

**REAL ESTATE APPRAISAL**

**BACA HOLDINGS  
PARTIAL ACQUISITION  
6740 CENTRAL AVENUE  
WHITESTOWN, INDIANA**

**Prepared for**

**Mr. Jason Lawson  
Town of Whitestown**

**By**

**TERZO & BOLOGNA, INC.**



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June 16, 2016

Mr. Jason Lawson  
Public Works Director – Town of Whitestown  
Town of Whitestown Municipal Complex  
6210 S. 700 E., Room 300  
Whitestown, IN 46075

RE: 6704 Central Avenue (Baca Holdings)  
Proposed Partial Acquisition  
Whitestown, Indiana

Dear Mr. Lawson:

As you requested, we have performed the necessary research to provide you with an appraisal of the referenced property. In our opinion, this appraisal meets the requirements of the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation, as well as the Supplemental Standards and Ethical Rules of the Appraisal Institute. The purpose of this appraisal is to provide our opinion of the fair market value of the fee simple interest subject to the conditions and limitations stated in Section 2 of this report.

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Mr. Jason Lawson  
June 16, 2016  
Page 2

In our opinion, the fair market value of the proposed partial acquisition as of June 8, 2016 is

**ONE HUNDRED EIGHT THOUSAND SIX HUNDRED FORTY DOLLARS  
(\$108,640).**

This appraisal is based upon the following extraordinary assumptions:

- **No legal descriptions of the proposed fee simple or proposed easement acquisition areas were provided. Exhibits included in this appraisal form the basis for the valuation of the property rights to be acquired plus an email from Andrew Miller, PE with Midwestern Engineers, Inc. which provided the fee acquisition size of 16,800 square feet and the easement area of 800 square feet. If these areas are found to be incorrect, then an adjustment to the value conclusion would likely be necessary.**

This letter must remain attached to the report that follows in order for the value opinion set forth to be considered valid.

Sincerely,



**Erick Landeen, MAI**  
**Indiana Certified General Appraiser #CG40400483**  
for Terzo & Bologna, Inc.

## TABLE OF CONTENTS

### PROLOGUE

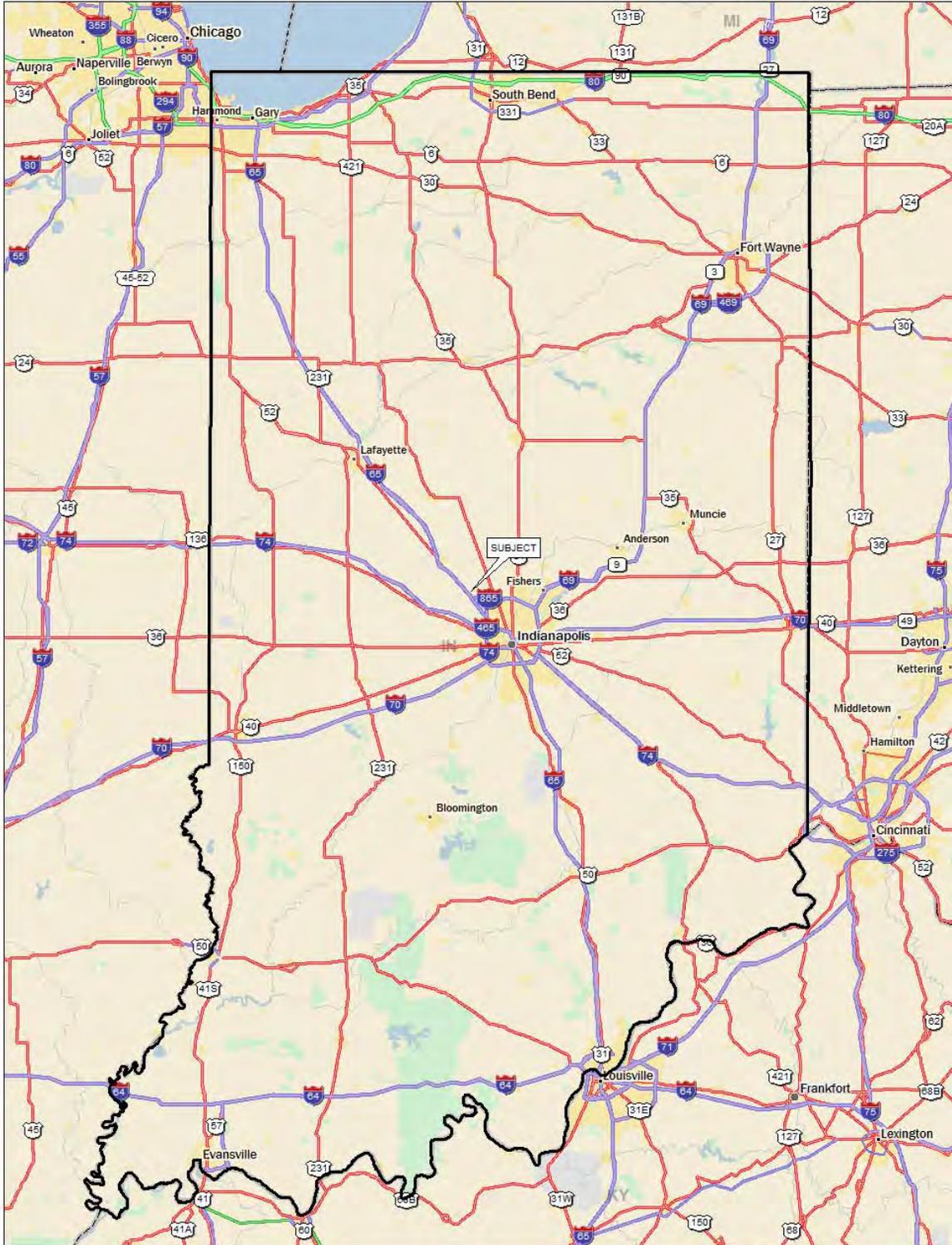
STATE SETTING MAP  
REGIONAL SETTING MAP  
URBAN SETTING MAP  
PHOTOGRAPH OF SUBJECT

### SECTIONS

1.0 EXECUTIVE SUMMARY .....	1
2.0 INTRODUCTION .....	2
VALUATION METHODS .....	2
SCOPE OF WORK .....	2
INTENDED USER AND INTENDED USE .....	3
TYPE AND DEFINITION OF VALUE .....	3
DEFINITION OF OTHER TERMINOLOGY .....	4
ASSUMPTIONS & LIMITING CONDITIONS .....	4
3.0 DESCRIPTION OF PROPERTY .....	8
LEGAL & GOVERNMENTAL DATA .....	8
DESCRIPTION OF LARGER PARCEL .....	18
4.0 EXTERNAL FACTORS AFFECTING VALUE .....	20
THE WHITESTOWN AREA .....	20
ZONING .....	22
5.0 HIGHEST & BEST USE .....	24
HIGHEST & BEST USE DEFINED .....	24
HIGHEST & BEST USE AS IF VACANT .....	24
HIGHEST & BEST USE AS IMPROVED .....	24
6.0 VALUATION .....	25
LAND VALUATION .....	25
7.0 CERTIFICATION OF THE APPRAISER .....	40

### ANNEX

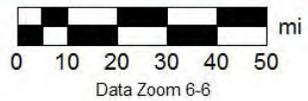
LETTER OF ENGAGEMENT  
INTRODUCTION TO TERZO & BOLOGNA, INC.  
QUALIFICATIONS OF THE APPRAISER

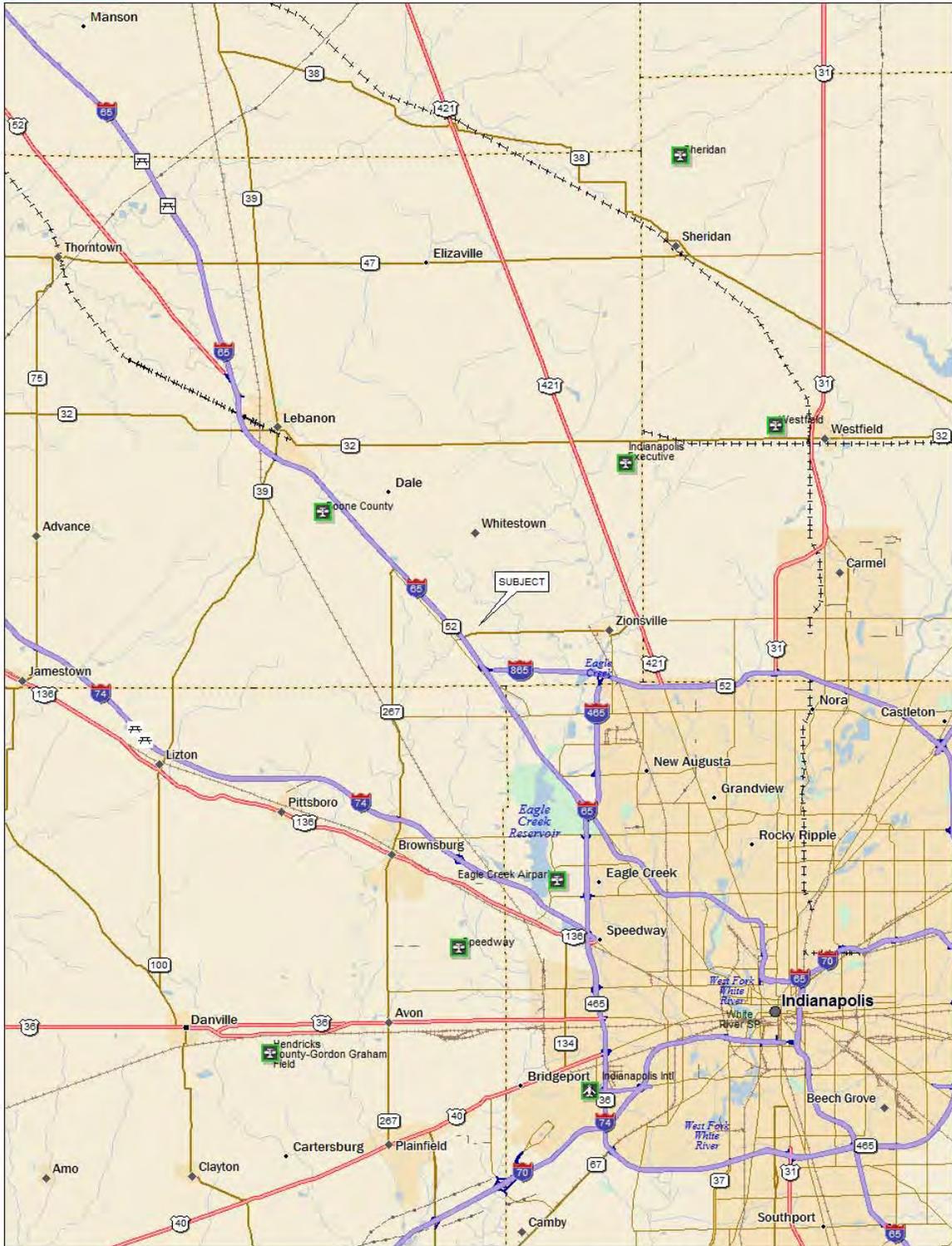


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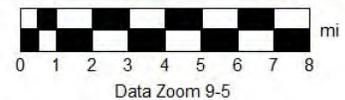


