small office and a restroom. The building is of pre-engineered steel construction with metal panels on the elevations and pitched roof. There is one overhead door for vehicle entry and a pedestrian door. There is also a lean-to for sand storage and an area for outdoor storage. The building has 2,106 square feet and is located upon a corner site with 16,117 SF which is totally fenced.

ZONING: Subject is zoned A-2 (Agricultural Production District) under Pottawattamie Counties jurisdiction. The Class A-2 District is intended to preserve the land best suited for agricultural production by protecting prime agricultural lands in farmable tracts from the encroachment of scattered residential, commercial and industrial development; to promote efficiency and economy in the delivery of public services by restricting non-farm development in unincorporated areas of the County, which are without existing or planned services, and to encourage development in areas where services are provided or can efficiently be provided. (see zoning regulations in Addenda).

IDENTIFICATION OF THE PROPERTY
AND SUMMARY OF SALIENT FACTS (CONTINUED)

FLOOD PLAIN STATUS: Subject does not appear to be located in a designated flood zone, per CoreLogic, referencing FEMA Map 19155C0700F, dated April 16, 2013 (map in report).

TITLE HISTORY: Per county records, subject does not appear to have sold in the past five years.

TAX ASSESSMENT: Real estate taxes for Pottawattamie County are combined in one billing for all governmental subdivisions. The County Assessor is responsible for estimating ‘actual value’ to which tax rates are applied. Subject (Parcel 7438-05-300-03) is assessed as follows:

| | 2022 | Comm. Land | Improvement | Current Value Total | Class |
|------------|------|------------|-------------|---------------------------|-------|
| Full Value | | \$7,400 | \$67,900 | \$75,300 | C |
| Exempt | | \$7,400 | \$67,900 | \$75,300 | C |
| Net Total | | \$0 | \$0 | \$0 | C |
| | 2021 | Comm. Land | Improvement | Prior Year Value Total | Class |
| Full Value | | \$7,400 | \$67,900 | \$75,300 | C |
| Exempt | | \$7,400 | \$67,900 | \$75,300 | C |
| Net Total | | \$0 | \$0 | \$0 | C |

TAX RATE: The 2020 tax rate was \$26.851870 per \$1,000 of assessed value, which appears normal for commercial properties in this area. The 2021 tax rate has not been set, as of the effective date of this report.

REAL ESTATE TAXES: Per Pottawattamie County Treasurer’s Office, shows net real estate taxes of \$0 as it is owned by a government entity. Generally these taxes have delinquent dates of September 1, 2020 for the first half and March 1, 2021 for the second half. Subject is appraised as if all historic tax obligations (including additional interest or penalties) are paid current.

PERSONAL PROPERTY: No furniture, fixtures, business or equipment values are included in this report.

HIGHEST & BEST USE: As concluded herein, highest and best use of subject is ‘as is’ with a maintenance shed.

EXPOSURE TIME: As described herein, exposure time is estimated time a property interest being appraised would have been offered on the market prior to a hypothetical consummation of sale at market value on effective date of appraisal. Based on a retrospective opinion of past events, assuming a competitive, open market, I estimated that would have been within 12-months, reflecting current market conditions.

IDENTIFICATION OF THE PROPERTY
AND SUMMARY OF SALIENT FACTS (CONTINUED)

ENVIRONMENTAL
CONDITIONS:

Existing improvement is a maintenance shed It is unknown if hazardous components/materials (urea formaldehyde foam insulation, asbestos, etc.) were used in construction/renovation or if the site has contaminants. No evidence of underground fuel storage tanks or contamination was observed. As a result, environmental conditions are presumed non-adverse. However, subject is near agricultural land uses where variety of chemicals are routinely used. it may be prudent to obtain a current certified survey and environmental assessment of the property. This appraisal makes no allowance for environmental remediation or abatement requirements. Your attention is directed to Limiting Conditions and Assumptions at the conclusion of this report.

SUMMARY OF INDICATED VALUES FROM THIS REPORT

| | |
|--|----------------|
| Market Value via the Cost Approach | Not Applicable |
| Market Value via the Direct Sales Comparison Approach | \$74,000 |
| Market Value via the Income Capitalization Approach (Fee Simple) | \$70,000 |

SCOPE OF WORK

Scope of work refers to research and analysis in this assignment and includes the extent to which the property is identified, type and extent of data researched, and type and extent of analysis applied.

Extent of Property Identification: The property was identified by its addresses of 15021 490th Street, Griswold, Iowa. Per Pottawattamie County records, this address corresponds to County Parcel number and legal descriptions summarized in the Salient Facts section of this report.

Type and Extent of Data Researched: I personally visited the property, building measurements were taken from county assessors web site and verified on site, which provided the information for the property descriptions. Site size was obtained from the assessor's website also. Other data was collected from County public records, conversations with local property owners and brokers, information published in real estate industry publications and Mitchell & Associates appraisal files. I was not provided with a current soils testing report or survey; therefore, I did not consider the impact on property value of any possible restrictions or soil issues that might be revealed by these reports. The **COVID-19** virus is having significant impacts to how people live around the world. The impacts are fairly recent in the Omaha area, but there have been many closures. Public health officials are calling for social distancing and limited exposure to others.

As we progress through 2022, fewer cases are reported but some cautionary measures are still promoted. Such news has increased the level of fear and anxiety among the community. Single-family sales have been brisk due to the shrinking inventories and rising prices. Commercial businesses may experience reduced sales due to recent closing of bars and restaurants except for drive-thru service, and avoiding places where 10+ people gather. Other businesses are opting for employees to work remotely.

There is currently insufficient data to indicate market reactions to the outbreak as it applies to the general market or to specific properties (e.g. places of reported exposures) in regards to any effects on value or marketing times.

Type and Extent of Analysis Applied: A highest and best use analysis of the property was developed utilizing inferred or trend methodology, appropriate of the property in light of its site size and building size as well as the location in a mature area. Due to the age of the structure, estimating depreciation would be so subjective as to render the cost approach unreliable; therefore, it was omitted from this appraisal. I researched and found recent sales of buildings supporting the use of the Direct Sales Comparison Approach. The Income Capitalization Approach was not developed due to a lack of market information.

Conclusion: The conclusions and analyses were reconciled into the final estimate of value. Based on my training, experience (see credentials in the Addenda intended to satisfy the Competency Rule of USPAP) and judgment, I concluded that this appraisal in a summary format including the Direct Sales Comparison and income approach is appropriate to support a credible estimate of the Fee Simple value and consistent with the Standards of the 2020-2021 Uniform Standards of Professional Appraisal Practice (USPAP).

EXTERIOR PHOTOS



West & south sides



South & east sides



North side



Propane tank & east side



Fuel tank & diesel pump



Lean to & outdoor storage area



Lean-to shed

APPRAISER'S CERTIFICATION

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 interest in the property that is the subject of this report and 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 opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

I have not performed a previous appraisal of the subject property and have not done an appraisal review involving the subject, or an appraisal consulting assignment involving the subject, within the past three years.

The reported analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute and the Uniform Standards of Appraisal Practice.

The reported analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the requirements of the Uniform Standards of Appraisal Practice

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

I have made a personal inspection of the property that is the subject of this report.

No one provided significant real property appraisal assistance to the person signing this certification. If there are exceptions, the name of each individual providing significant real property appraisal assistance is stated in the scope of the report.¹

As of the date of this report, I, D. Rick Whitesides, have completed the requirements of the continuing education program of the Appraisal Institute.

APPRAISER:



D. Rick Whitesides, MAI, SRA - NE CG920142
IA CG01439

¹ Source for Items #1-#9, Standards Rule 2-3, *Uniform Standards of Professional Appraisal Practices*, 2001 Edition

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal has been based on the following limiting conditions:

For purposes of this appraisal, any marketing program for the sale of the property would assume cash or its equivalent.

No detailed soil studies covering the subject property were available for this appraisal. It is therefore assumed that soil conditions are adequate to support standard construction consistent with highest and best use.

The date of value to which the conclusions and opinions expressed in this report apply, is set forth in the letter of transmittal. Further, the dollar amount of any value opinion rendered in this report is based upon the purchasing power of the American dollar existing on that date.

The appraiser assumes no responsibility for economic or physical factors which may affect the opinions in this report which occur after the date of the letter transmitting the report or which cause unpredictable changes. Events such as (but not limited to) natural disasters, wars and economic calamities are examples of such factors.

The appraiser reserves the right to make such adjustments to the analysis, opinions and conclusions set forth in this report as may be required by consideration of additional data or more reliable data that may become available.

No opinion as to title is rendered. Data relating to ownership and legal description was obtained from county records and is considered reliable. Title is assumed to be marketable and free and clear of all liens, encumbrances, easements and restrictions except those specifically discussed in the report. The property is appraised assuming it to be under responsible ownership and competent management and available for its highest and best use.

If no title policy was made available to the appraiser, they assume no responsibility for such items of record not disclosed by their customary investigation.

The appraiser assumes no responsibility for hidden or non-apparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for arranging for engineering studies that may be required to discover them.

The property is appraised assuming it to be in full compliance with all applicable federal, state and local environmental regulations and laws, unless otherwise stated.

The property is appraised assuming that all applicable zoning and use regulations and restrictions have been complied with, unless otherwise stated.

The property is appraised assuming that all required licenses, certificates of occupancy, consents or other legislative or administrative authority from any local, state or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based, unless otherwise stated.

No engineering survey has been made by the appraiser. Except as specifically stated, data relative to size and area was taken from sources considered reliable and no encroachment of real property improvements is considered to exist.

No opinion is expressed as to the value of subsurface oil, gas or mineral rights whether the property is subject to surface entry for the exploration or removal of such materials except as is expressly stated.

Maps, plats, and exhibits included in this report are for illustration only as an aid in visualizing matters discussed within the report. They should not be considered as surveys or relied upon for any other purpose, nor should they be removed from, reproduced, or used apart from the report.

No opinion is intended to be expressed for matters, which require legal expertise or specialized investigation, or knowledge beyond that customarily employed by real estate appraisers.

Possession of this report, or copy of it, does not carry with it the right of publication. It may not be used for any purposes by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event only with the proper written qualification and only in its entirety.

ASSUMPTIONS AND LIMITING CONDITIONS (CONTINUED)

Testimony or attendance in court or at any other hearing is not required by reason of rendering this appraisal, unless such arrangements are made in a reasonable time in advance.

The appraiser has personally inspected the subject property and find no obvious evidence of structural deficiencies, except as stated in this report; however, no responsibility for hidden defects or conformity to specific governmental requirements, such as fire, building and safety, earthquake or occupancy codes can be assumed without provision of specific professional or government inspections.

No consideration has been given in this appraisal as to the value of the property located on the premises considered by the appraiser to be personal property, nor has he given consideration to the cost of moving or relocating such personal property; only the real property has been considered.

Information obtained for use in this appraisal is believed to be true and correct to the best of my abilities; however, no responsibility is assumed for errors or omissions, or for information not disclosed which might otherwise affect the valuation estimate.

Disclosure of the contents of this appraisal report is governed by the Bylaws and Regulations of the Appraisal Institute.

Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser or firm with which he is connected, or any reference to the American Institute of Real Estate Appraisers or to the MAI or SRA designations) shall be disseminated to the public through advertising media, public relations media, news media, sales media or any other public means of communication without prior written consent and approval of the appraiser.

Comments concerning the location, market area, trends, construction quality and costs of the property appraised herein represent the opinion of the appraiser formed after examination and study of the subject property.

This appraisal represents the independent opinion of the appraiser free from any commitments and free from any present or expected future interest in the property, with the sole compensation for the employment being a fair professional fee.

The Americans with Disabilities Act ("ADA") became effective January 26, 1992. I have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since I have no direct evidence relating to this issue, I did not consider possible non-compliance with the requirements of ADA in estimating the value of the property.

Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss of value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

DEFINITIONS:

- FEE SIMPLE ESTATE:**¹ 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.
- LEASED FEE ESTATE:**² An ownership interest held by a landlord with the right of use and occupancy conveyed by lease to others. The rights of lessor (the leased fee owner) and leased fee are specified by contract terms contained within the lease.
- MARKET VALUE:**² The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date³ and the passing of title from seller to buyer under conditions whereby:
- (1) Buyer and seller are typically motivated;
 - (2) Both parties are well informed or well advised, and acting in what they consider their own best interests;
 - (3) A reasonable time is allowed for exposure in the open market;
 - (4) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and,
 - (5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

¹ The Dictionary of Real Estate Appraisal, 4th Edition, Appraisal Institute, Chicago

² Excerpted from Vol. 55 No. 165, Federal Register Section 34.44 Appraisal Standards

³ See discussion regarding exposure time and marketability within the Highest and Best Use analysis of this report

VALUATION AND THE APPRAISAL PROCESS

An appraisal is an estimate, an opinion of value. Its accuracy depends on the basic competence and integrity of the appraiser and on the soundness and skill by which he or she processed the data. Its worth is influenced by the availability of pertinent data. The professional appraiser seeks current facts and seeks to be practical. Most importantly, the appraiser's opinion must be without bias. As with other types of "markets," the real property appraiser does not make the market; rather, he or she interprets the market.

Generally, the appraiser uses three approaches to value: 1) Cost Approach; 2) Direct Sales Comparison Approach; and, 3) Income Approach. Each of these approaches is discussed separately below. They are all comparative approaches in that the basic data comes from direct comparisons in the market, indirect comparisons in the market, and/or the appraiser's judgment, which is based on market experience.

In the Cost Approach, the cost to reproduce the property at the date of the appraisal, less an appropriate allowance for depreciation (physical deterioration, functional obsolescence, and economic obsolescence), is made by market comparisons of cost and depreciation. The Cost Approach tends to set the upper limit of value since no property can be worth more than it would cost to build another property of equal utility assuming no reasonable delays. In land appraisals this approach is not applicable as land cannot be replaced but is considered a non-depreciating asset.

In the Direct Sales Comparison Approach, the subject property is compared to sales of similar properties. The sales are analyzed to determine similarities and differences, which affect value when observed in the market. These similarities and differences then serve as points of comparison between the market data and the subject property. When necessary, adjustments are made to the comparables to account for these differences. The resulting adjusted value per unit is then used to estimate the value via this approach.

In the Income Capitalization Approach, the future operation of the property is estimated from past historical data relating to the subject and/or from comparable market data. Gross rental schedules, vacancy and collection losses, fixed expenses, operating expenses and reserves are projected and used to estimate net income. This net income is converted to a value estimate using the capitalization process. The capitalization rate (comprised of a return on and a return of the investment) is based on demonstrated rates found in the market. (In land appraisals, recapture is not a part of the capitalization rate as land is considered a non-depreciating asset.) The method and technique of capitalization is determined by the nature of the property in the market.

All approaches were considered for this report, however, the availability, adequacy and pertinence of data may limit the approaches actually used, as discussed in the Reconciliation of this report.

MARKET AREA DESCRIPTION AND ANALYSIS

Market areas influence value of specific properties in many ways. These influences are best understood considering their social, economic, governmental and environmental characteristics. It has been said that “social, economic, governmental and environmental forces also influence property value near the subject property which, in turn, directly affects the value of the subject property itself.”¹ Therefore, we will examine each characteristic considering the subject’s market area.

Market Area: Subject is in a rural area of Pottawattamie County east of Council Bluffs, on the west edge of Iowa adjacent to the east bank of the Missouri River and part of the greater Omaha-Council Bluffs Core Based Statistical Area (CBSA). This area is described as follows:

Social Characteristics

Demographics: The 2021 population² within one, 3 and 5 miles of Griswold was reported as 1,084, 1,295 and 1,640 respectively; which is about 3% higher than 2010. Households in 2021 were up 4% from 2010. Average family size was 2.76 persons.

Education: The market area is served by the Griswold Community Public School District. The level of education achieved for persons ages 25 or older within the area is shown as follows.

| | 1 mile | 3 miles | 5 miles |
|--|--------|---------|---------|
| 2021 Population 25+ by Educational Attainment | | | |
| Total | 778 | 932 | 1,187 |
| Less than 9th Grade | 2.8% | 2.8% | 2.9% |
| 9th - 12th Grade, No Diploma | 7.2% | 6.8% | 6.4% |
| High School Graduate | 37.5% | 36.7% | 35.9% |
| GED/Alternative Credential | 2.6% | 2.5% | 2.4% |
| Some College, No Degree | 18.4% | 20.5% | 22.2% |
| Associate Degree | 14.5% | 13.7% | 12.9% |
| Bachelor's Degree | 13.0% | 12.9% | 13.0% |
| Graduate/Professional Degree | 4.0% | 4.2% | 4.3% |

Employment: Employment by industry within the city is shown as follows.

| 2021 Employed Population 16+ by Industry | | | |
|---|-------|-------|-------|
| Total | 517 | 635 | 821 |
| Agriculture/Mining | 11.0% | 11.3% | 11.8% |
| Construction | 5.2% | 5.0% | 4.9% |
| Manufacturing | 14.7% | 13.9% | 13.3% |
| Wholesale Trade | 0.6% | 0.8% | 1.0% |
| Retail Trade | 7.4% | 7.9% | 8.3% |
| Transportation/Utilities | 5.4% | 5.8% | 6.1% |
| Information | 3.7% | 3.3% | 2.9% |
| Finance/Insurance/Real Estate | 3.9% | 4.1% | 4.4% |
| Services | 47.4% | 46.5% | 45.8% |
| Public Administration | 0.8% | 1.1% | 1.3% |

¹ Appraisal of Real Estate, 13th Edition, 2008

² www.stdbonline.com

MARKET AREA DESCRIPTION AND ANALYSIS (CONTINUED)

Social Characteristics (Continued)

It was shown that 659 persons are in the workforces in Griswold. Largest employers in this community are Professional Services at 32, Pumpkin Patch at 17; unemployment rate was 8.8%:

Housing: The market area 517 housing units within one mile and has roughly 77.3% of occupants owning their home and 22.7% of homes being renter occupied.

Roadway Linkage: City of Griswold is accessed via Highway 92 which links this community to Council Bluffs and Omaha metro.

Recreation:

Conklin Fish Farm is location 2 miles south of Griswold and covers 8 acres. It has a lake stocked with a variety of fish, there are 60 campsites, walking trails, a shelter house, picnic tables, outdoor restrooms, playground, sand volleyball and fire pits.

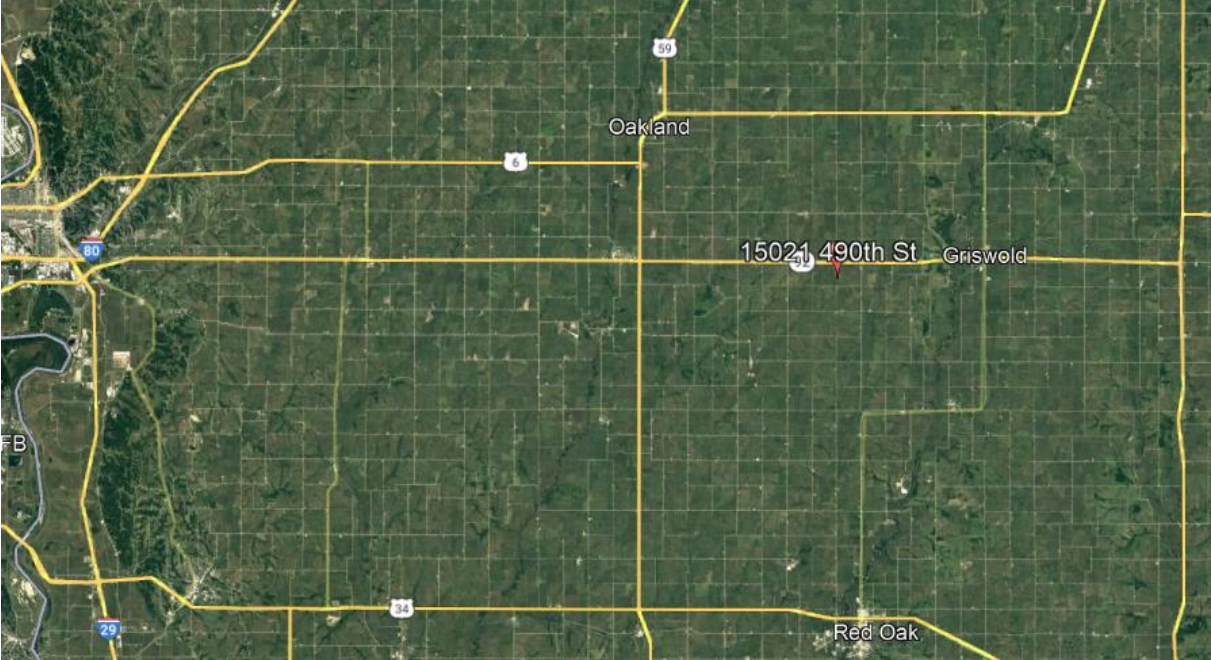
Retail Centers: Shopping is available in town and also available in nearby communities.

Utilities: Water is provided by City of Griswold, MidAmerican Energy and its rural electric cooperative provide electric power to the region at rates below the national average.

Governmental Characteristics

Administration: Griswold has a mayor and city council form of government.

Market Area Aerial



Immediate Market Area Aerial



MARKET AREA VIEWS



View north along 490th Street,
subject at right



View south along 490th Street,
Highway 92 in foreground



View east along Highway 92,
subject at left



View east along Highway 92,
490th Street in foreground

SITE DESCRIPTION AND ANALYSIS

Subject property is located on the northeast corner of Highway 92 and 490th Street which is in the east portion of Pottawattamie County. The property is surrounded by agricultural properties. Following is a summary of subject characteristics:

Size: Subject parcel has frontage along both abutting roads with site area listed as 16,117 square feet or 0.37 acres. These dimensions were taken from public records, as no survey was provided.

Topography: Subject site appears to have sloping terrain falling from the west to the east near the grade level of abutting roads. This site appears to have adequate surface water drainage.

Soils: Subject is presumed free of hazardous materials and the load bearing capacities adequate for improvements. Obvious environmental problems were not observed. See Limiting Conditions as relate to effects on value if environmental contamination is found on property.

Utilities: Subject has electricity, well water and a septic system.

Easements/Encroachments/Restrictions: No adverse easements or encroachments were noted on the plats and none are known.

Flood Plain/Drainage: Subject does not appear to be located in a designated flood zone, per CoreLogic, referencing FEMA Map 19155C0700F, dated April 16, 2013 (map in report).

Zoning: Subject is zoned A-2 (Agricultural Production District) under Pottawattamie Counties jurisdiction. The Class A-2 District is intended to preserve the land best suited for agricultural production by protecting prime agricultural lands in farmable tracts from the encroachment of scattered residential, commercial and industrial development; to promote efficiency and economy in the delivery of public services by restricting non-farm development in unincorporated areas of the County, which are without existing or planned services, and to encourage development in areas where services are provided or can efficiently be provided. (see zoning regulations in Addenda).

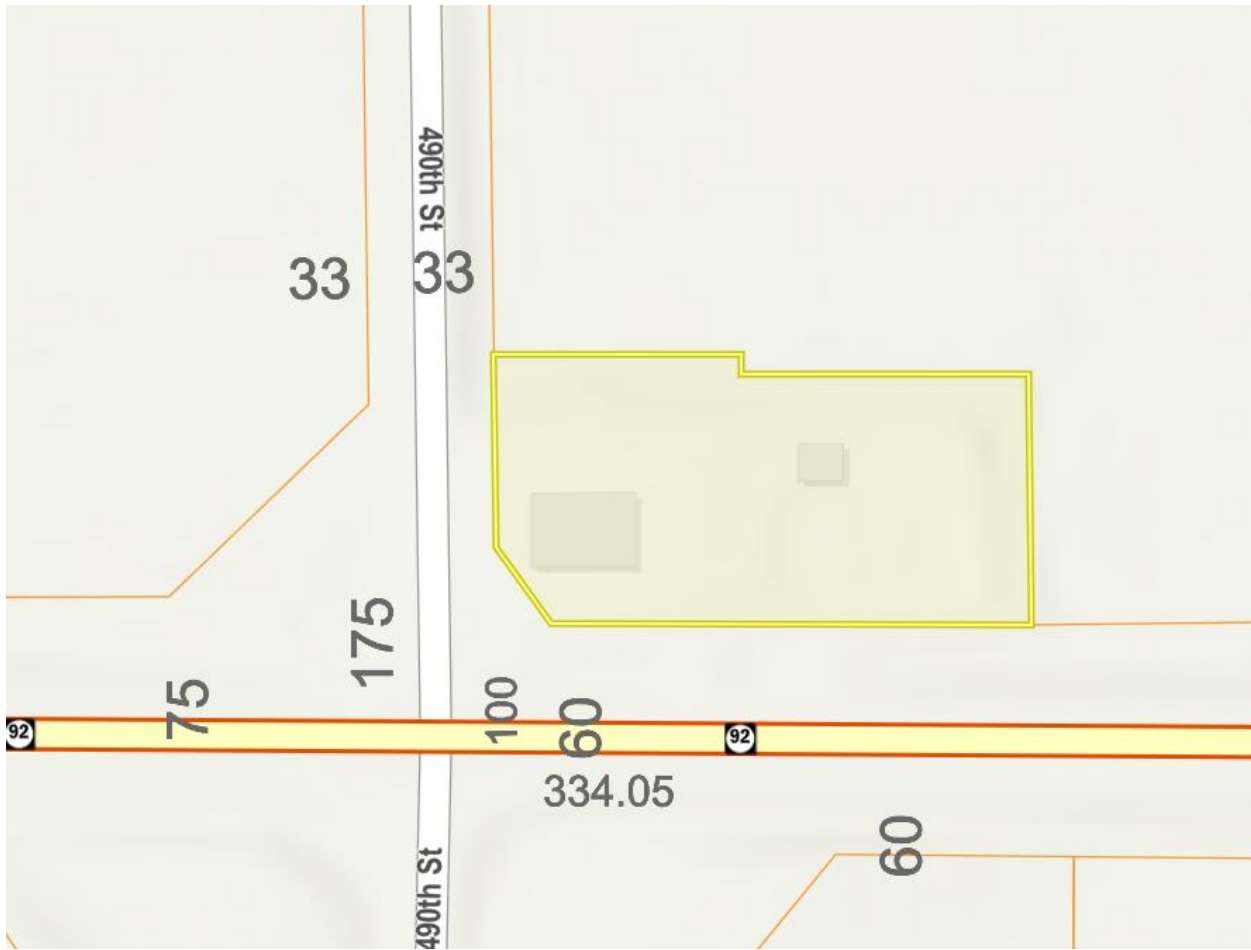
Visibility: Subject has frontage along two roads, Highway 92 is a 2 lane street handling east/west bound traffic and carries moderate amounts of traffic; 490th Street is a county road carrying minimal traffic. The views to and from the subject are not dramatically obscured by abutting properties or terrain. Based on these factors the subject is considered to have fair visibility characteristics.

Access: Subject parcel has a corner location in an area of agricultural land uses. Highway 92 abutting on the south connects this area with several communities to the east and west. Based on this, subject is considered to have fair access characteristics.

Subject Parcel Aerial



Subject Plat Map



Subject Flood Map



15021 490TH ST GRISWOLD, IA 51535-4171

LOCATION ACCURACY: 📍 Excellent

Flood Zone Determination Report

Flood Zone Determination: **OUT**

| | | | |
|------------|----------------|------------|-------------|
| COMMUNITY | 190232 | PANEL | 0700F |
| PANEL DATE | April 16, 2013 | MAP NUMBER | 19155C0700F |



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Report generated May 21, 2022 by commercial@mitchellassociates.com

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DESCRIPTION AND ANALYSIS OF IMPROVEMENTS

The subject property consists of one building used as a maintenance building. This building contains one drive-in bay a small office and a restroom. The building is of pre-engineered steel construction with metal panels on the elevations and pitched roof. There is one overhead door for vehicle entry and a pedestrian door. There is also a lean-to for sand storage and an area for outdoor storage. The building has 2,106 square feet and is located upon a corner site with 16,117 SF which is totally fenced. Based on my observations and public records the general building components and their condition were summarized as follows:

STRUCTURAL FEATURES:

Footings & Foundation: Footings were not observed; foundation appears to be poured concrete.

Superstructure: Building is of pre-engineered steel construction with metal panels on the exterior elevations and a pitched roof.

Floors: Is poured concrete, specific thickness and load-bearing capacity is unknown.

Roof: Roof is a pitched design and was covered with metal panels. It is drained by a gutter and downspout system.

Walls: Exterior walls are metal panels.

Windows & Doors: Entry into the building is a direct entry through 2 metal pedestrian doors in an aluminum frame. There were no windows in the building. There was one overhead drive-in door of insulated metal construction, which were about 14' x 14' and electrically operated.

MECHANICAL FEATURES:

Electrical Systems: Electric service was 110/220 volt service with a 100 amp main breaker; protected by circuit breakers.

Lighting: The building had fluorescent fixtures.

Heating & Air Conditioning: There was a propane fired tube heater

Fire Protection System: None observed

Security System: None observed

DESCRIPTION AND ANALYSIS OF IMPROVEMENTS (CONTINUED)

INTERIOR:

Restrooms: There was a restroom equipped with a residential stool, sink. No specific investigation of whether or not these facilities meet requirements of the Americans with Disabilities Act was conducted (see disclaimer in Assumptions at the conclusion of this report).

Interior Finish: The office portion of the building has no real finish

Site Improvements: The parking/drive areas and outdoor storage are covered with crushed rock, the balance of the site has turf grass. This site has a chain link fence surrounding it. There is a lean-to shed used for sand storage and a wood retaining wall for the outdoor storage area. East of the building is a diesel fuel pump with a storage tank.

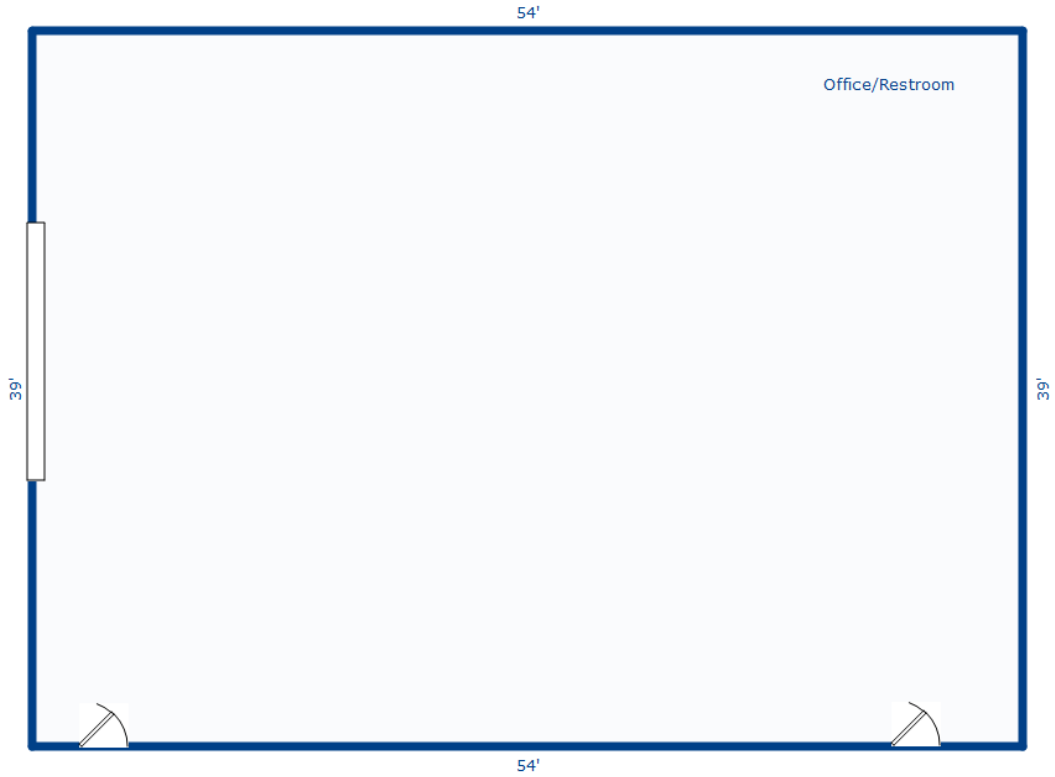
CONDITION/DEPRECIATION:

Subject was reported to have been constructed in 1970. Therefore, it has a chronological age of 52 years. The subject was considered in average condition. Therefore, it is estimated to have effective age of 30 years. Per Marshall Valuation, buildings similar to subject would have an economic life of 40 years. Based on these factors, subject is estimated to have non-curable depreciation of 50% (20-year effective age ÷ 40-year economic life).

Functional Obsolescence: The subject's layout and floor plan is typical for this type of structure in this area.

External Obsolescence: No external obsolescence was observed (in market area description), as there appears adequate demand for these type properties.

Building Sketch



INTERIOR PHOTOS

| | |
|---|-------------------------------|
|  | <p>Open Shop/storage area</p> |
|  | <p>Restroom</p> |
|  | <p>Office</p> |



Open Shop/storage area

HIGHEST AND BEST USE

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

Highest and best use of a specific property is not determined through subjective analysis by the appraiser; rather, shaped by the competitive forces in the market where property is located. Therefore, the analysis and interpretation of highest and best use is an economic study of market forces focused on the subject. The benefit of real estate development produces for a community or amenity contribution provided by a planned project (i.e., public space in a park-like area) is not considered in the appraiser's analysis of highest and best use. Also implied is that the determination of highest and best use results from the appraiser's judgment and analytical skills, i.e., that the use determined from analysis represents an interpretation or opinion not a fact to be found. In appraisal practice, the concept of highest and best use represents the premises upon which value is based. In the context of most probable selling price (market value) another appropriate term to reflect highest and best use would be most probable use. In the context of investment value, an alternate term would be most profitable use.

In order for a particular use or a piece of real property to be the highest and best use of that real property, several requirements must be met:

1. The use must be legally permissible or reasonably possible.
2. The use must be physically possible on the site.
3. The use must be economically and financially feasible under projected market conditions existing.
4. The use must be the most profitable of the legally permissible, physically possible, and economically feasible alternatives.

In estimating its market value, real property is appraised in terms of its highest and best use. Highest and best use analysis is analogous to a feasibility study, in that it is progressive. Legally permissible or physically possible uses are first considered. After analyzing one, the other is fully considered.

Regarding possible uses, there are five basic categories, which are:

1. Residential,
2. Commercial,
3. Industrial,
4. Agricultural, and
5. Special or public use.

After permissible and possible are concluded, economically feasible uses are next identified; that is, those that would pay competitive return on investment in improvements as well as land. Of these, the "maximally productive" or most profitable is highest and best use also referred to as the "ideal" use.¹

In estimating highest and best use of property, the site is first analyzed as though vacant, unimproved and available for development to its most profitable, likely, legal use. When improvements are present, it is necessary to estimate the highest and best use of the site as improved. In both cases, the property is analyzed from the viewpoint of possible, permissible and feasible uses.

¹ Appraisal of Real Estate, 13th Edition, Chicago

HIGHEST AND BEST USE (CONTINUED)

SITE 'AS IF' VACANT

Referring to highest and best use 'as if' vacant, first test is physical adaptability of land. Potential uses include are generally commercial in nature. Agricultural uses are not physically possible due to site size in relation to large acreage needs of modern farm operations. The 16,117 SF site appears entirely usable and could accommodate most uses, obviously limited by its size. No adverse physical or economic conditions were observed.

Second test is legal permissibility of use. Site is zoned A-2 (Agricultural Production District). Legal uses are slightly limiting, as the zoning is designed intended to accommodate agricultural related activities uses. (see zoning regulations in Addenda).

Third test is the financial feasibility, calling for a use generating highest return on and of investment. The site is located along Highway 92 and 490th Street, a lightly traveled street. Office and retail users would not find the site attractive due to the minimal traffic and surrounding agricultural properties. Civic users are often not-for-profit entities that operate on limited budgets. As a result, civic users would likely not be willing to pay as much as a commercial or industrial user for a site with the subject characteristics.

Based on site size, zoning, economic and physical characteristics, it is my judgment that the highest and best use, as if vacant, would be for industrial use within the scope of the present zoning.

"AS IMPROVED"

The four tests of highest and best use, (legal permissibility, physical possibility, financial feasibility and maximum productivity) can be applied to the property "as improved" to determine the use that will maximize the subject property's value. The use maximizing the highest value is the highest and best use of the property "as improved."

The four basic courses of action that can be applied to a property are:

- To demolish improvements and redevelop the site for a new use; or
- To modify improvements (e.g. renovate, modernize, or convert), or
- To cure items of deferred maintenance and retain the improvements; or
- To maintain the improvements "as is"

I analyzed the four courses of action for the subject mixed-use building, in keeping with the four main tests of highest and best use, with my analysis described in the following paragraphs:

Demolish & Redevelop: The existing improvements contribute to site value (concluded in large part by competing properties), and it would not be financially feasible to demolish them in order to redevelop the land for some alternate use. Therefore, this option is eliminated on grounds of financial feasibility.

HIGHEST AND BEST USE (CONTINUED)

“AS IMPROVED” (CONTINUED)

Modify Improvements: I was unable to identify modifications or conversions of existing improvements that would increase property value by an amount greater than anticipated cost of modifications or conversions. Therefore, the option to modify improvements is eliminated on grounds it would not maximize property value.

Cure Deferred Maintenance or Maintain Improvements: Subject is considered in average condition, with some minor deferred maintenance observed. The cost to cure this deficiency is not considered to increase the value beyond the costs of those improvements. Therefore, the option to cure deferred maintenance is ruled out.

The only remaining course of action meeting tests of legal permissibility, physical possibility, financial feasibility, and maximum productivity is to continue current use of the subject as a maintenance building.

EXPOSURE TIME

In order to sell property, it must be exposed to the open market. The following discussion is provided to illustrate current market conditions and estimate exposure time needed to market subject.

Exposure time may be defined as estimated length of time a property interest being appraised would have been offered on the open market prior to a hypothetical consummation of sale at market value on effective date of the appraisal; a retrospective estimate based on analysis of past events assuming a competitive, open market.

The concept of reasonable exposure time encompasses not only adequate, sufficient, reasonable time, but also adequate, sufficient, reasonable effort and considers type property being appraised, supply/ demand conditions, as of effective date of appraisal and analysis of historical sales information (sold after exposure and completion of negotiations between buyer/seller). Therefore, reasonable exposure time is a function of price and use, not an isolated estimate of time. Reasonable exposure is always presumed to precede effective date of appraisal and differs for various types of real estate under various market conditions. Therefore, my estimate of 12-18 months exposure time is based on subject's determined highest and best use in a highly competitive retail market evidencing some demand (albeit limited) for the type of space offered, its highly desirable location, but also factoring the slowdown in the real estate market over the past couple years caused by recessionary conditions.

HIGHEST AND BEST USE (CONTINUED)

MARKETING TIME

Marketing time for the purpose of this report, is defined as an estimated amount of time it might take to sell a property interest in real estate at estimated market value during the period immediately after the effective date of the appraisal.”

As with reasonable exposure time, estimated marketing time is not intended as a prediction of a date of sale or a one-line statement. The concept of marketing time encompasses other market conditions that may affect marketing, e.g., identification of typical buyers/sellers for type of real estate involved, typical equity investment levels, and/or financing terms. Therefore, reasonable marketing time is a function of price, use, and anticipated market conditions such as changes in cost/availability of funds, not an isolated estimate of time. Marketing time occurs after effective date of market value estimate and considers such brokerage functions as advertising, arranging financing and marketing property to specific investors. Estimates of both reasonable exposure and marketing times are not predictions, rather only judgments made by an appraiser.

Properties similar to the subject would appeal primarily to owners due to the single tenant design of the subject. A market search done as part of this appraisal provided limited data and, as a result, accurately estimating exact time needed to market the property was subjective, but area brokers reported recent marketing times for most reasonably priced commercial properties in metro area ranging from 1-24 months. The real estate market slowed in late 2007 due to recessionary conditions, and this slowdown was magnified by the destabilization of the financial markets in October 2008. Loans are still available for qualified borrowers, but typically at lower loan-to-value ratios, mitigating lender risk. Present rates (as of effective date of this report) range from 4.5% to 6% with terms of 3-30 years and amortizations of 15-30 years. Therefore, I concluded if subject were listed for sale in the current market at/near appraised value, reasonable marketing time is anticipated within 12 months, assuming the offering is placed with a competent broker active in the area and experienced with this property type. Real estate brokerage commissions in the area for this property type typically are near 4%-7% of gross sale price. Market also reacts more quickly to properties with attractive price/ value ratios, tending to neglect those perceived as unrealistically priced. Skill of those marketing property can also influence exposure time needed to consummate a sale, as well as the overall economic environment in which property exists. Therefore, the abovementioned marketing time is considered reasonably well supported, but is not guaranteed.

COST APPROACH

The purpose of the Cost Approach is to estimate a Market Value for the subject property based upon the cost to construct a new property that enjoys the same utility as the subject property. This approach is based upon the principle of substitution, as it is assumed that a knowledgeable purchaser would not pay more for a property than the cost to build a new one. The improvements are literally constructed “on paper” and then any accrued depreciation is subtracted from this value. This depreciated value estimate is then added to the Market Value off the subject site in its highest and best use to arrive at an estimate of value for the property as a whole. More specifically, the steps of the Cost Approach are as follows:

1. Estimate the value of the site in its highest and best use as if vacant.
2. Estimate the replacement cost new of all of the improvements.
3. Estimate accrued depreciation from all sources.
4. Deduct accrued depreciation from the cost new.
5. Add the estimated value of the site to arrive at a value for the entire property by the Cost Approach.

Due to the older age of the original building, the reliability of this approach is diminished, so it was not developed in this report.

DIRECT SALES COMPARISON APPROACH

The Direct Sales Comparison Approach (also known as the Market Data Approach) is the process in which a market value estimate is derived by analyzing the market for similar properties and comparing these properties to the subject property. This approach is premised upon the principle of substitution which suggests that a prudent person will not pay more to purchase a property than it will cost him or her to purchase an equally desirable substitute property. Another basic premise of the Direct Sales Comparison Approach is that the market value of a property is directly related to the prices of comparable, competitive properties.¹

The comparative analysis performed in this approach focuses on similarities and differences among properties and transactions observed in the market which affect value. These similarities and differences then serve as points of comparison between the market data and the subject property. Typically, the major points of comparison are:


- Property Rights Conveyed
- Financing Terms
- Condition of Sale
- Time
- Physical Characteristics
- Economic Characteristics

A sale of a property that is an exact duplicate of the subject property would be an important and ideal indication of value. In reality, no two properties are exactly alike. As a result, an adjustment process is used when analyzing the major points of comparison.

The known sales with the greatest degree of comparability used in this analysis are adjusted for the difference between the comparable and the subject property. Adjustments are always made FROM the comparable TO the subject property. For example, if the comparable property sold two years ago and market analysis suggests that prices have increased 5%, then the sale price of the comparable would be increased by 5% to give the indication of value for the subject. Conversely, if the comparable property was in a superior location as compared to the subject and this difference was estimated at 5%, a negative adjustment of 5% would be applied to the sale price of the comparable to give the indication of value for the subject. The adjustments for different physical and economic characteristics are handled in the same manner. Adjustments may be by percentages or by dollar amounts or both.

No sales of similar properties were found in Avoca, Walnut, Griswold or Hancock; therefore, I utilized sales from Council Bluffs. Following are descriptions of known industrial, commercial or mixed use properties which sold in recent years in the Council Bluffs metropolitan area. After the sales, I have shown location maps, adjustment grids, explanation and my final conclusions of the subject property market value from this approach.

¹ Appraisal of Real Estate, 13th Edition, Chicago

| | | |
|---|-----------------------|--|
| 821 S 27th St Council Bluffs, IA 51501 Class C Manufacturing Building of 3,100 SF Sold on 11/9/2021 for \$225,000 - Public Record | |  |
| buyer | | |
| A Vital Corp 23319 Hunt Ave Council Bluffs, IA 51503 | | |
| seller | | |
| Boetel Charles B | | |
| vital data | | |
| Escrow/Contract: | - | Sale Price: \$225,000 |
| Sale Date: | 11/9/2021 | Status: - |
| Days on Market: | - | Building SF: 3,100 SF |
| Exchange: | No | Price/SF: \$72.58 |
| Conditions: | - | Pro Forma Cap Rate: - |
| Land Area SF: | 10,890 | Actual Cap Rate: - |
| Acres: | 0.25 | Down Pmnt: - |
| \$/SF Land Gross: | \$20.66 | Pct Down: - |
| Year Built, Age: | 1972 Age: 49 | Doc No: 000000018837 |
| Parking Spaces: | 2 | Trans Tax: - |
| Parking Ratio: | - | Corner: No |
| FAR | 0.28 | Zoning: - |
| Lot Dimensions: | - | Percent Improved: 84.9% |
| Frontage: | - | Submarket: Downtown Council Bluffs I |
| Tenancy: | Single | Map Page: - |
| Comp ID: | 5782756 | Parcel No: 7544-34-402-001 |
| | | Property Type: Industrial |
| income expense data | | Listing Broker |
| Expenses | - Taxes | |
| | | \$5,368 |
| | - Operating Expenses | |
| | Total Expenses | \$5,368 |
| | | Buyer Broker |
| financing | | |



| | | |
|---|----------------------|--|
| 717 Veterans Memorial Hwy Council Bluffs, IA 51501 Class C Service Building of 3,456 SF Sold on 5/27/2021 for \$450,000 - Public Record | |  |
| buyer | | |
| Georgi Ivanov 717 Veterans Memorial Hwy Council Bluffs, IA 51501 | | |
| seller | | |
| Harter Chris & Mildred D | | |
| vital data | | |
| Escrow/Contract: | - | Sale Price: \$450,000 |
| Sale Date: | 5/27/2021 | Status: - |
| Days on Market: | - | Building SF: 3,456 SF |
| Exchange: | No | Price/SF: \$130.21 |
| Conditions: | - | Pro Forma Cap Rate: - |
| Land Area SF: | 148,104 | Actual Cap Rate: - |
| Acres: | 3.4 | Down Pmnt: - |
| \$/SF Land Gross: | \$3.04 | Pct Down: - |
| Year Built, Age: | 1981 Age: 40 | Doc No: 00000009277 |
| Parking Spaces: | - | Trans Tax: - |
| Parking Ratio: | 0/1000 SF | Corner: No |
| FAR | 0.02 | Zoning: Industrial |
| Lot Dimensions: | - | Percent Improved: 18.4% |
| Frontage: | - | Submarket: Council Bluffs Ind |
| Tenancy: | Single | Map Page: - |
| Comp ID: | 5576734 | Parcel No: 7444-12-353-006 |
| | | Property Type: Industrial |
| income expense data | | Listing Broker |
| Expenses | - Taxes | |
| | \$14,241 | |
| | - Operating Expenses | |
| | \$14,241 | |
| | Total Expenses | |
| | | |
| | | Buyer Broker |
| | | |
| financing | | |
| | | |



Comparable #3



Property Identification

Sale ID 4258
Address 1005 South 17th Street
Council Bluffs, Iowa
Market Council Bluffs

Property Type Industrial :: Light Industrial
Legal Description Lots 1-2 and the west 20' of Lot 3
including the north 1/2 of the vacated
adjacent alley, Block 11, Fleming &
Davis

Property Characteristics

Gross Building Area 2,400 SF
Gross Leasable Area 2,400 SF
Finish - Above Grade 416 SF
Eave Height 14.00'
Construction Average Quality, Class S
Built/Remodeled 1998/
Condition Average

Gross Site Size 10,880 SF
Usable Site Size 10,880 SF
Zoning I-2
Features Fenced, Mezzanine
Fire Sprinkler

Transaction

Sale Date July 17, 2019
Contract Price \$192,500
Contract \$80.21
Price/SF GBA
Contract \$80.21
Price/SF GLA
Adjusted Price \$192,500
Adjusted \$80.21
Price/SF GBA
Adjusted \$80.21
Price/SF GLA

Conditions of Sale Normal
Property Rights Fee Simple
Grantor All Pro Towing, LLC
Grantee Perfect Diamond Lawns, LLC
Recorded Warranty Deed 2019-09108
Source Broker

The property previously sold February 2017, for \$160,000. The 2019 sale represents appreciation near 8% per year.

Comparable #4



Property Identification

Sale ID 4269
Address 919 South 15th Street
Council Bluffs, Iowa
Market Council Bluffs

Property Type Industrial :: Light Industrial
Legal Description Lots 15 and 16, Block 8, Fleming &
Davis Subdivision and part of the
vacated alley

Property Characteristics

Gross Building Area 2,592 SF
Gross Leasable Area 2,592 SF
Finish - Above Grade 348 SF
Eave Height 12.00'
Construction Average Quality, Class D
Built/Remodeled 2006/
Condition Average

Gross Site Size 8,160 SF
Usable Site Size 8,160 SF
Zoning I-2
Features Fenced, Mezzanine
Fire Sprinkler

Transaction

Sale Date October 05, 2018
Contract Price \$160,000
Contract \$61.73
Price/SF GBA
Contract \$61.73
Price/SF GLA
Adjusted Price \$160,000
Adjusted \$61.73
Price/SF GBA
Adjusted \$61.73
Price/SF GLA

Conditions of Sale Normal
Property Rights Fee Simple
Grantor Fouts Investments, LLC
Grantee L & T Properties, LLC
Recorded Warranty Deed 2018-13139
Source Public Records, Broker

Comparable #5



Property Identification

Sale ID 4326
Address 712 South 15th Street
Council Bluffs, Iowa
Market Council Bluffs

Property Type Industrial :: Light Industrial
Legal Description South 1/2 of Lost 5 and 6, Block 32,
Everetts Addition

Property Characteristics

Gross Building Area 2,000 SF
Gross Leasable Area 2,000 SF
Finish - Above Grade 444 SF
Eave Height 16.00'
Construction Average Quality, Class D
Built/Remodeled 2006/
Condition Average

Gross Site Size 8,160 SF
Usable Site Size 8,160 SF
Zoning I-1
Features Fenced
Fire Sprinkler

Transaction

Sale Date February 11, 2020
Contract Price \$170,000
Contract \$85.00
Price/SF GBA
Contract \$85.00
Price/SF GLA
Adjusted Price \$170,000
Adjusted \$85.00
Price/SF GBA
Adjusted \$85.00
Price/SF GLA

Conditions of Sale Normal
Property Rights Fee Simple
Grantor ZaCar Corp
Grantee T & G Carper, LLC
Recorded Warranty Deed 2020/01996
Source Public Records, CoStar

This sale represents appreciation of 1.15% per year from previous sale in 2014.

Comparable #6



Property Identification

Sale ID 4328
Address 1516 Avenue C
Council Bluffs, Iowa
Market Council Bluffs

Property Type Industrial :: Light Industrial
Legal Description Lots 1, 2, and part of Lot 3, Block 3,
Beers Subdivision

Property Characteristics

Gross Building Area 2,400 SF
Gross Leasable Area 2,400 SF
Finish - Above Grade 316 SF
Eave Height 12.00'
Construction Average Quality, Class S
Built/Remodeled 1981/
Condition Average

Gross Site Size 14,705 SF
Usable Site Size 14,705 SF
Zoning C-2
Features Fenced
Fire Sprinkler

Transaction

Sale Date January 03, 2019
Contract Price \$210,000
Contract \$87.50
Price/SF GBA
Contract \$87.50
Price/SF GLA
Adjusted Price \$210,000
Adjusted \$87.50
Price/SF GBA
Adjusted \$87.50
Price/SF GLA

Conditions of Sale Normal
Property Rights Fee Simple
Grantor Cooks Towing & Repair, Inc
Grantee DHI, LLC
Recorded Warranty Deed 2019-00195
Source Public Records

Comparable #7



Property Identification

Sale ID 4329
Address 1324 9th Avenue
Council Bluffs, Iowa
Market Council Bluffs

Property Type Industrial :: Light Industrial
Legal Description Lots 6-7, Part of Lot 8, Block 26,
Riddles Subdivision

Property Characteristics

Gross Building Area 3,520 SF
Gross Leasable Area 3,520 SF
Finish - Above Grade 720 SF
Eave Height 10.00'
Construction Average Quality, Class C
Built/Remodeled 1988/
Condition Average

Gross Site Size 12,194 SF
Usable Site Size 12,194 SF
Zoning I-1
Features Fenced
Fire Sprinkler

Transaction

Sale Date September 13, 2018
Contract Price \$215,000
Contract \$61.08
Price/SF GBA
Contract \$61.08
Price/SF GLA
Adjusted Price \$215,000
Adjusted \$61.08
Price/SF GBA
Adjusted \$61.08
Price/SF GLA

Conditions of Sale Normal
Property Rights Fee Simple
Grantor L & T Properties, LLC
Grantee Michael John Kilnoski
Recorded Warranty Deed 2018-12027
Source Public Records

Comparable #8



Property Identification

Sale ID 4811
Address 2414 9th Avenue
Council Bluffs, Iowa
Market Council Bluffs

Property Type Industrial :: Light Industrial
Legal Description Part of Lots 3-5, Block 1 and part of
Lot 9, Block 17, Ninth Avenue
Addition

Property Characteristics

Gross Building Area 5,400 SF
Gross Leasable Area 5,400 SF
Finish - Above Grade 1,196 SF
Eave Height 12.00'
Construction Good Quality, Class S
Built/Remodeled 2010/
Condition Good

Gross Site Size 13,890 SF
Usable Site Size 13,890 SF
Zoning I-1
Features
Fire Sprinkler

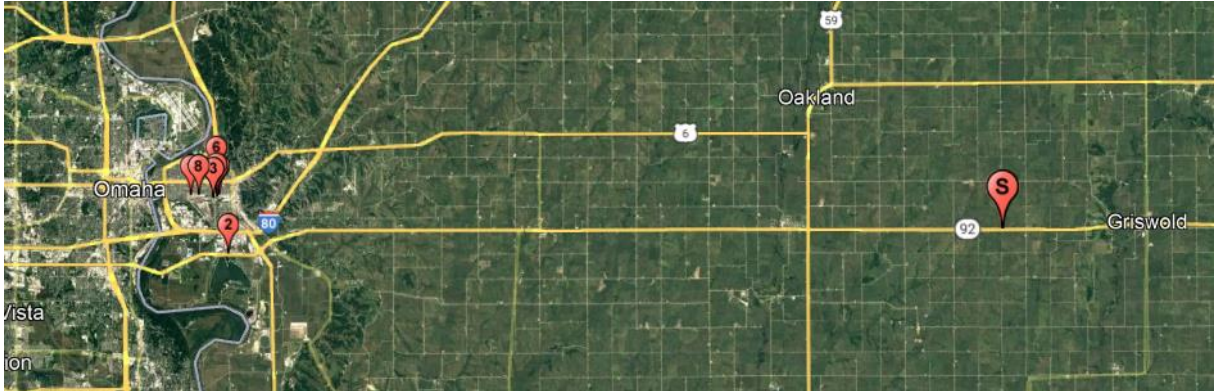
Transaction

Sale Date September 23, 2020
Contract Price \$390,000
Contract \$72.22
Price/SF GBA
Contract \$72.22
Price/SF GLA
Adjusted Price \$390,000
Adjusted \$72.22
Price/SF GBA
Adjusted \$72.22
Price/SF GLA

Conditions of Sale Normal
Property Rights Fee Simple
Grantor Jo Ter Ran Investments, LLC
Grantee Ht 9th Ave, LLC
Recorded Warranty Deed 2020-13944
Source Public Records, Broker

Broker noted there was a lot of interest in the property. Sale represents annual appreciation near 5.90% from its 2011 sale.

