

**APPRAISAL REPORT**  
**OF**  
**REAL PROPERTY**

**LOCATED**

**AT**

271 West Main Street  
Superior, Arizona 85173-2637

**FOR**

Town of Superior  
Mr. Todd Pryor - Town Manager  
199 North Lobb Avenue  
Superior, Arizona 85173-2514

**AS OF:**

**The date of Valuation is January 11, 2019**

**VALUATION NUMBER: 10612386-0119**

**BY:**  
**Peter Repsold**  
**Metropolitan Appraisal**  
**P.O. Box 10702**  
**Scottsdale, Arizona 85271-0702**  
408-922-5715  
EMAIL: repsold9@gmail.com

## METROPOLITAN APPRAISAL

*Appraisers & Consultants*

**P.O. Box 10702**

**Scottsdale, Arizona 85271-0702**

*Phone: (480) 922-5715 Fax: (480) 951-9434*

February 21, 2019

Mr. Todd Pryor  
Town Manager  
Town of Superior  
199 North Lobb Avenue  
Superior, Arizona 85173

Dear Mr. Pryor:

RE: An appraisal of 271 West Main Street, Superior, Pinal County, Arizona 85173-2637  
Client : Todd Pryor, Town Manager, Town of Superior, Arizona  
Valuation #10612386-0119.

Pursuant to your request for a Appraisal Report , we have carefully inspected the property located at 271 West Main Street, Superior, Pinal County, Arizona 85173-2637 (legal description shown in the report) and submit the attached report. We expressly make values herein subject to conditions and comments appearing in said report.

This is an Appraisal Report made according to the binding requirements and guidelines of the 2018-2019 Uniform Standards of Professional Appraisal Practice (USPAP). We make this Appraisal Report on instructions received from the client. We have performed all of the procedures of the Valuation Process required by USPAP for an appraisal. The client agrees that the performance of this appraisal service is appropriate.

The purpose of this appraisal was to conclude an opinion of the market value “as finished” of the fee simple estate of the property described herein, free of any leases, based on market conditions prevailing on January 11, 2019. The function or intended use of the appraisal is for the sale of the property. This appraisal is not intended for any other use.

This appraisal report is intended for use only by Todd Pryor or any one he designates. All others possessing this report are not intended users. The appraiser does not authorize and is not responsible for use of this report by any other party other than the client as identified herein.

We have requested a copy of the survey, but none was available. We assume that the legal description as described within this report is correct. We took the legal description from a copy of a Deed of the property on file with the County Recorders office of Pinal County, Arizona.

We have not identified any major hazardous substance on the subject site; however, it does not mean that there are not other substances that exist on the site. We as appraisers are without the expertise to identify and/or detect such substances. **Note:** A ATC Group Services LLC Environmental Report dated January 30, 2018 was furnished to me and it showed there are environmental problems with the subject property. The report was a survey report for asbestos, lead-based paint and indoor air quality.

Since the last appraisal the city has hired contractors to correct the problems that were told about in the report. All the windows have been replaced. The first few feet of drywall from the floor up on the first floor has been torn off and all the floor covering on the first floor has been taken up. I assume that all the items mention in the report have been eliminated and corrected. At the time of inspection for this report about ninety-five percent of the work has been done. Valuation below is given in contemplation of completion in good and sound workmanlike manner, acceptable to standard building practices.

Within the scope of this appraisal report, all three approach to value were considered, The Cost Approach, the Income Approach and the Market Approach to Value. Because this is a owner/user property there was no Income. Because the property is older the Cost Approach was reviewed and considered but not used.

Having considered all pertinent data relative to estimating Market Value, including size, condition, location, sales and/or asking prices of similar properties, trend of the neighborhood, and other factors that tend to affect value, it is our opinion that said estimated Market Value of the fee simple estate of the subject property as of January 11, 2019 is in the sum of

**TWO HUNDRED AND FOUR THOUSAND, TWO HUNDRED DOLLARS (\$204,200.)**  
**(Land & Building)**

This transmittal letter is followed by the certification of the appraisal, summary of salient facts and the **Complete Self-Contained Appraisal Report** further describing the subject property and containing the reasoning and pertinent data leading to the estimated value. Your attention is directed to the "Underlying Assumptions and Limiting Conditions" which are considered usual for this type of assignment and have been included at the beginning of the report.

It has been a pleasure to assist you. Please do not hesitate to contact me or any of my staff if we can be of additional service to you.

Respectfully submitted,  
Metropolitan Appraisal



Peter B. Repsold, NAIFA, NAMA  
Arizona Certified General Real Estate Appraiser #30303

## 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 report 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 (or the specified) present or prospective interest in the property that is the subject of this report, and I have no (or the specified) personal interest with respect to the parties involved.
- ▶ I have performed no (or the specified) services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- ▶ 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.
- ▶ my analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice.
- ▶ no one provided significant professional assistance to the person signing this report. (If there are exceptions, the name of each individual providing significant professional assistance must be stated.)
- ▶ I have (or have not) as indicated in the report made a personal inspection of the property that is the subject of this report. (If more than one person has signed this certification, the certification must clearly specify which individuals did and which individuals did not make a personal inspection of the appraised property.)
- ▶ 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 must be stated.)
- ▶ As of the date of this report, Peter Repsold has completed the requirements of the continuing education program required by the state.

## APPRAISER:

**Signature:**



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**Name:** Peter Repsold

**Date Signed:** 2/22/2019

**State-Cert./License #:** 30303

**State:** Arizona

**Exp. Date of License:** 8/31/2020

## ORDINARY ASSUMPTIONS AND LIMITING CONDITIONS

The certification of the Appraisal appearing in this appraisal report is subject to the following conditions and to such specific and limiting conditions as are set forth by the Appraiser in the report.