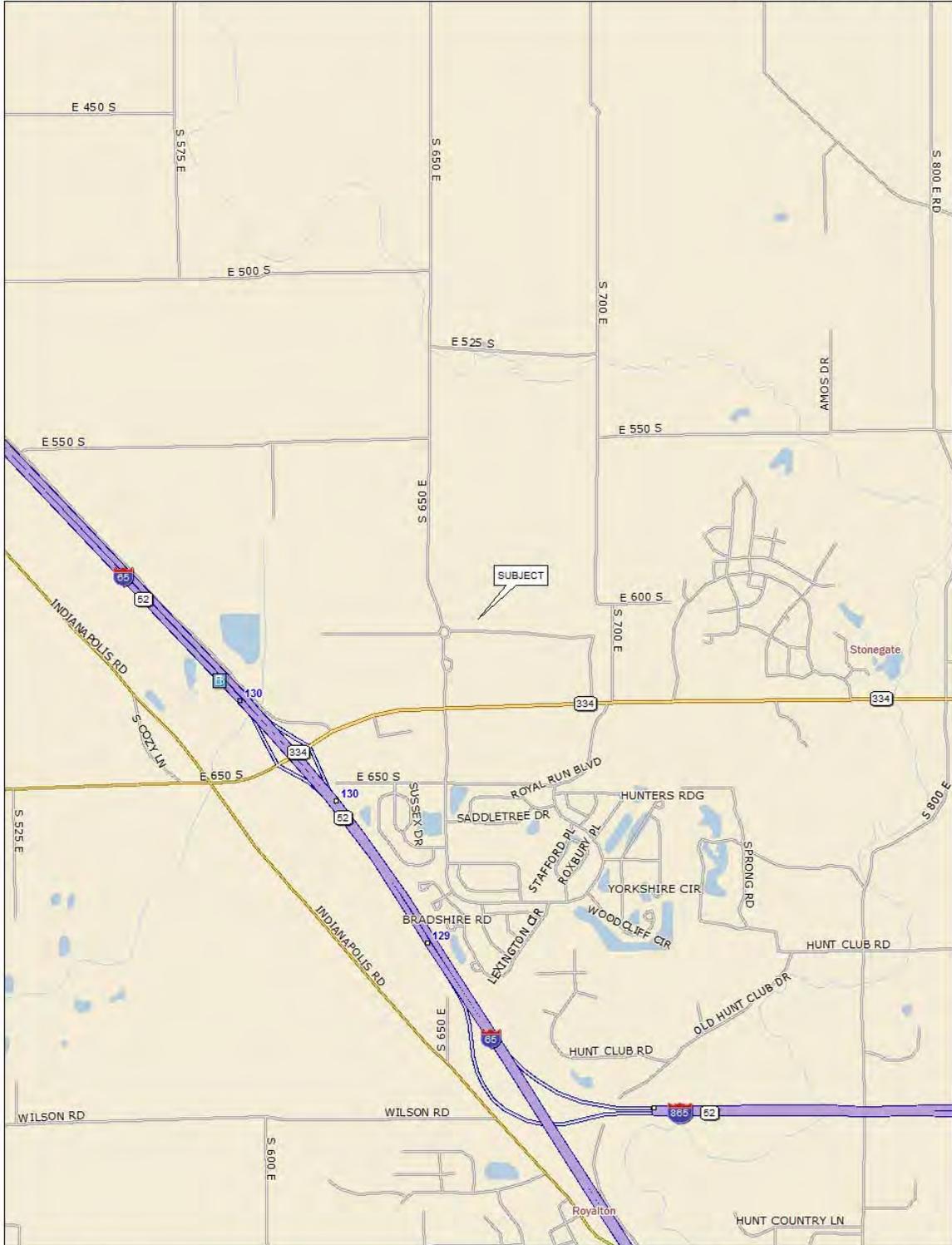


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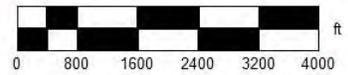




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## 1.0 EXECUTIVE SUMMARY

PROPERTY APPRAISED:	Baca Holdings Partial Acquisition 6704 Central Avenue Whitestown, IN
DESCRIPTION OF PROPERTY:	The “larger” parcel consists of a three acre parcel improved with Behavior Analysis Center for Autism (BACA).
PROPOSED ACQUISITION:	The fee taking is to be 16,800 square feet along the west property line plus an 800 square foot storm sewer easement (about 20' x 40').
ZONING:	PUD – Planned Unit Development
HIGHEST & BEST USE:	Office
INTEREST APPRAISED:	Fee Simple
DATE OF REPORT:	June 16, 2016
EFFECTIVE DATE OF APPRAISAL:	June 8, 2016
VALUE CONCLUSION:	\$108,640
ASSUMPTIONS AND LIMITING CONDITIONS:	See Section 2 of this appraisal for all underlying assumptions and limiting conditions affecting the value.

## **2.0 INTRODUCTION**

### **VALUATION METHODS**

There are six basic procedures that can be used to value land. In markets where transactions have occurred, the sales comparison approach is recognized as the most accurate method of valuation. In this instance, since data are available, the sales comparison approach will be applied in the analysis utilizing a price per acre unit of comparison in valuing the subject larger parcel. The partial acquisition will then be valued based upon the underlying larger parcel per square foot land value.

### **SCOPE OF WORK**

The appraiser's scope of work comprised a comprehensive data gathering and analytical process that incorporated but was not necessarily limited to the following.

- The inspection of the property by Erick Landeen on June 8, 2016 comprised conducting a brief inspection of the site to broadly determine the type of cover, topography, and development issues.
- Obtain property data from the client, contact sources, and governmental representatives.
- Review legal restrictions relating to the subject as imposed by zoning or disclosed easements, leases, or other documents in place that may affect the subject. The appraisal function does not include researching the title or register of deeds for relevant documents. The value conclusion incorporates a value based only on the documents disclosed and reviewed.
- Obtain market and transaction data from brokers, other appraisers, secondary data sources, and in-house files. Data sources utilized for this valuation are assumed to be reliable and are accepted as such in the analysis. When possible or deemed appropriate or necessary, first-hand verification of data for accuracy was conducted.
- Analyze the above to determine how the data translates into value indications for the subject.
- Due to the scale of the subject development, research was limited to the local market property.

The foregoing list represents an overview of the major items that constitute the scope of work of this appraisal. Additional items that are relevant to the definition of the appraisal scope will be found in other portions of the appraisal text, where they reference appraisal procedures or market analysis issues.

## **INTENDED USER AND INTENDED USE**

The report is intended for use only by Whitestown as client. There are no other intended users. The appraisal is being prepared for the client and is intended only for use in formulating decisions regarding the proposed partial acquisition. This report is not intended for any other use. While the property owner might be given a copy of this report, the owner is not the intended user.

## **TYPE AND DEFINITION OF VALUE**

This report estimates the fair market value of the property. As used herein, the term "fair market value" is based on the definition generally used by agencies that regulate federally insured financial institutions in the United States.

For the purpose of valuing the property, including land and building, structure and improvement thereon, acquired under the power of Eminent Domain by the Federal government or using Federal-aid or Federal grant funds, **Fair Market Value** is the amount of money (cash or its equivalent) which, as of the date of valuation:

- An informed and knowledgeable purchaser willing, but not obligated, to buy the property would pay to an informed and knowledgeable owner willing, but not obligated, to sell it.
- Taking into consideration all uses for which the property is suited and might in reason be applied; including, but not limited to the present use or highest and best available use taking into consideration the existing zoning or other restrictions upon use and the reasonable probability of a change in those restrictions.
- Allowing a reasonable period of time to effectuate such sale.
- Disregarding any decrease or increase in fair market value of such real property prior to the date of valuation caused by the public improvement of which such property is acquired, or by the likelihood that the property would be acquired for such improvement, other than that due to physical deterioration within the reasonable control of the owner.
- Disregarding the fact that the owner might not want to part with the land because of its special adaptability to the owner's use.
- Disregarding the fact that the taker needs the land because of its peculiar fitness for its purpose.
- Disregarding any "gain to the taker", i.e., not giving consideration to the special use of the condemnor as against others who may not possess the right of Eminent Domain.
- Including the value of any buildings, structures, or improvements located upon the land, which are required to be removed or which it is determined will be adversely affected by the use to which such real property will be put, regardless of whether such building, structure, or improvement is classified as a real or personal property under local law. Such buildings, structures and improvement are valued based upon

their contribution to the fair market value of the real property to be acquired or their value for removal from the real property (salvage value), whichever is greater. This includes tenant owned buildings, structures, or improvements, even if the tenant has a right or obligation to remove the building, structures, or improvements at the expiration of the lease term and even if classified as personal property under law.

- Fair market value, based upon adequate recent comparable sales and offering data is usually the measure of just compensation.

## **DEFINITION OF OTHER TERMINOLOGY**

### **Fee Simple Estate Defined**

The definition of fee simple estate according to The Dictionary of Real Estate Appraisal is as follows.

“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.”<sup>1</sup>

## **ASSUMPTIONS & LIMITING CONDITIONS**

- **No legal descriptions of the proposed fee simple or proposed easement acquisition areas were provided. Exhibits included in this appraisal form the basis for the valuation of the property rights to be acquired plus an email from Andrew Miller, PE with Midwestern Engineers, Inc. which provided the fee acquisition size of 16,800 square feet and the easement area of 800 square feet. If these areas are found to be incorrect, then an adjustment to the value conclusion would likely be necessary.**

**This report has been made with the following general assumptions:**

1. No responsibility is assumed for the legal description, legal matters, or title considerations. Title to the property is assumed to be clear and marketable, and it is assumed that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or market value.
2. Unless otherwise stated, no consideration is given to liens or encumbrances against the property.
3. Responsible ownership and competent property management are assumed. An analysis of owner or management effectiveness and current or anticipated actions that will affect property operations is beyond the scope of this report.

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<sup>1</sup> Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed., s.v. “fee simple estate”. (Chicago: Appraisal Institute, 2015).

