

COMMERCIAL
APPRAISAL
REPORT
OF

MONTEREY ELEMETERY SCHOOL
TIPPECANOE SCHOOL TOWNSHIP OF PULASKI COUNTY, PROPERTY OWNER
5977 EAST 700 NORTH
MONTEREY, INDIANA 46960

FOR

CULVER COMMUNITY SCHOOL CORP
POST OFFICE BOX 231
CULVER, INDIANA 46511

BY

KRISTI DAUGHERTY LUNDQUIST, SRA
Indiana Certified General Appraiser
#CG 49400315
LUNDQUIST APPRAISALS
28 EAST HILL STREET
WABASH, INDIANA 46992

June 20, 2016

To: Culver Community School Corp
PO Box 231
Culver, Indiana 46511

Re: Monterey Elementary School
Tippecanoe School Township of Pulaski County, Property Owner
5977 East 700 North
Monterey, Indiana 466960

I am pleased to present the attached complete appraisal in summary report of my appraisal of the fee simple estate for the above referenced parcel of real estate. The property was visited by me on March 14, 2016, which is also the effective date of this appraisal report. The report sets forth my opinion of market value along with supporting data and reasoning which form the basis of my opinion.

The value opinion reported is qualified by certain definitions, limiting conditions, and certifications, which are included in the attached report.

This report was prepared for and my professional fee billed to Culver Community School Corp. The purpose of the appraisal is to assist the client in pricing the subject property for a potential sale. This report is intended only for use by your internal management, your auditor, and appropriate regulatory authorities. It may not be distributed to or relied upon by other persons or entities without my written permission.

This appraisal was developed in compliance with the 2016-2017 Edition of the Uniform Standards of Professional Appraisal Practice.

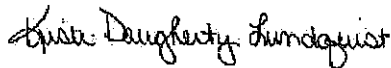
I have personally visited the property and developed the attached appraisal. As a result of my analysis, I have formed an opinion that the market value (as defined in the attached appraisal report), subject to the definitions, certifications, extraordinary assumptions, hypothetical conditions, and limiting conditions set forth in the attached appraisal report, as of March 14, 2016 is:

Forty-Two Thousand Dollars.
\$ 42,000

THIS LETTER MUST REMAIN ATTACHED TO THE APPRAISAL REPORT AND ADDENDA, IN ORDER FOR THE VALUE OPINION SET FORTH, TO BE CONSIDERED VALID.

If you have any questions concerning the report, please contact us at #260-563-2812.

Sincerely,



Kristi Daugherty Lundquist, SRA
Indiana Certified General Appraiser
CG 49400315

ASSUMPTIONS AND LIMITING CONDITIONS

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

1. This is an appraisal report which complies with the reporting requirements set forth under Standard Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice for an appraisal report. As such, it might not include full discussions of the data, reasoning and analyses that were used in the appraisal process to develop the Appraiser's opinion of value. Supporting documentation concerning the data, reasoning and analyses is retained in the Appraiser's work file. The information contained in this report is specific to the needs of the Client and for the intended use stated in this report.
2. Not all three standard approaches (Cost, Sales Comparison & Income) were utilized in developing a final opinion of value. Only the Sales Comparison Approach was developed as this is the only approach considered both applicable and necessary in being able to arrive at a credible opinion of value for the subject property.
3. No responsibility is assumed for the legal description or matters including legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
4. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
5. Responsible ownership and competent property management are assumed.
6. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
7. All engineering is assumed to be correct. The site plans and illustrative material in this report are included only to assist the Reader in visualizing the property.
8. There are no hidden or unapparent conditions of the property, subsoil or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
9. 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.
10. All applicable zoning and use regulations and restrictions are assumed to have been complied with, unless a nonconformity has been stated, defined and considered in the appraisal report.
11. All required licenses, certificates of occupancy, consents or other legislative or administrative authority from all local, state or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
12. Utilization of the land and improvements (if any) is within the boundaries or property lines of the property described and there is no encroachment or trespass unless noted in the report.

This appraisal report has been made with the following general limiting conditions:

1. The distribution (if any) of the total valuation of this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other use appraisal and are invalid if so used.

2. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the Appraiser and in any even, only with proper written qualification and only in its entirety.
3. The Appraiser herein, by reason of this appraisal, is not required to give further consultation, testimony or be in attendance in court with reference to the property in question unless arrangements have been previously made.
4. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the Appraiser, or the firm with which the Appraiser is connected) shall be disseminated to the public through advertising, public relations or other media without the prior written consent and approval of the Appraiser.
5. The attached appraisal is offered as of a specific date as mentioned within the Letter of Transmittal and Certificate of Appraisal. Any time lapse since the date of appraisal may enhance or adversely affect the estimate of market value from causes either within or outside the property itself. Such causes may include changes in the national, regional or local economic climate as reflected within rentals, occupancy levels, expenses or debt financing of the subject and the comparable properties. Also, certain development outside and surrounding the subject may change the final estimate of market value conclusion. Other factors may be contained nationally, regionally or locally which may affect the final estimate of market value differently as of the effective date of appraisal.
6. This report is provided to the recipient by the undersigned with receipt conditioned with the understanding that no liability or cause may be assumed by the writers. In that regard, the report is provided independently and should not be assumed or accepted by the recipient as an inducement, recommendation or denial of acquisition, disposal, etc... of the property mentioned. All acts regarding the purpose of the report, ownership, lease or other position within the property is beyond the scope of assignment, with any liability, ties or risks associated with those acts remaining with the appropriate parties and beyond the responsibilities of this report or the writers.
7. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the Appraiser. The Appraiser has no knowledge of the existence of such materials on or in the property. The Appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. The opinion of value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions or for any expertise or engineering knowledge required to discover them. The Client is urged to retain an expert in this field, if desired.
8. The American 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, the Appraiser did not consider possible noncompliance with the requirements of the ADA in providing an opinion of value of the property.

FACTUAL DATA

IDENTIFICATION OF SUBJECT PROPERTY

The subject property consists of a two-story commercial building of masonry construction. The building was originally built as an elementary school. In addition, there is a pole barn used for storage. County records could not confirm the age of the improvements. The land size is a total of 7.85 acres. The property address is 5977 East 700 North, Monterey, Indiana 46960 and is located at the west edge of the town of Monterey.

LEGAL DESCRIPTION

NE COR NE NE Sec 11 & PT N.2 NE Sec 11 is an abbreviated legal description noted on the Pulaski County Property Record Card for the subject property. A complete legal description is included in the addenda of this appraisal report.

DEFINITION OF VALUE

The market value developed in this appraisal report is based upon the market value of the fee simple estate. The term "market value" may be defined as:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. *Buyer and seller are typically motivated;*
2. *Both parties are well informed or well advised, and acting in what they consider their best interest;*
3. *A reasonable time is allowed for exposure in the open market;*
4. *Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and*
5. *The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted to anyone associated with the sale.*

Appraisal Institute, The Appraisal of Real Estate, 14th Edition, (Chicago: Appraisal Institute, 2013), p.59.

Fee simple estate is defined as:

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Appraisal Institute, The Dictionary of Real Estate Appraisal, 6th Edition, (Chicago: Appraisal Institute, 2015), p. 90.

EXPOSURE TIME

Exposure Time is defined as

The estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.

The Dictionary of Real Estate Appraisal, 6th Edition, (Chicago: Appraisal Institute, 2015), p. 83.

Properties like the subject typically will have fairly long marketing times. It is not unusual for properties of this type to have been exposed in the market for a period of 6 - 12 months.

MARKETING TIME

Marketing Time is defined as

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

The Dictionary of Real Estate Appraisal, 6th Edition, (Chicago: Appraisal Institute, 2015), p. 140.

Given the current state of the market, the marketing time for a property of the subject property's nature and character would be commensurate with the exposure time, a 6 to 12-month period, if placed on the market at the appraised value herein.

INTEREST APPRAISED	Fee Simple
DATE OF INSPECTION	March 14, 2016
EFFECTIVE DATE OF VALUE	March 14, 2016
DATE OF REPORT	June 20, 2016

SCOPE OF WORK

In preparing this appraisal report, the Appraiser:

- Visually observed the subject site from the interior and exterior
- Researched information relative to comparable land sales.
- Researched information relative to comparable improved sales
- Analyzed data to complete the Sales Comparison Approach to form an opinion of market value for the subject property
- Completed a commercial appraisal report. This appraisal report is a brief summary of the Appraiser's data, analyses and conclusions. Supporting documentation is retained in the Appraiser's work file.

It is assumed that no major problems exist with roof, wiring, heating and/or air conditioning units, plumbing or other integral components of the improvements, unless otherwise stated in the report. Any major defects readily observed of the exterior and interior improvements of the subject property are reported in the appraisal report.