1. The appraiser assumes no responsibility for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.
2. This property is appraised as though free from any indebtedness, disregarding any and all existing liens and/or encumbrances, special assessments, and with taxes paid to date.
3. If the appraiser has provided a sketch in the appraisal report, the sketch shows approximate dimensions and is included only to assist the reader of the report in visualizing the property and understanding the appraiser's determination of its size.
4. If the appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
5. The appraiser will not be required to give testimony or appear in court due to preparing the appraisal with reference to the subject property in question, unless prior arrangements have been made.
6. The appraiser has noted in the appraisal report any significant adverse conditions (such as needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be construed as an environmental assessment of the property.
7. No environmental or concurrency impact studies were either requested or made in conjunction with this appraisal report. The appraiser, thereby, reserves the right to alter, amend, revise, or rescind any of the value opinions based upon any subsequent environmental or concurrency impact studies, research of investigation.
8. The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
9. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconforming use has been stated, defined and considered in the valuation.
10. The photographs used in this appraisal is digital utilizing photo-imaging technology. The appraiser personally inspected and photographed the subject property and all the comparable properties utilized in this appraisal report. The photographs used in this report are true and correct representation of the subject property and comparable properties. Although the photographs may have been enhanced during the finishing process, no alterations were made which would misrepresent the appearance of the subject property or the comparable properties.
11. Unless otherwise stated in this report, the subject improvements were measured and improvement areas were calculated in compliance with ANSI American National Standard for buildings. In some cases local market convention may indicate variance from these standards.
12. If the improvements to the subject site were constructed prior to 1979, the subject property may require testing for and abatement of lead based paint. The appraiser has made no investigation for the presence of lead based paint. The client and intended users are informed that the presence of lead based paint may have a significant effect on the market value and marketability of the subject property. This appraisal assumes there is no lead based paint on the property.
13. This appraisal report is not a engineering or home inspection report and is not to be relied upon as such. The appraiser accepts no responsibility for structural, cosmetic or mechanical defects which were not readily apparent during the course of a normal inspection for appraisal purposes.

## ORDINARY ASSUMPTIONS AND LIMITING CONDITIONS

14. The distribution of the total valuation in this report, between land and improvements, is applicable only as a part of the whole property. The land value, or the separate value of the improvements, must not be used in conjunction with any other appraisal or estimate and is invalid if so used.
15. It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws unless noncompliance is stated, defined and considered in the appraisal report.
16. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a non-conformity has been stated, defined and considered in the appraisal report.
17. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. The appraiser has 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 the appraiser has no direct evidence relating to this issue, possible noncompliance with the requirements of ADA in estimating the value of the property has not been considered.
18. The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice.
19. The authentic copies of this report are bound. Any copy that does not have the original signatures of the appraisers is unauthorized and may have been altered, and is considered invalid.
20. Possession of the report does not carry with it the right of publication. Out-of-context quoting from or partial reprinting of this appraisal report is not authorized. Further, neither all nor any part of this appraisal report shall be disseminated to the general public by use of media for public communication without the prior written consent of the appraisers signing this appraisal report.
21. The appraiser has based his or her appraisal report and valuation conclusions for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that completion of the improvements will be performed in a workmanlike manner.
22. I have agreed to enter into this assignment requested by the client named in the report for the use specified by the client which is stated in the report, which called for things that are different from work that would otherwise be required by the specific guidelines of the USPAP. The client has agreed that the performance of this limited appraisal service is appropriate for their intended use.
23. Acceptance of and/or use of this appraisal report constitutes acceptance of the foregoing General Underlying Assumptions and General Limiting Conditions. The appraisers' duties, pursuant to the employment to make the appraisal, are complete upon delivery and acceptance of the appraisal report. However, any corrections or errors should be called to the attention of the appraiser within 60 days of the delivery of the report.
24. All content, information and graphics in this report are protected by U.S. copyright and international treaties and may not be copied without the express permission of the appraiser which reserves all rights. Re-use of any of the contents and graphics for any purpose is strictly prohibited.
25. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.

## SUMMARY OF SALIENT FACTS

Type of Property: A two story freestanding masonry office building.

Property Location: 271 West Main Street, Superior, Pinal County, Arizona 85173-2637

Owner: Town of Superior

Assessor's Parcel No.: 106-12-386

Legal Description: Lot Forty-three (43), Block Eighteen (18), Superior Townsite, per map recorded in Book 2, Page 17 of Maps, in the offices of the County Recorder of Pinal County, Arizona

Zoning: Town Center (TC) Zoning District

Census Tract: 000400. Census Block: 4038.

Flood Zone: Zone "X", Panel 0286E, Map Number 04021C0286E, Map Date: December 4, 2007. Subject is not in a flood zone.

Site Data: An alley corner lot, rectangular in shape, fronting approximately 25 feet on the south side of West Main Street and a depth of approximately 125 feet to a dirt and gravel alley. The gross area equals a reported area of 3,125 square feet or 0.07 acres.

The site is at street grade with accessibility to the property from West Main Street or the alleys on the east side or the rear.. Utilities to the property are electric, gas, sewer and telecommunication service. The water service, garbage and rubbish collection are by private companies.

Improvement Data: The painted masonry two plus story building with concrete foundation on footings. First floor is a concrete floor on fill. Second or top floor is a hard wood floor on wood joists on wood beams on bearing walls. There is an area between the first and second floor that is an attic area with a soft wood floor on wood joists on bearing walls. Drywall and plaster interior with wood trim all decorated. Ceilings on second floor are acoustic tile in metal frames. First floor are dry-wall plus a front area of first floor with a pressed metal ceiling. Flat roof with torch applied modified rolled roof system on a wood deck on wood joists on bearing walls. First floor is divided into a open office area, four private offices, two wash rooms, break room with kitchen sink and a closet with a slop sink. Second or top floor has eleven offices and one wash room. There are two stairs, one in the front only to the top floor and one in the rear which goes to all three levels, the third being the attic area between floors. Hot water is from a ten gallon electric heater located in the kitchen sink cabinet. Electric service is above ground with 208/120 volt, 200 amp, three phase, four wire service with average lights and outlets for this type of office building. Building is said to be ninety-nine years old (1920) and is in average condition for the age. Building quality is average. The building contains 2,143 square feet on each floor or 4,286 square feet. The attic area contains 1,412 square feet plus the rear stairs of 266 square feet. Building will need work to be used for any purpose (see in report).

## SUMMARY OF SALIENT FACTS CONTINUED

Environmental Concerns:	No obvious conditions were noted which would indicate that the site has been subjected to any type of environmental contamination except what is mention in a report by ATC Group Services LLC dated January 30, 2018 which a copy was furnished to us and showed some environmental problems with the subject property. This report was for asbestos, lead-based paint and indoor air quality. The problems noted in the report have now been taken care of. It did not cover any other recognized environmental conditions on this site.
Adverse Easements or Conditions:	There were no adverse easements, encroachments or other conditions noted. Typical easements are in effect for utility companies and street right-of-ways.
Leases:	There are no known leases at this time.
Furniture, Fixtures and Equipment:	None
Sales History:	We found from public records that the subject property was purchased by the Town of Superior, Arizona on November 1, 1984, Docket Number 1252, Page 811. A copy of the deed is in the Addendum.
Highest and Best Use As if Vacant:	To hold for speculative purposes or develop a office or commercial retailing building, restaurant or bar/lounge, etc.
As Improved:	For the operation of a office building or commercial retailing business, bar and-or restaurant with apartments above, etc.
Property Rights Appraised:	Fee simple interest.
Date of Last Inspection:	January 11, 2019.
Date of Valuation:	January 11, 2019
Estimated Marketing Time:	6 to 12 months.
Estimated Value:	\$204,200.