4. The information furnished by others is assumed to be reliable. However, no warranty is given for its accuracy.
5. All engineering is assumed to be correct. The plans and other illustrative material in this report are included only to assist the reader in visualizing the property and are not intended for technical purposes.
6. It is assumed that there are no hidden or unapparent conditions of the land or of the improvements that render the property more or less valuable. No responsibility is assumed for such conditions or for arranging any engineering studies that may be required to discover them.
7. Building and site inspections that have been completed as part of the appraisal process by Terzo & Bologna, Inc. are directed to broadly determining the quality of materials and finishes so that the subject property can be compared to other properties. This report therefore makes no representations as to the engineering aspects of the site improvements and buildings or of the adequacy of structural components, or electrical, HVAC, and plumbing systems, which are assumed to be in operational order.
8. It is assumed that there is and will be full compliance with all applicable federal, state, and local environmental regulations and laws.
9. Except as noted, no evidence of hazardous material, which may or may not be present on the property, was observed upon inspection. Except as noted, Terzo & Bologna, Inc. has no knowledge of the existence of such materials on or in the property and it is assumed that the property is free of such materials. Terzo & Bologna, Inc., 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. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client (or any reader of this report who is contemplating some financial commitment to the property) is urged to retain an expert in this field, if desired.
10. Except as noted, it is assumed that the property is and will be in compliance with all current applicable zoning, building use regulations, and codes.
11. It is assumed 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 or will be obtained or renewed for any use on which the value estimate contained in this report is based.

12. No survey of the boundaries of the property was undertaken. It is assumed that the utilization of the land and improvements will be within the boundaries or property lines of the property described and that there will be no encroachment or trespass.
13. Proposed improvements are assumed to have been completed unless otherwise stipulated. Any construction is assumed to conform to the building plans referenced in the report.
14. It is assumed that the reader or user of this report has been provided with copies of applicable building plans or underlying leases.
15. The presence of flood plain or wetland areas could affect the value of the property. It is assumed that wetland areas are not present or are minimal unless otherwise stated. Terzo & Bologna, Inc. is not qualified to detect such areas.

**The report has been made with the following general limiting conditions:**

1. Without the express written consent of Terzo & Bologna, Inc., neither the name of the appraiser, nor the report, nor any material contained in the report may be included in any prospectus or used in private offering memoranda, or representations in connection with the sale of securities or participation interests to the public. Terzo & Bologna, Inc. reserves the right to deny such consent.
2. Without the express written consent of Terzo & Bologna, Inc., neither the report nor any part of it may be submitted to the Securities and Exchange Commission or to any state securities regulatory agency. Terzo & Bologna, Inc. reserves the right to deny such consent.
3. Neither all nor any part of the contents of this report, especially any conclusions as to value, the identity of Terzo & Bologna, Inc., any of its staff, or any reference to the Appraisal Institute or the MAI designation, shall be quoted or disseminated to the public through advertising, public relations media, news media, sales media, or other public means of communication without the prior written consent and approval of Terzo & Bologna, Inc., which consent Terzo & Bologna, Inc. reserves the right to deny. Further, neither the appraiser, nor Terzo & Bologna, Inc. assumes obligation, liability or accountability to any third party.
4. This report shall be considered only in its entirety. No part of this report shall be used separately or taken out of context.
5. The value estimates provided apply to the entire property under its reported highest and best use unless stated otherwise herein. Any pro ration or division of the total into fractional interests will invalidate the value estimate, unless such pro ration or division of interests has been set forth in the report.

6. Possession of this report, or a copy thereof, does not carry with it the right of publication.
7. Terzo & Bologna, Inc. or any of its staff, by reason of this report, is not required to give further consultation, testimony, or be in attendance in court or other hearing with reference to the property unless written contractual arrangements have been made relative to such additional employment.
8. The forecasts, projections, or operating estimates contained herein are based upon current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These market conditions and forecasts are subject to material changes because of unusual or unforeseen circumstances. The estimates and opinions within the report are not, therefore, predictions or assurances as to the achievement of a particular income or profit, or that particular events will occur or that a particular price will be offered or accepted.
9. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. Terzo & Bologna, Inc. 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 Terzo & Bologna, Inc. has no direct evidence relating to this issue, it did not consider possible noncompliance with the requirements of ADA in estimating the value of the property.
10. Acceptance and/or use of this report constitutes full acceptance of the General Assumptions and Limiting Conditions as well as the Special Assumptions set forth in this report. Neither Terzo & Bologna, Inc. nor its staff assumes responsibility for any situation arising from the client's failure to become familiar with and understand these assumptions and limiting conditions.

### **3.0 DESCRIPTION OF PROPERTY**

#### **LEGAL & GOVERNMENTAL DATA**

##### **Owner of Record**

Baca Holdings of Zionsville, LLC

##### **Recent Ownership History**

According to the Boone County Assessor, there have been no transfers over the past three years. The property is not currently listed for sale, nor are there any pending sale agreements.

##### **Tax Identification**

The subject real property is identified in municipal records as tax parcel:

06-04-06-000-006.024-021

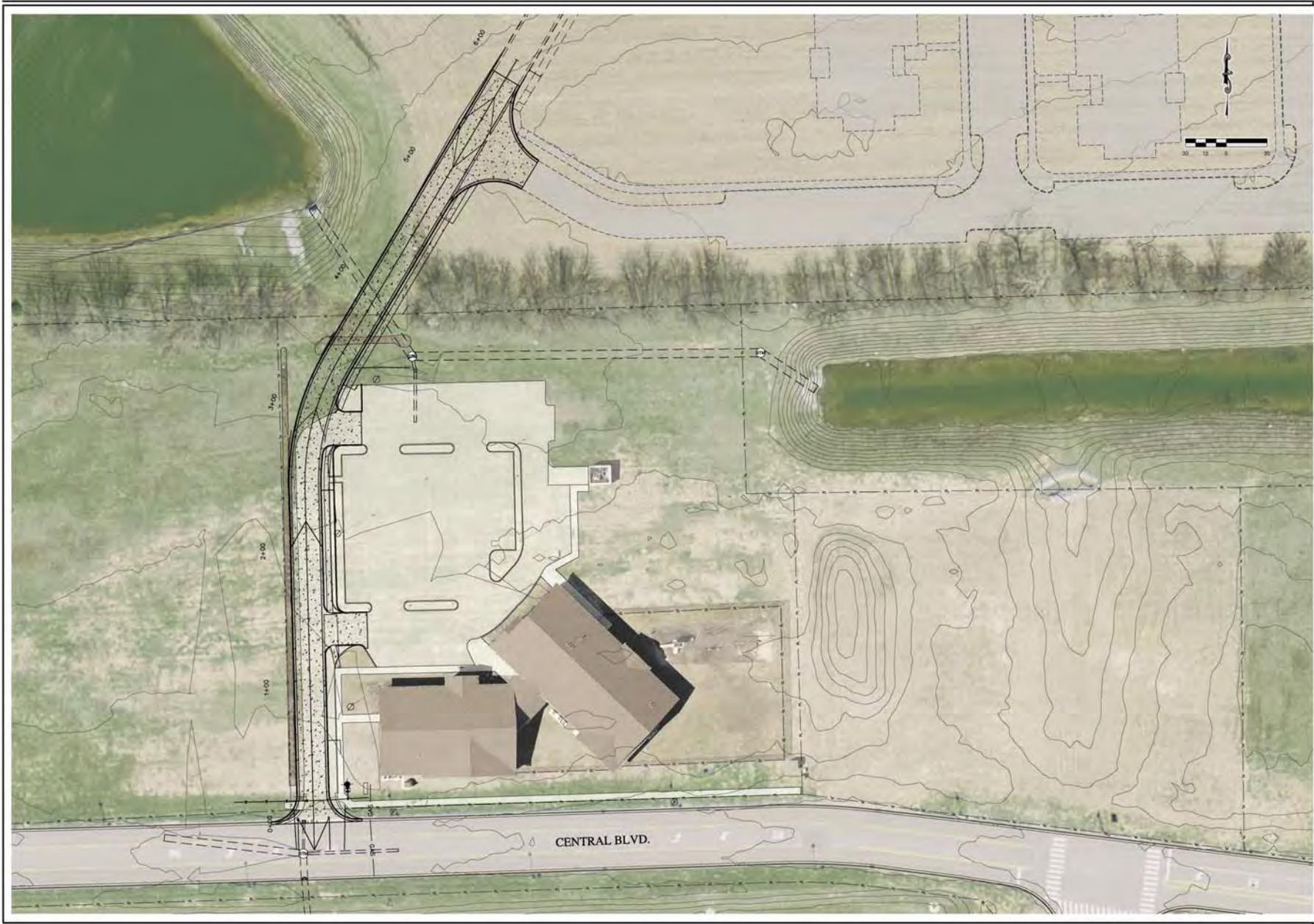
##### **Legal Description**

The legal description is based on the colorized aerial exhibit included in this report.





**RED LINES ARE APPROXIMATE AREA OF TAKING**



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Quality Engineering Services Since 1952

STREET IMPROVEMENTS  
BEHAVIOR ANALYSIS CENTER/AUTISM  
FOR THE  
TOWN OF WHITESTOWN  
BOONE COUNTY, INDIANA

REVISION

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DATE  
JUNE 2016

DESIGNER  
C. W. R.  
SCHAFF

CHECKER  
M. M. C.  
G.C. TREX

PROJECT NUMBER  
2016061-00

4  
4 of 6

FILE NUMBER





VIEW NORTH ALONG WEST PROPERTY LINE



VIEW NORTH OF DRIVEWAY



VIEW WEST OF PORTION OF LANDSCAPE STRIP GRASS AND DRIVEWAY TO BE ACQUIRED



VIEW NORTH OF 2 PARKING SPACES TO BE ACQUIRED



VIEW SOUTHWEST TOWARDS 2 PARKING SPACES TO BE ACQUIRED AND EASEMENT AREA TO BE NORTH OF PARKING LOT



VIEW SOUTH OF AREA TO BE ACQUIRED



VIEW SOUTHEAST OF AREA TO BE ACQUIRED AND EASEMENT AREA



VIEW SOUTHEAST OF ROCKED AREA THAT IS PART OF ACQUISITION



VIEW EAST OF SUBJECT AND CENTRAL BOULEVARD

### **DESCRIPTION OF LARGER PARCEL**

The larger parcel involves non-contiguous tax parcels as shown on the previous exhibit.