The client and any reader of this report should be cautioned and realize that any mention of inspection in this appraisal report refers only to the appraiser's visual observation of the exterior and interior of the property improvements. If the client and/or intended user of this report are concerned with the condition of the structure, roof, wiring, heating & air conditioning, plumbing or other integral components of these improvements, it is highly recommended that licensed professionals be engaged to render an opinion as to the condition of these items.

The appraiser has made a diligent effort to verify, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property. However, the reader of this report must be aware that sometimes instances exist in a purchase or financing transaction where no disinterested source exists.

There are no extraordinary assumptions noted in this appraisal report.

There are no hypothetical conditions noted in this appraisal report.

COMPETENCY PROVISION

Kristi Daugherty Lundquist is a practicing appraiser based in Wabash County, Indiana and been active in this market since 1994. Kristi Daugherty Lundquist has appraised numerous single family, multi-family and commercial properties over the years.

HISTORY OF OWNERSHIP

The subject property has had no transfers of ownership within the past 36 months to the effective date of this appraisal report. The subject property is not currently for sale nor has been listed for sale within the past 12 months of the effective date of this appraisal report.

FUNCTION OF THE REPORT

The function of this appraisal is to provide an opinion as to the market value of the fee simple estate as of the effective date of March 14, 2016. The opinion of market value will be utilized by the client for pricing the property for the potential sale of the subject property.

INTENDED USERS

The intended users of this report include: Culver Community School Corp, their board, their successors and/or assigns.

AREA ANALYSIS

Pulaski County is located in Northeastern Indiana. It was established in 1835. The land area is 434 square miles with approximately 0.90 square miles of water area. As of 2014, the population is 12,967. 19% of the county's population live urban areas. Approximately 19% are renters rather than home owners.

In March of 2016, the cost of living index was 86.3 compared to the national average of 100. Most of the employment is provided by agriculture, forestry, fishing, hunting, and mining (36%), followed by educational, health and social services (12%) and third by professional, scientific, management, administrative and waste management services (11.1%). Approximately 75% of workers are self-employed.

The median resident age is 41 years, which is higher than the state median age of 37 years. The average household size in Pulaski County of 2.0 people is smaller than the state average of 3.0 people. The estimated median household income in 2013 is \$ 44,096, which is lower than the state's of \$47,529.

14.6% of residents were living in poverty in Pulaski county in 2013, which is below the state's percentage of 15.9%. The unemployment rate in the county as of September, 2015 was 3.5% which was below the state's of 4.0%.

There are 4,673 detached, single family homes in the county, 19 single family attached homes, 50 duplexes, 58 properties that are 3-4 housing units, 81 properties that are 5-9 units, and 27 that have 20 or more housing units.

The average size farm within the county is 425 acres. The value of livestock, poultry and their products as a percentage of the total market value of agricultural products sold is 38.05%. Most of the farms (87.60%) are operated by an individual or family.

The largest municipality in the county is Winamac, which is the county seat, with 2,490 residents (as of the 2010 Census). Other population centers include Francesville, Medaryville, Monterey, and Star City.

Monterey has a population (as of the 2010 Census) of 218 and is located in northeaster Pulaski County. The town was first called Buena Vista and was established in 1849. The towns current name is to commemorate the Battle of Monterrey. Monterey is 0.18 square miles. There are 101 housing units in the town. The median town age is 35 years.

Sources:

Wikipedia – Pulaski County, Indiana

Wikipedia – Monterey, Indiana

City-data.com

NEIGHBORHOOD ANALYSIS

The subject property is located at the west edge of the small town of Monterey. The property is located on County Road 700 North, at the southwest corner of County Road 700 North (Main Street) and County Road 600 East. The neighborhood is considered to be the boundaries of Pulaski County. The appeal and marketability in the neighborhood is considered to be average. No unfavorable factors noted.

ZONING

The subject property is zoned RD, Recreational District. This zoning allows for parks and other community recreational uses. It does not allow for any residential or agricultural uses. However, in talking with the county plan commission, it sounds like if needed, the property could be rezoned to agricultural or residential for those uses.

TAXES AND ASSESSMENT DATA

Upon checking with the Assessor's Office, the following assessed values were found:

Land	\$ 0
<u>Improvements</u>	<u>\$ 0</u>
Total	\$ 0

The assessed values were as of March 1, 2015. The property is tax exempt as it is a school.

