MUSCATINE REINVESTMENT DISTRICT

IOWA REINVESTMENT DISTRICT PROGRAM
FINAL APPLICATION

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Land Appraisals
A.1: 119 W. Mississippi Drive

APPRAISAL OF
119 MISSISSIPPI DR. W.
MUSCATINE, IOWA 52761

PREPARED FOR
Rebecca Howe, President
Riverview Hotel Development
6635 Chelsea Gardens Way
Cumming, GA 30040

DATE OF VALUATION: September 22, 2014
DATE OF APPRAISAL REPORT: October 3, 2014

PREPARED BY
RICHARD J. KOESTNER
KOESTNER, MCGIVERN & ASSOCIATES
2208 E. 52nd Street
Davenport, IA 52807
October 3, 2014

Ms. Rebecca Howe, President
Riverview Hotel Development
6638 Chelsea Gardens Way
Cumming, Georgia 30040

Re: 119 Mississippi Dr. W., Muscatine, Iowa

Dear Ms. Howe:

According to your request, I am enclosing an appraisal of the building located at 119 Mississippi Dr. W., Muscatine, Iowa. This property is more fully described in the body of this report.

The purpose of this report is to estimate the market value of the fee simple interest of the property. This report does not value the equipment or fixtures located on the premises. This is a complete appraisal report in a summary format and is completed in conformance with USPAP January 1, 2014.

Please be advised that I have personally inspected the site and believe all information provided to me by others to be reliable.

The subject property consists of a steel frame/metal building with 8,750 sq. ft. above grade. This building is situated on a lot with 19,456 sq. ft. or 0.45 acres. The building is zoned C-2 Central Commercial District.

As of September 22, 2014, it is my opinion that the subject property warrants a market value of:

Three Hundred Eighty Thousand Dollars

$ 380,000

Sincerely,

Richard J. Koestner

General Real Property Appraiser
Certification #: IA CG01608
Expiration date: 06/30/2016
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ASSUMPTIONS AND LIMITING CONDITIONS

The appraisal is subject to the ensuing limiting conditions:

1. The legal description is assumed to be correct.

2. I assume no responsibility for matters legal in character nor do I render any opinion as to the title, which is assumed to be free and clear of mortgage and under responsible ownership and competent management.

3. The plat of the property in this report may be included to assist the reader in visualizing the property. I have made no survey and assume no responsibility for its accuracy.

4. I believe that the information in this report which was furnished to me by others is correct and from reliable sources. A reasonable effort has been made to verify such information, but no responsibility is assumed for its accuracy.

5. That there are no hidden or unapparent conditions of the property, subsurface or structures which would render it more or less valuable is assumed. No responsibility is assumed for such conditions or for engineering which may be required to discover such factors.

6. Full compliance with all applicable federal, state and local environmental regulations and laws is assumed unless noncompliance is stated, defined and considered in the appraisal report.

7. Full compliance with all applicable zoning and use regulations and restrictions are assumed unless nonconformity has been stated, defined and considered in the appraisal report.

8. That all required licenses, consents or other legislative or administrative authority from any local, state or national government, private entity or organization have been obtained or renewed for any use on which the value estimated contained in this report is assumed.

9. Possession of this report or copy thereof, does not carry with it the right of publication, nor may it be used for any purpose by anyone but the Appraiser and in any event, only with proper qualifications.

10. Disclosure of the contents of this appraisal report is governed by the By-Laws and Regulations of the Appraisal Institute of Real Estate Appraisers. No part of the contents of this report (especially any conclusions as to value, the identity of the Appraiser or the firm with which he is connected, or any reference to the Appraisal Institute of Real Estate Appraisers and or its designations) shall be disseminated to the public through advertising media or any other public means of communication without the prior written consent and approval of the Appraiser.

11. I am not required to give testimony or attendance in court by reason of this appraisal with reference to the property being appraised unless arrangements and proper notification have been previously made.

12. The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. The separate valuations for land and building must not be used in conjunction with any other appraisal and are invalid if so used.
APPRAISER’S CERTIFICATE

1. That I have no interest, present or contemplated, in the subject property.
2. That neither the employment nor the compensation is contingent upon the value reported.
3. That I have personally inspected the property.
4. That to the best of my knowledge and belief, all statements contained in this report are true and correct and no important facts have been withheld or overlooked.
5. That this appraisal has been made in conformity with and is subject to the requirements of the Code of Professional Ethics and Standards of Professional Conduct of the Appraisal Institute of Real Estate Appraisers.
6. That no one other than those undersigned prepared the analyses, conclusions and opinions concerning real estate that are set forth in this appraisal.
7. That the Appraisal Institute of Real Estate Appraisers conduct a voluntary program of continuing professional education for its designated members under which I am certified.
8. The analyses, opinions and conclusions were developed, and this report was prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (“USPAP”), except that the Department Provision of the USPAP does not apply.
9. My compensation is not contingent upon the reporting of predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result or the occurrence of a subsequent event.
10. This appraisal assignment was not based on a requested minimal valuation, specific valuation or the approval of a loan.
11. The value estimated is based on the assumption that the property is not negatively affected by the existence of hazardous substances or detrimental environmental conditions unless otherwise stated in this report. The appraiser is not an expert in the identification of hazardous substances or detrimental environmental conditions. The appraiser’s routine inspection of and inquiries about the subject property did not develop any information that indicated any apparent significant hazardous substances or detrimental environmental conditions which would affect the property negatively unless otherwise stated in this report. It is possible that tests and inspections made by a qualified hazardous substance and environmental inspector would reveal the existence of hazardous substances or detrimental environmental conditions on or around the property that would negatively affect its value.
12. I have not appraised this property or provided any real estate related services in the last three years.
13. I was assisted in the development of this appraisal by Jason Meyer, an associate appraiser.

That as of September 22, 2014, I have estimated the Market Value of the property to be:

$ 380,000

[Signature]

Richard J. Koeslner
### SUMMARY OF FACTS AND CONCLUSIONS

<table>
<thead>
<tr>
<th>Description</th>
<th>Details</th>
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<tr>
<td>Type of Property</td>
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<tr>
<td>Location</td>
<td>119 Mississippi Dr. W.</td>
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<tr>
<td></td>
<td>Muscatine, Iowa</td>
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<td>Date of Appraisal</td>
<td>September 22, 2014</td>
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<td>Date Prepared</td>
<td>October 3, 2014</td>
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<tr>
<td>Building Size</td>
<td>8,750 Sq. Ft.</td>
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<td>Land Size</td>
<td>19,458 Sq. Ft. or 0.45 Acres</td>
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<td>Zoning</td>
<td>C-2 Central Commercial District</td>
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<td>Ownership Interest Appraised</td>
<td>Fee Simple</td>
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<td><strong>Value Indications:</strong></td>
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<td><strong>Value by Cost Approach</strong></td>
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<td><strong>Value by Income Approach</strong></td>
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<td><strong>Value by Market Approach</strong></td>
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<td><strong>Final Estimate of Value</strong></td>
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Entrance to Office Space
1 of 2 Offices

Bath in Office
1 of 2
Interior - Shop

Shop – Steel frame, insulated, Mechanicals
THE ASSIGNMENT
OBJECTIVE OF APPRAISAL
AND DEFINITION OF MARKET VALUE

Market Value is defined as:

Market value means 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 own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto, and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

* This example definition is from regulations published by federal regulatory agencies pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989 between July 5, 1990, and August 24, 1990, by the Federal Reserve System (FRS), National Credit Union Administration (NCUA), Federal Deposit Insurance Corporation (FDIC), the Office Thrift Supervision (OTS), and the Office of Comptroller of the Currency (OCC). This definition is also referenced in regulations jointly published by the OCC, OTS, FRS, and FDIC on June 7, 1994, and in the Interagency Appraisal and Evaluation Guidelines, dated October 27, 1994.
PROPERTY RIGHTS APPRAISED
The property rights appraised are Fee Simple Interest.
Fee Simple Interest is defined as:
An absolute fee; a fee without limitations to any particular class of heirs or restrictions, but subject
to the limitations of eminent domain, escheat, police power, and taxation. This is an inheritable
estate.

PURPOSE AND FUNCTION OF APPRAISAL
The purpose of the appraisal is to estimate the market value of the subject property. The function
of the appraisal is to determine market value for investment and inventory purposes. This is a
summary report. The intended user of this report is Rebecca Howe, President; Riverview Hotel
Development.

SCOPE OF APPRAISAL
The appraiser will consider all factors that influence Market Value of the subject property and will
determine Market Value by using the Market Approach to value. The appraisal will comply with
U.S.P.A.P. and FIRREA.

The following data will be considered:
1) Recent land sales
2) Recent commercial building sales
3) Lease information
4) Study of absorption rates
5) Vacancy rates
6) Analysis of recent sales

EXTENT OF APPRAISAL PROCESS
The appraisal is based on the information gathered by the appraiser from public records, other
identified sources, inspection of the subject property and neighborhood, and selection of the
comparable sales within the subject market area. The original source of the comparables is
shown in the Data Source section of the market grid along with the source of confirmation, if
available. The original source is presented first. The sources and data are considered reliable.
When conflicting information was provided, the source deemed most reliable has been used.
Data believed to be unreliable was not included in the report nor used as a basis for the value
conclusion.

The Reproduction Cost is based on Marshall and Swift Cost Handbook and local data
supplemented by the appraiser's knowledge of the local market.

Physical depreciation is based on the estimated effective age of the subject property. Functional
and/or external depreciation, if present, is specifically addressed in the appraisal report or other
addenda. In estimating the site value, the appraiser has relied on personal knowledge of the
local market. This knowledge is based on prior and/or current analysis of site and/or sales
abstraction of site values from sales of improved properties. For income producing properties,
actual rents, vacancies and expenses have been reported and analyzed. They have been used
to project future rents, vacancies and expenses.
THE DATA
NEIGHBORHOOD DATA

Boundaries:
Subject property is located in the central section of the downtown business district of Muscatine, approximately 1 block north of the Mississippi River. Neighborhood could best be described as urban.

Neighborhood is bounded by the Muscatine Bypass on the north and west, by the Mississippi River on the south, and by Park Avenue on the east. Neighborhood is 45% commercial, 35% single family, 5% multi-family and 15% industrial. Surrounding use includes a mixture of retail, small commercial shops, light industrial buildings, trending toward residential as you move north and west. There are numerous restaurants, bar & grills and small retail or service businesses in the immediate area. The residential properties bordering the downtown business district are in the $45,000 to $80,000 range.

Access and Utilities:
There is public water, electricity, gas and public sewer to the lot. At the time of the inspection the utilities were in working order.

Zoning:
There are a number of zonings in the area. Most have a residential; multi-family, commercial, or light industrial zoning. The commercial zoning is mostly along the heavily traveled thoroughfares and the central business district. The multi-family zoning tends to buffer the single family properties from this use.

Trends:
Subject property is located in the central section of the downtown business district of Muscatine. The commercial market has been relatively soft in the Muscatine area. The absorption rate has been increasing over the last two years. The subject property is inside the Highway 61 bypass. The traffic count along the subject street is less than it had been in the past because through traffic in the area mostly uses the bypass. The past several years have seen increased investment in the downtown business district in an attempt to draw additional traffic into the immediate area. Most of the newer commercial development has taken place on the northeast side of Muscatine. Muscatine has also seen additional commercial investment along the Highway 61 bypass, with newer commercial buildings and higher rents. Because of this over-supply and anxious sellers, there has been downward pressure on the rents and values in many of the older, less desirable commercial buildings, with increasing absorption rates.
SITE DATA

Legal Description:
Lots 1, 2 & W 16' of Lot 3 Block 11; I have reviewed the Muscatine Assessor information.
Parcel # 1302226031

Utilities and Zoning:
According to the city of Muscatine, the property is currently zoned C-2 Central Commercial District. This district is intended to provide for development of retail, service and light industrial activities of a more general nature, and of service facilities serving a larger community trade. The size and location of the district shall be based on the relationship to the total community need and economy. There has been no survey completed on the property.

Taxes and Assessed Value:
The taxes on the property are $6,374.00. This is based on the 2013 assessment of $192,350. There are concrete streets, curbs and gutters. There are street lights and public sidewalks. No special assessments per the Muscatine County Courthouse.

Access:
Access to subject is from Mississippi Dr. W. and Chestnut St. The downtown business district is generally accessed via either Park Ave. or Grandview Ave. Most of the higher value range single family houses are on the north side of Muscatine, with most of the new development taking place in that area. The subject neighborhood has seen increased investment over the past several years in an effort to revitalize the downtown business district and draw additional traffic to the immediate area.

Property History:
The subject last sold on 05/15/2003 for $200,000; there were transfers between family members for $0.00 twice in 2010.

Bearing Quality and Deed Restrictions:
No bearing quality survey has been provided to the appraiser. Appraiser makes no warranties on the bearing quality of the lot.

It would appear that the subject property is not in a H.U.D. Special Flood Hazard Area. The flood map number is 19139C0191C, zone X, dated 07/18/2011. A copy of the flood map is included in this appraisal.
**DESCRIPTION OF IMPROVEMENTS**

**Type of Property:**
- Steel Frame/Metal
- Light Industrial/Office Building

**General Class of Construction:**
- Class S Average Grade Office or Light Industrial Building

**Building Summary**
- **Gross Building Area:** 8,750 Sq. Ft.
- **Net Rental Area:** 8,750 Sq. Ft.
- **Basement:** None
- **Actual Age:** 1975
- **Effective Age:** 25 Years
- **Fencing:** None
- **Landscaping:** Minimal
- **Signage:** Building & Front
- **Parking:** Front & Side parking lot
- **9,660 Asphalt parking/1907**

**Visible Contaminants:**
- No Warranties implied

**Land to Building Ratio:**
- 2.29

**Functional Utility:**
- Average
Remodeling, Repairs, Deferred Maintenance: No repairs or modernization needed.

The property includes no furniture, fixtures or personal property.

**Overall Rating**

<table>
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<th>Good</th>
<th>Average</th>
<th>Fair</th>
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<tr>
<td>Quality of Construction</td>
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<tr>
<td>Design/ Layout</td>
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<tr>
<td>Interior Condition</td>
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<tr>
<td>Site Improvement</td>
<td>X</td>
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</tbody>
</table>

The subject property is currently used as 2 offices and a shop/warehouse. This report only addresses the 8,750 sq. ft. building that is located on .45 acres. The property has a number of possible uses. Office, retail/service or warehouse use is possible.
REASONABLE EXPOSURE OR MARKETING TIME

When appropriate, a reasonable exposure time for the subject property must be estimated. Reasonable exposure time is defined within the 2014 Uniform Standards of Professional Appraisal Practices, Statement number 6, page U-2 as:

"the estimated length of time 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; a retrospective opinion based upon an analysis of past events assuming a competitive and open market"

The Uniform Standards of Professional Appraisal Practice also requires the estimate of a reasonable marketing time for the subject property when appropriate. Reasonable marketing time is defined in Advisory Opinion AO-7, page A-13 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 subject property is considered a class "B" commercial use. That is, it is situated adjacent to major commercial corridors, which obtain the greatest demand. Within the immediate market area, there are four multiple listing services (Muscatine, Davenport, Illinois Quad City Association, and a Commercial Overlay system). In addition to these services, a large percentage of commercial agents utilize LoopNet, a commercial listing site found at www.loopnet.com. I have reviewed data from these sites, as well as interviewed many commercial brokers and property managers. Given the characteristics of the subject improvements, the estimated marketing time and exposure time is 24 to 36 months. This absorption rate has increased over the last two years.
HIGHEST & BEST USE
HIGHEST AND BEST USE

The highest and best use of the property is defined as:

That reasonable and probable use that will support the highest present value as defined, as of the effective date of this appraisal. That use from among reasonable, probable and legal uses found to be physically possible, appropriately supported, financially feasible and which results in the highest land value.