Sales Map



DIRECT SALES COMPARISON APPROACH (CONTINUED)

Comparable Sales Grid

| | SUBJECT PROPERTY 15021 490th Street Griswold, Iowa | SALE #1: | SALE #2: | SALE #3: | SALE #4: |
|--|---|--|---|---|--|
| | | 821 So 27th Street Council Bluffs, Iowa | 717 Veterans Mem Hy Council Bluffs, Iowa | 1005 So 17th Street Council Bluffs, Iowa | 919 So 15th Street Council Bluffs, Iowa |
| | | ADJUSTED | ADJUSTED | ADJUSTED | ADJUSTED |
| SALE PRICE | N/A | \$225,000 | \$450,000 | \$192,500 | \$160,000 |
| SALE PRICE/SF | N/A | \$72.58 | \$130.21 | \$80.21 | \$61.73 |
| GIM/OCR | NA/NA | NA/NA | NA/NA | NA/NA | NA/NA |
| MARKET ADJUSTMENTS | | | | | |
| PROPERTY RIGHTS CONVEYED | Fee Simple | Similar | Similar | Similar | Similar |
| | | 0% | 0% | 0% | 0% |
| | | \$225,000 | \$450,000 | \$192,500 | \$160,000 |
| FINANCING | N/A | Cash | Cash | Cash | Cash |
| | | 0% | 0% | 0% | 0% |
| | | \$225,000 | \$450,000 | \$192,500 | \$160,000 |
| CONDITION OF SALE | N/A | Normal | Normal | Normal | Normal |
| | | 0% | 0% | 0% | 0% |
| | | \$225,000 | \$450,000 | \$192,500 | \$160,000 |
| DATE OF SALE | May-22 (Inspection) | Nov-21 | May-21 | Jul-19 | Oct-18 |
| | | 2% | 3% | 7% | 11% |
| | | \$229,500 | \$463,500 | \$205,975 | \$177,600 |
| PHYSICAL ADJUSTMENTS (LUMP SUM) | | | | | |
| BUILDING SIZE/SF | 2,106 | 3,100 | 3,456 | 2,400 | 2,592 |
| | | 0% | 0% | 0% | 0% |
| LOCATION/SITE | Griswold | Co Bluffs | Co Bluffs | Co Bluffs | Co Bluffs |
| | | -40% | -40% | -40% | -40% |
| QUALITY OF CONSTRUCTION | Average/Cls S | Avg/Cls C | Avg/Cls S | Avg/Cls S | Avg/Cls S |
| | | -5% | 0% | 0% | 0% |
| INTERIOR FINISH | Minimal | 5% | 3% | 17% | 13% |
| | | 0% | 0% | -5% | -3% |
| AGE/CONDITION | 52/Average | 49/Avg | 40/AvFr | 21/Avg | 12/Avg |
| | | -1% | -5% | -15% | -20% |
| SITE TO BUILDING RATIO | 7.65:1 | 3.51:1 | 42.85:1 | 4.5:1 | 3.14:1 |
| | | 2% | -18% | 1% | 2% |
| AMENITIES | Leanto, Fuel, Fenced | None | None | Fenced | Fenced |
| | | 9% | 9% | 4% | 4% |
| NET PERCENTAGE LUMP SUM ADJUSTMENTS | | -35% | -54% | -55% | -57% |
| FINAL ADJUSTED PRICE | | \$149,175 | \$213,210 | \$92,689 | \$76,368 |
| FINAL ADJUSTED PRICE/SF | | \$48.12 | \$61.69 | \$38.62 | \$29.46 |
| TOTAL NET ADJUSTMENTS | | -33% | -51% | -48% | -46% |
| TOTAL GROSS ADJUSTMENTS | | 57% | 57% | 71% | 78% |

DIRECT SALES COMPARISON APPROACH (CONTINUED)

Comparable Sales Grid

| | SUBJECT PROPERTY 15021 490th Street Griswold, Iowa | SALE #5: 712 So 15t Street Council Bluffs, Iowa | | SALE #6: 1516 Avenue C Council Bluffs, Iowa | | SALE #7: 1324 9th Avenue Council Bluffs, Iowa | | SALE #8: 2414 9th Avenue Council Bluffs, Iowa | |
|--|---|---|----------|---|----------|---|----------|---|----------|
| | | ADJUSTED | ADJUSTED | ADJUSTED | ADJUSTED | ADJUSTED | ADJUSTED | ADJUSTED | ADJUSTED |
| SALE PRICE | N/A | \$170,000 | | \$210,000 | | \$215,000 | | \$390,000 | |
| SALE PRICE/SF | N/A | \$85.00 | | \$87.50 | | \$61.08 | | \$72.22 | |
| GIM/OCR | NA/NA | NA/NA | | NA/NA | | NA/NA | | NA/NA | |
| MARKET ADJUSTMENTS | | | | | | | | | |
| PROPERTY RIGHTS CONVEYED | Fee Simple | Similar | 0% | Similar | 0% | Similar | 0% | Similar | 0% |
| | | \$170,000 | | \$210,000 | | \$215,000 | | \$390,000 | |
| FINANCING | N/A | Cash | 0% | Cash | 0% | Cash | 0% | Cash | 0% |
| | | \$170,000 | | \$210,000 | | \$215,000 | | \$390,000 | |
| CONDITION OF SALE | N/A | Normal | 0% | Normal | 0% | Normal | 0% | Normal | 0% |
| | | \$170,000 | | \$210,000 | | \$215,000 | | \$390,000 | |
| DATE OF SALE | May-22 (Inspection) | Feb-20 | 6% | Jan-19 | 9% | Sep-18 | 11% | Sep-20 | 5% |
| | | \$180,200 | | \$228,900 | | \$238,650 | | \$409,500 | |
| PHYSICAL ADJUSTMENTS (LUMP SUM) | | | | | | | | | |
| BUILDING SIZE/SF | 2,106 | 2,000 | 0% | 2,400 | 0% | 3,520 | 0% | 5,400 | 0% |
| LOCATION/SITE | Griswold | Co Bluffs | -40% | Co Bluffs | -40% | Co Bluffs | -40% | Co Bluffs | -40% |
| QUALITY OF CONSTRUCTION | Average/Cls S | Avg/Cls D | 0% | Avg/Cls S | 0% | Avg/Cls C | -5% | Gd/Cls S | 0% |
| INTERIOR FINISH | Minimal | 22% | -8% | 13% | -3% | 20% | -7% | 22% | -8% |
| AGE/CONDITION | 52/Average | 14/Avg | -19% | 38/Avg | -7% | 30/Avg | -11% | 10/Gd | -25% |
| SITE TO BUILDING RATIO | 7.65:1 | 4.08:1 | 1% | 6.13:1 | 1% | 3.46:1 | 2% | 2.57:1 | 2% |
| AMENITIES | Leanto, Fuel, Fenced | Fenced | 4% | Fenced | 4% | Fenced | 4% | None | 9% |
| NET PERCENTAGE LUMP SUM ADJUSTMENTS | | | -62% | | -45% | | -57% | | -62% |
| FINAL ADJUSTED PRICE | | \$68,476 | | \$125,895 | | \$102,620 | | \$155,610 | |
| FINAL ADJUSTED PRICE/SF | | \$34.24 | | \$52.46 | | \$29.15 | | \$28.82 | |
| TOTAL NET ADJUSTMENTS | | | -56% | | -36% | | -46% | | -57% |
| TOTAL GROSS ADJUSTMENTS | | | 77% | | 63% | | 78% | | 87% |

DIRECT SALES COMPARISON APPROACH (CONTINUED)

ADJUSTMENT RATIONALE

The preceding represents the only known sales of industrial properties considered of similar condition, design, use, and/or location in Pottawattamie County or competing areas of the metro. All these properties were considered to be similar to the subject, but did require some adjusting to make them equal to subject. Sale prices were reduced to the common denominator of price per square foot of GBA, as this is a normal unit of measurement in market buying and selling decisions.

Market Condition Adjustments

Adjustments were not required for property rights conveyed, financing, or condition of sale, as all were considered normal for the market.

All the sales were considered for adjustment due to date of sale. I observed a general increase in property values in the metro area over the past few years, typically ranging from 3% to 4% annually until late 2007 when recessionary conditions began. The market slowdown was magnified following destabilization of the financial markets in October 2008, demonstrated by the lack of known sales occurring since that time. The market has been improving since 2010 and therefore, I applied an annual appreciation to these sales of 3% after that time.

Physical Condition Adjustments

The sales are typically adjusted for the relative improvement size difference with the subject building, due to dissimilar sizes and economies of scale. Adjustments were not considered necessary as all were similar in size to subject.

Adjustments were considered for overall construction quality. Adjustments were derived from Marshall Valuation Service estimated costs to bring properties equal to the subject and from the market reaction to these differences.

Adjustments for age of improvements were given as typically buyers are concerned about remaining economic life of property. A rounded 1/2% per year of difference with subject age was derived as an appropriate adjustment and applied accordingly. Additional adjustments for condition were applied separately, based on cost estimates to bring properties equal and accounts for the effective age of the improvements.

Adjustments for amenities were also considered as properties with additional features, such as fencing generally yield higher sale prices. Subject has a lean-to, fenced outdoor storage area and fuel tank & pump; sales #3 through #7 had fencing, so those sales received different adjustments than the remaining sales which had no amenities so positive adjustments were applied to all the sales.

Adjustments for location were considered as all of these properties were located in areas with more desirability than the subject so large negative adjustments were applied.

DIRECT SALES COMPARISON APPROACH (CONTINUED)

RECONCILIATION

Before adjusting, the sale prices ranged from \$61.08/SF in Sale #7 to \$130.21/SF in Sale #2. After the aforementioned adjustments were applied, the indicated values ranged from \$29.15/SF in Sale #7 to \$61.69/SF in Sale #2. Net percentage adjustments ranged from -33% to -57% while gross adjustments ranged from 57% to 87%.

Generally, sales with the smallest amount of adjustment are the best indicators of value. Sales #1 and #2 required the least adjusting, indicating values of \$48.12 & \$61.69/SF. Sale #1 is supported by one other sale indicating a value of \$52.46/SF, while sale #2 is not supported. Remaining sales indicated values of \$29.15/SF to \$61.69/SF; majority of the sales 7 out of 8 indicated values from \$29.15 to \$52.46/SF. Therefore, a value estimate for the subject within that range would have the broadest support.

The market search revealed no similar properties on the market currently:

Therefore, based on the foregoing data and analysis, I estimated 'as is' market value of the subject at \$35.00/SF, as of the effective date of this report with the total value developed as follows:

| | | | | | |
|------------------------|---|------------------------|---|--------------|-------------------|
| <u>Indicated Value</u> | x | <u>Gross Bldg Size</u> | = | <u>Total</u> | <u>Rounded to</u> |
| \$35.00/SF | x | 2,106 SF | = | \$73,710 | \$74,000 |

INCOME CAPITALIZATION APPROACH

From an investor's perspective, the earning power of a real estate investment is the critical element affecting its value. The fundamental investment premise is the higher the earnings the higher the value. Investment in an income-producing property represents the exchange of present dollars for the right to receive future dollars. In the Income Capitalization Approach to value, the appraiser analyzes a property's capacity to generate benefits and converts these benefits into an indication of present value.¹

The basic steps involved in this approach are:

1. Estimate potential gross income;
2. Estimate and deduct a vacancy and collection loss allowance;
3. Estimate and deduct expenses;
4. Estimate duration and pattern of income stream;
5. Select an applicable capitalization method and technique;
6. Develop the appropriate rate;
7. Complete the computations necessary to derive an economic value.

The primary reason for making gross income estimates is to identify probable net income benefits that may be derived from ownership interest of the income-producing property. In accepted appraisal practice, the usual basis for a gross income projection is economic rent. Economic (market) rent is defined as being the rental income that a property would most probably command in the open market; it is indicated by current rents paid and asked for comparable space as of the date of the appraisal.

Income Analysis

Subject property is presently owner occupied therefore, no rental information on the property is known.

Comparable properties found are summarized on the following pages. Operating expenses were estimated from actual historic operating statements from expenses for commercial properties I have observed in the metro area combined with national investor surveys.

¹ The Appraisal of Real Estate, 13th Edition, Chicago

Comparable #1



Property Identification

Lease ID 1012

Address 1310 South 17th Street
Council Bluffs, Iowa

Market Council Bluffs

Property Type Industrial :: Light Industrial

Legal Description Lots 1-8, Block 21 Fleming & Davis

Property Characteristics

Gross Building Area 14,000 SF

Finish - Above Grade 2,200 SF

Construction Average Quality, Class C

Built/Remodeled 2003/

Condition Average

Height 18.00'

Gross Site Size 60,984 SF

Usable Site Size 60,984 SF

Zoning I-2

Features

Transaction

Leased Area 14,000 SF

Lease Date February 28, 2018

Lease Term February 28, 2018 - January 31, 2023

Starting Base Rent \$5.20/SF

Rent Description Fixed for lease.

Starting Additional

Rent

Expense Terms Triple Net

Lessee

dba MP Nexlevel

Source Broker

Concession Amount N/A

Concessions

Description

Comparable #2



Property Identification

Lease ID 1398
Address 15 South 20th Street
Council Bluffs, Iowa
Market Council Bluffs

Property Type Commercial :: Vehicle-Related -
Service
Legal Description

Property Characteristics

Gross Building Area 9,120 SF
Finish - Above Grade N/A
Construction Average Quality, Class C
Built/Remodeled 1979/
Condition Fair
Height N/A

Gross Site Size 40,692 SF
Usable Site Size 40,692 SF
Zoning C-2
Features

Transaction

Leased Area 9,120 SF
Lease Date August 01, 2018
Lease Term September 01, 2018 - August 31,
2023
Starting Base Rent \$5.75/SF
Rent Description
**Starting Additional
Rent**
Expense Terms Triple Net

Lessee
dba Jake's Towing and Transport
Source CoStar
Concession Amount N/A
**Concessions
Description**

Comparable #3



Property Identification

Lease ID 1013
Address 3319 Nebraska Avenue
Council Bluffs, Iowa
Market Council Bluffs

Property Type Industrial :: Light Industrial
Legal Description

Property Characteristics

Gross Building Area 41,760 SF
Finish - Above Grade N/A
Construction Average Quality, Class C
Built/Remodeled 1969/
Condition Average
Height 13.00'

Gross Site Size 100,188 SF
Usable Site Size 100,188 SF
Zoning I-2
Features

Transaction

Leased Area 7,020 SF
Lease Date October 11, 2018
Lease Term October 11, 2018 - October 10, 2021
Starting Base Rent \$4.35/SF
Rent Description Fixed for term.
Starting Additional Rent
Expense Terms Triple Net

Lessee dba McDowell Roofing
Source Broker
Concession Amount N/A
Concessions Description

Comparable #4



Property Identification

Lease ID 1014
Address 2110 23rd Avenue
Council Bluffs, Iowa
Market Council Bluffs

Property Type Industrial :: Light Industrial
Legal Description Lots 8-12, Block 11, Railroad
Addition

Property Characteristics

Gross Building Area 5,000 SF
Finish - Above Grade N/A
Construction Average Quality, Class S
Built/Remodeled 2003/
Condition Average
Height N/A

Gross Site Size 25,245 SF
Usable Site Size 25,245 SF
Zoning I-2
Features

Transaction

Leased Area 2,700 SF
Lease Date October 19, 2018
Lease Term November 19, 2018 -
Starting Base Rent \$7.11/SF
Rent Description 7.78/SF in Year 2
8.22/SF in Year 3
**Starting Additional
Rent**
Expense Terms Gross

Lessee
dba Syndicate Diesel
Source Broker
Concession Amount N/A
**Concessions
Description** One month of free rent

Garage space with mezzanine office.

Comparable #5



Property Identification

Lease ID 1242

Address 1305 Lew Ross Road
Council Bluffs, Iowa

Market Council Bluffs

Property Type Industrial :: Light Industrial

Legal Description Lots 5 & 6, Block 2, First Foundation
Sub., Council Bluffs, Pottawattamie
County, IA

Property Characteristics

Gross Building Area 17,840 SF

Finish - Above Grade 6,244 SF

Construction Average Quality, Class D

Built/Remodeled 1996/

Condition Good

Height 14.00'

Gross Site Size 87,555 SF

Usable Site Size 87,555 SF

Zoning

Features

Transaction

Leased Area 8,000 SF

Lease Date April 22, 2019

Lease Term May 01, 2019 - April 30, 2022

Starting Base Rent \$6.95/SF

Rent Description

**Starting Additional
Rent**

Expense Terms Triple Net

Lessee

dba New Covenant Electronics

Source CoStar Confirmation

Concession Amount N/A

**Concessions
Description**

Comparable #6



Property Identification

Lease ID 1369
Address 1220 35th Avenue
Council Bluffs, Iowa
Market Council Bluffs

Property Type Industrial :: Light Industrial
Legal Description Lot 6, 2nd Foundation Subdivision
Phase II

Property Characteristics

Gross Building Area 14,000 SF
Finish - Above Grade N/A
Construction Good Quality, Class S
Built/Remodeled 2005/
Condition Good
Height 18.00'

Gross Site Size 43,995 SF
Usable Site Size 43,995 SF
Zoning I-2
Features

Transaction

Leased Area 3,700 SF
Lease Date June 30, 2019
Lease Term August 29, 2019 -
Starting Base Rent \$6.00/SF
Rent Description
**Starting Additional
Rent**
Expense Terms Triple Net

Lessee
dba Safariworks Decor
Source CoStar
Concession Amount N/A
**Concessions
Description**

Comparable #7



Property Identification

Lease ID 1368
Address 1220 35th Avenue
Council Bluffs, Iowa
Market Council Bluffs

Property Type Industrial :: Light Industrial
Legal Description Lot 6, 2nd Foundation Subdivision
Phase II

Property Characteristics

Gross Building Area 14,000 SF
Finish - Above Grade N/A
Construction Good Quality, Class S
Built/Remodeled 2005/
Condition Good
Height 18.00'

Gross Site Size 43,995 SF
Usable Site Size 43,995 SF
Zoning I-2
Features

Transaction

Leased Area 7,000 SF
Lease Date December 01, 2019
Lease Term December 01, 2019 -
Starting Base Rent \$5.25/SF
Rent Description
**Starting Additional
Rent**
Expense Terms Triple Net

Lessee
dba Caesar's Entertainment
Source CoStar
Concession Amount N/A
**Concessions
Description**

Comparable #8



Photograph from Pottawattamie County Assessor

Property Identification

Lease ID 1588

Address 1309 Avenue J
Council Bluffs, Iowa

Market 13th & Avenue J

Property Type Industrial :: Light Industrial

Legal Description Lots 1-3, Block 8, Potter-Cobbs First
Addition

Property Characteristics

Gross Building Area 4,160 SF

Finish - Above Grade 784 SF

Construction Average Quality, Class D

Built/Remodeled 1986/

Condition Average

Height 12.00'

Gross Site Size 15,730 SF

Usable Site Size 15,730 SF

Zoning I-2

Features

Transaction

Leased Area 4,160 SF

Lease Date October 31, 2021

Lease Term November 02, 2021 -

Starting Base Rent \$8.25/SF

Rent Description

**Starting Additional
Rent**

Expense Terms Triple Net

Lessee Brown Heavy Equipment

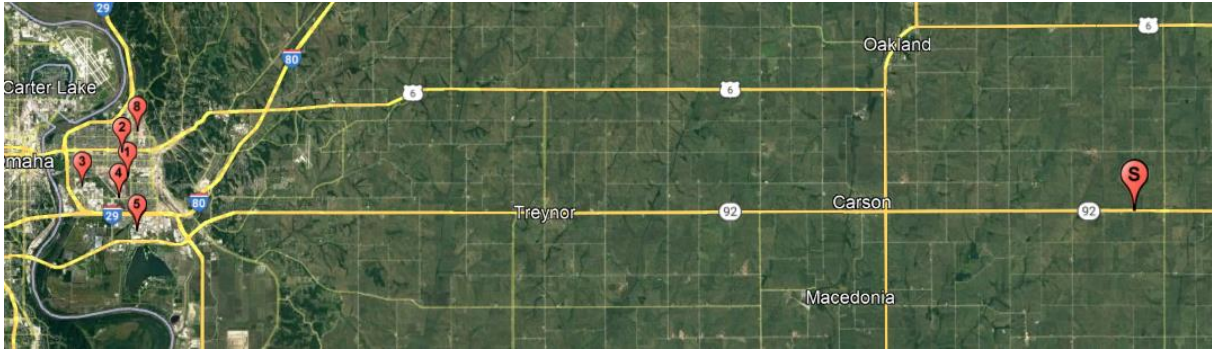
Source CoStar; Marketing Brochure

Concession Amount N/A

**Concessions
Description**

Net expenses were \$1.44/SF for taxes and insurance, and tenant to provide maintenance at own expense.

Comparable Rentals Map



INCOME CAPITALIZATION APPROACH (CONTINUED)

MARKET LEASE RATE ANALYSIS AND CONCLUSION

No comparables of similar properties was found in Griswold. Council Bluffs did have some comparables which reported rental rates of \$4.35/SF to \$10.50/SF, on triple net and gross terms. These comparables are considered to be similar to subject but in superior locations and would be fairly competitive with it in the current market. As the subject was in average condition and it has fenced outdoor storage, lean to and fueling area; it is my opinion the market rent for the subject would be reasonable at \$4.00/SF on triple net terms.

Miscellaneous Income: Some properties similar to subject in this area receive additional income from garage rentals, vending machines, forfeited deposits, etc. Subject does not appear to have any other potential sources of income.

Vacancy and Collection Losses

A vacancy and collection loss must be deducted from potential gross income to arrive at property effective gross income (EGI). A current 2022 survey conducted by Costar.com reports average vacancy of 48.85% for industrial properties in Council Bluffs but no estimate of vacancy in Griswold.

The subject space is a single tenant design, so it would be either 100% occupied or 100% vacant at any one time. Based upon the subject properties location in an area with primarily agricultural properties nearby, it is my opinion a 10% vacancy rate would be reasonable for the property.

Actual rent, vacancy and EGI were then summarized as follows:

| | | |
|---------------------------------------|----------------------|---------|
| Potential Commercial Rental Income | 2,106 SF x \$4.00/SF | \$8,424 |
| Less: 10% Vacancy and Collection Loss | | - \$842 |
| Effective Gross Income | | \$7,582 |

Operating Expenses

Operating expenses that are the property owner's responsibility are deducted from projection of EGI to arrive at property's NOI. Such operating expenses include real estate taxes, insurance, maintenance, utilities and property management fees. To estimate appropriate allowance for operating expenses, I considered actual known data from market expenses of other properties observed. No information for the subject was provided. Estimates of operating expenses were then summarized as follows:

Real Estate Taxes: Property taxes for the subject were not posted so my estimate is based upon the assessed for the subject (\$75,300) and the current tax rate (\$26,851870) which equates to \$2,021. These appear reasonable based upon the sales comparison approach and other properties observed. So stabilized taxes will be estimated at \$2,000 annually with the owner paying these during vacant periods only.

INCOME CAPITALIZATION APPROACH (CONTINUED)

Operating Expenses (Continued)

Insurance: Property and hazard insurance for commercial buildings have been observed near \$0.10/SF to \$0.85/SF of gross building area for sprinklered buildings, and \$0.15/SF to \$0.55/SF for non-sprinklered buildings, and have been rising in recent years. Actual insurance costs for the subject were not disclosed. So, for purposes of this analysis, an estimate of \$0.40/SF is considered reasonable or a total cost of a rounded \$840 annually.

Management: Typical third party management fees for properties similar to the subject property range 4% to 7% of EGI. The actual management expenses for the subject are unknown. Management duties generally include supervision of property maintenance, bookkeeping, and management overhead. No unusual aspects of the management function are foreseen in conjunction with the subject property, so I estimate an expense of 3% of base rent as reasonable for the subject property.

Administrative & Professional Fees: A general administrative expense was considered appropriate to reflect typical owner accounting and legal fees. This expense category would include a small amount for owner's office overhead and typically ranges from 0.5% to 1.5% of EGI. The actual expenses are unknown as no operating statements were furnished. General administrative expense was estimated at 0.50% of base rent in this analysis.

Utilities: As no operating statements were provided my estimate of \$1.00/SF is based on observations of other commercial properties, with the owner paying during vacant periods only.

Repairs & Maintenance: This expense category reflects items such as repairs to mechanical systems, roof, painting and items of general upkeep such as pest control, cleaning, snow and trash removal. Actual costs were not provided; typical repair & maintenance expenses observed for other commercial properties have ranged from \$0.50/SF to over \$3.00/SF, depending in large part on a property's age and building size. As a result, with the building in average condition with minimal deferred maintenance, I estimate an expense of \$1.00/SF for the subject, rounded to \$2,100 annually.

Reserves for Replacement: Although not typically incurred as an annual cash outlay, a reserve for replacement expense is appropriate to reflect future replacement of short-lived items such as carpeting, mechanical systems (including water heaters and HVAC units), kitchen appliances, exterior paving, roofing, etc. RealtyRates.com investor survey for 1st Q 2022 indicated reserve requirements for industrial properties reported as \$0.26 to \$0.85 with an average of \$0.56/SF. By comparison, the PWC Investors Survey reports replacement reserves for national warehouse properties range from \$0.05/SF to \$0.35/SF, averaging \$0.14/SF in the 1st Q 2022. In my opinion, an appropriate replacement reserve for the subject property is a rounded \$0.20/SF.

Miscellaneous: A miscellaneous expense is typically included to account for such items as tenant-related social expenses, holiday decorations, security services, etc. Therefore, an expense of \$100 per year was considered appropriate.

INCOME CAPITALIZATION APPROACH (CONTINUED)

PROFORMA OPERATING STATEMENT (FEE SIMPLE)

| Rental Income | SQ FT | Rent/SF | Annual Income | |
|---------------------------------|--------|---------|---------------|----------------|
| Estimated Market Rent | 2,106 | \$4.00 | \$8,424 | |
| Total Potential Gross Income | | | \$8,424 | |
| Vacancy & Collection Allowance: | | 10.0% | <u>\$842</u> | |
| Effective Rental Income | | | | \$7,582 |
| Other Income | | | | \$0 |
| Total Effective Gross Income: | | | | \$7,582 |
| Operating Expenses: | | | | <u>Amount</u> |
| Management Fee | 3.0% | \$227 | \$23 | |
| General & Administrative | 0.5% | \$38 | \$38 | |
| Real Estate Taxes | 26.38% | \$2,000 | \$200 | |
| Insurance | 11.08% | \$840 | \$84 | |
| Utilities | 0.00% | \$0 | \$0 | |
| Repairs & Maintenance | 27.70% | \$2,100 | \$210 | |
| Reserves for Replacement | 5.56% | \$421 | \$421 | |
| Miscellaneous | 1.32% | \$100 | \$100 | |
| Total Expenses | 14.19% | | | \$1,076 |
| Net Operating Income | | | | \$6,506 |

INCOME CAPITALIZATION APPROACH (CONTINUED)

CAPITALIZATION RATE SELECTION, APPLICATION AND ESTIMATE OF VALUE

Several methods of developing a capitalization rate can be used. The best of which is the Market Extraction Method, where the incomes of comparable properties that have recently sold are known. Sale transactions used in this report did not reveal cap rates however, other properties observed which would be considered competitive with subject indicated cap rates of 7.60% to 9.00%.

A national survey was examined for further support of overall capitalization rate. The PWC Real Estate Investor Survey for the 1st Qtr 2022 reports national capitalization rates for secondary industrial properties in a range of 5.25% to 9.00% with average of 7.13%. Capitalization rates in the local market area have typically been higher than national rates. Capitalization rates are typically higher for older and smaller properties.

In order to estimate current capitalization rates, a second method is used called the Band of Investment, Analysis, which is a yield capitalization procedure used in estimating an overall capitalization rate to be applied to the net operating income of a property. The band of investment formula addresses the yield requirements of both the lender's interest and the investor's interest considering current lending and investment rates. When the components used in the band of investment formula are market-derived, the value indication obtained is reflective of market value. RealtyRates.Com released their 1st Q 2022 Investor Survey reporting interest rates for industrial properties ranging from 2.86% to 7.41%, averaging 4.80%. The average spread from 10-Year Treasury notes was 3.24%. Loan-to-value ratios ranged from 50% to 80% (average 70%), average amortization period was 25 years with average term of 11.46 years and average debt coverage ratio of 1.46. Per PwC Investors Survey for 1st Q 2022, institutional grade discount or yield rates for national warehouse properties ranged from 7.00% to 10.00%, averaging 8.50%.

INCOME CAPITALIZATION APPROACH (CONTINUED)

CAPITALIZATION RATE SELECTION, APPLICATION AND ESTIMATE OF VALUE

Based on the preceding, the following components are then used in the band of investment analysis.

Mortgage Components:

| | |
|-------------------------|---|
| Loan/Value Ratio: | 70% |
| Loan Rate: | 5.0% selected |
| Amortization Period: | 25 years with balloon payment due at end of 10 th Year |
| Mortgage Constant (Rm): | .0709 |

Equity Components:

| | |
|-------------------------|------|
| Equity Ratio: | 30% |
| Equity yield rate (Ye): | 9.5% |

The calculation of the overall capitalization rate by the band of investment technique is as follows:

| <u>Band of Investment Technique</u> | | | | |
|---------------------------------------|---|--------------------------|---|-------------------------|
| <u>Loan Ratio</u> | x | <u>Mortgage Constant</u> | = | <u>Weighted Average</u> |
| .70 | x | .0709 | = | 0.049 |
| <u>Equity Ratio</u> | x | <u>Equity Yield Rate</u> | = | |
| .30 | x | .095 | = | (+) <u>0.0285</u> |
| Total Weighted Average | | | | 0.0775 |
| Indicated Overall Capitalization Rate | | | | 7.75% |

This mechanical or calculated overall rate typically is below the market extracted rates as lending terms are still considered favorable for qualified applicants; so, it was given only secondary rounding weight in my overall or “going-in” capitalization rate selection for the subject property.

Therefore, based on subject characteristics with and the current demand for this property type in the local market, I selected a rounded 9.00% as the capitalization rate currently appropriate for the subject property in this market. To arrive at a value estimate for the subject property, the estimated annual net operating income must be divided by the overall capitalization rate. Therefore, I estimate the market value of the subject property, as of the effective date of this report, as follows.

| Fee Simple | | | | | |
|----------------------|---|---------------------|---|-----------------|----------|
| Net Operating Income | | Capitalization Rate | | Indicated Value | Rounded |
| \$6,506 | ÷ | 9.00% | = | \$72,286 | \$70,000 |

RECONCILIATION AND FINAL ESTIMATE OF VALUE

Reconciliation is the process of coordinating and integrating related factors to form a conclusion regarding the appraised property's Market Value. Each appraisal approach was considered as to adequacy, accuracy and overall reliability. The following estimates were based on subject's highest and best use in this report and primarily on available market data furnished by the property owner and others.

| | |
|--|----------------|
| Market Value via the Cost Approach | Not Applicable |
| Market Value via the Direct Sales Comparison Approach | \$74,000 |
| Market Value via the Income Capitalization Approach (Fee Simple) | \$70,000 |

The Cost Approach typically uses replacement cost method of determining new cost of building improvements, typically representing the highest value. Depreciation is calculated for deferred maintenance and normal wear and tear. The shortcoming of this method normally results from the calculations for depreciation, as age and obsolescence are difficult to precisely measure in the market place. The subject building is older, resulting in accrued depreciation which becomes subjective reducing the reliability of this approach below acceptable levels. Therefore, it was not developed in this report.

The Direct Sales Comparison Approach compares sales of similar properties. Adjustments were made for variations from the subject property based on available market data. After adjustments, a reasonable range of indicated values was evident and I selected the value from the range most representative of the appraised building. This approach is generally the best method of reflecting market attitudes toward property, particularly when owner-occupied buildings are involved and there is an active market with numerous sales. However, this approach is less persuasive when the property is purchased as an investment. As the subject property is a single-tenant building it would likely appeal to an owner but if leased it could appeal to an investor therefore equal weight was given in the final value estimate for the subject.

The Income Capitalization Approach was considered and could be used in this report. Since an adequate amount of rent, expense and cap rate data was available for the subject property, this approach was considered reliable so was given significant weight in the final value estimate for the subject also.

Conditional only upon my standard Certification, Assumptions and Limiting Conditions, and the estimated exposure time as stated in this report, it is my opinion the "as is" Market Value of the subject properties fee simple estate, as of May 16, 2022 was:

SEVENTYTWO THOUSAND DOLLARS
(\$72,000)

Respectfully submitted,



D. Rick Whitesides, MAI, SRA
General Certified Appraiser - IA CG01439
NE CG920142

ADDENDA

APPRAISER'S QUALIFICATIONS

D. Rick Whitesides, MAI, SRA

PROFESSIONAL:

| | |
|--|--------------|
| MAI Designation from the Appraisal Institute | 1991 |
| SRA Designation from the Appraisal Institute | 1977 |
| General Certified Appraiser, State of Nebraska (CG 920142) | 1992 |
| General Certified Appraiser, State of Iowa (CG 01439) | 1992 |
| Licensed Real Estate Salesman in the State of Nebraska | 1972 |
| Vice President/Appraiser Mitchell & Associates | 1990-Present |
| Property Underwriter/Assistant Vice President, Occidental Nebraska Federal Savings Bank | 1973-90 |

MEMBER:

Appraisal Institute: Former President Nebraska Chapter and currently active in this chapter and former Chapter Services Chairman for Region II and have served on the National Chapter Services Committee

Nebraska Real Estate Association

Omaha Area Board of Realtors Former Executive Committee, Commercial Investment Council
Tangier Shrine, Scottish Rite and Mercer Lodge

Past Membership: Society of Real Estate Appraisers, Eastern Nebraska, Chapter #111

EDUCATION:

University of Nebraska Lincoln

University of Nebraska Omaha

Continuing education through attendance at various appraisal seminars sponsored by the Appraisal Institute and other industry organizations; courses listed on a separate page.

EXPERIENCE:

Areas of appraisal experience include multi-family residential; commercial; industrial; vacant land; special purpose properties; and single family residential. Appraisals have been completed for mortgage loans, condemnation, litigation, and asset management purposes.

**RECENT APPRAISAL EDUCATION
D. RICK WHITESIDES, MAI, SRA**

| <u>DATE</u> | <u>COURSE</u> | <u>SPONSOR</u> | <u>CLASS HOURS</u> |
|-------------|--|----------------------|--------------------|
| 2017 | Honing In...Updates, Market Perspectives & Prof. Development | AI | 4 |
| 2016 | Local Market Snapshot | AI | 4 |
| 2016 | Understanding the Basics of Excel & Linear Regression | AI | 4 |
| 2016 | Commercial Real Estate Summit | Nebr Cont Legl Ed | 8 |
| 2016 | USPAP Update | AI | 7 |
| 2015 | Commercial Real Estate Summit | Nebr Cont Legl Ed | 8 |
| 2014 | Commercial Real Estate Summit | Nebr Cont Legl Ed | 8 |
| 2014 | The Discounted Cash Flow Model | AI | 7 |
| 2014 | USPAP Update | AI | 7 |
| 2013 | Property Acquisition & Need for Site Assessment | Randall School of RE | 3 |
| 2013 | Environmental Issues in Real Estate | Randall School of RE | 3 |
| 2013 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 8 |
| 2013 | Online Supervising Appraisal Trainees | AI | 4 |
| 2012 | USPAP | Moore Group | 7 |
| 2012 | Effective Appraisal Writing | AI | 7 |
| 2011 | Ethical Decision Making in Real Estate | Randall School of RE | 3 |
| 2011 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 8 |
| 2011 | Commercial Appraisal Engagement & Review | AI | 7 |
| 2011 | Capital Markets Seminar | Daisley Ruff | 3 |
| 2010 | USPAP | AI | 7 |
| 2010 | Capital Markets Seminar | Daisley Ruff | 3 |
| 2010 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 8 |
| 2010 | Appraisal Curriculum Overview | AI | 15 |
| 2009 | Online Business Practices & Ethics | AI | 4 |
| 2009 | Report Writing Workshop | The Moore Group | 7 |
| 2009 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 8 |
| 2008 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 8 |
| 2008 | USPAP | AI | 7 |
| 2007 | Standard 3 Review Training Session | NE Appraiser Bd | 4 |
| 2007 | Understanding & Testing DCF Valuation Models | AI | 4 |
| 2007 | Analyzing Distressed Real Estate | AI | 4 |
| 2007 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 6 |
| 2006 | Uniform Standards of Professional Practice | Moore Group | 7 |
| 2006 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 7 |
| 2005 | Market Analysis & the Site to do Business | AI | 7 |
| 2005 | Radon & Real Estate | Randall School of RE | 3 |
| 2004 | Uniform Standards of Professional Appraisal Practice | AI | 7 |
| 2004 | Loss Prevention for Real Estate Appraisers | AI | 4 |
| 2004 | Rates and Ratios | AI | 7 |
| 2003 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 7 |
| 2003 | Client Pressure Seminar | NE Appraiser Bd. | 3 |
| 2003 | Appraisal Consulting | AI | 7 |
| 2002 | Mark to Market | AI | 3 |
| 2002 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 8.5 |
| 2001 | Appraisers & Gramm-Leach-Bliley Act | AI | 3 |
| 2001 | Regression Analysis in Appraisal Practice | AI | 7 |
| 2001 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 7 |
| | | CLASS | |

| <u>DATE</u> | <u>COURSE</u> | <u>SPONSOR</u> | <u>HOURS</u> |
|-------------|---------------------------------------|----------------------|--------------|
| 2000 | Commercial Appraisal Problem Solving | Mid-West Appraisers | 7 |
| 2000 | Appraisal of Non-Conforming Uses | AI | 7 |
| 2000 | Standards of Professional Practice | AI | 15 |
| 2000 | Ed Tour (Tomorrows Information Today) | NE. Appraiser Board | 3 |
| 2000 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 7 |
| 1999 | Internet Search Strategies | AI | 7 |
| 1999 | Appraisal of Local Retail Properties | AI | 7 |
| 1999 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 8 |
| 1998 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 6 |
| 1997 | Affordable Housing | AI | 7 |
| 1997 | Analyzing Operating Expenses | AI | 7 |
| 1997 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 6 |
| 1996 | Highest & Best Use | AI | 7 |
| 1996 | Standards of Professional Practice | AI | 26 |
| 1995 | Advanced Income Capitalization | AI | 36 |
| 1995 | Emerging Technologies in Appraising | AI | 5 |
| 1995 | Experience Review Training | AI | 4 |
| 1995 | Apartment Update | AI | 1 |
| 1994 | FHA Guidelines | AI | 7 |
| 1994 | Commercial Real Estate Workshop | Nebr Cont Legl Ed. | 3 |
| 1993 | Appraising Apartments | AI | 7 |
| 1993 | Agency Relationships in Real Estate | Randall School of RE | 3 |
| 1993 | Mock Trial Seminar | AI | 7 |
| 1993 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 7 |
| 1993 | FIRREA: Overview & Application | AI | 7 |
| 1992 | ADA Seminar | AI | 5 |
| 1992 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 5 |
| 1991 | Standards of Professional Practice | AIREA | 7 |
| 1990 | Small Residential Form | SREA | 7 |

State of Nebraska Real Property Appraiser Board



Hereby certifies that: DWIGHT (RICK) E WHITESIDES

MITCHELL COMMERCIAL VALUATION INC
14611 W CENTER RD
OMAHA, NE 68144-3219

Is credentialed in the State of Nebraska as a:

Certified General Real Property Appraiser

Holding credential number: CG020142

Effective Date: Jan 01, 2022 Expiration Date: Dec 31, 2022

Nebraska Real Property Appraiser Board Director: _____

All address changes, business or residences, must be reported to the Real Property Appraiser Board immediately.

This Credentialing Card is proof that each person is credentialed under the Real Property Appraiser Act unless credential has been canceled, surrendered, suspended, or revoked.

Nebraska Real Property Appraiser Board
301 Centennial Mall South, First Floor PO Box 94963
Lincoln, Nebraska 68509-4963
Phone: 402-471-9015 Fax: 402-471-9917 <https://appraiser.ne.gov/>

| | | | |
|---|------------|----------------------------|----------|
| Administrative Identification Number: | 10064-2022 | Registration Fee Paid: | \$275.00 |
| Random Engagement Audit Program Fee Paid: | \$5.00 | Federal Registry Fee Paid: | \$40.00 |



STATE OF IOWA
IOWA DEPARTMENT OF COMMERCE
PROFESSIONAL LICENSING AND REGULATION

This is to certify that the below named has been granted a certification
as: Certified General Appraiser.

Certification Number: CG01439 Expires: June 30, 2023

Status: Active

Dwight E Whitesides
Mitchell & Associates
14611 W Center Rd
Omaha, Nebraska 68144

USPAP MINIMUM STANDARDS

For the convenience of the reader or any reviewer of this report, we have included a copy of the fourteen points of the Minimum Appraisal Standards. Appraisals must:

1. Conform to USPAP, except that the Departure Provision, which allows below minimum work, will not apply;
2. Include a disclosure of any steps taken in order to comply with the Competency Provision of USPAP;
3. Be based on the market value or other values as defined in the attached DEFINITIONS;
4. [i] Be written and presented in a narrative format;
[ii] Be sufficiently descriptive to enable the reader to ascertain the market value and the rationale for the estimate;
[iii] Provide detail and depth reflective of the complexity of the property appraised;
5. Analyze and report in reasonable detail any prior sales of the property within the last three years;
6. Analyze and report current revenues, expense, and vacancies on income producing properties rather than estimated or projected figures not supported by current market conditions;
7. Use a reasonable marketing period for the property;
8. Analyze current market conditions and trends that will affect the income, absorption, or value of the property;
9. Report both the “as is” (using appropriate deductions and discounts for holding and marketing costs, and entrepreneurial profit) and the stabilized market values for developmental property; report both the value-in-use and liquidation value for owner-occupied property;
10. Include in the USPAP required certification an additional statement that: “The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a “loan”;
11. Contain sufficient supporting documentation to allow the reader to ascertain the appraiser’s logic, reasoning, judgment, and analysis;
12. Include a legal description of the subject property (in addition to the description required by USPAP);
13. Identify and value separately any non-real estate items;
14. Use and reconcile the income, direct sales, and cost approaches to value, and explain the omission of any approach not used;

If any information necessary to complete the appraisal is unavailable, this fact must be disclosed.

CHAPTER 8.010
AGRICULTURAL PRODUCTION DISTRICT

- 8.010.010 INTENT: The Class A-2 District is intended to preserve the land best suited for *agricultural* production by protecting prime *agricultural* lands in farmable tracts from the encroachment of scattered residential, commercial and industrial development; to promote efficiency and economy in the delivery of public services by restricting non-farm development in unincorporated areas of the *County*, which are without existing or planned services, and to encourage development in areas where services are provided or can efficiently be provided. (*Ordinance #2007-01/03-09-07*)
- 8.010.020 PRINCIPAL USES: The following *principal uses* shall be permitted in a Class A-2 District:
- .01 Any customary *agricultural* use. (*Ordinance #2004-14/07-01-04*)
 - .02 *Construction and demolition waste disposal sites*, subject to approval of the Iowa Department of Natural Resources and the *County Board*. (*Ordinance #2015-05/12-18-2015*)
 - .03 *Demolition rubble waste disposal sites*, provided that no such disposal site shall be located closer than two (2) miles to the corporate limits of any municipality having a population of greater than 25,000, according to the latest federal census. (*Ordinance #2004-14/07-01-04*)
 - .04 Sanitary landfills, such to approval by the Iowa Department of Natural Resources and the *County Board*, provided that no such use or structure shall be located closer than one thousand three hundred twenty (1,320) feet to any Class "R" District or platted residential subdivision or *dwelling* other than that of the lessee or owner of the site. (*Ordinance #2004-14/07-01-04*)
 - .05 *Single-family dwellings*, at a maximum density of two (2) *dwellings* per quarter-quarter section. (*Ordinance #2015-05/12-18-2015*)
 - .06 Tower with a height not exceeding five hundred (500) feet, subject to the requirements of Section 8.004.220. (*Ordinance #2007-09/10-12-07*)
 - .07 Vineyard, winery and tasting facilities, subject to the provisions of Section 8.004.250. (*Ordinance #2011-01/6-17-11*)
 - .08 *Wind Farms*, both commercial and non-commercial, subject to the requirements of 8.004.230 and 8.004.240. (*Ordinance #2008-02/06-06-08*)
- 8.010.030 CONDITIONAL USES: The following *conditional uses* shall be permitted in a Class A-2 District, when authorized in accordance with the requirements of Chapter 8.096:
- .01 *Bed and breakfast homes*, subject to the provisions of Section 8.004.200. (*Ordinance #2004-14/07-01-04*)
 - .02 Cemeteries, including mausoleums and crematories, provided that no such mausoleum and crematory shall be located closer than two hundred (200) feet from

any property line, and further provided that any new cemetery shall contain an area of five (5) acres or more. (*Ordinance #2004-14/07-01-04*)

- .03 Churches and other places of worship, including parish houses and Sunday school buildings. (*Ordinance #2004-14/07-01-04*)
- .04 Commercial composting facilities, subject to approval of the Iowa Department of Natural Resources standards and administrative rules. (*Ordinance #2004-14/07-01-04*)
- .05 *Commercial kennels* and veterinary hospitals or clinics, provided that no such *structure* or exercising runway shall be located closer than two hundred (200) feet from any Class "R" District or platted residential subdivision or *dwelling* other than that of the lessee or owner of the site. (*Ordinance #2004-14/07-01-04*)
- .06 *Commercial stables, riding academies and clubs.* (*Ordinance #2015-05/12-18-2015*)
- .07 *Day care nurseries and nursery schools*, provided that for each child there shall be a minimum of thirty-five (35) square feet of usable floor space, exclusive of wash rooms, toilets, kitchens and hallways; and further provided that for each child there shall be a minimum of one hundred (100) square feet of usable outdoor play space, which space shall be confined to the *rear yard* of the property and be completely enclosed by a fence. (*Ordinance #2004-14/07-01-04*)
- .08 *Demolition rubble waste disposal sites*, which such disposal site may be located closer than two (2) miles to the corporate limits of any municipality having a population of greater than 25,000, according to the latest federal census. (*Ordinance #2004-14/07-01-04*)
- .09 Extraction pits, subject to the provisions of Chapter 8.065. Further provided that no such use shall be located closer than five hundred (500) feet from any Class "R" District or platted residential subdivision, or *dwelling* other than that of the lessee or owner of the site. Any such use existing at any time prior to the adoption of the Ordinance may be reopened, expanded or extended, and continue to operate provided that where any part of the operation is closer than the distance specified above, the operation may be extended parallel to such other uses, but such extension shall not become closer than such other uses. (*Ordinance #2015-05/12-18-2015*)
- .10 Fertilizer and/or agricultural chemical blending and storage facilities. (*Ordinance #2006-06/06-02-06*)
- .11 Governmental *structures* and uses, when operating requirements necessitate locating in the *district*; provided that the premises upon which such use is erected shall be appropriately landscaped, screened and maintained so as to be in harmony with the general appearance of the surrounding area, and not objectionable as to noise, odor, vibration or other disturbances. (*Ordinance #2004-14/07-01-04*)
- .12 Portable sawmills and related facilities required for obtaining, processing, storing and transporting timber at their point of origin; provided the no such use shall be located closer than five hundred (500) feet from any Class "R" District or platted

8.54

residential subdivision, or *dwelling* other than that of the lessee or owner of the site. Any such use existing at any time prior to the adoption of the Ordinance may be reopened, expanded or extended, and continue to operate provided that where any part of the operation is closer than the distance specified above, the operation may be extended parallel to such other uses, but such extension shall not become closer than such other uses. (Ordinance #2015-05/12-18-2015)

- .13 Private light plane landing strips and helipads, including crop dusting strips, when laid out and operated in accordance with all applicable regulations of the Federal Aviation Agency and when situated on a site containing not less than thirty (30) acres. (Ordinance #2015-05/12-18-2015)
 - .14 Public schools and colleges, and private schools and colleges having equivalent curriculum. (Ordinance #2004-14/07-01-04)
 - .15 Rural enterprise businesses, subject to the provisions of 8.004.165. (Ordinance #2004-14/07-01-04)
 - .16 Sewage disposal facilities, subject to approval by the Iowa Department of Natural Resources, provided that no such structure shall be located closer than seven hundred fifty (750) feet to any Class "R" District or platted residential subdivision or *dwelling* other than that of the lessee or owner of the site. (Ordinance #2004-14/07-01-04)
 - .17 Special events and dining facilities at vineyards/wineries, subject to the provisions of Section 8.004.250. (Ordinance #2011-01/6-17-11)
 - .18 Temporary establishments or enterprises involving large assemblages of people or automobiles including, but not limited to, carnivals, circuses, rodeo grounds, show rings, livestock auction barns and yards, music festivals, sports festivals and similar uses. (Ordinance #2004-14/07-01-04)
 - .19 Transformer stations, booster stations, and utility stations, when operating requirements necessitate locating in the district; provided there is no yard or garage for service or storage, or any building for general administrative or sales offices, and further provided, that the premises upon which such use is erected shall be appropriately landscaped, screened and maintained so as to be in harmony with the general appearance of the surrounding area, and not objectionable as to noise, odor, vibration or other disturbances. The minimum lot area and setback may be waived by the *Board* only on finding that the waiver will not create a detrimental effect on adjacent properties. (Ordinance #2007-09/10-12-07)
 - .20 Towers with a height exceeding five hundred (500) feet, subject to the requirements of Section 8.004.220. (Ordinance #2007-09/10-12-07)
- 8.010.040 ACCESSORY USES: *Accessory uses* shall be permitted in a Class A-2 District as specified in Section 8.004.085: (Ordinance #2015-05/12-18-2015)

8.010.050 OFF-STREET PARKING AND LOADING: *Off-street parking and loading spaces shall be provided in accordance with Chapter 8.080 for permitted principal and conditional uses in a Class A-2 District. (Ordinance #2004-14/07-01-04)*

8.010.060 HEIGHT REQUIREMENT: No maximum height is established for *buildings and structures* in a Class A-2 District, however, attention shall be directed to the equipment limits of the various fire protection jurisdictions in respect to stream heights and elevation assistance, and the obligation of any designer to accommodate these limitations in the design of any *building*. *(Ordinance #2004-14/07-01-04)*

8.010.070 SETBACK REQUIREMENTS: The *setback* requirement for *buildings and structures* in a Class A-2 District shall be as follows: *(Ordinance #2004-14/07-01-04)*

.01 The *front yard setback* shall be a minimum of fifty (50) feet. *(Ordinance #2004-14/07-01-04)*

.02 The *side yard setback* shall be a minimum of twenty-five (25) feet. *(Ordinance #2004-14/07-01-04)*

.03 The *rear yard setback* shall be a minimum of fifty (50) feet. *(Ordinance #2004-14/07-01-04)*

.04 The minimum *setback* for any *yard* which abuts a *highway or county road* shall be seventy-five (75) feet. *(Ordinance #2004-14/07-01-04)*

8.010.080 LOT SIZE AND COVERAGE REQUIREMENTS: The minimum *lot* size and maximum *lot* coverage for uses in a Class A-2 District shall be as follows, except as provided in Section 8.004.030:

| | USE | MINIMUM LOT | | | MAXIMUM LOT |
|-----|---|-------------|-------|-------|-------------|
| | | AREA | WIDTH | DEPTH | COVERAGE |
| .01 | Single-Family Dwelling | 2.0 Acres | 175' | 300' | 10% |
| .02 | Churches | 2.0 Acres | 200' | 200' | 30% |
| .03 | Commercial kennels and veterinary hospitals | 3.0 acres | 300' | 300' | 15% |
| .04 | Commercial Stables | 5.0 acres | 300' | 300' | 5% |
| .05 | Mineral Extraction and Sanitary Landfill | 10.0 acres | 500' | 500' | 1% |
| .06 | Other permitted structures and uses | 2.0 acres | 175' | 300' | 20% |

(Ordinance #2004-14/07-01-04)



MITCHELL & ASSOCIATES, INC.

ROBERT F. MITCHELL, SR., 1893-1983
ROBERT F. MITCHELL, JR., SRPA
R. GREGG MITCHELL, SRA

D. RICK WHITESIDES, MAI, SRA
W. BRUCE WILKIE
BETH ANDERSEN
MELISSA RUTHERFORD

KEVIN P. HERMSEN MAI
DAVID C. WELLSANDT, MAI
RICHARD WITTMANN
MARK SCHAECHER

April 26, 2022

Ms. Kristina Treantos
Via email
Kristina.treantos@pottcounty-is.gov

Re: Appraisal Reports
Properties on following list

Dear Ms. Treantos

Per your request our firm will provide appraisal reports on the attached list of properties for the purposes of estimating the fair market value of the real estate for asset management purposes, subject to the terms and conditions stated as follows:

- 1) The report will be prepared in compliance with the Minimum Appraisal Standards as set forth by the Uniform Standards of Professional Practice (USPAP) and the Standards of the State of Iowa.
- 2) In order to provide the most accurate and timely appraisal possible, the following specific information on the subject property is desired, **if applicable and available**:

Property contact for access if necessary
- 3) Properties to be appraised are as follows:
358 Elm Street, Avoca, IA
15021 490th St., Griswold, IA
15484 State Orchard Rd. Council Bluffs, IA
217 North Main, Hancock, IA
705 Oak Street, Walnut, IA
- 4) Any modifications, excluding correction of errors, will be provided only at additional cost. No court testimony or appearances at any hearing will be provided unless prior arrangements are made. Testimony or appearance at hearings will be billed at the rate of \$250/hour, with a 4 hour minimum.
- 5) The reports will be prepared in a timely manner. Delivery of the report will be approximately 5 weeks, from receipt of a signed copy of this letter; provided the necessary data is made available in a timely manner.

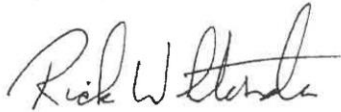
Appraisal Proposal
Industrial Properties
April 26, 2022
Page 2

- 6) The fee to prepare the real estate reports will not exceed \$4,900 and is payable as follows: \$2,450 due upon the signing of this letter and the balance upon receipt of the completed written appraisal report.
- 7) Confidentiality will be respected, so the results and content of the report will only be revealed to you or third parties you may designate. It will not be released to any other entity, without prior permission by you. However, some information furnished may be used in future analysis of other properties, unless you specifically request otherwise. In order to comply with the Gramm-Leach-Bliley Act of 1999, our Privacy Notice is available upon request
- 8) The appraisal will include in the certification required by USPAP; that the appraisal assignment was not based on a requested minimum valuation, specific valuation or the approval of a loan.

If you are in agreement with this proposal, please sign and return the original letter, with the retainer, as soon as possible.

Thank you for the opportunity to be of service.

Respectfully submitted,



D. Rick Whitesides, MAI, SRA
General Certified Appraiser – NE #CG920142
IA #CG01439

ACCEPTED:



Date: 4/28/22

Ms. Kristina Treantos
Pottawattamie County, Iowa

*Retainer will be sent by 5/9/22.

AN
APPRAISAL

OF

**COMMERCIAL PROPERTY
LOCATED AT
217 NORTH MAIN STREET
HANCOCK, IOWA**

AS OF

May 16, 2022

PREPARED FOR

Ms. Kristina Treantos
Via email
Kristina.treantos@pottcounty-ia.gov

PREPARED BY

D. Rick Whitesides, MAI, SRA
Certified General Appraiser

MITCHELL & ASSOCIATES, INC.
14611 West Center Road
Omaha, Nebraska 68144



MITCHELL & ASSOCIATES, INC.

ROBERT F. MITCHELL, SR., 1893-1983
ROBERT F. MITCHELL, JR., SRPA 1927-2020
R. GREGG MITCHELL, SRA

D. RICK WHITESIDES, MAI, SRA
W. BRUCE WILKIE
BETH ANDERSEN
RICHARD C. WITTMANN
REBECCA BELLOWS
JAMES ANDERSEN

KEVIN P. HERMSEN, MAI
DAVID C. WELLSANDT, MAI
MELISSA L. RUTHERFORD
MARK SCHAECHER
ALEX FINKLE

May 31, 2022

Ms. Kristina Treantos
Via email
Kristina.treantos@pottcounty-ia.gov

RE: File #00220817 - Appraisal
Commercial Property
217 N. Main St.
Hancock, Iowa

Dear Ms. Treantos:

In response to your request and for the purpose of estimating the Market Value of the above referenced property for asset management purposes, I have personally visited the property, and then conducted an analysis of the matters pertinent to its current market value. My findings are included in the following report of *** pages, plus the supporting Addenda.

This report is intended to be in conformity with the prevailing Standards and Ethics of the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation and the Appraisal Institute. It is independently prepared so is not based on a requested minimum value, specific valuation nor the approval of a loan. It is also in conformity with the laws and Minimum Standards of the State of Iowa where I am licensed.

Your attention is directed toward the sections titled Limiting Conditions and Assumptions, Definitions, and Appraiser's Certification, which address contingencies of the appraisal. Additional contingencies may be interspersed throughout the report where appropriate; therefore, this report should be considered in its entirety. Your attention is also directed to the special consideration noted on page 11 **regarding the COVID-19 outbreak**. The effective date for this appraisal is in a time where the community is experiencing a serious reaction to the outbreak including many closures or cancellations including school districts, state and federal declarations of emergency. Public health officials are calling for social distancing and limited exposure to others. There is currently insufficient data to indicate market reactions to the outbreak as it applies to the general market or to specific properties in regards to any effects on value or marketing times.

Conditional only upon my standard Certification, Assumptions and Limiting Conditions, and the estimated exposure time as stated in this report, it is my opinion the "as is" Market Value of the subject properties fee simple estate, as of May 16, 2022 was:

SIXTY THOUSAND FIVE HUNDRED DOLLARS
(\$60,500)

Respectfully submitted,

D. Rick Whitesides, MAI, SRA
General Certified Appraiser - IA CG0143 NE CG9201429;

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Real Estate Appraisers & Consultants

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IDENTIFICATION OF THE PROPERTY
AND SUMMARY OF SALIENT FACTS

LOCATION: 217 North Main Street, Hancock, Iowa 51536. This is on the north of East Delta and east of North Main Streets, in Hancock Iowa, which is in the eastern portion of Pottawattamie County, Iowa.

LEGAL DESCRIPTION: Lots 7 through 9, and Lot 6, except the east 12' in Block 2, Original town of Hancock, Pottawattamie County, Iowa

OWNER OF RECORD: Pottawattamie County
Council Bluffs, Iowa

CLIENT/INTENDED USE: The report was ordered by Ms. Kristina Treantos with Pottawattamie County, who advised this appraisal would be used in asset management purposes. There are no other intended uses or users of this report.

APPRAISAL PURPOSE: Purpose of this appraisal is to provide a supported estimate of the 'as is' fee simple market value of the subject property, as of the date of the site visit.

INSPECTION DATE: On May 16, 2022, I personally visited subject in the company of Shawn Bluml with Pottawattamie County. Most photos used in this report were taken at the time of this inspection.

EFFECTIVE DATE: This appraisal has an effective date of May 16, 2022, the date of the property visit.

SUBJECT DESCRIPTION: The subject property consists of one building used as a maintenance building. This building contains one drive-in bay an open office and a restroom it was built in 1998. The building is of pre-engineered steel construction with metal panels on the elevations and pitched roof. There is one overhead door for vehicle entry and a pedestrian door. The building has 1,728 square feet and is located upon an interior site with 9,416 SF.

ZONING: I was advised by city official that there are no zoning laws in Hancock.

IDENTIFICATION OF THE PROPERTY
AND SUMMARY OF SALIENT FACTS (CONTINUED)

FLOOD PLAIN STATUS: Subject does not appear to be located in a designated flood zone, per CoreLogic, referencing FEMA Map 19155C0338F, dated April 16, 2013 (map in report).