Site Size:	About 3.0 acres
Frontage:	The subject fronts on the north side of Central Boulevard
Configuration:	Nearly rectangular
Topography:	Essentially level
Wetlands:	None
Environmental Issues:	The appraiser observed no obvious signs of environmental problems. Terzo & Bologna appraisers are not environmental analysts. The client should retain competent counsel on these issues as it may deem appropriate. An environmentally acceptable site is presumed for valuation purposes.
FEMA Flood Hazard Rating:	Outside 100 year flood.
Ingress and Egress:	Access is gained from a curb cut at Central Boulevard near the southwest corner of the site.
Apparent Easements or Encroachments:	No unusual easements or encroachments were observed upon inspection.
Overall Utility of Site:	The site has no unusual physical characteristics that would restrict development. The subject site is partially developed with additional land available to expand the building and parking lot.

## Improvements

The larger parcel is improved with a 14,453 square foot office building constructed in 2012 per public records. The property has 72 paved parking spaces, indicating a ratio of 4.98 per 1,000 square feet of building area. The land:building ratio is 9.04:1.

## Proposed Acquisition

The proposed fee acquisition includes 16,800 square feet along the west property line. Most of the acquisition is rectangular in shape although it widens near the north property line. It will result in the loss of two parking spaces.

The proposed storm sewer easement is about 0.02 acres in size and extends east from the proposed fee acquisition and is located just north of the parking lot.

The approximate amount of size improvements within the fee acquisition are summarized as follows:

<b>Summary of Site Improvements To Be Acquired</b>	
<b>Item</b>	<b>Quantity</b>
Concrete Curbs	146 LF
Parking Lot	7400 Sq. Ft.
Sidewalk	709 Sq. Ft.
Landscape	1760 Sq. Ft.
Gravel/ Rock	573 Sq. Ft.
Lawn	6358 Sq. Ft.

## Description of the Subject After the Acquisition

The changes to the subject following the acquisition are summarized as follows:

The site size will be reduced to 2.61 acres. There will be 70 parking spaces, indicating a ratio of 4.84:1. The land:building ratio will be 7.87:1. Access will be via the new public road extending north along the subject's west property line. It will have two curb cuts, with access similar to the current access, although access will be from a public road versus the current private driveway. The subject will continue to have ample parking after the project. The subject's design is similar to an office building. The suburban office market has a typical parking ratio of 4 per 1,000 square feet of building area. The subject's ratio of 4.84:1 is well above the market standard for general office use. Note that the subject has ample land which could be used to expand the building and parking lot after the acquisition.

## 4.0 EXTERNAL FACTORS AFFECTING VALUE

### THE WHITESTOWN AREA

Whitestown is located near the I-65 corridor southeast of Lebanon and northwest of Zionsville. At present, it is considered a bedroom community, but that perception is slowly changing as the development of Zionsville continues to expand westward. The southeast portion of Whitestown has particularly been affected by the expansion of Zionsville, whose downtown is located approximately ten minutes from the southeast border of Whitestown.

### Population

The historic and projected population of Whitestown and Boone County are summarized in the following table.

Historic and Projected Population				
	2000	2010	2015	2020
Whitestown	1,352	2,867	3,189	3,371
Boone County	46,107	56,640	62,424	65,982

Source: Easy Analytic Software, Inc. (EASI)

Whitestown and Boone County have experienced steady increases in population since 2000. Between 2000 and 2015, the population of Boone County increased by 2.04 percent annually. This rate of growth can be compared to the Whitestown area rate of 5.88 percent annually. Historically, Boone County and Whitestown have experienced steady growth, though Whitestown has experienced an escalated rate of growth over the past decade. As projected by EASI Demographic Software, Inc., the population of Whitestown and Boone County is expected to continue growing through the year 2020.

### Economic Base & Employment

The economic base of Boone County, although diversified, is predominantly service, professional and retail oriented. Many workers in the area commute to other employment centers. It is an attractive location for corporate executives who work in downtown Indianapolis. The convenient freeway system allows short commuting times to other employment areas such as Park 100, Michigan Road and Meridian Street Corridors, Keystone at the Crossing and Castleton.

The Boone County unemployment rates have historically been below the U.S. and state averages. According to the Indiana Department of Workforce Development, the April 2016 unemployment rate for Boone County was 3.6 percent. This can be compared to the Indiana rate of 4.8 percent and the U.S. rate of 4.7 percent for the same time period. An unemployment history for Boone County is shown in the following chart.

Unemployment Rates (% of Labor Force)					
	2011	2012	2013	2014	2015
Boone County	7.3	6.7	5.7	4.4	3.7
Indiana	9.0	8.4	7.7	5.9	4.8
United States	8.9	8.1	7.4	6.2	5.3

Source: Indiana Department of Workforce Development

## School System

Three public school systems, including the Lebanon Community School Corporation, the Western Boone Community Schools, and the Zionsville Community School system serve Boone County. In total, there are three public high schools, three public middle schools, and eleven public elementary schools. Also, available are two alternative schools and one parochial school. Schools of higher education in the surrounding area are Purdue University in West Lafayette, and Butler, Marian College, University of Indianapolis, Ivy Tech and IUPUI in Indianapolis.

## Health Care

Health care facilities are available in Zionsville and include The Medical Clinic at the Zionsville Medical Center, St. Vincent Medical Center, St. Vincent's Hospital located to the southeast in Indianapolis and Witham Memorial Hospital located to the north in Lebanon.

## Government

Boone County is governed by three County Commissioners and seven County Council members. The Board of County Commissioners serves as the executive and administrative authority for the county. It controls, maintains, and supervises county property; audits and authorizes claims against the county; receives bids and authorizes contracts; supervises construction and maintenance of roads and bridges; appoints certain county and township officials; performs certain election functions; and serves on the Board of County Finance. The Council is the financial power of the county, serving as a check on the Board of County Commissioners. The council fixes the county tax rate; makes appropriations, re-appropriations, and transfers funds; adopts annual budgets; incurs county indebtedness; fixes salaries; levies taxes to provide funds for constructing, repairing and remodeling jails; and furnishes financial assistance to any community center for the mentally handicapped located in the county.

## **Conclusion**

In brief, the Whitestown area can be categorized as an area experiencing significant growth. Historically, the Whitestown area has weathered the economic downturn better than many other areas across the region and nation. The diversification of the workforce in the area has resulted in unemployment levels lower than state and national averages. Government continues to actively support development. Adequate infrastructure, both physical and institutional, is usually available to ensure some stability in the local real estate market. However, the economic downturn has resulted in fewer real estate transactions and, in some cases, decreases in real estate values. Despite the downturn, the past factors of steady demand and government interest in continued development are supportive of long-term real estate investment throughout the Whitestown area.

## **ZONING**

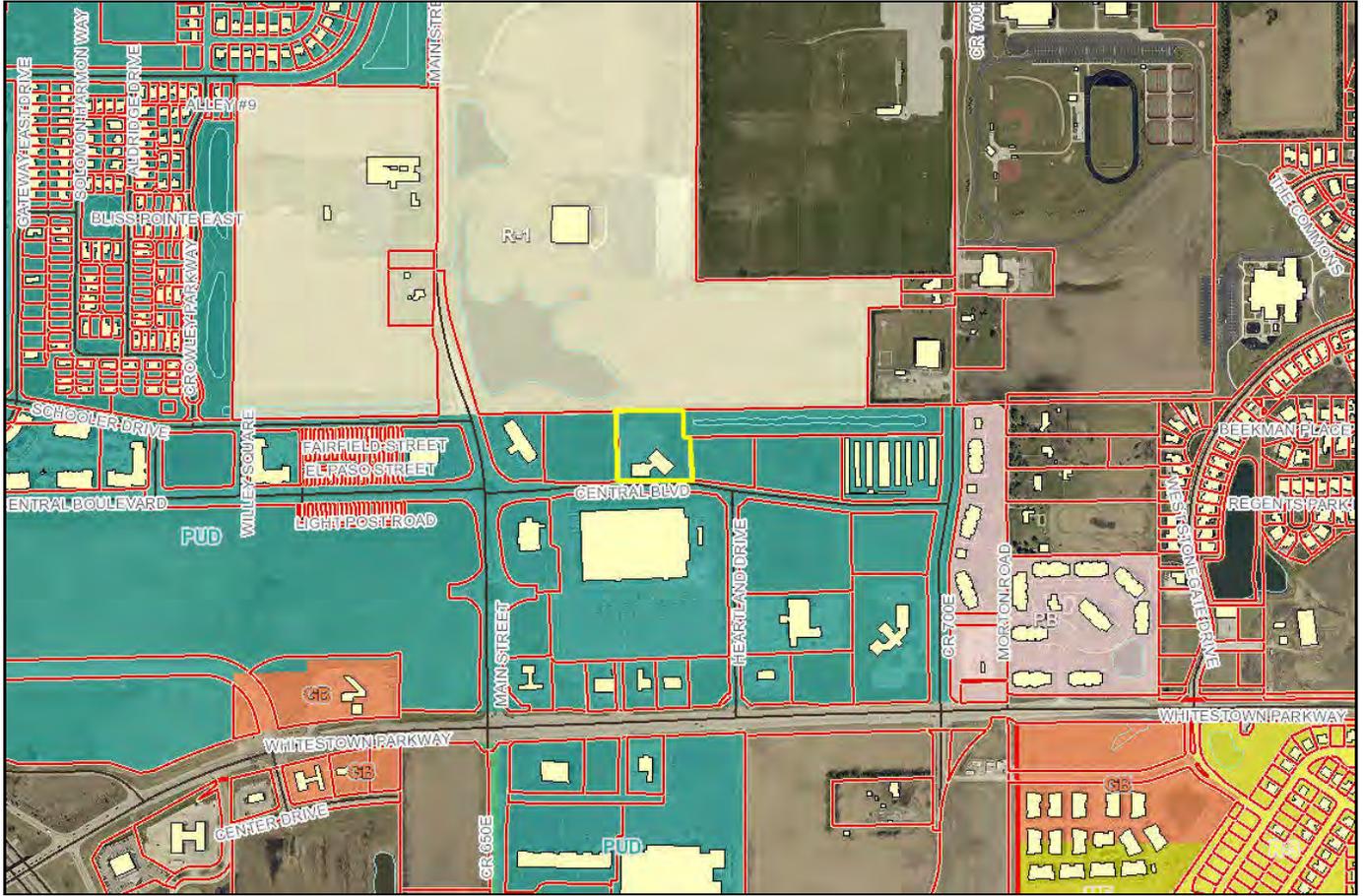
### **PUD - Planned Unit Development**

This district is established to encourage improved land development and building site design, to encourage and allow a variety of innovative uses, building types and arrangements, to allow development of land areas so planned, located or situated as to merit and justify consideration as a PUD district.

The District provides flexibility and procedural economy by permitting the broadest range of land use choices within a single District, while maintaining adequate land use controls. The uses permitted in a Planned Unit Development may be any use that is found within the Whitestown Zoning District.