After considering this property’s zoning, topography and nearby land use and general location, it is my opinion that the subject’s use as a commercial or industrial development will be its highest and best use.

When estimating the highest and best use of a property, four basic questions must be addressed: is the use physically possible, is it legal, is it financially feasible and is it maximally productive. The analysis includes consideration of the highest and best use as if vacant and as improved.

Physical Analysis:
The subject size, shape and topography should be considered. Lot is slightly sloping. The lot is adequate size. The site has the necessary access and zoning for retail/commercial use. All public utilities are available and the subject is proximate to most amenities necessary to support retail/commercial use. There is adequate visibility with the main access to the immediate area provided by Park and Grandview avenues. The surrounding area indicates retail/service or light industrial use.

Legal Analysis:
This lot is zoned C-2 Central Commercial District. This is defined under the site section of the report. Proposed uses include a number of commercial, light industrial or retail/service/office uses. Demand for well located commercial or retail space is soft at the current time, but this would still be a legally acceptable use.

Feasibility:
The subject property could be used for a retail/office or light industrial. In reviewing land use in the neighborhood, there has been increased investment in the downtown retail/commercial district over the past several years in an attempt to revitalize the neighborhood and increase traffic flow to the downtown commercial district. The subject is currently configured as retail/office space with basic amenities, and shop/warehouse space. This use is feasible, but the market is limited.

Maximally Productive:
The maximally productive use would be as retail/commercial or light industrial use. Marketing the property to retail/service or light industrial providers would result in the use that is maximally productive.
APPROACHES TO VALUATION

Common in the valuation of real estate, three approaches to value are used: the Cost Approach, the Income Approach, and the Sales Comparison Approach. From the indications of these, and the weight accorded to each, an opinion of value is reached based upon the judgment outlined throughout the appraisal process.

My methodology involving the appraisal of the subject property will include the following:

COST APPROACH

The Cost Approach is devoted to an analysis of the physical value of the property; that is, the current market value of the land (assuming it is vacant) to which the depreciated value of the improvements present on the site. The latter is derived based upon my estimate of the cost of the improvements, from which must be deducted accrued depreciation in terms of physical deterioration, functional obsolescence, and external obsolescence, if any. Physical deterioration measures the physical wearing out of the property as observed during my field inspection. Functional obsolescence reflects a lack of desirability by reason of layout, style, or design. External obsolescence denotes a loss in value from causes outside the property itself.

Given the age of the subject property and the overall condition, the Cost Approach lends little credible support for valuation purposes. The exclusion of this approach will not weaken the final conclusions nor mislead the user of the report.

INCOME APPROACH

The Income Approach involves an analysis of the property in terms of its ability to provide a net annual income in dollars. The estimated net annual income is then capitalized at a rate commensurate with the relative certainty of its continuance and the risk involved in ownership of the property.

SALES COMPARISON APPROACH

The Sales Comparison Approach is based upon the principle of substitution; that is, when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming no costly delay in making the substitution. Since no properties are ever identical, the necessary adjustment for differences in quality, location, size, services, market appeal, etc. are a function of appraisal experience and judgment.
THE INCOME APPROACH
ESTIMATE OF VALUE BY THE INCOME APPROACH

The Income Approach is a method of estimating the Market Value of a property based upon its estimated income producing capabilities over its estimated remaining life.

The Income Approach gives consideration to the net income expectancy from rental of the property. This income is capitalized in accordance with prevailing returns on properties or investments of similar risks to determine the amount at which ownership would be justified by a prudent investor.

Forecasting the gross earning potential of the property under prevailing and foreseeable market conditions, future benefits can be estimated. Appropriate allowances for operating expenses, based on the prevailing and foreseeable market, are then deducted from gross earnings. This process will result in an estimate of net monetary benefits to ownership, which will then be capitalized into a present worth.

The procedure used in the Income Approach is summarized as follows:

1. Estimate the Annual Gross Potential Rental Income, by market analysis, which the property is capable of producing.
2. Deduct an appropriate Vacancy Loss Factor and Rental Concessions to arrive at an Estimated Effective Gross Income.
3. Estimate and stabilize the annual expense incurred by the property by utilizing historical operating statements and projected budgets. The annual expenses are then deducted from the Estimated Effective Gross Income to arrive at the Estimated Net Operating Income.
4. Capitalize the Estimated Net Operating Income before recapture at an appropriate rate to reflect interest and recapture (return on and return of the investment) to yield a value indication.
ANALYSIS OF MARKET RENT

To develop this approach, the economic rent of the property must be determined. The subject property is owner occupied and has no rental history. As noted earlier in the report, there has been downward pressure on leases. I have reviewed what is currently on the market and what has been leased. It is my opinion the office spaces would lease for $1500 to $2000 per month; the shop warehouse space would rent from $700 - $1000 per month. It should be noted that this property could be used by multiple tenants.

EXPENSE PROJECTIONS

Economic Vacancy:
A survey of property managers, real estate brokers and commercial lenders, indicates vacancy rates vary from six to ten percent for class "S" or "C" commercial use. Since the subject property is in a smaller community, I will use the upper portion of the range, say 10%.

Management:
The management fee is the cost of having a professional management company manage the day-to-day operations of the subject property. According to several property managers as well as financials of similar properties, these fees vary from 3% to 7% of the effective gross income. I will use 5%.

Operating Expenses:
This category includes utilities such as water and common electric and heat, as well as other expenses. These expenses vary as some properties have common utilities paid by the landlord. Historical data, as well as pro-formas from competing buildings, are considered. If required, the operating expenses are included in overall expenses. In this instance it would be assumed that if the property is rented, the tenants would pay the operating expenses.

Real Estate Taxes:
Income Approach is based on the economic rent that would have the tenant pay 100% of the taxes. The real estate taxes of $6,374.00 would be paid by the tenant. This would be about $.75 per sq. ft.

Replacement Reserves:
Typically, a reserve for replacement account should be between 2% and 6% of the projected income. I have utilized four percent (4%). $1,944 placed in a reserve for twenty years at 5% would yield $4,280 at the end of the term. This could be used for replacements or tenant improvements.
CAPITALIZATION ANALYSIS

In estimating the value of the subject property by the Income Approach, I utilized the Bank of Investment Capitalization technique, predicated upon a 75% loan to value ratio, with a twenty year amortization. After interviewing several commercial lenders, I believe an appropriate rate for a commercial building like the subject property would be six percent (6%). A mortgage rate of six percent has a mortgage constant of .08997. It is my opinion that this property would command a 14% return to equity to attract capital. This is slightly higher than the typical building, but since it is a single user building and it is in a smaller community, I feel the higher rate is appropriate. I have also reviewed sales in the area and compared it to their potential gross income and feel an 11% cap rate is accepted in the market. The capitalization rate is calculated as follows:

\[
0.08997 \times 75\% = 0.067468 \\
0.14000 \times 25\% = 0.03500 \\
0.067468 + 0.03500 = 0.09948
\]

Say 10.0% 

SUMMARY OF THE INCOME APPROACH

The following worksheet calculates the Income Approach for the property. The Potential Gross Income for the building has been established through a review of the lease and is supported by comparisons of competing properties and leases. The vacancy rates have been applied as appropriate. Expenses for management and reserves have also been deducted.

The appropriate capitalization rate has been applied to the anticipated Net Operating income. The indicated value of the Income Approach is $392,000.
### Economic Rent:

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<th>Rent/Office</th>
<th>Market 2,875</th>
<th>$1,800.00</th>
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<tr>
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<td>Rent/Shop 3,000</td>
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<td>= $10,800</td>
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**Gross Annual Rent**

| Less Vacancy & Credit Loss 10% | **$ 5,400.00** |

**Gross Effective Income**

<table>
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<tr>
<th>Expenses:</th>
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<tbody>
<tr>
<td>Taxes</td>
</tr>
<tr>
<td>Repairs</td>
</tr>
<tr>
<td>Reserves 4%</td>
</tr>
<tr>
<td>Management 5%</td>
</tr>
<tr>
<td>Insurance C.A.M.</td>
</tr>
<tr>
<td>Landscape/Sno C.A.M.</td>
</tr>
<tr>
<td>Misc.</td>
</tr>
</tbody>
</table>

**Total Expenses**

| **$ 9,374.00** |

**Net Operating Income**

| Cap Rate 10.00% | **$ 392,260** |

**Value by Income Approach**

| $392,260 |

**Sey**

| $392,000 |
THE SALES COMPARISON APPROACH

The Sales Comparison Approach is a method of estimating the market value of a property by comparison of actual sales of similar properties to the property under appraisal. The major premise of the Sales Comparison Approach is that the market value of a property is directly related to the prices of comparable, competitive properties. The Appraisal of Real Estate, 13th Edition, pages 367 and 368, sponsored by the Appraisal Institute, states:

"The concepts of anticipation and change, together with the principles of supply and demand, substitution, balance, and externalities, are basic to the sales comparison approach. Guided by these principles, an appraiser attempts to consider all issues relevant to the valuation problem in a manner that is consistent and reflects local market conditions."

SUPPLY AND DEMAND:

"Property prices are determined by the market; they result from negotiations between buyers and sellers. Buyers constitute market demand and properties offered for sale make up the supply. If the demand for a particular type of property is high, prices tend to increase; if demand is low, prices tend to decline. Shifts in the supply of improved properties frequently lag behind shifts in demand because supply is created by time-consuming construction and reduced by conversion to other uses, while satisfiable demand can be changed rapidly. The analysis of real estate markets at a specific time may seem to focus on demand, but the supply of properties must also be considered...."

SUBSTITUTION

"As applied in the sales comparison approach, the principle of substitution holds that the value of a property tends to be set by the price that would be paid to acquire a substitute property of similar utility and desirability within a reasonable amount of time. This principle implies that the reliability of the sales comparison approach is diminished if substitute properties are not available in the market."

BALANCE

"The forces of supply and demand tend toward equilibrium, or balance, in the market, but absolute equilibrium is almost never attained. The balance between supply and demand changes continually. Due to shifts in population, purchasing power, and consumer tastes and preferences, demand varies greatly over time. The construction of new buildings, conversion to other uses, and demolition of old buildings cause supply to vary as well."

EXTERNALITIES

"Positive and negative external forces affect all types of property. A period of economic depression or economic development influences property values...."

The appraiser has made a survey to obtain sales and offerings of improved properties which were similar to the subject property in improvement, age, style and design, quality of workmanship, materials of construction, building construction, utility and amenities. Of the sales compiled during the appraiser's market survey, the following sales were considered the most comparable to the subject and have been utilized in the following market analysis of the subject property.
### Comparable Building Sales

<table>
<thead>
<tr>
<th>Address</th>
<th>City</th>
<th>Date of Sale</th>
<th>Sq. Ft</th>
<th>Sale Price</th>
<th>S.P./S.F.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) 116 Harrison St</td>
<td>Muscatine</td>
<td>7/16/2014</td>
<td>4,032</td>
<td>$250,000</td>
<td>$62.00</td>
</tr>
<tr>
<td>2) 603 Grandview</td>
<td>Muscatine</td>
<td>8/19/2013</td>
<td>4,920</td>
<td>$137,500</td>
<td>$27.95</td>
</tr>
<tr>
<td>3) 1601 Plaza PI</td>
<td>Muscatine</td>
<td>8/20/2012</td>
<td>5,000</td>
<td>$320,000</td>
<td>$64.00</td>
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<tr>
<td>4) 1140 E. 9th St</td>
<td>Muscatine</td>
<td>3/8/2011</td>
<td>4,000</td>
<td>$82,500</td>
<td>$20.63</td>
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<tr>
<td>5) 1501 Plaza PI</td>
<td>Muscatine</td>
<td>1/21/2010</td>
<td>7,520</td>
<td>$230,000</td>
<td>$30.59</td>
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<tr>
<td>6) 929 Lucas St</td>
<td>Muscatine</td>
<td>12/8/2010</td>
<td>4,160</td>
<td>$136,000</td>
<td>$32.69</td>
</tr>
</tbody>
</table>

Say $43.00/sq.ft.

$43.00 \times 8,750 = $376,250

Say $376,000
COMPARABLE BUILDING SALE

116 Harrison St. Muscatine, Iowa 52761

SALE PRICE: $250,000
DATE SOLD: 7/16/2014
BUILDING AREA: 4,032 Sq. Ft.
PRICE PER SQ. FT.: $62.00

ASSESSED VALUE: $211,380
LOT SIZE: 13,948 .13 Acre
LAND TO BLDG. RATIO: 3.45

Doc. #: E14-00828

GRANTOR: Harrison St. Real Estate
GRANTEE: Kay Chapman

LEGAL DESCRIPTION: Lot 18 & 19 E. 56.47' Lot 20 Blk Park Place Add. 83.5'
PROPERTY TYPE: Office
ZONING: C-1
CONSTRUCTION: Good Brick
YEAR BUILT: 1982
CONDITION: Good
HEATING/COOLING: HVAC

COMMENTS: Two HVAC Systems Newer roof parking for 23 cars

SOURCE OF VERIFICATION: Muscatine Assessor
COMPARABLE BUILDING SALE

603 Grandview Muscatine, Iowa 52761

SALE PRICE: $137,500
DATE SOLD: 8/19/2013
BUILDING AREA: 4,020 Sq. Ft.

PRICE PER SQ. FT.: $27.95

ASSESSED VALUE: $112,800
LOT SIZE: 16,800 Sq. Ft.
LAND TO BLDG. RATIO: 3.41

Doc. #: 2013-04231

GRANTOR: Genesis
GRANTEE: Carlson

LEGAL DESCRIPTION: Parcel 1303477011
PROPERTY TYPE: Show room office
ZONING: C-1
CONSTRUCTION: Metal
YEAR BUILT: 1973
CONDITION: Average
HEATING/COOLING: 
PLUMBING: Adequate

COMMENTS: 10,000 sq. ft. parking lot. One overhead door

SOURCE OF VERIFICATION: Muscatine MLS Muscatine Courthouse
COMPARABLE BUILDING SALE

1601 Plaza Pl. Muscatine, Iowa 52761

SALE PRICE: $320,000
DATE SOLD: 8/20/2012
BUILDING AREA: 5,000 Sq. Ft.
PRICE PER SQ. FT.: $64.00

ASSESSED VALUE: $257,410
LOT SIZE: 17,500 Sq. Ft. .4 Acre
LAND TO BLDG. RATIO: 3.50

Doc. #: 2012-04008

GRANTOR: Basal
GRANTEE: Leavitt

LEGAL DESCRIPTION: Lot 4 Park Plaza 1st Addition
PROPERTY TYPE: Multi-tenant retail office
ZONING: C-1
CONSTRUCTION: Average
YEAR BUILT: 1984
CONDITION: Average
HEATING/Cooling: F/Air/CAC
PLUMBING: Each unit

COMMENTS: two of the six units have acceptable build out the remainder need much work.