TITLE HISTORY: Per county records, subject does not appear to have sold in the past five years.

TAX ASSESSMENT: Real estate taxes for Pottawattamie County are combined in one billing for all governmental subdivisions. The County Assessor is responsible for estimating 'actual value' to which tax rates are applied. Subject (Parcel #763908357003) is assessed as follows:

| 2022 | Comm. Land | Current Value | | Total | Class |
|------------|------------|------------------|--|----------|-------|
| | | Improvement | | | |
| Full Value | \$8,000 | \$24,600 | | \$32,600 | C |
| Exempt | \$8,000 | \$24,600 | | \$32,600 | C |
| Net Total | \$0 | \$0 | | \$0 | C |
| | | | | | |
| 2021 | Comm. Land | Prior Year Value | | Total | Class |
| Full Value | \$8,000 | \$24,600 | | \$32,600 | C |
| Exempt | \$8,000 | \$24,600 | | \$32,600 | C |
| Net Total | \$0 | \$0 | | \$0 | C |

TAX RATE: The 2020 tax rate was \$31.876110 per \$1,000 of assessed value, which appears normal for commercial properties in this area. The 2021 tax rate has not been set, as of the effective date of this report.

REAL ESTATE TAXES: Per Pottawattamie County Treasurer's Office, shows net real estate taxes of \$0 as it is owned by a government entity. Generally these taxes have delinquent dates of September 1, 2020 for the first half and March 1, 2021 for the second half. Subject is appraised as if all historic tax obligations (including additional interest or penalties) are paid current.

PERSONAL PROPERTY: No furniture, fixtures, business or equipment values are included in this report.

HIGHEST & BEST USE: As concluded herein, highest and best use of subject is 'as is' with a maintenance shed.

EXPOSURE TIME: As described herein, exposure time is estimated time a property interest being appraised would have been offered on the market prior to a hypothetical consummation of sale at market value on effective date of appraisal. Based on a retrospective opinion of past events, assuming a competitive, open market, I estimated that would have been within 12-months, reflecting current market conditions.

IDENTIFICATION OF THE PROPERTY
AND SUMMARY OF SALIENT FACTS (CONTINUED)

ENVIRONMENTAL
CONDITIONS:

Existing improvement is a maintenance shed It is unknown if hazardous components/materials (urea formaldehyde foam insulation, asbestos, etc.) were used in construction/renovation or if the site has contaminants. No evidence of underground fuel storage tanks or contamination was observed. As a result, environmental conditions are presumed non-adverse. However, it may be prudent to obtain a current certified survey and environmental assessment of the property. This appraisal makes no allowance for environmental remediation or abatement requirements. Your attention is directed to Limiting Conditions and Assumptions at the conclusion of this report.

SUMMARY OF INDICATED VALUES FROM THIS REPORT

| | |
|--|----------------|
| Market Value via the Cost Approach | Not Applicable |
| Market Value via the Direct Sales Comparison Approach | \$60,500 |
| Market Value via the Income Capitalization Approach (Fee Simple) | \$60,000 |

SCOPE OF WORK

Scope of work refers to research and analysis in this assignment and includes the extent to which the property is identified, type and extent of data researched, and type and extent of analysis applied.

Extent of Property Identification: The property was identified by its addresses of 217 North Main Street, Hancock, Iowa. Per Pottawattamie County records, this address corresponds to County Parcel number and legal descriptions summarized in the Salient Facts section of this report.

Type and Extent of Data Researched: I personally visited the property, building measurements were taken from county assessors web site and verified on site, which provided the information for the property descriptions. Site size was obtained from the assessor's website also. Other data was collected from County public records, conversations with local property owners and brokers, information published in real estate industry publications and Mitchell & Associates appraisal files. I was not provided with a current soils testing report or survey; therefore, I did not consider the impact on property value of any possible restrictions or soil issues that might be revealed by these reports. The **COVID-19** virus is having significant impacts to how people live around the world. The impacts are fairly recent in the area, but there have been many closures. Public health officials are calling for social distancing and limited exposure to others.

As we progress through 2022, fewer cases are reported but some cautionary measures are still promoted. Such news has increased the level of fear and anxiety among the community. Single-family sales have been brisk due to the shrinking inventories and rising prices. Commercial businesses may experience reduced sales due to recent closing of bars and restaurants except for drive-thru service, and avoiding places where 10+ people gather. Other businesses are opting for employees to work remotely.

There is currently insufficient data to indicate market reactions to the outbreak as it applies to the general market or to specific properties (e.g. places of reported exposures) in regards to any effects on value or marketing times.

Type and Extent of Analysis Applied: A highest and best use analysis of the property was developed utilizing inferred or trend methodology, appropriate of the property in light of its site size and building size as well as the location in a mature area. Due to the age of the structure, estimating depreciation would be so subjective as to render the cost approach unreliable; therefore, it was omitted from this appraisal. I researched and found recent sales of buildings supporting the use of the Direct Sales Comparison Approach. The Income Capitalization Approach was not developed due to a lack of market information.

Conclusion: The conclusions and analyses were reconciled into the final estimate of value. Based on my training, experience (see credentials in the Addenda intended to satisfy the Competency Rule of USPAP) and judgment, I concluded that this appraisal in a summary format including the Direct Sales Comparison and income approach is appropriate to support a credible estimate of the Fee Simple value and consistent with the Standards of the 2020-2021 Uniform Standards of Professional Appraisal Practice (USPAP).

EXTERIOR PHOTOS



West & south sides



East side



North side

APPRAISER'S CERTIFICATION

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 interest in the property that is the subject of this report and 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 opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

I have not performed a previous appraisal of the subject property and have not done an appraisal review involving the subject, or an appraisal consulting assignment involving the subject, within the past three years.

The reported analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute and the Uniform Standards of Appraisal Practice.

The reported analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the requirements of the Uniform Standards of Appraisal Practice

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

I have made a personal inspection of the property that is the subject of this report.

No one provided significant real property appraisal assistance to the person signing this certification. If there are exceptions, the name of each individual providing significant real property appraisal assistance is stated in the scope of the report.¹

As of the date of this report, I, D. Rick Whitesides, have completed the requirements of the continuing education program of the Appraisal Institute.

APPRAISER:



D. Rick Whitesides, MAI, SRA - NE CG920142
IA CG01439

¹ Source for Items #1-#9, Standards Rule 2-3, *Uniform Standards of Professional Appraisal Practices*, 2001 Edition

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal has been based on the following limiting conditions:

For purposes of this appraisal, any marketing program for the sale of the property would assume cash or its equivalent.

No detailed soil studies covering the subject property were available for this appraisal. It is therefore assumed that soil conditions are adequate to support standard construction consistent with highest and best use.

The date of value to which the conclusions and opinions expressed in this report apply, is set forth in the letter of transmittal. Further, the dollar amount of any value opinion rendered in this report is based upon the purchasing power of the American dollar existing on that date.

The appraiser assumes no responsibility for economic or physical factors which may affect the opinions in this report which occur after the date of the letter transmitting the report or which cause unpredictable changes. Events such as (but not limited to) natural disasters, wars and economic calamities are examples of such factors.

The appraiser reserves the right to make such adjustments to the analysis, opinions and conclusions set forth in this report as may be required by consideration of additional data or more reliable data that may become available.

No opinion as to title is rendered. Data relating to ownership and legal description was obtained from county records and is considered reliable. Title is assumed to be marketable and free and clear of all liens, encumbrances, easements and restrictions except those specifically discussed in the report. The property is appraised assuming it to be under responsible ownership and competent management and available for its highest and best use.

If no title policy was made available to the appraiser, they assume no responsibility for such items of record not disclosed by their customary investigation.

The appraiser assumes no responsibility for hidden or non-apparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for arranging for engineering studies that may be required to discover them.

The property is appraised assuming it to be in full compliance with all applicable federal, state and local environmental regulations and laws, unless otherwise stated.

The property is appraised assuming that all applicable zoning and use regulations and restrictions have been complied with, unless otherwise stated.

The property is appraised assuming that all required licenses, certificates of occupancy, consents or other legislative or administrative authority from any local, state or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based, unless otherwise stated.

No engineering survey has been made by the appraiser. Except as specifically stated, data relative to size and area was taken from sources considered reliable and no encroachment of real property improvements is considered to exist.

No opinion is expressed as to the value of subsurface oil, gas or mineral rights whether the property is subject to surface entry for the exploration or removal of such materials except as is expressly stated.

Maps, plats, and exhibits included in this report are for illustration only as an aid in visualizing matters discussed within the report. They should not be considered as surveys or relied upon for any other purpose, nor should they be removed from, reproduced, or used apart from the report.

No opinion is intended to be expressed for matters, which require legal expertise or specialized investigation, or knowledge beyond that customarily employed by real estate appraisers.

Possession of this report, or copy of it, does not carry with it the right of publication. It may not be used for any purposes by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event only with the proper written qualification and only in its entirety.

ASSUMPTIONS AND LIMITING CONDITIONS (CONTINUED)

Testimony or attendance in court or at any other hearing is not required by reason of rendering this appraisal, unless such arrangements are made in a reasonable time in advance.

The appraiser has personally inspected the subject property and find no obvious evidence of structural deficiencies, except as stated in this report; however, no responsibility for hidden defects or conformity to specific governmental requirements, such as fire, building and safety, earthquake or occupancy codes can be assumed without provision of specific professional or government inspections.

No consideration has been given in this appraisal as to the value of the property located on the premises considered by the appraiser to be personal property, nor has he given consideration to the cost of moving or relocating such personal property; only the real property has been considered.

Information obtained for use in this appraisal is believed to be true and correct to the best of my abilities; however, no responsibility is assumed for errors or omissions, or for information not disclosed which might otherwise affect the valuation estimate.

Disclosure of the contents of this appraisal report is governed by the Bylaws and Regulations of the Appraisal Institute.

Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser or firm with which he is connected, or any reference to the American Institute of Real Estate Appraisers or to the MAI or SRA designations) shall be disseminated to the public through advertising media, public relations media, news media, sales media or any other public means of communication without prior written consent and approval of the appraiser.

Comments concerning the location, market area, trends, construction quality and costs of the property appraised herein represent the opinion of the appraiser formed after examination and study of the subject property.

This appraisal represents the independent opinion of the appraiser free from any commitments and free from any present or expected future interest in the property, with the sole compensation for the employment being a fair professional fee.

The Americans with Disabilities Act (“ADA”) became effective January 26, 1992. I have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since I have no direct evidence relating to this issue, I did not consider possible non-compliance with the requirements of ADA in estimating the value of the property.

Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss of value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

If this appraisal report was transmitted as an “electronic record” containing my “electronic signature,” as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

DEFINITIONS:

- FEE SIMPLE ESTATE:**¹ 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.
- LEASED FEE ESTATE:**² An ownership interest held by a landlord with the right of use and occupancy conveyed by lease to others. The rights of lessor (the leased fee owner) and leased fee are specified by contract terms contained within the lease.
- MARKET VALUE:**² The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date³ and the passing of title from seller to buyer under conditions whereby:
- (1) Buyer and seller are typically motivated;
 - (2) Both parties are well informed or well advised, and acting in what they consider their own best interests;
 - (3) A reasonable time is allowed for exposure in the open market;
 - (4) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and,
 - (5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

¹ The Dictionary of Real Estate Appraisal, 4th Edition, Appraisal Institute, Chicago

² Excerpted from Vol. 55 No. 165, Federal Register Section 34.44 Appraisal Standards

³ See discussion regarding exposure time and marketability within the Highest and Best Use analysis of this report

VALUATION AND THE APPRAISAL PROCESS

An appraisal is an estimate, an opinion of value. Its accuracy depends on the basic competence and integrity of the appraiser and on the soundness and skill by which he or she processed the data. Its worth is influenced by the availability of pertinent data. The professional appraiser seeks current facts and seeks to be practical. Most importantly, the appraiser's opinion must be without bias. As with other types of "markets," the real property appraiser does not make the market; rather, he or she interprets the market.

Generally, the appraiser uses three approaches to value: 1) Cost Approach; 2) Direct Sales Comparison Approach; and, 3) Income Approach. Each of these approaches is discussed separately below. They are all comparative approaches in that the basic data comes from direct comparisons in the market, indirect comparisons in the market, and/or the appraiser's judgment, which is based on market experience.

In the Cost Approach, the cost to reproduce the property at the date of the appraisal, less an appropriate allowance for depreciation (physical deterioration, functional obsolescence, and economic obsolescence), is made by market comparisons of cost and depreciation. The Cost Approach tends to set the upper limit of value since no property can be worth more than it would cost to build another property of equal utility assuming no reasonable delays. In land appraisals this approach is not applicable as land cannot be replaced but is considered a non-depreciating asset.

In the Direct Sales Comparison Approach, the subject property is compared to sales of similar properties. The sales are analyzed to determine similarities and differences, which affect value when observed in the market. These similarities and differences then serve as points of comparison between the market data and the subject property. When necessary, adjustments are made to the comparables to account for these differences. The resulting adjusted value per unit is then used to estimate the value via this approach.

In the Income Capitalization Approach, the future operation of the property is estimated from past historical data relating to the subject and/or from comparable market data. Gross rental schedules, vacancy and collection losses, fixed expenses, operating expenses and reserves are projected and used to estimate net income. This net income is converted to a value estimate using the capitalization process. The capitalization rate (comprised of a return on and a return of the investment) is based on demonstrated rates found in the market. (In land appraisals, recapture is not a part of the capitalization rate as land is considered a non-depreciating asset.) The method and technique of capitalization is determined by the nature of the property in the market.

All approaches were considered for this report, however, the availability, adequacy and pertinence of data may limit the approaches actually used, as discussed in the Reconciliation of this report.

MARKET AREA DESCRIPTION AND ANALYSIS

Market areas influence value of specific properties in many ways. These influences are best understood considering their social, economic, governmental and environmental characteristics. It has been said that “social, economic, governmental and environmental forces also influence property value near the subject property which, in turn, directly affects the value of the subject property itself.”¹ Therefore, we will examine each characteristic considering the subject’s market area.

Market Area: Subject is in Hancock Iowa, which is about 40 miles east of the Council Bluffs/Omaha metropolitan area (CBSA). This area is described as follows:

Social Characteristics

Demographics: The 2021 population² within one, 3 and 5 miles of Hancock was reported as 188, 324 and 638 respectively; which is about 8% lower than 2010. Households in 2021 were down 8% from 2010. Average family size was 2.59 persons.

Education: The market area is served by the AHST Public School District (Avoca, Hancock Shelby Tennant and Walnut communities). The level of education achieved for persons ages 25 or older within the area is shown as follows.

| | 1 mile | 3 miles | 5 miles |
|--|--------|---------|---------|
| 2021 Population 25+ by Educational Attainment | | | |
| Total | 148 | 250 | 486 |
| Less than 9th Grade | 0.0% | 0.0% | 0.2% |
| 9th - 12th Grade, No Diploma | 4.1% | 3.6% | 4.3% |
| High School Graduate | 37.2% | 35.2% | 32.3% |
| GED/Alternative Credential | 4.1% | 3.6% | 3.7% |
| Some College, No Degree | 23.0% | 24.0% | 23.9% |
| Associate Degree | 12.8% | 12.0% | 11.3% |
| Bachelor's Degree | 17.6% | 19.6% | 20.6% |
| Graduate/Professional Degree | 1.4% | 2.0% | 3.7% |

Employment: Employment by industry within the city is shown as follows.

| 2021 Employed Population 16+ by Industry | | | |
|---|--------|---------|---------|
| | 1 mile | 3 miles | 5 miles |
| Total | 104 | 181 | 361 |
| Agriculture/Mining | 16.3% | 15.5% | 12.5% |
| Construction | 12.5% | 11.6% | 10.5% |
| Manufacturing | 21.2% | 20.4% | 17.2% |
| Wholesale Trade | 1.9% | 2.8% | 3.3% |
| Retail Trade | 9.6% | 8.8% | 9.7% |
| Transportation/Utilities | 5.8% | 5.5% | 6.9% |
| Information | 1.0% | 1.7% | 1.9% |
| Finance/Insurance/Real Estate | 3.8% | 5.0% | 5.5% |
| Services | 24.0% | 26.0% | 30.2% |
| Public Administration | 2.9% | 2.2% | 2.8% |

¹ Appraisal of Real Estate, 13th Edition, 2008

² www.stdbonline.com

MARKET AREA DESCRIPTION AND ANALYSIS (CONTINUED)

Social Characteristics (Continued)

It was shown that 107 persons are in the workforces in Hancock. Unemployment rate was 2.8%:

Housing: The market area 99 housing units within one mile and has roughly 80.4% of occupants owning their home and 19.6% of homes being renter occupied.

Roadway Linkage: City of Hancock is accessed via Highway 59 which links to Avoca about 7 miles to the north and Council Bluffs/Omaha metro about 40 miles to the southwest.

Recreation:

Botna Bend Park is a favorite for campers who enjoy a small-town atmosphere. This 119-acre park is located on the West Nishnabotna Water Trail. Canoe trips are available down this meandering river. The park is equipped with a modern shower house and features 57 electrical sites and tent camping spots. The new kids Nature PlayScape and playground, archery range, hiking trails, and picnic shelters provide recreational opportunities to visitors of all ages. The enclosed pastures at the park offer the area's only bison and elk herds on display throughout the year. Avoca about 7 miles to the north, has a 9 hole public golf course, aquatic center and a museum.

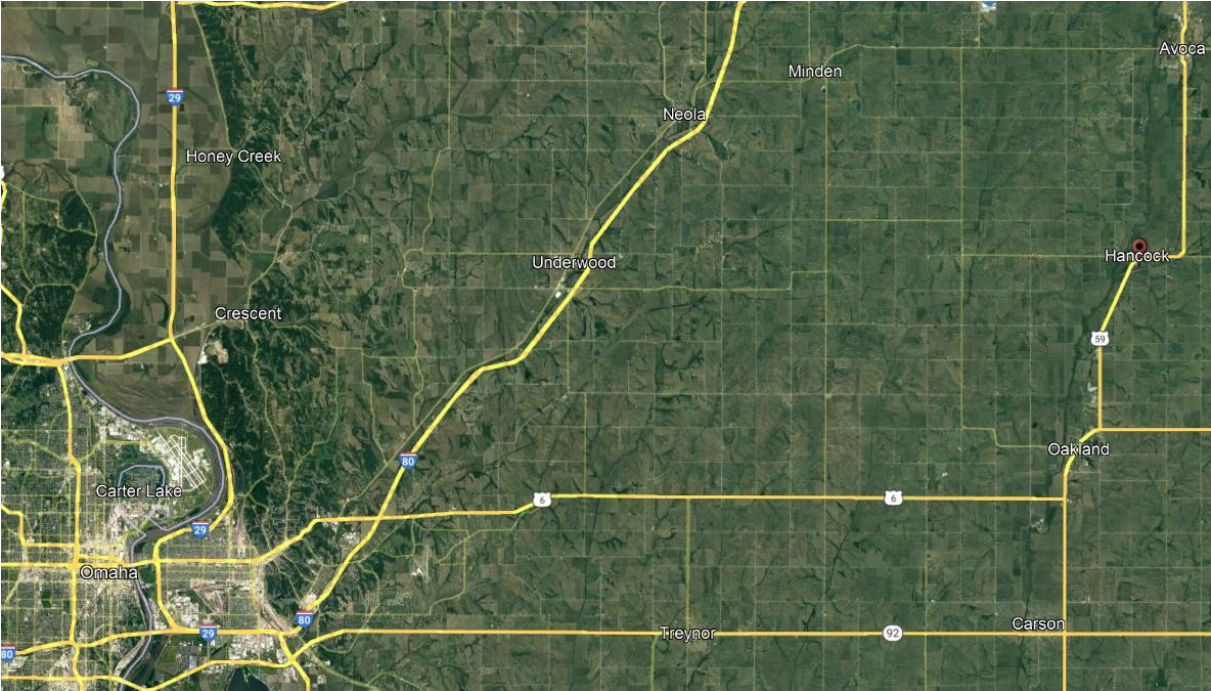
Retail Centers: Shopping is very limited in town but available in nearby communities.

Utilities: Water and sewer are provided by City of Hancock, MidAmerican Energy provides gas and electricity to the community.

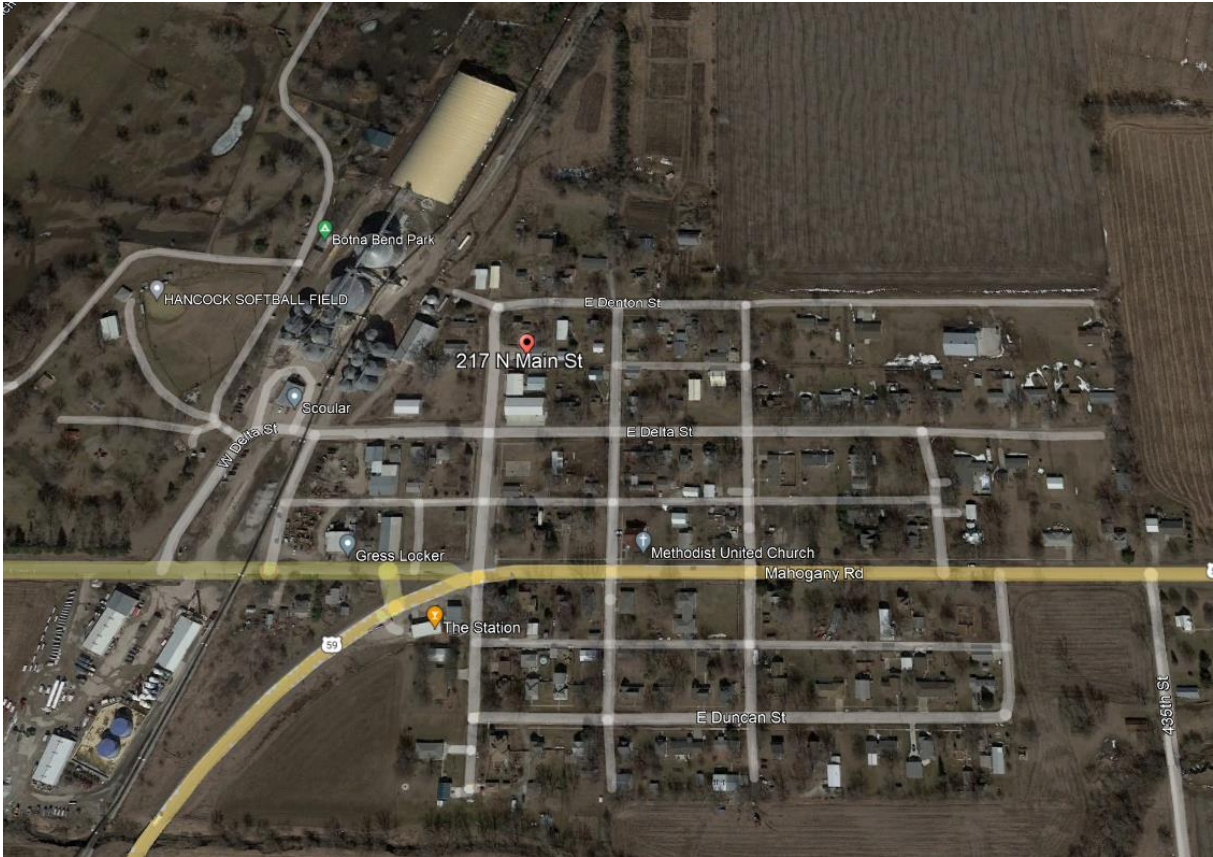
Governmental Characteristics

Administration: Hancock has a mayor and city council form of government.

Market Area Aerial



Immediate Market Area Aerial



MARKET AREA VIEWS



View south along Main Street,
subject at left



View north along Main Street,
subject at right



View east along alley, subject at
left

SITE DESCRIPTION AND ANALYSIS

Subject property is located on the east side of Main Street which is just north of E Delta Street in Hancock which is in the east portion of Pottawattamie County. The property is surrounded by commercial, residential or industrial properties. Following is a summary of subject characteristics:

Size: Subject parcel has frontage along Main Street with site area listed as 9,416 square feet or 0.216 acres. These dimensions were taken from public records, as no survey was provided.

Topography: Subject site appears to have level terrain near the grade level of abutting road. This site appears to have adequate surface water drainage.

Soils: Subject is presumed free of hazardous materials and the load bearing capacities adequate for improvements. Obvious environmental problems were not observed, however I was advised by town official that there used to be underground fuel storage tanks on the site. See Limiting Conditions as relate to effects on value if environmental contamination is found on property.

Utilities: Subject has electricity, natural gas, water and sewer.

Easements/Encroachments/Restrictions: No adverse easements or encroachments were noted on the plats and none are known.

Flood Plain/Drainage: Subject does not appear to be located in a designated flood zone, per CoreLogic, referencing FEMA Map 19155C0338F, dated April 16, 2013 (map in report).

Zoning: A city official stated that there were no zoning codes for Hancock

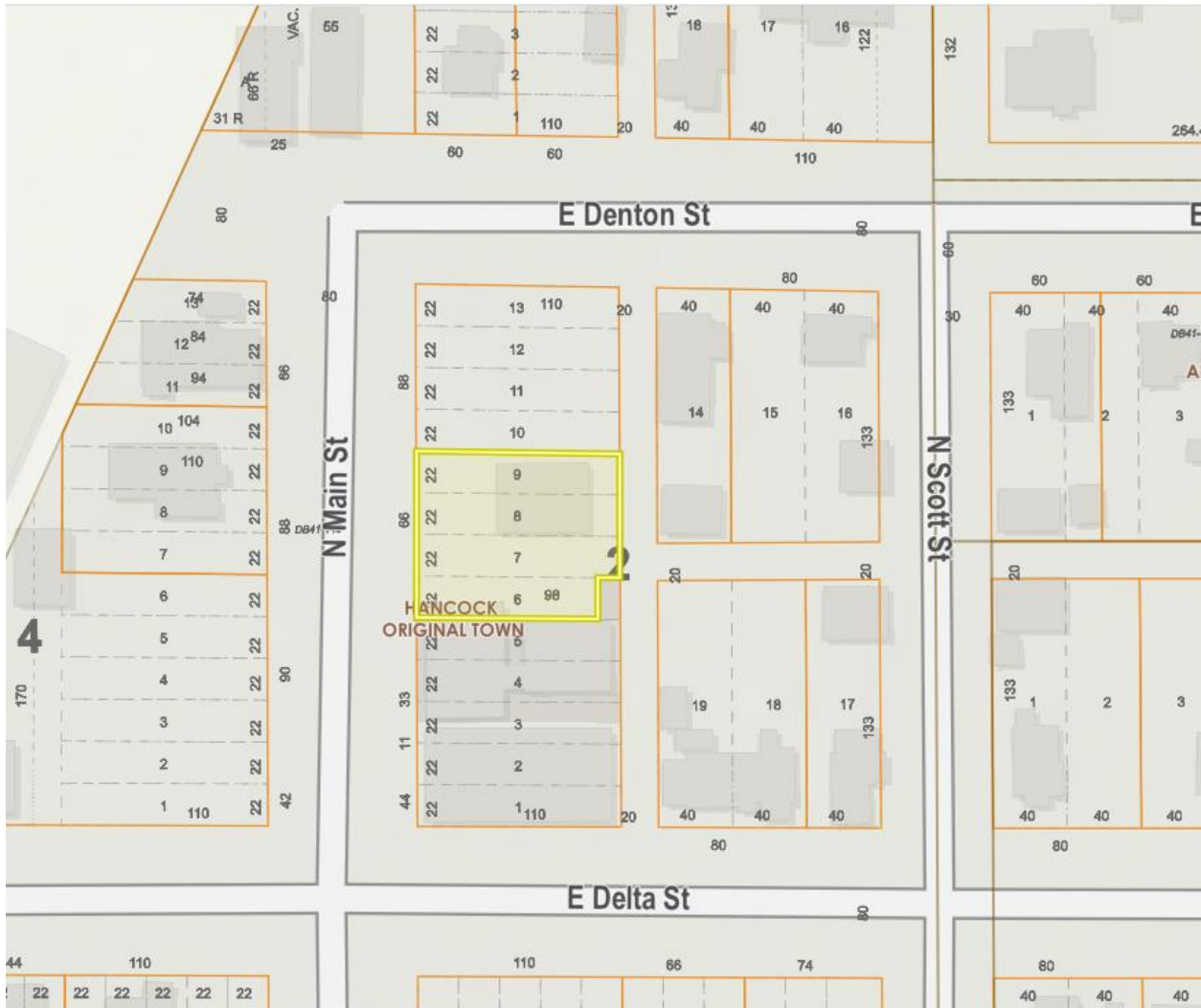
Visibility: Subject has frontage along Main Street which is a 2-lane street handling north/south bound traffic and carries very light traffic. The views to and from the subject are not dramatically obscured by abutting properties or terrain. Based on these factors the subject is considered to have fair visibility characteristics.

Access: Subject parcel has an interior location in an area of mixed land uses. Highway 59 about 2 blocks to the south via Main Street connects this area to Interstate 80. Based on this, subject is considered to have fair access characteristics.

Subject Parcel Aerial



Subject Plat Map



Subject Flood Map



The closest match to 217 n main st, hancock, ia is 217 N MAIN ST HANCOCK, IA 51536-1005

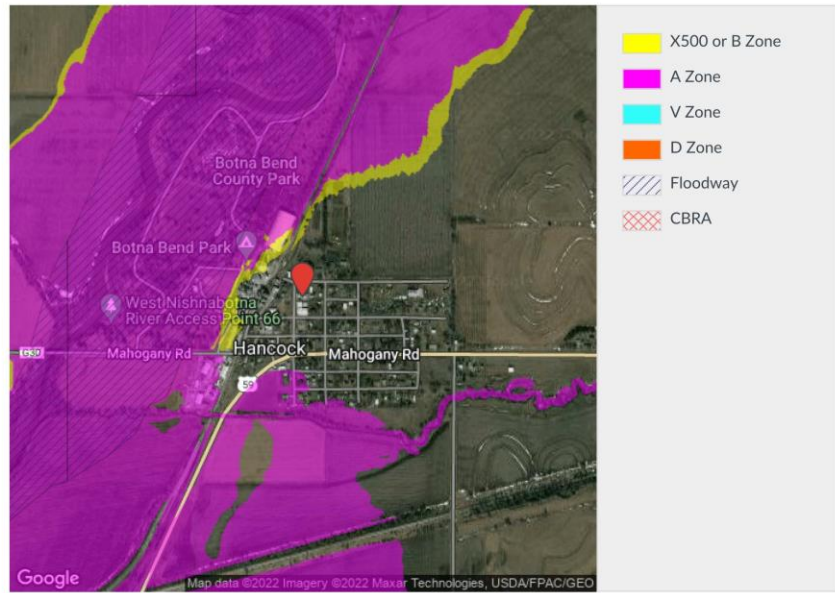
217 N MAIN ST HANCOCK, IA 51536-1005

LOCATION ACCURACY: Excellent

Flood Zone Determination Report

Flood Zone Determination: **OUT**

| | | | |
|------------|----------------|------------|-------------|
| COMMUNITY | 190236 | PANEL | 0338F |
| PANEL DATE | April 16, 2013 | MAP NUMBER | 19155C0338F |



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Report generated May 31, 2022 by commercial@mitchellassociates.com

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DESCRIPTION AND ANALYSIS OF IMPROVEMENTS

The subject property consists of one building used as a maintenance building. This building contains one drive-in bay, an open office, and a restroom. It was built in 1998. The building is of pre-engineered steel construction with metal panels on the elevations and a pitched roof. There is one overhead door for vehicle entry and a pedestrian door. The building has 1,728 square feet and is located upon an interior site with 9,416 SF. Based on my observations and public records, the general building components and their condition were summarized as follows:

STRUCTURAL FEATURES:

Footings & Foundation: Footings were not observed; foundation appears to be poured concrete.

Superstructure: Building is of pre-engineered steel construction with metal panels on the exterior elevations and a pitched roof.

Floors: Is poured concrete, specific thickness and load-bearing capacity is unknown.

Roof: Roof is a pitched design and was covered with metal panels. It is drained by a gutter and downspout system.

Walls: Exterior walls are metal panels.

Windows & Doors: Entry into the building is a direct entry through a metal pedestrian door in an aluminum frame. There are no windows in the building. There were 2 overhead drive-in doors of insulated metal construction, which were about 12' x 12' and electrically operated.

MECHANICAL FEATURES:

Electrical Systems: Electric service was 110/220 volt service; protected by circuit breakers.

Lighting: The building had fluorescent fixtures.

Heating & Air Conditioning: There was a gas fired tube heater.

Fire Protection System: None observed.

Security System: None observed.

DESCRIPTION AND ANALYSIS OF IMPROVEMENTS (CONTINUED)

INTERIOR:

Restrooms: There was a restroom equipped with a residential stool, sink. No specific investigation of whether or not these facilities meet requirements of the Americans with Disabilities Act was conducted (see disclaimer in Assumptions at the conclusion of this report).

Interior Finish: The open office portion of the building has no real finish

Site Improvements: There was concrete drive in front of the building then that changes to crushed rock, the balance of the site has turf grass.

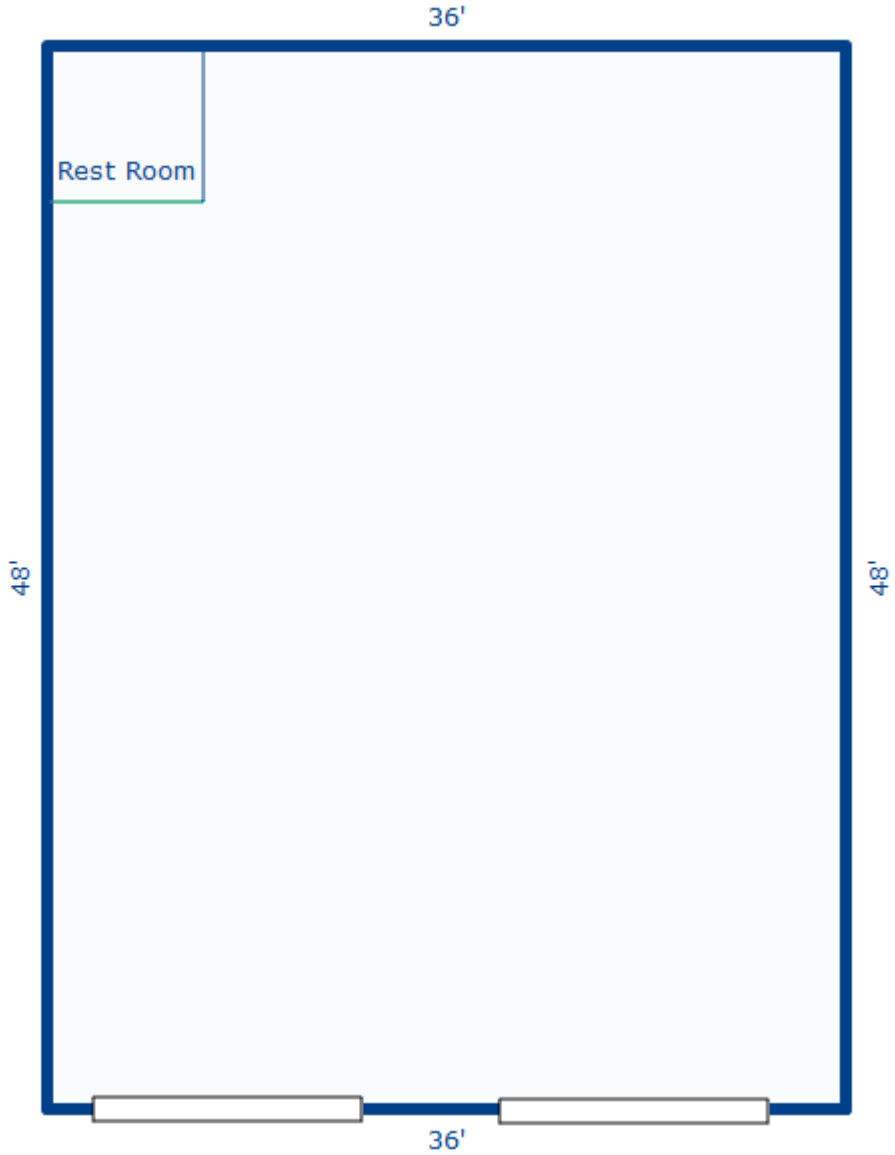
CONDITION/DEPRECIATION:

Subject was reported to have been constructed in 1998. Therefore, it has a chronological age of 24 years. The subject was considered in fair condition. Therefore, it is estimated to have effective age of 20 years. Per Marshall Valuation, buildings similar to subject would have an economic life of 40 years. Based on these factors, subject is estimated to have non-curable depreciation of 50% (20-year effective age ÷ 40-year economic life).

Functional Obsolescence: The subject's layout and floor plan is typical for this type of structure in this area.

External Obsolescence: No external obsolescence was observed (in market area description), as there appears adequate demand for these type properties.

Building Sketch



INTERIOR PHOTOS



Looking toward rear



Restroom



North side (note rusted panels near the floor)

HIGHEST AND BEST USE

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

Highest and best use of a specific property is not determined through subjective analysis by the appraiser; rather, shaped by the competitive forces in the market where property is located. Therefore, the analysis and interpretation of highest and best use is an economic study of market forces focused on the subject. The benefit of real estate development produces for a community or amenity contribution provided by a planned project (i.e., public space in a park-like area) is not considered in the appraiser's analysis of highest and best use. Also implied is that the determination of highest and best use results from the appraiser's judgment and analytical skills, i.e., that the use determined from analysis represents an interpretation or opinion not a fact to be found. In appraisal practice, the concept of highest and best use represents the premises upon which value is based. In the context of most probable selling price (market value) another appropriate term to reflect highest and best use would be most probable use. In the context of investment value, an alternate term would be most profitable use.

In order for a particular use or a piece of real property to be the highest and best use of that real property, several requirements must be met:

1. The use must be legally permissible or reasonably possible.
2. The use must be physically possible on the site.
3. The use must be economically and financially feasible under projected market conditions existing.
4. The use must be the most profitable of the legally permissible, physically possible, and economically feasible alternatives.

In estimating its market value, real property is appraised in terms of its highest and best use. Highest and best use analysis is analogous to a feasibility study, in that it is progressive. Legally permissible or physically possible uses are first considered. After analyzing one, the other is fully considered.

Regarding possible uses, there are five basic categories, which are:

1. Residential,
2. Commercial,
3. Industrial,
4. Agricultural, and
5. Special or public use.

After permissible and possible are concluded, economically feasible uses are next identified; that is, those that would pay competitive return on investment in improvements as well as land. Of these, the "maximally productive" or most profitable is highest and best use also referred to as the "ideal" use.¹

In estimating highest and best use of property, the site is first analyzed as though vacant, unimproved and available for development to its most profitable, likely, legal use. When improvements are present, it is necessary to estimate the highest and best use of the site as improved. In both cases, the property is analyzed from the viewpoint of possible, permissible and feasible uses.

¹ Appraisal of Real Estate, 13th Edition, Chicago

HIGHEST AND BEST USE (CONTINUED)

SITE 'AS IF' VACANT

Referring to highest and best use 'as if' vacant, first test is physical adaptability of land. Potential uses include are generally commercial in nature. Agricultural uses are not physically possible due to site size in relation to large acreage needs of modern farm operations. The 9,416 SF site appears entirely usable and could accommodate most uses, obviously limited by its size. No adverse physical or economic conditions were observed.

Second test is legal permissibility of use. Site is located in a town with no zoning ordinances, so this does nothing to limit potential uses.

Third test is the financial feasibility, calling for a use generating highest return on and of investment. The site is located along Main Street, a lightly traveled street. Office and retail users would not find the site attractive due to the minimal traffic and surrounding residential, commercial/industrial properties. Civic users are often not-for-profit entities that operate on limited budgets. As a result, civic users would likely not be willing to pay as much as a commercial or industrial user for a site with the subject characteristics.

Based on site size, zoning, economic and physical characteristics, it is my judgment that the highest and best use, as if vacant, would be for industrial use within the scope of the present zoning.

"AS IMPROVED"

The four tests of highest and best use, (legal permissibility, physical possibility, financial feasibility and maximum productivity) can be applied to the property "as improved" to determine the use that will maximize the subject property's value. The use maximizing the highest value is the highest and best use of the property "as improved."

The four basic courses of action that can be applied to a property are:

- To demolish improvements and redevelop the site for a new use; or
- To modify improvements (e.g. renovate, modernize, or convert), or
- To cure items of deferred maintenance and retain the improvements; or
- To maintain the improvements "as is"

I analyzed the four courses of action for the subject mixed-use building, in keeping with the four main tests of highest and best use, with my analysis described in the following paragraphs:

Demolish & Redevelop: The existing improvements contribute to site value (concluded in large part by competing properties), and it would not be financially feasible to demolish them in order to redevelop the land for some alternate use. Therefore, this option is eliminated on grounds of financial feasibility.

HIGHEST AND BEST USE (CONTINUED)

“AS IMPROVED” (CONTINUED)

Modify Improvements: I was unable to identify modifications or conversions of existing improvements that would increase property value by an amount greater than anticipated cost of modifications or conversions. Therefore, the option to modify improvements is eliminated on grounds it would not maximize property value.

Cure Deferred Maintenance or Maintain Improvements: Subject is considered in fair condition, with some minor deferred maintenance observed. The cost to cure this deficiency is not considered to increase the value beyond the costs of those improvements. Therefore, the option to cure deferred maintenance is ruled out.

The only remaining course of action meeting tests of legal permissibility, physical possibility, financial feasibility, and maximum productivity is to continue current use of the subject as a light industrial or maintenance building.

EXPOSURE TIME

In order to sell property, it must be exposed to the open market. The following discussion is provided to illustrate current market conditions and estimate exposure time needed to market subject.

Exposure time may be defined as estimated length of time a property interest being appraised would have been offered on the open market prior to a hypothetical consummation of sale at market value on effective date of the appraisal; a retrospective estimate based on analysis of past events assuming a competitive, open market.

The concept of reasonable exposure time encompasses not only adequate, sufficient, reasonable time, but also adequate, sufficient, reasonable effort and considers type property being appraised, supply/ demand conditions, as of effective date of appraisal and analysis of historical sales information (sold after exposure and completion of negotiations between buyer/seller). Therefore, reasonable exposure time is a function of price and use, not an isolated estimate of time. Reasonable exposure is always presumed to precede effective date of appraisal and differs for various types of real estate under various market conditions. Therefore, my estimate of 12-18 months exposure time is based on subject's determined highest and best use in a highly competitive retail market evidencing some demand (albeit limited) for the type of space offered, its highly desirable location, but also factoring the slowdown in the real estate market over the past couple years caused by recessionary conditions.

HIGHEST AND BEST USE (CONTINUED)

MARKETING TIME

Marketing time for the purpose of this report, is defined as an estimated amount of time it might take to sell a property interest in real estate at estimated market value during the period immediately after the effective date of the appraisal.”

As with reasonable exposure time, estimated marketing time is not intended as a prediction of a date of sale or a one-line statement. The concept of marketing time encompasses other market conditions that may affect marketing, e.g., identification of typical buyers/sellers for type of real estate involved, typical equity investment levels, and/or financing terms. Therefore, reasonable marketing time is a function of price, use, and anticipated market conditions such as changes in cost/availability of funds, not an isolated estimate of time. Marketing time occurs after effective date of market value estimate and considers such brokerage functions as advertising, arranging financing and marketing property to specific investors. Estimates of both reasonable exposure and marketing times are not predictions, rather only judgments made by an appraiser.

Properties similar to the subject would appeal primarily to owners due to the single tenant design of the subject. A market search done as part of this appraisal provided limited data and, as a result, accurately estimating exact time needed to market the property was subjective, but area brokers reported recent marketing times for most reasonably priced commercial properties in metro area ranging from 1-24 months. The real estate market slowed in late 2007 due to recessionary conditions, and this slowdown was magnified by the destabilization of the financial markets in October 2008. Loans are still available for qualified borrowers, but typically at lower loan-to-value ratios, mitigating lender risk. Present rates (as of effective date of this report) range from 4.5% to 6% with terms of 3-30 years and amortizations of 15-30 years. Therefore, I concluded if subject were listed for sale in the current market at/near appraised value, reasonable marketing time is anticipated within 12 months, assuming the offering is placed with a competent broker active in the area and experienced with this property type. Real estate brokerage commissions in the area for this property type typically are near 4%-7% of gross sale price. Market also reacts more quickly to properties with attractive price/ value ratios, tending to neglect those perceived as unrealistically priced. Skill of those marketing property can also influence exposure time needed to consummate a sale, as well as the overall economic environment in which property exists. Therefore, the above-mentioned marketing time is considered reasonably well supported, but is not guaranteed.

COST APPROACH

The purpose of the Cost Approach is to estimate a Market Value for the subject property based upon the cost to construct a new property that enjoys the same utility as the subject property. This approach is based upon the principle of substitution, as it is assumed that a knowledgeable purchaser would not pay more for a property than the cost to build a new one. The improvements are literally constructed “on paper” and then any accrued depreciation is subtracted from this value. This depreciated value estimate is then added to the Market Value off the subject site in its highest and best use to arrive at an estimate of value for the property as a whole. More specifically, the steps of the Cost Approach are as follows:

1. Estimate the value of the site in its highest and best use as if vacant.
2. Estimate the replacement cost new of all of the improvements.
3. Estimate accrued depreciation from all sources.
4. Deduct accrued depreciation from the cost new.
5. Add the estimated value of the site to arrive at a value for the entire property by the Cost Approach.

Due to the older age of the original building, the reliability of this approach is diminished, so it was not developed in this report.

DIRECT SALES COMPARISON APPROACH

The Direct Sales Comparison Approach (also known as the Market Data Approach) is the process in which a market value estimate is derived by analyzing the market for similar properties and comparing these properties to the subject property. This approach is premised upon the principle of substitution which suggests that a prudent person will not pay more to purchase a property than it will cost him or her to purchase an equally desirable substitute property. Another basic premise of the Direct Sales Comparison Approach is that the market value of a property is directly related to the prices of comparable, competitive properties.¹

The comparative analysis performed in this approach focuses on similarities and differences among properties and transactions observed in the market which affect value. These similarities and differences then serve as points of comparison between the market data and the subject property. Typically, the major points of comparison are:


- Property Rights Conveyed
- Financing Terms
- Condition of Sale
- Time
- Physical Characteristics
- Economic Characteristics

A sale of a property that is an exact duplicate of the subject property would be an important and ideal indication of value. In reality, no two properties are exactly alike. As a result, an adjustment process is used when analyzing the major points of comparison.

The known sales with the greatest degree of comparability used in this analysis are adjusted for the difference between the comparable and the subject property. Adjustments are always made FROM the comparable TO the subject property. For example, if the comparable property sold two years ago and market analysis suggests that prices have increased 5%, then the sale price of the comparable would be increased by 5% to give the indication of value for the subject. Conversely, if the comparable property was in a superior location as compared to the subject and this difference was estimated at 5%, a negative adjustment of 5% would be applied to the sale price of the comparable to give the indication of value for the subject. The adjustments for different physical and economic characteristics are handled in the same manner. Adjustments may be by percentages or by dollar amounts or both.

No sales of similar properties were found in Avoca, Walnut, Griswold or Hancock; therefore, I utilized sales from Council Bluffs. Following are descriptions of known industrial, commercial or mixed use properties which sold in recent years in the Council Bluffs metropolitan area. After the sales, I have shown location maps, adjustment grids, explanation and my final conclusions of the subject property market value from this approach.

¹ Appraisal of Real Estate, 13th Edition, Chicago

| | | |
|---|-----------------------|--|
| 821 S 27th St Council Bluffs, IA 51501 Class C Manufacturing Building of 3,100 SF Sold on 11/9/2021 for \$225,000 - Public Record | |  |
| buyer | | |
| A Vital Corp 23319 Hunt Ave Council Bluffs, IA 51503 | | |
| seller | | |
| Boetel Charles B | | |
| vital data | | |
| Escrow/Contract: | - | Sale Price: \$225,000 |
| Sale Date: | 11/9/2021 | Status: - |
| Days on Market: | - | Building SF: 3,100 SF |
| Exchange: | No | Price/SF: \$72.58 |
| Conditions: | - | Pro Forma Cap Rate: - |
| Land Area SF: | 10,890 | Actual Cap Rate: - |
| Acres: | 0.25 | Down Pmnt: - |
| \$/SF Land Gross: | \$20.66 | Pct Down: - |
| Year Built, Age: | 1972 Age: 49 | Doc No: 000000018837 |
| Parking Spaces: | 2 | Trans Tax: - |
| Parking Ratio: | - | Corner: No |
| FAR | 0.28 | Zoning: - |
| Lot Dimensions: | - | Percent Improved: 84.9% |
| Frontage: | - | Submarket: Downtown Council Bluffs I |
| Tenancy: | Single | Map Page: - |
| Comp ID: | 5782756 | Parcel No: 7544-34-402-001 |
| | | Property Type: Industrial |
| income expense data | | Listing Broker |
| Expenses | - Taxes | |
| | | \$5,368 |
| | - Operating Expenses | |
| | <u>Total Expenses</u> | \$5,368 |
| | | Buyer Broker |
| financing | | |



| | | |
|---|-----------------------|--|
| 717 Veterans Memorial Hwy Council Bluffs, IA 51501 Class C Service Building of 3,456 SF Sold on 5/27/2021 for \$450,000 - Public Record | |  |
| buyer | | |
| Georgi Ivanov 717 Veterans Memorial Hwy Council Bluffs, IA 51501 | | |
| seller | | |
| Harter Chris & Mildred D | | |
| vital data | | |
| Escrow/Contract: | - | Sale Price: \$450,000 |
| Sale Date: | 5/27/2021 | Status: - |
| Days on Market: | - | Building SF: 3,456 SF |
| Exchange: | No | Price/SF: \$130.21 |
| Conditions: | - | Pro Forma Cap Rate: - |
| Land Area SF: | 148,104 | Actual Cap Rate: - |
| Acres: | 3.4 | Down Pmnt: - |
| \$/SF Land Gross: | \$3.04 | Pct Down: - |
| Year Built, Age: | 1981 Age: 40 | Doc No: 00000009277 |
| Parking Spaces: | - | Trans Tax: - |
| Parking Ratio: | 0/1000 SF | Corner: No |
| FAR | 0.02 | Zoning: Industrial |
| Lot Dimensions: | - | Percent Improved: 18.4% |
| Frontage: | - | Submarket: Council Bluffs Ind |
| Tenancy: | Single | Map Page: - |
| Comp ID: | 5576734 | Parcel No: 7444-12-353-006 |
| | | Property Type: Industrial |
| income expense data | | Listing Broker |
| Expenses | - Taxes | |
| | \$14,241 | |
| | - Operating Expenses | |
| | \$14,241 | |
| | Total Expenses | |
| | \$14,241 | |
| | | Buyer Broker |
| financing | | |



Comparable #3



Property Identification

Sale ID 4258
Address 1005 South 17th Street
Council Bluffs, Iowa
Market Council Bluffs

Property Type Industrial :: Light Industrial
Legal Description Lots 1-2 and the west 20' of Lot 3
including the north 1/2 of the vacated
adjacent alley, Block 11, Fleming &
Davis

Property Characteristics

Gross Building Area 2,400 SF
Gross Leasable Area 2,400 SF
Finish - Above Grade 416 SF
Eave Height 14.00'
Construction Average Quality, Class S
Built/Remodeled 1998/
Condition Average

Gross Site Size 10,880 SF
Usable Site Size 10,880 SF
Zoning I-2
Features Fenced, Mezzanine
Fire Sprinkler

Transaction

Sale Date July 17, 2019
Contract Price \$192,500
Contract \$80.21
Price/SF GBA
Contract \$80.21
Price/SF GLA
Adjusted Price \$192,500
Adjusted \$80.21
Price/SF GBA
Adjusted \$80.21
Price/SF GLA

Conditions of Sale Normal
Property Rights Fee Simple
Grantor All Pro Towing, LLC
Grantee Perfect Diamond Lawns, LLC
Recorded Warranty Deed 2019-09108
Source Broker

The property previously sold February 2017, for \$160,000. The 2019 sale represents appreciation near 8% per year.

Comparable #4



Property Identification

Sale ID 4269
Address 919 South 15th Street
Council Bluffs, Iowa
Market Council Bluffs

Property Type Industrial :: Light Industrial
Legal Description Lots 15 and 16, Block 8, Fleming &
Davis Subdivision and part of the
vacated alley

Property Characteristics

Gross Building Area 2,592 SF
Gross Leasable Area 2,592 SF
Finish - Above Grade 348 SF
Eave Height 12.00'
Construction Average Quality, Class D
Built/Remodeled 2006/
Condition Average

Gross Site Size 8,160 SF
Usable Site Size 8,160 SF
Zoning I-2
Features Fenced, Mezzanine
Fire Sprinkler

Transaction

Sale Date October 05, 2018
Contract Price \$160,000
Contract \$61.73
Price/SF GBA
Contract \$61.73
Price/SF GLA
Adjusted Price \$160,000
Adjusted \$61.73
Price/SF GBA
Adjusted \$61.73
Price/SF GLA

Conditions of Sale Normal
Property Rights Fee Simple
Grantor Fouts Investments, LLC
Grantee L & T Properties, LLC
Recorded Warranty Deed 2018-13139
Source Public Records, Broker

Comparable #5



Property Identification

Sale ID 4326
Address 712 South 15th Street
Council Bluffs, Iowa
Market Council Bluffs

Property Type Industrial :: Light Industrial
Legal Description South 1/2 of Lost 5 and 6, Block 32,
Everetts Addition

Property Characteristics

Gross Building Area 2,000 SF
Gross Leasable Area 2,000 SF
Finish - Above Grade 444 SF
Eave Height 16.00'
Construction Average Quality, Class D
Built/Remodeled 2006/
Condition Average

Gross Site Size 8,160 SF
Usable Site Size 8,160 SF
Zoning I-1
Features Fenced
Fire Sprinkler

Transaction

Sale Date February 11, 2020
Contract Price \$170,000
Contract \$85.00
Price/SF GBA
Contract \$85.00
Price/SF GLA
Adjusted Price \$170,000
Adjusted \$85.00
Price/SF GBA
Adjusted \$85.00
Price/SF GLA

Conditions of Sale Normal
Property Rights Fee Simple
Grantor ZaCar Corp
Grantee T & G Carper, LLC
Recorded Warranty Deed 2020/01996
Source Public Records, CoStar

This sale represents appreciation of 1.15% per year from previous sale in 2014.