## **INTENDED USE OF APPRAISAL :**

The function or intended use of the appraisal as requested by Todd Pryor, Town Manager, Town of Superior, Arizona is to estimate the market value of the property described herein for sale and is not intended for any other use.

## **PURPOSE AND DATE OF VALUATION :**

The purpose of the appraisal is to develop an opinion of the "Market Value" of the fee simple estate, free of any leases, under the market conditions prevailing on January 11, 2019, the date of the inspection. The opinion of market value is predicated upon the definition of market value contained herein.

## **ESTIMATE OF PROPERTY EXPOSURE TIME:**

Exposure time is defined as the estimated length of time the property being appraised would have been exposed on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming an open and competitive market. This is based on historical sales of commercial property throughout Superior market area as well as consideration of the property type.

## **SCOPE OF APPRAISAL :**

The scope of the appraisal requires compliance with the Uniform Standards of Professional Appraisal Practice promulgated by the Appraisal Standards Board of the Appraisal Foundation. These uniform standards set the requirements to communicate the appraisers' analyses, opinions and conclusions in a manner that will be meaningful and not misleading in the marketplace. The subject property data such as size, location, quality and zoning are considered and presented in the report. Market data, including land sales, supply and demand, asking prices, etc. are among the items researched, analyzed and presented. The data is used to consider the highest and best use of the subject property and to conclude an opinion of the market value.

Because the appraisers lack of knowledge and experience with respect to the detection and measurement of hazardous substances, this assignment does not cover the presence or absence of such substances as discussed in the General Underlying Assumptions section. However, any visual or obviously known hazardous substance affecting the property will be reported and an indication of its impact on value will be discussed.

The market data has been collected, confirmed, and analyzed. Comparable sales were chosen for their similar highest and best use as outlined within the report. All sales were analyzed and compared with the subject property based on their similarities and dissimilarities. These approaches were considered and judged in reaching a final estimate of value. All documentation necessary to arrive at value is considered in this appraisal report.

A complete inspection of the subject property and the improvements were made on the date shown and the data collected has been confirmed, and analyzed. Information was also furnished by the owner and county records, etc. This analysis also includes a comprehensive inspection of the subject neighborhood.

Because the subject property is a owner/user office building, this appraisal is only the value of the land and improvements as its present use. We found that the highest and best use of the subject property is as a office building, but some work needs to be done to the building, but we are showing the current value as is with the improvements. The income approach was considered but not used as this was an owner/user property and generated no income. The most weight was considered in the market approach to come up with a value of the subject property as there were a number of good sales of buildings in a one hundred mile radius. The cost approach was given some consideration, but was also not used.

## **LEGAL DESCRIPTION**

The legal description was taken from the Warranty Deed which is found in the addendum

Lot Forty-three (43), Block Eighteen (18), Superior Townsite, per map recorded in Book 2, Page 17 of Maps, in the offices of the County Recorder of Pinal County, Arizona

## **OWNERSHIP HISTORY**

We found from public records that the subject property was purchased from Steve D. Drakovich, husband of Frances J. Drakovich, dealing with his sole and separate property on October 1, 1984 by Warranty Deed, Docket Number 1252, page 811.

A copy of the Warranty Deed is located in the appraisal dated April 16, 2018.

## **FLOOD ZONE**

A review of the Flood Insurance Rate Maps shows the subject property is in a Zone "X", (Zone Sub Type: AREA OF MINIMAL FLOOD HAZARD); Zone Description: Areas outside the one-percent annual chance floodplain, areas of 1% annual chance sheet flow flooding where average depths are less than 1 foot, areas of 1% annual chance stream flooding where the contributing drainage area is less than 1 square mile, or areas protected from the 1% annual chance flood by levees, No Base Flood Elevations or depths are shown within this zone. Insurance purchase is not required in these zones.

Taken from Panel 286 of 2575, Map Number 04021C0286E, Map Date: December 4, 2007. Subject is not in a flood zone..

The subject property is apparently located outside a designated flood hazard area. No evidence of any flooding was noted upon inspection of the property. Inspection failed to reveal the presence of any storm water dry wells and none are believed to be present.

## SITE DESCRIPTION

The following site description is based on a personal inspection of the property, data in the public records and plat. A survey was not furnished.

Subject is a alley corner lot, rectangular in shape, fronting approximately 25 feet on the south side of West Main Street and a depth of 125 feet on the west side of a dirt and gravel alley. The rear lot line is 25 feet on the north side of a dirt and gravel alley. The gross area equals a reported area of 3,125 square feet or 0.072 acres. The building covers approximately 68.6 per cent of the lot.

The site is at street grade in the front with accessibility to the property from West Main Street and the two alleys. The rear of the property is approximately three feet lower than the front. No survey was furnished to me, but looking at a plat map it looks like many of the buildings on West Main Street on the south side of the street are over the front lot line. Also on the east side of the building there is a concrete ramp going along the side of the building to a door. This ramp is located off the property in the alley.

There are typical utility and road easements, but they do not appear to adversely effect the usability of the site henceforth, the value of the property. Utilities to the property are electric which is from Arizona Public Service Company (APS), gas is from Southwest Gas Corporation, water is from Arizona Water Company, sewer is the Town of Superior, garbage and trash collection from Republic Service and telecommunication service is from a number of companies.

Streets are asphalt paved and there is a concrete walk and curb along West Main Street. The subject building covers approximately 68.6% of the subjects land area if the building is all on the lot. The area of the property not covered by the building in the rear is just dirt and open area.

No soil report was provided, but the soil and subsoil conditions appear to be normal, with no adverse conditions apparent. The soil compaction appears to be adequate and typical of the area as we observed no cracking due to settling was observed. We made nor caused no soil boring tests to be made to determine suitability of land parcel for construction purposes (as necessity for same was precluded by the existence of the present improvements thereon.) As appraisers, we are not qualified to make judgements on soil types. We would recommend that the soil be analyzed by a qualified engineer prior to any construction on this site.