	Parcel Number	Tax ID Number	Land Size
Parcel 1	#66-01-11-100-009.000-015	None	3.85 acres
Parcel 2	#66-01-11-100-010.000-015	None	4.00 acres

SITE DATA

Floodplain

According to the Flood Insurance Rate Map (FIRM) it appears that the subject property is not located in a flood hazard area. The property is located in an unshaded Zone X area. The Map Date is May 5, 2014 and the map number is #18131C0115C. The preceding is based upon the Appraiser's interpretation of the floodplain map as it relates to the subject property.

Land

In the addenda is a plat map which depicts the subject property lot. The subject property consists of two adjoining land tracts totaling 7.85 acres. The north tract is 3.85 acres and rectangular in shape. The south tract is 4.00 acres and square in shape. The land is level. The north tract has road frontage and access from both

County Road 700 North and County Road 600 East. The south tract has frontage along County Road 600 East. The land is bordered to the west and south as well as across County Road 700 North and County Road 600 East by residential housing. Ag land also borders the subject property the west.

Easements and Other Restrictions

There do not appear to be any recorded easements, although in the deed of Tract 1, a stipulation was made that the 50-feet off the south side and 50-feet off the west line shall be kept open and dedicated as public streets. 30-feet off the north and east lines were to be used for streets. See prior deed in the addenda of this report

There does not appear to be any encroachments from my visual observation of the subject property however, a new survey could best determine this.

I know of no other restrictions that affect the subject property. However, if any future survey or title work would reveal any significant restrictions, these may affect the value conclusions reached in this report.

Improvements

There are no public records regarding the age of the subject property since it is tax exempt. The building was constructed as a school. However, on the front of the building is a marker with the date 1932 and then it appears that in 2002, a one story addition was made at the southeast corner and a two story addition was made onto the southwest corner of the original structure. The building is of masonry construction. The building has a total of 28,250 SF. It has been closed approximately 5-6 years but is used in the summer for a community food program for children.

Exterior

The foundation is concrete and concrete block. The exterior walls are brick, limestone, and concrete. The roof is rolled asphalt and rubberized. The roof has some leaks, which the property owners repair with a white rubberized paint as needed. The windows and exterior doors were replaced in 2002 as was the roof. There is a front entry, two enclosed porches on the west side of the building with large covered canopy, covered stoop at the southeast corner of the building, covered stoop at the southwest corner of the building, and an enclosed porch/open porch at the southeast corner of the building. The maximum capacity was 150 students.

In addition to the main structure is a 138 x 40 pole barn, the age of which is unknown. It is a Burns Building. It has a metal roof and metal exterior walls. There are aluminum gutters and downspouts. There is an overhead door on the south part of the east exterior wall and steel pedestrian doors. There is also lighting on the building. The interior is partitioned and the south 16-feet is finished with drywall walls, drywall ceiling and is heated and insulated. The flooring is concrete and the lighting is fluorescent.

There is asphalt drives and lot. There is also land to the south of the buildings with playground equipment and a ball field. There is lighting in the parking lot.

Interior

The building consists of two levels above grade and a basement.

Main Level: This level consists of offices, several classrooms, two sets of stairs and an elevator lead to the second floor, restrooms, cafeteria, kitchen, and gymnasium.

Second Level: This level consists of several classrooms, library, teacher's lounge, restrooms, elevators and two sets of stairs that lead to the main level, and a computer lab.

The interior finish for these two levels contains the following: The flooring is carpeting, ceramic tile, and asphalt tile. The cafeteria has some damaged flooring. The gym floor is hardwood. The gymnasium also has a stage and halogen lighting. The office areas and some of the classrooms have laminate counter tops. Some of the classrooms have built-in lockers or storage cabinets. The interior walls are drywall, ceramic tile, brick, concrete block, and plaster. The ceilings are suspended tile. The lighting is the energy efficient fluorescent. Interior doors are wood and glass.

Basement: Located at the south end of the building. It extends beneath the concrete area housing some of the electrical equipment. It is 1,440 SF and has a concrete floor, and concrete walls.

Comments:

There building is heated with gas hot water heat and does have central air.

Water to the building is provided by a private well

The building is hooked into city sewers

The building is wired for a fire alarm system and security system

ANALYSES AND CONCLUSIONS

HIGHEST AND BEST USE

In any appraisal analysis, the property is valued according to its highest and best use. The term "highest and best use" may be defined as:

The reasonably probable use of property that results in the highest value. The four criteria that the highest and use must meet are legal permissibility, physical possibility, financial feasibility and maximum productivity.