Comparable #6



Property Identification

Sale ID 4328
Address 1516 Avenue C
Council Bluffs, Iowa
Market Council Bluffs

Property Type Industrial :: Light Industrial
Legal Description Lots 1, 2, and part of Lot 3, Block 3,
Beers Subdivision

Property Characteristics

Gross Building Area 2,400 SF
Gross Leasable Area 2,400 SF
Finish - Above Grade 316 SF
Eave Height 12.00'
Construction Average Quality, Class S
Built/Remodeled 1981/
Condition Average

Gross Site Size 14,705 SF
Usable Site Size 14,705 SF
Zoning C-2
Features Fenced
Fire Sprinkler

Transaction

Sale Date January 03, 2019
Contract Price \$210,000
Contract \$87.50
Price/SF GBA
Contract \$87.50
Price/SF GLA
Adjusted Price \$210,000
Adjusted \$87.50
Price/SF GBA
Adjusted \$87.50
Price/SF GLA

Conditions of Sale Normal
Property Rights Fee Simple
Grantor Cooks Towing & Repair, Inc
Grantee DHI, LLC
Recorded Warranty Deed 2019-00195
Source Public Records

Comparable #7



Property Identification

Sale ID 4329
Address 1324 9th Avenue
Council Bluffs, Iowa
Market Council Bluffs

Property Type Industrial :: Light Industrial
Legal Description Lots 6-7, Part of Lot 8, Block 26,
Riddles Subdivision

Property Characteristics

Gross Building Area 3,520 SF
Gross Leasable Area 3,520 SF
Finish - Above Grade 720 SF
Eave Height 10.00'
Construction Average Quality, Class C
Built/Remodeled 1988/
Condition Average

Gross Site Size 12,194 SF
Usable Site Size 12,194 SF
Zoning I-1
Features Fenced
Fire Sprinkler

Transaction

Sale Date September 13, 2018
Contract Price \$215,000
Contract \$61.08
Price/SF GBA
Contract \$61.08
Price/SF GLA
Adjusted Price \$215,000
Adjusted \$61.08
Price/SF GBA
Adjusted \$61.08
Price/SF GLA

Conditions of Sale Normal
Property Rights Fee Simple
Grantor L & T Properties, LLC
Grantee Michael John Kilnoski
Recorded Warranty Deed 2018-12027
Source Public Records

Comparable #8



Property Identification

Sale ID 4811
Address 2414 9th Avenue
Council Bluffs, Iowa
Market Council Bluffs

Property Type Industrial :: Light Industrial
Legal Description Part of Lots 3-5, Block 1 and part of
Lot 9, Block 17, Ninth Avenue
Addition

Property Characteristics

Gross Building Area 5,400 SF
Gross Leasable Area 5,400 SF
Finish - Above Grade 1,196 SF
Eave Height 12.00'
Construction Good Quality, Class S
Built/Remodeled 2010/
Condition Good

Gross Site Size 13,890 SF
Usable Site Size 13,890 SF
Zoning I-1
Features
Fire Sprinkler

Transaction

Sale Date September 23, 2020
Contract Price \$390,000
Contract \$72.22
Price/SF GBA
Contract \$72.22
Price/SF GLA
Adjusted Price \$390,000
Adjusted \$72.22
Price/SF GBA
Adjusted \$72.22
Price/SF GLA

Conditions of Sale Normal
Property Rights Fee Simple
Grantor Jo Ter Ran Investments, LLC
Grantee Ht 9th Ave, LLC
Recorded Warranty Deed 2020-13944
Source Public Records, Broker

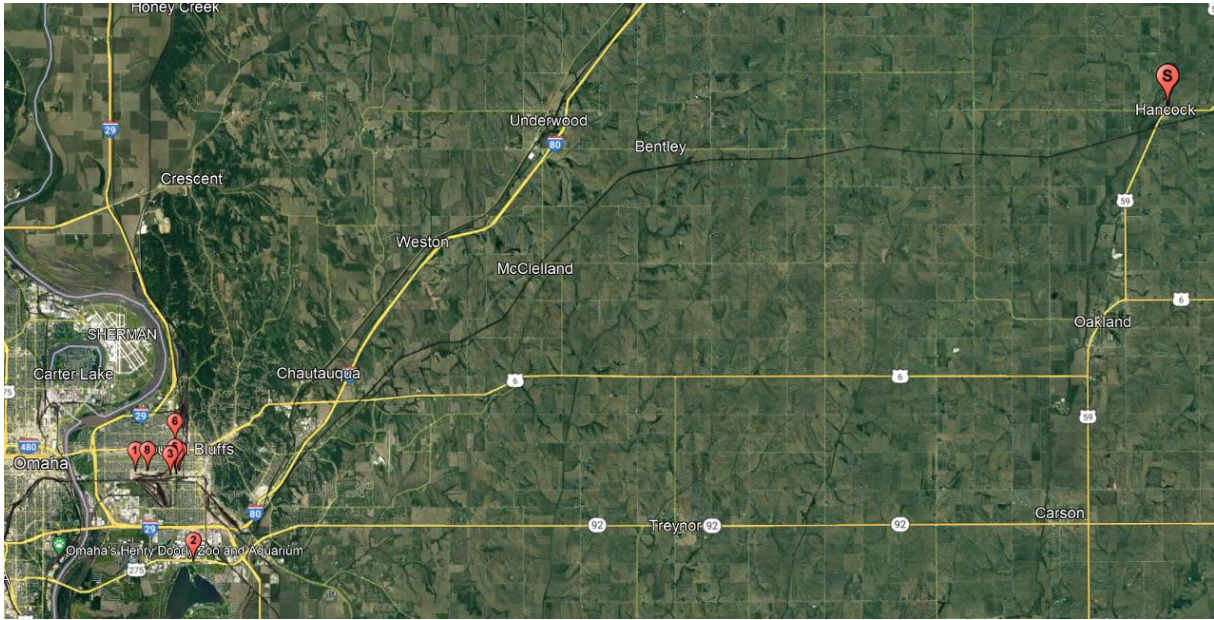
Broker noted there was a lot of interest in the property. Sale represents annual appreciation near 5.90% from its 2011 sale.

| | | |
|--|-----------------------|--|
| 2101 N Lavista Heights Rd Avoca, IA 51521 Class C Warehouse Building of 26,470 SF Sold on 6/4/2021 for \$582,000 - Research Complete | |  |
| buyer | | |
| Taylor Dieckman 14803 Black St Bennington, NE 68007 (402) 677-0761 | | |
| seller | | |
| Joyce Mez 1523 N Willow St Avoca, IA 51521 (712) 343-6354 | | |
| vital data | | |
| Escrow/Contract: | - | Sale Price: \$582,000 |
| Sale Date: | 6/4/2021 | Status: Full Value |
| Days on Market: | - | Building SF: 26,470 SF |
| Exchange: | No | Price/SF: \$21.99 |
| Conditions: | - | Pro Forma Cap Rate: - |
| Land Area SF: | 130,680 | Actual Cap Rate: - |
| Acres: | 3 | Down Pmnt: - |
| \$/SF Land Gross: | \$4.45 | Pct Down: - |
| Year Built, Age: | 2005 Age: 16 | Doc No: 00000008923 |
| Parking Spaces: | - | Trans Tax: - |
| Parking Ratio: | - | Corner: No |
| FAR | 0.20 | Zoning: Industrial |
| Lot Dimensions: | - | No Tenants: 1 |
| Frontage: | - | Percent Improved: 72.1% |
| Tenancy: | - | Submarket: E Pottawattamie County In |
| Comp ID: | 5576738 | Map Page: - |
| | | Parcel No: 7739-04-401-001 |
| | | Property Type: Industrial |
| income expense data | | Listing Broker |
| Expenses | - Taxes | |
| | - Operating Expenses | |
| | Total Expenses | |
| | | \$15,976 |
| | | \$15,976 |
| | | Buyer Broker |
| financing | | |



County showed this as a multi-parcel sale so it was not investigated further.

Sales Map



DIRECT SALES COMPARISON APPROACH (CONTINUED)

Comparable Sales Grid

| | SUBJECT PROPERTY 217 N. Main Street Hancock, Iowa | SALE #1: | SALE #2: | SALE #3: | SALE #4: |
|--|--|--|---|---|--|
| | | 821 So 27th Street Council Bluffs, Iowa | 717 Veterans Mem Hy Council Bluffs, Iowa | 1005 So 17th Street Council Bluffs, Iowa | 919 So 15th Street Council Bluffs, Iowa |
| | | ADJUSTED | ADJUSTED | ADJUSTED | ADJUSTED |
| SALE PRICE | N/A | \$225,000 | \$450,000 | \$192,500 | \$160,000 |
| SALE PRICE/SF | N/A | \$72.58 | \$130.21 | \$80.21 | \$61.73 |
| GIM/OCR | NA/NA | NA/NA | NA/NA | NA/NA | NA/NA |
| MARKET ADJUSTMENTS | | | | | |
| PROPERTY RIGHTS CONVEYED | Fee Simple | Similar 0% | Similar 0% | Similar 0% | Similar 0% |
| | | \$225,000 | \$450,000 | \$192,500 | \$160,000 |
| FINANCING | N/A | Cash 0% | Cash 0% | Cash 0% | Cash 0% |
| | | \$225,000 | \$450,000 | \$192,500 | \$160,000 |
| CONDITION OF SALE | N/A | Normal 0% | Normal 0% | Normal 0% | Normal 0% |
| | | \$225,000 | \$450,000 | \$192,500 | \$160,000 |
| DATE OF SALE | May-22 (Inspection) | Nov-21 2% | May-21 3% | Jul-19 7% | Oct-18 11% |
| | | \$229,500 | \$463,500 | \$205,975 | \$177,600 |
| PHYSICAL ADJUSTMENTS (LUMP SUM) | | | | | |
| BUILDING SIZE/SF | 1,728 | 3,100 0% | 3,456 0% | 2,400 0% | 2,592 0% |
| LOCATION/SITE | Hancock | Co Bluffs -50% | Co Bluffs -50% | Co Bluffs -50% | Co Bluffs -50% |
| QUALITY OF CONSTRUCTION | Average/Cls S | Avg/Cls C -5% | Avg/Cls S 0% | Avg/Cls S 0% | Avg/Cls S 0% |
| INTERIOR FINISH | Minimal | 5% 0% | 3% 0% | 17% -5% | 13% -3% |
| AGE/CONDITION | 24/Average/Fair | 49/Avg 10% | 40/AvFr 8% | 21/Avg -3% | 12/Avg -10% |
| SITE TO BUILDING RATIO | 5.45:1 | 3.51:1 2% | 42.85:1 -20% | 4.5:1 1% | 3.14:1 2% |
| AMENITIES | None | None 0% | None 0% | Fenced -3% | Fenced -3% |
| NET PERCENTAGE LUMP SUM ADJUSTMENTS | | -43% | -62% | -60% | -64% |
| FINAL ADJUSTED PRICE | | \$130,815 | \$176,130 | \$82,390 | \$63,936 |
| FINAL ADJUSTED PRICE/SF | | \$42.20 | \$50.96 | \$34.33 | \$24.67 |
| TOTAL NET ADJUSTMENTS | | -41% | -59% | -53% | -53% |
| TOTAL GROSS ADJUSTMENTS | | 67% | 61% | 68% | 77% |

DIRECT SALES COMPARISON APPROACH (CONTINUED)

Comparable Sales Grid

| | SUBJECT PROPERTY 217 N. Main Street Hancock, Iowa | SALE #5: | SALE #6: | SALE #7: | SALE 8: |
|--|--|---|---------------------------------------|---|---|
| | | 712 So 15t Street Council Bluffs, Iowa | 1516 Avenue C Council Bluffs, Iowa | 1324 9th Avenue Council Bluffs, Iowa | 2414 9th Avenue Council Bluffs, Iowa |
| | | ADJUSTED | ADJUSTED | ADJUSTED | ADJUSTED |
| SALE PRICE | N/A | \$170,000 | \$210,000 | \$215,000 | \$390,000 |
| SALE PRICE/SF | N/A | \$85.00 | \$87.50 | \$61.08 | \$72.22 |
| GIM/OCR | NA/NA | NA/NA | NA/NA | NA/NA | NA/NA |
| MARKET ADJUSTMENTS | | | | | |
| PROPERTY RIGHTS CONVEYED | Fee Simple | Similar | 0% | Similar | 0% |
| | | \$170,000 | \$210,000 | \$215,000 | \$390,000 |
| FINANCING | N/A | Cash | 0% | Cash | 0% |
| | | \$170,000 | \$210,000 | \$215,000 | \$390,000 |
| CONDITION OF SALE | N/A | Normal | 0% | Normal | 0% |
| | | \$170,000 | \$210,000 | \$215,000 | \$390,000 |
| DATE OF SALE | May-22 (Inspection) | Feb-20 | 9% | Jan-19 | 11% |
| | | \$180,200 | \$228,900 | \$238,650 | \$409,500 |
| PHYSICAL ADJUSTMENTS (LUMP SUM) | | | | | |
| BUILDING SIZE/SF | 1,728 | 2,000 | 0% | 2,400 | 0% |
| LOCATION/SITE | Hancock | Co Bluffs | -50% | Co Bluffs | -50% |
| QUALITY OF CONSTRUCTION | Average/Cls S | Avg/Cls D | 0% | Avg/Cls S | 0% |
| INTERIOR FINISH | Minimal | 22% | -8% | 13% | -3% |
| AGE/CONDITION | 24/Average/Fair | 14/Avg | -8% | 38/Avg | 6% |
| SITE TO BUILDING RATIO | 5.45:1 | 4.08:1 | 1% | 6.13:1 | -1% |
| AMENITIES | None | Fenced | -3% | Fenced | -3% |
| NET PERCENTAGE LUMP SUM ADJUSTMENTS | | | -68% | | -51% |
| | | | | | -63% |
| | | | | | -66% |
| FINAL ADJUSTED PRICE | | \$57,664 | \$112,161 | \$88,301 | \$139,230 |
| FINAL ADJUSTED PRICE/SF | | \$28.83 | \$46.73 | \$25.09 | \$25.78 |
| TOTAL NET ADJUSTMENTS | | | -62% | | -42% |
| TOTAL GROSS ADJUSTMENTS | | | 75% | | 71% |
| | | | | | 76% |
| | | | | | 74% |

DIRECT SALES COMPARISON APPROACH (CONTINUED)

ADJUSTMENT RATIONALE

The preceding represents the only known sales of industrial properties considered of similar condition, design, use, and/or location in Pottawattamie County or competing areas of the metro. All these properties were considered to be similar to the subject, but did require some adjusting to make them equal to subject. Sale prices were reduced to the common denominator of price per square foot of GBA, as this is a normal unit of measurement in market buying and selling decisions.

Market Condition Adjustments

Adjustments were not required for property rights conveyed, financing, or condition of sale, as all were considered normal for the market.

All the sales were considered for adjustment due to date of sale. I observed a general increase in property values in the metro area over the past few years, typically ranging from 3% to 4% annually until late 2007 when recessionary conditions began. The market slowdown was magnified following destabilization of the financial markets in October 2008, demonstrated by the lack of known sales occurring since that time. The market has been improving since 2010 and therefore, I applied an annual appreciation to these sales of 3% after that time.

Physical Condition Adjustments

The sales are typically adjusted for the relative improvement size difference with the subject building, due to dissimilar sizes and economies of scale. Adjustments were not considered necessary as all were similar in size to subject.

Adjustments were considered for overall construction quality. Adjustments were derived from Marshall Valuation Service estimated costs to bring properties equal to the subject and from the market reaction to these differences.

Adjustments for age of improvements were given as typically buyers are concerned about remaining economic life of property. A rounded 1/2% per year of difference with subject age was derived as an appropriate adjustment and applied accordingly. Additional adjustments for condition were applied separately, based on cost estimates to bring properties equal and accounts for the effective age of the improvements.

Adjustments for amenities were also considered as properties with additional features, such as fencing generally yield higher sale prices. Subject has no amenities, #3 through #7 had fencing, so those sales received negative adjustments the remaining sales had no amenities so no adjustments were applied to all these sales.

Adjustments for location were considered as all of these properties were located in areas with more dense development than the subject so large negative adjustments were applied. Based upon paired sale analysis between a property in Avoca and several in Council Bluffs, which indicated a 53% difference rounded to 50%.

DIRECT SALES COMPARISON APPROACH (CONTINUED)

RECONCILIATION

Before adjusting, the sale prices ranged from \$61.08/SF in Sale #7 to \$130.21/SF in Sale #2. After the aforementioned adjustments were applied, the indicated values ranged from \$24.67/SF in Sale #4 to \$50.96/SF in Sale #2. Net percentage adjustments ranged from -62% to -41% while gross adjustments ranged from 61% to 77%.

Generally, sales with the smallest amount of adjustment are the best indicators of value. All sales required very large adjustments, therefore, no single sale was more persuasive than another. The majority of the sales 5 out of 8 indicated values from \$24.07 to \$34.33/SF. Therefore, a value estimate for the subject within that range would have the broadest support. Three remaining sales indicated higher values from \$42.20/SF to \$50.96/SF.

The market search revealed no similar properties on the market currently:

Therefore, based on the foregoing data and analysis, I estimated 'as is' market value of the subject at \$35.00/SF, as of the effective date of this report with the total value developed as follows:

| | | | | | |
|------------------------|---|------------------------|---|--------------|-------------------|
| <u>Indicated Value</u> | x | <u>Gross Bldg Size</u> | = | <u>Total</u> | <u>Rounded to</u> |
| \$35.00/SF | x | 1,728 SF | = | \$60,480 | \$60,500 |

INCOME CAPITALIZATION APPROACH

From an investor's perspective, the earning power of a real estate investment is the critical element affecting its value. The fundamental investment premise is the higher the earnings the higher the value. Investment in an income-producing property represents the exchange of present dollars for the right to receive future dollars. In the Income Capitalization Approach to value, the appraiser analyzes a property's capacity to generate benefits and converts these benefits into an indication of present value.¹

The basic steps involved in this approach are:

1. Estimate potential gross income;
2. Estimate and deduct a vacancy and collection loss allowance;
3. Estimate and deduct expenses;
4. Estimate duration and pattern of income stream;
5. Select an applicable capitalization method and technique;
6. Develop the appropriate rate;
7. Complete the computations necessary to derive an economic value.

The primary reason for making gross income estimates is to identify probable net income benefits that may be derived from ownership interest of the income-producing property. In accepted appraisal practice, the usual basis for a gross income projection is economic rent. Economic (market) rent is defined as being the rental income that a property would most probably command in the open market; it is indicated by current rents paid and asked for comparable space as of the date of the appraisal.

Income Analysis

Subject property is presently owner occupied therefore, no rental information on the property is known.

Comparable properties found are summarized on the following pages. Operating expenses were estimated from actual historic operating statements from expenses for commercial properties I have observed in the metro area combined with national investor surveys.

¹ The Appraisal of Real Estate, 13th Edition, Chicago

Comparable #1



Property Identification

Lease ID 1012

Address 1310 South 17th Street
Council Bluffs, Iowa

Market Council Bluffs

Property Type Industrial :: Light Industrial

Legal Description Lots 1-8, Block 21 Fleming & Davis

Property Characteristics

Gross Building Area 14,000 SF

Finish - Above Grade 2,200 SF

Construction Average Quality, Class C

Built/Remodeled 2003/

Condition Average

Height 18.00'

Gross Site Size 60,984 SF

Usable Site Size 60,984 SF

Zoning I-2

Features

Transaction

Leased Area 14,000 SF

Lease Date February 28, 2018

Lease Term February 28, 2018 - January 31, 2023

Starting Base Rent \$5.20/SF

Rent Description Fixed for lease.

**Starting Additional
Rent**

Expense Terms Triple Net

Lessee

dba MP Nexlevel

Source Broker

Concession Amount N/A

**Concessions
Description**

Comparable #2



Property Identification

Lease ID 1398
Address 15 South 20th Street
Council Bluffs, Iowa
Market Council Bluffs

Property Type Commercial :: Vehicle-Related -
Service
Legal Description

Property Characteristics

Gross Building Area 9,120 SF
Finish - Above Grade N/A
Construction Average Quality, Class C
Built/Remodeled 1979/
Condition Fair
Height N/A

Gross Site Size 40,692 SF
Usable Site Size 40,692 SF
Zoning C-2
Features

Transaction

Leased Area 9,120 SF
Lease Date August 01, 2018
Lease Term September 01, 2018 - August 31,
2023
Starting Base Rent \$5.75/SF
Rent Description
**Starting Additional
Rent**
Expense Terms Triple Net

Lessee
dba Jake's Towing and Transport
Source CoStar
Concession Amount N/A
**Concessions
Description**

Comparable #3



Property Identification

Lease ID 1013
Address 3319 Nebraska Avenue
Council Bluffs, Iowa
Market Council Bluffs

Property Type Industrial :: Light Industrial
Legal Description

Property Characteristics

Gross Building Area 41,760 SF
Finish - Above Grade N/A
Construction Average Quality, Class C
Built/Remodeled 1969/
Condition Average
Height 13.00'

Gross Site Size 100,188 SF
Usable Site Size 100,188 SF
Zoning I-2
Features

Transaction

Leased Area 7,020 SF
Lease Date October 11, 2018
Lease Term October 11, 2018 - October 10, 2021
Starting Base Rent \$4.35/SF
Rent Description Fixed for term.
Starting Additional Rent
Expense Terms Triple Net

Lessee dba McDowell Roofing
Source Broker
Concession Amount N/A
Concessions Description

Comparable #4



Property Identification

Lease ID 1014
Address 2110 23rd Avenue
Council Bluffs, Iowa
Market Council Bluffs

Property Type Industrial :: Light Industrial
Legal Description Lots 8-12, Block 11, Railroad
Addition

Property Characteristics

Gross Building Area 5,000 SF
Finish - Above Grade N/A
Construction Average Quality, Class S
Built/Remodeled 2003/
Condition Average
Height N/A

Gross Site Size 25,245 SF
Usable Site Size 25,245 SF
Zoning I-2
Features

Transaction

Leased Area 2,700 SF
Lease Date October 19, 2018
Lease Term November 19, 2018 -
Starting Base Rent \$7.11/SF
Rent Description 7.78/SF in Year 2
8.22/SF in Year 3
**Starting Additional
Rent**
Expense Terms Gross

Lessee
dba Syndicate Diesel
Source Broker
Concession Amount N/A
**Concessions
Description** One month of free rent

Garage space with mezzanine office.

Comparable #5



Property Identification

Lease ID 1242

Address 1305 Lew Ross Road
Council Bluffs, Iowa

Market Council Bluffs

Property Type Industrial :: Light Industrial

Legal Description Lots 5 & 6, Block 2, First Foundation
Sub., Council Bluffs, Pottawattamie
County, IA

Property Characteristics

Gross Building Area 17,840 SF

Finish - Above Grade 6,244 SF

Construction Average Quality, Class D

Built/Remodeled 1996/

Condition Good

Height 14.00'

Gross Site Size 87,555 SF

Usable Site Size 87,555 SF

Zoning

Features

Transaction

Leased Area 8,000 SF

Lease Date April 22, 2019

Lease Term May 01, 2019 - April 30, 2022

Starting Base Rent \$6.95/SF

Rent Description

**Starting Additional
Rent**

Expense Terms Triple Net

Lessee

dba New Covenant Electronics

Source CoStar Confirmation

Concession Amount N/A

**Concessions
Description**

Comparable #6



Property Identification

Lease ID 1369
Address 1220 35th Avenue
Council Bluffs, Iowa
Market Council Bluffs

Property Type Industrial :: Light Industrial
Legal Description Lot 6, 2nd Foundation Subdivision
Phase II

Property Characteristics

Gross Building Area 14,000 SF
Finish - Above Grade N/A
Construction Good Quality, Class S
Built/Remodeled 2005/
Condition Good
Height 18.00'

Gross Site Size 43,995 SF
Usable Site Size 43,995 SF
Zoning I-2
Features

Transaction

Leased Area 3,700 SF
Lease Date June 30, 2019
Lease Term August 29, 2019 -
Starting Base Rent \$6.00/SF
Rent Description
**Starting Additional
Rent**
Expense Terms Triple Net

Lessee
dba Safariworks Decor
Source CoStar
Concession Amount N/A
**Concessions
Description**

Comparable #7



Property Identification

Lease ID 1368
Address 1220 35th Avenue
Council Bluffs, Iowa
Market Council Bluffs

Property Type Industrial :: Light Industrial
Legal Description Lot 6, 2nd Foundation Subdivision
Phase II

Property Characteristics

Gross Building Area 14,000 SF
Finish - Above Grade N/A
Construction Good Quality, Class S
Built/Remodeled 2005/
Condition Good
Height 18.00'

Gross Site Size 43,995 SF
Usable Site Size 43,995 SF
Zoning I-2
Features

Transaction

Leased Area 7,000 SF
Lease Date December 01, 2019
Lease Term December 01, 2019 -
Starting Base Rent \$5.25/SF
Rent Description
**Starting Additional
Rent**
Expense Terms Triple Net

Lessee
dba Caesar's Entertainment
Source CoStar
Concession Amount N/A
**Concessions
Description**

Comparable #8



Photograph from Pottawattamie County Assessor

Property Identification

Lease ID 1588
Address 1309 Avenue J
Council Bluffs, Iowa
Market 13th & Avenue J

Property Type Industrial :: Light Industrial
Legal Description Lots 1-3, Block 8, Potter-Cobbs First
Addition

Property Characteristics

Gross Building Area 4,160 SF
Finish - Above Grade 784 SF
Construction Average Quality, Class D
Built/Remodeled 1986/
Condition Average
Height 12.00'

Gross Site Size 15,730 SF
Usable Site Size 15,730 SF
Zoning I-2
Features

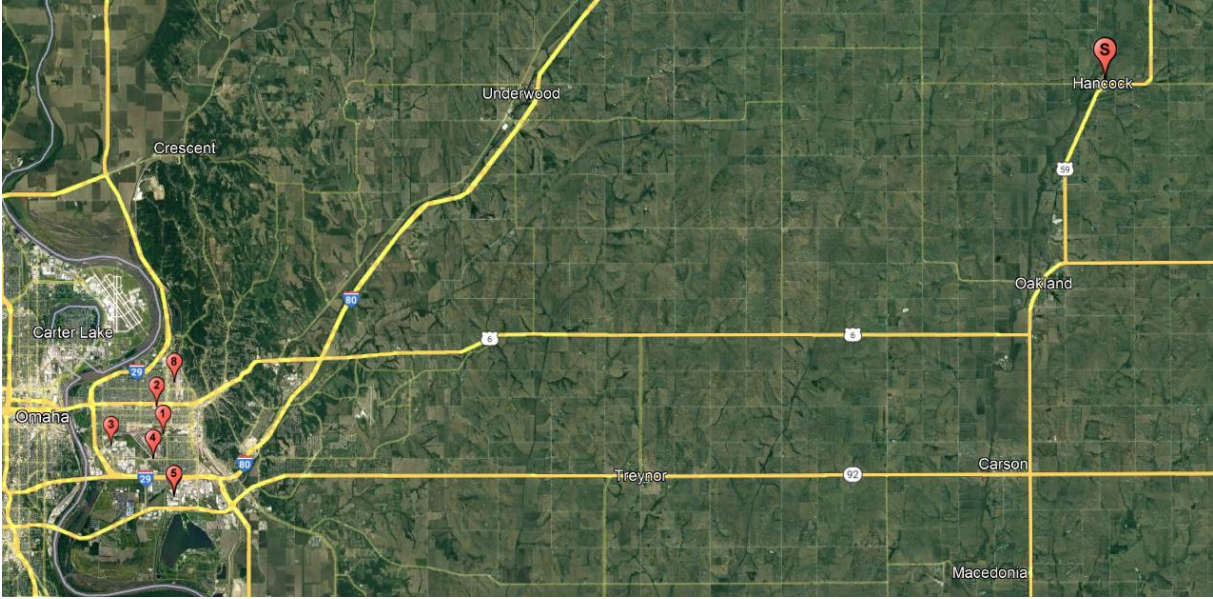
Transaction

Leased Area 4,160 SF
Lease Date October 31, 2021
Lease Term November 02, 2021 -
Starting Base Rent \$8.25/SF
Rent Description
**Starting Additional
Rent**
Expense Terms Triple Net

Lessee Brown Heavy Equipment
Source CoStar; Marketing Brochure
Concession Amount N/A
**Concessions
Description**

Net expenses were \$1.44/SF for taxes and insurance, and tenant to provide maintenance at own expense.

Comparable Rentals Map



INCOME CAPITALIZATION APPROACH (CONTINUED)

MARKET LEASE RATE ANALYSIS AND CONCLUSION

No comparables of similar properties was found in Hancock. Council Bluffs did have some comparables which reported rental rates of \$4.35/SF to \$10.50/SF, on triple net and gross terms. These comparables are considered to be similar to subject but in superior locations and would be fairly competitive with it in the current market. As the subject was in fair/average condition; it is my opinion the market rent for the subject would be reasonable at \$4.00/SF on triple net terms.

Miscellaneous Income: Some properties similar to subject in this area receive additional income from garage rentals, vending machines, forfeited deposits, etc. Subject does not appear to have any other potential sources of income.

Vacancy and Collection Losses

A vacancy and collection loss must be deducted from potential gross income to arrive at property effective gross income (EGI). A current 2022 survey conducted by Costar.com reports average vacancy of 48.85% for industrial properties in Council Bluffs but no estimate of vacancy in Hancock.

The subject space is a single tenant design, so it would be either 100% occupied or 100% vacant at any one time. Based upon the subject properties location in an area with primarily agricultural properties nearby, it is my opinion a 10% vacancy rate would be reasonable for the property.

Actual rent, vacancy and EGI were then summarized as follows:

| | | |
|---------------------------------------|----------------------|----------------|
| Potential Commercial Rental Income | 1,728 SF x \$4.00/SF | \$6,912 |
| Less: 10% Vacancy and Collection Loss | | - <u>\$691</u> |
| Effective Gross Income | | \$6,221 |

Operating Expenses

Operating expenses that are the property owner's responsibility are deducted from projection of EGI to arrive at property's NOI. Such operating expenses include real estate taxes, insurance, maintenance, utilities and property management fees. To estimate appropriate allowance for operating expenses, I considered actual known data from market expenses of other properties observed. No information for the subject was provided. Estimates of operating expenses were then summarized as follows:

Real Estate Taxes: Property taxes for the subject were not posted so my estimate is based upon the assessed for the subject (\$32,600) and the current tax rate (\$31.876110) which equates to \$1,039. These appear reasonable based upon the sales comparison approach and other properties observed. So stabilized taxes will be estimated at \$1,050 annually with the owner paying these during vacant periods only.

INCOME CAPITALIZATION APPROACH (CONTINUED)

Operating Expenses (Continued)

Insurance: Property and hazard insurance for commercial buildings have been observed near \$0.10/SF to \$0.85/SF of gross building area for sprinklered buildings, and \$0.15/SF to \$0.55/SF for non-sprinklered buildings, and have been rising in recent years. Actual insurance costs for the subject were not disclosed. So, for purposes of this analysis, an estimate of \$1.00/SF is considered reasonable (including flood coverage) or a total cost of a rounded \$1,800 annually.

Management: Typical third party management fees for properties similar to the subject property range 4% to 7% of EGI. The actual management expenses for the subject are unknown. Management duties generally include supervision of property maintenance, bookkeeping, and management overhead. No unusual aspects of the management function are foreseen in conjunction with the subject property, so I estimate an expense of 3% of base rent as reasonable for the subject property.

Administrative & Professional Fees: A general administrative expense was considered appropriate to reflect typical owner accounting and legal fees. This expense category would include a small amount for owner's office overhead and typically ranges from 0.5% to 1.5% of EGI. The actual expenses are unknown as no operating statements were furnished. General administrative expense was estimated at 0.50% of base rent in this analysis.

Utilities: As no operating statements were provided my estimate of \$1.00/SF is based on observations of other commercial properties, with the owner paying during vacant periods only.

Repairs & Maintenance: This expense category reflects items such as repairs to mechanical systems, roof, painting and items of general upkeep such as pest control, cleaning, snow and trash removal. Actual costs were not provided; typical repair & maintenance expenses observed for other commercial properties have ranged from \$0.50/SF to over \$3.00/SF, depending in large part on a property's age and building size. As a result, with the building in average condition with minimal deferred maintenance, I estimate an expense of \$1.00/SF for the subject, rounded to \$1,800 annually.

Reserves for Replacement: Although not typically incurred as an annual cash outlay, a reserve for replacement expense is appropriate to reflect future replacement of short-lived items such as carpeting, mechanical systems (including water heaters and HVAC units), kitchen appliances, exterior paving, roofing, etc. RealtyRates.com investor survey for 1st Q 2022 indicated reserve requirements for industrial properties reported as \$0.26 to \$0.85 with an average of \$0.56/SF. By comparison, the PWC Investors Survey reports replacement reserves for national warehouse properties range from \$0.05/SF to \$0.35/SF, averaging \$0.14/SF in the 1st Q 2022. In my opinion, an appropriate replacement reserve for the subject property is a rounded \$0.20/SF.

Miscellaneous: A miscellaneous expense is typically included to account for such items as tenant-related social expenses, holiday decorations, security services, etc. Therefore, an expense of \$100 per year was considered appropriate.

INCOME CAPITALIZATION APPROACH (CONTINUED)

PROFORMA OPERATING STATEMENT (FEE SIMPLE)

| Rental Income | SQ FT | Rent/SF | Annual Income | |
|---------------------------------|--------|---------|---------------|----------------|
| Estimated Market Rent | 1,728 | \$4.00 | \$6,912 | |
| Total Potential Gross Income | | | \$6,912 | |
| Vacancy & Collection Allowance: | | 10.0% | <u>\$691</u> | |
| Effective Rental Income | | | | \$6,221 |
| Other Income | | | | \$0 |
| Total Effective Gross Income: | | | | \$6,221 |
| Operating Expenses: | | | <u>Amount</u> | |
| Management Fee | 3.0% | \$187 | \$19 | |
| General & Administrative | 0.5% | \$31 | \$31 | |
| Real Estate Taxes | 16.88% | \$1,050 | \$105 | |
| Insurance | 28.94% | \$1,800 | \$180 | |
| Utilities | 0.00% | \$0 | \$0 | |
| Repairs & Maintenance | 28.94% | \$1,800 | \$180 | |
| Reserves for Replacement | 5.56% | \$346 | \$346 | |
| Miscellaneous | 1.61% | \$100 | \$100 | |
| Total Expenses | 15.44% | | | \$960 |
| Net Operating Income | | | | \$5,260 |

INCOME CAPITALIZATION APPROACH (CONTINUED)

CAPITALIZATION RATE SELECTION, APPLICATION AND ESTIMATE OF VALUE

Several methods of developing a capitalization rate can be used. The best of which is the Market Extraction Method, where the incomes of comparable properties that have recently sold are known. Sale transactions used in this report did not reveal cap rates however, other properties observed which would be considered competitive with subject indicated cap rates of 7.60% to 9.00%.

A national survey was examined for further support of overall capitalization rate. The PWC Real Estate Investor Survey for the 1st Qtr 2022 reports national capitalization rates for secondary industrial properties in a range of 5.25% to 9.00% with average of 7.13%. Capitalization rates in the local market area have typically been higher than national rates. Capitalization rates are typically higher for older and smaller properties.

In order to estimate current capitalization rates, a second method is used called the Band of Investment, Analysis, which is a yield capitalization procedure used in estimating an overall capitalization rate to be applied to the net operating income of a property. The band of investment formula addresses the yield requirements of both the lender's interest and the investor's interest considering current lending and investment rates. When the components used in the band of investment formula are market-derived, the value indication obtained is reflective of market value. RealtyRates.Com released their 1st Q 2022 Investor Survey reporting interest rates for industrial properties ranging from 2.86% to 7.41%, averaging 4.80%. The average spread from 10-Year Treasury notes was 3.24%. Loan-to-value ratios ranged from 50% to 80% (average 70%), average amortization period was 25 years with average term of 11.46 years and average debt coverage ratio of 1.46. Per PwC Investors Survey for 1st Q 2022, institutional grade discount or yield rates for national warehouse properties ranged from 7.00% to 10.00%, averaging 8.50%.

INCOME CAPITALIZATION APPROACH (CONTINUED)

CAPITALIZATION RATE SELECTION, APPLICATION AND ESTIMATE OF VALUE

Based on the preceding, the following components are then used in the band of investment analysis.

Mortgage Components:

| | |
|-------------------------|---|
| Loan/Value Ratio: | 70% |
| Loan Rate: | 5.0% selected |
| Amortization Period: | 25 years with balloon payment due at end of 10 th Year |
| Mortgage Constant (Rm): | .0709 |

Equity Components:

| | |
|-------------------------|------|
| Equity Ratio: | 30% |
| Equity yield rate (Ye): | 9.5% |

The calculation of the overall capitalization rate by the band of investment technique is as follows:

| <u>Band of Investment Technique</u> | | | | |
|---------------------------------------|---|--------------------------|---|-------------------------|
| <u>Loan Ratio</u> | x | <u>Mortgage Constant</u> | = | <u>Weighted Average</u> |
| .70 | x | .0709 | = | 0.049 |
| <u>Equity Ratio</u> | x | <u>Equity Yield Rate</u> | | |
| .30 | x | .095 | = | (+) <u>0.0285</u> |
| Total Weighted Average | | | | 0.0775 |
| Indicated Overall Capitalization Rate | | | | 7.75% |

This mechanical or calculated overall rate typically is below the market extracted rates as lending terms are still considered favorable for qualified applicants; so, it was given only secondary rounding weight in my overall or “going-in” capitalization rate selection for the subject property.

Therefore, based on subject characteristics with and the current demand for this property type in the local market, I selected a rounded 9.00% as the capitalization rate currently appropriate for the subject property in this market. To arrive at a value estimate for the subject property, the estimated annual net operating income must be divided by the overall capitalization rate. Therefore, I estimate the market value of the subject property, as of the effective date of this report, as follows.

| Fee Simple | | | | | |
|----------------------|---|---------------------|---|-----------------|----------|
| Net Operating Income | | Capitalization Rate | | Indicated Value | Rounded |
| \$5,260 | ÷ | 9.00% | = | \$58,449 | \$60,000 |

RECONCILIATION AND FINAL ESTIMATE OF VALUE

Reconciliation is the process of coordinating and integrating related factors to form a conclusion regarding the appraised property's Market Value. Each appraisal approach was considered as to adequacy, accuracy and overall reliability. The following estimates were based on subject's highest and best use in this report and primarily on available market data furnished by the property owner and others.

| | |
|--|----------------|
| Market Value via the Cost Approach | Not Applicable |
| Market Value via the Direct Sales Comparison Approach | \$60,500 |
| Market Value via the Income Capitalization Approach (Fee Simple) | \$60,000 |

The Cost Approach typically uses replacement cost method of determining new cost of building improvements, typically representing the highest value. Depreciation is calculated for deferred maintenance and normal wear and tear. The shortcoming of this method normally results from the calculations for depreciation, as age and obsolescence are difficult to precisely measure in the market place. The subject building is older, resulting in accrued depreciation which becomes subjective reducing the reliability of this approach below acceptable levels. Therefore, it was not developed in this report.

The Direct Sales Comparison Approach compares sales of similar properties. Adjustments were made for variations from the subject property based on available market data. After adjustments, a reasonable range of indicated values was evident and I selected the value from the range most representative of the appraised building. This approach is generally the best method of reflecting market attitudes toward property, particularly when owner-occupied buildings are involved and there is an active market with numerous sales. However, this approach is less persuasive when the property is purchased as an investment. As the subject property is a single-tenant building it would likely appeal to an owner but if leased it could appeal to an investor therefore most weight was given to this approach in the final value estimate for the subject.

The Income Capitalization Approach was considered and could be used in this report. Since an adequate amount of rent, expense and cap rate data was available for the subject property, this approach was considered reliable so was given some weight in the final value estimate for the subject also.

Conditional only upon my standard Certification, Assumptions and Limiting Conditions, and the estimated exposure time as stated in this report, it is my opinion the "as is" Market Value of the subject properties fee simple estate, as of May 16, 2022 was:

SIXTY THOUSAND FIVE HUNDRED DOLLARS
(\$60,500)

Respectfully submitted,



D. Rick Whitesides, MAI, SRA
General Certified Appraiser - IA CG01439
NE CG920142

ADDENDA

APPRAISER'S QUALIFICATIONS

D. Rick Whitesides, MAI, SRA

PROFESSIONAL:

| | |
|--|--------------|
| MAI Designation from the Appraisal Institute | 1991 |
| SRA Designation from the Appraisal Institute | 1977 |
| General Certified Appraiser, State of Nebraska (CG 920142) | 1992 |
| General Certified Appraiser, State of Iowa (CG 01439) | 1992 |
| Licensed Real Estate Salesman in the State of Nebraska | 1972 |
| Vice President/Appraiser Mitchell & Associates | 1990-Present |
| Property Underwriter/Assistant Vice President, Occidental Nebraska Federal Savings Bank | 1973-90 |

MEMBER:

Appraisal Institute: Former President Nebraska Chapter and currently active in this chapter and former Chapter Services Chairman for Region II and have served on the National Chapter Services Committee

Nebraska Real Estate Association

Omaha Area Board of Realtors Former Executive Committee, Commercial Investment Council

Tangier Shrine, Scottish Rite and Mercer Lodge

Past Membership: Society of Real Estate Appraisers, Eastern Nebraska, Chapter #111

EDUCATION:

University of Nebraska Lincoln
University of Nebraska Omaha

Continuing education through attendance at various appraisal seminars sponsored by the Appraisal Institute and other industry organizations; courses listed on a separate page.

EXPERIENCE:

Areas of appraisal experience include multi-family residential; commercial; industrial; vacant land; special purpose properties; and single family residential. Appraisals have been completed for mortgage loans, condemnation, litigation, and asset management purposes.

**RECENT APPRAISAL EDUCATION
D. RICK WHITESIDES, MAI, SRA**

| <u>DATE</u> | <u>COURSE</u> | <u>SPONSOR</u> | <u>CLASS HOURS</u> |
|-------------|--|----------------------|--------------------|
| 2017 | Honing In...Updates, Market Perspectives & Prof. Development | AI | 4 |
| 2016 | Local Market Snapshot | AI | 4 |
| 2016 | Understanding the Basics of Excel & Linear Regression | AI | 4 |
| 2016 | Commercial Real Estate Summit | Nebr Cont Legl Ed | 8 |
| 2016 | USPAP Update | AI | 7 |
| 2015 | Commercial Real Estate Summit | Nebr Cont Legl Ed | 8 |
| 2014 | Commercial Real Estate Summit | Nebr Cont Legl Ed | 8 |
| 2014 | The Discounted Cash Flow Model | AI | 7 |
| 2014 | USPAP Update | AI | 7 |
| 2013 | Property Acquisition & Need for Site Assessment | Randall School of RE | 3 |
| 2013 | Environmental Issues in Real Estate | Randall School of RE | 3 |
| 2013 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 8 |
| 2013 | Online Supervising Appraisal Trainees | AI | 4 |
| 2012 | USPAP | Moore Group | 7 |
| 2012 | Effective Appraisal Writing | AI | 7 |
| 2011 | Ethical Decision Making in Real Estate | Randall School of RE | 3 |
| 2011 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 8 |
| 2011 | Commercial Appraisal Engagement & Review | AI | 7 |
| 2011 | Capital Markets Seminar | Daisley Ruff | 3 |
| 2010 | USPAP | AI | 7 |
| 2010 | Capital Markets Seminar | Daisley Ruff | 3 |
| 2010 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 8 |
| 2010 | Appraisal Curriculum Overview | AI | 15 |
| 2009 | Online Business Practices & Ethics | AI | 4 |
| 2009 | Report Writing Workshop | The Moore Group | 7 |
| 2009 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 8 |
| 2008 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 8 |
| 2008 | USPAP | AI | 7 |
| 2007 | Standard 3 Review Training Session | NE Appraiser Bd | 4 |
| 2007 | Understanding & Testing DCF Valuation Models | AI | 4 |
| 2007 | Analyzing Distressed Real Estate | AI | 4 |
| 2007 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 6 |
| 2006 | Uniform Standards of Professional Practice | Moore Group | 7 |
| 2006 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 7 |
| 2005 | Market Analysis & the Site to do Business | AI | 7 |
| 2005 | Radon & Real Estate | Randall School of RE | 3 |
| 2004 | Uniform Standards of Professional Appraisal Practice | AI | 7 |
| 2004 | Loss Prevention for Real Estate Appraisers | AI | 4 |
| 2004 | Rates and Ratios | AI | 7 |
| 2003 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 7 |
| 2003 | Client Pressure Seminar | NE Appraiser Bd. | 3 |
| 2003 | Appraisal Consulting | AI | 7 |
| 2002 | Mark to Market | AI | 3 |
| 2002 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 8.5 |
| 2001 | Appraisers & Gramm-Leach-Bliley Act | AI | 3 |
| 2001 | Regression Analysis in Appraisal Practice | AI | 7 |
| 2001 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 7 |
| | | CLASS | |

| <u>DATE</u> | <u>COURSE</u> | <u>SPONSOR</u> | <u>HOURS</u> |
|-------------|---------------------------------------|----------------------|--------------|
| 2000 | Commercial Appraisal Problem Solving | Mid-West Appraisers | 7 |
| 2000 | Appraisal of Non-Conforming Uses | AI | 7 |
| 2000 | Standards of Professional Practice | AI | 15 |
| 2000 | Ed Tour (Tomorrows Information Today) | NE. Appraiser Board | 3 |
| 2000 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 7 |
| 1999 | Internet Search Strategies | AI | 7 |
| 1999 | Appraisal of Local Retail Properties | AI | 7 |
| 1999 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 8 |
| 1998 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 6 |
| 1997 | Affordable Housing | AI | 7 |
| 1997 | Analyzing Operating Expenses | AI | 7 |
| 1997 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 6 |
| 1996 | Highest & Best Use | AI | 7 |
| 1996 | Standards of Professional Practice | AI | 26 |
| 1995 | Advanced Income Capitalization | AI | 36 |
| 1995 | Emerging Technologies in Appraising | AI | 5 |
| 1995 | Experience Review Training | AI | 4 |
| 1995 | Apartment Update | AI | 1 |
| 1994 | FHA Guidelines | AI | 7 |
| 1994 | Commercial Real Estate Workshop | Nebr Cont Legl Ed. | 3 |
| 1993 | Appraising Apartments | AI | 7 |
| 1993 | Agency Relationships in Real Estate | Randall School of RE | 3 |
| 1993 | Mock Trial Seminar | AI | 7 |
| 1993 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 7 |
| 1993 | FIRREA: Overview & Application | AI | 7 |
| 1992 | ADA Seminar | AI | 5 |
| 1992 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 5 |
| 1991 | Standards of Professional Practice | AIREA | 7 |
| 1990 | Small Residential Form | SREA | 7 |

State of Nebraska Real Property Appraiser Board



Herby certifies that: DWIGHT (RICK) E WHITESIDES

MITCHELL COMMERCIAL VALUATION INC
14611 W CENTER RD
OMAHA, NE 68144-3219

Is credentialed in the State of Nebraska as a:

Certified General Real Property Appraiser

Holding credential number: CG920142

Effective Date: Jan 01, 2022 Expiration Date: Dec 31, 2022

Nebraska Real Property Appraiser Board Director:

All address changes, business or residences, must be reported to the Real Property Appraiser Board immediately.

This Credentialing Card is proof that each person is credentialed under the Real Property Appraiser Act unless credential has been canceled, surrendered, suspended, or revoked.

Nebraska Real Property Appraiser Board
301 Centennial Mall South, First Floor PO Box 94963
Lincoln, Nebraska 68509-4963
Phone: 402-471-9015 Fax: 402-471-9917 <https://appraiser.ne.gov/>

| | | | |
|---|------------|----------------------------|----------|
| Administrative Identification Number: | 10064-2022 | Registration Fee Paid: | \$275.00 |
| Random Engagement Audit Program Fee Paid: | \$5.00 | Federal Registry Fee Paid: | \$40.00 |



STATE OF IOWA
IOWA DEPARTMENT OF COMMERCE
PROFESSIONAL LICENSING AND REGULATION

This is to certify that the below named has been granted a certification
as: Certified General Appraiser.

Certification Number: CG01439 Expires: June 30, 2023

Status: Active

Dwight E Whitesides
Mitchell & Associates
14611 W Center Rd
Omaha, Nebraska 68144

USPAP MINIMUM STANDARDS

For the convenience of the reader or any reviewer of this report, we have included a copy of the fourteen points of the Minimum Appraisal Standards. Appraisals must:

1. Conform to USPAP, except that the Departure Provision, which allows below minimum work, will not apply;
2. Include a disclosure of any steps taken in order to comply with the Competency Provision of USPAP;
3. Be based on the market value or other values as defined in the attached DEFINITIONS;
4. [i] Be written and presented in a narrative format;
[ii] Be sufficiently descriptive to enable the reader to ascertain the market value and the rationale for the estimate;
[iii] Provide detail and depth reflective of the complexity of the property appraised;
5. Analyze and report in reasonable detail any prior sales of the property within the last three years;
6. Analyze and report current revenues, expense, and vacancies on income producing properties rather than estimated or projected figures not supported by current market conditions;
7. Use a reasonable marketing period for the property;
8. Analyze current market conditions and trends that will affect the income, absorption, or value of the property;
9. Report both the “as is” (using appropriate deductions and discounts for holding and marketing costs, and entrepreneurial profit) and the stabilized market values for developmental property; report both the value-in-use and liquidation value for owner-occupied property;
10. Include in the USPAP required certification an additional statement that: “The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a “loan””;
11. Contain sufficient supporting documentation to allow the reader to ascertain the appraiser’s logic, reasoning, judgment, and analysis;
12. Include a legal description of the subject property (in addition to the description required by USPAP);
13. Identify and value separately any non-real estate items;
14. Use and reconcile the income, direct sales, and cost approaches to value, and explain the omission of any approach not used;

If any information necessary to complete the appraisal is unavailable, this fact must be disclosed.



MITCHELL & ASSOCIATES, INC.

ROBERT F. MITCHELL, SR., 1893-1983
ROBERT F. MITCHELL, JR., SRPA
R. GREGG MITCHELL, SRA

D. RICK WHITESIDES, MAI, SRA
W. BRUCE WILKIE
BETH ANDERSEN
MELISSA RUTHERFORD

KEVIN P. HERMSEN MAI
DAVID C. WELLSANDT, MAI
RICHARD WITTMANN
MARK SCHAECHER

April 26, 2022

Ms. Kristina Treantos
Via email
Kristina.treantos@pottcounty-is.gov

Re: Appraisal Reports
Properties on following list

Dear Ms. Treantos

Per your request our firm will provide appraisal reports on the attached list of properties for the purposes of estimating the fair market value of the real estate for asset management purposes, subject to the terms and conditions stated as follows:

- 1) The report will be prepared in compliance with the Minimum Appraisal Standards as set forth by the Uniform Standards of Professional Practice (USPAP) and the Standards of the State of Iowa.
- 2) In order to provide the most accurate and timely appraisal possible, the following specific information on the subject property is desired, **if applicable and available**:

Property contact for access if necessary
- 3) Properties to be appraised are as follows:
358 Elm Street, Avoca, IA
15021 490th St., Griswold, IA
15484 State Orchard Rd. Council Bluffs, IA
217 North Main, Hancock, IA
705 Oak Street, Walnut, IA
- 4) Any modifications, excluding correction of errors, will be provided only at additional cost. No court testimony or appearances at any hearing will be provided unless prior arrangements are made. Testimony or appearance at hearings will be billed at the rate of \$250/hour, with a 4 hour minimum.
- 5) The reports will be prepared in a timely manner. Delivery of the report will be approximately 5 weeks, from receipt of a signed copy of this letter; provided the necessary data is made available in a timely manner.

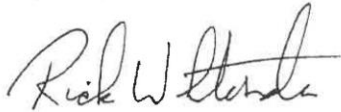
Appraisal Proposal
Industrial Properties
April 26, 2022
Page 2

- 6) The fee to prepare the real estate reports will not exceed \$4,900 and is payable as follows: \$2,450 due upon the signing of this letter and the balance upon receipt of the completed written appraisal report.
- 7) Confidentiality will be respected, so the results and content of the report will only be revealed to you or third parties you may designate. It will not be released to any other entity, without prior permission by you. However, some information furnished may be used in future analysis of other properties, unless you specifically request otherwise. In order to comply with the Gramm-Leach-Bliley Act of 1999, our Privacy Notice is available upon request
- 8) The appraisal will include in the certification required by USPAP; that the appraisal assignment was not based on a requested minimum valuation, specific valuation or the approval of a loan.

If you are in agreement with this proposal, please sign and return the original letter, with the retainer, as soon as possible.


Thank you for the opportunity to be of service.

Respectfully submitted,



D. Rick Whitesides, MAI, SRA
General Certified Appraiser – NE #CG920142
IA #CG01439

ACCEPTED:



Date: 4/28/22

Ms. Kristina Treantos
Pottawattamie County, Iowa

*Retainer will be sent by 5/9/22.

AN
APPRAISAL

OF

**COMMERCIAL PROPERTY
LOCATED AT
15484 STATE ORCHARD ROAD
COUNCIL BLUFFS, IOWA**

AS OF

May 16, 2022

PREPARED FOR

Ms. Kristina Treantos
Via email
Kristina.treantos@pottcounty-ia.gov

PREPARED BY

D. Rick Whitesides, MAI, SRA
Certified General Appraiser

MITCHELL & ASSOCIATES, INC.
14611 West Center Road
Omaha, Nebraska 68144



MITCHELL & ASSOCIATES, INC.

ROBERT F. MITCHELL, SR., 1893-1983
ROBERT F. MITCHELL, JR., SRPA 1927-2020
R. GREGG MITCHELL, SRA

D. RICK WHITESIDES, MAI, SRA
W. BRUCE WILKIE
BETH ANDERSEN
RICHARD C. WITTMANN
REBECCA BELLOWS
JAMES ANDERSEN

KEVIN P. HERMSEN, MAI
DAVID C. WELLSANDT, MAI
MELISSA L. RUTHERFORD
MARK SCHAECHER
ALEX FINKLE

May 31, 2022

Ms. Kristina Treantos
Via email
Kristina.treantos@pottcounty-ia.gov

RE: File #00220816 - Appraisal
Commercial Property
15484 State Orchard Rd
Council Bluffs, Iowa

Dear Ms. Treantos:

In response to your request and for the purpose of estimating the Market Value of the above referenced property for asset management purposes, I have personally visited the property, and then conducted an analysis of the matters pertinent to its current market value. My findings are included in the following report of 66 pages, plus the supporting Addenda.

This report is intended to be in conformity with the prevailing Standards and Ethics of the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation and the Appraisal Institute. It is independently prepared so is not based on a requested minimum value, specific valuation nor the approval of a loan. It is also in conformity with the laws and Minimum Standards of the State of Iowa where I am licensed.

Your attention is directed toward the sections titled Limiting Conditions and Assumptions, Definitions, and Appraiser's Certification, which address contingencies of the appraisal. Additional contingencies may be interspersed throughout the report where appropriate; therefore, this report should be considered in its entirety. Your attention is also directed to the special consideration noted on page 11 **regarding the COVID-19 outbreak**. The effective date for this appraisal is in a time where the community is experiencing a serious reaction to the outbreak including many closures or cancellations including school districts, state and federal declarations of emergency. Public health officials are calling for social distancing and limited exposure to others. There is currently insufficient data to indicate market reactions to the outbreak as it applies to the general market or to specific properties in regards to any effects on value or marketing times.

Conditional only upon my standard Certification, Assumptions and Limiting Conditions, and the estimated exposure time as stated in this report, it is my opinion the "as is" Market Value of the subject properties fee simple estate, as of May 16, 2022 was:

TWO HUNDRED THOUSAND DOLLARS
(\$200,000)

Respectfully submitted,

D. Rick Whitesides, MAI, SRA
General Certified Appraiser - IA CG0143 NE CG9201429;

S:\Reports\2022\00220816\Report.doc

Real Estate Appraisers & Consultants

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ADDENDA

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IDENTIFICATION OF THE PROPERTY
AND SUMMARY OF SALIENT FACTS

LOCATION: 15484 State Orchard Road, Council Bluffs, Iowa 51503. This is in the eastern portion of metropolitan Omaha, Nebraska.

LEGAL DESCRIPTION: Lengthy, a parcel of land in LEWIS TWP 4-74-43 TRI LT SW INTERSECTION GREENVIEW DR & STATE ORCHARD RD NW SE N & W OF RD, Council Bluffs, Pottawattamie County, Iowa

OWNER OF RECORD: Pottawattamie County
Council Bluffs, Iowa

CLIENT/INTENDED USE: The report was ordered by Ms. Kristina Treantos with Pottawattamie County, who advised this appraisal would be used in asset management purposes. There are no other intended uses or users of this report.

APPRAISAL PURPOSE: Purpose of this appraisal is to provide a supported estimate of the 'as is' fee simple market value of the subject property, as of the date of the site visit.

INSPECTION DATE: On May 16, 2022, I personally visited subject in the company of Shawn Bluml with Pottawattamie County. Most photos used in this report were taken at the time of this inspection.

EFFECTIVE DATE: This appraisal has an effective date of May 16, 2022, the date of the property visit.

SUBJECT DESCRIPTION: The subject property consists of one building used as a maintenance building. This building contains 3 drive-in bays a small office on the mezzanine and a restroom. The building is of wood frame construction with metal panels on the elevations and pitched roof. There are 3 overhead doors for vehicle entry and a pedestrian door. The building has 2,400 square feet and is located upon a corner site with 40,510 SF which is totally fenced.

ZONING: Subject is zoned C-2 (Commercial District) under Pottawattamie Counties jurisdiction. The Class C-2 District is intended primarily to provide for those business and commercial establishments serving the general retail shopping needs of those persons living in the unincorporated areas of the County. Properties shall be located along or have direct access to hard surfaced streets. (see zoning regulations in Addenda).

IDENTIFICATION OF THE PROPERTY
AND SUMMARY OF SALIENT FACTS (CONTINUED)

FLOOD PLAIN STATUS: Subject does not appear to be located in a designated flood zone, per CoreLogic, referencing FEMA Map 19155C0581F, dated April 16, 2013 (map in report).

TITLE HISTORY: Per county records, subject does not appear to have sold in the past five years.

TAX ASSESSMENT: Real estate taxes for Pottawattamie County are combined in one billing for all governmental subdivisions. The County Assessor is responsible for estimating ‘actual value’ to which tax rates are applied. Subject (Parcel 7543 04-401-04) is assessed as follows:

| 2022 | Comm. Land | Current Value Improvement | Total | Class |
|------------|------------|---------------------------------|-----------|-------|
| Full Value | \$46,500 | \$220,800 | \$267,300 | C |
| Exempt | \$46,500 | \$220,800 | \$267,300 | C |
| Net Total | \$0 | \$0 | \$0 | C |
| | | | | |
| 2021 | Comm. Land | Prior Year Value Improvement | Total | Class |
| Full Value | \$46,500 | \$220,800 | \$267,300 | C |
| Exempt | \$46,500 | \$220,800 | \$267,300 | C |
| Net Total | \$0 | \$0 | \$0 | C |

TAX RATE: The 2020 tax rate was \$24.145880 per \$1,000 of assessed value, which appears normal for commercial properties in this area of Council Bluffs. The 2021 tax rate has not been set, as of the effective date of this report.

REAL ESTATE TAXES: Per Pottawattamie County Treasurer’s Office, shows net real estate taxes of \$0 as it is owned by a government entity. Generally these taxes have delinquent dates of September 1, 2020 for the first half and March 1, 2021 for the second half. Subject is appraised as if all historic tax obligations (including additional interest or penalties) are paid current.

PERSONAL PROPERTY: No furniture, fixtures, business or equipment values are included in this report.

HIGHEST & BEST USE: As concluded herein, highest and best use of subject is ‘as is’ with a maintenance shed.

EXPOSURE TIME: As described herein, exposure time is estimated time a property interest being appraised would have been offered on the market prior to a hypothetical consummation of sale at market value on effective date of appraisal. Based on a retrospective opinion of past events, assuming a competitive, open market, I estimated that would have been within 12-months, reflecting current market conditions.

IDENTIFICATION OF THE PROPERTY
AND SUMMARY OF SALIENT FACTS (CONTINUED)

ENVIRONMENTAL
CONDITIONS:

Existing improvement is a maintenance shed It is unknown if hazardous components/materials (urea formaldehyde foam insulation, asbestos, etc.) were used in construction/renovation or if the site has contaminants. No evidence of underground fuel storage tanks or contamination was observed. As a result, environmental conditions are presumed non-adverse. However, it may be prudent to obtain a current certified survey and environmental assessment of the property. This appraisal makes no allowance for environmental remediation or abatement requirements. Your attention is directed to Limiting Conditions and Assumptions at the conclusion of this report.