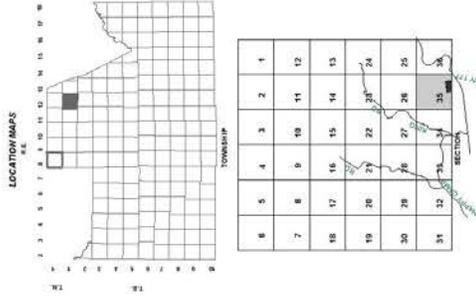
Drainage is assumed adequate. No detrimental drainage conditions were noted. The land appears to be adequately drained with no known poor soil conditions. The routine inspection of the subject and nearby area disclosed no unusual adverse conditions affecting the land, but we accept no responsibility for discovering or evaluating subsoil, hidden or unusual conditions. The General Underlying Assumptions in the appraisal cover unapparent conditions of the property. Photographs in the appraisal aid in visualizing the subject property..

We, as appraisers, are not experts in determining the presence or absence of hazardous substances, defined as all hazardous or toxic materials, waste, pollutants or contaminants, including but not limited to asbestos, PCB, UFFI, or other raw materials or chemicals used in construction or otherwise present on the property. The appraiser assumes no responsibility for studies or analysis which would be required to conclude the presence or absence of such substances. We urge that the client retain an expert in this field, if desired. However, the personal surface site inspection by the appraisers did not indicate the presence of hazardous materials or contaminants. This would be revealed in a Phase I Environmental Study.

The functional utility of the subject property is considered to be good with a frontage of 25 feet on the south side of West Main Street and because of the exposure of the property, it can be seen from a distance. It is on a major street in Superior with easy access from West Main Street.

# ASSESSOR MAP

BOOK - MAP  
**106-12\_4**  
 S/2 SEC. 35 T.01S. R.12E.  
 SUPERIOR TOWNSITE: BOOK 2 OF MAPS - PG 17



Revised: 8/14/2014  
 By: **TH**



PINAL COUNTY  
*with open opportunity*

**Pinal County Assessor**

THIS MAP DOES NOT REPRESENT A SURVEY AND LIABILITY IS ASSIGNED FOR THE ACCURACY OF THE DATA. THE DATA IS BASED ON THE BEST AVAILABLE INFORMATION AND IS NOT GUARANTEED. THE MAP IS COMPILED FROM OFFICIAL RECORDS, INCLUDING PLATS, SURVEYS, RECORDED DEEDS AND CONTRACTS. ANY DISCREPANCIES SHOULD BE REFERRED TO THE PINAL COUNTY ASSESSOR'S OFFICE FOR PURPOSES.

SEE MAP 106-12\_3



SEE MAP 106-12\_2

SEE MAP 105-04\_1



**PARCEL MAP**



Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Swire, Esri Korea, Esri (Thailand), NGCC, © OpenStreetMap contributors, and the GIS User Community

## DESCRIPTION OF IMPROVEMENTS

The improvements on the subject property consist of a painted masonry two story commercial building. The building is on a concrete foundation and footings. First floor is concrete on fill, second floor is a wood floor on wood sub floor on wood joists on bearing walls. Between first and second floor is a partial attic area with a plywood floor on wood joists on bearing walls. Drywall and plaster interior with wood trim all decorated. Some ceilings are eight-foot, eight-inch high dropped panels in metal frames (second floor) and first floor part eight-foot high drywall ceilings and front section, fifteen foot, ten inch high is a pressed metal ceiling. Flat roof with torch applied modified rolled roof system on a wood deck on wood joists on bearing walls. First floor is divided into an open office area, four private offices, two wash rooms, break room and a closet with a slop sink. Second or top floor has eleven offices and one wash room. There are two stairs, one in the front which only goes to the top floor and a ten foot by twenty-five foot addition on the rear of the building which is a stairwell which goes to all three levels, the third being the attic (six feet, nine inches high) area between floors. The three wash rooms each have a lavatory and a water closet. Hot water is from a 10 gallon electric heater located in the kitchen sink cabinet. Heating and cooling is from two *Name Unknown* units located on the roof with ducts and registers for distribution. Electric service is above ground with 208/120 volt service, (amps unknown) three phase, four wire with average lights and outlets for this type of building. Building is said to be ninety-nine years old (1920), (assessor's card shows 1935) and it has an addition on the rear which is an enclosed stairwell to the attic area and the second floor. The building is in average condition for the age. Building quality is average. The building measures 2,143 square feet on each floor or 4,286 square feet total. The attic area contains 1,412 square feet plus the rear stairs of 266 square feet, the addition on the rear of the building.

We were given a roof inspection which is dated February 19, 2018 and it shows that the roof is in good condition and there were no leaks showing on the inside. We were also given a report from ATC Group Services LLC dated January 30, 2018 which shows that the building contains asbestos and it needs to be removed. The report also said that it did not find any lead-based paint findings. The last was the air quality and they found mold growth in the walls and recommends that dry-wall be removed to access the wall cavity, replace some windows and seal the others, seal or replace pipes, etc. At time of the inspection about ninety to ninety-five per cent has been done. New windows have been installed throughout, Drywall on the first floor had been taken off a few feet from the floor. All the floor covering on the first floor has been removed, etc. See the report for a complete understanding of what needs to be done. We were told that the estimated cost for this work is about \$65,000.

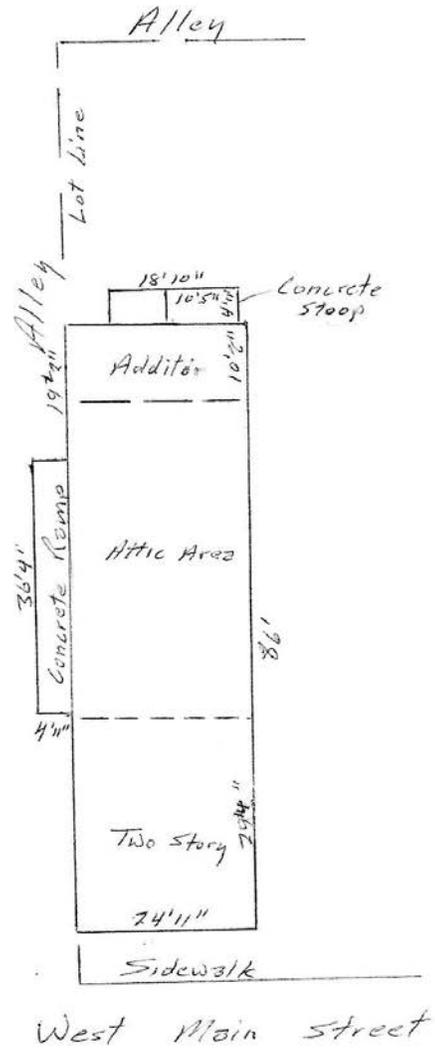
The interior of the building will need some work depending on who purchases the property and what they will use the property for.