PERMITTED PRIMARY USES: Single-Family, Two-Family, and Multi-Family Residential, Professional Office Areas, Office Areas, Neighborhood Retail Areas, Retail Areas, Office/Flex Areas and Industrial Areas

PERMITTED ACCESSORY USES AND STRUCTURES: Neighborhood Residential District, Town Center Residential District, Town Center Business District, Commerce District, Interstate Commerce District and Business District



## 5.0 HIGHEST & BEST USE

### **HIGHEST & BEST USE DEFINED**

As defined by the Appraisal Institute, highest and best use is

"The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, and financially feasible and that results in the highest value".<sup>2</sup>

### **HIGHEST & BEST USE AS IF VACANT**

Legally Permissible: The subject is zoned PUD, which allows for a wide range of uses including commercial.

Physically Possible: Small commercial uses

Financially Feasible/  
Maximally Productive: It would be challenging to feasibly develop the subject due to its location in a small but growing market area and its limited exposure.

Conclusion: Future commercial development

### **HIGHEST & BEST USE AS IMPROVED**

Legally Permissible: The subject could be used for office and a number of other commercial uses per zoning.

Physically Possible: The subject site is partially improved. The site could accommodate an expansion of the building and parking lot.

Financially Feasible/  
Maximally Productive: Continued use of the subject for office or similar use.

Conclusion: Continued use of the subject as office or similar use.

---

<sup>2</sup> The Appraisal Institute, The Appraisal of Real Estate, 13th Edition, Chicago, IL, 2008, pp.277-278.

## **6.0 VALUATION**

Following is a valuation of the subject utilizing the applicable techniques as identified in Section 2.

### **LAND VALUATION**

#### **Selection of Comparables**

Research was conducted to identify recent sales or current listings that were most similar in physical, functional and economic characteristics. The comparables that were concluded to provide best indicators are displayed in the Annex with a map identifying their locations in relation to the subject. Comparables have been adjusted to reflect effective sale prices, taking into account expenses after the sale when such expenses are known, and adjustment to cash equivalency if such an adjustment is required.

# TERZO & BOLOGNA, INC. MARKET DATA: SALE OF LAND



## Comparable # 1

Property: 6210 S 700 E  
Zionsville, IN  
County: Boone  
Location: SWC of Central Boulevard and County Road 700 E  
Date of Sale: 3/2014  
Seller: Cornerstone Baptist Church of Whitestown  
Purchaser: Zionsville Country LLC

## FINANCIAL DATA

Effective Sale Price: \$370,000  
Terms: Assumed cash to seller. No special conditions noted.  
Price/Net Square Foot: \$2.83  
Price/Net Acre: \$123,333

# TERZO & BOLOGNA, INC. MARKET DATA: SALE OF LAND

## DESCRIPTIVE DATA

Tax Code: 06-04-06-000-030.001-021  
Zoning: PUD - Planned Unit Development  
Parcel Area: 3 Net Acres  
Shape: Essentially Rectangular  
Cover: None  
Topography: Relatively Level  
Improvements: None  
Road Surface: Paved  
Utilities: Municipal  
Source: Public Records  
Verified By: EPL/RLP  
Comments: Site is being developed with a veterinarian clinic.

# TERZO & BOLOGNA, INC. MARKET DATA: SALE OF LAND



## Comparable # 2

Property: 6600 Central Boulevard  
Whitestown, IN  
County: Boone  
Location: NEQ of Main Street and Central Boulevard  
Date of Sale: 12/2015  
Seller: Duke Construction Limited Partnership  
Purchaser: Whitestown Hospitality LLC

## FINANCIAL DATA

Effective Sale Price: \$600,000  
Terms: Assumed cash to seller. No special conditions noted.  
Price/Net Square Foot: \$4.28  
Price/Net Acre: \$186,335

# TERZO & BOLOGNA, INC. MARKET DATA: SALE OF LAND

## DESCRIPTIVE DATA

Tax Code: 06-04-06-000-006.021-021  
Zoning: PUD - Planned Unit Development  
Parcel Area: 3.22 Net Acres  
Shape: Essentially rectangular  
Cover: None  
Topography: Relatively level  
Improvements: None  
Road Surface: Paved  
Utilities: Municipal  
Source: Public Record  
Verified By: EPL/RLP

# TERZO & BOLOGNA, INC. MARKET DATA: SALE OF LAND



## Comparable # 3

Property: 6085 Heartland Drive & 6500 Central Boulevard  
Zionsville & Whitestown, IN  
County: Boone  
Location: At the north terminus of Heartland Drive.  
Date of Sale: 6/2015  
Seller: Performance Services Inc. & Duke Construction Limited Partnership  
Purchaser: Spectrum Acquisition Anson II

## FINANCIAL DATA

Effective Sale Price: \$957,750  
Terms: Sale occurred in two separate transactions. Parcel 06-04-06-000-006.014-021 (1.82 acres) sold on 6/9/2015 for \$435,000 (\$5.49/SF) from Performance Services Inc. Parcel 06-04-06-000-006.000-021(3.07 acres) sold on 6/10/2015 for \$522,750 (\$3.91/SF) from Duke Construction Limited Partnership.  
Price/Net Square Foot: \$4.50  
Price/Net Acre: \$195,859

# TERZO & BOLOGNA, INC. MARKET DATA: SALE OF LAND

## DESCRIPTIVE DATA

Tax Code: 06-04-06-000-006.014-021 & 06-04-06-000-006.000-021  
Zoning: PUD - Planned Unit Development  
Parcel Area: 4.89 Net Acres  
Shape: Irregular  
Cover: None  
Topography: Relatively level  
Improvements: None  
Road Surface: Paved  
Utilities: Municipal  
Source: Public Records  
Verified By: EPL/RLP  
Comments: Site is planned to be developed with Spectrum Senior Living, a 180 unit senior living facility. Construction has not commenced as of June 2016.

# TERZO & BOLOGNA, INC. MARKET DATA: SALE OF LAND



## Comparable # 4

Property: 6065 South Main Street  
Whitestown, IN  
County: Boone  
Location: SEC of Main Street and Central Boulevard  
Date of Sale: 12/2013  
Seller: Duke Construction Limited Partnership  
Purchaser: Goodwill Industries of Central Indiana

## FINANCIAL DATA

Effective Sale Price: \$700,000  
Terms: Assumed cash to seller. Change planned in primary use of property. Transfer to a charity, not-for-profit organization, or government.  
Price/Net Square Foot: \$5.84  
Price/Net Acre: \$254,545

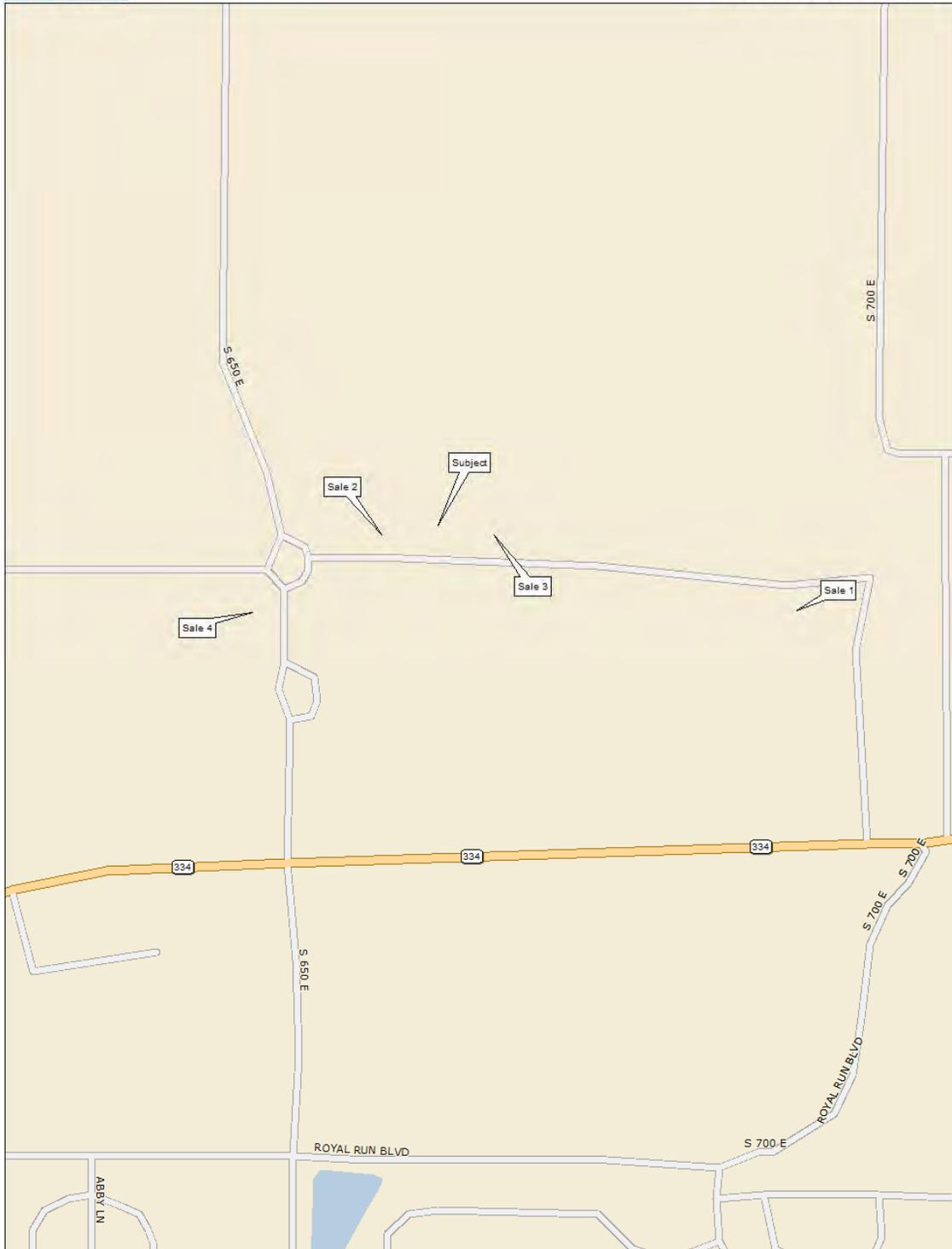
# TERZO & BOLOGNA, INC. MARKET DATA: SALE OF LAND

## DESCRIPTIVE DATA

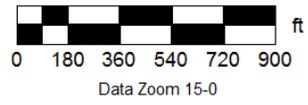
Tax Code: 06-04-06-000-030.000-021  
Zoning: PUD - Planned Unit Development  
Parcel Area: 2.75 Net Acres  
Shape: Irregular  
Cover: None  
Topography: Relatively level  
Improvements: None  
Road Surface: Paved  
Utilities: Municipal  
Source: Public Records  
Verified By: EPL/RLP  
Comments: Site was developed with a 16,550 SF Goodwill subsequent to the sale.