SUMMARY OF INDICATED VALUES FROM THIS REPORT

| | |
|--|----------------|
| Market Value via the Cost Approach | Not Applicable |
| Market Value via the Direct Sales Comparison Approach | \$190,000 |
| Market Value via the Income Capitalization Approach (Fee Simple) | \$210,000 |

SCOPE OF WORK

Scope of work refers to research and analysis in this assignment and includes the extent to which the property is identified, type and extent of data researched, and type and extent of analysis applied.

Extent of Property Identification: The property was identified by its addresses of 15484 State Orchard Road, in Council Bluffs, Iowa. Per Pottawattamie County records, this address corresponds to County Parcel number and legal descriptions summarized in the Salient Facts section of this report.

Type and Extent of Data Researched: I personally visited the property, building measurements were taken from county assessors web site and verified on site, which provided the information for the property descriptions. Site size was obtained from the assessor's website also. Other data was collected from County public records, conversations with local property owners and brokers, information published in real estate industry publications and Mitchell & Associates appraisal files. I was not provided with a current soils testing report or survey; therefore, I did not consider the impact on property value of any possible restrictions or soil issues that might be revealed by these reports. The **COVID-19** virus is having significant impacts to how people live around the world. The impacts are fairly recent in the Omaha area, but there have been many closures. Public health officials are calling for social distancing and limited exposure to others.

As we progress through 20221, fewer cases are reported but some cautionary measures are still promoted. Such news has increased the level of fear and anxiety among the community. Single-family sales have been brisk due to the shrinking inventories and rising prices. Commercial businesses may experience reduced sales due to recent closing of bars and restaurants except for drive-thru service, and avoiding places where 10+ people gather. Other businesses are opting for employees to work remotely.

There is currently insufficient data to indicate market reactions to the outbreak as it applies to the general market or to specific properties (e.g. places of reported exposures) in regards to any effects on value or marketing times.

Type and Extent of Analysis Applied: A highest and best use analysis of the property was developed utilizing inferred or trend methodology, appropriate of the property in light of its site size and building size as well as the location in a mature area. Due to the age of the structure, estimating depreciation would be so subjective as to render the cost approach unreliable; therefore, it was omitted from this appraisal. I researched and found recent sales of buildings supporting the use of the Direct Sales Comparison Approach. The Income Capitalization Approach was not developed due to a lack of market information.

Conclusion: The conclusions and analyses were reconciled into the final estimate of value. Based on my training, experience (see credentials in the Addenda intended to satisfy the Competency Rule of USPAP) and judgment, I concluded that this appraisal in a summary format including the Direct Sales Comparison approach is appropriate to support a credible estimate of the Fee Simple value and consistent with the Standards of the 2020-2021 Uniform Standards of Professional Appraisal Practice (USPAP).

EXTERIOR PHOTOS



Front (south)



West side & part of front



East side



North & east sides

APPRAISER'S CERTIFICATION

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 interest in the property that is the subject of this report and 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 opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

I have not performed a previous appraisal of the subject property and have not done an appraisal review involving the subject, or an appraisal consulting assignment involving the subject, within the past three years.

The reported analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute and the Uniform Standards of Appraisal Practice.

The reported analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the requirements of the Uniform Standards of Appraisal Practice

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

I have made a personal inspection of the property that is the subject of this report.

No one provided significant real property appraisal assistance to the person signing this certification. If there are exceptions, the name of each individual providing significant real property appraisal assistance is stated in the scope of the report.¹

As of the date of this report, I, D. Rick Whitesides, have completed the requirements of the continuing education program of the Appraisal Institute.

APPRAISER:



D. Rick Whitesides, MAI, SRA - NE CG920142
IA CG01439

¹ Source for Items #1-#9, Standards Rule 2-3, *Uniform Standards of Professional Appraisal Practices*, 2001 Edition

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal has been based on the following limiting conditions:

For purposes of this appraisal, any marketing program for the sale of the property would assume cash or its equivalent.

No detailed soil studies covering the subject property were available for this appraisal. It is therefore assumed that soil conditions are adequate to support standard construction consistent with highest and best use.

The date of value to which the conclusions and opinions expressed in this report apply, is set forth in the letter of transmittal. Further, the dollar amount of any value opinion rendered in this report is based upon the purchasing power of the American dollar existing on that date.

The appraiser assumes no responsibility for economic or physical factors which may affect the opinions in this report which occur after the date of the letter transmitting the report or which cause unpredictable changes. Events such as (but not limited to) natural disasters, wars and economic calamities are examples of such factors.

The appraiser reserves the right to make such adjustments to the analysis, opinions and conclusions set forth in this report as may be required by consideration of additional data or more reliable data that may become available.

No opinion as to title is rendered. Data relating to ownership and legal description was obtained from county records and is considered reliable. Title is assumed to be marketable and free and clear of all liens, encumbrances, easements and restrictions except those specifically discussed in the report. The property is appraised assuming it to be under responsible ownership and competent management and available for its highest and best use.

If no title policy was made available to the appraiser, they assume no responsibility for such items of record not disclosed by their customary investigation.

The appraiser assumes no responsibility for hidden or non-apparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for arranging for engineering studies that may be required to discover them.

The property is appraised assuming it to be in full compliance with all applicable federal, state and local environmental regulations and laws, unless otherwise stated.

The property is appraised assuming that all applicable zoning and use regulations and restrictions have been complied with, unless otherwise stated.

The property is appraised assuming that all required licenses, certificates of occupancy, consents or other legislative or administrative authority from any local, state or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based, unless otherwise stated.

No engineering survey has been made by the appraiser. Except as specifically stated, data relative to size and area was taken from sources considered reliable and no encroachment of real property improvements is considered to exist.

No opinion is expressed as to the value of subsurface oil, gas or mineral rights whether the property is subject to surface entry for the exploration or removal of such materials except as is expressly stated.

Maps, plats, and exhibits included in this report are for illustration only as an aid in visualizing matters discussed within the report. They should not be considered as surveys or relied upon for any other purpose, nor should they be removed from, reproduced, or used apart from the report.

No opinion is intended to be expressed for matters, which require legal expertise or specialized investigation, or knowledge beyond that customarily employed by real estate appraisers.

Possession of this report, or copy of it, does not carry with it the right of publication. It may not be used for any purposes by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event only with the proper written qualification and only in its entirety.

ASSUMPTIONS AND LIMITING CONDITIONS (CONTINUED)

Testimony or attendance in court or at any other hearing is not required by reason of rendering this appraisal, unless such arrangements are made in a reasonable time in advance.

The appraiser has personally inspected the subject property and find no obvious evidence of structural deficiencies, except as stated in this report; however, no responsibility for hidden defects or conformity to specific governmental requirements, such as fire, building and safety, earthquake or occupancy codes can be assumed without provision of specific professional or government inspections.

No consideration has been given in this appraisal as to the value of the property located on the premises considered by the appraiser to be personal property, nor has he given consideration to the cost of moving or relocating such personal property; only the real property has been considered.

Information obtained for use in this appraisal is believed to be true and correct to the best of my abilities; however, no responsibility is assumed for errors or omissions, or for information not disclosed which might otherwise affect the valuation estimate.

Disclosure of the contents of this appraisal report is governed by the Bylaws and Regulations of the Appraisal Institute.

Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser or firm with which he is connected, or any reference to the American Institute of Real Estate Appraisers or to the MAI or SRA designations) shall be disseminated to the public through advertising media, public relations media, news media, sales media or any other public means of communication without prior written consent and approval of the appraiser.

Comments concerning the location, market area, trends, construction quality and costs of the property appraised herein represent the opinion of the appraiser formed after examination and study of the subject property.

This appraisal represents the independent opinion of the appraiser free from any commitments and free from any present or expected future interest in the property, with the sole compensation for the employment being a fair professional fee.

The Americans with Disabilities Act ("ADA") became effective January 26, 1992. I have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since I have no direct evidence relating to this issue, I did not consider possible non-compliance with the requirements of ADA in estimating the value of the property.

Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss of value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

DEFINITIONS:

- FEE SIMPLE ESTATE:**¹ 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.
- LEASED FEE ESTATE:**² An ownership interest held by a landlord with the right of use and occupancy conveyed by lease to others. The rights of lessor (the leased fee owner) and leased fee are specified by contract terms contained within the lease.
- MARKET VALUE:**² The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date³ and the passing of title from seller to buyer under conditions whereby:
- (1) Buyer and seller are typically motivated;
 - (2) Both parties are well informed or well advised, and acting in what they consider their own best interests;
 - (3) A reasonable time is allowed for exposure in the open market;
 - (4) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and,
 - (5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

¹ The Dictionary of Real Estate Appraisal, 4th Edition, Appraisal Institute, Chicago

² Excerpted from Vol. 55 No. 165, Federal Register Section 34.44 Appraisal Standards

³ See discussion regarding exposure time and marketability within the Highest and Best Use analysis of this report

VALUATION AND THE APPRAISAL PROCESS

An appraisal is an estimate, an opinion of value. Its accuracy depends on the basic competence and integrity of the appraiser and on the soundness and skill by which he or she processed the data. Its worth is influenced by the availability of pertinent data. The professional appraiser seeks current facts and seeks to be practical. Most importantly, the appraiser's opinion must be without bias. As with other types of "markets," the real property appraiser does not make the market; rather, he or she interprets the market.

Generally, the appraiser uses three approaches to value: 1) Cost Approach; 2) Direct Sales Comparison Approach; and, 3) Income Approach. Each of these approaches is discussed separately below. They are all comparative approaches in that the basic data comes from direct comparisons in the market, indirect comparisons in the market, and/or the appraiser's judgment, which is based on market experience.

In the Cost Approach, the cost to reproduce the property at the date of the appraisal, less an appropriate allowance for depreciation (physical deterioration, functional obsolescence, and economic obsolescence), is made by market comparisons of cost and depreciation. The Cost Approach tends to set the upper limit of value since no property can be worth more than it would cost to build another property of equal utility assuming no reasonable delays. In land appraisals this approach is not applicable as land cannot be replaced but is considered a non-depreciating asset.

In the Direct Sales Comparison Approach, the subject property is compared to sales of similar properties. The sales are analyzed to determine similarities and differences, which affect value when observed in the market. These similarities and differences then serve as points of comparison between the market data and the subject property. When necessary, adjustments are made to the comparables to account for these differences. The resulting adjusted value per unit is then used to estimate the value via this approach.

In the Income Capitalization Approach, the future operation of the property is estimated from past historical data relating to the subject and/or from comparable market data. Gross rental schedules, vacancy and collection losses, fixed expenses, operating expenses and reserves are projected and used to estimate net income. This net income is converted to a value estimate using the capitalization process. The capitalization rate (comprised of a return on and a return of the investment) is based on demonstrated rates found in the market. (In land appraisals, recapture is not a part of the capitalization rate as land is considered a non-depreciating asset.) The method and technique of capitalization is determined by the nature of the property in the market.

All approaches were considered for this report, however, the availability, adequacy and pertinence of data may limit the approaches actually used, as discussed in the Reconciliation of this report.

MARKET AREA DESCRIPTION AND ANALYSIS

Market areas influence value of specific properties in many ways. These influences are best understood considering their social, economic, governmental and environmental characteristics. It has been said that “social, economic, governmental and environmental forces also influence property value near the subject property which, in turn, directly affects the value of the subject property itself.”¹ Therefore, we will examine each characteristic considering the subject’s market area.

Market Area: Subject is in Council Bluffs, the eighth largest city in Iowa, and Pottawattamie County seat, on the west edge of Iowa adjacent to the east bank of the Missouri River and part of the greater Omaha-Council Bluffs Core Based Statistical Area (CBSA). We performed a demographic study of Council Bluffs² with results incorporated in the findings below.

Social Characteristics

Demographics: The 2021 population³ within Council Bluffs was 62,056 down 0.09% from 2010. Households in 2021 were 21,251 up 0.17% from 2010. Median household income within the city is \$57,263.

Education: The market area is served by the Council Bluffs Public School District. The level of education achieved for persons ages 25 or older within the city is shown as follows.

| 2021 Population 25+ by Educational Attainment | 1 mile | 3 miles | 5 miles |
|--|---------------|----------------|----------------|
| Total | 742 | 16,186 | 37,619 |
| Less than 9th Grade | 1.9% | 1.8% | 3.1% |
| 9th - 12th Grade, No Diploma | 1.5% | 4.9% | 7.3% |
| High School Graduate | 28.4% | 24.4% | 27.6% |
| GED/Alternative Credential | 3.2% | 3.2% | 4.5% |
| Some College, No Degree | 20.9% | 23.7% | 23.6% |
| Associate Degree | 13.9% | 12.3% | 11.3% |
| Bachelor’s Degree | 16.8% | 18.5% | 14.9% |
| Graduate/Professional Degree | 13.3% | 11.2% | 7.6% |

Employment: Employment by industry within the city is shown as follows.

| 2021 Employed Population 16+ by Industry | | | |
|---|-------|--------|--------|
| Total | 556 | 12,276 | 27,450 |
| Agriculture/Mining | 0.9% | 0.7% | 1.0% |
| Construction | 6.8% | 5.5% | 7.2% |
| Manufacturing | 9.5% | 8.0% | 10.4% |
| Wholesale Trade | 3.1% | 3.4% | 3.3% |
| Retail Trade | 14.4% | 13.5% | 13.7% |
| Transportation/Utilities | 6.7% | 9.0% | 8.6% |
| Information | 0.2% | 2.4% | 1.7% |
| Finance/Insurance/Real Estate | 6.7% | 8.9% | 8.6% |
| Services | 44.1% | 43.7% | 41.5% |
| Public Administration | 7.6% | 4.8% | 4.1% |

¹ [Appraisal of Real Estate](#), 13th Edition, 2008

² [Demographic Profile](#), STDBonline

³ www.stdbonline.com

MARKET AREA DESCRIPTION AND ANALYSIS (CONTINUED)

Social Characteristics (Continued)

Largest employers in Council Bluffs are:

Council Bluffs Top Employers

| Council Bluffs Organizations | # of Employees |
|-------------------------------------|-----------------------|
| Ameristar Casino Hotel | 1300 |
| Council Bluffs Community Schools | 1250 |
| Harrah's CasinoHotel | 1100 |
| Tyson, Inc. | 1052 |
| Alegent Health Mercy Hospital | 800 |
| Jennie Edmundson Hospital | 800 |
| ConAgra Frozen Foods | 800 |
| Bluffs Run Casino | 670 |
| Iowa Western Community College | 512 |
| Wal-Mart Retail Stores | 450 |
| Griffin Pipe Products | 400 |
| Union Pacific | 400 |
| Omaha Standard | 250 |
| MidAmerican Energy | 250 |
| American Games | 230 |
| Tyson, Inc. - Cooked Meats | 220 |
| Warren Distribution | 200 |
| Plumrose USA | 200 |

Housing: The market area has roughly 58.4% of occupants owning their home and 34.1% of homes being renter occupied and 7.9% being vacant.

Roadway Linkage: City of Council Bluffs virtually is encircled by interstate highways due to its location at the junction of I-80 and I-29. I-80 runs through the south part of the city and along the east edge. I-29 runs along the city north edge, down the west side until it meets I-80, cuts along the path of I-80 and breaks off south again along the city southeast fringe. With its location near the center of the nation, Council Bluffs is a major transportation hub with nearly 100 motor freight carriers serving the area. Major east/west arterials through the city include West Broadway/Kanesville Boulevard (US Hwy 6), a major undivided four-lane artery, Avenue 'G', 9th Avenue, 23rd Avenue and US Hwy 275. Major north/south arterials include South Expressway (Hwy 192) 16th, 25th and 35th Streets.

Other Linkages: Council Bluffs is served by four major railroads and the Council Bluffs airport has a 4,100' concrete runway providing local charter service. National air service is available at nearby Omaha Eppley Airfield, served by numerous major airlines; through these, direct flights are available to both coasts and major cities. The metro area is served by one major and several smaller bus lines. Metro Area Transit operates city buses serving bulk of the metropolitan area. Two barge lines also serve the metro area during river navigation seasons.

MARKET AREA DESCRIPTION AND ANALYSIS (CONTINUED)

Social Characteristics (Continued)

Recreation: Area recreational facilities include three public golf courses, 10 public parks, 10 public tennis courts, five public swimming pools, one country club and Lake Manawa State Park. Council Bluffs is the site of the National Western Historic Trails Center, a \$12.6 million center consisting of an orientation center, auditorium, museum, archival center, meeting rooms and gift shop for the 49-mile web of biking and walking trails across the city that connect to the longer Wabash trail through eastern Iowa. The number of annual visitors is estimated at 350,000 to 500,000.¹

Retail Centers: Council Bluffs has numerous neighborhood and community retail centers and West Broadway serves as a major commercial corridor. The Manawa Power Center is a large retail center at the south end of town at the intersection of I-80 and South Expressway and includes several anchor and junior anchor stores. The Metro Crossing Shopping Center is adjacent southeast of the Lake Manawa Power Center and covers 81 acres including 14 pad sites with 40 acres for anchors/junior anchors. The Mall of the Bluffs is an older regional center on the east side of town at I-29 and Madison Avenue that has experienced high vacancy in recent years.

Gaming Industry: Legalized riverboat gambling was introduced in Council Bluffs in the 1990s; today, there are three casinos in the market area. Ameristar Casino Hotel is Iowa's largest riverboat with a 38,500 SF casino. Harrah's Casino & Hotel advertises over 1,000 slot machines. Horseshoe Casino, on the grounds of the Bluffs Run Dog Track, has a casino over 68,000 SF in size. Economic and social impact of legalized gambling on individual communities has been hotly debated in recent years without achieving a clear consensus. Many effects have been difficult to measure or quantify. Nobel Laureate economist Paul Samuelson wrote, "(Gambling) involves simply sterile transfers of money or goods between individuals, creating no new money or goods. Although it creates no output, gambling does nevertheless absorb time and resources. When pursued beyond the limits of recreation, where the main purpose after all is to kill time, gambling subtracts from the national income."² However, we do not have sufficient information to clearly identify the net effect the gambling industry is having on the Council Bluffs market.

Commercial Services: Council Bluffs has six financial institutions, one daily newspaper, 18 local radio stations, six television channels received and cable television. There are 24 motel/hotels with over 1,500, including two adjacent to the riverboat casinos. There are two general hospitals, each with its own school of nursing, with a total 539 beds. These hospitals serve the local community as well as much of adjacent southwest Iowa.

Utilities: MidAmerican Energy and its rural electric cooperative provide electric power to the region at rates below the national average. Black Hills Energy provides natural gas to Council Bluffs. Water and sewer service are supplied by the City of Council Bluffs and its municipal plan. Local telephone service is provided by Qwest Communications and Cox Communications.

Governmental Characteristics

Administration: Council Bluffs has a city council form of government and operates fire and police protection services. Public education facilities include 17 elementary, five junior high, and five senior high schools, one trade and technical, one junior and one 4-year college, Iowa Western.

¹ Director of City Parks and Recreation

² Paul A. Samuelson, Economics, 10th ed., 1976, p. 425

MARKET AREA DESCRIPTION AND ANALYSIS (CONTINUED)

Real Estate Taxes: Council Bluffs has a mil levy about twice those found in the general metro area. Levies in Council Bluffs are typically over \$4.00 per \$100 of assessed value; however, some properties (primarily single family houses) receive a rollback.

Environmental Characteristics

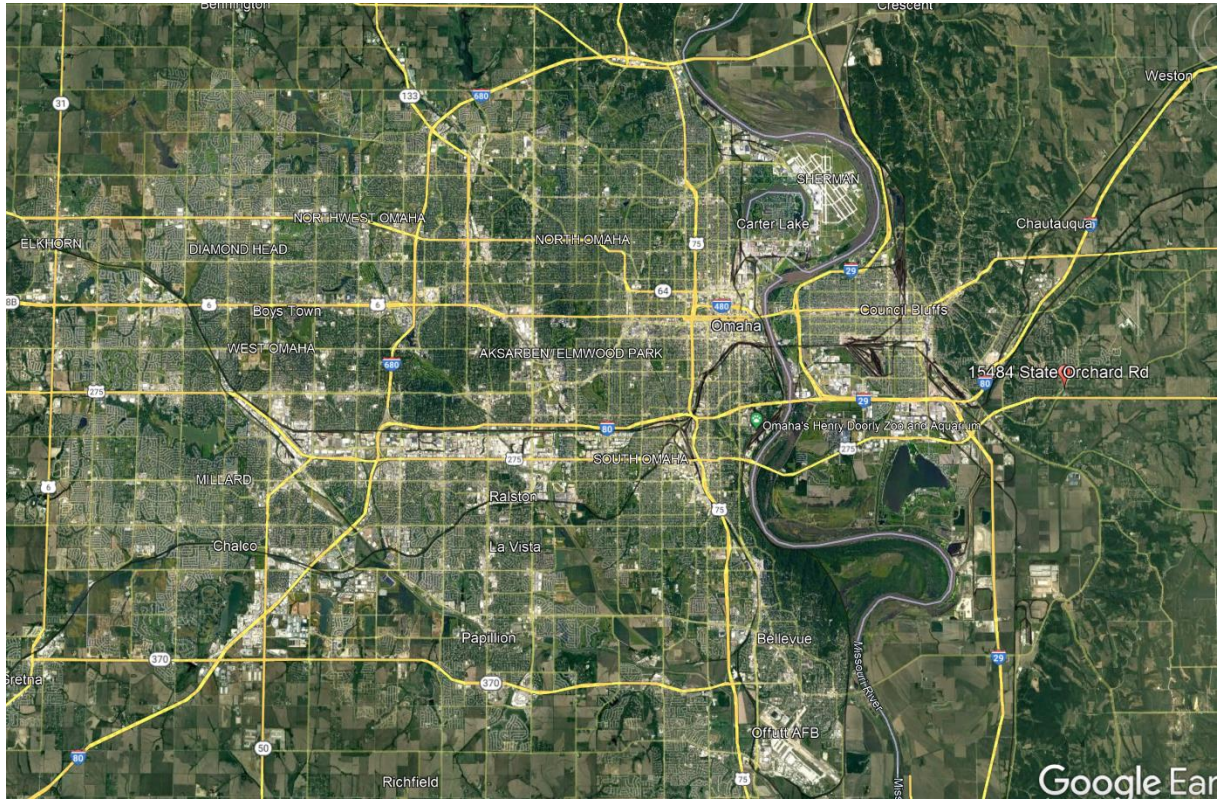
Topography: Per US Census Bureau, the city has a total 39.7 square miles along the east bank of the Missouri River with much of the city built in the level floodplain. Steep wooded river bluffs line the city east edge where elevations climb from river valley to central plateau plains. Council Bluffs covers a unique topographic region originally composed of prairie and savanna in the Loess Hills with extensive wetlands and deciduous forest along the Missouri River. Excellent vistas can be had from Fairmont Park, the Lincoln Monument, Kirn Park and the Lewis and Clark Monument. The main thoroughfare of Broadway was once part of the Lincoln Highway, North Broadway follows the path of Indian Creek north up into the Loess Hills. Lake Manawa was created by a Missouri River flood in 1881 and is at the south edge of the city. Most of the city lies within the 100-year designated floodplain, where it is adjacent to the nearby Indian Creek and Missouri River. Completion of flood control projects upstream reduced the flood hazard in the area, but did not eliminate this hazard.

Environmental Hazard: The city has experienced significant ground water contamination along West Broadway resulting from historic leaks in area underground petroleum storage tanks. A plume of petroleum-related contaminants including Benzene was identified on the surface of ground water, extending from the Missouri River to Kaneshville Boulevard (depending on river conditions). The Iowa Department of Natural Resources regulates assessment and remediation of this environmental hazard and current monitoring and abatement has been underway for several years. This hazard is not expected to have adverse impact on marketing or valuation of the subject property.

Summary

Council Bluffs is a separate but vital part of the greater metro area economy. Although Council Bluffs' average income is lower than the metro area it has offered low unemployment coupled with a growing workforce and good transportation linkages.

Market Area Aerial



Immediate Market Area Aerial



MARKET AREA VIEWS



View south along State Orchard Road



View north along State Orchard Road, subject at left



View west along Greenview Road, subject at left

SITE DESCRIPTION AND ANALYSIS

Subject property is located on the southwest corner of State Orchard Road and Greenview Road which is in the east portion of Council Bluffs. The property is surrounded mostly by single family properties. Following is a summary of subject characteristics:

Size: Subject parcel has frontage along State Orchard Road of about 523' and frontage along Greenview Road of about 299' total site area was reported as of 63,162 square feet or 1.45 acres. These dimensions were taken from public records, as no survey was provided.

Topography: Subject site appears to have fairly level terrain near the grade level of abutting roads. This site appears to have adequate surface water drainage.

Soils: Subject is presumed free of hazardous materials and the load bearing capacities adequate for improvements. Obvious environmental problems were not observed. See Limiting Conditions as relate to effects on value if environmental contamination is found on property.

Utilities: All public utilities are present at subject property or in abutting streets.

Easements/Encroachments/Restrictions: No adverse easements or encroachments were noted on the plats and none are known.

Flood Plain/Drainage: Subject does not appear to be located in a designated flood zone, per CoreLogic, referencing FEMA Map 19155C0581F, dated April 16, 2013 (map in report).

Zoning: Subject is zoned C-2 (Commercial District) under Pottawattamie Counties jurisdiction. The Class C-2 District is intended primarily to provide for those business and commercial establishments serving the general retail shopping needs of those persons living in the unincorporated areas of the County. Properties shall be located along or have direct access to hard surfaced streets. (see zoning regulations in Addenda).

Visibility: Subject has frontage along a 2 lane street on its north side and a 2 lane road on its east side. Both of these carry modest amounts of traffic. The views to and from the subject are not dramatically obscured by abutting properties or terrain. Based on these factors the subject is considered to have average visibility characteristics.

Access: Subject parcel has a corner location in an area developed with single family houses. Vehicle access is available from State Orchard Road which is surfaced with asphalt changing to crushed rock just south of the subject. Abutting the subject on the north is Greenview Road which handles east/west bound traffic and it links with Eastern Hills Road which is a collector street handling traffic in a north/south direction. Eastern Hills Road connects with Highway 92 about 2 miles to the south. The Interstate Highway system is accessible about 2-miles west of the subject off Madison Avenue. Based on this, subject is considered to have average access characteristics.

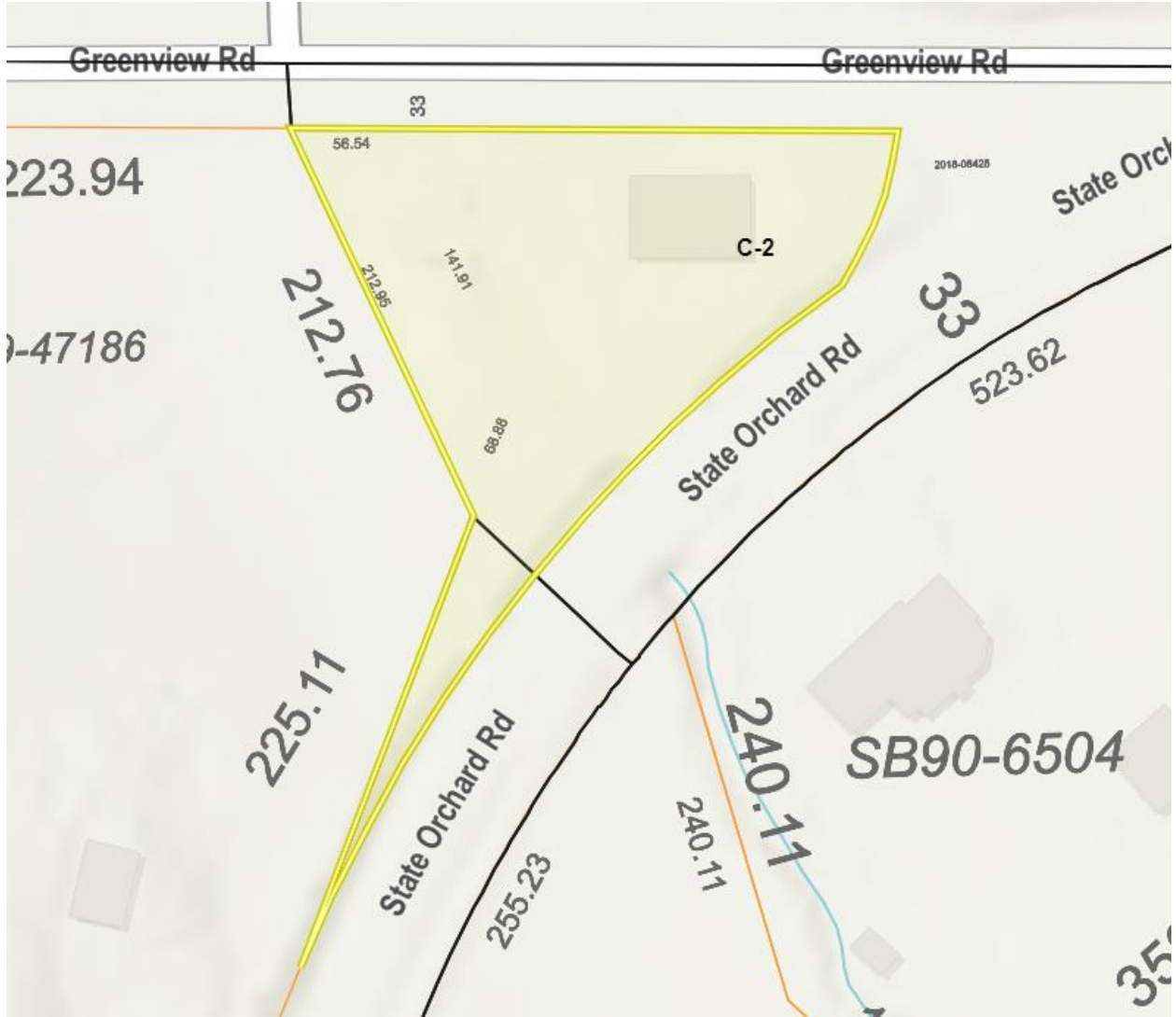
Subject Parcel Aerial



Subject Plat Map



Subject Zoning Map



Subject Flood Map



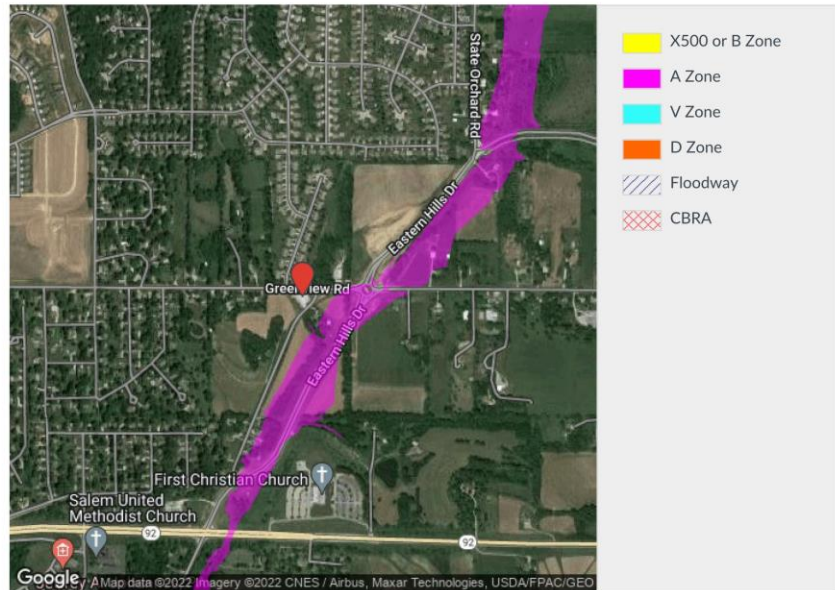
15484 STATE ORCHARD RD COUNCIL BLUFFS, IA 51503-5783

LOCATION ACCURACY: 📍 Excellent

Flood Zone Determination Report

Flood Zone Determination: **OUT**

| | | | |
|------------|----------------|------------|-------------|
| COMMUNITY | 190232 | PANEL | 0581F |
| PANEL DATE | April 16, 2013 | MAP NUMBER | 19155C0581F |



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Report generated May 12, 2022 by commercial@mitchellassociates.com

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DESCRIPTION AND ANALYSIS OF IMPROVEMENTS

The subject property consists of one building used as a maintenance building. This building contains 3 drive-in bays a small office on the mezzanine and a restroom. The building is of wood frame construction with metal panels on the elevations and pitched roof. There are 3 overhead doors for vehicle entry and a pedestrian door. The building has 2,400 square feet and is located upon a corner site with 40,510 SF which is totally fenced. Based on my observations and public records the general building components and their condition were summarized as follows:

STRUCTURAL FEATURES:

Footings & Foundation: Footings were not observed; foundation appears to be poured concrete.

Superstructure: Building is of wood frame construction with metal panels on the exterior elevations and a pitched roof.

Floors: Is poured concrete, specific thickness and load-bearing capacity is unknown; mezzanine floor is plywood over wood joists.

Roof: Roof is a pitched design and was covered with metal panels. It is drained by a gutter and downspout system.

Walls: Exterior walls are metal panels.

Windows & Doors: Entry into the building is a direct entry through a metal pedestrian door in an aluminum frame. There were no windows in the building. There were 3 overhead drive-in doors of insulated metal construction, which were about 14' x 14' and electrically operated.

MECHANICAL FEATURES:

Electrical Systems: Electric service was 110/220 volt service with a 150 amp main breaker; protected by circuit breakers.

Lighting: The office portion of the building had fluorescent fixtures, the shop area had LED fixtures.

Heating & Air Conditioning: There was a gas fired space heater with thru-wall air-conditioning for the office area.

Fire Protection System: None observed

Security System: None observed

DESCRIPTION AND ANALYSIS OF IMPROVEMENTS (CONTINUED)

INTERIOR:

Restrooms: There was a restroom equipped with a residential stool, plastic mop sink. No specific investigation of whether or not these facilities meet requirements of the Americans with Disabilities Act was conducted (see disclaimer in Assumptions at the conclusion of this report).

Interior Finish: The office portion of the building has a plywood floor but no real finish

Site Improvements: The parking/drive areas are covered with crushed rock, the balance of the site has turf grass. This site has a chain link fence surrounding it.

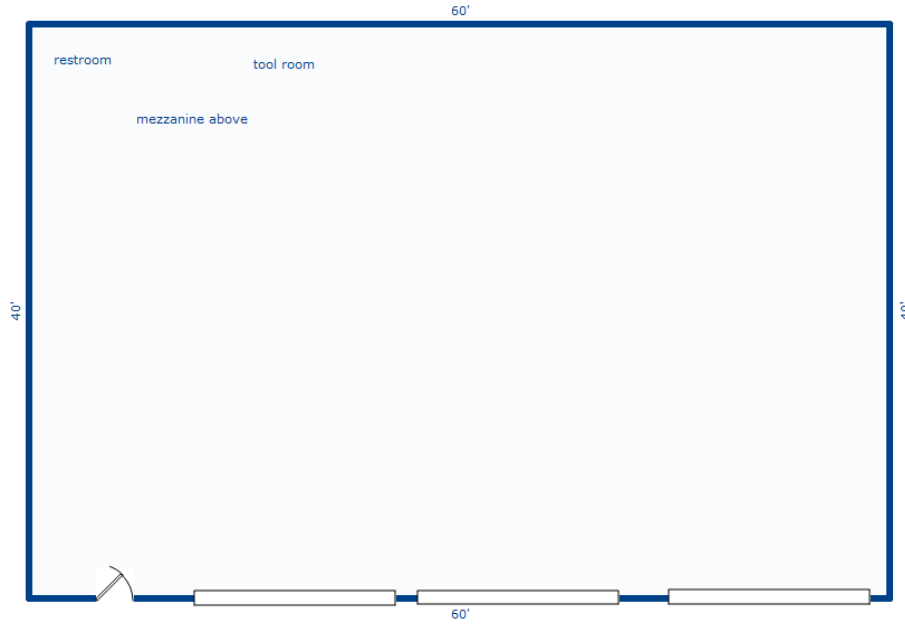
CONDITION/DEPRECIATION:

Subject was reported to have been constructed in 1970. Therefore, it has a chronological age of 52 years. The subject was considered in average condition. Therefore, it is estimated to have effective age of 30 years. Per Marshall Valuation, buildings similar to subject would have an economic life of 40 years. Based on these factors, subject is estimated to have non-curable depreciation of 50% (20-year effective age ÷ 40-year economic life).

Functional Obsolescence: The subject's layout and floor plan is typical for this type of structure in this area.

External Obsolescence: No external obsolescence was observed (in market area description), as there appears adequate demand for these type properties.

Building Sketch



INTERIOR PHOTOS



Shop area



Tool room with mezzanine above



Restroom



Office on mezzanine

HIGHEST AND BEST USE

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

Highest and best use of a specific property is not determined through subjective analysis by the appraiser; rather, shaped by the competitive forces in the market where property is located. Therefore, the analysis and interpretation of highest and best use is an economic study of market forces focused on the subject. The benefit of real estate development produces for a community or amenity contribution provided by a planned project (i.e., public space in a park-like area) is not considered in the appraiser's analysis of highest and best use. Also implied is that the determination of highest and best use results from the appraiser's judgment and analytical skills, i.e., that the use determined from analysis represents an interpretation or opinion not a fact to be found. In appraisal practice, the concept of highest and best use represents the premises upon which value is based. In the context of most probable selling price (market value) another appropriate term to reflect highest and best use would be most probable use. In the context of investment value, an alternate term would be most profitable use.

In order for a particular use or a piece of real property to be the highest and best use of that real property, several requirements must be met:

1. The use must be legally permissible or reasonably possible.
2. The use must be physically possible on the site.
3. The use must be economically and financially feasible under projected market conditions existing.
4. The use must be the most profitable of the legally permissible, physically possible, and economically feasible alternatives.

In estimating its market value, real property is appraised in terms of its highest and best use. Highest and best use analysis is analogous to a feasibility study, in that it is progressive. Legally permissible or physically possible uses are first considered. After analyzing one, the other is fully considered.

Regarding possible uses, there are five basic categories, which are:

1. Residential,
2. Commercial,
3. Industrial,
4. Agricultural, and
5. Special or public use.

After permissible and possible are concluded, economically feasible uses are next identified; that is, those that would pay competitive return on investment in improvements as well as land. Of these, the "maximally productive" or most profitable is highest and best use also referred to as the "ideal" use.¹

In estimating highest and best use of property, the site is first analyzed as though vacant, unimproved and available for development to its most profitable, likely, legal use. When improvements are present, it is necessary to estimate the highest and best use of the site as improved. In both cases, the property is analyzed from the viewpoint of possible, permissible and feasible uses.

¹ Appraisal of Real Estate, 13th Edition, Chicago

HIGHEST AND BEST USE (CONTINUED)

SITE 'AS IF' VACANT

Referring to highest and best use 'as if' vacant, first test is physical adaptability of land. Potential uses include are generally commercial in nature. Agricultural uses are not physically possible due to site size in relation to large acreage needs of modern farm operations. The 40,510 SF site appears entirely usable and could accommodate most uses, obviously limited by its size. No adverse physical or economic conditions were observed.

Second test is legal permissibility of use. Site is zoned C-2 (Commercial District). Legal uses are slightly limiting, as the zoning is designed intended to accommodate office, retail and related activities uses. (see zoning regulations in Addenda).

Third test is the financial feasibility, calling for a use generating highest return on and of investment. The site is located along State Orchard Road, a lightly traveled street and Greenview Road a moderately traveled road. Office and retail users would not find the site attractive due to the minimal traffic and surrounding residential properties. Civic users are often not-for-profit entities that operate on limited budgets. As a result, civic users would likely not be willing to pay as much as a commercial or industrial user for a site with the subject characteristics.

Based on site size, zoning, economic and physical characteristics, it is my judgment that the highest and best use, as if vacant, would be for industrial use within the scope of the present zoning.

"AS IMPROVED"

The four tests of highest and best use, (legal permissibility, physical possibility, financial feasibility and maximum productivity) can be applied to the property "as improved" to determine the use that will maximize the subject property's value. The use maximizing the highest value is the highest and best use of the property "as improved."

The four basic courses of action that can be applied to a property are:

- To demolish improvements and redevelop the site for a new use; or
- To modify improvements (e.g. renovate, modernize, or convert), or
- To cure items of deferred maintenance and retain the improvements; or
- To maintain the improvements "as is"

I analyzed the four courses of action for the subject mixed-use building, in keeping with the four main tests of highest and best use, with my analysis described in the following paragraphs:

Demolish & Redevelop: The existing improvements contribute to site value (concluded in large part by competing properties), and it would not be financially feasible to demolish them in order to redevelop the land for some alternate use. Therefore, this option is eliminated on grounds of financial feasibility.

HIGHEST AND BEST USE (CONTINUED)

“AS IMPROVED” (CONTINUED)

Modify Improvements: I was unable to identify modifications or conversions of existing improvements that would increase property value by an amount greater than anticipated cost of modifications or conversions. Therefore, the option to modify improvements is eliminated on grounds it would not maximize property value.

Cure Deferred Maintenance or Maintain Improvements: Subject is considered in average condition, with some minor deferred maintenance observed. The cost to cure this deficiency is not considered to increase the value beyond the costs of those improvements. Therefore, the option to cure deferred maintenance is ruled out.

The only remaining course of action meeting tests of legal permissibility, physical possibility, financial feasibility, and maximum productivity is to continue current use of the subject as a maintenance building.

EXPOSURE TIME

In order to sell property, it must be exposed to the open market. The following discussion is provided to illustrate current market conditions and estimate exposure time needed to market subject.

Exposure time may be defined as estimated length of time a property interest being appraised would have been offered on the open market prior to a hypothetical consummation of sale at market value on effective date of the appraisal; a retrospective estimate based on analysis of past events assuming a competitive, open market.

The concept of reasonable exposure time encompasses not only adequate, sufficient, reasonable time, but also adequate, sufficient, reasonable effort and considers type property being appraised, supply/ demand conditions, as of effective date of appraisal and analysis of historical sales information (sold after exposure and completion of negotiations between buyer/seller). Therefore, reasonable exposure time is a function of price and use, not an isolated estimate of time. Reasonable exposure is always presumed to precede effective date of appraisal and differs for various types of real estate under various market conditions. Therefore, my estimate of 12-18 months exposure time is based on subject's determined highest and best use in a highly competitive retail market evidencing some demand (albeit limited) for the type of space offered, its highly desirable location, but also factoring the slowdown in the real estate market over the past couple years caused by recessionary conditions.

HIGHEST AND BEST USE (CONTINUED)

MARKETING TIME

Marketing time for the purpose of this report, is defined as an estimated amount of time it might take to sell a property interest in real estate at estimated market value during the period immediately after the effective date of the appraisal.”

As with reasonable exposure time, estimated marketing time is not intended as a prediction of a date of sale or a one-line statement. The concept of marketing time encompasses other market conditions that may affect marketing, e.g., identification of typical buyers/sellers for type of real estate involved, typical equity investment levels, and/or financing terms. Therefore, reasonable marketing time is a function of price, use, and anticipated market conditions such as changes in cost/availability of funds, not an isolated estimate of time. Marketing time occurs after effective date of market value estimate and considers such brokerage functions as advertising, arranging financing and marketing property to specific investors. Estimates of both reasonable exposure and marketing times are not predictions, rather only judgments made by an appraiser.

Properties similar to the subject would appeal primarily to owners due to the single tenant design of the subject. A market search done as part of this appraisal provided limited data and, as a result, accurately estimating exact time needed to market the property was subjective, but area brokers reported recent marketing times for most reasonably priced commercial properties in metro area ranging from 1-24 months. The real estate market slowed in late 2007 due to recessionary conditions, and this slowdown was magnified by the destabilization of the financial markets in October 2008. Loans are still available for qualified borrowers, but typically at lower loan-to-value ratios, mitigating lender risk. Present rates (as of effective date of this report) range from 4.5% to 6% with terms of 3-30 years and amortizations of 15-30 years. Therefore, I concluded if subject were listed for sale in the current market at/near appraised value, reasonable marketing time is anticipated within 12 months, assuming the offering is placed with a competent broker active in the area and experienced with this property type. Real estate brokerage commissions in the area for this property type typically are near 4%-7% of gross sale price. Market also reacts more quickly to properties with attractive price/ value ratios, tending to neglect those perceived as unrealistically priced. Skill of those marketing property can also influence exposure time needed to consummate a sale, as well as the overall economic environment in which property exists. Therefore, the abovementioned marketing time is considered reasonably well supported, but is not guaranteed.

COST APPROACH

The purpose of the Cost Approach is to estimate a Market Value for the subject property based upon the cost to construct a new property that enjoys the same utility as the subject property. This approach is based upon the principle of substitution, as it is assumed that a knowledgeable purchaser would not pay more for a property than the cost to build a new one. The improvements are literally constructed “on paper” and then any accrued depreciation is subtracted from this value. This depreciated value estimate is then added to the Market Value off the subject site in its highest and best use to arrive at an estimate of value for the property as a whole. More specifically, the steps of the Cost Approach are as follows:

1. Estimate the value of the site in its highest and best use as if vacant.
2. Estimate the replacement cost new of all of the improvements.
3. Estimate accrued depreciation from all sources.
4. Deduct accrued depreciation from the cost new.
5. Add the estimated value of the site to arrive at a value for the entire property by the Cost Approach.

Due to the older age of the original building, the reliability of this approach is diminished, so it was not developed in this report.

DIRECT SALES COMPARISON APPROACH

The Direct Sales Comparison Approach (also known as the Market Data Approach) is the process in which a market value estimate is derived by analyzing the market for similar properties and comparing these properties to the subject property. This approach is premised upon the principle of substitution which suggests that a prudent person will not pay more to purchase a property than it will cost him or her to purchase an equally desirable substitute property. Another basic premise of the Direct Sales Comparison Approach is that the market value of a property is directly related to the prices of comparable, competitive properties.¹

The comparative analysis performed in this approach focuses on similarities and differences among properties and transactions observed in the market which affect value. These similarities and differences then serve as points of comparison between the market data and the subject property. Typically, the major points of comparison are:


- Property Rights Conveyed
- Financing Terms
- Condition of Sale
- Time
- Physical Characteristics
- Economic Characteristics

A sale of a property that is an exact duplicate of the subject property would be an important and ideal indication of value. In reality, no two properties are exactly alike. As a result, an adjustment process is used when analyzing the major points of comparison.

The known sales with the greatest degree of comparability used in this analysis are adjusted for the difference between the comparable and the subject property. Adjustments are always made FROM the comparable TO the subject property. For example, if the comparable property sold two years ago and market analysis suggests that prices have increased 5%, then the sale price of the comparable would be increased by 5% to give the indication of value for the subject. Conversely, if the comparable property was in a superior location as compared to the subject and this difference was estimated at 5%, a negative adjustment of 5% would be applied to the sale price of the comparable to give the indication of value for the subject. The adjustments for different physical and economic characteristics are handled in the same manner. Adjustments may be by percentages or by dollar amounts or both.

Following are descriptions of known commercial or mixed use properties which sold in recent years in the Council Bluffs/Omaha metropolitan area. After the sales, I have shown location maps, adjustment grids, explanation and my final conclusions of the subject property market value from this approach.

¹ Appraisal of Real Estate, 13th Edition, Chicago

| | | |
|---|-----------------------|--|
| 821 S 27th St Council Bluffs, IA 51501 Class C Manufacturing Building of 3,100 SF Sold on 11/9/2021 for \$225,000 - Public Record | |  |
| buyer | | |
| A Vital Corp 23319 Hunt Ave Council Bluffs, IA 51503 | | |
| seller | | |
| Boetel Charles B | | |
| vital data | | |
| Escrow/Contract: | - | Sale Price: \$225,000 |
| Sale Date: | 11/9/2021 | Status: - |
| Days on Market: | - | Building SF: 3,100 SF |
| Exchange: | No | Price/SF: \$72.58 |
| Conditions: | - | Pro Forma Cap Rate: - |
| Land Area SF: | 10,890 | Actual Cap Rate: - |
| Acres: | 0.25 | Down Pmnt: - |
| \$/SF Land Gross: | \$20.66 | Pct Down: - |
| Year Built, Age: | 1972 Age: 49 | Doc No: 000000018837 |
| Parking Spaces: | 2 | Trans Tax: - |
| Parking Ratio: | - | Corner: No |
| FAR | 0.28 | Zoning: - |
| Lot Dimensions: | - | Percent Improved: 84.9% |
| Frontage: | - | Submarket: Downtown Council Bluffs I |
| Tenancy: | Single | Map Page: - |
| Comp ID: | 5782756 | Parcel No: 7544-34-402-001 |
| | | Property Type: Industrial |
| income expense data | | Listing Broker |
| Expenses | - Taxes | |
| | \$5,368 | |
| | - Operating Expenses | |
| | _____ | |
| | Total Expenses | |
| | \$5,368 | |
| | | Buyer Broker |
| financing | | |



| | | |
|---|-----------------------|--|
| 717 Veterans Memorial Hwy Council Bluffs, IA 51501 Class C Service Building of 3,456 SF Sold on 5/27/2021 for \$450,000 - Public Record | |  |
| buyer | | |
| Georgi Ivanov 717 Veterans Memorial Hwy Council Bluffs, IA 51501 | | |
| seller | | |
| Harter Chris & Mildred D | | |
| vital data | | |
| Escrow/Contract: | - | Sale Price: \$450,000 |
| Sale Date: | 5/27/2021 | Status: - |
| Days on Market: | - | Building SF: 3,456 SF |
| Exchange: | No | Price/SF: \$130.21 |
| Conditions: | - | Pro Forma Cap Rate: - |
| Land Area SF: | 148,104 | Actual Cap Rate: - |
| Acres: | 3.4 | Down Pmnt: - |
| \$/SF Land Gross: | \$3.04 | Pct Down: - |
| Year Built, Age: | 1981 Age: 40 | Doc No: 00000009277 |
| Parking Spaces: | - | Trans Tax: - |
| Parking Ratio: | 0/1000 SF | Corner: No |
| FAR | 0.02 | Zoning: Industrial |
| Lot Dimensions: | - | Percent Improved: 18.4% |
| Frontage: | - | Submarket: Council Bluffs Ind |
| Tenancy: | Single | Map Page: - |
| Comp ID: | 5576734 | Parcel No: 7444-12-353-006 |
| | | Property Type: Industrial |
| income expense data | | Listing Broker |
| Expenses | - Taxes | |
| | \$14,241 | |
| | - Operating Expenses | |
| | \$14,241 | |
| | Total Expenses | |
| | \$14,241 | |
| | | Buyer Broker |
| financing | | |



Comparable #3



Property Identification

Sale ID 4258
Address 1005 South 17th Street
Council Bluffs, Iowa
Market Council Bluffs

Property Type Industrial :: Light Industrial
Legal Description Lots 1-2 and the west 20' of Lot 3
including the north 1/2 of the vacated
adjacent alley, Block 11, Fleming &
Davis

Property Characteristics

Gross Building Area 2,400 SF
Gross Leasable Area 2,400 SF
Finish - Above Grade 416 SF
Eave Height 14.00'
Construction Average Quality, Class S
Built/Remodeled 1998/
Condition Average

Gross Site Size 10,880 SF
Usable Site Size 10,880 SF
Zoning I-2
Features Fenced, Mezzanine
Fire Sprinkler

Transaction

Sale Date July 17, 2019
Contract Price \$192,500
Contract \$80.21
Price/SF GBA
Contract \$80.21
Price/SF GLA
Adjusted Price \$192,500
Adjusted \$80.21
Price/SF GBA
Adjusted \$80.21
Price/SF GLA

Conditions of Sale Normal
Property Rights Fee Simple
Grantor All Pro Towing, LLC
Grantee Perfect Diamond Lawns, LLC
Recorded Warranty Deed 2019-09108
Source Broker

The property previously sold February 2017, for \$160,000. The 2019 sale represents appreciation near 8% per year.

Comparable #4



Property Identification

Sale ID 4269
Address 919 South 15th Street
Council Bluffs, Iowa
Market Council Bluffs

Property Type Industrial :: Light Industrial
Legal Description Lots 15 and 16, Block 8, Fleming &
Davis Subdivision and part of the
vacated alley

Property Characteristics

Gross Building Area 2,592 SF
Gross Leasable Area 2,592 SF
Finish - Above Grade 348 SF
Eave Height 12.00'
Construction Average Quality, Class D
Built/Remodeled 2006/
Condition Average

Gross Site Size 8,160 SF
Usable Site Size 8,160 SF
Zoning I-2
Features Fenced, Mezzanine
Fire Sprinkler

Transaction

Sale Date October 05, 2018
Contract Price \$160,000
Contract \$61.73
Price/SF GBA
Contract \$61.73
Price/SF GLA
Adjusted Price \$160,000
Adjusted \$61.73
Price/SF GBA
Adjusted \$61.73
Price/SF GLA

Conditions of Sale Normal
Property Rights Fee Simple
Grantor Fouts Investments, LLC
Grantee L & T Properties, LLC
Recorded Warranty Deed 2018-13139
Source Public Records, Broker

Comparable #5



Property Identification

Sale ID 4326
Address 712 South 15th Street
Council Bluffs, Iowa
Market Council Bluffs

Property Type Industrial :: Light Industrial
Legal Description South 1/2 of Lost 5 and 6, Block 32,
Everetts Addition

Property Characteristics

Gross Building Area 2,000 SF
Gross Leasable Area 2,000 SF
Finish - Above Grade 444 SF
Eave Height 16.00'
Construction Average Quality, Class D
Built/Remodeled 2006/
Condition Average

Gross Site Size 8,160 SF
Usable Site Size 8,160 SF
Zoning I-1
Features Fenced
Fire Sprinkler

Transaction

Sale Date February 11, 2020
Contract Price \$170,000
Contract \$85.00
Price/SF GBA
Contract \$85.00
Price/SF GLA
Adjusted Price \$170,000
Adjusted \$85.00
Price/SF GBA
Adjusted \$85.00
Price/SF GLA

Conditions of Sale Normal
Property Rights Fee Simple
Grantor ZaCar Corp
Grantee T & G Carper, LLC
Recorded Warranty Deed 2020/01996
Source Public Records, CoStar

This sale represents appreciation of 1.15% per year from previous sale in 2014.

Comparable #6



Property Identification

Sale ID 4328
Address 1516 Avenue C
Council Bluffs, Iowa
Market Council Bluffs

Property Type Industrial :: Light Industrial
Legal Description Lots 1, 2, and part of Lot 3, Block 3,
Beers Subdivision

Property Characteristics

Gross Building Area 2,400 SF
Gross Leasable Area 2,400 SF
Finish - Above Grade 316 SF
Eave Height 12.00'
Construction Average Quality, Class S
Built/Remodeled 1981/
Condition Average

Gross Site Size 14,705 SF
Usable Site Size 14,705 SF
Zoning C-2
Features Fenced
Fire Sprinkler

Transaction

Sale Date January 03, 2019
Contract Price \$210,000
Contract \$87.50
Price/SF GBA
Contract \$87.50
Price/SF GLA
Adjusted Price \$210,000
Adjusted \$87.50
Price/SF GBA
Adjusted \$87.50
Price/SF GLA

Conditions of Sale Normal
Property Rights Fee Simple
Grantor Cooks Towing & Repair, Inc
Grantee DHI, LLC
Recorded Warranty Deed 2019-00195
Source Public Records

Comparable #7



Property Identification

Sale ID 4329
Address 1324 9th Avenue
Council Bluffs, Iowa
Market Council Bluffs

Property Type Industrial :: Light Industrial
Legal Description Lots 6-7, Part of Lot 8, Block 26,
Riddles Subdivision

Property Characteristics

Gross Building Area 3,520 SF
Gross Leasable Area 3,520 SF
Finish - Above Grade 720 SF
Eave Height 10.00'
Construction Average Quality, Class C
Built/Remodeled 1988/
Condition Average

Gross Site Size 12,194 SF
Usable Site Size 12,194 SF
Zoning I-1
Features Fenced
Fire Sprinkler

Transaction

Sale Date September 13, 2018
Contract Price \$215,000
Contract \$61.08
Price/SF GBA
Contract \$61.08
Price/SF GLA
Adjusted Price \$215,000
Adjusted \$61.08
Price/SF GBA
Adjusted \$61.08
Price/SF GLA

Conditions of Sale Normal
Property Rights Fee Simple
Grantor L & T Properties, LLC
Grantee Michael John Kilnoski
Recorded Warranty Deed 2018-12027
Source Public Records

Comparable #8



Property Identification

Sale ID 4811
Address 2414 9th Avenue
Council Bluffs, Iowa
Market Council Bluffs

Property Type Industrial :: Light Industrial
Legal Description Part of Lots 3-5, Block 1 and part of
Lot 9, Block 17, Ninth Avenue
Addition

Property Characteristics

Gross Building Area 5,400 SF
Gross Leasable Area 5,400 SF
Finish - Above Grade 1,196 SF
Eave Height 12.00'
Construction Good Quality, Class S
Built/Remodeled 2010/
Condition Good

Gross Site Size 13,890 SF
Usable Site Size 13,890 SF
Zoning I-1
Features
Fire Sprinkler

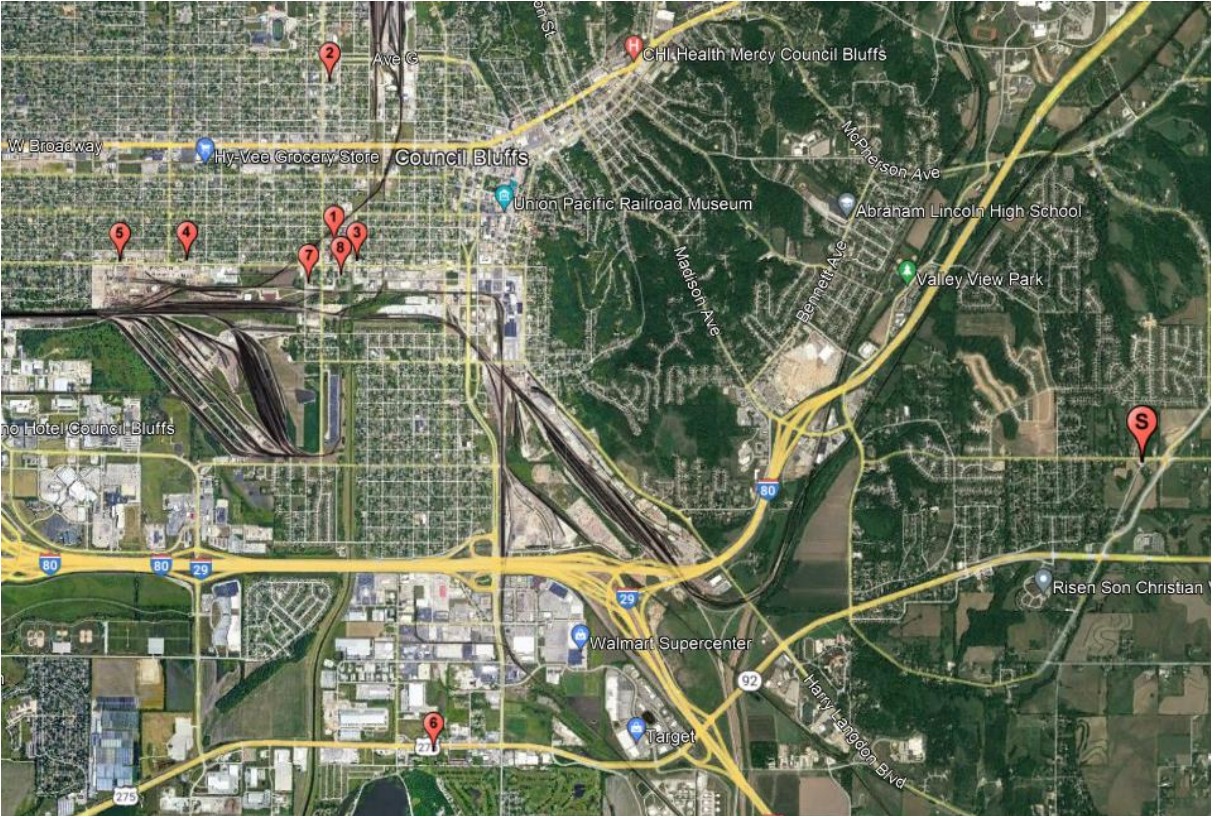
Transaction

Sale Date September 23, 2020
Contract Price \$390,000
Contract \$72.22
Price/SF GBA
Contract \$72.22
Price/SF GLA
Adjusted Price \$390,000
Adjusted \$72.22
Price/SF GBA
Adjusted \$72.22
Price/SF GLA

Conditions of Sale Normal
Property Rights Fee Simple
Grantor Jo Ter Ran Investments, LLC
Grantee Ht 9th Ave, LLC
Recorded Warranty Deed 2020-13944
Source Public Records, Broker

Broker noted there was a lot of interest in the property. Sale represents annual appreciation near 5.90% from its 2011 sale.