Appraisal Institute, The Dictionary of Real Estate Appraisal, 6th Edition, (Chicago: Appraisal Institute, 2015), p.109.

Highest and Best Use as though Vacant

The subject property is zoned RD, Recreational District. The land size is a total of 7.85 acres. There are two land tracts with the improvements located on the north tract, which is 3.85 acres and the south tract used for recreation space. The property has frontage and access from County Road 700 North and County Road 600 East. The north lot is encumbered along 50-feet of its west and south lines for a public street and 30-feet of its north and east lines for the same purpose. The land is level and both tracts are large enough for development in their own right. Although the current zoning is very restrictive in its use, it sounds like potential development that matched the adjoining districts which are residential and agricultural would be easy to obtain, but the process with the local plan commission would still have to be completed. If vacant the highest and best use would be as agricultural farm land due to the lack of demand for residential housing development in Monterey.

Highest and Best Use as Improved

Tract 1 is currently improved with a two-story commercial building last used for education with Tract 2 being bare land that was used as recreational play area for the students. The building was originally built in 1932 and had an addition added and extensive work completed in 2002. In addition, there is a pole barn used for storage. There is an off-street asphalt parking lot and drives. Walkways are concrete. There is an elevator and two sets of stairways that provide access from the main floor to the second floor. There is a small basement used for mechanicals. The building is heated with a boiler system and there is central air conditioning. The building does contain some functional depreciation due to the specialized nature of the building and if built new, may not be built the same way or with the same room configuration and amenities. The highest and best use of the subject property as improved is considered to be as a charter/private school, community building, or church with some remodeling/improvements needed.

VALUATION METHODS

In order to estimate the market value for the subject property, not all three approaches to value (Cost Approach, Sales Comparison Approach and Income Approach) were utilized. Only the Sales Comparison Approach was developed, as it is the only approach considered both applicable and necessary to be able to arrive at a credible opinion of value for the subject property. The Cost Approach while considered, was not developed due to the age of the improvements and this approach is more applicable when improvements are new or newer in age. The Income Approach, while considered was not developed as a typical investor would not be looking at this type of property for the amount of net income it would generate.

SITE VALUATION

Comparable land sales were searched for, analyzed, compared and adjusted to provide an indication of value for the subject land that is being appraised. The land was valued as a whole. A search was made for comparable land sales in the defined neighborhood back to January 1, 2010. Based upon an analysis of the comparable sales found, the subject site is valued at \$53,000.

Indicated Value of Land
Fifty-Three Thousand Dollars
\$ 53,000

SALES COMPARISON APPROACH

The Sales Comparison Approach is based upon the principle of substitution, which states that the value of a property that can be substituted with a similar property on the market generally tends to be set at the cost of acquiring the substitute property. This assumes that there are no costly delays in making the substitution and is generally considered to be a very reliable indicator of value and one that is easily understood.

In order to complete the Sales Comparison Approach, sales were researched in the defined neighborhood, with no comparable sales found. Therefore, the counties of Jasper, White, Huntington, Whitley, Kosciusko, Fulton, Miami, Cass, Howard, Grant, Marshall, Starke, Jay, Dekalb, Lagrange, Wabash, Blackford, and Wells were also researched for sales. The most similar sales found were utilized in the grid on the following pages.

Sales Comparison Grid Chart:

	Subject	Sale 1	Sale 2	Sale 3
Address	5977 E 700 N Monterey, IN	1721 Vernon St Wabash, IN	3031 E 450 N Marion, IN	101 E Church St Leesburg, IN
Sale Date	N/a	12/22/2015	12/30/2014	05/05/2011
Sale Price	N/a	\$ 80,000	\$ 72,500	\$ 178,000
Sale Price/SF	N/a	\$ 2.21	\$ 3.13	\$ 3.46

Economic Adjustments:

Property Rights Conveyed	Fee Simple	Fee Simple	1.00	Fee Simple	1.00	Fee Simple	1.00
Subtotal			\$ 2.21		\$ 3.13		\$ 3.46
Financing Terms	Conventional	Cash	1.00	Cash	1.00	Conventional	1.00
Subtotal			\$ 2.21		\$ 3.13		\$ 3.46
Conditions of Sale	Arms Length	Arms Length	1.00	Arms Length	1.00	Arms Length	1.00
Subtotal			\$ 2.21		\$ 3.13		\$ 3.46
Market Conditions	Current	Sold 5 Months Ago	1.00	Sold 17 Months Ago	1.00	Sold 60 Months Ago	1.00
Current Cash Equivalent Price/SF			\$ 2.21		\$ 3.13		\$ 3.46