DeLorme Street Atlas USA® 2015



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www.delorme.com



## Adjustments

The following analysis will rate each comparison in relation to the subject and then make adjustments for the differences in a comparative analysis.

Transactional adjustments must be considered first.

- Real Property Rights Conveyed – The comparables do not require adjustment as there are no variations in real property rights conveyed.
- Financing Terms - The subject is valued under the assumption of a cash sale. All comparisons sold under conditions that are cash or cash-equivalent and thus require no adjustment.
- Conditions of Sale - All comparisons are normal market transactions with no unusual motivations on the part of the buyer or seller so no adjustments are warranted.
- Expenses After Purchase - When a property requires significant capital input after purchase, particularly when improvements need to be razed, an adjustment to the sale price may be necessary. No adjustments for this factor are necessary.
- Market Conditions – Sale 1 closed in 2014 and Sale 4 closed in 2013. Land values have increased in the Anson market area during this time frame. Upward adjustments to these sales are applied. Sales 2 and 3 closed in 2015 and some consideration for improving market conditions is given to these two sales in the final reconciliation.

Property adjustments are the next set of adjustments to consider.

- Location - Adjustments are applied for comparables whose desirability of location varies from that of the subject. Sale 4 was purchased for development of a Goodwill retail store. A downward location adjustment due to its superior exposure is applied.
- Physical Characteristics - Adjustments reflect differences in parcel size; availability of utilities; configuration, visibility, soil, and frontage; topography, wetlands, woodlands, or other known subsoil conditions that may restrict development; or differences attributable to any functional limitations. Larger parcels tend to sell for less per square foot versus similar but smaller sized parcels. The larger size of Comparable 3 appeared to reduce its price per square foot. Thus this sale is adjusted upward for size.
- Economic Characteristics – An adjustment is applicable to income-producing properties such as those that may have an underlying lease. Neither the subject, nor the comparables have unusual economic characteristics.
- Legal Characteristics – The subject and all comparables have a reasonable similarity of highest and best use, so no adjustment is warranted in this category.
- Non-Realty Components – Neither the subject nor the comparables include any non-realty components, so no adjustments are applied.

The ensuing chart summarizes the adjustments applied to the comparable sales.

**LAND SALE ADJUSTMENT CHART**

	<b>Subject</b>	<b>Comparable #1 6210 S 700 E Zionsville</b>		<b>Comparable #2 6600 Central Blvd Whitestown</b>		<b>Comparable #3 6085 Heartland Zionsville/Whitstn</b>		<b>Comparable #4 6065 S. Main Street Whitestown</b>	
Cash Equivalent Sale Price		\$370,000		\$600,000		\$957,750		\$700,000	
Acres - Price/SF	3.00	3.00	\$2.83	3.22	\$4.28	4.890	\$4.50	2.75	\$5.84
<b>Transactional Adjustments</b>									
Real Property Rights Conveyed	Fee Simple	Similar	0.0%	Similar	0.0%	Similar	0.0%	Similar	0.0%
Adjusted Sale Price/ Acre			<b>\$2.83</b>		<b>\$4.28</b>		<b>\$4.50</b>		<b>\$5.84</b>
Financing Terms	Cash Equiv.	Similar	0.0%	Similar	0.0%	Similar	0.0%	Similar	0.0%
Adjusted Sale Price/ Acre			<b>\$2.83</b>		<b>\$4.28</b>		<b>\$4.50</b>		<b>\$5.84</b>
Conditions of Sale	Market	Similar	0.0%	Similar	0.0%	Similar	0.0%	Similar	0.0%
Adjusted Sale Price/ Acre			<b>\$2.83</b>		<b>\$4.28</b>		<b>\$4.50</b>		<b>\$5.84</b>
Expenses After Purchase	None	Similar	0.0%	Similar	0.0%	Similar	0.0%	Similar	0.0%
Adjusted Sale Price/ Acre			<b>\$2.83</b>		<b>\$4.28</b>		<b>\$4.50</b>		<b>\$5.84</b>
Market Conditions (Date of Sale)	Jun '16	Mar '14	10.0%	Dec '15	0.0%	Jun '15	0.0%	Dec '13	12.5%
Adjusted Sale Price/ Acre			<b>\$3.11</b>		<b>\$4.28</b>		<b>\$4.50</b>		<b>\$6.57</b>
<b>Property Adjustments</b>									
<b>Quantitative Adjustments</b>									
Location	Average	Similar	0.0%	Similar	0.0%	Similar	0.0%	Superior	-25.0%
Physical Characteristics									
Size (Acres)	3.00	2.55	0.0%	3.22	0.0%	4.890	2.5%	2.75	0.0%
Utilities	All	Similar	0.0%	Similar	0.0%	Similar	0.0%	Similar	0.0%
Config/ Visibility/ Frontage	Average	Corner	-5.0%	Similar	0.0%	Similar	0.0%	Corner	-5.0%
Topography/ Wetlands	None	Similar	0.0%	Similar	0.0%	Similar	0.0%	Similar	0.0%
Economic Characteristics	Typical	Similar	0.0%	Similar	0.0%	Similar	0.0%	Similar	0.0%
Legal Characteristics	Typical	Similar	0.0%	Similar	0.0%	Similar	0.0%	Similar	0.0%
Non-Realty Components	None	Similar	0.0%	Similar	0.0%	Similar	0.0%	Similar	0.0%
<b>Total Quantitative Adjustments</b>			<b>-5.0%</b>		<b>0.0%</b>		<b>2.5%</b>		<b>-30.0%</b>
<b>Adjusted Sale Price/Acre</b>			<b>\$2.95</b>		<b>\$4.28</b>		<b>\$4.61</b>		<b>\$4.60</b>

## Land Value Conclusion

All of the sales are located in the immediate area of the subject, with Sale 2 is located adjacent and west of the subject, Sale 3 is adjacent and east of the subject. Sale 1 is a short distance southwest of the subject, while Sale 4 is less than a quarter mile southeast.

After adjustments, the sales range from \$2.95 to \$4.61 per square foot. Least weight is applied to Sale 1, which is the lowest indicator both before and after adjustments. It appears to have been a favorable purchase. Sale 4 is given little weight as it is a retail site, whereas the subject has little retail potential.

Sale 2 is the best comparable as it is adjacent to the subject, similar in size and was most recent. It required no adjustments and indicates a value of \$4.28 per square foot. Some weight is placed on Sale 3, which is a larger site located adjacent and east of the subject. This sale adjusted to \$4.61 per square foot.

Consideration is given for some potential upward movement in land values since Sales 2 and 3 closed in 2015 and the value of the subject is rounded to \$4.50 per square foot.

The proposed fee acquisition is 16,800 square feet and is valued as follows:

$$16,800 \text{ square feet} \times \$4.50/\text{SF} = \$75,600$$

## Easement

The proposed storm sewer easement will measure about 20' x 40' and will be located just north of the parking lot near the northeast corner of the site. The easement will not appear to impact the utility of the property. This portion of the property is used to meet landscaping requirements. It can continue to be used for landscaping. The owner will not be able to put structures over the easement, but based upon its location near the northeast corner of the site, it is unlikely an owner would choose to put improvements in this area.

Due to the limited impact of the easement area on the subject, the easement could be valued in a range of 10% to 20%. I have applied a value based upon 15% of the fee simple land value as follows:

$$\text{Easement Value} \quad 800 \text{ Sq. Ft.} \quad \times \$4.50/\text{SF} \quad \times 15\% = \$540$$

**CERTIFICATION OF THE APPRAISER**

**Land Improvements**

The concrete curbs, parking lot and sidewalk are valued based upon cost new less depreciation. Due to the relatively new condition of the improvements, depreciation applied is relatively small at 15%.

The landscaped items (including lawn and rock) are not valued bases upon their cost to install, but instead based upon their contributory value to the property.

No depreciation is applied to the landscape rock which is given a unit value equal to \$1.00 per square foot. The lawn is also given a unit value of \$0.20 per square foot with no depreciation applied. The gravel and lawn values are based on estimated contributory value, not cost.

The subject includes two strips of landscaped areas. One runs along the west property line and the other runs east/west within the northwest portion of the site. The west landscaped area includes 6 trees and about 60 bushes, with the north portion including one tree and about 8 bushes within the taking areas.

The valuation of the landscape (trees and bushes) is admittedly quite subjective. The trees are valued at \$200 each and the bushes at \$25 each as follows:

6 Trees	@ \$200 each	= \$1,200
68 Bushes	@ \$25 each	= \$1,700
Total		= \$2,900
<b>Rounded</b>		<b>= \$3,000</b>

<b>Valuation of Site Improvements</b>					
<b>Item</b>	<b>Quantity</b>	<b>Cost/Value Per Unit</b>	<b>Cost New</b>	<b>Depreciation</b>	<b>Value</b>
Concrete Curbs	146 LF	\$16/ LF	\$2,336	-15%	\$1,986
Parking Lot	7400 Sq. Ft.	\$3.50/ SF	\$25,900	-15%	\$22,015
Sidewalk	709 Sq. Ft.	\$6/ SF	\$4,254	-15%	\$3,616
Trees/ Bushes	6 & 68			N/ a	\$3,000
Gravel/ Rock	573 Sq. Ft.	\$1/ SF	\$573	N/ a	\$573
Lawn	6358 Sq. Ft.	\$0.20	\$1,272	N/ a	\$1,272
Total					\$32,462
<b>Rounded</b>					<b>\$32,500</b>

### Value Conclusion

The value of the proposed acquisition is summarized as follows:

**Land (16,800 square feet x \$4.50/SF) = \$75,600**

**Easement Value (800 Sq. Ft. x \$4.50/SF x 15%) = \$ 540**

**Site Improvements \$32,500**

**Total **\$108,640****

The value conclusion is subject to the underlying assumptions and limiting conditions set forth in Section 2 of this report.

## 7.0 CERTIFICATION OF THE APPRAISER

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.
- my analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- 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.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives, and is subject to review by governing State agencies.
- as of the date of this report, I have completed the continuing education program for Designated Members of the Appraisal Institute.
- to the best of my knowledge, neither I, nor Terzo & Bologna, Inc., has performed any 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.