Sales Map



DIRECT SALES COMPARISON APPROACH (CONTINUED)

Comparable Sales Grid

| | SUBJECT PROPERTY 15484 State Orchard Rd Council Bluffs, Iowa | SALE #1: 821 So 27th Street Council Bluffs, Iowa | | SALE #2: 717 Veterans Mem Hy Council Bluffs, Iowa | | SALE #3: 1005 So 17th Street Council Bluffs, Iowa | | SALE #4: 919 So 15th Street Council Bluffs, Iowa | |
|--|---|--|-----------|---|-----------|---|-----------|--|-----------|
| | | ADJUSTED | ADJUSTED | ADJUSTED | ADJUSTED | ADJUSTED | ADJUSTED | | |
| SALE PRICE | N/A | \$225,000 | | \$450,000 | | \$192,500 | | \$160,000 | |
| SALE PRICE/SF | N/A | \$72.58 | | \$130.21 | | \$80.21 | | \$61.73 | |
| GIM/OCR | NA/NA | NA/NA | | NA/NA | | NA/NA | | NA/NA | |
| MARKET ADJUSTMENTS | | | | | | | | | |
| PROPERTY RIGHTS CONVEYED | Fee Simple | Similar | 0% | Similar | 0% | Similar | 0% | Similar | 0% |
| | | | \$225,000 | | \$450,000 | | \$192,500 | | \$160,000 |
| FINANCING | N/A | Cash | 0% | Cash | 0% | Cash | 0% | Cash | 0% |
| | | | \$225,000 | | \$450,000 | | \$192,500 | | \$160,000 |
| CONDITION OF SALE | N/A | Normal | 0% | Normal | 0% | Normal | 0% | Normal | 0% |
| | | | \$225,000 | | \$450,000 | | \$192,500 | | \$160,000 |
| DATE OF SALE | May-22 (Inspection) | Nov-21 | 2% | May-21 | 3% | Jul-19 | 7% | Oct-18 | 11% |
| | | | \$229,500 | | \$463,500 | | \$205,975 | | \$177,600 |
| PHYSICAL ADJUSTMENTS (LUMP SUM) | | | | | | | | | |
| BUILDING SIZE/SF | 2,400 | 3,100 | 0% | 3,456 | 0% | 2,400 | 0% | 2,592 | 0% |
| LOCATION/SITE | Co Bluffs | Co Bluffs | -5% | Co Bluffs | -5% | Co Bluffs | -5% | Co Bluffs | -5% |
| QUALITY OF CONSTRUCTION | Average/Cls D | Avg/Cls C | -5% | Avg/Cls S | 0% | Avg/Cls S | 0% | Avg/Cls S | 0% |
| INTERIOR FINISH | Minimal | 5% | 0% | 3% | 0% | 17% | -5% | 13% | -3% |
| AGE/CONDITION | 52/Average | 49/Avg | -1% | 40/AvFr | -5% | 21/Avg | -15% | 12/Avg | -20% |
| SITE TO BUILDING RATIO | 16.88:/1 | 3.51:1 | 6% | 42.85:1 | -13% | 4.5:1 | 6% | 3.14:1 | 6% |
| AMENITIES | Fenced | None | 5% | None | 5% | Fenced | 0% | Fenced | 0% |
| NET PERCENTAGE LUMP SUM ADJUSTMENTS | | | 0% | | -18% | | -19% | | -22% |
| FINAL ADJUSTED PRICE | | | \$229,500 | | \$380,070 | | \$166,840 | | \$138,528 |
| FINAL ADJUSTED PRICE/SF | | | \$74.03 | | \$109.97 | | \$69.52 | | \$53.44 |
| TOTAL NET ADJUSTMENTS | | | 2% | | -15% | | -12% | | -11% |
| TOTAL GROSS ADJUSTMENTS | | | 18% | | 18% | | 32% | | 39% |

DIRECT SALES COMPARISON APPROACH (CONTINUED)

Comparable Sales Grid

| | SUBJECT PROPERTY 15484 State Orchard Rd Council Bluffs, Iowa | SALE #5: | SALE #6: | SALE #7: | SALE #8: |
|--|---|---|---------------------------------------|---|---|
| | | 712 So 15t Street Council Bluffs, Iowa | 1516 Avenue C Council Bluffs, Iowa | 1324 9th Avenue Council Bluffs, Iowa | 2414 9th Avenue Council Bluffs, Iowa |
| | | ADJUSTED | ADJUSTED | ADJUSTED | ADJUSTED |
| SALE PRICE | N/A | \$170,000 | \$210,000 | \$215,000 | \$390,000 |
| SALE PRICE/SF | N/A | \$85.00 | \$87.50 | \$61.08 | \$72.22 |
| GIM/OCR | NA/NA | NA/NA | NA/NA | NA/NA | NA/NA |
| MARKET ADJUSTMENTS | | | | | |
| PROPERTY RIGHTS CONVEYED | Fee Simple | Similar 0% | Similar 0% | Similar 0% | Similar 0% |
| | | \$170,000 | \$210,000 | \$215,000 | \$390,000 |
| FINANCING | N/A | Cash 0% | Cash 0% | Cash 0% | Cash 0% |
| | | \$170,000 | \$210,000 | \$215,000 | \$390,000 |
| CONDITION OF SALE | N/A | Normal 0% | Normal 0% | Normal 0% | Normal 0% |
| | | \$170,000 | \$210,000 | \$215,000 | \$390,000 |
| DATE OF SALE | May-22 (Inspection) | Feb-20 6% | Jan-19 9% | Sep-18 11% | Sep-20 5% |
| | | \$180,200 | \$228,900 | \$238,650 | \$409,500 |
| PHYSICAL ADJUSTMENTS (LUMP SUM) | | | | | |
| BUILDING SIZE/SF | 2,400 | 2,000 0% | 2,400 0% | 3,520 0% | 5,400 0% |
| LOCATION/SITE | Co Bluffs | Co Bluffs -5% | Co Bluffs -5% | Co Bluffs -5% | Co Bluffs -5% |
| QUALITY OF CONSTRUCTION | Average/Cls D | Avg/Cls D 0% | Avg/Cls S 0% | Avg/Cls C -5% | Gd/Cls S 0% |
| INTERIOR FINISH | Minimal | 22% -8% | 13% -3% | 20% -7% | 22% -8% |
| AGE/CONDITION | 52/Average | 14/Avg -19% | 38/Avg -7% | 30/Avg -11% | 10/Gd -25% |
| SITE TO BUILDING RATIO | 16.88:/1 | 4.08:1 6% | 6.13:1 5% | 3.46:1 6% | 2.57:1 6% |
| AMENITIES | Fenced | Fenced 0% | Fenced 0% | Fenced 0% | None 5% |
| NET PERCENTAGE LUMP SUM ADJUSTMENTS | | -26% | -10% | -22% | -27% |
| FINAL ADJUSTED PRICE | | \$133,348 | \$206,010 | \$186,147 | \$298,935 |
| FINAL ADJUSTED PRICE/SF | | \$66.67 | \$85.84 | \$52.88 | \$55.36 |
| TOTAL NET ADJUSTMENTS | | -20% | -1% | -11% | -22% |
| TOTAL GROSS ADJUSTMENTS | | 38% | 24% | 39% | 48% |

DIRECT SALES COMPARISON APPROACH (CONTINUED)

ADJUSTMENT RATIONALE

The preceding represents the only known sales of industrial properties considered of similar condition, design, use, and/or location in Council Bluffs or competing areas of the metro. All these properties were considered to be similar to the subject, but did require some adjusting to make them equal to subject. Sale prices were reduced to the common denominator of price per square foot of GBA, as this is a normal unit of measurement in market buying and selling decisions.

Market Condition Adjustments

Adjustments were not required for property rights conveyed, financing, or condition of sale, as all were considered normal for the market.

All the sales were considered for adjustment due to date of sale. I observed a general increase in property values in the metro area over the past few years, typically ranging from 3% to 4% annually until late 2007 when recessionary conditions began. The market slowdown was magnified following destabilization of the financial markets in October 2008, demonstrated by the lack of known sales occurring since that time. The market has been improving since 2010 and therefore, I applied an annual appreciation to these sales of 3% after that time.

Physical Condition Adjustments

The sales are typically adjusted for the relative improvement size difference with the subject building, due to dissimilar sizes and economies of scale. Adjustments were not considered necessary as all were similar in size to subject.

Adjustments were considered for overall construction quality. Adjustments were derived from Marshall Valuation Service estimated costs to bring properties equal to the subject and from the market reaction to these differences.

Adjustments for age of improvements were given as typically buyers are concerned about remaining economic life of property. A rounded 1/2% per year of difference with subject age was derived as an appropriate adjustment and applied accordingly. Additional adjustments for condition were applied separately, based on cost estimates to bring properties equal and accounts for the effective age of the improvements.

Adjustments for amenities were also considered as properties with additional features, such as fencing generally yield higher sale prices. Subject has a fenced outdoor storage area as did sales #3 through #7, so those were not adjusted, remaining sales had no amenities so positive adjustments were applied.

Adjustments for location were considered as all of these properties were located in areas with slightly more desirability than the subject so small negative adjustments were applied.

DIRECT SALES COMPARISON APPROACH (CONTINUED)

RECONCILIATION

Before adjusting, the sale prices ranged from \$61.08/SF in Sale #7 to \$130.21/SF in Sale #2. After the aforementioned adjustments were applied, the indicated values ranged from \$52.88/SF in Sale #7 to \$109.97/SF in Sale #2. Net percentage adjustments ranged from -22% to +2% while gross adjustments ranged from 18% to 48%.

Generally, sales with the smallest amount of adjustment are the best indicators of value. Sales #1 and #2 required the least adjusting, indicating values of \$74.03 & \$109.97/SF. Sale #1 is supported by 2 other sales indicating values of \$69.52/SF and \$66.67/SF, while sale #2 is not supported. Remaining sales indicated values of \$52.88/SF to \$85.84/SF; majority of the sales 7 out of 8 indicated values from \$52.88 to \$85.84/SF. Therefore, a value estimate for the subject within that range would have the broadest support.

The market search revealed no similar properties on the market currently:

Therefore, based on the foregoing data and analysis, I estimated 'as is' market value of the subject at \$80.00/SF, as of the effective date of this report with the total value developed as follows:

| | | | | | |
|------------------------|---|------------------------|---|--------------|-------------------|
| <u>Indicated Value</u> | x | <u>Gross Bldg Size</u> | = | <u>Total</u> | <u>Rounded to</u> |
| \$80.00/SF | x | 2,400 SF | = | \$192,000 | \$190,000 |

INCOME CAPITALIZATION APPROACH

From an investor's perspective, the earning power of a real estate investment is the critical element affecting its value. The fundamental investment premise is the higher the earnings the higher the value. Investment in an income-producing property represents the exchange of present dollars for the right to receive future dollars. In the Income Capitalization Approach to value, the appraiser analyzes a property's capacity to generate benefits and converts these benefits into an indication of present value.¹

The basic steps involved in this approach are:

1. Estimate potential gross income;
2. Estimate and deduct a vacancy and collection loss allowance;
3. Estimate and deduct expenses;
4. Estimate duration and pattern of income stream;
5. Select an applicable capitalization method and technique;
6. Develop the appropriate rate;
7. Complete the computations necessary to derive an economic value.

The primary reason for making gross income estimates is to identify probable net income benefits that may be derived from ownership interest of the income-producing property. In accepted appraisal practice, the usual basis for a gross income projection is economic rent. Economic (market) rent is defined as being the rental income that a property would most probably command in the open market; it is indicated by current rents paid and asked for comparable space as of the date of the appraisal.

Income Analysis

Subject property is presently owner occupied therefore, no rental information on the property is known.

Comparable properties found are summarized on the following pages. Operating expenses were estimated from actual historic operating statements from expenses for commercial properties I have observed in the metro area combined with national investor surveys.

¹ The Appraisal of Real Estate, 13th Edition, Chicago

Comparable #1



Property Identification

Lease ID 1012

Address 1310 South 17th Street
Council Bluffs, Iowa

Market Council Bluffs

Property Type Industrial :: Light Industrial

Legal Description Lots 1-8, Block 21 Fleming & Davis

Property Characteristics

Gross Building Area 14,000 SF

Finish - Above Grade 2,200 SF

Construction Average Quality, Class C

Built/Remodeled 2003/

Condition Average

Height 18.00'

Gross Site Size 60,984 SF

Usable Site Size 60,984 SF

Zoning I-2

Features

Transaction

Leased Area 14,000 SF

Lease Date February 28, 2018

Lease Term February 28, 2018 - January 31, 2023

Starting Base Rent \$5.20/SF

Rent Description Fixed for lease.

Starting Additional

Rent

Expense Terms Triple Net

Lessee

dba MP Nexlevel

Source Broker

Concession Amount N/A

Concessions

Description

Comparable #2



Property Identification

Lease ID 1398
Address 15 South 20th Street
Council Bluffs, Iowa
Market Council Bluffs

Property Type Commercial :: Vehicle-Related -
Service
Legal Description

Property Characteristics

Gross Building Area 9,120 SF
Finish - Above Grade N/A
Construction Average Quality, Class C
Built/Remodeled 1979/
Condition Fair
Height N/A

Gross Site Size 40,692 SF
Usable Site Size 40,692 SF
Zoning C-2
Features

Transaction

Leased Area 9,120 SF
Lease Date August 01, 2018
Lease Term September 01, 2018 - August 31,
2023
Starting Base Rent \$5.75/SF
Rent Description
**Starting Additional
Rent**
Expense Terms Triple Net

Lessee
dba Jake's Towing and Transport
Source CoStar
Concession Amount N/A
**Concessions
Description**

Comparable #3



Property Identification

Lease ID 1013
Address 3319 Nebraska Avenue
Council Bluffs, Iowa
Market Council Bluffs

Property Type Industrial :: Light Industrial
Legal Description

Property Characteristics

Gross Building Area 41,760 SF
Finish - Above Grade N/A
Construction Average Quality, Class C
Built/Remodeled 1969/
Condition Average
Height 13.00'

Gross Site Size 100,188 SF
Usable Site Size 100,188 SF
Zoning I-2
Features

Transaction

Leased Area 7,020 SF
Lease Date October 11, 2018
Lease Term October 11, 2018 - October 10, 2021
Starting Base Rent \$4.35/SF
Rent Description Fixed for term.
Starting Additional Rent
Expense Terms Triple Net

Lessee dba McDowell Roofing
Source Broker
Concession Amount N/A
Concessions Description

Comparable #4



Property Identification

Lease ID 1014
Address 2110 23rd Avenue
Council Bluffs, Iowa
Market Council Bluffs

Property Type Industrial :: Light Industrial
Legal Description Lots 8-12, Block 11, Railroad
Addition

Property Characteristics

Gross Building Area 5,000 SF
Finish - Above Grade N/A
Construction Average Quality, Class S
Built/Remodeled 2003/
Condition Average
Height N/A

Gross Site Size 25,245 SF
Usable Site Size 25,245 SF
Zoning I-2
Features

Transaction

Leased Area 2,700 SF
Lease Date October 19, 2018
Lease Term November 19, 2018 -
Starting Base Rent \$7.11/SF
Rent Description 7.78/SF in Year 2
8.22/SF in Year 3
**Starting Additional
Rent**
Expense Terms Gross

Lessee
dba Syndicate Diesel
Source Broker
Concession Amount N/A
**Concessions
Description** One month of free rent

Garage space with mezzanine office.

Comparable #5



Property Identification

Lease ID 1242

Address 1305 Lew Ross Road
Council Bluffs, Iowa

Market Council Bluffs

Property Type Industrial :: Light Industrial

Legal Description Lots 5 & 6, Block 2, First Foundation
Sub., Council Bluffs, Pottawattamie
County, IA

Property Characteristics

Gross Building Area 17,840 SF

Finish - Above Grade 6,244 SF

Construction Average Quality, Class D

Built/Remodeled 1996/

Condition Good

Height 14.00'

Gross Site Size 87,555 SF

Usable Site Size 87,555 SF

Zoning

Features

Transaction

Leased Area 8,000 SF

Lease Date April 22, 2019

Lease Term May 01, 2019 - April 30, 2022

Starting Base Rent \$6.95/SF

Rent Description

**Starting Additional
Rent**

Expense Terms Triple Net

Lessee

dba New Covenant Electronics

Source CoStar Confirmation

Concession Amount N/A

**Concessions
Description**

Comparable #6



Property Identification

Lease ID 1369
Address 1220 35th Avenue
Council Bluffs, Iowa
Market Council Bluffs

Property Type Industrial :: Light Industrial
Legal Description Lot 6, 2nd Foundation Subdivision
Phase II

Property Characteristics

Gross Building Area 14,000 SF
Finish - Above Grade N/A
Construction Good Quality, Class S
Built/Remodeled 2005/
Condition Good
Height 18.00'

Gross Site Size 43,995 SF
Usable Site Size 43,995 SF
Zoning I-2
Features

Transaction

Leased Area 3,700 SF
Lease Date June 30, 2019
Lease Term August 29, 2019 -
Starting Base Rent \$6.00/SF
Rent Description
**Starting Additional
Rent**
Expense Terms Triple Net

Lessee
dba Safariworks Decor
Source CoStar
Concession Amount N/A
**Concessions
Description**

Comparable #7



Property Identification

Lease ID 1368
Address 1220 35th Avenue
Council Bluffs, Iowa
Market Council Bluffs

Property Type Industrial :: Light Industrial
Legal Description Lot 6, 2nd Foundation Subdivision
Phase II

Property Characteristics

Gross Building Area 14,000 SF
Finish - Above Grade N/A
Construction Good Quality, Class S
Built/Remodeled 2005/
Condition Good
Height 18.00'

Gross Site Size 43,995 SF
Usable Site Size 43,995 SF
Zoning I-2
Features

Transaction

Leased Area 7,000 SF
Lease Date December 01, 2019
Lease Term December 01, 2019 -
Starting Base Rent \$5.25/SF
Rent Description
**Starting Additional
Rent**
Expense Terms Triple Net

Lessee
dba Caesar's Entertainment
Source CoStar
Concession Amount N/A
**Concessions
Description**

Comparable #8



Photograph from Pottawattamie County Assessor

Property Identification

Lease ID 1588

Address 1309 Avenue J
Council Bluffs, Iowa

Market 13th & Avenue J

Property Type Industrial :: Light Industrial

Legal Description Lots 1-3, Block 8, Potter-Cobbs First
Addition

Property Characteristics

Gross Building Area 4,160 SF

Finish - Above Grade 784 SF

Construction Average Quality, Class D

Built/Remodeled 1986/

Condition Average

Height 12.00'

Gross Site Size 15,730 SF

Usable Site Size 15,730 SF

Zoning I-2

Features

Transaction

Leased Area 4,160 SF

Lease Date October 31, 2021

Lease Term November 02, 2021 -

Starting Base Rent \$8.25/SF

Rent Description

**Starting Additional
Rent**

Expense Terms Triple Net

Lessee Brown Heavy Equipment

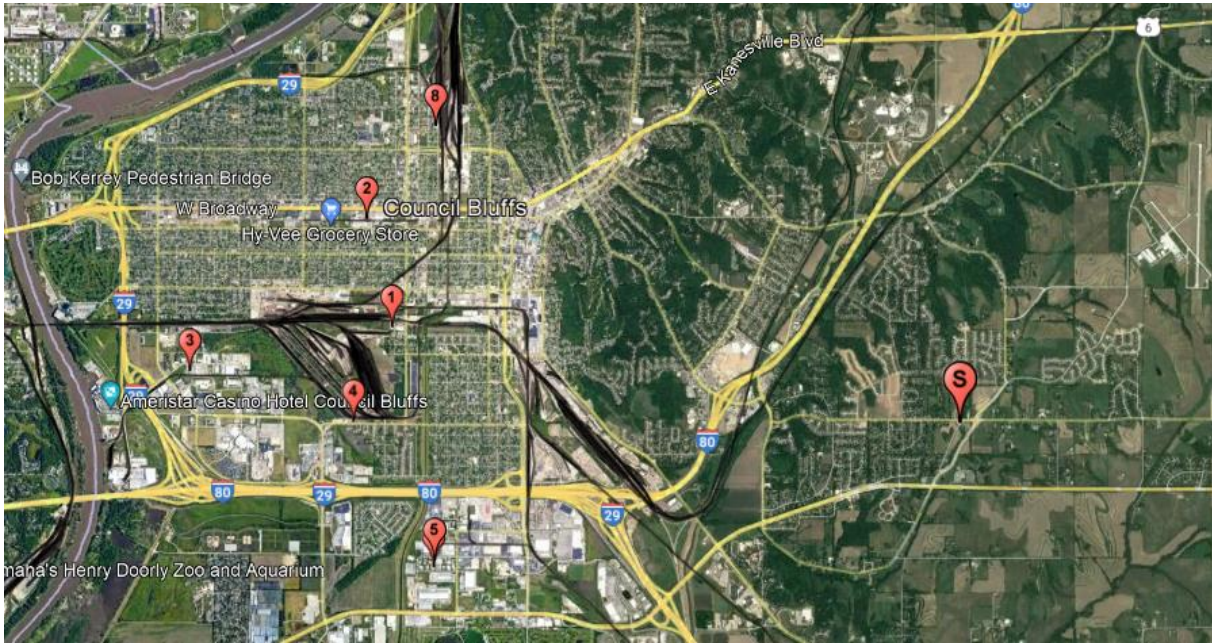
Source CoStar; Marketing Brochure

Concession Amount N/A

**Concessions
Description**

Net expenses were \$1.44/SF for taxes and insurance, and tenant to provide maintenance at own expense.

Comparable Rentals Map



INCOME CAPITALIZATION APPROACH (CONTINUED)

MARKET LEASE RATE ANALYSIS AND CONCLUSION

Comparables found reported rental rates of \$4.35/SF to \$10.50/SF, on triple net and gross terms. These comparables are considered to be similar to subject and would be competitive with it in the current market. As the subject was in average condition and it has fenced outdoor storage; it is my opinion the market rent for the subject would be reasonable at \$9.00/SF on triple net terms.

Miscellaneous Income: Some properties similar to subject in this area receive additional income from garage rentals, vending machines, forfeited deposits, etc. Subject does not appear to have any other potential sources of income.

Vacancy and Collection Losses

A vacancy and collection loss must be deducted from potential gross income to arrive at property effective gross income (EGI). A current 2022 survey conducted by Costar.com reports average vacancy of 48.85% for industrial properties in Council Bluffs.

The subject space is a single tenant design, so it would be either 100% occupied or 100% vacant at any one time. Based upon the subject properties location in an area with primarily residential properties nearby, it is my opinion a 10% vacancy rate would be reasonable for the property.

Actual rent, vacancy and EGI were then summarized as follows:

| | | |
|---------------------------------------|----------------------|------------------|
| Potential Commercial Rental Income | 2,400 SF x \$9.00/SF | \$21,600 |
| Less: 10% Vacancy and Collection Loss | | - <u>\$2,160</u> |
| Effective Gross Income | | \$19,440 |

Operating Expenses

Operating expenses that are the property owner's responsibility are deducted from projection of EGI to arrive at property's NOI. Such operating expenses include real estate taxes, insurance, maintenance, utilities and property management fees. To estimate appropriate allowance for operating expenses, I considered actual known data from market expenses of other properties observed. No information for the subject was provided. Estimates of operating expenses were then summarized as follows:

Real Estate Taxes: Property taxes for the subject were not posted so my estimate is based upon the assessed for the subject (\$267,300) and the current tax rate (\$24.145880) which equates to \$6,454. These appear reasonable based upon the sales comparison approach and other properties observed. So stabilized taxes will be estimated at \$6,500 annually with the owner paying these during vacant periods only.

INCOME CAPITALIZATION APPROACH (CONTINUED)

Operating Expenses (Continued)

Insurance: Property and hazard insurance for commercial buildings have been observed near \$0.10/SF to \$0.85/SF of gross building area for sprinklered buildings, and \$0.15/SF to \$0.55/SF for non-sprinklered buildings, and have been rising in recent years. Actual insurance costs for the subject were not disclosed. So, for purposes of this analysis, an estimate of \$0.40/SF is considered reasonable or a total cost of a rounded \$960 annually.

Management: Typical third party management fees for properties similar to the subject property range 4% to 7% of EGI. The actual management expenses for the subject are unknown. Management duties generally include supervision of property maintenance, bookkeeping, and management overhead. No unusual aspects of the management function are foreseen in conjunction with the subject property, so I estimate an expense of 3% of base rent as reasonable for the subject property.

Administrative & Professional Fees: A general administrative expense was considered appropriate to reflect typical owner accounting and legal fees. This expense category would include a small amount for owner's office overhead and typically ranges from 0.5% to 1.5% of EGI. The actual expenses are unknown as no operating statements were furnished. General administrative expense was estimated at 0.50% of base rent in this analysis.

Utilities: As no operating statements were provided my estimate of \$1.00/SF is based on observations of other commercial properties, with the owner paying during vacant periods only.

Repairs & Maintenance: This expense category reflects items such as repairs to mechanical systems, roof, painting and items of general upkeep such as pest control, cleaning, snow and trash removal. Actual costs were not provided; typical repair & maintenance expenses observed for other commercial properties have ranged from \$0.50/SF to over \$3.00/SF, depending in large part on a property's age and building size. As a result, with the building in average condition with minimal deferred maintenance, I estimate an expense of \$1.00/SF for the subject, rounded to \$2,400 annually.

Reserves for Replacement: Although not typically incurred as an annual cash outlay, a reserve for replacement expense is appropriate to reflect future replacement of short-lived items such as carpeting, mechanical systems (including water heaters and HVAC units), kitchen appliances, exterior paving, roofing, etc. RealtyRates.com investor survey for 1st Q 2022 indicated reserve requirements for industrial properties reported as \$0.26 to \$0.85 with an average of \$0.56/SF. By comparison, the PWC Investors Survey reports replacement reserves for national warehouse properties range from \$0.05/SF to \$0.35/SF, averaging \$0.14/SF in the 1st Q 2022. In my opinion, an appropriate replacement reserve for the subject property is a rounded \$0.20/SF.

Miscellaneous: A miscellaneous expense is typically included to account for such items as tenant-related social expenses, holiday decorations, security services, etc. Therefore, an expense of \$100 per year was considered appropriate.

INCOME CAPITALIZATION APPROACH (CONTINUED)

PROFORMA OPERATING STATEMENT (FEE SIMPLE)

PROFORMA OPERATING STATEMENT

| Rental Income | SQ FT | Rent/SF | Annual Income | |
|---------------------------------|--------|---------|----------------|-----------------|
| Estimated Market Rent | 2,400 | \$9.00 | \$21,600 | |
| Total Potential Gross Income | | | \$21,600 | |
| Vacancy & Collection Allowance: | | 10.0% | <u>\$2,160</u> | |
| Effective Rental Income | | | | \$19,440 |
| Other Income | | | | \$0 |
| Total Effective Gross Income: | | | | \$19,440 |
| Operating Expenses: | | | | <u>Amount</u> |
| Management Fee | 3.0% | \$583 | \$58 | |
| General & Administrative | 0.5% | \$97 | \$97 | |
| Real Estate Taxes | 33.44% | \$6,500 | \$650 | |
| Insurance | 4.94% | \$960 | \$96 | |
| Utilities | 0.00% | \$0 | \$0 | |
| Repairs & Maintenance | 12.35% | \$2,400 | \$240 | |
| Reserves for Replacement | 2.47% | \$480 | \$480 | |
| Miscellaneous | 0.51% | \$100 | \$100 | |
| Total Expenses | 8.86% | | | \$1,722 |
| Net Operating Income | | | | \$17,718 |

INCOME CAPITALIZATION APPROACH (CONTINUED)

CAPITALIZATION RATE SELECTION, APPLICATION AND ESTIMATE OF VALUE

Several methods of developing a capitalization rate can be used. The best of which is the Market Extraction Method, where the incomes of comparable properties that have recently sold are known. Sale transactions used in this report did not reveal cap rates however, other properties observed which would be considered competitive with subject indicated cap rates of 7.60% to 9.00%.

A national survey was examined for further support of overall capitalization rate. The PWC Real Estate Investor Survey for the 1st Qtr 2022 reports national capitalization rates for secondary industrial properties in a range of 5.25% to 9.00% with average of 7.13%. Capitalization rates in the local market area have typically been higher than national rates. Capitalization rates are typically higher for older and smaller properties.

In order to estimate current capitalization rates, a second method is used called the Band of Investment, Analysis, which is a yield capitalization procedure used in estimating an overall capitalization rate to be applied to the net operating income of a property. The band of investment formula addresses the yield requirements of both the lender's interest and the investor's interest considering current lending and investment rates. When the components used in the band of investment formula are market-derived, the value indication obtained is reflective of market value. RealtyRates.Com released their 1st Q 2022 Investor Survey reporting interest rates for industrial properties ranging from 2.86% to 7.41%, averaging 4.80%. The average spread from 10-Year Treasury notes was 3.24%. Loan-to-value ratios ranged from 50% to 80% (average 70%), average amortization period was 25 years with average term of 11.46 years and average debt coverage ratio of 1.46. Per PwC Investors Survey for 1st Q 2022, institutional grade discount or yield rates for national warehouse properties ranged from 7.00% to 10.00%, averaging 8.50%.

INCOME CAPITALIZATION APPROACH (CONTINUED)

CAPITALIZATION RATE SELECTION, APPLICATION AND ESTIMATE OF VALUE

Based on the preceding, the following components are then used in the band of investment analysis.

Mortgage Components:

| | |
|-------------------------|---|
| Loan/Value Ratio: | 70% |
| Loan Rate: | 5.0% selected |
| Amortization Period: | 25 years with balloon payment due at end of 10 th Year |
| Mortgage Constant (Rm): | .0709 |

Equity Components:

| | |
|-------------------------|------|
| Equity Ratio: | 30% |
| Equity yield rate (Ye): | 9.5% |

The calculation of the overall capitalization rate by the band of investment technique is as follows:

| <u>Band of Investment Technique</u> | | | | |
|---------------------------------------|---|--------------------------|---|-------------------------|
| <u>Loan Ratio</u> | x | <u>Mortgage Constant</u> | = | <u>Weighted Average</u> |
| .70 | x | .0709 | = | 0.049 |
| <u>Equity Ratio</u> | x | <u>Equity Yield Rate</u> | | |
| .30 | x | .095 | = | (+) <u>0.0285</u> |
| Total Weighted Average | | | | 0.0775 |
| Indicated Overall Capitalization Rate | | | | 7.75% |

This mechanical or calculated overall rate typically is below the market extracted rates as lending terms are still considered favorable for qualified applicants; so, it was given only secondary rounding weight in my overall or “going-in” capitalization rate selection for the subject property.

Therefore, based on subject characteristics with and the current demand for this property type in the local market, I selected a rounded 8.50% as the capitalization rate currently appropriate for the subject property in this market. To arrive at a value estimate for the subject property, the estimated annual net operating income must be divided by the overall capitalization rate. Therefore, I estimate the market value of the subject property, as of the effective date of this report, as follows.

| Fee Simple | | | | |
|----------------------|---|---------------------|-----------------|-----------|
| Net Operating Income | | Capitalization Rate | Indicated Value | Rounded |
| \$17,718 | ÷ | 8.50% | = | \$208,453 |
| | | | | \$210,000 |

RECONCILIATION AND FINAL ESTIMATE OF VALUE

Reconciliation is the process of coordinating and integrating related factors to form a conclusion regarding the appraised property's Market Value. Each appraisal approach was considered as to adequacy, accuracy and overall reliability. The following estimates were based on subject's highest and best use in this report and primarily on available market data furnished by the property owner and others.

| | |
|--|----------------|
| Market Value via the Cost Approach | Not Applicable |
| Market Value via the Direct Sales Comparison Approach | \$190,000 |
| Market Value via the Income Capitalization Approach (Fee Simple) | \$210,000 |

The Cost Approach typically uses replacement cost method of determining new cost of building improvements, typically representing the highest value. Depreciation is calculated for deferred maintenance and normal wear and tear. The shortcoming of this method normally results from the calculations for depreciation, as age and obsolescence are difficult to precisely measure in the market place. The subject building is older, resulting in accrued depreciation which becomes subjective reducing the reliability of this approach below acceptable levels. Therefore, it was not developed in this report.

The Direct Sales Comparison Approach compares sales of similar properties. Adjustments were made for variations from the subject property based on available market data. After adjustments, a reasonable range of indicated values was evident and I selected the value from the range most representative of the appraised building. This approach is generally the best method of reflecting market attitudes toward property, particularly when owner-occupied buildings are involved and there is an active market with numerous sales. However, this approach is less persuasive when the property is purchased as an investment. As the subject property is a single-tenant building it would likely appeal to an owner but if leased it could appeal to an investor therefore equal weight was given in the final value estimate for the subject.

The Income Capitalization Approach was considered and could be used in this report. Since an adequate amount of rent, expense and cap rate data was available for the subject property, this approach was considered reliable so was given significant weight in the final value estimate for the subject also.

Conditional only upon my standard Certification, Assumptions and Limiting Conditions, and the estimated exposure time as stated in this report, it is my opinion the "as is" Market Value of the subject properties fee simple estate, as of May 16, 2022 was:

TWO HUNDRED THOUSAND DOLLARS
(\$200,000)

Respectfully submitted,



D. Rick Whitesides, MAI, SRA
General Certified Appraiser - IA CG01439
NE CG920142

ADDENDA

APPRAISER'S QUALIFICATIONS

D. Rick Whitesides, MAI, SRA

PROFESSIONAL:

| | |
|--|--------------|
| MAI Designation from the Appraisal Institute | 1991 |
| SRA Designation from the Appraisal Institute | 1977 |
| General Certified Appraiser, State of Nebraska (CG 920142) | 1992 |
| General Certified Appraiser, State of Iowa (CG 01439) | 1992 |
| Licensed Real Estate Salesman in the State of Nebraska | 1972 |
| Vice President/Appraiser Mitchell & Associates | 1990-Present |
| Property Underwriter/Assistant Vice President, Occidental Nebraska Federal Savings Bank | 1973-90 |

MEMBER:

Appraisal Institute: Former President Nebraska Chapter and currently active in this chapter and former Chapter Services Chairman for Region II and have served on the National Chapter Services Committee

Nebraska Real Estate Association

Omaha Area Board of Realtors Former Executive Committee, Commercial Investment Council

Tangier Shrine, Scottish Rite and Mercer Lodge

Past Membership: Society of Real Estate Appraisers, Eastern Nebraska, Chapter #111

EDUCATION:

University of Nebraska Lincoln
University of Nebraska Omaha

Continuing education through attendance at various appraisal seminars sponsored by the Appraisal Institute and other industry organizations; courses listed on a separate page.

EXPERIENCE:

Areas of appraisal experience include multi-family residential; commercial; industrial; vacant land; special purpose properties; and single family residential. Appraisals have been completed for mortgage loans, condemnation, litigation, and asset management purposes.

**RECENT APPRAISAL EDUCATION
D. RICK WHITESIDES, MAI, SRA**

| <u>DATE</u> | <u>COURSE</u> | <u>SPONSOR</u> | <u>CLASS HOURS</u> |
|-------------|--|----------------------|--------------------|
| 2017 | Honing In...Updates, Market Perspectives & Prof. Development | AI | 4 |
| 2016 | Local Market Snapshot | AI | 4 |
| 2016 | Understanding the Basics of Excel & Linear Regression | AI | 4 |
| 2016 | Commercial Real Estate Summit | Nebr Cont Legl Ed | 8 |
| 2016 | USPAP Update | AI | 7 |
| 2015 | Commercial Real Estate Summit | Nebr Cont Legl Ed | 8 |
| 2014 | Commercial Real Estate Summit | Nebr Cont Legl Ed | 8 |
| 2014 | The Discounted Cash Flow Model | AI | 7 |
| 2014 | USPAP Update | AI | 7 |
| 2013 | Property Acquisition & Need for Site Assessment | Randall School of RE | 3 |
| 2013 | Environmental Issues in Real Estate | Randall School of RE | 3 |
| 2013 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 8 |
| 2013 | Online Supervising Appraisal Trainees | AI | 4 |
| 2012 | USPAP | Moore Group | 7 |
| 2012 | Effective Appraisal Writing | AI | 7 |
| 2011 | Ethical Decision Making in Real Estate | Randall School of RE | 3 |
| 2011 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 8 |
| 2011 | Commercial Appraisal Engagement & Review | AI | 7 |
| 2011 | Capital Markets Seminar | Daisley Ruff | 3 |
| 2010 | USPAP | AI | 7 |
| 2010 | Capital Markets Seminar | Daisley Ruff | 3 |
| 2010 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 8 |
| 2010 | Appraisal Curriculum Overview | AI | 15 |
| 2009 | Online Business Practices & Ethics | AI | 4 |
| 2009 | Report Writing Workshop | The Moore Group | 7 |
| 2009 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 8 |
| 2008 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 8 |
| 2008 | USPAP | AI | 7 |
| 2007 | Standard 3 Review Training Session | NE Appraiser Bd | 4 |
| 2007 | Understanding & Testing DCF Valuation Models | AI | 4 |
| 2007 | Analyzing Distressed Real Estate | AI | 4 |
| 2007 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 6 |
| 2006 | Uniform Standards of Professional Practice | Moore Group | 7 |
| 2006 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 7 |
| 2005 | Market Analysis & the Site to do Business | AI | 7 |
| 2005 | Radon & Real Estate | Randall School of RE | 3 |
| 2004 | Uniform Standards of Professional Appraisal Practice | AI | 7 |
| 2004 | Loss Prevention for Real Estate Appraisers | AI | 4 |
| 2004 | Rates and Ratios | AI | 7 |
| 2003 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 7 |
| 2003 | Client Pressure Seminar | NE Appraiser Bd. | 3 |
| 2003 | Appraisal Consulting | AI | 7 |
| 2002 | Mark to Market | AI | 3 |
| 2002 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 8.5 |
| 2001 | Appraisers & Gramm-Leach-Bliley Act | AI | 3 |
| 2001 | Regression Analysis in Appraisal Practice | AI | 7 |
| 2001 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 7 |
| | | CLASS | |

| <u>DATE</u> | <u>COURSE</u> | <u>SPONSOR</u> | <u>HOURS</u> |
|-------------|---------------------------------------|----------------------|--------------|
| 2000 | Commercial Appraisal Problem Solving | Mid-West Appraisers | 7 |
| 2000 | Appraisal of Non-Conforming Uses | AI | 7 |
| 2000 | Standards of Professional Practice | AI | 15 |
| 2000 | Ed Tour (Tomorrows Information Today) | NE. Appraiser Board | 3 |
| 2000 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 7 |
| 1999 | Internet Search Strategies | AI | 7 |
| 1999 | Appraisal of Local Retail Properties | AI | 7 |
| 1999 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 8 |
| 1998 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 6 |
| 1997 | Affordable Housing | AI | 7 |
| 1997 | Analyzing Operating Expenses | AI | 7 |
| 1997 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 6 |
| 1996 | Highest & Best Use | AI | 7 |
| 1996 | Standards of Professional Practice | AI | 26 |
| 1995 | Advanced Income Capitalization | AI | 36 |
| 1995 | Emerging Technologies in Appraising | AI | 5 |
| 1995 | Experience Review Training | AI | 4 |
| 1995 | Apartment Update | AI | 1 |
| 1994 | FHA Guidelines | AI | 7 |
| 1994 | Commercial Real Estate Workshop | Nebr Cont Legl Ed. | 3 |
| 1993 | Appraising Apartments | AI | 7 |
| 1993 | Agency Relationships in Real Estate | Randall School of RE | 3 |
| 1993 | Mock Trial Seminar | AI | 7 |
| 1993 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 7 |
| 1993 | FIRREA: Overview & Application | AI | 7 |
| 1992 | ADA Seminar | AI | 5 |
| 1992 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 5 |
| 1991 | Standards of Professional Practice | AIREA | 7 |
| 1990 | Small Residential Form | SREA | 7 |

State of Nebraska Real Property Appraiser Board



Hereby certifies that: DWIGHT (RICK) E WHITESIDES

MITCHELL COMMERCIAL VALUATION INC
14611 W CENTER RD
OMAHA, NE 68144-3219

Is credentialed in the State of Nebraska as a:

Certified General Real Property Appraiser

Holding credential number: CG020142

Effective Date: Jan 01, 2022 Expiration Date: Dec 31, 2022

Nebraska Real Property Appraiser Board Director: _____

All address changes, business or residences, must be reported to the Real Property Appraiser Board immediately.

This Credentialing Card is proof that each person is credentialed under the Real Property Appraiser Act unless credential has been canceled, surrendered, suspended, or revoked.

Nebraska Real Property Appraiser Board
301 Centennial Mall South, First Floor PO Box 94963
Lincoln, Nebraska 68509-4963
Phone: 402-471-9015 Fax: 402-471-9017 <https://appraiser.ne.gov/>

| | | | |
|---|------------|----------------------------|----------|
| Administrative Identification Number: | 10004-2022 | Registration Fee Paid: | \$275.00 |
| Random Engagement Audit Program Fee Paid: | \$5.00 | Federal Registry Fee Paid: | \$40.00 |



STATE OF IOWA
IOWA DEPARTMENT OF COMMERCE
PROFESSIONAL LICENSING AND REGULATION

This is to certify that the below named has been granted a certification
as: Certified General Appraiser.

Certification Number: CG01439 Expires: June 30, 2023

Status: Active

Dwight E Whitesides
Mitchell & Associates
14611 W Center Rd
Omaha, Nebraska 68144

USPAP MINIMUM STANDARDS

For the convenience of the reader or any reviewer of this report, we have included a copy of the fourteen points of the Minimum Appraisal Standards. Appraisals must:

1. Conform to USPAP, except that the Departure Provision, which allows below minimum work, will not apply;
2. Include a disclosure of any steps taken in order to comply with the Competency Provision of USPAP;
3. Be based on the market value or other values as defined in the attached DEFINITIONS;
4. [i] Be written and presented in a narrative format;
[ii] Be sufficiently descriptive to enable the reader to ascertain the market value and the rationale for the estimate;
[iii] Provide detail and depth reflective of the complexity of the property appraised;
5. Analyze and report in reasonable detail any prior sales of the property within the last three years;
6. Analyze and report current revenues, expense, and vacancies on income producing properties rather than estimated or projected figures not supported by current market conditions;
7. Use a reasonable marketing period for the property;
8. Analyze current market conditions and trends that will affect the income, absorption, or value of the property;
9. Report both the “as is” (using appropriate deductions and discounts for holding and marketing costs, and entrepreneurial profit) and the stabilized market values for developmental property; report both the value-in-use and liquidation value for owner-occupied property;
10. Include in the USPAP required certification an additional statement that: “The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a “loan””;
11. Contain sufficient supporting documentation to allow the reader to ascertain the appraiser’s logic, reasoning, judgment, and analysis;
12. Include a legal description of the subject property (in addition to the description required by USPAP);
13. Identify and value separately any non-real estate items;
14. Use and reconcile the income, direct sales, and cost approaches to value, and explain the omission of any approach not used;

If any information necessary to complete the appraisal is unavailable, this fact must be disclosed.

CHAPTER 8.050
GENERAL COMMERCIAL DISTRICT

8.050.010 INTENT: The Class C-2 District is intended primarily to provide for those business and commercial establishments serving the general retail shopping needs of those persons living in the unincorporated areas of the *County*. Properties shall be located along or have direct access to hard surfaced streets. (*Ordinance #2015-05/12-18-2015*)

8.050.020 PRINCIPAL USES: The following *principal uses* shall be permitted in a Class C-2 District: (*Ordinance #81-6/10-01-81*)

.01 A

- A. Antique shops. (*Ordinance #81-6/10-01-81*)
- B. Apparel and shoe stores. (*Ordinance #81-6/10-01-81*)
- C. Art galleries. (*Ordinance #81-6/10-01-81*)
- D. Auditoriums, exhibition halls, or other public assembly rooms. (*Ordinance #81-6/10-01-81*)
- E. Automobile and other vehicle parts and supply stores. (*Ordinance #81-6/10-01-81*)
- F. Automobile and other vehicle washing establishments, including the use of mechanical conveyors, blowers and steam cleaning, and including self-service facilities. (*Ordinance #81-6/10-01-81*)
- G. Automobile, boat, farm implement and equipment, motorcycle, *mobile home*, trailer and truck sales, rental and service. (*Ordinance #81-6/10-01-81*)

.02 B

- A. Bakeries and bakery outlets-retail sales only. (*Ordinance #81-6/10-01-81*)
- B. Banks, savings and loan associations, lending agencies, and similar financial institutions including drive-in banks. (*Ordinance #81-6/10-01-81*)
- C. Barber shops and beauty shops. (*Ordinance #81-6/10-01-81*)
- D. Bars, cocktail lounges, nightclubs and *taverns*, provided that the side yard setback and rear yard setback shall be a minimum of fifty (50) feet when such yards abut a Class "R" District or platted residential subdivision. (*Ordinance #2004-14/07-01-04*)
- E. Bicycle shops, sales and repairs. (*Ordinance #81-6/10-01-81*)
- F. Bookstores including newsstands, magazine stores and rental libraries. (*Ordinance #81-6/10-01-81*)

- G. Building supply stores, provided all phases of the business conducted upon the premises be within an enclosed *building*. (Ordinance #81-6/10-01-81)
 - H. Business and professional offices. (Ordinance #81-6/10-01-81)
 - I. Business, professional, technical and trade schools and colleges. (Ordinance #81-6/10-01-81)
- .03 C
- A. Camera and photographic supply store, including photographic development pick-up stores. (Ordinance #81-6/10-01-81)
 - B. Candy, nut and confectionery shops, including ice cream or snack bars, but only at retail and only on the premises. (Ordinance #81-6/10-01-81)
 - C. Carpenter and cabinet making shops. (Ordinance #81-6/10-01-81)
 - D. Carpet and drapery stores. (Ordinance #81-6/10-01-81)
 - E. Catering establishments. (Ordinance #81-6/10-01-81)
 - F. Clothes cleaning and laundry pick-up stations. (Ordinance #81-6/10-01-81)
 - G. Collection offices of public utility. (Ordinance #81-6/10-01-81)
 - H. Commercial parking lots and *structures* for passenger vehicles in accordance with the provisions of Chapter 8.080. (Ordinance #81-6/10-01-81)
 - I. *Convalescent, nursing and retirement homes*. (Ordinance #81-6/10-01-81)
- .04 D
- A. Dairy stores, retail only. (Ordinance #81-6/10-01-81)
 - B. *Demolition rubble waste disposal site* for demolition rubble waste generated on the property where it is disposed of.
 - C. Department stores. (Ordinance #81-6/10-01-81)
 - D. Drug stores and pharmacies. (Ordinance #81-6/10-01-81)
 - E. Dry good stores. (Ordinance #81-6/10-01-81)
- .05 E
- A. Egg and poultry stores, excluding any slaughtering, eviscerating or plucking. (Ordinance #81-6/10-01-81)
 - B. Electrical repair shops. (Ordinance #81-6/10-01-81)

- C. Employment agencies. (*Ordinance #81-6/10-01-81*)
 - D. Entertainment and recreational uses, including billiard and pool halls, bowling alleys, ballrooms and dance halls, gymnasiums and other indoor recreational uses and *buildings*, provided that the side yard setback and rear yard setback shall be a minimum of fifty (50) feet when such yards abut a Class "R" District or platted residential subdivision. (*Ordinance #2004-14/07-01-04*)
- .06 F
- A. Feed and seed stores, whose products shall be stored and sold in packaged form only. (*Ordinance #81-6/10-01-81*)
 - B. Florist stores. (*Ordinance #81-6/10-01-81*)
 - C. Frozen food lockers for storage and retail sales only, excluding slaughtering. (*Ordinance #81-6/10-01-81*)
 - D. Furniture and appliance stores, including incidental repair and upholstery. (*Ordinance #81-6/10-01-81*)
- .07 G
- A. *Garages* for general motor vehicle repair, but not including major body and fender work, and overall painting and upholstering. (*Ordinance #81-6/10-01-81*)
 - B. Garden shops and supply stores, and nurseries, provided that all equipment, supplies and merchandise, other than plants, shall be kept within a completely enclosed *building* or under a lathed structure and further provided that fertilizer of any type shall be stored and sold in packaged form only. (*Ordinance #81-6/10-01-81*)
 - C. Gift, novelty and souvenir shops. (*Ordinance #81-6/10-01-81*)
 - D. Governmental *structures* or uses including fire stations, libraries, police stations, post offices, substations and roadside rest areas; but excluding sanitary landfills or uses similar in their scope of effect. (*Ordinance #81-6/10-01-81*)
 - E. Grocery stores, delicatessens and supermarkets, including convenience stores. (*Ordinance #81-6/10-01-81*)
- .08 H
- A. Hardware stores. (*Ordinance #81-6/10-01-81*)
 - B. Hobby, craft and art supply stores. (*Ordinance #81-6/10-01-81*)
 - C. Home furnishings and decorating stores. (*Ordinance #81-6/10-01-81*)
 - D. Hospitals, medical and dental clinics and other medical and health facilities. (*Ordinance #81-6/10-01-81*)

8.94

- E. *.47 Hotels and motels, but only when serviced with public or common water and sewer facilities. (Ordinance #81-6/10-01-81)*
- .09 I
- A. *Ice storage and distribution stations of not more than five (5) ton capacity. (Ordinance #81-6/10-01-81)*
- .10 J
- A. *Jewelry stores, including clock and watch repair. (Ordinance #81-6/10-01-81)*
- .11 K
- .12 L
- A. *Launderettes, coin-operated dry-cleaning establishments, and dry-cleaning or pressing establishments using only non-flammable solvents. (Ordinance #81-6/10-01-81)*
 - B. *Lawn mower repair shops. (Ordinance #81-6/10-01-81)*
 - C. *Leather goods and luggage stores. (Ordinance #81-6/10-01-81)*
 - D. *Liquor stores. (Ordinance #81-6/10-01-81)*
 - E. *Locksmith and key shops. (Ordinance #81-6/10-01-81)*
- .13 M
- A. *Mini-storage warehouses. (Ordinance #90-8/07-06-90)*
 - B. *Mortuaries, funeral homes and funeral chapels. (Ordinance #81-6/10-01-81)*
 - C. *Music stores, including instrument sales and repairs. (Ordinance #81-6/10-01-81)*
- .14 N
- .15 O
- .16 P
- A. *Paint and wallpaper stores. (Ordinance #81-6/10-01-81)*
 - B. *Pet shops, including birds and fish. (Ordinance #81-6/10-01-81)*
 - C. *Plumbing and heating, or electrical contractors and equipment showrooms. (Ordinance #81-6/10-01-81)*

- D. Printing, lithographic and engraving shops, including blueprint, photostat or other reproduction process shops. (*Ordinance #81-6/10-01-81*)
- .17 Q
- .18 R
- A. Radio and television stores and repair shops. (*Ordinance #81-6/10-01-81*)
 - B. Restaurants, tearooms, cafeterias, cafes, and soda fountains, including outdoor cafes and drive-in eating and dining places, provided that the side yard setback and rear yard setback shall be a minimum of fifty (50) feet when such yards abut a Class "R" District or platted residential subdivision. (*Ordinance #2004-14/07-01-04*)
- .19 S
- A. Scientific, orthopedic and medical instrument and appliance stores. (*Ordinance #81-6/10-01-81*)
 - B. *Service stations*, including dispensing of diesel fuels and complete truck service. (*Ordinance #81-6/10-01-81*)
 - C. Sexually oriented businesses, subject to the terms of Chapter 3.55, Sexually Oriented Businesses Ordinance, Pottawattamie County, Iowa. (*Ordinance #2003-12/10-03-03*)
 - D. Shoe and hat repair shops. (*Ordinance #81-6/10-01-81*)
 - E. Sporting goods stores. (*Ordinance #81-6/10-01-81*)
 - F. Stamp and coin stores. (*Ordinance #81-6/10-01-81*)
 - G. Stationery and office supply stores, including sales and repairs of office and business machines. (*Ordinance #81-6/10-01-81*)
 - H. Studios, including art, dance, massage and physical culture, music and photographic. (*Ordinance #81-6/10-01-81*)
- .20 T
- A. Tack shops. (*Ordinance #81-6/10-01-81*)
 - B. Tailor and dressmaker shops. (*Ordinance #81-6/10-01-81*)
 - C. Taxidermists. (*Ordinance #81-6/10-01-81*)
 - D. Telegraph offices and telephone exchanges. (*Ordinance #81-6/10-01-81*)
 - E. Telephone answering and messenger services. (*Ordinance #81-6/10-01-81*)

- F. Theaters, except open drive-in theaters. (*Ordinance #81-6/10-01-81*)
- G. Tire shops, excluding any recapping or retreading. (*Ordinance #81-6/10-01-81*)
- H. Tobacco and cigar shops. (*Ordinance #81-6/10-01-81*)
- I. Towers with a height not exceeding one hundred fifty (150) feet, subject to the requirements of Section 8.004.220. (*Ordinance #2007-09/10-12-07*)
- J. Toy stores. (*Ordinance #81-6/10-01-81*)
- K. Transformer stations, booster stations, and utility stations; provided there is no yard or garage for service or storage. (*Ordinance #81-6/10-01-81*)
- L. Transportation passenger terminals, including bus stations, railroad passenger stations, or other passenger terminals; provided that buses and other transit vehicles shall not be stored on the site and no repair work or servicing of vehicles shall be conducted on the site. (*Ordinance #81-6/10-01-81*)
- M. Travel bureaus. (*Ordinance #81-6/10-01-81*)

.21 U

- A. Upholstering shops. (*Ordinance #81-6/10-01-81*)

.22 V

- A. Variety stores. (*Ordinance #81-6/10-01-81*)
- B. Veterinary hospitals or clinics; provided all phases of the business conducted upon the premises be within an enclosed *building* where noises and odors are not evident to adjacent properties. (*Ordinance #81-6/10-01-81*)

.23 W

.24 X

.25 Y

.26 Z

8.050.030 CONDITIONAL USES: The following *conditional uses* shall be permitted in a Class C-2 District, when authorized in accordance with the requirements of Chapter 8.096: (*Ordinance #81-6/10-01-81*)

- .01 Auction halls, barns, and yards. (*Ordinance #81-6/10-01-81*)
- .02 Body and fender repair shops, including overall painting and upholstery, but not including motor vehicle wrecking or used parts yards or outside storage of component parts. (*Ordinance #81-6/10-01-81*)

- .03 Drive-in theaters. (*Ordinance #81-6/10-01-81*)
 - .04 Exterminator sales when located within a completely enclosed *building*. (*Ordinance #81-6/10-01-81*)
 - .05 Secondary airports and private light plane landing strips and helipads, when laid out and operated in accordance with all applicable regulations of the Federal Aviation Agency, and when situated on a site containing not less than thirty (30) acres.
 - .06 Tire shops, including vulcanizing, retreading and recapping. (*Ordinance #81-6/10-01-81*)
 - .07 Transmitting stations and towers with a height exceeding one hundred fifty (150) feet, subject to the requirements of Section 8.004.220. (*Ordinance #2007-09/10-12-07*)
 - .08 Outdoor entertainment and recreational uses, but only in conjunction with a principal use of entertainment and recreation as listed in 8.050.020.33. (*Ordinance #2004-15/09-10-04*)
- 8.050.040 ACCESSORY USES: The following *accessory uses* shall be permitted in a Class C-2 District: (*Ordinance #81-6/10-01-81*)
- .01 *Accessory uses and structures* normally incidental and subordinate to one of the permitted *principal* or conditional uses, unless otherwise excluded. (*Ordinance #81-6/10-01-81*)
 - .02 Display *signs*, subject to the provisions of Chapter 8.090. (*Ordinance #81-6/10-01-81*)
 - .03 Outdoor advertising signs and billboards, subject to the provisions of Chapter 8.090.
 - .04 Outdoor storage of material or merchandise incidental to a permitted use, but not to exceed forty (40) percent of the building floor area used for such use. (*Ordinance #2015-05/12-18-2015*)
 - .05 Temporary roadside fireworks stands and Christmas tree lots, when approved by the *Development Director* for a specified time period, after which they shall be disassembled and removed at the end of the authorized period each year. (*Ordinance #81-6/10-01-81*)
- 8.050.050 OFF-STREET PARKING AND LOADING: *Off-street parking and loading spaces* shall be provided in accordance with Chapter 8.080 for permitted *principal and conditional uses* in a Class C-2 District. (*Ordinance #81-6/10-01-81*)
- 8.050.060 HEIGHT REQUIREMENT: The maximum height of *buildings and structures* in a Class C-2 District shall be forty (40) feet or three (3) *stories*, whichever is lower. (*Ordinance #81-6/10-01-81*)
- 8.050.070 SETBACK REQUIREMENTS: The *setback* requirements for *buildings and structures* in a Class C-2 District shall be as follows: (*Ordinance #81-6/10-01-81*)

8.98

- .01 The *front yard setback* shall be a minimum of twenty-five (25) feet. (Ordinance #81-6/10-01-81)
- .02 The *side yard setback* shall be a minimum of twenty-five (25) feet when such *yard* abuts a Class "A" or "R" District or platted residential subdivision, except as provided in Subsections 8.050.020.02.D, 8.050.020.05.D and 8.050.020.18.B.
- .03 The *rear yard setback* shall be a minimum of twenty-five (25) feet when such *yard* abuts a Class "A" or "R" District or platted residential subdivision, except as provided in Subsections 8.050.020.02.D, 8.050.020.05.D and 8.050.020.18.B.
- .04 The minimum *setback* between *buildings* situated on the same site shall be ten (10) feet. (Ordinance #81-6/10-01-81)

8.050.080 LOT SIZE AND COVERAGE REQUIREMENTS: The minimum *lot* size and maximum *lot* coverage for uses in a Class C-2 District shall be as follows, except as provided in Section 8.004.030 for *lots* not having *common water and/or sewer facilities*: (Ordinance #81-6/10-01-81)

| | USE | MINIMUM LOT | | | MAXIMUM LOT |
|-----|-------------------|-------------|-------|-------|-------------|
| | | AREA | WIDTH | DEPTH | COVERAGE |
| .01 | Any Permitted Use | 1.0 Acres | 80' | 100' | 50% |

(Ordinance #81-6/10-01-81)



MITCHELL & ASSOCIATES, INC.