SOURCE OF VERIFICATION: Agent
COMPARABLE BUILDING SALE

1140 E 9TH ST Muscatine, IA 52761
MLS #10-260

Commercial building available for purchase or lease. Excellent location and high traffic area for commercial business. Previously was Muscatine Electric for many years. There are 6 offices, conference room, large open storage area, and 29 x 42 rear entrance workshop with overhead door. HVAC and roof recently replaced. Contact listing agent for all showings.

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<tr>
<th>Contract Information</th>
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<tbody>
<tr>
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<td>Amount of Concession:</td>
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<td>Garage Remarks:</td>
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<td>Occupant:</td>
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<td>Garages:</td>
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<tr>
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<td>Book</td>
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<td><strong>Details</strong></td>
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<td>Miscellaneous:</td>
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<td>Building; Land; Rent Rooms: 1;</td>
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<tr>
<td>SqFt Floor: 4000; Stories: 1;</td>
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<td>Who Pays:</td>
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<td>Electric: Tenant; Gas: Tenant;</td>
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<tr>
<td>Insurance: Owner; Taxes: Owner;</td>
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<tr>
<td>Water: Tenant</td>
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</tbody>
</table>

Information is deemed to be reliable, but is not guaranteed. © 2014 MLS and FBS. Prepared by KOESTNER, MCGRINN & ASSOCIATES on Thursday, October 22, 2014 10:05 AM. The information on this sheet has been made available by the MLS and may not be the listing of the provider.
COMPARABLE BUILDING SALE

1501 Plaza Place, Muscatine, Iowa

SALE PRICE: $230,000
DATE SOLD: 01/21/2010
BUILDING AREA: 7,520 sq. ft.
GRANTOR: Leavitt
GRANTEE: GTM Properties

ASSESSED VALUE: $270,250
LOT SIZE: 17,500 Sq. Ft.
LAND TO BLDG RATIO: 2.32
SALE PRICE / SQ. FT: 30.59
Doc NUMBER: 2010-00568

LEGAL DESCRIPTION: Lot 5 Park Plaza 1st Addition

PROPERTY TYPE: Commercial Office & Shop
ZONING: C-1 Neighborhood shopping
CONSTRUCTION: Average Quality
YEAR BUILT: 1974
CONDITION: Average
HEATING/COOLING: 4 F. Air/CAC
PLUMBING:

COMMENTS:
## COMPARABLE BUILDING SALE

**929 LUCAS ST Muscatine, IA 52761**

ML# 810-522

Historic brick building home to popular local tavern & longtime beauty salon. Also includes 3-1 bedroom apartments above (2 currently rented). Excellent investment opportunity. Sale subject to court approval. Property being sold as is, no warranties. Additional lot north of building is also listed for sale.

### Contract Information

<table>
<thead>
<tr>
<th>Approved by MLS</th>
<th>Yes</th>
<th>Listing Member</th>
<th>LYNN ALLISON</th>
</tr>
</thead>
<tbody>
<tr>
<td>Listing Office</td>
<td>RUHL &amp; RUHL REALTORS</td>
<td>Selling Member</td>
<td>STEVE WELK</td>
</tr>
<tr>
<td>Selling Office</td>
<td>RUHL &amp; RUHL REALTORS</td>
<td>Days On Market</td>
<td>193</td>
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<td>Book Section</td>
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<td>Original List Price</td>
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<td>Owner</td>
<td>Patricia Caple Estate</td>
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<td>Commercial</td>
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<td>Sold Price</td>
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<tr>
<td>Contract Terms</td>
<td>No</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### General Property Description

| Property Type | Commercial | Date Built | 1980 |
| Total Sqft Above Grade | 4,160 | Total Bathrooms | 6 |
| Stories | 2 | Exterior | Brick |
| Lot Acres | 0.19 | Zoning | Commercial |
| Gross Taxes | 2,946 | Garage/Parking | Gravel Lot |
| Gerage Remarks | none | Type of Business | Tavern/Beauty Salon |
| Occupant | Multiple |

### Address

<table>
<thead>
<tr>
<th>County</th>
<th>Muscatine</th>
</tr>
</thead>
</table>

### Details

| Miscellaneous: | Building, Basement, Rent: $2,250 total 5 units; Stories: 2 |
| Who Pays: | Electric: Tenant; Gas: Tenant; Insurance: Tenant; Taxes: Owner; Water: Tenant |
CONCLUSIONS
CORRELATION OF VALUE

Value by Cost Approach
Not Developed

Value by Income Approach
$392,000

Value by Sales Comparison Approach
$376,000

Final Estimate of Value
$380,000

Conclusion:

In this instance the Cost Approach will not be developed. As mentioned earlier, the Cost Approach is most reliable when the subject property is newer, cost figures can be verified and there is little functional or external depreciation. The cost approach was not developed due to the age of the subject and the number of assumptions required.

The Income Approach should give a good indication of value. The lease value used was well within the economic rent range of the area. The economic rents were based on a net lease with the owner paying the management and basic repairs and maintenance. Many potential purchasers would consider the quality, quantity and durability of the income stream as a major factor of their purchase decision.

The Sales Comparison Approach will be considered. The comparables used indicate a value of approximately $43.00 per sq. ft., which is well within the indicated range for this type of property. This approach will be given the most consideration. The comparables had similar utility and a like highest and best use.

Based on the above approaches to value, it is my opinion that the subject property warrants a market value in the fee simple estate of:

Final Estimate of Market Value
$380,000
ADDENDA
Mr. Koestner:

I left a message with your secretary yesterday afternoon. Dan Stein of Central State Bank in Muscatine recommended you as a commercial appraiser.

This email provides more details on the project.

Riverview Hotel Development is building a hotel conference center and parking garage in the heart of downtown Muscatine on the riverfront. We are in the process of purchasing 3 parcels in this area which require appraisals. The parcels are as follows:


2. Building that will be converted into conference center: 129 W. 2nd Street. Parcel ID: 0625162004 Brief tax description: E 1/3 lot 2 Block 34

3. Lot were hotel will be built: 110 W. Mississippi Drive. Parcel ID: 1302226605 Brief tax description: Lots 1, 2, & W 10 lot 8 Block 11

I would like to get appraisals done on these parcels as soon as possible.

In addition, we have one other property we are looking at. It is the old bought factory. Address is 315 W. Mississippi Drive, Iowa 52761. I believe it is known called the Pearl City Chop House. There was an appraisal done in 2010 by another appraisal company which I should be able to get access to in the next few days. Is there a way to high level review of the appraisal without entering the facility? We are not sure we are going to buy this parcel and don’t want to get the buyer’s hopes up if we choose not to. I understand it was appraised at $950K which appears high to me.

Please contact me at your earliest convenience to schedule the appraisals and so that I can answer any questions you may have regarding this project.

I look forward to working with you.

Thanks in advance.

Rebecca Howe
President
Riverview Hotel Development
www.rivhoteldev.com
877-331-3109
RICHARD J. KOESTNER, S.R.A.  
Davenport, Iowa 52807

STATE LICENSING:

IOWA:
General Residential Real Estate Property Appraiser  
Certificate # CG01608  
FHA approved  
Real Estate Broker/Office # B05091000

ILLINOIS:
Certified General Real Estate Appraiser  
License # 553.001427  
FHA approved

MEMBERSHIP:
Membership in professional and technical organizations related to appraisal activities.

REALTOR:
State of Iowa Realtor of the Year 1999  
Omega T's Ro 1999  
Iowa Association of Realtors, State President 1997-98  
Greater Davenport Board of Realtors, President 1987  
Iowa Appraiser Examining Board Chair 2005  
NAR Appraisal Committee Chair 2008

APPRAISAL:
Appraisal Institute - 1987 to present  
S.R.A.-Senior Residential Appraiser Designation  
2006 Board of Director of Iowa Chapter Appraisal Institute  
2008 Iowa Chapter President  
- Served on Professional Standards Committee and Candidate Guidance  
- Approved Instructor for the Appraisal Institute

EDUCATION:

Formal Education:
University of Iowa, Iowa City, Iowa 1973-1977  
BBA in Marketing and Real Estate  
Assumption High School, Davenport, Iowa 1969-1973
NEIGHBORHOOD DATA

Boundaries:
Subject property is located in the central section of the downtown business district of Muscatine, approximately 1 block north of the Mississippi River. Neighborhood could best be described as urban.

Neighborhood is bounded by the Muscatine Bypass on the north and west, by the Mississippi River on the south, and by Park Avenue on the east. Neighborhood is 45% commercial, 35% single family, 5% multi-family and 15% industrial. Surrounding use includes a mixture of retail, small commercial shops, light industrial buildings, trending toward residential as you move north and west. There are numerous restaurants, bar & grills and small retail or service businesses in the immediate area. The residential properties bordering the downtown business district are in the $45,000 to $80,000 range.

Access and Utilities:
There is public water, electricity, gas and public sewer to the lot. At the time of the inspection the utilities were in working order.

Zoning:
There are a number of zonings in the area. Most have a residential; multi-family, commercial, or light industrial zoning. The commercial zoning is mostly along the heavily traveled thoroughfares and the central business district. The multi-family zoning tends to buffer the single family properties from this use.

Trends:
Subject property is located in the central section of the downtown business district of Muscatine. The commercial market has been relatively soft in the Muscatine area. The absorption rate has been increasing over the last two years. The subject property is inside the Highway 61 bypass. The traffic count along the subject street is less than it had been in the past because through traffic in the area mostly uses the bypass. The past several years have seen increased investment in the downtown business district in an attempt to draw additional traffic into the immediate area. Most of the newer commercial development has taken place on the northeast side of Muscatine. Muscatine has also seen additional commercial investment along the Highway 61 bypass, with newer commercial buildings and higher rents. Because of this over-supply and anxious sellers, there has been downward pressure on the rents and values in many of the older, less desirable commercial buildings, with increasing absorption rates.
Appraisal Conferences and Seminars:
- Iowa Appraisal Examining Board Peer Review Training
  Culver Group
  New Fannie Mae Forms
  May 2005
- Appraisal Institute-Iowa Chapter Evaluating Residential Construction
  Culver Group
  USPAP
  Appraisal Institute-Iowa:
  The Ugly House-Counting the Cost
  Appraisal Institute-Chicago Chapter:
  Appraisal of Local Retail Properties
  March 2005
  February 2005
  March 2002
  May 1999
- Appraisal Institute-Iowa Chapter:
  Appraisal Sales Comparison Grid Adjustments for Residential Properties
  Appraisal Institute-Rockford, Illinois:
  Board of Realtors:
  Fair Lending & The Appraiser
  Des Moines Area Association of Realtors:
  Iowa Commercial Real Estate Expo
  Iowa Association of Realtors:
  Fundamental of Investments
  Drive-By Appraisals
  Appraisal Institute-Iowa Chapter:
  Eminent Domain & Condemnation Appraising
  Numerous conferences and seminars from 1982-1997
  May 1999
  April 1998
  May 1998
  May 1998

EMPLOYMENT HISTORY:
Koestner Realty Ltd., President 1975 to Present
Koestner Realty Ltd., is a family owned business established in 1951.

31 Years appraisal experience
Extensive in-house files and databases
Over 8,800 residential reports completed
Over 600 commercial reports - $100,000 to $6.1 million
100% of income is attributed to Real Estate Appraisal

MEMBERSHIP AND COMMITTEE WORK:
State of Iowa -
  Chairman- 2 years
  Chairman of Disciplinary Committee- 4 years
National Association of Realtors-
  Director 1998-2001
  Appraisal Committees 2005-2006
  Appraisal Committee Chair 2006
  Chair of Small Board Sub-forum 2001
  Research Committee 1997-1999
Iowa Association of Realtors-
Realtor of the Year 2010
Realtor of the Year 1999
Appraisal Committee Chair
Mediation Chair
Chair six other committees and tasks forces
State President 1988

American Institute of Real Estate Appraisers-
Chapter Level-
Candidate Guidance Committee
National Level-
Professional Standards Committee
Residential Demonstration Appraisal Reports
Grading Committee
Chapter President 2009

Society of Real Estate Appraisers-
Chapter Level-
Research Committee
Candidate Guidance Committee
Vice President 1989-1990
President 1991

Greater Davenport Board of Realtors-
Chaired or Co-chaired nine committees
President 1987
Realtor of the Year 1988 and 1999
Quad City Area Association Realtors Vice Chair 2009

Iowa Mortgage Bankers Association
Co-chaired the Appraisers Ad Hoc committee 1996-1997

University of Northern Iowa-
Member of Real Estate Education Program Advisory Council 2001-2006

Realtor Foundation-
Vice President of Realtors Foundation 2004-2006
President 2009

Fannie Mae-
Iowa Partnership Advisory Committee

OUTSIDE INTERESTS AND ACTIVITIES:

Council on Children at Risk (Board Member)
East Davenport Little League (Board Member)
Junior Achievement (11 years teacher)
Habitat for Humanity- Quad Cities
St. Paul the Apostle Church-
Education Board 1996-1998
Church Building Committee 1997
Parish Council 2001 / Parish Council president 2003


**SOURCES OF INFORMATION:**

Koestner, McAllister & Associates belongs to 8 regional MLS systems in eastern Iowa, western Illinois, and western Iowa. These include the Greater Davenport Board of Realtors, Illinois Quad City Area Realtor Association, DeWitt Board of Realtors, Muscatine Board of Realtors, Burlington Board of Realtors, Fort Madison Board of Realtors, Council Bluffs Board of Realtors, and the Greater Omaha Association of Realtors. In addition to the MLS sources listed above, a database of 20+ years includes land, rental, and resale trends for most of our areas. In addition to these databases, memberships in the local Homebuilders, Chamber of Commerce, and other social/local charitable organizations are held. Both residential and commercial Marshall & Swift Cost Services are held, as well.