**Erick Landeen, MAI**  
**Indiana Certified General Appraiser - #CG40400483.**

June 16, 2016

Date

**ANNEX**

LETTER OF ENGAGEMENT  
INTRODUCTION TO TERZO & BOLOGNA, INC.  
QUALIFICATIONS OF THE APPRAISER

May 20, 2016

TRANSMIT VIA E-MAIL

M. Brad Beerbower, MAI  
Raymond V. Bologna, MAI, CRE  
Andrew J. Exline, MAI, SRA, MRICS  
Kevin J. Hartman, MAI  
Erick P. Landeen, MAI  
Brenda D. Makarov, MAI  
Susan P. Shipman, MAI  
Frederick C. Terzo, MAI, CRE, FRICS

James R. Green, MAI  
Stephen J. Hurst, Jr., MAI  
Andrea M. Kujala, MAI  
Stephen S. Wagner, MAI, SRA, AI-GRS

Mr. Jason Lawson  
Public Works Director - Town of Whitestown  
Town of Whitestown Municipal Complex  
6210 S. 700 E., Room 300  
Whitestown, IN 46075

Re: Partial Taking Appraisal of  
6704 Central Avenue (Baca Holdings)  
Whitestown, Indiana

Dear Mr. Lawson:

Pursuant to my conversation with Andrew Miller, PE Midwestern Engineers, we are submitting a proposal for appraisal services by Terzo & Bologna, Inc. covering the property identified above with respect to the potential condemnation. Incorporated with this proposal letter are the following attachments.

- Description of Property and Scope of Assignment (0312) – 1 page
- Terms of Engagement (0706) – 3 pages
- Standard Assumptions (0312) – 3 pages
- Privacy Notice (0312) – 1 page

Thank you for your interest in the services of Terzo & Bologna, Inc. and for the opportunity to submit this proposal. If the terms meet with your approval, please return the retainer and a signed copy of this letter. Please initial the pages of each attachment.

Sincerely,



**Erick Landeen, MAI**  
for Terzo & Bologna, Inc.

Accepted and agreed to by:

  
Authorized Signature

5-24-16  
Date

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Suite 205  
Indianapolis, IN 46250

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OFFICES IN:

Indianapolis, Indiana

Detroit, Michigan

Grand Rapids, Michigan

## DESCRIPTION OF PROPERTY AND SCOPE OF ASSIGNMENT (0312)

This summary details the Consultant's understanding of the Property as described at the onset of the assignment and sets forth the agreed upon scope of work upon which the time and fee estimates are based. Consultant reserves the right to modify the fee or timing of report delivery in the event the Property description proves to be inaccurate, or the scope of work changes to the extent that any inaccuracy or change affects the amount of work to be performed or the cost of providing the service to the Client.

Date: May 20, 2016

**Consultant:**

Terzo & Bologna, Inc.  
8606 Allisonville Road, Suite 205  
Indianapolis, IN 46250  
Telephone: (317) 849-9925  
Fax: (317) 849-9978  
Email: [indyquotes@in.terzo.com](mailto:indyquotes@in.terzo.com)  
[www.terzo.com](http://www.terzo.com)

**Client:**

Mr. Jason Lawson  
Public Works Director- Town of Whitestown  
Town of Whitestown Municipal Complex  
6210 S. 700 E., Room 300  
Whitestown, IN 46075  
Telephone: (317) 733-8584  
Email: [jlawson@whitestown.in.gov](mailto:jlawson@whitestown.in.gov)

**Property:**

Baca Holdings  
6704 Central Avenue  
Whitestown, Indiana

**Scope of Work:**

The scope of work will include completion of an appraisal report for the above referenced property for use with respect to a partial taking due to a road project.

**Fee:**

\$

**Hourly Rate for Litigation, etc.**

\$

**Retainer:**

\$

**Anticipated Delivery:**

3 weeks following receipt of signed engagement letter

**Name of others outside the Client's organization with whom the findings of Consultant's research may be discussed:**

Whitestown

Property owner

**Special Confidentiality Provisions:**

None noted

**Special Client Requirements:**

None noted

**Copies of report to be provided:**

Two

**MAI to Sign:**

Yes

**Previous Appraisal/Consulting Experience with Subject:**

A review of our files revealed no prior engagement for real estate evaluation and/or consulting services for the property in the last three years.

## TERMS OF ENGAGEMENT (0706)

- 1. Limitation on Use for Financing by Non-FIRREA Clients:** According to banking regulations, Federally regulated financial institutions are required to order their own appraisals and cannot accept appraisals previously ordered by anyone other than another Federally regulated institution. If the consulting report may ultimately be used for financing with a FIRREA lender, or if the Consultant will be expected to provide an appraisal of the Property within one year of the report date for such a lender, the Client should have the services ordered through a FIRREA regulated institution. It is the Consultant's policy to require approval of the previous client before entering into a new client relationship for the same property within one year of original engagement, and to disclose the existence of the previous client relationship to the subsequent client this property. Such a disclosure will prevent the Consultant from being able to provide a FIRREA acceptable report during that time on the Property.
- 2. Inaccurate Description of Property or Scope of Work:** The time and fee estimates provided herein are based on Consultant's understanding of the Property and the scope of work required, pursuant to communication with the Client or its representative. Should the actual Property or scope of work vary significantly, in the opinion of the Consultant, from that described in the attached Description of Property and Scope of Assignment (0312), the Consultant will notify the Client and provide a revised fee and delivery schedule. Should the revised proposal be unacceptable to the Client, the Client may terminate the assignment, subject to the provisions of this agreement regarding Work Stoppage/Cancellation Fee.
- 3. Work Stoppage/Cancellation Fee:** The fee is for the services rendered and not necessarily for the time spent on preparation of a physical report. In the event that it is necessary for the Client to cancel the assignment, such cancellation must be in writing. The fee owing will be based on the time and costs incurred prior to the receipt of the cancellation notice, with a minimum charge of \$250.
- 4. Expert Witness Fees:** Should the consulting services result in the need for deposition testimony or court appearance, the fee for such services will be based on Terzo and Bologna, Inc.'s prevailing rates for such services, billed portal to portal plus costs of travel. There is a minimum four-hour charge for court testimony. Terzo & Bologna, Inc. requires one-half (1/2) day's advance notice of the cancellation of a scheduled court appearance and in lieu of such notice, the minimum four-hour appearance fee will be charged.
- 5. Terms of Payment:** Payment is due in full upon delivery of reports. If the fee agreed upon is not paid when due, the client agrees to pay a late fee, charged at the rate of one and one-half percent (1.5%) per month, together with reasonable attorney fees and all costs of collection. The laws of the State of Indiana shall govern the interpretation, validity and effect of this agreement.
- 6. Delivery:** The assignment will be placed on our schedule upon receipt of a signed copy of this contract. The anticipated delivery dates are approximate and represent the Consultant's best estimate of time needed to complete the assignment. To ensure on-time delivery, it is the responsibility of the Client to provide the Consultant with a contact person who is aware of the assignment and who, being informed of any urgency on the part of the Client, will be responsive in providing the Consultant with information needed for the report.

**7. Standard Confidentiality Provisions:**

- In the course of providing the consulting services, it is often necessary to disclose the Property, Client, as well as the general purpose of the services. At the request of the client, in this case, this will be kept confidential. This might result in reduced reliability of the findings.
- Property-specific conclusions of the Consultant such as market value, market rent, or determinations of feasibility of a specific development program will be considered confidential.
- Any historic operating statements of the Property provided to the Consultant will be confidential. The data may be used confidentially by the Consultant to determine typical market expenses for properties of this type.
- If the services being provided are associated with the sale of the Property, the Consultant reserves the right to utilize the sales information within its database for future use, including information relating to historic and projected financial indicators.
- It is assumed that the conclusions can be discussed with any authorized personnel in the Client's organization.
- Consultant acknowledges that Consultant and its employees, servants and agents (all of whom are collectively referred to in this section as "Consultant") will acquire or may already have acquired access to confidential or proprietary information and/or trade secrets of Client which is not known or accessible to the general public and/or the real estate industry (hereinafter, "Confidential Information"). Such Confidential Information shall not be disclosed by Consultant to any other person or entity without Consultant first having obtained the written permission of Client, which permission Client may withhold in its sole and absolute discretion. Notwithstanding the foregoing, Consultant may disclose such information: (i) as part of a confidential disclosure to its counsel; (ii) where such disclosure is required by subpoena, court order or other proceedings in litigation after first notifying Client of such subpoena, court order or other proceedings at the earliest reasonable time so as to allow Client the opportunity to contest such subpoena, court order or other proceedings; (iii) as required by governmental authority; or (iv) as required for use of this report in conjunction with the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

**8. Special Assumptions:** The analysis will be subject to assumptions and limiting conditions including, but not limited to, those attached hereto. The assumptions and limiting conditions included in the report may contain modifications, as dictated by the specific characteristics of the Property, the nature of the assignment, and the data revealed by Consultant's research.

**9. Standards Applied:** The consulting services will be provided in accordance with Terzo & Bologna, Inc.'s interpretation of the Uniform Standards of Professional Appraisal Practice (USPAP) as well as the Standards and Code of professional Ethics of the Appraisal Institute.

**10. Conclusions not Guaranteed:** The analyses as they appear in the report will be the opinions of the associates and staff of Terzo & Bologna, Inc. The fee is not contingent upon any particular conclusions.

**11. Liability:** The liability of Terzo & Bologna, Inc. to the client is limited to the amount of the fee as liquidated damages. Terzo & Bologna, Inc. hereby limits its responsibility to the client alone and the use of the analysis by third parties shall be at the risk of the client and/or of the third party.

**12. Not for Syndication:** The report is not intended for syndication purpose. The Client warrants that it will not be used for such purposes.

**13. Conflicting Agreements:** In the event this contract is made part of a contract provided by the Client, and to the extent provisions within the two contracts conflict, the terms of this agreement will supercede.

- 14. Review Process:** As a matter of professional courtesy, Consultant will respond to Client questions regarding the report after it has been delivered and reviewed by the Client. Consultant's responsibility under this agreement is limited to a single review by the Client's designated reviewer. Should multiple reviews by several parties be required by the Client's process, there will be additional charges to respond to subsequent reviews. These will be at the Consultant's prevailing hourly rates.
- 15. Disclosure to Appraisal Institute or Governing State Agencies:** Consultant's reports and work files are subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives, as well as review by governing State agencies.
- 16. Ownership:** The Appraisal prepared by the consultant shall be the property of the Client.