ROBERT F. MITCHELL, SR., 1893-1983
ROBERT F. MITCHELL, JR., SRPA
R. GREGG MITCHELL, SRA

D. RICK WHITESIDES, MAI, SRA
W. BRUCE WILKIE
BETH ANDERSEN
MELISSA RUTHERFORD

KEVIN P. HERMSEN MAI
DAVID C. WELLSANDT, MAI
RICHARD WITTMANN
MARK SCHAECHER

April 26, 2022

Ms. Kristina Treantos
Via email
Kristina.treantos@pottcounty-is.gov

Re: Appraisal Reports
Properties on following list

Dear Ms. Treantos

Per your request our firm will provide appraisal reports on the attached list of properties for the purposes of estimating the fair market value of the real estate for asset management purposes, subject to the terms and conditions stated as follows:

- 1) The report will be prepared in compliance with the Minimum Appraisal Standards as set forth by the Uniform Standards of Professional Practice (USPAP) and the Standards of the State of Iowa.
- 2) In order to provide the most accurate and timely appraisal possible, the following specific information on the subject property is desired, **if applicable and available**:

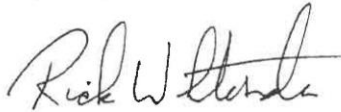
Property contact for access if necessary
- 3) Properties to be appraised are as follows:
358 Elm Street, Avoca, IA
15021 490th St., Griswold, IA
15484 State Orchard Rd. Council Bluffs, IA
217 North Main, Hancock, IA
705 Oak Street, Walnut, IA
- 4) Any modifications, excluding correction of errors, will be provided only at additional cost. No court testimony or appearances at any hearing will be provided unless prior arrangements are made. Testimony or appearance at hearings will be billed at the rate of \$250/hour, with a 4 hour minimum.
- 5) The reports will be prepared in a timely manner. Delivery of the report will be approximately 5 weeks, from receipt of a signed copy of this letter; provided the necessary data is made available in a timely manner.

- 6) The fee to prepare the real estate reports will not exceed \$4,900 and is payable as follows: \$2,450 due upon the signing of this letter and the balance upon receipt of the completed written appraisal report.
- 7) Confidentiality will be respected, so the results and content of the report will only be revealed to you or third parties you may designate. It will not be released to any other entity, without prior permission by you. However, some information furnished may be used in future analysis of other properties, unless you specifically request otherwise. In order to comply with the Gramm-Leach-Bliley Act of 1999, our Privacy Notice is available upon request
- 8) The appraisal will include in the certification required by USPAP; that the appraisal assignment was not based on a requested minimum valuation, specific valuation or the approval of a loan.

If you are in agreement with this proposal, please sign and return the original letter, with the retainer, as soon as possible.

Thank you for the opportunity to be of service.

Respectfully submitted,



D. Rick Whitesides, MAI, SRA
General Certified Appraiser – NE #CG920142
IA #CG01439

ACCEPTED:



Date: 4/28/22

Ms. Kristina Treantos
Pottawattamie County, Iowa

*Retainer will be sent by 5/9/22.

AN
APPRAISAL

OF

**COMMERCIAL PROPERTY
LOCATED AT
705 OAK STREET
WALNUT, IOWA**

AS OF

May 16, 2022

PREPARED FOR

Ms. Kristina Treantos
Via email
Kristina.treantos@pottcounty-ia.gov

PREPARED BY

D. Rick Whitesides, MAI, SRA
Certified General Appraiser

MITCHELL & ASSOCIATES, INC.
14611 West Center Road
Omaha, Nebraska 68144



MITCHELL & ASSOCIATES, INC.

ROBERT F. MITCHELL, SR., 1893-1983
ROBERT F. MITCHELL, JR., SRPA 1927-2020
R. GREGG MITCHELL, SRA

D. RICK WHITESIDES, MAI, SRA
W. BRUCE WILKIE
BETH ANDERSEN
RICHARD C. WITTMANN
REBECCA BELLOWS
JAMES ANDERSEN

KEVIN P. HERMSEN, MAI
DAVID C. WELLSANDT, MAI
MELISSA L. RUTHERFORD
MARK SCHAECHER
ALEX FINKLE

June 6, 2022

Ms. Kristina Treantos
Via email
Kristina.treantos@pottcounty-ia.gov

RE: File #00220818 - Appraisal
Commercial Property
705 Oak St.
Walnut, Iowa

Dear Ms. Treantos:

In response to your request and for the purpose of estimating the Market Value of the above referenced property for asset management purposes, I have personally visited the property, and then conducted an analysis of the matters pertinent to its current market value. My findings are included in the following report of 66 pages, plus the supporting Addenda.

This report is intended to be in conformity with the prevailing Standards and Ethics of the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation and the Appraisal Institute. It is independently prepared so is not based on a requested minimum value, specific valuation nor the approval of a loan. It is also in conformity with the laws and Minimum Standards of the State of Iowa where I am licensed.

Your attention is directed toward the sections titled Limiting Conditions and Assumptions, Definitions, and Appraiser's Certification, which address contingencies of the appraisal. Additional contingencies may be interspersed throughout the report where appropriate; therefore, this report should be considered in its entirety. Your attention is also directed to the special consideration noted on page 11 **regarding the COVID-19 outbreak**. The effective date for this appraisal is in a time where the community is experiencing a serious reaction to the outbreak including many closures or cancellations including school districts, state and federal declarations of emergency. Public health officials are calling for social distancing and limited exposure to others. There is currently insufficient data to indicate market reactions to the outbreak as it applies to the general market or to specific properties in regards to any effects on value or marketing times.

Conditional only upon my standard Certification, Assumptions and Limiting Conditions, and the estimated exposure time as stated in this report, it is my opinion the "as is" Market Value of the subject properties fee simple estate, as of May 16, 2022 was:

ONE HUNDRED THOUSAND DOLLARS
(\$100,000)

Respectfully submitted,

D. Rick Whitesides, MAI, SRA
General Certified Appraiser - IA CG0143 NE CG9201429;

S:\Reports\2022\00220818\Report.doc

Real Estate Appraisers & Consultants

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IDENTIFICATION OF THE PROPERTY
AND SUMMARY OF SALIENT FACTS

LOCATION: 705 Oak Street, Walnut, Iowa 51577. This is between North and Pleasant Streets, in Walnut Iowa, which is in the eastern portion of Pottawattamie County, Iowa.

LEGAL DESCRIPTION: Briefly described as the east 382 feet of the west 407 feet in the south ½ of the south ½ in the northwest, northeast southwest in 9-77-38, Walnut Town in Pottawattamie County, Iowa

OWNER OF RECORD: Pottawattamie County
Council Bluffs, Iowa

CLIENT/INTENDED USE: The report was ordered by Ms. Kristina Treantos with Pottawattamie County, who advised this appraisal would be used in asset management purposes. There are no other intended uses or users of this report.

APPRAISAL PURPOSE: Purpose of this appraisal is to provide a supported estimate of the ‘as is’ fee simple market value of the subject property, as of the date of the site visit.

INSPECTION DATE: On May 16, 2022, I personally visited subject in the company of Shawn Bluml with Pottawattamie County. Most photos used in this report were taken at the time of this inspection.

EFFECTIVE DATE: This appraisal has an effective date of May 16, 2022, the date of the property visit.

SUBJECT DESCRIPTION: The subject property consists of one building used as a maintenance building. This building contains 2 drive-in bays an open office and a restroom it was built in 1990. The building is of pre-engineered steel construction with metal panels on the elevations and pitched roof. There are 2 overhead doors for vehicle entry and a pedestrian door. The building has 1,680 square feet and is located upon an interior site with 63,162 SF.

ZONING: The city zoning map shows the subject to be in a residential district.

IDENTIFICATION OF THE PROPERTY
AND SUMMARY OF SALIENT FACTS (CONTINUED)

FLOOD PLAIN STATUS: Subject does not appear to be located in a designated flood zone, per CoreLogic, referencing FEMA Map 19155C0375F, dated April 16, 2013 (map in report).

TITLE HISTORY: Per county records, subject does not appear to have sold in the past five years.

TAX ASSESSMENT: Real estate taxes for Pottawattamie County are combined in one billing for all governmental subdivisions. The County Assessor is responsible for estimating ‘actual value’ to which tax rates are applied. Subject (Parcel #77380932605) is assessed as follows:

| 2022 | Comm. Land | Improvement | Total | Class |
|------------|------------|-------------|----------|-------|
| ----- | | | | |
| Full Value | \$36,800 | \$22,700 | \$59,500 | C |
| Exempt | \$36,800 | \$22,700 | \$59,500 | C |
| Net Total | \$0 | \$0 | \$0 | C |
| ----- | | | | |
| 2021 | Comm. Land | Improvement | Total | Class |
| ----- | | | | |
| Full Value | \$36,800 | \$22,700 | \$59,500 | C |
| Exempt | \$36,800 | \$22,700 | \$59,500 | C |
| Net Total | \$0 | \$0 | \$0 | C |

TAX RATE: The 2020 tax rate was \$36.280540 per \$1,000 of assessed value, which appears normal for commercial properties in this area. The 2021 tax rate has not been set, as of the effective date of this report.

REAL ESTATE TAXES: Per Pottawattamie County Treasurer’s Office, shows net real estate taxes of \$0 as it is owned by a government entity. Generally these taxes have delinquent dates of September 1, 2020 for the first half and March 1, 2021 for the second half. Subject is appraised as if all historic tax obligations (including additional interest or penalties) are paid current.

PERSONAL PROPERTY: No furniture, fixtures, business or equipment values are included in this report.

HIGHEST & BEST USE: As concluded herein, highest and best use of subject is ‘as is’ with a maintenance shed.

EXPOSURE TIME: As described herein, exposure time is estimated time a property interest being appraised would have been offered on the market prior to a hypothetical consummation of sale at market value on effective date of appraisal. Based on a retrospective opinion of past events, assuming a competitive, open market, I estimated that would have been within 12-months, reflecting current market conditions.

IDENTIFICATION OF THE PROPERTY
AND SUMMARY OF SALIENT FACTS (CONTINUED)

ENVIRONMENTAL
CONDITIONS:

Existing improvement is a maintenance shed It is unknown if hazardous components/materials (urea formaldehyde foam insulation, asbestos, etc.) were used in construction/renovation or if the site has contaminants. No evidence of underground fuel storage tanks or contamination was observed. As a result, environmental conditions are presumed non-adverse. However, it may be prudent to obtain a current certified survey and environmental assessment of the property. This appraisal makes no allowance for environmental remediation or abatement requirements. Your attention is directed to Limiting Conditions and Assumptions at the conclusion of this report.

SUMMARY OF INDICATED VALUES FROM THIS REPORT

| | |
|--|----------------|
| Market Value via the Cost Approach | Not Applicable |
| Market Value via the Direct Sales Comparison Approach | \$100,000 |
| Market Value via the Income Capitalization Approach (Fee Simple) | \$100,000 |

SCOPE OF WORK

Scope of work refers to research and analysis in this assignment and includes the extent to which the property is identified, type and extent of data researched, and type and extent of analysis applied.

Extent of Property Identification: The property was identified by its addresses of 705 Oak Street, Walnut, Iowa. Per Pottawattamie County records, this address corresponds to County Parcel number and legal descriptions summarized in the Salient Facts section of this report.

Type and Extent of Data Researched: I personally visited the property, building measurements were taken from county assessors web site and verified on site, which provided the information for the property descriptions. Site size was obtained from the assessor's website also. Other data was collected from County public records, conversations with local property owners and brokers, information published in real estate industry publications and Mitchell & Associates appraisal files. I was not provided with a current soils testing report or survey; therefore, I did not consider the impact on property value of any possible restrictions or soil issues that might be revealed by these reports. The **COVID-19** virus is having significant impacts to how people live around the world. The impacts are fairly recent in the area, but there have been many closures. Public health officials are calling for social distancing and limited exposure to others.

As we progress through 2022, fewer cases are reported but some cautionary measures are still promoted. Such news has increased the level of fear and anxiety among the community. Single-family sales have been brisk due to the shrinking inventories and rising prices. Commercial businesses may experience reduced sales due to recent closing of bars and restaurants except for drive-thru service, and avoiding places where 10+ people gather. Other businesses are opting for employees to work remotely.

There is currently insufficient data to indicate market reactions to the outbreak as it applies to the general market or to specific properties (e.g. places of reported exposures) in regards to any effects on value or marketing times.

Type and Extent of Analysis Applied: A highest and best use analysis of the property was developed utilizing inferred or trend methodology, appropriate of the property in light of its site size and building size as well as the location in a mature area. Due to the age of the structure, estimating depreciation would be so subjective as to render the cost approach unreliable; therefore, it was omitted from this appraisal. I researched and found recent sales of buildings supporting the use of the Direct Sales Comparison Approach. The Income Capitalization Approach was not developed due to a lack of market information.

Conclusion: The conclusions and analyses were reconciled into the final estimate of value. Based on my training, experience (see credentials in the Addenda intended to satisfy the Competency Rule of USPAP) and judgment, I concluded that this appraisal in a summary format including the Direct Sales Comparison and income approach is appropriate to support a credible estimate of the Fee Simple value and consistent with the Standards of the 2020-2021 Uniform Standards of Professional Appraisal Practice (USPAP).

EXTERIOR PHOTOS



South & west sides



West side



North side



East side

APPRAISER'S CERTIFICATION

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 interest in the property that is the subject of this report and 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 opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

I have not performed a previous appraisal of the subject property and have not done an appraisal review involving the subject, or an appraisal consulting assignment involving the subject, within the past three years.

The reported analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute and the Uniform Standards of Appraisal Practice.

The reported analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the requirements of the Uniform Standards of Appraisal Practice

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

I have made a personal inspection of the property that is the subject of this report.

No one provided significant real property appraisal assistance to the person signing this certification. If there are exceptions, the name of each individual providing significant real property appraisal assistance is stated in the scope of the report.¹

As of the date of this report, I, D. Rick Whitesides, have completed the requirements of the continuing education program of the Appraisal Institute.

APPRAISER:



D. Rick Whitesides, MAI, SRA - NE CG920142
IA CG01439

¹ Source for Items #1-#9, Standards Rule 2-3, *Uniform Standards of Professional Appraisal Practices*, 2001 Edition

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal has been based on the following limiting conditions:

For purposes of this appraisal, any marketing program for the sale of the property would assume cash or its equivalent.

No detailed soil studies covering the subject property were available for this appraisal. It is therefore assumed that soil conditions are adequate to support standard construction consistent with highest and best use.

The date of value to which the conclusions and opinions expressed in this report apply, is set forth in the letter of transmittal. Further, the dollar amount of any value opinion rendered in this report is based upon the purchasing power of the American dollar existing on that date.

The appraiser assumes no responsibility for economic or physical factors which may affect the opinions in this report which occur after the date of the letter transmitting the report or which cause unpredictable changes. Events such as (but not limited to) natural disasters, wars and economic calamities are examples of such factors.

The appraiser reserves the right to make such adjustments to the analysis, opinions and conclusions set forth in this report as may be required by consideration of additional data or more reliable data that may become available.

No opinion as to title is rendered. Data relating to ownership and legal description was obtained from county records and is considered reliable. Title is assumed to be marketable and free and clear of all liens, encumbrances, easements and restrictions except those specifically discussed in the report. The property is appraised assuming it to be under responsible ownership and competent management and available for its highest and best use.

If no title policy was made available to the appraiser, they assume no responsibility for such items of record not disclosed by their customary investigation.

The appraiser assumes no responsibility for hidden or non-apparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for arranging for engineering studies that may be required to discover them.

The property is appraised assuming it to be in full compliance with all applicable federal, state and local environmental regulations and laws, unless otherwise stated.

The property is appraised assuming that all applicable zoning and use regulations and restrictions have been complied with, unless otherwise stated.

The property is appraised assuming that all required licenses, certificates of occupancy, consents or other legislative or administrative authority from any local, state or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based, unless otherwise stated.

No engineering survey has been made by the appraiser. Except as specifically stated, data relative to size and area was taken from sources considered reliable and no encroachment of real property improvements is considered to exist.

No opinion is expressed as to the value of subsurface oil, gas or mineral rights whether the property is subject to surface entry for the exploration or removal of such materials except as is expressly stated.

Maps, plats, and exhibits included in this report are for illustration only as an aid in visualizing matters discussed within the report. They should not be considered as surveys or relied upon for any other purpose, nor should they be removed from, reproduced, or used apart from the report.

No opinion is intended to be expressed for matters, which require legal expertise or specialized investigation, or knowledge beyond that customarily employed by real estate appraisers.

Possession of this report, or copy of it, does not carry with it the right of publication. It may not be used for any purposes by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event only with the proper written qualification and only in its entirety.

ASSUMPTIONS AND LIMITING CONDITIONS (CONTINUED)

Testimony or attendance in court or at any other hearing is not required by reason of rendering this appraisal, unless such arrangements are made in a reasonable time in advance.

The appraiser has personally inspected the subject property and find no obvious evidence of structural deficiencies, except as stated in this report; however, no responsibility for hidden defects or conformity to specific governmental requirements, such as fire, building and safety, earthquake or occupancy codes can be assumed without provision of specific professional or government inspections.

No consideration has been given in this appraisal as to the value of the property located on the premises considered by the appraiser to be personal property, nor has he given consideration to the cost of moving or relocating such personal property; only the real property has been considered.

Information obtained for use in this appraisal is believed to be true and correct to the best of my abilities; however, no responsibility is assumed for errors or omissions, or for information not disclosed which might otherwise affect the valuation estimate.

Disclosure of the contents of this appraisal report is governed by the Bylaws and Regulations of the Appraisal Institute.

Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser or firm with which he is connected, or any reference to the American Institute of Real Estate Appraisers or to the MAI or SRA designations) shall be disseminated to the public through advertising media, public relations media, news media, sales media or any other public means of communication without prior written consent and approval of the appraiser.

Comments concerning the location, market area, trends, construction quality and costs of the property appraised herein represent the opinion of the appraiser formed after examination and study of the subject property.

This appraisal represents the independent opinion of the appraiser free from any commitments and free from any present or expected future interest in the property, with the sole compensation for the employment being a fair professional fee.

The Americans with Disabilities Act (“ADA”) became effective January 26, 1992. I have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since I have no direct evidence relating to this issue, I did not consider possible non-compliance with the requirements of ADA in estimating the value of the property.

Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss of value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

If this appraisal report was transmitted as an “electronic record” containing my “electronic signature,” as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

DEFINITIONS:

- FEE SIMPLE ESTATE:¹ 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.
- LEASED FEE ESTATE:² An ownership interest held by a landlord with the right of use and occupancy conveyed by lease to others. The rights of lessor (the leased fee owner) and leased fee are specified by contract terms contained within the lease.
- MARKET VALUE:² The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date³ and the passing of title from seller to buyer under conditions whereby:
- (1) Buyer and seller are typically motivated;
 - (2) Both parties are well informed or well advised, and acting in what they consider their own best interests;
 - (3) A reasonable time is allowed for exposure in the open market;
 - (4) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and,
 - (5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

¹ The Dictionary of Real Estate Appraisal, 4th Edition, Appraisal Institute, Chicago

² Excerpted from Vol. 55 No. 165, Federal Register Section 34.44 Appraisal Standards

³ See discussion regarding exposure time and marketability within the Highest and Best Use analysis of this report

VALUATION AND THE APPRAISAL PROCESS

An appraisal is an estimate, an opinion of value. Its accuracy depends on the basic competence and integrity of the appraiser and on the soundness and skill by which he or she processed the data. Its worth is influenced by the availability of pertinent data. The professional appraiser seeks current facts and seeks to be practical. Most importantly, the appraiser's opinion must be without bias. As with other types of "markets," the real property appraiser does not make the market; rather, he or she interprets the market.

Generally, the appraiser uses three approaches to value: 1) Cost Approach; 2) Direct Sales Comparison Approach; and, 3) Income Approach. Each of these approaches is discussed separately below. They are all comparative approaches in that the basic data comes from direct comparisons in the market, indirect comparisons in the market, and/or the appraiser's judgment, which is based on market experience.

In the Cost Approach, the cost to reproduce the property at the date of the appraisal, less an appropriate allowance for depreciation (physical deterioration, functional obsolescence, and economic obsolescence), is made by market comparisons of cost and depreciation. The Cost Approach tends to set the upper limit of value since no property can be worth more than it would cost to build another property of equal utility assuming no reasonable delays. In land appraisals this approach is not applicable as land cannot be replaced but is considered a non-depreciating asset.

In the Direct Sales Comparison Approach, the subject property is compared to sales of similar properties. The sales are analyzed to determine similarities and differences, which affect value when observed in the market. These similarities and differences then serve as points of comparison between the market data and the subject property. When necessary, adjustments are made to the comparables to account for these differences. The resulting adjusted value per unit is then used to estimate the value via this approach.

In the Income Capitalization Approach, the future operation of the property is estimated from past historical data relating to the subject and/or from comparable market data. Gross rental schedules, vacancy and collection losses, fixed expenses, operating expenses and reserves are projected and used to estimate net income. This net income is converted to a value estimate using the capitalization process. The capitalization rate (comprised of a return on and a return of the investment) is based on demonstrated rates found in the market. (In land appraisals, recapture is not a part of the capitalization rate as land is considered a non-depreciating asset.) The method and technique of capitalization is determined by the nature of the property in the market.

All approaches were considered for this report, however, the availability, adequacy and pertinence of data may limit the approaches actually used, as discussed in the Reconciliation of this report.

MARKET AREA DESCRIPTION AND ANALYSIS

Market areas influence value of specific properties in many ways. These influences are best understood considering their social, economic, governmental and environmental characteristics. It has been said that “social, economic, governmental and environmental forces also influence property value near the subject property which, in turn, directly affects the value of the subject property itself.”¹ Therefore, we will examine each characteristic considering the subject’s market area.

Market Area: Subject is in Walnut Iowa which was incorporated in 1877, it is about 43 miles east of the Council Bluffs/Omaha metropolitan area (CBSA). This area is described as follows:

Social Characteristics

Demographics: The 2021 population² within one, 3 and 5 miles of Walnut was reported as 873, 1,052 and 1,262 respectively; which is an annual rate of increase of 0.85%. Households in 2021 have increased 0.93% from 2010. Average family size was 2.20 persons.

Education: The market area is served by the AHST Public School District (Avoca, Hancock, Shelby Tennant and Walnut communities). The level of education achieved for persons ages 25 or older within the area is shown as follows.

| 2021 Population 25+ by Educational Attainment | 1 mile | 3 miles | 5 miles |
|--|---------------|----------------|----------------|
| Total | 656 | 789 | 943 |
| Less than 9th Grade | 0.9% | 0.9% | 0.7% |
| 9th - 12th Grade, No Diploma | 4.1% | 4.1% | 3.8% |
| High School Graduate | 34.8% | 34.6% | 33.7% |
| GED/Alternative Credential | 5.3% | 5.1% | 4.8% |
| Some College, No Degree | 24.5% | 24.2% | 23.4% |
| Associate Degree | 10.2% | 10.3% | 10.8% |
| Bachelor’s Degree | 14.3% | 15.0% | 16.2% |
| Graduate/Professional Degree | 5.8% | 6.0% | 6.5% |

Employment: Employment by industry within the city is shown as follows.

| 2021 Employed Population 16+ by Industry | 1 mile | 3 miles | 5 miles |
|---|---------------|----------------|----------------|
| Total | 441 | 535 | 651 |
| Agriculture/Mining | 9.5% | 10.3% | 11.1% |
| Construction | 6.3% | 6.5% | 6.8% |
| Manufacturing | 9.1% | 9.0% | 9.1% |
| Wholesale Trade | 2.7% | 2.6% | 2.6% |
| Retail Trade | 15.4% | 15.1% | 14.4% |
| Transportation/Utilities | 7.3% | 7.5% | 8.0% |
| Information | 0.5% | 0.6% | 0.6% |
| Finance/Insurance/Real Estate | 8.8% | 8.8% | 8.3% |
| Services | 37.9% | 37.8% | 37.0% |
| Public Administration | 2.3% | 2.1% | 2.3% |

¹ Appraisal of Real Estate, 13th Edition, 2008

² www.stdbonline.com

MARKET AREA DESCRIPTION AND ANALYSIS (CONTINUED)

Social Characteristics (Continued)

It was shown that 441 persons are in the workforces in Walnut. Unemployment rate was 3.3%:

Housing: The market area 296 housing units within one mile and has roughly 60% of occupants owning their home and 27.7% of homes being renter occupied.

Roadway Linkage: City of Walnut is located just south of I-80 about 43 miles east of Council Bluffs/Omaha metro.

Recreation:

Walnut is known as Iowa's "antique city" with many specialty shops. The town has several parks a splash park and baseball fields.

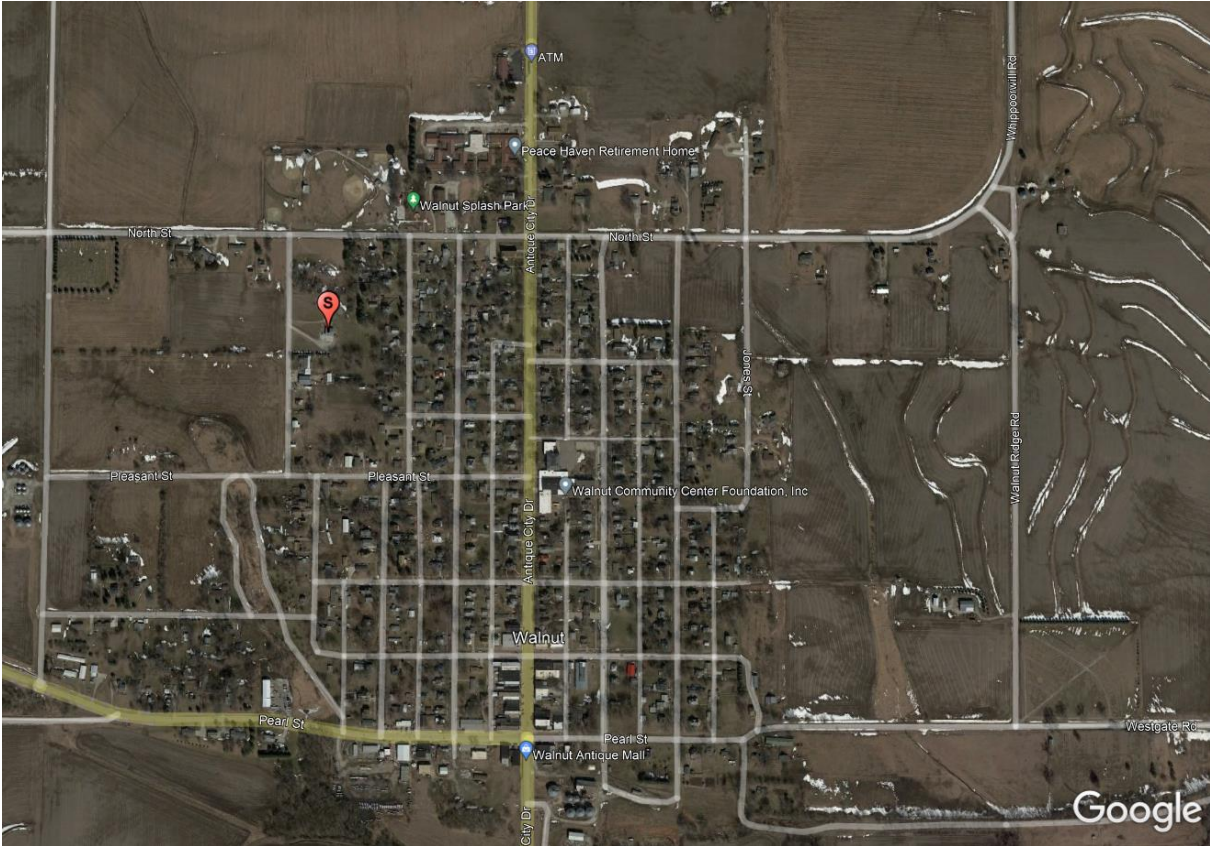
Retail Centers: Shopping is adequate in town and expanded in nearby communities.

Utilities: Water and sewer are provided by City of Walnut, MidAmerican Energy provides gas and electricity to the community.

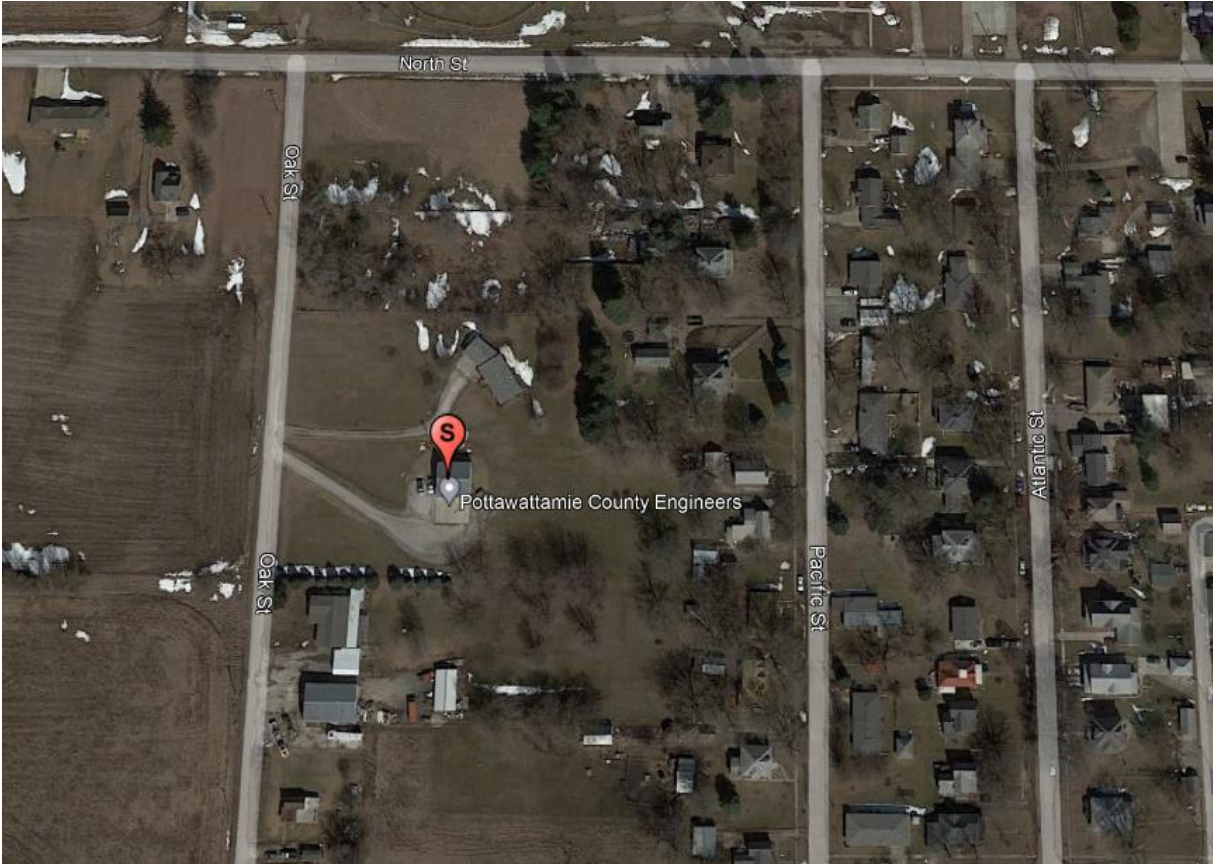
Governmental Characteristics

Administration: Walnut has a mayor and city council form of government.

Market Area Aerial



Immediate Market Area Aerial



MARKET AREA VIEWS



SITE DESCRIPTION AND ANALYSIS

Subject property is located on the east side of Oak Street which is between North and Pleasant Streets in the west portion of Walnut; this is in the east portion of Pottawattamie County. The property is surrounded by residential or agricultural properties. Following is a summary of subject characteristics:

Size: Subject parcel has frontage along Oak Street with site area listed as 63,162 square feet or 1.45 acres. These dimensions were taken from public records, as no survey was provided.

Topography: Subject site appears to have sloping to level terrain generally falling from the east to the west and is near the grade level of abutting road. This site appears to have adequate surface water drainage.

Soils: Subject is presumed free of hazardous materials and the load bearing capacities adequate for improvements. Obvious environmental problems were not observed. See Limiting Conditions as relate to effects on value if environmental contamination is found on property.

Utilities: Subject has electricity, natural gas, water and sewer.

Easements/Encroachments/Restrictions: No adverse easements or encroachments were noted on the plats and none are known.

Flood Plain/Drainage: Subject does not appear to be located in a designated flood zone, per CoreLogic, referencing FEMA Map 19155C0375F, dated April 16, 2013 (map in report).

Zoning: City website showed this property to be zoned residential. City ordinance stated that the County zoning code would apply. The Class R-3 District is intended to provide for residential development. This district is also intended to facilitate the orderly expansion of incorporated communities by limiting the density of development pending the planned extension of public or common water and sewer services. (Ordinance #2007-01/03-09-07)

Visibility: Subject has frontage along Oak Street which is a 2-lane street handling north/south bound traffic and carries very light traffic. The views to and from the subject are not dramatically obscured by abutting properties or terrain. Based on these factors the subject is considered to have fair visibility characteristics.

Access: Subject parcel has an interior location in an area of mostly residential and agricultural land uses.. Based on this, subject is considered to have fair access characteristics.

Subject Parcel Aerial



Subject Flood Map



The closest match to 705 oak st, walnut ia is 705 OAK ST WALNUT, IA 51577-3084

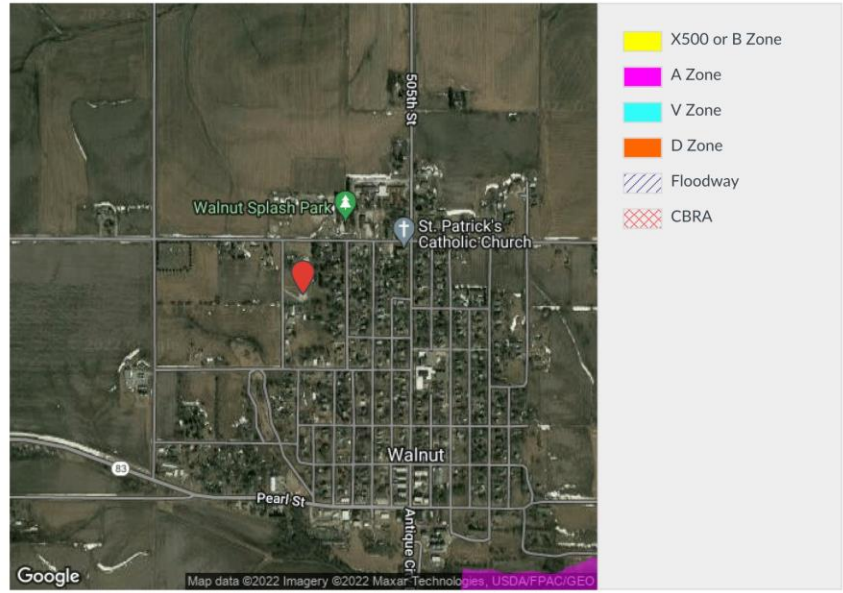
705 OAK ST WALNUT, IA 51577-3084

LOCATION ACCURACY: 📍 Excellent

Flood Zone Determination Report

Flood Zone Determination: **OUT**

| | | | |
|------------|----------------|------------|-------------|
| COMMUNITY | 190676 | PANEL | 0375F |
| PANEL DATE | April 16, 2013 | MAP NUMBER | 19155C0375F |



DESCRIPTION AND ANALYSIS OF IMPROVEMENTS

The subject property consists of one building used as a maintenance building. This building contains 2 drive-in bays an open office and a restroom it was built in 1990. The building is of pre-engineered steel construction with metal panels on the elevations and pitched roof. There are 2 overhead doors for vehicle entry and a pedestrian door. The building has 1,680 square feet and is located upon an interior site with 63,162 SF. Based on my observations and public records the general building components and their condition were summarized as follows:

STRUCTURAL FEATURES:

Footings & Foundation: Footings were not observed; foundation appears to be poured concrete.

Superstructure: Building is of pre-engineered steel construction with metal panels on the exterior elevations and a pitched roof.

Floors: Are poured concrete, specific thickness and load-bearing capacity is unknown.

Roof: Roof is a pitched design and was covered with metal panels. It is drained by a gutter and downspout system.

Walls: Exterior walls are metal panels.

Windows & Doors: Entry into the building is a direct entry through a metal pedestrian door in an aluminum frame. There are no windows in the building. There were 2 overhead drive-in doors of insulated metal construction, which were about 12' x 15' and electrically operated.

MECHANICAL FEATURES:

Electrical Systems: Electric service was 110/220 volt service; protected by circuit breakers.

Lighting: The building had fluorescent fixtures.

Heating & Air Conditioning: There was a gas fired tube heater

Fire Protection System: None observed

Security System: None observed

DESCRIPTION AND ANALYSIS OF IMPROVEMENTS (CONTINUED)

INTERIOR:

Restrooms: There was a restroom equipped with a residential stool, sink. No specific investigation of whether or not these facilities meet requirements of the Americans with Disabilities Act was conducted (see disclaimer in Assumptions at the conclusion of this report).

Interior Finish: The open office portion of the building has no real finish

Site Improvements: There was concrete drive in front of the building then that changes to crushed rock, the balance of the site has turf grass.

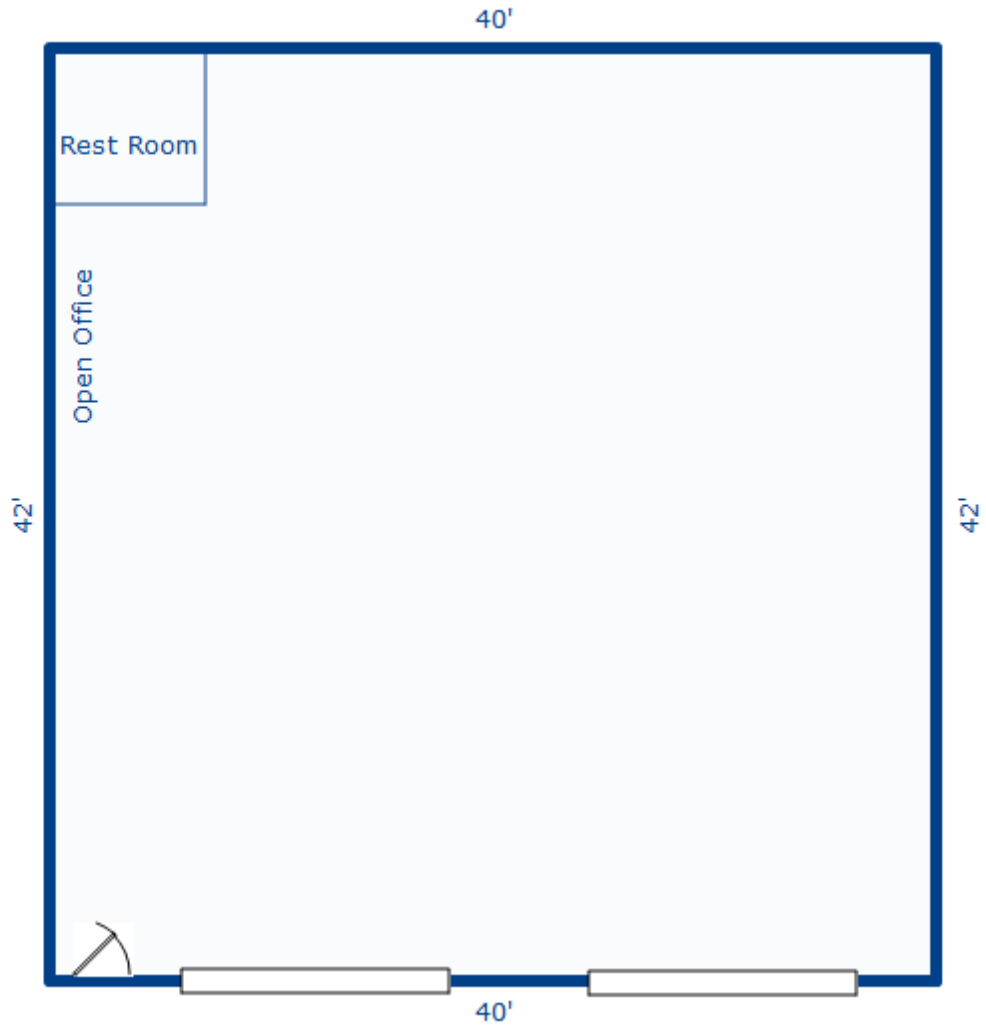
CONDITION/DEPRECIATION:

Subject was reported to have been constructed in 1990. Therefore, it has a chronological age of 32 years. The subject was considered in average/fair condition. Therefore, it is estimated to have effective age of 25 years. Per Marshall Valuation, buildings similar to subject would have an economic life of 40 years. Based on these factors, subject is estimated to have non-curable depreciation of 63% (25-year effective age ÷ 40-year economic life).

Functional Obsolescence: The subject's layout and floor plan is typical for this type of structure in this area.

External Obsolescence: No external obsolescence was observed (in market area description), as there appears adequate demand for these type properties.

Building Sketch



INTERIOR PHOTOS



Looking toward rear



Looking toward front



Restroom



Open office

HIGHEST AND BEST USE

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

Highest and best use of a specific property is not determined through subjective analysis by the appraiser; rather, shaped by the competitive forces in the market where property is located. Therefore, the analysis and interpretation of highest and best use is an economic study of market forces focused on the subject. The benefit of real estate development produces for a community or amenity contribution provided by a planned project (i.e., public space in a park-like area) is not considered in the appraiser's analysis of highest and best use. Also implied is that the determination of highest and best use results from the appraiser's judgment and analytical skills, i.e., that the use determined from analysis represents an interpretation or opinion not a fact to be found. In appraisal practice, the concept of highest and best use represents the premises upon which value is based. In the context of most probable selling price (market value) another appropriate term to reflect highest and best use would be most probable use. In the context of investment value, an alternate term would be most profitable use.

In order for a particular use or a piece of real property to be the highest and best use of that real property, several requirements must be met:

1. The use must be legally permissible or reasonably possible.
2. The use must be physically possible on the site.
3. The use must be economically and financially feasible under projected market conditions existing.
4. The use must be the most profitable of the legally permissible, physically possible, and economically feasible alternatives.

In estimating its market value, real property is appraised in terms of its highest and best use. Highest and best use analysis is analogous to a feasibility study, in that it is progressive. Legally permissible or physically possible uses are first considered. After analyzing one, the other is fully considered.

Regarding possible uses, there are five basic categories, which are:

1. Residential,
2. Commercial,
3. Industrial,
4. Agricultural, and
5. Special or public use.

After permissible and possible are concluded, economically feasible uses are next identified; that is, those that would pay competitive return on investment in improvements as well as land. Of these, the "maximally productive" or most profitable is highest and best use also referred to as the "ideal" use.¹

In estimating highest and best use of property, the site is first analyzed as though vacant, unimproved and available for development to its most profitable, likely, legal use. When improvements are present, it is necessary to estimate the highest and best use of the site as improved. In both cases, the property is analyzed from the viewpoint of possible, permissible and feasible uses.

¹ Appraisal of Real Estate, 13th Edition, Chicago

HIGHEST AND BEST USE (CONTINUED)

SITE 'AS IF' VACANT

Referring to highest and best use 'as if' vacant, first test is physical adaptability of land. Potential uses include are generally commercial in nature. Agricultural uses are not physically possible due to site size in relation to large acreage needs of modern farm operations. The 63,162 SF site appears entirely usable and could accommodate most uses, obviously limited by its size. No adverse physical or economic conditions were observed.

Second test is legal permissibility of use. Site is located in a residential zone which allows a variety of other uses, so residential uses are permitted as well as county buildings, so agricultural and commercial uses are omitted.

Third test is the financial feasibility, calling for a use generating highest return on and of investment. The site is located along Oak Street, a lightly traveled street. Office and retail users would not find the site attractive due to the minimal traffic and surrounding residential, properties. Civic users are often not-for-profit entities that operate on limited budgets. As a result, civic users would likely not be willing to pay as much as a residential or industrial user for a site with the subject characteristics.

Based on site size, zoning, economic and physical characteristics, it is my judgment that the highest and best use, as if vacant, would be for residential use within the scope of the present zoning.

"AS IMPROVED"

The four tests of highest and best use, (legal permissibility, physical possibility, financial feasibility and maximum productivity) can be applied to the property "as improved" to determine the use that will maximize the subject property's value. The use maximizing the highest value is the highest and best use of the property "as improved."

The four basic courses of action that can be applied to a property are:

- To demolish improvements and redevelop the site for a new use; or
- To modify improvements (e.g. renovate, modernize, or convert), or
- To cure items of deferred maintenance and retain the improvements; or
- To maintain the improvements "as is"

I analyzed the four courses of action for the subject mixed-use building, in keeping with the four main tests of highest and best use, with my analysis described in the following paragraphs:

Demolish & Redevelop: The existing improvements contribute to site value (concluded in large part by competing properties), and it would not be financially feasible to demolish them in order to redevelop the land for some alternate use. Therefore, this option is eliminated on grounds of financial feasibility.

HIGHEST AND BEST USE (CONTINUED)

“AS IMPROVED” (CONTINUED)

Modify Improvements: I was unable to identify modifications or conversions of existing improvements that would increase property value by an amount greater than anticipated cost of modifications or conversions. Therefore, the option to modify improvements is eliminated on grounds it would not maximize property value.

Cure Deferred Maintenance or Maintain Improvements: Subject is considered in average/fair condition, with some minor deferred maintenance observed. The cost to cure this deficiency is not considered to increase the value beyond the costs of those improvements. Therefore, the option to cure deferred maintenance is ruled out.

The only remaining course of action meeting tests of legal permissibility, physical possibility, financial feasibility, and maximum productivity is to continue current use of the subject as a light industrial or maintenance building.

EXPOSURE TIME

In order to sell property, it must be exposed to the open market. The following discussion is provided to illustrate current market conditions and estimate exposure time needed to market subject.

Exposure time may be defined as estimated length of time a property interest being appraised would have been offered on the open market prior to a hypothetical consummation of sale at market value on effective date of the appraisal; a retrospective estimate based on analysis of past events assuming a competitive, open market.

The concept of reasonable exposure time encompasses not only adequate, sufficient, reasonable time, but also adequate, sufficient, reasonable effort and considers type property being appraised, supply/ demand conditions, as of effective date of appraisal and analysis of historical sales information (sold after exposure and completion of negotiations between buyer/seller). Therefore, reasonable exposure time is a function of price and use, not an isolated estimate of time. Reasonable exposure is always presumed to precede effective date of appraisal and differs for various types of real estate under various market conditions. Therefore, my estimate of 12-18 months exposure time is based on subject's determined highest and best use in a highly competitive retail market evidencing some demand (albeit limited) for the type of space offered, its highly desirable location, but also factoring the slowdown in the real estate market over the past couple years caused by recessionary conditions.

HIGHEST AND BEST USE (CONTINUED)

MARKETING TIME

Marketing time for the purpose of this report, is defined as an estimated amount of time it might take to sell a property interest in real estate at estimated market value during the period immediately after the effective date of the appraisal.”

As with reasonable exposure time, estimated marketing time is not intended as a prediction of a date of sale or a one-line statement. The concept of marketing time encompasses other market conditions that may affect marketing, e.g., identification of typical buyers/sellers for type of real estate involved, typical equity investment levels, and/or financing terms. Therefore, reasonable marketing time is a function of price, use, and anticipated market conditions such as changes in cost/availability of funds, not an isolated estimate of time. Marketing time occurs after effective date of market value estimate and considers such brokerage functions as advertising, arranging financing and marketing property to specific investors. Estimates of both reasonable exposure and marketing times are not predictions, rather only judgments made by an appraiser.

Properties similar to the subject would appeal primarily to owners due to the single tenant design of the subject. A market search done as part of this appraisal provided limited data and, as a result, accurately estimating exact time needed to market the property was subjective, but area brokers reported recent marketing times for most reasonably priced commercial properties in metro area ranging from 1-24 months. The real estate market slowed in late 2007 due to recessionary conditions, and this slowdown was magnified by the destabilization of the financial markets in October 2008. Loans are still available for qualified borrowers, but typically at lower loan-to-value ratios, mitigating lender risk. Present rates (as of effective date of this report) range from 4.5% to 6% with terms of 3-30 years and amortizations of 15-30 years. Therefore, I concluded if subject were listed for sale in the current market at/near appraised value, reasonable marketing time is anticipated within 12 months, assuming the offering is placed with a competent broker active in the area and experienced with this property type. Real estate brokerage commissions in the area for this property type typically are near 4%-7% of gross sale price. Market also reacts more quickly to properties with attractive price/ value ratios, tending to neglect those perceived as unrealistically priced. Skill of those marketing property can also influence exposure time needed to consummate a sale, as well as the overall economic environment in which property exists. Therefore, the abovementioned marketing time is considered reasonably well supported, but is not guaranteed.

COST APPROACH

The purpose of the Cost Approach is to estimate a Market Value for the subject property based upon the cost to construct a new property that enjoys the same utility as the subject property. This approach is based upon the principle of substitution, as it is assumed that a knowledgeable purchaser would not pay more for a property than the cost to build a new one. The improvements are literally constructed “on paper” and then any accrued depreciation is subtracted from this value. This depreciated value estimate is then added to the Market Value off the subject site in its highest and best use to arrive at an estimate of value for the property as a whole. More specifically, the steps of the Cost Approach are as follows:

1. Estimate the value of the site in its highest and best use as if vacant.
2. Estimate the replacement cost new of all of the improvements.
3. Estimate accrued depreciation from all sources.
4. Deduct accrued depreciation from the cost new.
5. Add the estimated value of the site to arrive at a value for the entire property by the Cost Approach.

Due to the older age of the original building, the reliability of this approach is diminished, so it was not developed in this report.

DIRECT SALES COMPARISON APPROACH

The Direct Sales Comparison Approach (also known as the Market Data Approach) is the process in which a market value estimate is derived by analyzing the market for similar properties and comparing these properties to the subject property. This approach is premised upon the principle of substitution which suggests that a prudent person will not pay more to purchase a property than it will cost him or her to purchase an equally desirable substitute property. Another basic premise of the Direct Sales Comparison Approach is that the market value of a property is directly related to the prices of comparable, competitive properties.¹

The comparative analysis performed in this approach focuses on similarities and differences among properties and transactions observed in the market which affect value. These similarities and differences then serve as points of comparison between the market data and the subject property. Typically, the major points of comparison are:

- Property Rights Conveyed
- Financing Terms
- Condition of Sale
- Time
- Physical Characteristics
- Economic Characteristics

A sale of a property that is an exact duplicate of the subject property would be an important and ideal indication of value. In reality, no two properties are exactly alike. As a result, an adjustment process is used when analyzing the major points of comparison.

The known sales with the greatest degree of comparability used in this analysis are adjusted for the difference between the comparable and the subject property. Adjustments are always made FROM the comparable TO the subject property. For example, if the comparable property sold two years ago and market analysis suggests that prices have increased 5%, then the sale price of the comparable would be increased by 5% to give the indication of value for the subject. Conversely, if the comparable property was in a superior location as compared to the subject and this difference was estimated at 5%, a negative adjustment of 5% would be applied to the sale price of the comparable to give the indication of value for the subject. The adjustments for different physical and economic characteristics are handled in the same manner. Adjustments may be by percentages or by dollar amounts or both.

No sales of similar properties were found in Avoca, Walnut, Griswold or Hancock; therefore, I utilized sales from Council Bluffs. Following are descriptions of known industrial, commercial or mixed use properties which sold in recent years in the Council Bluffs metropolitan area. After the sales, I have shown location maps, adjustment grids, explanation and my final conclusions of the subject property market value from this approach.

¹ Appraisal of Real Estate, 13th Edition, Chicago

| | | |
|---|-----------------------|--|
| 821 S 27th St Council Bluffs, IA 51501 Class C Manufacturing Building of 3,100 SF Sold on 11/9/2021 for \$225,000 - Public Record | |  |
| buyer | | |
| A Vital Corp 23319 Hunt Ave Council Bluffs, IA 51503 | | |
| seller | | |
| Boetel Charles B | | |
| vital data | | |
| Escrow/Contract: | - | Sale Price: \$225,000 |
| Sale Date: | 11/9/2021 | Status: - |
| Days on Market: | - | Building SF: 3,100 SF |
| Exchange: | No | Price/SF: \$72.58 |
| Conditions: | - | Pro Forma Cap Rate: - |
| Land Area SF: | 10,890 | Actual Cap Rate: - |
| Acres: | 0.25 | Down Pmnt: - |
| \$/SF Land Gross: | \$20.66 | Pct Down: - |
| Year Built, Age: | 1972 Age: 49 | Doc No: 00000018837 |
| Parking Spaces: | 2 | Trans Tax: - |
| Parking Ratio: | - | Corner: No |
| FAR | 0.28 | Zoning: - |
| Lot Dimensions: | - | Percent Improved: 84.9% |
| Frontage: | - | Submarket: Downtown Council Bluffs I |
| Tenancy: | Single | Map Page: - |
| Comp ID: | 5782756 | Parcel No: 7544-34-402-001 |
| | | Property Type: Industrial |
| income expense data | | Listing Broker |
| Expenses | - Taxes | |
| | | \$5,368 |
| | - Operating Expenses | |
| | Total Expenses | \$5,368 |
| | | Buyer Broker |
| financing | | |



Comparable #3



Property Identification

Sale ID 4258
Address 1005 South 17th Street
Council Bluffs, Iowa
Market Council Bluffs

Property Type Industrial :: Light Industrial
Legal Description Lots 1-2 and the west 20' of Lot 3
including the north 1/2 of the vacated
adjacent alley, Block 11, Fleming &
Davis

Property Characteristics

Gross Building Area 2,400 SF
Gross Leasable Area 2,400 SF
Finish - Above Grade 416 SF
Eave Height 14.00'
Construction Average Quality, Class S
Built/Remodeled 1998/
Condition Average

Gross Site Size 10,880 SF
Usable Site Size 10,880 SF
Zoning I-2
Features Fenced, Mezzanine
Fire Sprinkler

Transaction

Sale Date July 17, 2019
Contract Price \$192,500
Contract \$80.21
Price/SF GBA
Contract \$80.21
Price/SF GLA
Adjusted Price \$192,500
Adjusted \$80.21
Price/SF GBA
Adjusted \$80.21
Price/SF GLA

Conditions of Sale Normal
Property Rights Fee Simple
Grantor All Pro Towing, LLC
Grantee Perfect Diamond Lawns, LLC
Recorded Warranty Deed 2019-09108
Source Broker

The property previously sold February 2017, for \$160,000. The 2019 sale represents appreciation near 8% per year.