Additional information regarding our company, areas of coverage, services offered and other pertinent data can be found on our corporate web page:

[WWW.MARKETVALUE.COM](http://WWW.MARKETVALUE.COM)

Dick’s e-mail address is: Dick@marketvalue.com
STATE OF IOWA

IOWA DEPARTMENT OF COMMERCE

PROFESSIONAL LICENSING AND REGULATION

THIS IS TO CERTIFY THAT THE BELOW NAMED
HAS BEEN GRANTED A CERTIFICATE AS A
GENERAL REAL PROPERTY APPRAISER

CERTIFICATE NO. CG01628      EXPIRES: 6/30/2016

KOESTNER, RICHARD J
KOESTNER MCGIVERN ASSOC.
2208 E 52ND ST. SUITE B
DAVENPORT, IA 52807
STATE OF IOWA
IOWA DEPARTMENT OF COMMERCE
PROFESSIONAL LICENSING AND REGULATION

THIS IS TO CERTIFY THAT THE BELOW NAMED
HAS BEEN GRANTED A CERTIFICATE AS A
GENERAL REAL PROPERTY APPRAISER

CERTIFICATE NO. CG01608 EXPIRES: 6/30/2016

KOESTNER, RICHARD J
KOESTNER MCIVERN ASSOC.
2208 E 52ND ST. SUITE B
DAVENPORT, IA 52807
Jason Meyer  
1619 Hickory Bend Ct.  
De Witt, Iowa 52742

**STATE LICENSING:**

- Iowa:  
  Associate Real Estate Appraiser  
  Certification: AG030868 issued October 19th, 2010  
  Real Estate Broker #B32389000  Inactive (1991-1995)

**PROFESSIONAL EDUCATION:**

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<td>Principles of Real Estate Appraisal</td>
<td>30</td>
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<td>August 2010</td>
<td>Real Estate Appraisal Procedures</td>
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<tr>
<td>September 2010</td>
<td>National Uniform Standards of Professional Appraisal Practice (USPAP)</td>
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<td>March 2011</td>
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<tr>
<td>March 2011</td>
<td>The Value of Communication (Report Writing)</td>
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<td>July 2011</td>
<td>The Uniform Appraisal Dataset</td>
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<td>March 2013</td>
<td>National Uniform Standards of Professional Appraisal Practice (USPAP)</td>
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<td>April 2013</td>
<td>General Appraiser Mkt. Analysis and Highest and Best Use</td>
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May 2013  General Appraiser Site Valuation  And Cost Approach  30 hours
July 2013  Residential Report Writing  15 hours
Nov. 2013  Property Tax, Property Tax Reform and Real Estate Valuation  4 hours
March 2014  National Uniform Standards of Professional Appraisal Practice (USPAP)  7 hours
March 2014  Appraising Condos, Coops & PUDS  7 hours

EDUCATION:
1981-1985  BA – Marketing Management  University of Northern Iowa
1989-1991  MBA – Finance Emphasis  University of Iowa

EMPLOYMENT:
2010-Present  Koeftner, McGivern & Associates  Associate Appraiser
1995-2010  CEO/General Manager  Dewitt Hardware Inc./U.S. Cellular-Dewitt

Organizations:
1997-Present  Treasurer – Dewitt Nite Lions
2008 – Present  Board Member – Dewitt DIDD Board
2011 – Present  Board of Trustees (Chairperson) – United Methodist Church, Dewitt
Dec. ‘12- Present  Parish Relations – United Methodist Church, Dewitt
STATE OF IOWA

IOWA DEPARTMENT OF COMMERCE

PROFESSIONAL LICENSING AND REGULATION

THIS IS TO CERTIFY THAT THE BELOW NAMED
HAS BEEN GRANTED A REGISTRATION AS AN
ASSOCIATE GENERAL REAL PROPERTY APPRAISER

CERTIFICATE NO. AG03088  EXPIRES: 6/30/2015

MEYER, JASON T.
KOESTNER MCGIVERN & ASSOCIATES
2208 EAST 52ND STREET
DAVENPORT, IA  52807
Exhibit A.2: 112 Second Street

APPRAISAL OF
112 2nd STREET W.
MUSCATINE, IOWA

PREPARED FOR:
Rebecca Howe, President
RIVERVIEW HOTEL DEVELOPMENT
6635 CHELSEA GARDENS WAY
CUMMING, GEORGIA 30040

DATE OF VALUATION: Sept. 22, 2014
DATE OF APPRAISAL REPORT: Oct. 3, 2014

PREPARED BY:
Koestner, McGivern & Associates
2208 E. 52nd Street Suites B & D
Davenport, Iowa 52807
Oct. 3, 2014

Ms. Rebecca Howe, President
Riverview Hotel Development
6035 Chelsea Gardens Way
Cumming, GA 30040

Re: 112 2nd Street W., Muscatine, IA (4 Parcels – Parking lot)

Dear Ms. Howe:

Pursuant to your request, I have inspected and appraised the above captioned property for the purpose of estimating the Market Value of its fee simple estate. I have been instructed to provide an estimate in the “AS IS” condition, which is fully described later in the report. This is a Complete Appraisal report in a Summary Format, and was completed in accordance with the Uniform Standards of Professional Appraisal Practice as of January 1, 2014.

The property under assignment consists of a parking lot that is, part or all of, 4 separate parcels. The total lot consists of approx. 22,433 sq. ft. or .515 acres MOL.

Please be advised that I have personally inspected the improvement and believe all information provided to Koestner, McGivern & Associates to be reliable. As of September 22, 2014, it is my opinion that the subject property warrants a market value of:

$250,000

Two Hundred Fifty Thousand Dollars

Respectfully submitted,

Richard J. Koestner
Certified General Real Property Appraiser
Certificate No. CG01608 (IOWA)
Expires 06/30/2014
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<td>Zoning Documents</td>
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<td>Engagement Letter</td>
<td></td>
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</tbody>
</table>
APPRAISER'S CERTIFICATE

REQUESTED BY: Rebecca Howe, President
Riverview Hotel Development
6635 Chelsea Gardens Way
Cumming, GA 30040

DATE OF VALUATION: Sept 22, 2014

FINAL ESTIMATE OF MARKET VALUE: $250,000

The undersigned, representing KOESTNER, McGIVERN & ASSOCIATES, LLC, do hereby certify that to the best of my knowledge and belief:

The statements of fact contained in this report are true and correct.

The report analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and is my personal, impartial and unbiased professional analysis, 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 values.

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 user 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.

Richard Koestner has made an inspection of the property that is the subject of this report. As of the date of this report, I, Richard J. Koestner, SRA, have completed the requirements under the continuing education program of the Appraisal Institute.

Jason Meyer, an associate appraiser, provided significant input in the development of this report.
The value estimated is based on the assumption that the property is not negatively affected by
the existence of hazardous substances or detrimental environmental conditions, unless otherwise
stated in this report. The appraiser is not an expert in the identification of hazardous substances
or detrimental environmental conditions. The appraiser’s routine inspection of, and inquiries
about the subject property did not develop any information that indicated any apparent significant
hazardous substances or detrimental environmental conditions which would affect the property
negatively, unless otherwise stated in this report. It is possible that tests and inspections made
by a qualified hazardous substance and environmental inspector would reveal the existence of
hazardous substances or detrimental environmental conditions on or around the property that
would negatively affect its value.

I have not appraised this property in the last three years.

Respectfully submitted,

Richard J. Koestner

KOESTNER, McGIVERN & ASSOCIATES, LLC
SUMMARY OF FACTS AND CONCLUSIONS

LOCATION: All or part of 4 parcels in downtown, Muscatine, IA (112 2nd St. W.)

PURPOSE OF THE REPORT: Estimate market value

OWNERSHIP INTEREST APPRAISED: Fee Simple Estate

IMPROVEMENTS: Asphalt Parking Lot

SITE AREA: .515 Acres MOL

YEAR BUILT: Asphalt 1981

ZONING: C-2 Central Commercial District

HIGHEST AND BEST USE: Present use; Parking Lot

APPROACHES TO VALUE

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<td>Income Approach</td>
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FINAL ESTIMATE OF VALUE: $250,000
ASSUMPTIONS AND LIMITING CONDITIONS

The appraisal is subject to the ensuing limiting conditions:

The legal description is assumed to be correct.

I assume no responsibility for matters legal in character nor do I render any opinion as to the title, which is assumed to be free and clear of mortgage and under responsible ownership and competent management.

The plat of the property in this report may be included to assist the reader in visualizing the property. A survey was not provided or completed by the appraiser and no responsibility for its accuracy is assumed.

I believe that the information in this report, which was furnished to me by others, is correct and from reliable sources. A reasonable effort has been made to verify such information, but no responsibility is assumed for its accuracy.

The physical condition of any improvement described herein was based on visual inspection only. Electrical, heating, cooling, plumbing, sewer and/or septic system, mechanical equipment, and water supply were not specifically tested but were assumed to be in good working order, and adequate, unless otherwise specified. No liability is assumed for the soundness of structural members, since no engineering tests were made or presented to the appraiser. The roof of the structure described herein is assumed to be in good repair unless otherwise noted. The existence of potentially hazardous material used in the construction or maintenance of the building, such as formaldehyde foam insulation and/or asbestos insulation, which may or may not be present on the property, has not been considered. In addition, no deposit of toxic waste or contamination of the subsoil or structure has been considered, unless specifically mentioned. The appraiser is not qualified to detect such substances and suggests the client seek an expert opinion, if desired.

In addition, if the client has any concern regarding the structural, mechanical, or protective components of the improvement described herein, or the adequacy of sewer, water, or other utilities, it is suggested that said client retain independent contractors or experts in these disciplines before relying upon this appraisal.

Full compliance with all applicable federal, state and local environmental regulations and laws is assumed unless noncompliance is stated, defined and considered in the appraisal report.

Full compliance with all applicable zoning and use regulations and restrictions are assumed unless nonconformity has been stated, defined and considered in the appraisal report.

That all required licenses, consents or other legislative or administrative authority from any local, state or national government, private entity or organization have been obtained or renewed for any use on which the value estimated contained in this report is assumed.
ASSUMPTIONS AND LIMITING CONDITIONS (CONT'D)

Possession of this report, or copy thereof, does not carry with it the right of publication, nor may it be used for any purpose by anyone but the Appraiser, and in any event, only with proper qualifications. Disclosure of the contents of this appraisal report is governed by the By-Laws and Regulations of the Appraisal Institute of Real Estate Appraisers. No part of the contents of this report (especially any conclusions as to value, the identity of the Appraiser, or the firm with which he is connected, or any reference to the Appraisal Institute of Real Estate Appraisers and or its designations) shall be disseminated to the public through advertising media or any other public means of communication without the prior written consent and approval of the Appraiser.

I am not required to give testimony or attendance in court by reason of this appraisal with reference to the property being appraised, unless arrangements and proper notification have been previously made. If the appraiser is subpoenaed pursuant to court order, the client will be required to compensate said appraiser for his time at regular hourly rates plus expenses.

The separate allocation between land and improvements, if applicable, represents my judgment only under the existing utilization of the property. A re-evaluation should be made if the improvements are removed or substantially altered, and the land utilized for another purpose. The separate valuations for land and building must not be used in conjunction with any other appraisal and are invalid if so used.

All information and comments concerning the location, neighborhood, trends, construction quality and cost, loss in value from whatever cause, condition, rents or any other data for the property appraised herein, represents the estimates and opinions of the appraiser formed after an examination and study of the property. Further, some of the assumptions made can be subject to variation depending upon evolving events. I realize some assumptions may never occur and unanticipated events or circumstances may occur. Therefore, actual results achieved during the projection period may vary from those in my report.

Any valuation analysis of the income stream has been predicted upon financing conditions as specified herein, which I have reason to believe are currently available for this property. Financing terms and conditions other than those indicated may alter the final value conclusions.

Expenses shown in the Income Approach, if used, are estimates only, and based on past operating history, if available. These are generally stabilized over a reasonable time period.
THE ASSIGNMENT
OBJECTIVE OF APPRAISAL

DEFINITION OF MARKET VALUE

Market Value is defined as:

Market value means 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 own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto, and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

* This example definition is from regulations published by federal regulatory agencies pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989 between July 5, 1990, and August 24, 1990, by the Federal Reserve System (FRS), National Credit Union Administration (NCUA), Federal Deposit Insurance Corporation (FDIC), the Office Thrift Supervision (OTS), and the Office of Comptroller of the Currency (OCC). This definition is also referenced in regulations jointly published by the OCC, OTS, FRS, and FDIC on June 7, 1994, and in the Interagency Appraisal and Evaluation Guidelines, dated October 27, 1994.

IDENTIFICATION AND LOCATION OF THE SUBJECT PROPERTY

The subject site is presently improved to an asphalt parking lot with painted lines. The property is located at 112 2nd Street W., Muscatine, Iowa. The property is situated on the southeast side of 2nd Street, approximately 2 blocks north of the Mississippi River.

DATE OF VALUATION

The date of valuation reflected in this appraisal report is September 22, 2014 which represents the physical inspection date of the property. The report was completed on October 3, 2014.
IDENTIFICATION OF THE PROPERTY RIGHTS OF VALUATION
The property rights appraised are Fee Simple Interest.
Fee Simple Interest is defined as:
An absolute fee; a fee without limitations to any particular class of heirs or restrictions, but subject to the limitations of eminent domain, escheat, police power, and taxation. This is an inheritable estate.

INTENDED USE AND USERS OF THE APPRAISAL
The purpose of the appraisal is to estimate the market value of the subject property. The function of the appraisal is to determine market value for investment purposes. The intended user of this report is Rebecca Howe, President; Riverview Hotel Development. It should be noted that this is a summary report. This assumes that the intended user of this report is knowledgeable about the appraisal process and the market data in the immediate area.

SCOPE OF APPRAISAL
This report has been prepared for the sole purpose of estimating the market value. In keeping with this function, the value of the real estate has been estimated according to: the limiting instructions, assumptions, and hypothetical conditions that are set forth in this report; the various applicable ordinances, statutes and court decisions establishing the legal parameters for this type of valuation and the local customs, usages and practices relating to this type of valuation.

In preparation of this report I have:
1. Personally inspected the subject property and interviewed representatives associated with this property. The description of the improvements is based upon the appraiser's personal inspection, and information supplied by the owner or his agent.
2. The site data is based upon the appraiser's personal inspection and/or other public records and documents. Appraiser reviewed applicable zoning maps, ordinances and statutes, and applicable flood maps.
3. An investigation and analysis was made to determine the property's Highest & Best Use. This included consideration to the present and anticipated future use, market trends in the surrounding areas, the property's physical characteristics, and economic feasibility factors for various development or redevelopment alternatives for the property.
4. If deemed appropriate and necessary to the valuation assignment, the Cost Approach will be employed. The replacement cost new will be calculated with the assistance of Marshall & Swift Valuation Services. Physical, functional and external obsolescence will be measured and subtracted from the cost new. The estimated market value of the underlying land is based upon a Sales Comparison Approach, using the adjusted sales information of other similar parcels.
5. If deemed appropriate and necessary to the valuation assignment, the Income Approach will be employed. Information of similar properties, which are currently under lease or for rent, has been gathered and analyzed. When necessary, adjustments to the rental rate of these comparable properties are made in order to determine the applicable rental rate for the subject property. This income, less expenses, is necessary to maintain the investment and has then been capitalized to determine a value estimate. Capitalization rates have been extracted from the sales of similar properties and/or have been estimated utilizing the band of investment based upon current economic conditions, with consideration given to the amount of risk involved in the ownership of the property.