We also found that the building extends beyond the front lot line from the measurements we took of the building and land and the assessor's map.

The property was purchased by the Town of Superior on October 1, 1984. The building was used as a movie set for the Oliver Stone movie "U-Turn" in the late 90's and upgraded to house the Central Arizona Association of Governments until 2005. It was used as the Superior Town Hall from 2007 until 2010, when mold contamination was discovered. It has been vacant since 2010.

# DRAWING OF IMPROVEMENTS

24.92' X 86.00'	=	2,143	First Floor
24.92' X 86.00'	=	2,143	Second Floor
		4,286	Building Area
24.92' X 10.67'	=	266	Rear Stairway Addition
24.92' X 56.67'	=	1,412	Attic Area
25.00' X 125.00'	=	3,125	Lot Area



## SUBJECT PHOTOGRAPHS



Subject building front and west side.



Subject building rear and east side.

## SUBJECT PHOTOGRAPHS



Rear of subject building.



Looking east down West Main Street with subject building on the right.

## INTERIOR SUBJECT PHOTOGRAPHS



Front Room



Ceiling, Front Room



Hallway First Floor



Break Room First Floor

**INTERIOR SUBJECT PHOTOGRAPHS**



Ladies Bathroom



Mens Bathroom



Stairs to Second Floor



Attic Area



Second Floor Reception Area



Second Floor Hallway

## INTERIOR SUBJECT PHOTOGRAPHS



Office Area, Second Floor



Office Area, Second Floor



Office Area, Second Floor



Ceiling, Second Floor



Second Floor Bathroom



Second Floor Bathroom

## INTERIOR SUBJECT PHOTOGRAPHS



A Office



Front of Building



One of the Windows

## HIGHEST AND BEST USE

We include the highest and best use definition in the Addendum of the report in the Important Definitions section. The physical characteristics of the land such as size, shape, location and topography have been considered. In addition, the analysis has included the surrounding developments, existing zoning, access to major transportation routes, availability of utilities, current trends and demand for property of this type in the real estate market.

The land value is based on the premise of the highest and best use "as though vacant." There are four tests which are taken into consideration in developing an opinion of highest and best use. These four tests include an examination of those uses that are physically possible, legally permissible, financially feasible, and maximally productive. Each criterion is considered cumulatively and provides the best analysis for the highest and best use of the land. The following is the highest and best use of the subject site "**as though vacant.**"

### **Physically Possible**

Size, shape, area, soil and topography affect the uses to which a site may be developed. The utility of a parcel may depend on its frontage and depth. Irregularly shaped parcels may cost more to develop and, when developed, may have less utility than a rectangular parcel.

The subject site is a alley corner lot, basically rectangular in shape on a main arterial streets, West Main Street which runs east and west and goes thru downtown Superior. The site contains 3,125 square feet or 0.07 acres which has good development potential. The size is sufficient for a variety of uses. There are no known physical restraints which inhibit development of the site. Considering the subjects size and location, primary uses would be for a retail, office or medical building, a restaurant, lounge or bar, etc. Considering the size of the subject property and the surrounding uses would be to develop it as a retail property, restaurant, lounge/bar, etc.

### **Legally Permissible**

The subject site is currently zoned Town Center Zone District which was established by the Zoning Department of the Town of Superior, Arizona. There are numerous commercial uses in this district and are quite varied and included hotels, restaurants and cocktail lounges, retail outlets, office building, theater, medical facilities, banking or financial facility, etc. See copy of the Zoning Ordinance in this report and the Town of Superior.

### **Financially Feasible**

The next analysis involves consideration of those uses that have been determined to be physically possible and legally permissible to determine which are financially feasible. As noted above, the subject property is zoned Town Center Zone District. This allows for a variety of uses including commercial uses as discussed above. Any use that will generate a positive return is considered a financially feasible use. With the subjects location on a major commercial arterial street, West Main Street in the downtown area, with good access, it lends itself to a wide variety of commercial uses. Overall, the Town of Superior is starting to show and increase in the economy in the last year or so. With the growth in population and tourism in the state, in the last few years and the projected growth in the near future, the demand for a parcel of land the size of the subject should increase. With the trend over the last three years and no sign of it letting up in the next year or two, we would rate the area as an average to good commercial area for a retail, restaurant or lounge/bar, etc. Because of the volume of traffic on West Main Street it has excellent exposure. Many vehicles are using West Main Street to get into down-town Superior for shopping, food and sightseeing. We were not able to get a traffic count but the peak season is in the late fall, winter and early spring. The area is located a short distance off a heavily traveled roadway, Route US 60 that leads travelers to and from the Phoenix

## **HIGHEST AND BEST USE (continued)**

metropolitan area towards Globe and other towns northeast and southeast.

### **Maximally Productive - Highest & Best Use "As Vacant"**

The appraiser has considered the uses outlined above, those uses which would return the highest net present value to the land over the long term. Based on that analysis, the highest and best use of the subject land would be "as though vacant" for investment and development of a retail building, restaurant or lounge/bar or offices, etc.

### **Highest & Best Use "As Improved"**

The property was analyzed based on its present improvements which is a office building. The improvements are functional and appear to accommodate a utility that is in demand, but it would need remodeling and upgrades to show a profit. Based on a review of the highest and best use "as though vacant," the use of the subject as improved is to remodel and turn the building into an office, restaurant, lounge/bar with one or two apartments above at this time. Therefore, the highest and best use of the subject property "as though vacant" and "as improved" is to remodel the building by a buyer for a specific use as mention above.

## **MARKETABILITY**

The subject property is located in an established commercial area on a major thoroughfare with great visibility. The improvements, as an establishment office facility is considered functional in design and appear to accommodate a utility that is in demand. The property should generate a good net profit and this is projected to be the same or increase, over the next few years. These factors tend to indicate the marketability of a office property in the subject's market area to be average.

## **MARKETING TIME**

There are a few office buildings for sale in the market area that have been on the market from 30 days to over 500 days. Conversations with investors, property owners, and real estate agents and data services indicated sales were taking place within a twelve-month marketing period.