Physical Adjustments:

Location	Rural	Urban	\$ 0.00	Rural	\$ 0.00	Urban	\$ 0.00
Land Size	7.85 Acres	12.24 Acres	(\$ 2.00)	7.04 Acres	\$ 0.50	8.39 Acres	(\$ 1.75)
Building SF	28,250 SF	39,523 SF	\$ 0.00	23,163 SF	\$ 0.00	51,513 SF	\$ 0.00
Basement SF/ Percent Finished	1,440 SF/ 0% Finished	1,360 SF/ 0% Finished	\$ 0.00	Slab	\$ 0.50	2,296 SF/ Semi-Finished	(\$ 0.25)
Age/ Condition	84 & 14/ Average	Unknown /Superior	(\$ 0.50)	54/ Superior	(\$ 3.25)	65/ Similar	\$ 0.00
Construction	Masonry	Masonry	\$ 0.00	Masonry	\$ 0.00	Masonry	\$ 0.00
Access/ Exposure	Average/ Average	Average/ Average	\$ 0.00	Average/ Average	\$ 0.00	Average/ Average	\$ 0.00
Site Improvements	Private Well/City Sewer/CA/ Canopy/3 Enclosed Porches/ 4 Open Porches/ Asphalt Drive & Lot/Elevator/Pole Barn/Playground Equipment	All City Utilities/4 Open Porches/ Canopy/ CA/ Asphalt Drive & Lot/Play-ground/ B-ball & Tennis Courts	\$ 0.50	Well/ Septic/ CA/ Asphalt Lot/Play-ground	\$ 0.70	All City Utilities/1 Open Porch/CA /Court-yard/2 ball Diamonds/ B-ball Court/ Fencing/ 2 Additional Out-buildings used as classrooms/3 Sheds/ Play-ground	\$ 0.25
Total Net Adjustments			(\$ 2.00)		(\$ 1.55)		(\$ 1.75)
Adjusted Sale Price/SF			\$ 0.21		\$ 1.58		\$ 1.71

	Subject	Sale 4	Sale 5	Sale 6			
Address	5977 E 700 N Monterey, IN	1225 W Washington St Bluffton, IN	401 Monroe St Monroeville, IN				
Sale Date	N/a	07/23/2008	09/04/2013				
Sale Price	N/a	\$ 50,000	\$ 189,000				
Sale Price/SF	N/a	\$ 1.80	\$ 2.98				
Economic Adjustments:							
Property Rights Conveyed	Fee Simple	Fee Simple	1.00	Fee Simple	1.00		
Subtotal			\$ 1.80		\$ 2.98		
Financing Terms	Conventional	Conventional	1.00	Cash	1.00		
Subtotal			\$ 1.80		\$ 2.98		
Conditions of Sale	Arms Length	Arms Length	1.00	Arms Length	1.00		
Subtotal			\$ 1.80		\$ 2.98		
Market Conditions	Current	Sold 94 Months Ago	1.00	Sold 32 Months Ago	1.00		
Current Cash Equivalent Price/SF			\$ 1.80		\$ 2.98		
Physical Adjustments:							
Location	Rural	Urban	\$ 0.00	Urban	\$ 0.00		
Land Size	7.85 Acres	3.09 acres	(\$ 0.50)	4.58 acres	\$ 0.00		
Building SF	28,250 SF	27,800 SF	\$ 0.00	63,342 SF	\$ 0.00		
Basement SF/ Percent Finished	1,440 SF/ 0% Finished	None/ None	\$ 0.50	None/ None	\$ 0.25		
Age/ Condition	84 & 14/ Average	47/ Superior	(\$ 0.50)	100/ Superior	(\$ 2.25)		
Construction	Masonry	Masonry	\$ 0.00	Masonry	\$ 0.00		
Access/ Exposure	Average/ Average	Average/ Average	\$ 0.00	Average/ Average	\$ 0.00		
Site Improvements	Private Well/City Sewer/CA/ Canopy/3 Enclosed Porches/ 4 Open Porches/ Asphalt Drive & Lot/Elevator/Pole Barn/Playground Equipment	All City Utilities/5 Open Porches/ 1 Patio/ CA/ Asphalt Lot & Drive	\$ 0.75	All City Utilities/6 Open Porches/ CA/ Asphalt Drive & lot/ Fencing	\$ 0.25		
Total Net Adjustments			\$ 0.25		(\$ 1.75)		
Adjusted Sale Price/SF			\$ 2.05		\$ 1.23		