6. If deemed appropriate and necessary to the valuation assignment, the Sales Comparison Approach will be employed. Information regarding the sales of similar improved properties in similar locations has been gathered and analyzed. When necessary, adjustments to these sales are made in order to compensate for any variances between the sales and the subject property. All sales have been inspected and verified, whenever possible, to ensure the information is correct.

7. The various approaches to value will be analyzed and compared. The most specific factors affecting the marketability of the subject property will allow the appraiser to assign the greatest weight to the most appropriate indication of value. Based upon this process, I have estimated the Market Value of the subject property.

8. Market data, with regard to comparable land, rental, and improved sales, was collected and confirmed by one or more sources, including real estate brokers, buyers, sellers, attorneys, public records, etc. Those comparables most similar were then compared to the appraised property and, where necessary, adjustments were made in order to arrive at an indication of value for the appraised property.

I have not appraised this property in the last three years.

The scope of the Appraisal is subject to all the assumptions and limiting conditions set forth within this appraisal report.
THE DATA
NEIGHBORHOOD DATA

Boundaries:
Subject property is located in the central downtown business district of Muscatine. Neighborhood could best be described as urban.

Neighborhood is bounded by the highway 61 bypass to the north and west, and the Mississippi River to the east and south. Park Ave and Grandview Ave are the main arteries leading to the downtown business district. Neighborhood is 40% commercial, 40% single family, 5% multi family, 5% industrial, and 10% vacant. Surrounding use includes a mixture of retail, light industrial, small commercial, warehouse shops, restaurants, and service oriented businesses. The downtown business district has seen increased investment in past several years in an attempt to revitalize and increase traffic to the immediate area.

The residential properties that border the area are in the $40,000 to $80,000 range.

Access and Utilities:
There is public water, electricity, gas, and public sewer to the lot.

Zoning:
There are a number of zonings in the area. Most have a residential, commercial, light industrial, or multi family zoning. The commercial zoning is mostly along the heavily traveled thoroughfares and the multi family zoning tends to buffer the single family properties from this use.

Trends:
Subject property is located in south central Muscatine. The subject is located near numerous downtown commercial and multi-family residential developments. The commercial use is generally on the first or lower floors, while apartments or lofts have been developed on the upper floors. The subject property meets a definite need of the surrounding properties for off-street parking. There have been a number of remodeling/refurbishing projects in the area over the past several years. Due to general economic conditions, many of the manufacturing companies have seen a drop in activity and have announced layoffs. These layoffs, along with the sale of Bandag, had an adverse effect on the housing market two to three years ago, but values currently appear to be stabilizing.
SITE DATA

Legal Description:
The subject property’s legal description is:
E % Lot 9, Block 11; Lot 8, Block 11; Part of Lot 7, Block 11 and Part of Lot 6 Block 11. Please see attached Plat
Parcel numbers: 1302226006, 1302226009, Part of 1302226012 and Part of 1302226014
The subject property is in census tract # 0509.00

Zoning:
According to the city of Muscatine, the property is zoned C-2 Central Commercial District. Commercial uses such as offices, retail and restaurants, as well as apartments, lofts and hotels are allowed in this zoning district.

Taxes and Assessed Value:
Taxes on the property are estimated to be $3,630 based on the taxes currently on the individual parcels. The estimated assessed value of the combined parcels is $102,000. No special assessments (per the Muscatine County Courthouse).

Property History:
There are no recorded transactions on the property in the last three years per the Muscatine County Courthouse. The last sale reported was on 01/03/1989 for $262,385 and included two or more separately assessed parcels.

Bearing Quality and Deed Restrictions:
No bearing quality survey has been provided to the appraiser. Appraiser makes no warranties on the bearing quality of the lot. There are no known deed restrictions on the property.
It would appear that the subject property is not in a HUD Special Flood Hazard area. This flood map number is 19139C0191C, zone X, dated 07/18/2011.
### DESCRIPTION OF IMPROVEMENTS

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<th>Parking Lot</th>
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<tr>
<td>Total Parking Spaces</td>
<td>66 Rentable Spaces</td>
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<tr>
<td>General Class of Construction</td>
<td>Asphalt Parking Lot</td>
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<td><strong>Building Summary</strong></td>
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<tr>
<td>Net Rental Area</td>
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<tr>
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<td>Effective Age</td>
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<tr>
<td>Foundation/Footings</td>
<td>Asphalt</td>
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<tr>
<td>Visible Contaminants</td>
<td>None Apparent</td>
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</table>

**Functional Utility:** This property is a multi-user parking lot. The lot is currently configured for 66 spaces. Lot is asphalt with highly visible markings. There is no external depreciation.

**Remodeling, Repairs, Deferred Maintenance:** Overall condition of the property is good. There are no repairs or modernization needed at this time. Little functional obsolescence or physical deterioration apparent.

**Overall Rating**

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<th>Good</th>
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<tr>
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<tr>
<td>Design/ Layout</td>
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<td>Exterior Condition</td>
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<td>Interior Condition</td>
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<tr>
<td>Site Improvement</td>
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**Site Improvements**

Asphalt, 66 Parking spaces; painted lines. Signage reserving individual lots.
REASONABLE EXPOSURE OR MARKETING TIME

When appropriate, a reasonable exposure time for the subject property must be estimated. Reasonable exposure time is defined within the 2002 Uniform Standards of Professional Appraisal Practice, Statement number 6, page 92 as:

"the estimated length of time 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; a retrospective opinion based upon an analysis of past events assuming a competitive and open market"

The Uniform Standards of Professional Appraisal Practice also requires the estimate of a reasonable marketing time for the subject property when appropriate. Reasonable marketing time is defined in Advisory Opinion AO-7, page 138 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 subject property is considered a class "A" commercial use. That is, it is situated adjacent to major commercial corridors, which obtain the greatest demand. Within the immediate market area, there are three multiple listing services (Muscaline, Quad City Association, & a Commercial Overlay system). In addition to these services, a large percentage of commercial agents utilize LoopNet, a commercial listing site found at www.loopnet.com. I have reviewed data from these sites, as well as interviewed many commercial brokers and property managers. Given the characteristics of the subject improvements, the estimated marketing time and exposure time is 18 to 24 months.
HIGHEST AND
BEST USE
HIGHEST AND BEST USE

The principle of Highest and Best Use, as briefly defined by the Appraisal Institute, is:

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

A number of factors within this definition must be considered when analyzing Highest & Best Use. These factors include:

1. The Legality of the use
2. The Physical possibility of the use
3. The Financial feasibility of the use
4. The Maximum productivity of the use

Other factors that are also given consideration include the existing improvements within the subject area, the location, size and shape of the site for access and exposure, existing zoning designation, the physical condition of the subject improvement and overall real estate trends in the area.

Further employment of the Highest & Best Use must be considered when the subject real estate is improved, in which case the subject real estate is then analyzed on the basis of:

I. Highest and Best Use “As Vacant Land”
II. Highest and Best Use “As Improved”

In each situation, the four criteria listed above must be analyzed and considered in arriving at a reasonable conclusion of the Highest and Best Use of the subject real estate. Therefore, the following factors have been considered for the subject real estate on each of the above factors, and have been set forth on the following pages.
Highest & Best Use “As Vacant Land”

Highest and best use of the land (or site), as though vacant, assumes that a parcel of land is vacant or can be made vacant by demolishing the improvements. When a reasonable forecast of a property's highest and best use indicates a change in the near future, the present highest and best use is considered an interim use. That is best illustrated by vacant farmland in the path of urban growth. Consideration is given to the following in my analysis.

Physical Possibility of Use:

No engineering reports or environmental assessments were supplied in conjunction with this assignment. In the absence of same, it is assumed that the site is environmentally clean, and has the load bearing capacity to support the type of construction typically found in the area. The size, shape, and terrain of the site are considered to be adequate. The frontage and egress is adequate and is zoned to allow for construction of a commercial property for general retail, wholesale nature, and/or service facility. All public utilities are available at the site.

Legality of Use:

The subject site is zoned C-2 Central Commercial District. Since the area is mostly retail, service and light industrial in nature, the commercial use is considered to be the most legal and practical zoning.

Financial Feasibility of Use:

The subject site is located in an area that is primarily commercial or multi-family in use. There are a number of different types of commercial uses that could be placed on the property. Office, service, or retail use would be possible.

Maximally Productive Use:

Considering the nature of the area, and the approved development nearby, commercial development is considered to be the maximally productive use. The subject's current use as a parking lot is likely the current highest and best use, with future transition to retail/service or additional parking likely.

CONCLUSION

The Highest and Best Use of the subject property as vacant is for commercial development, according to the present zoning.
THE COST APPROACH
COMMENTS ON COST APPROACH

The Cost Approach to value is based upon the principle of substitution, that is, a purchaser would pay no more for the improved property than the cost of developing a new property. The Cost Approach to value is estimated by the summation of the land, site improvements and the depreciated cost of the improvement.

The accuracy of the Cost Approach is dependent upon the information available in estimating land value, the replacement cost of the improvement and the amount of depreciation accrued on the improvement.

The Cost Approach is most accurate when there is good indication of land value from recent sales and when improvements are newer, represent the highest and best use, and do not suffer from significant functional or external depreciation. The land value is well supported. Cost new figures are derived from Marshall & Swift Cost Handbook and are considered to be accurate. Since the subject property has little apparent depreciation, the Cost Approach should offer a good estimate of current market value.

Replacement cost is the estimated cost to construct, at current prices as of the effective date of the appraisal, a parking lot with utility equivalent to the site being appraised, using modern material, and current standards, design and layout (Appraisal of Real Estate Thirteenth Edition).
Cost Approach - 112 2nd St W.
Parking Lot

<table>
<thead>
<tr>
<th>Sq.Ft.</th>
<th>Cost</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>GBA</td>
<td>22,433</td>
<td>$4.15</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$93,096.95</td>
</tr>
</tbody>
</table>

Total Cost New $93,096.95

Depreciation

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<tr>
<th></th>
<th>Physical</th>
<th>10%</th>
<th>$9,309.70</th>
</tr>
</thead>
<tbody>
<tr>
<td>Functional</td>
<td>0%</td>
<td>$ -</td>
<td></td>
</tr>
<tr>
<td>External</td>
<td>0%</td>
<td>$ -</td>
<td></td>
</tr>
</tbody>
</table>

Total Depreciation $9,309.70

Dep. Value of Improvement $83,787.25

Bumpers / Signage $4,750.00
Land Value $157,000.00

Indicated Value by Cost Approach $245,537.25

SAY $245,500
INCOME APPROACH
ESTIMATE OF VALUE BY THE INCOME APPROACH

The Income Approach is a method of estimating the Market Value of a property based upon its estimated income producing capabilities over its estimated remaining life.

The Income Approach gives consideration to the net income expectancy from rental of the property. This income is capitalized in accordance with prevailing returns on properties or investments of similar risks to determine the amount at which ownership would be justified by a prudent investor.

Forecasting the gross earning potential of the property under prevailing and foreseeable market conditions, future benefits can be estimated. Appropriate allowances for operating expenses, based on the prevailing and foreseeable market, are then deducted from gross earnings. This process will result in an estimate of net monetary benefits to ownership, which will then be capitalized into a present worth.

The procedure used in the Income Approach is summarized as follows:

1. Estimate the Annual Gross Potential Rental Income, by market analysis, which the property is capable of producing.
2. Deduct an appropriate Vacancy Loss Factor and Rental Concessions to arrive at an Estimated Effective Gross Income.
3. Estimate and stabilize the annual expense incurred by the property by utilizing historical operating statements and projected budgets. The annual expenses are then deducted from the Estimated Effective Gross Income to arrive at the Estimated Net Operating Income.
4. Capitalize the Estimated Net Operating Income before recapture at an appropriate rate to reflect interest and recapture (return on and return of the investment) to yield a value indication.
ANALYSIS OF MARKET RENT

To develop this approach, the economic rent of the property must be determined.

Based on interviewing participants in the market from throughout the area and having them share with me their income and expense figures, it is my opinion that the subject property would have an economic rent in the $35 to $45 per space per month.

EXPENSE PROJECTIONS

Economic Vacancy:

A survey of property managers, real estate brokers and commercial lenders, indicates vacancy rates vary from four to ten percent for commercial use. The subject property is good condition. A vacancy rate of 5% will be used due to the lack of available parking in the central commercial district.

Management:

The management fee is the cost of having a professional management company manage the day-to-day operations of the subject property. According to several property managers, as well as financials of similar properties, these fees vary from 2 percent to 5 percent of the effective gross income. For the purpose of this report 4% will be used.

Operating Expenses:

This category includes utilities such as water and common electric. Parking lots have limited operating expenses such as liability insurance and basic repairs and maintenance.

Real Estate Taxes:

Real Estate Taxes on the combined parcels is estimated to be $3,630 per year based on the 2013 assessments.

Replacement Reserves:

Typically, a reserve for replacement account should be between 2 percent and 4 percent of the projected income. A $901.92 figure for reserves (2%) will be used. $602 per year set aside at 5% would provide $19,955 at the end of a 20 year period. This could be used for resurfacing, repainting and updated signage.
CAPITALIZATION ANALYSIS

In estimating the value of the subject property by the Income Approach, I utilized the Band of Investment Capitalization technique, predicated upon a 75% loan to value ratio, with a twenty year amortization. Interest rates have been stable to decreasing over the last thirty to sixty days, but appear to be stabilizing, if not slightly moving upwards. After interviewing several commercial lenders, I believe an appropriate rate for a commercial site like the subject property would be five percent (5%). A mortgage rate of five percent has a mortgage constant of .09024. It is my opinion that this property would command a 9.0% return to equity to attract capital. The capitalization rate is calculated as follows:

\[ \text{.09024 x 75\%} = 0.0714 \]
\[ \text{.0900 x 25\%} = 0.02250 \]
\[ \text{.0939} \]

Say 9.5%

Anticipated income over a period of time is then calculated into present dollars, with a capitalization rate of 9.5%.
Income Approach

Economic Rent:
Parking Spaces 66 $ 480.00 = $31,680.00
$ - $0.00
$ - $0.00

Gross Annual Rent $31,680.00

Less Vacancy & Credit Loss 5% $ 1,584.00

Gross Effective Income $30,096.00

Expenses:
Taxes $ 3,630.00
Repairs $ -
Reserves 2% $ 601.92
Management 4% $ 1,203.84
Insurance $ 500.00

Total Expenses $ 5,335.76

Net Operating Income $24,160.24

Cap Rate 9.50%

Value by Income Approach $ 254,318.32

Say $254,000
THE SALES COMPARISON APPROACH
THE SALES COMPARISON APPROACH

The Sales Comparison Approach is a method of estimating the market value of a property by comparison of actual sales of similar properties to the property under appraisal. The major premise of the Sales Comparison Approach is that the market value of a property is directly related to the prices of comparable, competitive properties. The Appraisal of Real Estate, 13th Edition, pages 367 and 368, sponsored by the Appraisal Institute, states:

"The concepts of anticipation and change, together with the principles of supply and demand, substitution, balance, and externalities, are basic to the sales comparison approach. Guided by these principals, an appraiser attempts to consider all issues relevant to the valuation problem in a manner that is consistent and reflects local market conditions".