Based on the marketing times noted above, and the location and condition of the subject property, we have estimated the marketing time of the subject property to be three to twelve months.

## VALUATION ANALYSIS

In estimating the market value of the subject property, the cost, income capitalization and sales comparison approaches to value were considered. We briefly discuss each approach with an explanation of that particular approach appropriate to this valuation assignment.

*The Cost Approach* is an indication of value, which combines the value of the land under the highest and best use, and the depreciated replacement or reproduction cost of the improvements. Depreciation is the loss in value due to wear and tear, designs and plans, or neighborhood influences. The cost approach is based upon the principle of substitution that holds that a purchaser would most likely not pay more for a property than the cost of obtaining an equally desirable substitute site, and the cost of replacing equally desirable and useful improvements thereon, assuming no costly delay is involved in making the substitution.

*The Income Capitalization Approach* is the projected or current rental income from the property is shown with deductions for vacancy and collection losses and expenses. The estimated net operating income of the property is calculated. To support this net income estimate, operating statements of previous years and comparable properties may be reviewed along with available operating expense estimates. The applicable capitalization method and appropriate overall capitalization rates are developed and used in computations to lead to an indication of value.

*The Sales Comparison Approach, or Market Approach* is a method of estimating value by which we compare the subject property with similar properties that have sold recently, or for which listing prices or offering figures are known. The information is typically on comparable properties and we make comparisons to demonstrate a probable price at which the subject property would be sold if it had been offered on the market.

Preferably, all sale properties are in the same area or in similar neighborhoods. The sales comparison approach is a systematic procedure for reflecting comparative shopping. Market supported adjustments are necessary to the comparable sales in many instances since no two properties are identical. If comparable sale property is inferior to the subject for a particular characteristic, the sale price is enhanced by an appropriate adjustment factor. Conversely, if the comparable sale property is superior to the subject, than the sales price is reduced by a corresponding adjustment factor.

Sales comparisons are generally concluded by relevant units of comparison (e.g., acres, per square foot, per front foot, multipliers) to develop a comparative analysis for each unit. The most market oriented unit of comparison is used to reconcile a single value indication.

## LAND VALUE ESTIMATE

The Sales Comparison Approach To Value was used to estimate the market value of the land, as if vacant, by comparing it to similar tracts of land in the market that have recently sold or are currently being offered for sale. A major premise of this approach is that the value of the subject property is directly related to the prices of comparable properties being bought and sold in the market.

The Sales Comparison Approach is defined as follows:

A set of procedures in which a value indication is derived by comparing the property being appraised to similar properties that have been sold recently, applying appropriate units of comparisons, and making adjustments to the sale prices of the comparables based on the elements of comparison.<sup>1</sup>

In the last three years there have been a few commercial land sales in the Town of Superior, Arizona. These land sales have been researched and analyzed for the purpose of this appraisal. There have been a few sales and the sales prices are varied. The values have not gone up that much over the last few years. Those sales given the most consideration in the valuation of the subject land are analyzed in comparison to the subject property. All land sales were transferred in fee simple and on a cash equivalent basis. We are also included ones for sale.

Smaller properties typically reflect higher unit values as the result of economic principle of economies of scale. This tends to indicate that the subject property may reflect a unit value higher than a sale several times its size. However, there is a threshold where small properties become less desirable because of their poorer utility. The subject property is larger than most of the sales but is a size that has good utility and is desirable. Some of the smaller land sales are in better locations and have sold for a higher price per square foot even though they were smaller in size.

Comparable sales are analyzed and adjusted for property rights conveyed, conditions in the market, terms of financing, unusual conditions of sale, differences in physical characteristics, and location. The adjusted sales price should be what the comparable property would have sold for if it had possessed similar characteristics of the subject property at the time of the sale.

All these properties are in our work files.

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<sup>1</sup> The Appraisal Institute, The Dictionary of Real Estate Appraisal, Third Edition, 1993, p. 318.

## VALUATION ANALYSIS - CONT.

### MARKET APPROACH

The Sales Comparison Approach to Value is the process of estimating the market value of the subject property by comparing it to similar properties in the market that have recently sold or that are currently being offered for sale. A major premise of this approach is that the value of the subject property is directly related to the prices of comparable properties being bought and sold in the market.

The Sales Comparison Approach is defined as follows:

A set of procedures in which a value indication is derived by comparing the property being appraised to similar properties that have been sold recently, applying appropriate units of comparison, and making adjustments to the sale prices of the comparables based on the elements of comparison.<sup>2</sup>

This approach is used on the theory that a prudent purchaser would not be willing to pay more for a property than he would pay for an identical or similar property in a similar situation within similar physical and location qualifications. This approach involves diligent inquiry among local reputable real estate firms and/or investors relative to the sales and/or listing prices of similar properties, recently sold or offered for sale. Public records are consulted where available and it is assumed that these are accurate. Each comparable sale is then analyzed and adjusted for property rights conveyed, conditions in the market, terms of financing, unusual conditions of sale, differences in physical characteristics as to size, shape, location, age, condition, trend of the neighborhood, and other factors which determine the commercial viability of the subject property.

Numerous sales of similar properties were researched and analyzed for the purpose of this appraisal report. Some of these transactions, the ones that are the most comparable, are summarized below and on the following pages.

ADDRESS		PRICE DATE	PRICE PER S.F.	BLD S.F.	AGE	LAND AREA	Zoning
<b><u>SUBJECT</u></b> 271 W. Main St. Superior	106-12-386			4,286 2 Story	1920 99	3,125 SF 0.07A	Town Center
230 W. Main Street Superior	106-12-338	\$125,000 12/07/2018	\$90.05	1,388 1 Story	1948 71	2,500 SF 0.06 A	Town Center
210 W. Main Street Superior	106-12-335 & 336	\$99,900 2/05/20 19	\$15.91	6,280 1 Story	1940 79	6,525 SF 0.15	Town Center
201 West Main Street Superior	106-12-383	\$185,000 1/12/2018	\$64.24	2,880 1 Story	1935 84 R	3,125 SF 0.07 A	Town Center
170 North Main Street Florence	200-44-029- B	\$225,000 5/02/2018	\$85.91	2,619 1 Story	1972 47	7,821 SF 0.18 A	C-2
203 West Main Street Superior	106-12-384 & 382	\$250,000 7/01/2016	\$89.90	2,781 1 Story	1949 70	11,707 SF 0.27 A	Town Center