Sale #1: This sale is located in the City of Wabash, 43.07 miles southeast of the subject property. It was a closed elementary school that the school corporation opened up for public bidding. Only one bid was made and because this bidder was a church that planned outreach programs to the local community, it was accepted. It is considered to be in superior condition and had a much larger land value which was offset by its inferior site improvements. Once adjusted, an indicated price per square foot of \$ 0.21 is indicated for the subject property.

Sale #2: Located in northeastern Grant County, approximately 58.72 miles southeast of the subject property. It was a school that had closed in 2010 and had been converted into use as a reception hall back in 2011. This time, it was listed for sale through the local MLS, selling after being on the market 270 days. Its initial asking price was \$109,900 but that dropped to \$99,900 after being on the market 105 days and stayed at that price until it sold. The HVAC software, new blower pump motors, septic pumps were some recent updates. The property sold for cash. The land size although larger was considered to be less valuable than the subject property's land and the site improvements are considered inferior, but the property was considered to be in superior condition. Once all

adjustments are made, a price per square foot of \$ 1.58 is indicated for the subject property.

Sale #3: This sale is located in the small town of Leesburg, 35.45 miles east of the subject property. This property was the Leesburg Elementary school. A new school was built and the school board had considered demolishing the building, but Maple Leaf Farms, a duck processing facility decided to purchase the property and move its headquarters there after it did extensive remodeling. The building is located on larger and more valued land, had a larger semi-finished basement and was considered to be in similar condition. It was considered to have inferior site improvements. Once adjusted, a price per square foot of \$ 1.71 is indicated for the subject property.

Sale #4: This was a closed elementary school located in the nearby city of Bluffton, 73.84 miles southeast of the subject property. It was an elementary school on the city's west side. It was used as a private school at the time of sale. It was listed and sold through the local MLS and sold after being on the market 246 days. Its initial asking price is unknown, but its final asking price was \$195,000. It was dated, as were the mechanicals at the time of its sale. The seller, an adjacent property owner, kept the right for an ingress-egress and to use the parking area located on the subject property. While smaller in land size, the land was considered more valuable and it was in superior condition to the subject property which was offset by its inferior site improvements and lack of a basement. Once adjusted, a price per square foot of \$ 2.05 is indicated for the subject property.

Sale #5: This sale occurred in the small town of Monroeville, 85.56 miles east of the subject property. It was a closed school that was purchased by a church. It was sold privately. It was considered to be in superior condition which was offset by its inferior site improvements and lack of a basement. Once adjusted, a price per square foot of \$ 1.23 is indicated for the subject property.

After careful adjustment, the indicated value range for the subject property is \$ 0.21 to \$ 2.05 per square foot. The mean (average) is \$ 1.36 per square foot and the median (middle) is \$ 1.58 per square foot. Based on the foregoing, I have formed the opinion that the value of the subject property is \$ 1.50 per square foot, which when multiplied by the subject property's 28,250 SF, results in a value opinion of \$ 42,375, or \$ 42,000 when rounded to the nearest \$1,000.

Indicated Value by Sales Comparison Approach
Forty-Two Thousand Dollars
\$ 42,000

RECONCILIATION AND VALUE CONCLUSIONS

All three classical approaches to value have been considered for the subject in forming an opinion as to the market value for the fee simple estate.

The estimated market value of the subject property as of the effective date of March 14, 2015, is:

Site Value	\$ 53,000
Cost Approach	N/a
Sales Comparison Approach	\$ 42,000
Income Approach	N/a

The Cost Approach while considered was not developed due to the age of the improvements. The Sales Comparison Approach was completed, where sales of similar-type properties were summarized and adjusted on a sales comparison grid with adjustments made for any dissimilarity. The Sales Comparison Approach is a reliable

indicator of the value for the subject property. The Income Approach was considered but not developed as a typical investor would not purchase a property like the subject property for its cash flow and return.