SUPPLY AND DEMAND:

"Property prices are determined by the market; they result from negotiations between buyers and sellers. Buyers constitute market demand and properties offered for sale make up the supply. If the demand for a particular type of property is high, prices tend to increase; if demand is low, prices tend to decline. Shifts in the supply of improved properties frequently lag behind shifts in demand because supply is created by time-consuming construction and reduced by conversion to other uses, while satisfyable demand can be changed rapidly. The analysis of real estate markets at a specific time may seem to focus on demand, but the supply of properties must also be considered...".

SUBSTITUTION

"As applied in the sales comparison approach, the principle of substitution holds that the value of a property tends to be set by the price that would be paid to acquire a substitute property of a similar utility and desirability within a reasonable amount of time. This principle implies that the reliability of the sales comparison approach is diminished if substitute properties are not available in the market".

BALANCE

"The forces of supply and demand tend toward equilibrium, or balance, in the market, but absolute equilibrium is almost never attained. The balance between supply and demand changes continually. Due to shifts in population, purchasing power, and consumer tastes and preferences, demand varies greatly over time. The construction of new buildings, conversion to other uses, and demolition of old buildings cause supply to vary as well...".

EXTERNALITIES

"Positive and negative external forces affect all types of property. A period of economic development or economic depression influences property values...".

The appraiser has made a survey to obtain sales and offerings of properties which were similar to the subject property in improvement, age, style and design, quality of workmanship, materials of construction, building construction, utility and amenities. No verifiable sales of improved parking lots were found. Unimproved commercial land sales were analyzed, and then the estimated cost new to improve the site to the subjects use was added.
INDICATION OF LAND VALUE

The subject site consists of 22,433 square feet MOL or 0.515 acres MOL, zoned C-2 Central Commercial District to allow for commercial use, and is situated in Muscatine Iowa.

In estimating the value of the subject site as though vacant and available for development, the market was researched for sales and current offerings of vacant land in general proximity to the subject. The following sales were reviewed and analyzed in order to estimate the value of the subject land.

<table>
<thead>
<tr>
<th>Date</th>
<th>Address</th>
<th>Sq. Ft.</th>
<th>Sale Price</th>
<th>S.P./S.F.</th>
</tr>
</thead>
<tbody>
<tr>
<td>10/01/2010</td>
<td>3010 University Muscatine</td>
<td>78,408</td>
<td>$500,000.00</td>
<td>$6.37</td>
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<tr>
<td>12/4/2002</td>
<td>Oakview Plaza Lot 2 Muscatine</td>
<td>93,654</td>
<td>$400,000.00</td>
<td>$4.27</td>
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<tr>
<td>5/31/2007</td>
<td>Lot 10 North Port Muscatine</td>
<td>110,729</td>
<td>$490,000.00</td>
<td>$4.43</td>
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<tr>
<td>12/21/2004</td>
<td>3604 University Muscatine</td>
<td>52,764</td>
<td>$360,320.00</td>
<td>$7.00</td>
</tr>
<tr>
<td>9/27/2011</td>
<td>Lot 2 &amp; 3 University Development Muscatine</td>
<td>50,094</td>
<td>$130,000</td>
<td>$2.59</td>
</tr>
</tbody>
</table>

SITE VALUATION AND CONCLUSIONS

The subject property is in a good location and supply is extremely limited. The site is located near the center of the downtown central commercial district. The comparable sales listed above, as well as other sales in the appraiser’s data file, conclude that the subject site value ranges between $2.59 and $7.00 per square foot. Over the past several years the downtown business district has seen an increase in investment for urban renewal, and available land is in very limited supply in this section of Muscatine. The high end of the range will be used.

\[
22,433 \times \text{sq. ft.} \times 7.00 = 157,031 \\
\text{Say $157,000 Unimproved}
\]

Estimated Cost of Improvements: $86,535 after depreciation

Total estimated value by the sales comparison approach $245,535

Say $246,000
CONCLUSIONS
RECONCILATION OF ANALYSIS

The subject property is an existing parking lot, currently part of 4 separate parcels. The property is zoned C-2 Central Commercial District, with the use as commercial deemed to be the highest and best use. Analysis of the subject property by the Cost Approach, Income Approach and Sales Comparison Approach has resulted in the following range of value indications for the subject property under the "AS IS" premise.

<table>
<thead>
<tr>
<th>Method</th>
<th>Value (K)</th>
</tr>
</thead>
<tbody>
<tr>
<td>COST APPROACH</td>
<td>$245,500</td>
</tr>
<tr>
<td>INCOME APPROACH</td>
<td>$254,000</td>
</tr>
<tr>
<td>SALES COMPARISON</td>
<td>$246,000</td>
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</tbody>
</table>

The Cost Approach is most accurate when the subject property is newer. The subject property was developed as a parking area in 1981. Parking lots depreciate at a slower rate than single-family or commercial buildings due to their lack of mechanicals and structures. This approach should give a good indication of value. The cost figures have been well supported and there have been some recent land sales in the area. This approach will be combined with the income approach as the main indicators of market value.

The Income Approach reflects the value of the subject property based upon its income producing capabilities. The theory of the Income Approach is that the current value of a property is reflected by the present worth of the net income it will produce over its remaining economic life. The value indicated by this approach is therefore based upon an investment analysis and reflects what a purchaser/investor would pay predicated upon the property's net income producing capabilities. Real estate investors base their decisions upon economic factors that are market oriented and are concerned with net income producing capabilities.

Sales Comparison Approach reflects the value of the subject property based upon an analysis of recent sales of similarly improved properties within the subject area. The Sales Comparison Approach is considered to be the most important approach to value because it reflects the actions of buyers and sellers of comparable properties (both owner/user and investor). The approach to value exemplifies the basic principle of substitution (no purchaser will pay more for a property than the cost of acquiring a comparable property). There were no comparable sales of existing parking lots, so the value of unimproved land was added to the depreciated cost of the improvements to derive the current estimate of market value. Due to the lack of comparable parking lot sales, this approach to value will not be given as much weight.

Based on the analysis of the aforementioned approaches to value and the data contained in this appraisal report, it is my opinion that the Market Value of the fee simple estate, as of September 22, 2014 is:

$250,000

Two Hundred Fifty Thousand Dollars
ADDENDA
Mr. Koester:

I left a message with your secretary yesterday afternoon. Dan Stein
of Central State Bank in Moline, Illinois recommended you as a commercial
appraiser.

This email provides more details on the project.

Revivew Hotel Development is building a hotel/conference center and
parking garage in the heart of downtown Muscatine on the riverfront.
We are in the process of purchasing 3 parcels in this area which
require appraisal. The parcels are as follows:

1. Parking Lot: 112 W. 2nd Street. Parcel ID: 1302226009 Brief tax description: Lot # Block 11
2. Building that will be converted into conference center: 129 W. 2nd Street. Parcel ID: 0335450014 Brief tax description: E 1/3 lot
3. Lot where hotel will be built: 116 W. Mississippi Drive. Parcel ID: 1302226031. Brief tax description: Lots 1, 2 & W 16 lot 3 Block 11

I would like to get appraisals done on these parcels as soon as possible.

In addition, we have one other property we are looking at. It is the
old shoe factory. Address is 215 W. Mississippi Drive, Muscatine 52761.
I believe it is now called the Pearl City Chop House. There was an
appraisal done in
2010 by another appraisal company which I should be able to get access
to in the next few days. Is there a way to a high level (rough) review
of the appraisal without entering the facility? We are not sure we
are going to buy this parcel and don't want to get the buyer's hopes
up if we choose not to. In 2010 as I understand it was appraised
at $500K which appears high to me.

Please contact me at your earliest convenience to schedule the
appraisals and so that I can answer any questions you may have
regarding this project.

I look forward to working with you.

Thanks in advance.

Rebecca Howe
President
Revivew Hotel Development
www.revivewhoteld.com
877-331-3109
RICHARD J. KOESTNER, S.R.A.
Davenport, Iowa 52807

STATE LICENSING:

IOWA:
General Residential Real Estate Property Appraiser
Certificate # CG01608
FHA approved
Real Estate Broker/Office # B05061000

ILLINOIS:
Certified General Real Estate Appraiser
License # 553.001427
FHA approved

MEMBERSHIP:
Membership in professional and technical organizations related to appraisal activities.

REALTOR:
State of Iowa Realtor of the Year 1999
Omega Tia Ro 1999
Iowa Association of Realtors, State President 1997-98
Greater Davenport Board of Realtors, President 1987
Iowa Appraiser Examining Board Chair 2005
NAR Appraisal Committee Chair 2008

APPRaisal:
Appraisal Institute - 1987 to present
S.R.A.-Senior Residential Appraiser Designation
2006 Board of Director of Iowa Chapter Appraisal Institute
2008 Iowa Chapter President
- Served on Professional Standards Committee and Candidate Guidance
- Approved Instructor for the Appraisal Institute

EDUCATION:
Formal Education:
University of Iowa, Iowa City, Iowa 1973-1977

BBA in Marketing and Real Estate

Assumption High School, Davenport, Iowa 1969-1973
Professional and Technical Appraisal Courses:

Iowa Chapter of the Appraisal Institute:
- The Value of Communication (Report Writing) June 2010
- Introduction to FHA Appraising March 2010
- Current Governmental Policies Affecting Real Estate November 2009
- Appraising Distressed Commercial Real Estate October 2009
- 7-Hour National USPAP Update Course April 2009
- The New Residential Market Conditions Form (P.M.) March 2009
- Appraisal of Residential Property for Foreclosure November 2008
- RE Appraising in Response to Financial and Economic Disaster

Iowa Real Estate Commission:
- Instructor Development Workshop June 2007

Appraisal Institute:
- National Uniform Standards of Professional Appraisal May 2007
  Practice
- FHA and the New Residential Appraisal Forms March 2007
- Basic Appraisal Procedures October 2006
- Real Estate Investment & Development September 2006
- The Road Less Traveled - Special Purpose Properties March 2006
- Course 11530 - Advanced Sales Comparison & Cost July 2005
  Approaches
- Course 810 Computer-Enhanced Cash Flow Modeling January 2004
- Rates and Ratios September 2003
- Course 420 Business Practices and Ethics July 2003
- Course 400 USPAP July 2003
- Land Valuation Assignments March 2003

Appraisal Institute:
- Advance Income Capitalization November 2001
  Boca Raton, FL

Appraisal Institute, Chicago, IL:
- General Report Writing, Course IL-VII April 2001

Appraisal Institute Online Courses:
- Online Appraisal Curriculum Overview - Residential December 2011

Iowa Association of Realtors:
- Appraising Atypical Properties March 2001

Illinois Real Estate Appraisal Examining Board:
- Appraising in 2011 with New Lending Reforms and November 2010
  Regulations
- Regression Analysis in Appraisal Practice October 2000

McGissock:
- USPAP #021-700 September 1999
- FHA & Appraiser Process July 1999
- AIREA May 1999

Iowa Chapter Appraisal Institute:
- Supporting Sales comps/Grid Adjustments May 1999
- Appraisal of Local Retail Properties May 1999

Appraisal Institute:
- Standards of Professional Practice, November 1995
  Part B, IL #820
- Numerous continued education classes from 1978-1994
Appraisal Conferences and Seminars:
Iowa Appraisal Examining Board
Peer Review Training
Culver Group
New Fannie Mae Forms

Appraisal Institute Iowa Chapter
Evaluating Residential Construction
Culver Group
USPAP
Appraisal Institute-Iowa:
The Ugly House-Counting the Cost
Appraisal Institute-Chicago Chapter:
Appraisal of Local Retail Properties

Appraisal Institute-Iowa Chapter:
Appraisal Sales Comparison Grid Adjustments for Residential Properties

Appraisal Institute-Rockford, Illinois:
Board of Realtors:
Fair Lending & The Appraiser
Des Moines Area Association of Realtors:
Iowa Commercial Real Estate Expo
Iowa Association of Realtors:
Fundamental of Investments
Drive By Appraisals
Appraisal Institute-Iowa Chapter:
Eminent Domain & Condemnation Appraising

Numerous conferences and seminars from 1982-1997

EMPLOYMENT HISTORY:

Koestner Realty Ltd., President 1975 to Present
Koestner Realty Ltd., is a family owned business established in 1951.

31 Years appraisal experience
Extensive in-house files and databases
Over 8,800 residential reports completed
Over 600 commercial reports - $100,000 to $6.1 million
100% of income is attributed to Real Estate Appraisal

MEMBERSHIP AND COMMITTEE WORK:

State of Iowa –
Chairman- 2 years
Chairman of Disciplinary Committee- 4 years

National Association of Realtors–
Director 1996-2001
Appraisal Committee 2005-2006
Appraisal Committee Chair 2008
Chair of Small Board Sub-forum 2001
Research Committee 1997-1999
Iowa Association of Realtors -
  Realtor of the Year 2010
  Realtor of the Year 1989
  Appraisal Committee Chair
  Mediation Chair
  Chaired six other committees and tasks forces
  State President 1998

American Institute of Real Estate Appraisers -
  Chapter Level -
  Candidate Guidance Committee
  National Level -
  Professional Standards Committee
  Residential Demonstration Appraisal Committee
  Grading Committee
  Chapter President 2009

Society of Real Estate Appraisers -
  Chapter Level -
  Research Committee
  Candidate Guidance Committee
  Vice President 1989-1990
  President 1991

Greater Davenport Board of Realtors -
  Chaired or Co-chaired nine committees
  President 1987
  Realtor of the Year 1988 and 1999
  Quad City Area Association Realtors Vice Chair 2009

Iowa Mortgage Bankers Association
  Co-chaired the Appraisers Ad Hoc committee 1996-1997

University of Northern Iowa -
  Member of Real Estate Education Program Advisory Council 2001-2006

Realtor Foundation -
  Vice President of Realtors Foundation 2004-2006
  President 2009

Fannie Mae -
  Iowa Partnership Advisory Committee

OUTSIDE INTERESTS AND ACTIVITIES:

  Council on Children at Risk (Board Member)
  East Davenport Little League (Board Member)
  Junior Achievement (11 years teacher)
  Habitat for Humanity - Quad Cities
  St. Paul the Apostle Church -
    Education Board 1996-1998
    Church Building Committee 1997
    Parish Council 2001 / Parish Council president 2003
SOURCES OF INFORMATION:

Koestner, McGivern & Associates belongs to 8 regional MLS systems in eastern Iowa, western Illinois, and western Iowa. These include the Greater Davenport Board of Realtors, Illinois Quad City Area Realtor Association, DeWitt Board of Realtors, Muscatine Board of Realtors, Burlington Board of Realtors, Fort Madison Board of Realtors, Council Bluffs Board of Realtors, and the Greater Omaha Association of Realtors. In addition to the MLS sources listed above, a database of 20+ years includes land, rental, and re-sale trends for most of our areas. In addition to these databases, memberships in the local Homebuilders, Chamber of Commerce, and other social/local charitable organizations are held. Both residential and commercial Marshall & Swift Cost Services are held, as well.