## VALUATION ANALYSIS - CONT.

### MARKET APPROACH Cont.

#### *SALE NUMBER ONE*



Location: 230 West Main Street, Superior, Arizona 85173  
Tax Parcel Number: 106-12-386  
Recorded: 12/07/2018  
Document Number: 2018-090643 (Warranty Deed).  
Recorded Buyer: Karl F. Erickson  
Recorded Seller: Jersey Dakota LLC.  
Sales Price: \$125,000 (Cash Sale)  
Price per Square Foot: \$90.05  
Building Area: 1,388 square feet  
Land Area: 0.06 acres or 2,500 square feet  
Zoning: Town Center  
Age of Building: 1948 (71 years old)  
Construction Type: Masonry, one story building.  
Tenants: Vacant  
INCOME:  
Occupancy: Vacant  
Annual Gross Rev.: Not available  
Cap Rate: Not available  
Comments: Office. Was a Dentist office.  
Marketing Time: Vacant for awhile. Listed 13 Days  
Asking Price: \$125,000

Subject building is smaller than the subject on a little smaller lot. It is also only one story but in a little better condition. Location is the same as it is right across the street from the subject.

Adjustments were made for the size, land, use, age of building, condition, etc.

## VALUATION ANALYSIS - CONT.

### MARKET APPROACH Cont.

#### *SALE NUMBER TWO*



Location: 210 West Main Street, Superior, Arizona 85173  
Tax Parcel Number: 106-12-335 & 106-12-336  
Recorded: 2/05/2019  
Document Number: 2019-007898 (Special Warranty Deed). Mortgage of \$79,900. Seller Carryback  
Recorded Buyer: Ourtime 7 L.L.C.  
Recorded Seller: Superior Development Company  
Sales Price: \$99,900  
Price per Square Foot: \$15.91  
Building Area: 6,280 square feet.  
Land Area: 0.15 acres or 6,525 square feet  
Zoning: Town Center  
Age of Building: 1940 (79 years old)  
Construction Type: Masonry, One story.  
INCOME:  
Occupancy: Not available, Vacant  
Annual Gross Rev.: Not available  
Cap Rate: Not available  
Comments: Was a retail store, open interior.  
Marketing Time: N/A. Current Listing was 127 days  
Asking Price: \$99,900

This property is a one story retail building on a larger lot 3,400 square feet more. It has been vacant for a long time.. This building also has more square feet than the subject 1,994 square feet.

Adjustments were made for the size of building and style, land size, use, age of building, condition, etc.

## VALUATION ANALYSIS - CONT.

### MARKET APPROACH Cont.

#### *SALE NUMBER THREE*



Location: 201 West Main Street, Superior, Arizona 85173  
Tax Parcel Number: 106-12-383  
Recorded: 1/11/2018  
Document Number: 2018-002545 (Warranty Deed), Cash Sale.  
Buyer: Wittemann Nathans Engineering LLC.  
Seller: Josquin Trujillo  
Sales Price: \$185,000.  
Price per Square Foot: \$64.24  
Building Area: 2,380 square feet.  
Land Area: 0.07 acres or 3,125 square feet. Alley corner  
Zoning: Town Center  
Age of Building: 1935 (84 years old). Another source shows 1963 (56 years old).  
Construction Type: Masonry, One story store front.  
INCOME:  
Occupancy: Owner/user.  
Annual Gross Rev. Not available  
Cap Rate: Not available  
Marketing Time: On market 31 days  
Asking Price: \$185,000

This sale is right down the street from the subject, but it is a smaller building in total square footage, but has a larger first floor. It is only one story. It is also in much better condition than the subject. The lot size and zoning are the same.

Adjustments were made for the time factor, location, zoning, size, land, use, age of building, condition, etc.

## VALUATION ANALYSIS - CONT.

### MARKET APPROACH Cont.

#### *SALE NUMBER FOUR*



Location: 170 North Main Street, Florence, Arizona 85132  
Tax Parcel Number: 200-44-029-B  
Recorded: 5/02/2018  
Document Number: 2018-032738 (Special Warranty Deed).  
Recorded Buyer: Bar Eleven Ranch LLC.  
Recorded Seller: Raymond G. & Gail P. Frank  
Sales Price: \$225,000. \$60,000 Down. \$165,000 Mortgage Seller Carryback.  
Price per Square Foot: \$85.91  
Building Area: 2,619 square feet.  
Land Area: 0.18 acres, 7,821 square feet.  
Zoning: C-2  
Age of Building: 1972 (47 years old)  
.Construction Type: Masonry, One story building.  
INCOME:  
Occupancy: Was a restaurant/bar, vacant.  
Annual Gross Rev.: Not available  
Cap Rate: N/A  
Comments: Purchased for investment.  
Marketing Time: N/A  
Asking Price: N/A.

This property is in a similar neighborhood as the subject. This building has more area , 476 square feet on the first floor, but not as much as the subject because of the subjects second floor. The lot is also much larger than the subject by 4,696 square feet.

Adjustments were made for the time factor, location, zoning, size, land, use, age of building, condition, etc.

## VALUATION ANALYSIS - CONT.

### MARKET APPROACH Cont.

#### *SALE NUMBER FIVE*



Location: 203 West Main Street, Superior, Arizona 85173  
Tax Parcel Number: 106-12-384 & 106-12-382  
Recorded: 7/01/2016  
Document Number: 2016-043077 (Warranty Deed).  
Recorded Buyer: Argel H. & Rosemary A. Quiroz  
Recorded Seller: Sonnie L. Sansom  
Sales Price: \$250,000 \$25,000 Down, \$225,000 Mortgage, Seller Carryback  
Price per Square Foot: \$89.90  
Building Area: 2,781 square feet  
Land Area: 0.13 acres or 5,457 square feet & 0.13 acres or 5,457 square feet.  
Zoning: Town Center  
Age of Building: 1949 (70 years old)  
Construction Type: Masonry, One story building.  
INCOME:  
Occupancy: Rose's Owner/User  
Annual Gross Rev.: Not available  
Cap Rate: Not available  
Marketing Time: N/A  
Asking Price: N/A

This sale is also just down the street from the subject property. It is only a one story building, but it has more area, 638 square feet on the first floor. This building is also in much better condition than the subject building. This property is also on a larger lot with more frontage and also includes the property behind. This is also a much older sale, but the market in the subjects market area has not changed that much in the last two years.

Adjustments were made for the location, zoning, size, land size, use, age of building, condition, etc.

## VALUATION ANALYSIS - CONT.

### MARKET APPROACH Cont.

The Sales analysis is Summarized in the following grid.