Comparable #4



Property Identification

Sale ID 4269
Address 919 South 15th Street
Council Bluffs, Iowa
Market Council Bluffs

Property Type Industrial :: Light Industrial
Legal Description Lots 15 and 16, Block 8, Fleming &
Davis Subdivision and part of the
vacated alley

Property Characteristics

Gross Building Area 2,592 SF
Gross Leasable Area 2,592 SF
Finish - Above Grade 348 SF
Eave Height 12.00'
Construction Average Quality, Class D
Built/Remodeled 2006/
Condition Average

Gross Site Size 8,160 SF
Usable Site Size 8,160 SF
Zoning I-2
Features Fenced, Mezzanine
Fire Sprinkler

Transaction

Sale Date October 05, 2018
Contract Price \$160,000
Contract \$61.73
Price/SF GBA
Contract \$61.73
Price/SF GLA
Adjusted Price \$160,000
Adjusted \$61.73
Price/SF GBA
Adjusted \$61.73
Price/SF GLA

Conditions of Sale Normal
Property Rights Fee Simple
Grantor Fouts Investments, LLC
Grantee L & T Properties, LLC
Recorded Warranty Deed 2018-13139
Source Public Records, Broker

Comparable #5



Property Identification

Sale ID 4326
Address 712 South 15th Street
Council Bluffs, Iowa
Market Council Bluffs

Property Type Industrial :: Light Industrial
Legal Description South 1/2 of Lost 5 and 6, Block 32,
Everetts Addition

Property Characteristics

Gross Building Area 2,000 SF
Gross Leasable Area 2,000 SF
Finish - Above Grade 444 SF
Eave Height 16.00'
Construction Average Quality, Class D
Built/Remodeled 2006/
Condition Average

Gross Site Size 8,160 SF
Usable Site Size 8,160 SF
Zoning I-1
Features Fenced
Fire Sprinkler

Transaction

Sale Date February 11, 2020
Contract Price \$170,000
Contract \$85.00
Price/SF GBA
Contract \$85.00
Price/SF GLA
Adjusted Price \$170,000
Adjusted \$85.00
Price/SF GBA
Adjusted \$85.00
Price/SF GLA

Conditions of Sale Normal
Property Rights Fee Simple
Grantor ZaCar Corp
Grantee T & G Carper, LLC
Recorded Warranty Deed 2020/01996
Source Public Records, CoStar

This sale represents appreciation of 1.15% per year from previous sale in 2014.

Comparable #6



Property Identification

Sale ID 4328
Address 1516 Avenue C
Council Bluffs, Iowa
Market Council Bluffs

Property Type Industrial :: Light Industrial
Legal Description Lots 1, 2, and part of Lot 3, Block 3,
Beers Subdivision

Property Characteristics

Gross Building Area 2,400 SF
Gross Leasable Area 2,400 SF
Finish - Above Grade 316 SF
Eave Height 12.00'
Construction Average Quality, Class S
Built/Remodeled 1981/
Condition Average

Gross Site Size 14,705 SF
Usable Site Size 14,705 SF
Zoning C-2
Features Fenced
Fire Sprinkler

Transaction

Sale Date January 03, 2019
Contract Price \$210,000
Contract \$87.50
Price/SF GBA
Contract \$87.50
Price/SF GLA
Adjusted Price \$210,000
Adjusted \$87.50
Price/SF GBA
Adjusted \$87.50
Price/SF GLA

Conditions of Sale Normal
Property Rights Fee Simple
Grantor Cooks Towing & Repair, Inc
Grantee DHI, LLC
Recorded Warranty Deed 2019-00195
Source Public Records

Comparable #7



Property Identification

Sale ID 4329
Address 1324 9th Avenue
Council Bluffs, Iowa
Market Council Bluffs

Property Type Industrial :: Light Industrial
Legal Description Lots 6-7, Part of Lot 8, Block 26,
Riddles Subdivision

Property Characteristics

Gross Building Area 3,520 SF
Gross Leasable Area 3,520 SF
Finish - Above Grade 720 SF
Eave Height 10.00'
Construction Average Quality, Class C
Built/Remodeled 1988/
Condition Average

Gross Site Size 12,194 SF
Usable Site Size 12,194 SF
Zoning I-1
Features Fenced
Fire Sprinkler

Transaction

Sale Date September 13, 2018
Contract Price \$215,000
Contract \$61.08
Price/SF GBA
Contract \$61.08
Price/SF GLA
Adjusted Price \$215,000
Adjusted \$61.08
Price/SF GBA
Adjusted \$61.08
Price/SF GLA

Conditions of Sale Normal
Property Rights Fee Simple
Grantor L & T Properties, LLC
Grantee Michael John Kilnoski
Recorded Warranty Deed 2018-12027
Source Public Records

Comparable #8



Property Identification

Sale ID 4811
Address 2414 9th Avenue
Council Bluffs, Iowa
Market Council Bluffs

Property Type Industrial :: Light Industrial
Legal Description Part of Lots 3-5, Block 1 and part of
Lot 9, Block 17, Ninth Avenue
Addition

Property Characteristics

Gross Building Area 5,400 SF
Gross Leasable Area 5,400 SF
Finish - Above Grade 1,196 SF
Eave Height 12.00'
Construction Good Quality, Class S
Built/Remodeled 2010/
Condition Good

Gross Site Size 13,890 SF
Usable Site Size 13,890 SF
Zoning I-1
Features
Fire Sprinkler

Transaction

Sale Date September 23, 2020
Contract Price \$390,000
Contract \$72.22
Price/SF GBA
Contract \$72.22
Price/SF GLA
Adjusted Price \$390,000
Adjusted \$72.22
Price/SF GBA
Adjusted \$72.22
Price/SF GLA

Conditions of Sale Normal
Property Rights Fee Simple
Grantor Jo Ter Ran Investments, LLC
Grantee Ht 9th Ave, LLC
Recorded Warranty Deed 2020-13944
Source Public Records, Broker

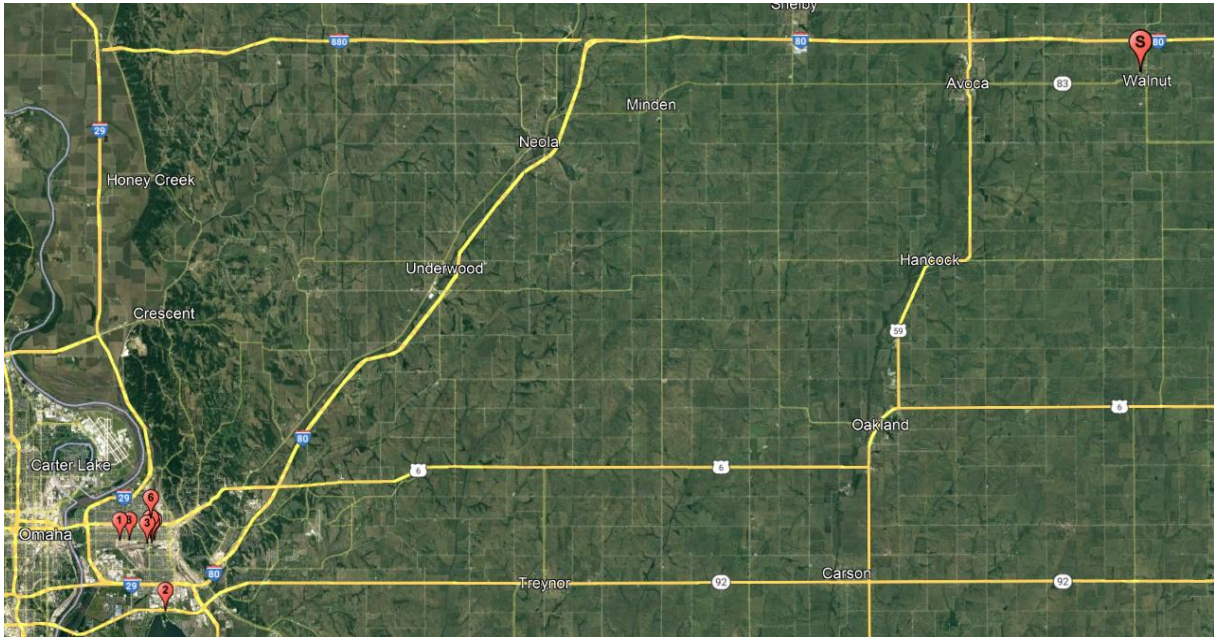
Broker noted there was a lot of interest in the property. Sale represents annual appreciation near 5.90% from its 2011 sale.

| | | | | | | | | | | | |
|--|---|--|-----------------|--|----------------------|--|--|-----------------------|-----------------|--|--|
| 2101 N Lavista Heights Rd Avoca, IA 51521 Class C Warehouse Building of 26,470 SF Sold on 6/4/2021 for \$582,000 - Research Complete | |  | | | | | | | | | |
| buyer Taylor Dieckman 14803 Black St Bennington, NE 68007 (402) 677-0761 | | | | | | | | | | | |
| seller Joyce Mez 1523 N Willow St Avoca, IA 51521 (712) 343-6354 | | | | | | | | | | | |
| vital data | | | | | | | | | | | |
| Escrow/Contract: - Sale Date: 6/4/2021 Days on Market: - Exchange: No Conditions: - Land Area SF: 130,680 Acres: 3 \$/SF Land Gross: \$4.45 Year Built, Age: 2005 Age: 16 Parking Spaces: - Parking Ratio: - FAR 0.20 Lot Dimensions: - Frontage: - Tenancy: - Comp ID: 5576738 | Sale Price: \$582,000 Status: Full Value Building SF: 26,470 SF Price/SF: \$21.99 Pro Forma Cap Rate: - Actual Cap Rate: - Down Pmnt: - Pct Down: - Doc No: 00000008923 Trans Tax: - Corner: No Zoning: Industrial No Tenants: 1 Percent Improved: 72.1% Submarket: E Pottawattamie County In Map Page: - Parcel No: 7739-04-401-001 Property Type: Industrial | | | | | | | | | | |
| income expense data | | Listing Broker | | | | | | | | | |
| <table border="0"> <tr> <td>Expenses</td> <td>- Taxes</td> <td>\$15,976</td> </tr> <tr> <td></td> <td>- Operating Expenses</td> <td></td> </tr> <tr> <td></td> <td>Total Expenses</td> <td>\$15,976</td> </tr> </table> | Expenses | - Taxes | \$15,976 | | - Operating Expenses | | | Total Expenses | \$15,976 | | |
| Expenses | - Taxes | \$15,976 | | | | | | | | | |
| | - Operating Expenses | | | | | | | | | | |
| | Total Expenses | \$15,976 | | | | | | | | | |
| | | Buyer Broker | | | | | | | | | |
| financing | | | | | | | | | | | |



County showed this as a multi-parcel sale so it was not investigated further.

Sales Map



DIRECT SALES COMPARISON APPROACH (CONTINUED)

Comparable Sales Grid

| | SUBJECT PROPERTY 705 Oak Street Walnut, Iowa | SALE #1: | SALE #2: | SALE #3: | SALE #4: |
|--|---|--|---|---|--|
| | | 821 So 27th Street Council Bluffs, Iowa | 717 Veterans Mem Hy Council Bluffs, Iowa | 1005 So 17th Street Council Bluffs, Iowa | 919 So 15th Street Council Bluffs, Iowa |
| | | ADJUSTED | ADJUSTED | ADJUSTED | ADJUSTED |
| SALE PRICE | N/A | \$225,000 | \$450,000 | \$192,500 | \$160,000 |
| SALE PRICE/SF | N/A | \$72.58 | \$130.21 | \$80.21 | \$61.73 |
| GIM/OCR | NA/NA | NA/NA | NA/NA | NA/NA | NA/NA |
| MARKET ADJUSTMENTS | | | | | |
| PROPERTY RIGHTS CONVEYED | Fee Simple | Similar 0% | Similar 0% | Similar 0% | Similar 0% |
| | | \$225,000 | \$450,000 | \$192,500 | \$160,000 |
| FINANCING | N/A | Cash 0% | Cash 0% | Cash 0% | Cash 0% |
| | | \$225,000 | \$450,000 | \$192,500 | \$160,000 |
| CONDITION OF SALE | N/A | Normal 0% | Normal 0% | Normal 0% | Normal 0% |
| | | \$225,000 | \$450,000 | \$192,500 | \$160,000 |
| DATE OF SALE | May-22 (Inspection) | Nov-21 2% | May-21 3% | Jul-19 7% | Oct-18 11% |
| | | \$229,500 | \$463,500 | \$205,975 | \$177,600 |
| PHYSICAL ADJUSTMENTS (LUMP SUM) | | | | | |
| BUILDING SIZE/SF | 1,680 | 3,100 0% | 3,456 0% | 2,400 0% | 2,592 0% |
| LOCATION/SITE | Walnut | Co Bluffs -25% | Co Bluffs -25% | Co Bluffs -25% | Co Bluffs -25% |
| QUALITY OF CONSTRUCTION | Average/Cls S | Avg/Cls C -5% | Avg/Cls S 0% | Avg/Cls S 0% | Avg/Cls S 0% |
| INTERIOR FINISH | Minimal | 5% 0% | 3% 0% | 17% -5% | 13% -3% |
| AGE/CONDITION | 32/Average/Fair | 49/Avg 7% | 40/AvFr 4% | 21/Avg -9% | 12/Avg -14% |
| SITE TO BUILDING RATIO | 37.60:1 | 3.51:1 8% | 42.85:1 -2% | 4.5:1 8% | 3.14:1 9% |
| AMENITIES | None | None 0% | None 0% | Fenced -3% | Fenced -3% |
| NET PERCENTAGE LUMP SUM ADJUSTMENTS | | -15% | -23% | -34% | -36% |
| FINAL ADJUSTED PRICE | | \$195,075 | \$356,895 | \$135,944 | \$113,664 |
| FINAL ADJUSTED PRICE/SF | | \$62.93 | \$103.27 | \$56.64 | \$43.85 |
| TOTAL NET ADJUSTMENTS | | -13% | -20% | -27% | -25% |
| TOTAL GROSS ADJUSTMENTS | | 39% | 32% | 49% | 56% |

DIRECT SALES COMPARISON APPROACH (CONTINUED)

Comparable Sales Grid

| | SUBJECT PROPERTY 705 Oak Street Walnut, Iowa | SALE #5: 712 So 15t Street Council Bluffs, Iowa | | SALE #6: 1516 Avenue C Council Bluffs, Iowa | | SALE #7: 1324 9th Avenue Council Bluffs, Iowa | | SALE #8: 2414 9th Avenue Council Bluffs, Iowa | |
|--|---|---|----------|---|----------|---|----------|---|----------|
| | | ADJUSTED | ADJUSTED | ADJUSTED | ADJUSTED | ADJUSTED | ADJUSTED | ADJUSTED | ADJUSTED |
| SALE PRICE | N/A | \$170,000 | | \$210,000 | | \$215,000 | | \$390,000 | |
| SALE PRICE/SF | N/A | \$85.00 | | \$87.50 | | \$61.08 | | \$72.22 | |
| GIM/OCR | NA/NA | NA/NA | | NA/NA | | NA/NA | | NA/NA | |
| MARKET ADJUSTMENTS | | | | | | | | | |
| PROPERTY RIGHTS CONVEYED | Fee Simple | Similar | 0% | Similar | 0% | Similar | 0% | Similar | 0% |
| | | \$170,000 | | \$210,000 | | \$215,000 | | \$390,000 | |
| FINANCING | N/A | Cash | 0% | Cash | 0% | Cash | 0% | Cash | 0% |
| | | \$170,000 | | \$210,000 | | \$215,000 | | \$390,000 | |
| CONDITION OF SALE | N/A | Normal | 0% | Normal | 0% | Normal | 0% | Normal | 0% |
| | | \$170,000 | | \$210,000 | | \$215,000 | | \$390,000 | |
| DATE OF SALE | May-22 (Inspection) | Feb-20 | 6% | Jan-19 | 9% | Sep-18 | 11% | Sep-20 | 5% |
| | | \$180,200 | | \$228,900 | | \$238,650 | | \$409,500 | |
| PHYSICAL ADJUSTMENTS (LUMP SUM) | | | | | | | | | |
| BUILDING SIZE/SF | 1,680 | 2,000 | 0% | 2,400 | 0% | 3,520 | 0% | 5,400 | 0% |
| LOCATION/SITE | Walnut | Co Bluffs | -25% | Co Bluffs | -25% | Co Bluffs | -25% | Co Bluffs | -25% |
| QUALITY OF CONSTRUCTION | Average/Cls S | Avg/Cls D | 0% | Avg/Cls S | 0% | Avg/Cls C | -5% | Gd/Cls S | 0% |
| INTERIOR FINISH | Minimal | 22% | -8% | 13% | -3% | 20% | -7% | 22% | -8% |
| AGE/CONDITION | 32/Average/Fair | 14/Avg | -13% | 38/Avg | 2% | 30/Avg | -1% | 10/Gd | -16% |
| SITE TO BUILDING RATIO | 37.60:1 | 4.08:1 | 8% | 6.13:1 | 8% | 3.46:1 | 9% | 2.57:1 | 9% |
| AMENITIES | None | Fenced | -3% | Fenced | -3% | Fenced | -3% | None | 0% |
| NET PERCENTAGE LUMP SUM ADJUSTMENTS | | | -41% | | -21% | | -32% | | -40% |
| FINAL ADJUSTED PRICE | | \$106,318 | | \$180,831 | | \$162,282 | | \$245,700 | |
| FINAL ADJUSTED PRICE/SF | | \$53.16 | | \$75.35 | | \$46.10 | | \$45.50 | |
| TOTAL NET ADJUSTMENTS | | | -35% | | -12% | | -21% | | -35% |
| TOTAL GROSS ADJUSTMENTS | | | 55% | | 42% | | 52% | | 54% |

DIRECT SALES COMPARISON APPROACH (CONTINUED)

ADJUSTMENT RATIONALE

The preceding represents the only known sales of industrial properties considered of similar condition, design, use, and/or location in Pottawattamie County or competing areas of the metro. All these properties were considered to be similar to the subject, but did require some adjusting to make them equal to subject. Sale prices were reduced to the common denominator of price per square foot of GBA, as this is a normal unit of measurement in market buying and selling decisions.

Market Condition Adjustments

Adjustments were not required for property rights conveyed, financing, or condition of sale, as all were considered normal for the market.

All the sales were considered for adjustment due to date of sale. I observed a general increase in property values in the metro area over the past few years, typically ranging from 3% to 4% annually until late 2007 when recessionary conditions began. The market slowdown was magnified following destabilization of the financial markets in October 2008, demonstrated by the lack of known sales occurring since that time. The market has been improving since 2010 and therefore, I applied an annual appreciation to these sales of 3% after that time.

Physical Condition Adjustments

The sales are typically adjusted for the relative improvement size difference with the subject building, due to dissimilar sizes and economies of scale. Adjustments were not considered necessary as all were similar in size to subject.

Adjustments were considered for overall construction quality. Adjustments were derived from Marshall Valuation Service estimated costs to bring properties equal to the subject and from the market reaction to these differences.

Adjustments for age of improvements were given as typically buyers are concerned about remaining economic life of property. A rounded 1/2% per year of difference with subject age was derived as an appropriate adjustment and applied accordingly. Additional adjustments for condition were applied separately, based on cost estimates to bring properties equal and accounts for the effective age of the improvements.

Adjustments for amenities were also considered as properties with additional features, such as fencing generally yield higher sale prices. Subject has no amenities, #3 through #7 had fencing, so those sales received negative adjustments the remaining sales had no amenities so no adjustments were applied to all these sales.

Adjustments for location were considered as all of these properties were located in areas with more dense development than the subject so large negative adjustments were applied. Based upon paired sale analysis between a property in Avoca and several in Council Bluffs, which indicated a 53% difference rounded to 25% due to this properties good location in town.

DIRECT SALES COMPARISON APPROACH (CONTINUED)

RECONCILIATION

Before adjusting, the sale prices ranged from \$61.08/SF in Sale #7 to \$130.21/SF in Sale #2. After the aforementioned adjustments were applied, the indicated values ranged from \$43.85/SF in Sale #4 to \$103.27/SF in Sale #2. Net percentage adjustments ranged from -35% to -12% while gross adjustments ranged from 32% to 56%.

Generally, sales with the smallest amount of adjustment are the best indicators of value. All sales required very large adjustments, therefore, no single sale was more persuasive than another. The majority of the sales 5 out of 8 indicated values from \$43.85 to \$56.64/SF. Therefore, a value estimate for the subject within that range would have the broadest support. Three remaining sales indicated higher values from \$62.93/SF to \$103.27/SF.

The market search revealed no similar properties on the market currently:

Therefore, based on the foregoing data and analysis, I estimated 'as is' market value of the subject at \$60.00/SF, as of the effective date of this report with the total value developed as follows:

| | | | | | |
|------------------------|---|------------------------|---|--------------|-------------------|
| <u>Indicated Value</u> | x | <u>Gross Bldg Size</u> | = | <u>Total</u> | <u>Rounded to</u> |
| \$60.00/SF | x | 1,680 SF | = | \$100,800 | \$100,000 |

INCOME CAPITALIZATION APPROACH

From an investor's perspective, the earning power of a real estate investment is the critical element affecting its value. The fundamental investment premise is the higher the earnings the higher the value. Investment in an income-producing property represents the exchange of present dollars for the right to receive future dollars. In the Income Capitalization Approach to value, the appraiser analyzes a property's capacity to generate benefits and converts these benefits into an indication of present value.¹

The basic steps involved in this approach are:

1. Estimate potential gross income;
2. Estimate and deduct a vacancy and collection loss allowance;
3. Estimate and deduct expenses;
4. Estimate duration and pattern of income stream;
5. Select an applicable capitalization method and technique;
6. Develop the appropriate rate;
7. Complete the computations necessary to derive an economic value.

The primary reason for making gross income estimates is to identify probable net income benefits that may be derived from ownership interest of the income-producing property. In accepted appraisal practice, the usual basis for a gross income projection is economic rent. Economic (market) rent is defined as being the rental income that a property would most probably command in the open market; it is indicated by current rents paid and asked for comparable space as of the date of the appraisal.

Income Analysis

Subject property is presently owner occupied therefore, no rental information on the property is known.

Comparable properties found are summarized on the following pages. Operating expenses were estimated from actual historic operating statements from expenses for commercial properties I have observed in the metro area combined with national investor surveys.

¹ The Appraisal of Real Estate, 13th Edition, Chicago

Comparable #1



Property Identification

Lease ID 1012

Address 1310 South 17th Street
Council Bluffs, Iowa

Market Council Bluffs

Property Type Industrial :: Light Industrial

Legal Description Lots 1-8, Block 21 Fleming & Davis

Property Characteristics

Gross Building Area 14,000 SF

Finish - Above Grade 2,200 SF

Construction Average Quality, Class C

Built/Remodeled 2003/

Condition Average

Height 18.00'

Gross Site Size 60,984 SF

Usable Site Size 60,984 SF

Zoning I-2

Features

Transaction

Leased Area 14,000 SF

Lease Date February 28, 2018

Lease Term February 28, 2018 - January 31, 2023

Starting Base Rent \$5.20/SF

Rent Description Fixed for lease.

**Starting Additional
Rent**

Expense Terms Triple Net

Lessee

dba MP Nexlevel

Source Broker

Concession Amount N/A

**Concessions
Description**

Comparable #2



Property Identification

Lease ID 1398
Address 15 South 20th Street
Council Bluffs, Iowa
Market Council Bluffs

Property Type Commercial :: Vehicle-Related -
Service
Legal Description

Property Characteristics

Gross Building Area 9,120 SF
Finish - Above Grade N/A
Construction Average Quality, Class C
Built/Remodeled 1979/
Condition Fair
Height N/A

Gross Site Size 40,692 SF
Usable Site Size 40,692 SF
Zoning C-2
Features

Transaction

Leased Area 9,120 SF
Lease Date August 01, 2018
Lease Term September 01, 2018 - August 31,
2023
Starting Base Rent \$5.75/SF
Rent Description
**Starting Additional
Rent**
Expense Terms Triple Net

Lessee
dba Jake's Towing and Transport
Source CoStar
Concession Amount N/A
**Concessions
Description**

Comparable #3



Property Identification

Lease ID 1013
Address 3319 Nebraska Avenue
Council Bluffs, Iowa
Market Council Bluffs

Property Type Industrial :: Light Industrial
Legal Description

Property Characteristics

Gross Building Area 41,760 SF
Finish - Above Grade N/A
Construction Average Quality, Class C
Built/Remodeled 1969/
Condition Average
Height 13.00'

Gross Site Size 100,188 SF
Usable Site Size 100,188 SF
Zoning I-2
Features

Transaction

Leased Area 7,020 SF
Lease Date October 11, 2018
Lease Term October 11, 2018 - October 10, 2021
Starting Base Rent \$4.35/SF
Rent Description Fixed for term.
Starting Additional Rent
Expense Terms Triple Net

Lessee dba McDowell Roofing
Source Broker
Concession Amount N/A
Concessions Description

Comparable #4



Property Identification

Lease ID 1014
Address 2110 23rd Avenue
Council Bluffs, Iowa
Market Council Bluffs

Property Type Industrial :: Light Industrial
Legal Description Lots 8-12, Block 11, Railroad
Addition

Property Characteristics

Gross Building Area 5,000 SF
Finish - Above Grade N/A
Construction Average Quality, Class S
Built/Remodeled 2003/
Condition Average
Height N/A

Gross Site Size 25,245 SF
Usable Site Size 25,245 SF
Zoning I-2
Features

Transaction

Leased Area 2,700 SF
Lease Date October 19, 2018
Lease Term November 19, 2018 -
Starting Base Rent \$7.11/SF
Rent Description 7.78/SF in Year 2
8.22/SF in Year 3
**Starting Additional
Rent**
Expense Terms Gross

Lessee
dba Syndicate Diesel
Source Broker
Concession Amount N/A
**Concessions
Description** One month of free rent

Garage space with mezzanine office.

Comparable #5



Property Identification

Lease ID 1242

Address 1305 Lew Ross Road
Council Bluffs, Iowa

Market Council Bluffs

Property Type Industrial :: Light Industrial

Legal Description Lots 5 & 6, Block 2, First Foundation
Sub., Council Bluffs, Pottawattamie
County, IA

Property Characteristics

Gross Building Area 17,840 SF

Finish - Above Grade 6,244 SF

Construction Average Quality, Class D

Built/Remodeled 1996/

Condition Good

Height 14.00'

Gross Site Size 87,555 SF

Usable Site Size 87,555 SF

Zoning

Features

Transaction

Leased Area 8,000 SF

Lease Date April 22, 2019

Lease Term May 01, 2019 - April 30, 2022

Starting Base Rent \$6.95/SF

Rent Description

**Starting Additional
Rent**

Expense Terms Triple Net

Lessee

dba New Covenant Electronics

Source CoStar Confirmation

Concession Amount N/A

**Concessions
Description**

Comparable #6



Property Identification

Lease ID 1369
Address 1220 35th Avenue
Council Bluffs, Iowa
Market Council Bluffs

Property Type Industrial :: Light Industrial
Legal Description Lot 6, 2nd Foundation Subdivision
Phase II

Property Characteristics

Gross Building Area 14,000 SF
Finish - Above Grade N/A
Construction Good Quality, Class S
Built/Remodeled 2005/
Condition Good
Height 18.00'

Gross Site Size 43,995 SF
Usable Site Size 43,995 SF
Zoning I-2
Features

Transaction

Leased Area 3,700 SF
Lease Date June 30, 2019
Lease Term August 29, 2019 -
Starting Base Rent \$6.00/SF
Rent Description
**Starting Additional
Rent**
Expense Terms Triple Net

Lessee
dba Safariworks Decor
Source CoStar
Concession Amount N/A
**Concessions
Description**

Comparable #7



Property Identification

Lease ID 1368
Address 1220 35th Avenue
Council Bluffs, Iowa
Market Council Bluffs

Property Type Industrial :: Light Industrial
Legal Description Lot 6, 2nd Foundation Subdivision
Phase II

Property Characteristics

Gross Building Area 14,000 SF
Finish - Above Grade N/A
Construction Good Quality, Class S
Built/Remodeled 2005/
Condition Good
Height 18.00'

Gross Site Size 43,995 SF
Usable Site Size 43,995 SF
Zoning I-2
Features

Transaction

Leased Area 7,000 SF
Lease Date December 01, 2019
Lease Term December 01, 2019 -
Starting Base Rent \$5.25/SF
Rent Description
**Starting Additional
Rent**
Expense Terms Triple Net

Lessee
dba Caesar's Entertainment
Source CoStar
Concession Amount N/A
**Concessions
Description**

Comparable #8



Photograph from Pottawattamie County Assessor

Property Identification

Lease ID 1588
Address 1309 Avenue J
Council Bluffs, Iowa
Market 13th & Avenue J

Property Type Industrial :: Light Industrial
Legal Description Lots 1-3, Block 8, Potter-Cobbs First
Addition

Property Characteristics

Gross Building Area 4,160 SF
Finish - Above Grade 784 SF
Construction Average Quality, Class D
Built/Remodeled 1986/
Condition Average
Height 12.00'

Gross Site Size 15,730 SF
Usable Site Size 15,730 SF
Zoning I-2
Features

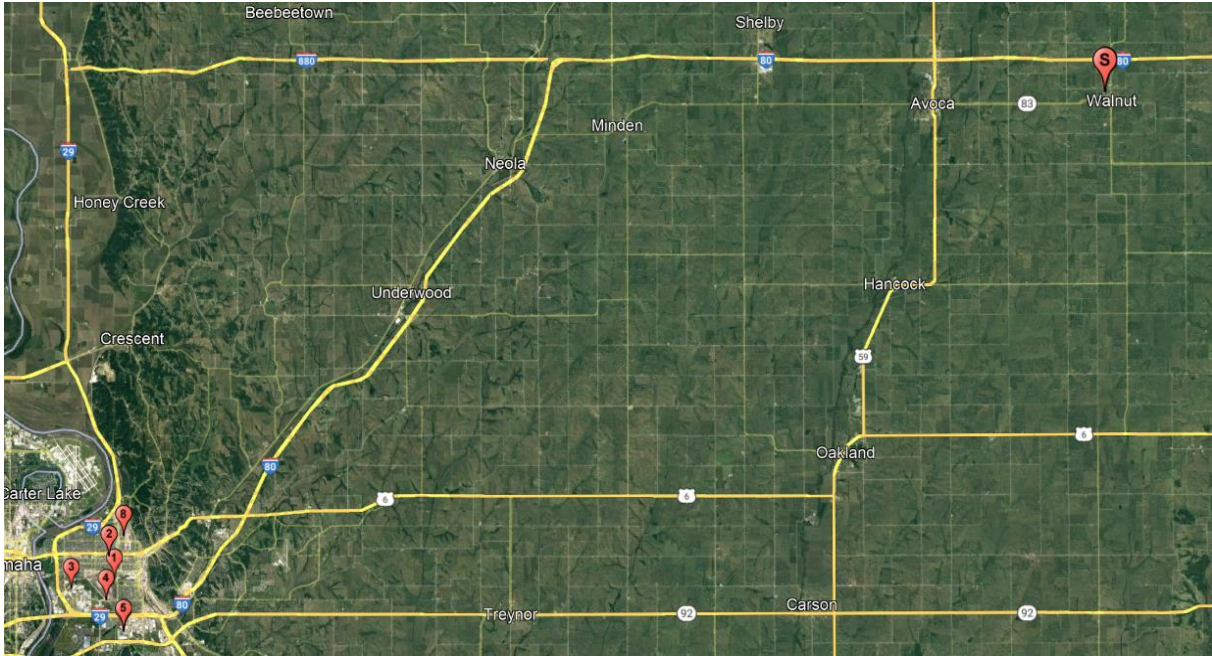
Transaction

Leased Area 4,160 SF
Lease Date October 31, 2021
Lease Term November 02, 2021 -
Starting Base Rent \$8.25/SF
Rent Description
**Starting Additional
Rent**
Expense Terms Triple Net

Lessee Brown Heavy Equipment
Source CoStar; Marketing Brochure
Concession Amount N/A
**Concessions
Description**

Net expenses were \$1.44/SF for taxes and insurance, and tenant to provide maintenance at own expense.

Comparable Rentals Map



INCOME CAPITALIZATION APPROACH (CONTINUED)

MARKET LEASE RATE ANALYSIS AND CONCLUSION

No comparables of similar properties was found in Walnut. Council Bluffs did have some comparables which reported rental rates of \$4.35/SF to \$10.50/SF, on triple net and gross terms. These comparables are considered to be similar to subject but in superior locations and would be fairly competitive with it in the current market. As the subject was in fair/average condition; it is my opinion the market rent for the subject would be reasonable at \$6.00/SF on triple net terms.

Miscellaneous Income: Some properties similar to subject in this area receive additional income from garage rentals, vending machines, forfeited deposits, etc. Subject does not appear to have any other potential sources of income.

Vacancy and Collection Losses

A vacancy and collection loss must be deducted from potential gross income to arrive at property effective gross income (EGI). A current 2022 survey conducted by Costar.com reports average vacancy of 48.85% for industrial properties in Council Bluffs but no estimate of vacancy in Walnut.

The subject space is a single tenant design, so it would be either 100% occupied or 100% vacant at any one time. Based upon the subject properties location in an area with primarily agricultural properties nearby, it is my opinion a 10% vacancy rate would be reasonable for the property.

Actual rent, vacancy and EGI were then summarized as follows:

| | | |
|---------------------------------------|----------------------|-----------|
| Potential Commercial Rental Income | 1,680 SF x \$6.00/SF | \$10,080 |
| Less: 10% Vacancy and Collection Loss | | - \$1,008 |
| Effective Gross Income | | \$9,072 |

Operating Expenses

Operating expenses that are the property owner's responsibility are deducted from projection of EGI to arrive at property's NOI. Such operating expenses include real estate taxes, insurance, maintenance, utilities and property management fees. To estimate appropriate allowance for operating expenses, I considered actual known data from market expenses of other properties observed. No information for the subject was provided. Estimates of operating expenses were then summarized as follows:

Real Estate Taxes: Property taxes for the subject were not posted so my estimate is based upon the assessed for the subject (\$32,600) and the current tax rate (\$31.876110) which equates to \$1,039. These appear reasonable based upon the sales comparison approach and other properties observed. So stabilized taxes will be estimated at \$1,050 annually with the owner paying these during vacant periods only.

INCOME CAPITALIZATION APPROACH (CONTINUED)

Operating Expenses (Continued)

Insurance: Property and hazard insurance for commercial buildings have been observed near \$0.10/SF to \$0.85/SF of gross building area for sprinklered buildings, and \$0.15/SF to \$0.55/SF for non-sprinklered buildings, and have been rising in recent years. Actual insurance costs for the subject were not disclosed. So, for purposes of this analysis, an estimate of \$1.00/SF is considered reasonable (including flood coverage) or a total cost of a rounded \$1,800 annually.

Management: Typical third party management fees for properties similar to the subject property range 4% to 7% of EGI. The actual management expenses for the subject are unknown. Management duties generally include supervision of property maintenance, bookkeeping, and management overhead. No unusual aspects of the management function are foreseen in conjunction with the subject property, so I estimate an expense of 3% of base rent as reasonable for the subject property.

Administrative & Professional Fees: A general administrative expense was considered appropriate to reflect typical owner accounting and legal fees. This expense category would include a small amount for owner's office overhead and typically ranges from 0.5% to 1.5% of EGI. The actual expenses are unknown as no operating statements were furnished. General administrative expense was estimated at 0.50% of base rent in this analysis.

Utilities: As no operating statements were provided my estimate of \$1.00/SF is based on observations of other commercial properties, with the owner paying during vacant periods only.

Repairs & Maintenance: This expense category reflects items such as repairs to mechanical systems, roof, painting and items of general upkeep such as pest control, cleaning, snow and trash removal. Actual costs were not provided; typical repair & maintenance expenses observed for other commercial properties have ranged from \$0.50/SF to over \$3.00/SF, depending in large part on a property's age and building size. As a result, with the building in average condition with minimal deferred maintenance, I estimate an expense of \$1.00/SF for the subject, rounded to \$1,800 annually.

Reserves for Replacement: Although not typically incurred as an annual cash outlay, a reserve for replacement expense is appropriate to reflect future replacement of short-lived items such as carpeting, mechanical systems (including water heaters and HVAC units), kitchen appliances, exterior paving, roofing, etc. RealtyRates.com investor survey for 1st Q 2022 indicated reserve requirements for industrial properties reported as \$0.26 to \$0.85 with an average of \$0.56/SF. By comparison, the PWC Investors Survey reports replacement reserves for national warehouse properties range from \$0.05/SF to \$0.35/SF, averaging \$0.14/SF in the 1st Q 2022. In my opinion, an appropriate replacement reserve for the subject property is a rounded \$0.20/SF.

Miscellaneous: A miscellaneous expense is typically included to account for such items as tenant-related social expenses, holiday decorations, security services, etc. Therefore, an expense of \$100 per year was considered appropriate.

INCOME CAPITALIZATION APPROACH (CONTINUED)

PROFORMA OPERATING STATEMENT (FEE SIMPLE)

| Rental Income | SQ FT | Rent/SF | Annual Income | |
|---------------------------------|--------|---------|----------------|----------------|
| Estimated Market Rent | 1,680 | \$6.00 | \$10,080 | |
| Total Potential Gross Income | | | \$10,080 | |
| Vacancy & Collection Allowance: | | 10.0% | <u>\$1,008</u> | |
| Effective Rental Income | | | | \$9,072 |
| Other Income | | | | \$0 |
| Total Effective Gross Income: | | | | \$9,072 |
| Operating Expenses: | | | <u>Amount</u> | |
| Management Fee | 3.0% | \$272 | \$27 | |
| General & Administrative | 0.5% | \$45 | \$45 | |
| Real Estate Taxes | 11.57% | \$1,050 | \$105 | |
| Insurance | 19.84% | \$1,800 | \$180 | |
| Utilities | 0.00% | \$0 | \$0 | |
| Repairs & Maintenance | 19.84% | \$1,800 | \$180 | |
| Reserves for Replacement | 3.70% | \$336 | \$336 | |
| Miscellaneous | 1.10% | \$100 | \$100 | |
| Total Expenses | 10.73% | | | \$974 |
| Net Operating Income | | | | \$8,098 |

INCOME CAPITALIZATION APPROACH (CONTINUED)

CAPITALIZATION RATE SELECTION, APPLICATION AND ESTIMATE OF VALUE

Several methods of developing a capitalization rate can be used. The best of which is the Market Extraction Method, where the incomes of comparable properties that have recently sold are known. Sale transactions used in this report did not reveal cap rates however, other properties observed which would be considered competitive with subject indicated cap rates of 7.60% to 9.00%.

A national survey was examined for further support of overall capitalization rate. The PWC Real Estate Investor Survey for the 1st Qtr 2022 reports national capitalization rates for secondary industrial properties in a range of 5.25% to 9.00% with average of 7.13%. Capitalization rates in the local market area have typically been higher than national rates. Capitalization rates are typically higher for older and smaller properties.

In order to estimate current capitalization rates, a second method is used called the Band of Investment, Analysis, which is a yield capitalization procedure used in estimating an overall capitalization rate to be applied to the net operating income of a property. The band of investment formula addresses the yield requirements of both the lender's interest and the investor's interest considering current lending and investment rates. When the components used in the band of investment formula are market-derived, the value indication obtained is reflective of market value. RealtyRates.Com released their 1st Q 2022 Investor Survey reporting interest rates for industrial properties ranging from 2.86% to 7.41%, averaging 4.80%. The average spread from 10-Year Treasury notes was 3.24%. Loan-to-value ratios ranged from 50% to 80% (average 70%), average amortization period was 25 years with average term of 11.46 years and average debt coverage ratio of 1.46. Per PwC Investors Survey for 1st Q 2022, institutional grade discount or yield rates for national warehouse properties ranged from 7.00% to 10.00%, averaging 8.50%.

INCOME CAPITALIZATION APPROACH (CONTINUED)

CAPITALIZATION RATE SELECTION, APPLICATION AND ESTIMATE OF VALUE

Based on the preceding, the following components are then used in the band of investment analysis.

Mortgage Components:

| | |
|-------------------------|---|
| Loan/Value Ratio: | 70% |
| Loan Rate: | 5.0% selected |
| Amortization Period: | 25 years with balloon payment due at end of 10 th Year |
| Mortgage Constant (Rm): | .0709 |

Equity Components:

| | |
|-------------------------|------|
| Equity Ratio: | 30% |
| Equity yield rate (Ye): | 9.5% |

The calculation of the overall capitalization rate by the band of investment technique is as follows:

| <u>Band of Investment Technique</u> | | | | |
|---------------------------------------|---|--------------------------|---|-------------------------|
| <u>Loan Ratio</u> | x | <u>Mortgage Constant</u> | = | <u>Weighted Average</u> |
| .70 | x | .0709 | = | 0.049 |
| <u>Equity Ratio</u> | x | <u>Equity Yield Rate</u> | | |
| .30 | x | .095 | = | (+) <u>0.0285</u> |
| Total Weighted Average | | | | 0.0775 |
| Indicated Overall Capitalization Rate | | | | 7.75% |

This mechanical or calculated overall rate typically is below the market extracted rates as lending terms are still considered favorable for qualified applicants; so, it was given only secondary rounding weight in my overall or “going-in” capitalization rate selection for the subject property.

Therefore, based on subject characteristics with and the current demand for this property type in the local market, I selected a rounded 8.50% as the capitalization rate currently appropriate for the subject property in this market. To arrive at a value estimate for the subject property, the estimated annual net operating income must be divided by the overall capitalization rate. Therefore, I estimate the market value of the subject property, as of the effective date of this report, as follows.

| Fee Simple | | | | |
|----------------------|---|---------------------|---|-----------------|
| Net Operating Income | | Capitalization Rate | = | Indicated Value |
| \$8,098 | ÷ | 8.50% | = | \$95,276 |
| | | | | Rounded |
| | | | | \$100,000 |

RECONCILIATION AND FINAL ESTIMATE OF VALUE

Reconciliation is the process of coordinating and integrating related factors to form a conclusion regarding the appraised property's Market Value. Each appraisal approach was considered as to adequacy, accuracy and overall reliability. The following estimates were based on subject's highest and best use in this report and primarily on available market data furnished by the property owner and others.

| | |
|--|----------------|
| Market Value via the Cost Approach | Not Applicable |
| Market Value via the Direct Sales Comparison Approach | \$100,000 |
| Market Value via the Income Capitalization Approach (Fee Simple) | \$100,000 |

The Cost Approach typically uses replacement cost method of determining new cost of building improvements, typically representing the highest value. Depreciation is calculated for deferred maintenance and normal wear and tear. The shortcoming of this method normally results from the calculations for depreciation, as age and obsolescence are difficult to precisely measure in the market place. The subject building is older, resulting in accrued depreciation which becomes subjective reducing the reliability of this approach below acceptable levels. Therefore, it was not developed in this report.

The Direct Sales Comparison Approach compares sales of similar properties. Adjustments were made for variations from the subject property based on available market data. After adjustments, a reasonable range of indicated values was evident and I selected the value from the range most representative of the appraised building. This approach is generally the best method of reflecting market attitudes toward property, particularly when owner-occupied buildings are involved and there is an active market with numerous sales. However, this approach is less persuasive when the property is purchased as an investment. As the subject property is a single-tenant building it would likely appeal to an owner but if leased it could appeal to an investor therefore most weight was given to this approach in the final value estimate for the subject.

The Income Capitalization Approach was considered and could be used in this report. Since an adequate amount of rent, expense and cap rate data was available for the subject property, this approach was considered reliable so was given some weight in the final value estimate for the subject also.

Conditional only upon my standard Certification, Assumptions and Limiting Conditions, and the estimated exposure time as stated in this report, it is my opinion the "as is" Market Value of the subject properties fee simple estate, as of May 16, 2022 was:

ONE HUNDRED THOUSAND DOLLARS
(\$100,000)

Respectfully submitted,



D. Rick Whitesides, MAI, SRA
General Certified Appraiser - IA CG01439
NE CG920142

ADDENDA

APPRAISER'S QUALIFICATIONS

D. Rick Whitesides, MAI, SRA

PROFESSIONAL:

| | |
|--|--------------|
| MAI Designation from the Appraisal Institute | 1991 |
| SRA Designation from the Appraisal Institute | 1977 |
| General Certified Appraiser, State of Nebraska (CG 920142) | 1992 |
| General Certified Appraiser, State of Iowa (CG 01439) | 1992 |
| Licensed Real Estate Salesman in the State of Nebraska | 1972 |
| Vice President/Appraiser Mitchell & Associates | 1990-Present |
| Property Underwriter/Assistant Vice President, Occidental Nebraska Federal Savings Bank | 1973-90 |

MEMBER:

Appraisal Institute: Former President Nebraska Chapter and currently active in this chapter and former Chapter Services Chairman for Region II and have served on the National Chapter Services Committee

Nebraska Real Estate Association

Omaha Area Board of Realtors Former Executive Committee, Commercial Investment Council
Tangier Shrine, Scottish Rite and Mercer Lodge

Past Membership: Society of Real Estate Appraisers, Eastern Nebraska, Chapter #111

EDUCATION:

University of Nebraska Lincoln

University of Nebraska Omaha

Continuing education through attendance at various appraisal seminars sponsored by the Appraisal Institute and other industry organizations; courses listed on a separate page.

EXPERIENCE:

Areas of appraisal experience include multi-family residential; commercial; industrial; vacant land; special purpose properties; and single family residential. Appraisals have been completed for mortgage loans, condemnation, litigation, and asset management purposes.

**RECENT APPRAISAL EDUCATION
D. RICK WHITESIDES, MAI, SRA**

| <u>DATE</u> | <u>COURSE</u> | <u>SPONSOR</u> | <u>CLASS HOURS</u> |
|-------------|--|----------------------|--------------------|
| 2017 | Honing In...Updates, Market Perspectives & Prof. Development | AI | 4 |
| 2016 | Local Market Snapshot | AI | 4 |
| 2016 | Understanding the Basics of Excel & Linear Regression | AI | 4 |
| 2016 | Commercial Real Estate Summit | Nebr Cont Legl Ed | 8 |
| 2016 | USPAP Update | AI | 7 |
| 2015 | Commercial Real Estate Summit | Nebr Cont Legl Ed | 8 |
| 2014 | Commercial Real Estate Summit | Nebr Cont Legl Ed | 8 |
| 2014 | The Discounted Cash Flow Model | AI | 7 |
| 2014 | USPAP Update | AI | 7 |
| 2013 | Property Acquisition & Need for Site Assessment | Randall School of RE | 3 |
| 2013 | Environmental Issues in Real Estate | Randall School of RE | 3 |
| 2013 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 8 |
| 2013 | Online Supervising Appraisal Trainees | AI | 4 |
| 2012 | USPAP | Moore Group | 7 |
| 2012 | Effective Appraisal Writing | AI | 7 |
| 2011 | Ethical Decision Making in Real Estate | Randall School of RE | 3 |
| 2011 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 8 |
| 2011 | Commercial Appraisal Engagement & Review | AI | 7 |
| 2011 | Capital Markets Seminar | Daisley Ruff | 3 |
| 2010 | USPAP | AI | 7 |
| 2010 | Capital Markets Seminar | Daisley Ruff | 3 |
| 2010 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 8 |
| 2010 | Appraisal Curriculum Overview | AI | 15 |
| 2009 | Online Business Practices & Ethics | AI | 4 |
| 2009 | Report Writing Workshop | The Moore Group | 7 |
| 2009 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 8 |
| 2008 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 8 |
| 2008 | USPAP | AI | 7 |
| 2007 | Standard 3 Review Training Session | NE Appraiser Bd | 4 |
| 2007 | Understanding & Testing DCF Valuation Models | AI | 4 |
| 2007 | Analyzing Distressed Real Estate | AI | 4 |
| 2007 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 6 |
| 2006 | Uniform Standards of Professional Practice | Moore Group | 7 |
| 2006 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 7 |
| 2005 | Market Analysis & the Site to do Business | AI | 7 |
| 2005 | Radon & Real Estate | Randall School of RE | 3 |
| 2004 | Uniform Standards of Professional Appraisal Practice | AI | 7 |
| 2004 | Loss Prevention for Real Estate Appraisers | AI | 4 |
| 2004 | Rates and Ratios | AI | 7 |
| 2003 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 7 |
| 2003 | Client Pressure Seminar | NE Appraiser Bd. | 3 |
| 2003 | Appraisal Consulting | AI | 7 |
| 2002 | Mark to Market | AI | 3 |
| 2002 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 8.5 |
| 2001 | Appraisers & Gramm-Leach-Bliley Act | AI | 3 |
| 2001 | Regression Analysis in Appraisal Practice | AI | 7 |
| 2001 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 7 |
| | | CLASS | |

| <u>DATE</u> | <u>COURSE</u> | <u>SPONSOR</u> | <u>HOURS</u> |
|-------------|---------------------------------------|----------------------|--------------|
| 2000 | Commercial Appraisal Problem Solving | Mid-West Appraisers | 7 |
| 2000 | Appraisal of Non-Conforming Uses | AI | 7 |
| 2000 | Standards of Professional Practice | AI | 15 |
| 2000 | Ed Tour (Tomorrows Information Today) | NE. Appraiser Board | 3 |
| 2000 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 7 |
| 1999 | Internet Search Strategies | AI | 7 |
| 1999 | Appraisal of Local Retail Properties | AI | 7 |
| 1999 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 8 |
| 1998 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 6 |
| 1997 | Affordable Housing | AI | 7 |
| 1997 | Analyzing Operating Expenses | AI | 7 |
| 1997 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 6 |
| 1996 | Highest & Best Use | AI | 7 |
| 1996 | Standards of Professional Practice | AI | 26 |
| 1995 | Advanced Income Capitalization | AI | 36 |
| 1995 | Emerging Technologies in Appraising | AI | 5 |
| 1995 | Experience Review Training | AI | 4 |
| 1995 | Apartment Update | AI | 1 |
| 1994 | FHA Guidelines | AI | 7 |
| 1994 | Commercial Real Estate Workshop | Nebr Cont Legl Ed. | 3 |
| 1993 | Appraising Apartments | AI | 7 |
| 1993 | Agency Relationships in Real Estate | Randall School of RE | 3 |
| 1993 | Mock Trial Seminar | AI | 7 |
| 1993 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 7 |
| 1993 | FIRREA: Overview & Application | AI | 7 |
| 1992 | ADA Seminar | AI | 5 |
| 1992 | Commercial Real Estate Workshop | Nebr Cont Legl Ed | 5 |
| 1991 | Standards of Professional Practice | AIREA | 7 |
| 1990 | Small Residential Form | SREA | 7 |

State of Nebraska Real Property Appraiser Board



Hereby certifies that: DWIGHT (RICK) E WHITESIDES

MITCHELL COMMERCIAL VALUATION INC
14611 W CENTER RD
OMAHA, NE 68144-3219

Is credentialed in the State of Nebraska as a:

Certified General Real Property Appraiser

Holding credential number: CG020142

Effective Date: Jan 01, 2022 Expiration Date: Dec 31, 2022

Nebraska Real Property Appraiser Board Director: _____

All address changes, business or residences, must be reported to the Real Property Appraiser Board immediately.
This Credentialing Card is proof that each person is credentialed under the Real Property Appraiser Act unless credential has been canceled, surrendered, suspended, or revoked.

Nebraska Real Property Appraiser Board
301 Centennial Mall South, First Floor PO Box 94963
Lincoln, Nebraska 68509-4963
Phone: 402-471-5015 Fax: 402-471-9917 <https://appraiser.ne.gov/>

| | |
|---|------------------------------------|
| Administrative Identification Number: 10004-2022 | Registration Fee Paid: \$275.00 |
| Appraiser Engagement Audit Program Fee Paid: \$5.00 | Federal Registry Fee Paid: \$40.00 |



STATE OF IOWA
IOWA DEPARTMENT OF COMMERCE
PROFESSIONAL LICENSING AND REGULATION

This is to certify that the below named has been granted a certification
as: Certified General Appraiser.

Certification Number: CG01439 Expires: June 30, 2023

Status: Active

Dwight E Whitesides
Mitchell & Associates
14611 W Center Rd
Omaha, Nebraska 68144

USPAP MINIMUM STANDARDS

For the convenience of the reader or any reviewer of this report, we have included a copy of the fourteen points of the Minimum Appraisal Standards. Appraisals must:

1. Conform to USPAP, except that the Departure Provision, which allows below minimum work, will not apply;
2. Include a disclosure of any steps taken in order to comply with the Competency Provision of USPAP;
3. Be based on the market value or other values as defined in the attached DEFINITIONS;
4. [i] Be written and presented in a narrative format;
[ii] Be sufficiently descriptive to enable the reader to ascertain the market value and the rationale for the estimate;
[iii] Provide detail and depth reflective of the complexity of the property appraised;
5. Analyze and report in reasonable detail any prior sales of the property within the last three years;
6. Analyze and report current revenues, expense, and vacancies on income producing properties rather than estimated or projected figures not supported by current market conditions;
7. Use a reasonable marketing period for the property;
8. Analyze current market conditions and trends that will affect the income, absorption, or value of the property;
9. Report both the “as is” (using appropriate deductions and discounts for holding and marketing costs, and entrepreneurial profit) and the stabilized market values for developmental property; report both the value-in-use and liquidation value for owner-occupied property;
10. Include in the USPAP required certification an additional statement that: “The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a “loan”;
11. Contain sufficient supporting documentation to allow the reader to ascertain the appraiser’s logic, reasoning, judgment, and analysis;
12. Include a legal description of the subject property (in addition to the description required by USPAP);
13. Identify and value separately any non-real estate items;
14. Use and reconcile the income, direct sales, and cost approaches to value, and explain the omission of any approach not used;

If any information necessary to complete the appraisal is unavailable, this fact must be disclosed.



MITCHELL & ASSOCIATES, INC.

ROBERT F. MITCHELL, SR., 1893-1983
ROBERT F. MITCHELL, JR., SRPA
R. GREGG MITCHELL, SRA

D. RICK WHITESIDES, MAI, SRA
W. BRUCE WILKIE
BETH ANDERSEN
MELISSA RUTHERFORD

KEVIN P. HERMSEN MAI
DAVID C. WELLSANDT, MAI
RICHARD WITTMANN
MARK SCHAECHER

April 26, 2022

Ms. Kristina Treantos
Via email
Kristina.treantos@pottcounty-is.gov

Re: Appraisal Reports
Properties on following list

Dear Ms. Treantos

Per your request our firm will provide appraisal reports on the attached list of properties for the purposes of estimating the fair market value of the real estate for asset management purposes, subject to the terms and conditions stated as follows:

- 1) The report will be prepared in compliance with the Minimum Appraisal Standards as set forth by the Uniform Standards of Professional Practice (USPAP) and the Standards of the State of Iowa.
- 2) In order to provide the most accurate and timely appraisal possible, the following specific information on the subject property is desired, **if applicable and available**:

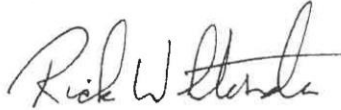
Property contact for access if necessary
- 3) Properties to be appraised are as follows:
358 Elm Street, Avoca, IA
15021 490th St., Griswold, IA
15484 State Orchard Rd. Council Bluffs, IA
217 North Main, Hancock, IA
705 Oak Street, Walnut, IA
- 4) Any modifications, excluding correction of errors, will be provided only at additional cost. No court testimony or appearances at any hearing will be provided unless prior arrangements are made. Testimony or appearance at hearings will be billed at the rate of \$250/hour, with a 4 hour minimum.
- 5) The reports will be prepared in a timely manner. Delivery of the report will be approximately 5 weeks, from receipt of a signed copy of this letter; provided the necessary data is made available in a timely manner.

- 6) The fee to prepare the real estate reports will not exceed \$4,900 and is payable as follows: \$2,450 due upon the signing of this letter and the balance upon receipt of the completed written appraisal report.
- 7) Confidentiality will be respected, so the results and content of the report will only be revealed to you or third parties you may designate. It will not be released to any other entity, without prior permission by you. However, some information furnished may be used in future analysis of other properties, unless you specifically request otherwise. In order to comply with the Gramm-Leach-Bliley Act of 1999, our Privacy Notice is available upon request
- 8) The appraisal will include in the certification required by USPAP; that the appraisal assignment was not based on a requested minimum valuation, specific valuation or the approval of a loan.

If you are in agreement with this proposal, please sign and return the original letter, with the retainer, as soon as possible.

Thank you for the opportunity to be of service.

Respectfully submitted,



D. Rick Whitesides, MAI, SRA
General Certified Appraiser – NE #CG920142
IA #CG01439

ACCEPTED:



Date: 4/28/22

Ms. Kristina Treantos
Pottawattamie County, Iowa

*Retainer will be sent by 5/9/22.

Public Comments

Closed Session