Additional information regarding our company, areas of coverage, services offered and other pertinent data can be found at our corporate web page:

WWW.MARKETVALUE.COM

Dick’s e-mail address is: Dick@marketvalue.com
STATE OF IOWA
IOWA DEPARTMENT OF COMMERCE
PROFESSIONAL LICENSING AND REGULATION

THIS IS TO CERTIFY THAT THE BELOW NAMED
HAS BEEN GRANTED A CERTIFICATE AS A
GENERAL REAL PROPERTY APPRAISER

CERTIFICATE NO. CG01608  EXPIRES: 6/30/2016

KOESTNER, RICHARD J
KOESTNER MCGIVERN ASSOC.
2208 E 52ND ST. SUITE B
DAVENPORT, IA  52807
Jason Meyer  
1619 Hickory Bend Ct.  
Dewitt, Iowa 52742

STATE LICENSING:

Iowa:  
Associate Real Estate Appraiser  
Certification: AG03088 issued October 19th, 2010  
Real Estate Broker #B32380000 Inactive (1991-1996)

PROFESSIONAL EDUCATION:

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<th>Date</th>
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<td>August 2010</td>
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<td>National Uniform Standards of Professional Appraisal Practice (USPAP)</td>
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<td>March 2011</td>
<td>National Uniform Standards of Professional Appraisal Practice (USPAP)</td>
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<td>March 2011</td>
<td>The Value of Communication (Report Writing)</td>
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<td>July 2011</td>
<td>The Uniform Appraisal Dataset</td>
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<td>Aug. 2011</td>
<td>Real Estate Finance</td>
<td>15</td>
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<tr>
<td>Aug/Nov 2011</td>
<td>General Appraiser Sales Comparison</td>
<td>30</td>
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<td>Nov 2011</td>
<td>Public Finance Crisis &amp; the effect on Real Estate</td>
<td>4</td>
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<tr>
<td>July 2012</td>
<td>General Appraiser Income Appr. Part 1</td>
<td>30</td>
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<tr>
<td>March 2013</td>
<td>National Uniform Standards of Professional Appraisal Practice (USPAP)</td>
<td>7</td>
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<tr>
<td>April 2013</td>
<td>General Appraiser Mkt. Analysis and Highest and Best Use</td>
<td>30</td>
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</table>
May 2013  General Appraiser Site Valuation
            And Cost Approach  30 hours
July 2013  Residential Report Writing  15 hours
Nov. 2013  Property Tax, Property Tax Reform and Real Estate Valuation  4 hours
March 2014  National Uniform Standards of Professional Appraisal Practice (USPAP)  7 hours
March 2014  Appraising Condos, Coops & PUDS  7 hours

EDUCATION:
1981-1985  BA — Marketing Management
            University of Northern Iowa
            University of Iowa

EMPLOYMENT:
2010-Present  Koeptner, McGurn & Associates
              Associate Appraiser
1995-2010  CEO/General Manager
            Dewitt Hardware Inc./U.S.Cellular-Dewitt

Organizations:
1997-Present  Treasurer — Dewitt Nite Lions
2008 – Present  Board Member — Dewitt DIDD Board
2011 – Present  Board of Trustees (Chairperson) — United Methodist Church, Dewitt
Dec. ’12—Present  Parish Relations — United Methodist Church, Dewitt
STATE OF IOWA
IOWA DEPARTMENT OF COMMERCE
PROFESSIONAL LICENSING AND REGULATION

THIS IS TO CERTIFY THAT THE BELOW NAMED
HAS BEEN GRANTED A REGISTRATION AS AN
ASSOCIATE GENERAL REAL PROPERTY APPRAISER

CERTIFICATE NO. AG03088       EXPIRES: 6/30/2015

MEYER, JASON T.
KOESTNER MCGIVERN & ASSOCIATES
2208 EAST 52ND STREET
DAVENPORT, IA  52807
Exhibit A.3: 215 W. Mississippi Dr.

APPRAISAL OF
215 W. MISSISSIPPI DRIVE
MUSCATINE, IOWA 52761

PREPARED FOR
Rebecca Howe, President
Riverview Hotel Development
6635 Chelsea Gardens Way
Cumming, GA 30040

DATE OF VALUATION: November 7, 2014
DATE OF APPRAISAL REPORT: November 15, 2014

PREPARED BY
RICHARD J. KOESTNER
KOESTNER, MCGIVERN & ASSOCIATES
2208 E. 52nd Street
Davenport, IA 52807
November 15, 2014

Ms. Rebecca Howe, President
Riverview Hotel Development
6635 Chelsea Gardens Way
Cumming, Georgia 30040

Re: 215 W. Mississippi Drive Muscatine, Iowa (Muscatine Button Factory)

Dear Ms. Howe:

According to your request, I am enclosing an appraisal of the building located at 215 W. Mississippi Drive, Muscatine, Iowa. This property is more fully described in the body of this report.

The purpose of this report is to estimate the market value of the fee simple interest of the property. This report does not value the restaurant equipment or fixtures located on the premises. This is a complete appraisal report in a summary format and is completed in conformance with USPAP January 1, 2014.

Please be advised that I have personally inspected the site and believe all information provided to me by others to be reliable.

The subject property consists of a 2 story building with 15,720 sq. ft. above grade. The property is currently used as a restaurant, bar and banquet facility with some additional offices on the 2nd floor. This building is situated on a lot with 30,033 sq. ft. or 0.69 acres. The building is zoned M-1 Light Industrial District.

As of November 7, 2014, it is my opinion that the subject property warrants a market value of:

Eight Hundred Ten Thousand Dollars

$810,000

Sincerely,

[Signature]

Richard J. Koestner
General Real Property Appraiser
Certification #: IA CG01608
Expiration date: 06/08/2016
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<th>Pages</th>
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</thead>
<tbody>
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<td>INTRODUCTION</td>
<td>4-14</td>
</tr>
<tr>
<td>Assumption and Limiting Conditions</td>
<td></td>
</tr>
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<td></td>
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<td></td>
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<td>Improvements</td>
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<td>Letter of Engagement</td>
<td></td>
</tr>
<tr>
<td>Qualifications</td>
<td></td>
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</tbody>
</table>
ASSUMPTIONS AND LIMITING CONDITIONS

The appraisal is subject to the ensuing limiting conditions:

1. The legal description is assumed to be correct.

2. I assume no responsibility for matters legal in character nor do I render any opinion as to the title, which is assumed to be free and clear of mortgages and under responsible ownership and competent management.

3. The plat of the property in this report may be included to assist the reader in visualizing the property. I have made no survey and assume no responsibility for its accuracy.

4. I believe that the information in this report which was furnished to me by others is correct and from reliable sources. A reasonable effort has been made to verify such information, but no responsibility is assumed for its accuracy.

5. That there are no hidden or unapparent conditions of the property, subsoil or structures which would render it more or less valuable is assumed. No responsibility is assumed for such conditions or for engineering which may be required to discover such factors.

6. Full compliance with all applicable federal, state and local environmental regulations and laws is assumed unless noncompliance is stated, defined and considered in the appraisal report.

7. Full compliance with all applicable zoning and use regulations and restrictions are assumed unless nonconformity has been stated, defined and considered in the appraisal report.

8. That all required licenses, consents or other legislative or administrative authority from any local, state or national government, private entity or organization have been obtained or renewed for any use on which the value estimated contained in this report is assumed.

9. Possession of this report or copy thereof, does not carry with it the right of publication, nor may it be used for any purpose by anyone but the Appraiser and in any event, only with proper qualifications.

10. Disclosure of the contents of this appraisal report is governed by the By-Laws and Regulations of the Appraisal Institute of Real Estate Appraisers. No part of the contents of this report (especially any conclusions as to value, the identity of the Appraiser or the firm with which he is connected, or any reference to the Appraisal Institute of Real Estate Appraisers and or its designation) shall be disseminated to the public through advertising media or any other public means of communication without the prior written consent and approval of the Appraiser.

11. I am not required to give testimony or attendance in court by reason of this appraisal with reference to the property being appraised unless arrangements and proper notification have been previously made.

12. The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. The separate valuations for land and building must not be used in conjunction with any other appraisal and are invalid if so used.
APPRAISER’S CERTIFICATE

1. That I have no interest, present or contemplated, in the subject property.
   I have not appraised this property in the past three years.
2. That neither the employment nor the compensation is contingent upon the value
   reported.
3. That I have personally inspected the property.
4. That to the best of my knowledge and belief, all statements contained in this report are
   true and correct and no important facts have been withheld or overlooked.
5. That this appraisal has been made in conformity with and is subject to the requirements
   of the Code of Professional Ethics and Standards of Professional Conduct of the
   Appraisal Institute of Real Estate Appraisers.
6. That no one other than those undersigned prepared the analyses, conclusions and
   opinions concerning real estate that are set forth in this appraisal.
7. That the Appraisal Institute of Real Estate Appraisers conduct a voluntary program of
   continuing professional education for its designated members under which I am certified.
8. The analyses, opinions and conclusions were developed, and this report was prepared,
   in conformity with the Uniform Standards of Professional Appraisal Practice (“USPAP”),
   except that the Department Provision of the USPAP does not apply.
9. My compensation is not contingent upon the reporting of predetermined value or direction
   in value that favors the cause of the client, the amount of the value estimate, the
   attainment of a stipulated result or the occurrence of a subsequent event.
10. This appraisal assignment was not based on a requested minimal valuation, specific
    valuation or the approval of a loan.
11. The value estimated is based on the assumption that the property is not negatively
    affected by the existence of hazardous substances or detrimental environmental
    conditions unless otherwise stated in this report. The appraiser is not an expert in the
    identification of hazardous substances or detrimental environmental conditions. The
    appraiser’s routine inspection of and inquiries about the subject property did not develop
    any information that indicated any apparent significant hazardous substances or
    detrimental environmental conditions which would affect the property negatively unless
    otherwise stated in this report. It is possible that tests and inspections made by a
    qualified hazardous substance and environmental inspector would reveal the existence of
    hazardous substances or detrimental environmental conditions on or around the property
    that would negatively affect its value.
12. I have not appraised this property or provided any real estate related services in the last
    three years.

That as of November 7, 2014, I have estimated the Market Value of the property to be:

$810,000
Eight Hundred ten Thousand Dollars

[Signature]
Richard J. Koestner
<table>
<thead>
<tr>
<th><strong>SUMMARY OF FACTS AND CONCLUSIONS</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Type of Property:</strong></td>
</tr>
</tbody>
</table>
| **Location:** | 215 W. Mississippi Drive  
Muscatine, Iowa |
| **Date of Appraisal:** | November 7, 2014 |
| **Date Prepared:** | November 15, 2014 |
| **Building Size:** | 15,720 Sq. Ft.  
8,460 Sq. Ft. 1st Floor + 7,260 2nd Floor |
| **Land Size:** | 30,033 Sq. Ft. or 0.69 Acres  
$150,000 $5.00/Sq. Ft. |
| **Land Value:** |  
M-1 Light Industrial District |
| **Ownership Interest Appraised:** | Fee Simple |
| **Value Indications:** |  
**Value by Cost Approach** $831,500  
**Value by Income Approach** $815,000  
**Value by Market Approach** $801,500  
**Final Estimate of Value** $810,000 |
East Side Looking Northwest from Chestnut Street

South Side of Subject
THE ASSIGNMENT
OBJECTIVE OF APPRAISAL
AND DEFINITION OF MARKET VALUE

Market Value is defined as:

Market value means 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 own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto, and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

* This example definition is from regulations published by federal regulatory agencies pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989 between July 5, 1990, and August 24, 1990, by the Federal Reserve System (FRS), National Credit Union Administration (NCUA), Federal Deposit Insurance Corporation (FDIC), the Office Thrift Supervision (OTS), and the Office of Comptroller of the Currency (OCC). This definition is also referenced in regulations jointly published by the OCC, OTS, FRS, and FDIC on June 7, 1994, and in the Interagency Appraisal and Evaluation Guidelines, dated December 10, 2010.
PROPERTY RIGHTS APPRAISED
The property rights appraised are Fee Simple Interest.
Fee Simple Interest is defined as:
An absolute fee; a fee without limitations to any particular class of heirs or restrictions, but subject to the limitations of eminent domain, escheat, police power, and taxation. This is an inheritable estate.

PURPOSE AND FUNCTION OF APPRAISAL
The purpose of the appraisal is to estimate the market value of the subject property. The function of the appraisal is to determine market value for investment and inventory purposes. This is a summary report. The intended user of this report is Rebecca Howe, President, Riverview Hotel Development.

SCOPE OF APPRAISAL
The appraiser will consider all factors that influence Market Value of the subject property and will determine Market Value by using the Market Approach to value. The appraisal will comply with U.S.P.A.P. and FIRREA.
The following data will be considered:
1) Recent land sales
2) Recent commercial building sales
3) Lease information
4) Study of absorption rates
5) Vacancy rates
6) Analysis of recent sales

EXTENT OF APPRAISAL PROCESS
The appraisal is based on the information gathered by the appraiser from public records, other identified sources, inspection of the subject property and neighborhood, and selection of the comparable sales within the subject market area. The original source of the comparables is shown in the Data Source section of the market grid along with the source of confirmation, if available. The original source is presented first. The sources and data are considered reliable. When conflicting information was provided, the source deemed most reliable has been used.
Data believed to be unreliable was not included in the report nor used as a basis for the value conclusion.
The Reproduction Cost is based on Marshall and Swift Cost Handbook and local data supplemented by the appraiser’s knowledge of the local market.
Physical depreciation is based on the estimated effective age of the subject property. Functional and/or external depreciation, if present, is specifically addressed in the appraisal report or other addenda. In estimating the site value, the appraiser has relied on personal knowledge of the local market. This knowledge is based on prior and/or current analysis of site and/or sales abstraction of site values from sales of improved properties. For income producing properties, actual rents, vacancies and expenses have been reported and analyzed. They have been used to project future rents, vacancies and expenses.
THE DATA
NEIGHBORHOOD DATA

Boundaries:
Subject property is located in the central section of the downtown business district of Muscatine, 1 block north of the Mississippi River. Neighborhood could best be described as urban.
Neighborhood is bounded by the Muscatine Bypass on the north and west, by the Mississippi River on the south, and by Park Avenue on the east. Neighborhood is 33% commercial, 45% single family, 5% multi-family and 15% industrial. Surrounding use includes a mixture of retail, small commercial shops, light industrial buildings, trending toward residential as you move north and west. There are numerous restaurants, bar & grills and small retail or retail service in the immediate area. The residential properties bordering the downtown business district are in the $45,000 to $60,000 range.

Access and Utilities:
There is public water, electricity, gas and public sewer to the lot. At the time of the inspection the building was occupied and utilities were in working order. The subject is located on W. Mississippi Drive which is also known as business route 61.

Zoning:
There are a number of zonings in the area. Most have a residential, multi-family, commercial, or light industrial zoning. The commercial zoning is mostly along the heavily traveled thoroughfares and the central business district. The multi-family zoning tends to buffer the single family properties from this use.