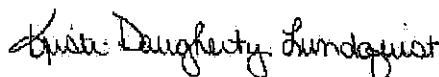
It should be noted that the value of the subject property as improved is actually less than the subject property is unimproved. This is an indication that the subject property's current improvements are not the subject property's highest and best use. However, the current use with the existing structures will continue until the time when the value of the property as improved and the cost to demolish the improvements along with the cost of readying the site end up being less than the value of the land as vacant and ready for another alternative use.

CERTIFICATION OF VALUE

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, opinion and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, 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 or bias with respect to the parties involved
- I have not performed any prior services regarding the subject property, as an appraiser or in any other capacity, within the three-year period immediately preceding the acceptance of this appraisal 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 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 analysis, opinion, 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 professional assistance to the person signing this report
- The reported analysis, 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
- As of the date of this report, I have completed the continuing education program of the Appraisal Institute

June 20, 2016
Date Signed



Kristi Daugherty Lundquist, SRA
Indiana Certified General Appraiser
CG 49400315

Kristi Daugherty Lundquist, SRA

Professional Experience

1999 - Certified General Appraisal with the State of Indiana #CG49400315
2004 - Indiana Licensed Associate Broker #AB20201092

Have experience appraising single family, multi-family, commercial and industrial properties in north central Indiana. I regularly appraise in Wabash, Miami, Grant, Huntington, eastern Cass, southeastern Fulton, and southern Kosciusko counties.

Education

Purdue University, graduated from Krannert School of Management with Bachelors Degree in Finance

Appraisal Institute:

Appraisal Principals; 1994
Appraisal Procedures; 1994
Standards of Professional Practice (USPAP) – Part A; 1994, 1999
The High-Tech Appraisal Office; 1996
Basic Income Modeling Using Spreadsheets; 1998
Supporting Sales Comparison Grid Adjustments; 1998
Lease Abstracting and Analysis; 1998
Standards of Professional Practice – Part B; 1999
7-Hour National USPAP Update Course; 2004, 2009, 2011, 2013, 2014
Business Practices and Ethics; 2004
Advanced Residential Form and Narrative Report Writing; 2005
Uniform Residential Appraisal Report; 2005
Residential Case Study; 2006
Advanced Residential Applications & Case Studies, Part I; 2008
Advanced Residential Report Writing, Part II; 2008
Spotlight: The New Residential Market Conditions Form; 2009
Spotlight on USPAP: Common Errors and Issues; 2010
Appraisal Curriculum Overview; 2010
Real Estate Finance Statistics and Valuation Modeling; 2011
An Introduction to Renewable Energy for Real Estate Appraisers; 2011
The Uniform Appraisal Dataset from Fannie Mae and Freddie Mac; 2011
General Appraiser Income Approach/Part 1; 2012
General Appraiser Income Approach/Part 2; 2014

Norwest Mortgage, Perspectives of Appraisals; 1995

Value IT - FHA Appraisals - Regulations and Requirements; 1995

HUD/FHA & Indiana Mortgage Bankers Association

Direct Endorsement Underwriting and Appraisal Training Program; 1997

Indiana Department of Transportation: Real Estate Buying Seminar; 2008

National Association of Independent Fee Appraisers:

Introduction to Income Property Appraising; 1996
Techniques of Income Property Appraising; 1996
Alternative Appraisal Report Forms for Limited Appraisal Assignments; 1997
Financial Analysis of Income Properties; 1997
Basic Residential HUD Appraisal Requirements; 1999
Formfilling Essentials; 2003, 2004
Paperless Office Techniques; 2003
National USPAP Update; 2006
FHA Appraisal Protocol Update; 2006
Appraisal Spreadsheet: Regression Analysis; 2013

Resource, LLC:

Small Residential Income Property Valuation and Introduction to Income Capitalization Techniques; 1997
Non-Residential Sales Comparison and Logic Applications; 2001
Residential Case Studies; 2001
Indiana Appraiser Statutes and Rules; 2003, 2005, 2007
Residential Case Studies II; 2003
USPAP Update; 2003

A La Mode:

Efficiency and Automation through Technology in the Modern Appraisal Office; 1998
Enterprise Level Technology; 2000

Licenses and Affiliations

FHA Approved Appraiser
Residential Member of the Appraisal Institute since 2008
National Association of Realtors (NAR) Member
Indiana Association of Realtors Member
Realtors Association of Central Indiana Member
Marshall & Swift Cost Service Subscriber
Indiana Association of Realtor Association Leadership Academy Graduate; 2011
Obtained Graduate Realtor Institute (GRI) designation from NAR; 2015