Transaction Adjustment Grid

	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
Address	230 W. Main St. Superior	210 W. Main St. Superior	201 W. Main St. Superior	170 N. Main St. Florence	203 W. Main St. Superior
Parcel Number	106-12-338	106-12-335 & 336	106-12-383	200-44-029-B	106-12-384 & 382
Asking Price	\$125,000	\$99,900	\$185,000	N/A	N/A
Days on Market	13	127+	31	N/A	N/A
Sale Date	12/07/2018	2/05/2019	1/11/2018	5/02/2018	7/01/2016
Sales Price	\$125,000	\$99,900	\$185,000	\$225,000	\$250,000
Price pe Sq. Ft.	\$90.05	\$15.91	\$64.24	\$85.91	\$89.90
Building Sq. Ft.	1,388	6,280	2,880	2,619	2,781
Age of Building	1948 - 71 Years	1940 - 79 Years	1935 - 84 Years	1972 - 47 Years	1949 - 70 Years
Lot Size Sq. Ft.	2,500	6,525	3,125	7,821	11,707
Price Sq. Ft. Land	\$50.00	\$15.31	\$59.20	\$28.77	\$21.63
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Financing	Cash Sale \$140,000 Down	Cash Sale \$185,000 Down	Mortgage \$100,000	\$60,000 Down \$165,000 Seller Carryback	\$25,000 Down \$225,000 Seller Carryback
Condition of Sale	Arms Length	Arms Length	Arms Length	Arms Length	Arms Length
Market Conditions	Similar	Similar	Similar	Similar	Similar
Highest and Best Use	Office, Retail	Office, Retail	Office, Retail	Office, Retail Restaurant	Office , Retail
Zoning	Town Center	Town Center	Town Center	C-2	Town Center
Location	0%	0%	0%	-5%	0%
Building Size Difference	+2,898 SF	-1,994 SF	+1,406 SF	+1,667 SF	+1,505 SF
Lot Size (Sq..Ft..) Difference	+625	-3,400	0	-4,696	-8,582
Functional Utility	Average	Average	Average	Average	Average
Topography	Level	Level	Level	Level	Level
Utilities	All	All	All	All	All
Adjustments	+\$78,000	+\$105,000	+\$18,900	-\$18,500	-\$44,300
Value	\$203,000	\$204,900	\$203,900	\$204,500	\$204,700

## VALUATION ANALYSIS - CONT.

### MARKET APPROACH Cont.

The subject is a two story office building located on the southwest alley corner of West Main Street in Superior, Arizona. A search for sales, properties for sale and ones that have expired and never sold in the last four years was conducted in the subjects market area and a 250 mile radius from the subject property and twenty-three were found. This was done through real estate companies, title companies Costar, assessor records, and other information/data services. Out of these we were able to come up with five sales which were somewhat similar to the subject. There were many sales, some bigger, some smaller, many were newer and in the downtown area or old town areas of Superior, Florence, Globe, Coolidge, Benson Bisbee, Douglas, Willcox, Safford, and other towns around Arizona that might have older buildings like the subject. Some were considered, but not used. Rates and occupancies were compared, type of building, the use, amenities and services, location, etc. In many cases no time factor was used as the values have not changed in the last few of years.

Adjustments were made for the differences. Information was gathered from real estate brokers, county assessor, recorders records, information services and title companies. Because the subject property is owner/user there was no income stream, therefor the Income Approach was not used. All of the comparable sales have been confirmed and all information is believed to be reliable.

Information on each sale is on the preceding pages. The sales range in price for building size from \$15.91 to \$90.05 per square foot. The property (land) size from 3,125 square feet to 11,707 square feet, or \$15.31 to \$59.20 per square foot. Each comparable was adjusted for transaction and physical attributes that were different from the subject. Adjustments were made for property rights conveyed, terms and condition of the sale, market conditions, location, age, zoning and condition of the property, amenities of the property.

After all the adjustments we find that range in value is from \$47.36 per square foot to \$47.80 per square foot. Considering all the above items the best indicated value for the subject by the Market Approach is: \$47.64 per square foot.

\$47.64 times 4,286 equals \$204,185. Rounded equals \$204,200

Indicated value by the Market Approach: \$204,200.

## OPINION AND CONCLUSION

Only the Sales Comparison Approach or Market Approach was used in estimating the market value of the subject property. The preceding study and analysis resulted in the following indications of value for the subject property.

Sales Comparison Approach to Value	\$204,200
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The subject property consist of a two story office building containing 4,286 square feet. The improvements are considered to be of good quality construction. The condition of the building is average.

Three methods of valuation are available for estimating the market value of the subject property. These included the Cost Approach, Income Approach to Value, and the Sales Comparison Approach. The Cost Approach reflects the cost new for the subject improvements plus the cost new of all site improvements and the related site value. The appraiser then deducts all forms of accrued depreciation which is applicable as of the date of the appraisal. The depreciation includes not only the physical deterioration, but also allows for functional and external obsolescence. This was not used because of the age of the building, the estimated cost for repairs and the different types of deprecation and there estimates.

The building is ninety-nine years old and has been used for a number of different uses over the years. The last use the building was used for was a office building. The building is now in average condition since the items in the environmental report have been corrected. The data and information contained in the Highest and Best Use Analysis indicates that it is currently feasible to use the land for a office or medical building, a service business or restaurant and apartments above. Normally the Cost Approach reflects the highest price a person would pay. Because of the age and the type of improvements, the deprecation, etc. the cost approach was not used.

The next step in the analysis was the Income Approach to Value. The Income Approach takes into consideration the current rental levels for the subject property, its current occupancy and the appropriate expenses. Investors are concerned with the cash flow which a property can generate at the time of sale. Because this is a owner/user property and is not rented out at this time there is no income. From this information we did not use the Income Approach.

The final method of analysis in this appraisal report was the Direct Sales Comparison Approach. We looked at many office building sales and retail and restaurant buildings and picked five that were the most similar. We felt that these sales were the most comparable to the subject. Overall, we felt they tended to bracket the value of the subject property. A lot of emphasis is being placed, by buyers, on the per unit or package prices. They will look at current income of the properties for sale and the potential that they can derive. The Sales Comparison Approach was considered indicative of value for the subject property and was given the most emphasis in this report.

Based upon the preceding study and analysis, it is our opinion the market value of the fee simple interest in the subject property, as of January 11, 2019, is

TWO HUNDRED & FOUR THOUSAND, TWO HUNDRED DOLLARS (\$204,200.)