## STANDARD ASSUMPTIONS (0312)

**This report has been made with the following general assumptions:**

1. No responsibility is assumed for the legal description, legal matters, or title considerations. Title to the property is assumed to be clear and marketable, and it is assumed that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or market value.
2. Unless otherwise stated, no consideration is given to liens or encumbrances against the property.
3. Responsible ownership and competent property management are assumed. An analysis of owner or management effectiveness and current or anticipated actions that will affect property operations is beyond the scope of this report.
4. The information furnished by others is assumed to be reliable. However, no warranty is given for its accuracy.
5. All engineering is assumed to be correct. The plans and other illustrative material in this report are included only to assist the reader in visualizing the property and are not intended for technical purposes.
6. It is assumed that there are no hidden or unapparent conditions of the land or of the improvements that render the property more or less valuable. No responsibility is assumed for such conditions or for arranging any engineering studies that may be required to discover them.
7. Building and site inspections that have been completed as part of the appraisal process by Terzo & Bologna, Inc. are directed to broadly determining the quality of materials and finishes so that the subject property can be compared to other properties. This report therefore makes no representations as to the engineering aspects of the site improvements and buildings or of the adequacy of structural components, or electrical, HVAC, and plumbing systems, which are assumed to be in operational order.
8. It is assumed that there is and will be full compliance with all applicable federal, state, and local environmental regulations and laws.
9. Except as noted, no evidence of hazardous material, which may or may not be present on the property, was observed upon inspection. Except as noted, Terzo & Bologna, Inc., has no knowledge of the existence of such materials on or in the property and it is assumed that the property is free of such materials. Terzo & Bologna, Inc., 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. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client (or any reader of this report who is contemplating some financial commitment to the property) is urged to retain an expert in this field, if desired.
10. Except as noted, it is assumed that the property is and will be in compliance with all current applicable zoning, building use regulations, and codes.
11. It is assumed 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 or will be obtained or renewed for any use on which the value estimate contained in this report is based.

12. No survey of the boundaries of the property was undertaken. It is assumed that the utilization of the land and improvements will be within the boundaries or property lines of the property described and that there will be no encroachment or trespass.
13. Proposed improvements are assumed to have been completed unless otherwise stipulated. Any construction is assumed to conform to the building plans referenced in the report.
14. It is assumed that the reader or user of this report has been provided with copies of applicable building plans or underlying leases.
15. The presence of flood plain or wetland areas could affect the value of the property. It is assumed that wetland areas are not present or are minimal unless otherwise stated. Terzo & Bologna, Inc. is not qualified to detect such areas.

**The report has been made with the following general limiting conditions:**

1. Without the express written consent of Terzo & Bologna, Inc., neither the name of the appraiser, nor the report, nor any material contained in the report may be included in any prospectus or used in private offering memoranda, or representations in connection with the sale of securities or participation interests to the public. Terzo & Bologna, Inc. reserves the right to deny such consent.
2. Without the express written consent of Terzo & Bologna, Inc., neither the report nor any part of it may be submitted to the Securities and Exchange Commission or to any state securities regulatory agency. Terzo & Bologna, Inc. reserves the right to deny such consent.
3. Neither all nor any part of the contents of this report, especially any conclusions as to value, the identity of Terzo & Bologna, Inc., any of its staff, or any reference to the Appraisal Institute or the MAI designation, shall be quoted or disseminated to the public through advertising, public relations media, news media, sales media, or other public means of communication without the prior written consent and approval of Terzo & Bologna, Inc., which consent Terzo & Bologna, Inc. reserves the right to deny. Further, neither the appraiser, nor Terzo & Bologna, Inc., assumes obligation, liability or accountability to any third party.
4. This report shall be considered only in its entirety. No part of this report shall be used separately or taken out of context.
5. The value estimates provided apply to the entire property under its reported highest and best use unless stated otherwise herein. Any pro ration or division of the total into fractional interests will invalidate the value estimate, unless such pro ration or division of interests has been set forth in the report.
6. Possession of this report, or a copy thereof, does not carry with it the right of publication.
7. Terzo & Bologna, Inc. or any of its staff, by reason of this report, is not required to give further consultation, testimony, or be in attendance in court or other hearing with reference to the property unless written contractual arrangements have been made relative to such additional employment.
8. The forecasts, projections, or operating estimates contained herein are based upon current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These market conditions and forecasts are subject to material changes because of unusual or unforeseen circumstances. The estimates and opinions within the report are not, therefore, predictions or assurances as to the achievement of a particular income or profit, or that particular events will occur or that a particular price will be offered or accepted.

9. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. Terzo & Bologna, Inc. 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 Terzo & Bologna, Inc. has no direct evidence relating to this issue, it did not consider possible noncompliance with the requirements of ADA in estimating the value of the property.
10. Acceptance and/or use of this report constitutes full acceptance of the General Assumptions and Limiting Conditions as well as the Special Assumptions set forth in this report. Neither Terzo & Bologna, Inc. nor its staff assumes responsibility for any situation arising from the client's failure to become familiar with and understand these assumptions and limiting conditions.

## PRIVACY NOTICE (0312)

Appraisers, along with all providers of personal financial services, are now required by federal law to inform their clients of the policies of the firm with regard to the privacy of client non-public personal information. As professionals, we understand that your privacy is very important to you and are pleased to provide you with this information.

### Types of Non-Public Information We Collect

In the course of performing appraisals, we may collect what is known as "non-public personal information" about you. This information is used to facilitate the services that we provide to you

and may include information provided to us by you directly or received by us from others with your authorization. Some examples of non-public personal information we might collect in the course of doing an appraisal are:

1. Phone numbers
2. Information about the real estate being appraised not available from public sources, which might include photos –both interior and exterior, floor plans, and the condition of the real estate.
3. The intended use of the appraisal
4. Your payment arrangements
5. The income and expenses associated with the subject property, and
6. Any other information you provide to us.

### Parties to Whom We Disclose Information

We generally do not disclose any non-public personal information obtained in the course of our engagement with our clients to non-affiliated third parties except as necessary or required by law. By way of example, a necessary disclosure would be to our employees, and in certain situations, to unrelated third party consultants who need to know that information to assist us in providing appraisal services to you. All of our employees and any third party consultants we employ are informed that any information they see as part of an appraisal assignment is to be maintained in strict confidence with the firm.

A disclosure required by law would be a disclosure by us that is ordered by a court of competent jurisdiction with regard to a legal action to which you are a party.

### Confidentiality and Security

We will retain records relating to professional services that we have provided to you for a period of time in conformity with industry standards. In order to protect your non-public personal information from unauthorized access by third parties, we maintain physical, electronic, and procedural safeguards that comply with our professional standards to insure the security and integrity of your information. Please feel free to call us at any time if you have any questions about the confidentiality of the information that you provide to us.

### Opt Out Provision

On occasion, non-public information obtained in the course of performing an appraisal is used on other appraisals that we perform such as, but not limited to, rental income and related expenses.

If you desire that this information not be reused, please contact us by phone or by mail at

Terzo & Bologna, Inc.  
8606 Allisonville Road, Suite 205  
Indianapolis, IN 46250  
Telephone: (317) 849-9925  
Fax: (317) 849-9978  
Email: [indyquotes@in.terzo.com](mailto:indyquotes@in.terzo.com)

- **INTRODUCTION TO TERZO & BOLOGNA, INC.**

Terzo & Bologna, Inc. is a real estate consulting group with offices in Indiana and Michigan that specializes in analysis of commercial properties throughout the Midwest. The firm has a well-established reputation and is recognized for its ability to resolve complex valuation issues in an objective and impartial manner.

The primary goal of Terzo & Bologna, Inc. is to build long-term relationships by providing high quality real estate analysis that is timely and of value to its clients.

- **PROBLEM SOLVING IS OUR STRENGTH**

The success of any real estate analysis rests on knowledge of local markets.

No two properties are alike. Each presents its own unique challenge to analysis. Similarly, client objectives are not all alike. Some clients require analysis leading to property valuation; others require analysis directed to specific investment or disposition strategy.

The firm considers the uniqueness of each property and assignment in providing services that are responsive to the specific needs of the client. No matter how intricate the real estate problem, Terzo & Bologna, Inc. has the experience to solve it.

• **STAFF APPRAISERS AND COUNSELORS**

Well-educated and experienced professionals form the backbone of the firm. Staff appraisers and counselors have established backgrounds in a wide range of real estate related fields such as finance, mortgage banking, city planning, brokerage, construction management and property management. Each is involved in a continuing education program. The multiple perspectives provided by this professional diversity enhance the quality of the analysis that is provided to each client.

Services are provided in accordance with the ethics and standards established by the Appraisal Institute and the Counselors of Real Estate. Services are unbiased, knowledgeable and confidential. Professional affiliations held by individual members of the staff include:

- \* Appraisal Institute
- \* Counselors of Real Estate
- \* Royal Institution of Chartered Surveyors

Terzo & Bologna, Inc. has also been elected to professional membership in the National Council of Real Estate Investment Fiduciaries.

Staff members of Terzo & Bologna, Inc. are currently licensed in the following states.

Indiana  
Michigan  
Ohio  
Kentucky  
Illinois

Licensure in other states can be obtained at the client's request.

## QUALIFICATIONS OF THE APPRAISER

### **ERICK LANDEEN, MAI**

Erick Landeen, MAI is a principal of Terzo & Bologna, Inc. He has been a commercial real estate appraiser since 1988, holding the MAI designation since 1993. He is a Certified General Appraiser (CG40400483) in the State of Indiana. Landeen joined Terzo & Bologna, Inc. in 2005 after serving as a Principal with Integra Realty Resources – Portland, Oregon.

He earned a Bachelor of Science degree majoring in economics at Willamette University.

Appraisal assignments completed include a wide range of complex properties such as retail, office, industrial, multi-family, single-family subdivisions, proposed and existing single family condominium developments, hotels/motels, manufactured home parks, acreage, and a variety of special use properties (service stations, airplane hangars, and quick lube facilities).

Landeen is a member of IRWA and has performed numerous appraisals and appraisal reviews involving eminent domain. He served the Beaver State chapter of IRWA as the Membership Chair and Valuation Chair.

Landeen has taught USPAP for the Appraisal Institute since 1998. Other courses taught for the American College of Real Estate and Appraisal include: Introduction To Income Property Appraisal; Condemnation Appraising; and Real Estate Appraisal Review.

Professional organizations served include the Greater Oregon Chapter of the Appraisal Institute (President, Vice President, Treasurer, Secretary, Education Chair, Seminar Chair, Admissions, Portland Sub-chapter Chair), Northgateway Redevelopment Board (Citizen Representative), Oregon Coalition of Appraisers (Founder), and served as the Appraisal Institute Indianapolis Subchapter Vice Chair, and Chair, Hoosier State Chapter of the Appraisal Institute Associate Member Guidance, and Public Relations Committee Chair. In November 2015 Mr. Landeen was recognized by the Appraisal Institute as a "Volunteer of Distinction".