Trends:
Subject property is located in south central Muscatine. The commercial market has been relatively soft in the Muscatine area. The absorption rate has been increasing over the last two years. The subject property is inside the Highway 61 bypass. The traffic count along the subject's street is less than it had been in the past because through traffic in the area mostly uses the bypass. The past several years have seen increased investment in the downtown business district in an attempt to draw additional traffic into the immediate area. Most of the newer commercial development has taken place on the northeast side of Muscatine. Muscatine has also seen additional commercial investment along the Highway 61 bypass, with newer commercial buildings and higher rents. Because of this over-supply and anxious sellers, there has been downward pressure on the rents and values in many of the older, less desirable commercial buildings, with increasing absorption rates.
SITE DATA

Legal Description:
E 1/2 Lot 2 & Lots 3, 4 & 5 Block 10 Town of Muscatine
I have reviewed the Muscatine Assessor Information.
Parcel # 1302205019 & 1302205038

Utilities and Zoning:
According to the city of Muscatine, the property is currently zoned M-1 Light Industrial District. This district is intended to provide for development of retail and service commercial development with light industrial activities of a more general nature, and of service facilities serving a larger community trade. The size and location of the district shall be based on the relationship to the total community need and economy. There has been no survey completed on the property.

Taxes and Assessed Value:
The taxes on the property are $14,326 for both parcels. This is based on the 2013 assessment of $400,590. There are concrete streets, curbs and gutters. There are street lights and public sidewalks. No special assessments per the Muscatine County Courthouse.

Access:
Access to the subject is from Chestnut Street. The downtown business district is generally accessed via either Park Ave. or Grandview Ave. Most of the higher value range single family houses are on the north side of Muscatine, with most of the new development taking place in that area. The subject's neighborhood has seen increased investment over the past several years in an effort to revitalize the downtown business district.

Property History:
The property last transferred in June of 2011. There was no consideration because it was between family members or related parties. There were no arms length transactions in the last three years.

Bearing Quality and Deed Restrictions:
No bearing quality survey has been provided to the appraiser. Appraiser makes no warranties on the bearing quality of the lot.

It would appear that the subject property is not in a H.U.D. Special Flood Hazard Area. The flood map number is 19139C0191C, zone X, dated 07/18/2011. A copy of the flood map is included in this appraisal.
DESCRIPTION OF IMPROVEMENTS

<table>
<thead>
<tr>
<th>Type of Property</th>
<th>Commercial Restaurant &amp; Office Building</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Class of Construction:</td>
<td>Class C Average Grade Commercial Building</td>
</tr>
</tbody>
</table>

Building Summary

<table>
<thead>
<tr>
<th>Gross Building Area</th>
<th>15,720 Sq. Ft.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Rental Area</td>
<td>15,720 Sq. Ft.</td>
</tr>
<tr>
<td>Basement</td>
<td>10,368 Sq. Ft.</td>
</tr>
<tr>
<td>Actual Age</td>
<td>1849 - 165 Years</td>
</tr>
<tr>
<td>Effective Age</td>
<td>40 Years</td>
</tr>
<tr>
<td>Fencing</td>
<td>None</td>
</tr>
<tr>
<td>Landscaping</td>
<td>Around Entrance</td>
</tr>
<tr>
<td>Signage</td>
<td>Building &amp; Front of Parking Lot</td>
</tr>
<tr>
<td>Parking</td>
<td>On Site Parking- 21,300 sq. ft.</td>
</tr>
</tbody>
</table>

Gross Building Area:

<table>
<thead>
<tr>
<th>Office</th>
<th>4,860 Sq. Ft.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restaurant</td>
<td>10,860 Sq. Ft.</td>
</tr>
<tr>
<td>Total</td>
<td>15,720 Sq. Ft.</td>
</tr>
</tbody>
</table>

Basement

| Basement            | 6,460 Sq. Ft. storage/Garage |

Structure

<table>
<thead>
<tr>
<th>Foundation/Footings</th>
<th>Concrete/Rock</th>
</tr>
</thead>
<tbody>
<tr>
<td>Floor</td>
<td>Concrete</td>
</tr>
<tr>
<td>Wall</td>
<td>Concrete &amp; 18' Brick</td>
</tr>
<tr>
<td>Roof</td>
<td>Rubber membrane</td>
</tr>
<tr>
<td>Number of Buildings</td>
<td>One</td>
</tr>
<tr>
<td>Number of Stories</td>
<td>Two</td>
</tr>
</tbody>
</table>
Exterior Wall Finish
Brick

Windows
Thermo Pane Insulated

Exterior Doors
4 Overhead doors, 2 Main doors

Foundation
Concrete/Rock

Rest Rooms
3 baths 19 fixtures

Break Room
Ceiling, Walls

Equipment & Mechanical
6. Forced Air gas fired furnaces with CAC
Roof/lop

Adequate

Sprinkler System
None

Elevator
One

Other
None

Site Improvements
Concrete Lot

Paving
None

Fencing
Average

Landscaping
Monument Sign

Signage
None Noted

Visible Contaminants
Average

Functional Utility
Visible Contaminants: No Warranties implied

Land to Building Ratio: 1.91

Functional Utility: Average

The first floor restaurant would seat close to 160 and the upper level would be close to 90. The south side of the building has a view of the Mississippi River.

Remodeling, Repairs, Deferred Maintenance: Building is in good condition. Minor repairs and maintenance may be needed. Basic utilities and amenities are in working order.

The property includes no furniture, fixtures or personal property.

Overall Rating

<table>
<thead>
<tr>
<th></th>
<th>Good</th>
<th>Average</th>
<th>Fair</th>
<th>Poor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality of Construction</td>
<td>X</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Design/ Layout</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exterior Condition</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interior Condition</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Site Improvement</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>

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REASONABLE EXPOSURE OR MARKETING TIME

When appropriate, a reasonable exposure time for the subject property must be estimated. Reasonable exposure time is defined within the 2014 Uniform Standards of Professional Appraisal Practices, Statement number 6, page U-2 as:

"the estimated length of time 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; a retrospective opinion based upon an analysis of past events assuming a competitive and open market."

The Uniform Standards of Professional Appraisal Practice also requires the estimate of a reasonable marketing time for the subject property when appropriate. Reasonable marketing time is defined in Advisory Opinion A5-7, page A-13 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 subject property is considered a class "B" commercial use. That is, it is situated adjacent to major commercial corridors, which obtain the greatest demand. Within the immediate market area, there are four multiple listing services (Muscattine, Davenport, Illinois Quad City Association, and a Commercial Overlay system). In addition to these services, a large percentage of commercial agents utilize LoopNet, a commercial listing site found at www.loopnet.com. I have reviewed data from these sites, as well as interviewed many commercial brokers and property managers. Given the characteristics of the subject improvements, the estimated marketing time and exposure time is 24 to 36 months. This absorption rate has increased over the last two years.
HIGHEST & BEST USE
HIGHEST AND BEST USE

The highest and best use of the property is defined as:
That reasonable and probable use that will support the highest present value as defined, as of the
effective date of this appraisal. That use from among reasonable, probable and legal uses found
to be physically possible, appropriately supported, financially feasible and which results in the
highest land value.

After considering this property's zoning, topography and nearby land use and general location, it
is my opinion that the subject's use as a commercial or industrial development will be its highest
and best use.

When estimating the highest and best use of a property, four basic questions must be addressed.
Is the use physically possible, is it legal, is it financially feasible and is it maximally productive.
The analysis includes consideration of the highest and best use as if vacant and as improved.

Physical Analysis:
The subject size, shape and topography should be considered. Lot slopes toward the Mississippi
River. The lot is adequate size. The site has the necessary access and zoning for
retail/commercial/industrial use. All public utilities are available and the subject is proximate to
most amenities necessary to support retail/commercial use. Access to the downtown business
district is favorable. The surrounding area indicates commercial or light industrial use.

Legal Analysis:
This lot is zoned M-1 Light Industrial District. This is defined under the site section of the report.
Proposed uses include a number of commercial or industrial uses. Demand for well located
commercial or industrial space is soft at the current time, but this would still be a legally
acceptable use.

Feasibility:
The subject property could be used for a retail/service or office use. In reviewing land use in the
neighborhood, there has been increased investment in the downtown retail/commercial district
over the past several years in an attempt to revitalize the neighborhood. The subject is currently
configured as retail/restaurant/office space with basic partitioning, high ceilings and adequate
lighting. This use is feasible, but the market is limited. It may also be feasible for the main floor
to be leased as retail/commercial and the second floor remodeled as office use.

Maximally Productive:
The maximally productive use would be as retail/service commercial use. Marketing the property
to retail, office or service companies would result in the use that is maximally productive. The
current use conforms to the highest and best use.
APPROACHES TO VALUATION

Common in the valuation of real estate, three approaches to value are used: the Cost Approach, the Income Approach, and the Sales Comparison Approach. From the indications of these, and the weight accorded to each, an opinion of value is reached based upon the judgment outlined throughout the appraisal process.

My methodology involving the appraisal of the subject property will include the following:

COST APPROACH
The Cost Approach is devoted to an analysis of the physical value of the property; that is, the current market value of the land (assuming it is vacant) to which the depreciated value of the improvements present on the site. The latter is derived based upon my estimate of the cost of the improvements, from which must be deducted accrued depreciation in terms of physical deterioration, functional obsolescence, and external obsolescence, if any. Physical deterioration measures the physical wearing out of the property as observed during my field inspection. Functional obsolescence reflects a lack of desirability by reason of layout, style, or design. External obsolescence denotes a loss in value from causes outside the property itself.

INCOME APPROACH
The Income Approach involves an analysis of the property in terms of its ability to provide a net annual income in dollars. The estimated net annual income is then capitalized at a rate commensurate with the relative certainty of its continuance and the risk involved in ownership of the property.

SALES COMPARISON APPROACH
The Sales Comparison Approach is based upon the principle of substitution; that is, when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming no costly delay in making the substitution. Since no properties are ever identical, the necessary adjustment for differences in quality, location, size, services, market appeal, etc. are a function of appraisal experience and judgment.
THE COST APPROACH
COMMENTS ON COST APPROACH

The Cost Approach to value is based upon the principle of substitution, that is, a purchaser would pay no more for the improved property than the cost of developing a new property. The Cost Approach to value is estimated by the summation of the land, site improvements and the depreciated cost of the improvement.

The accuracy of the Cost Approach is dependent upon the information available in estimating land value, the replacement cost of the improvement and the amount of depreciation accrued on the improvement.

The Cost Approach is most accurate when there is good indication of land value from recent sales and when improvements are new, represent the highest and best use, and do not suffer from significant functional or external depreciation. The property has been renovated but is effectively forty years old. Many estimates would have to be used for cost new and physical depreciation. This approach will be developed but given little consideration.

Replacement cost is the estimated cost to construct, at current prices as of the effective date of the appraisal, a building with utility equivalent to the building being appraised, using modern material, and current standards, design and layout (Appraisal of Real Estate Fourteenth Edition).

Marshall and Swift Cost Handbook was used to estimate square footage cost new. This square foot cost was under Commercial Buildings Class C Average Quality. This can be found under Section 13 Page 28. These figures were cross-referenced by local contractors.

External or economic depreciation was taken; this reflects the general economic conditions and the soft demand for industrial property. A simple age/life method of depreciation has been used. Subject had an effective age of 40 years and economic life of 80 years this would make physical depreciation 50%. There is a remaining economic life of 40 years.

There are no functional floor plan inadequacies.
<table>
<thead>
<tr>
<th>Date</th>
<th>Subdivision</th>
<th>Sq. Ft.</th>
<th>Sale Price</th>
<th>S.P./S.F.</th>
<th>Use</th>
</tr>
</thead>
<tbody>
<tr>
<td>12/22/2004</td>
<td>Lot 2 Cedars First Addn.</td>
<td>82,708.00</td>
<td>$369,320.00</td>
<td>$7.01</td>
<td>Culvers</td>
</tr>
<tr>
<td>10/1/2010</td>
<td>3010 University</td>
<td>78,408.00</td>
<td>$500,000.00</td>
<td>$6.38</td>
<td>Office</td>
</tr>
<tr>
<td>7/17/2002</td>
<td>Lot 1 Oakview Plaza</td>
<td>57,935.00</td>
<td>$380,000.00</td>
<td>$6.56</td>
<td>First National Bank</td>
</tr>
<tr>
<td>10/1/2010</td>
<td>Lot 1 Blain Farm &amp; Flew</td>
<td>78,408.00</td>
<td>$500,000.00</td>
<td>$6.38</td>
<td>Caseys</td>
</tr>
<tr>
<td>1/27/2011</td>
<td>Lot 1 Cedar's 2nd Addn.</td>
<td>111,514.00</td>
<td>$624,000.00</td>
<td>$5.60</td>
<td>Aldi's</td>
</tr>
<tr>
<td>6/21/2007</td>
<td>Lot 10 North Port</td>
<td>110,642.00</td>
<td>$490,000.00</td>
<td>$4.43</td>
<td>Hampton Inn</td>
</tr>
<tr>
<td>8/16/2013</td>
<td>Lot 8 Cedar Plaza</td>
<td>33,976.00</td>
<td>$150,000.00</td>
<td>$4.41</td>
<td>Medical Office</td>
</tr>
<tr>
<td>9/28/2008</td>
<td>3426 North Port Dr</td>
<td>139,828.00</td>
<td>$559,600.00</td>
<td>$4.00</td>
<td>Medical Office</td>
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</table>

Eight land sales in Muscatine were reviewed; there had been no recent land sales in the central business district of Muscatine but those sales were used for buildings with similar highest and best use.
## Cost Approach

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<tr>
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<th>Cost</th>
<th>Total Cost New</th>
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<td>$766,324</td>
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<td>Second Level</td>
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<td>Basement</td>
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<td><strong>Total Cost New</strong></td>
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<td><strong>$1,402,692.00</strong></td>
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Depreciation:
- Physical 50\% $701,346.00
- Functional 0\% $
- External 10\% $140,269.20

**Total Depreciation** $841,615.20

### Dep. Value of Improvement
- Site Improvement Porch, Parking Lot, Canopy $120,500.00
- Lot Value $150,000.00

**Indicated Value by Cost Approach** $831,576.80

Say $831,500
THE INCOME APPROACH
ESTIMATE OF VALUE BY THE INCOME APPROACH

The Income Approach is a method of estimating the Market Value of a property based upon its estimated income producing capabilities over its estimated remaining life.

The Income Approach gives consideration to the net income expectancy from rental of the property. This income is capitalized in accordance with prevailing returns on properties or investments of similar risks to determine the amount at which ownership would be justified by a prudent investor.

Forecasting the gross earning potential of the property under prevailing and foreseeable market conditions, future benefits can be estimated. Appropriate allowances for operating expenses, based on the prevailing and foreseeable market, are then deducted from gross earnings. This process will result in an estimate of net monetary benefits to ownership, which will then be capitalized into a present worth.

The procedure used in the Income Approach is summarized as follows:

1. Estimate the Annual Gross Potential Rental Income, by market analysis, which the property is capable of producing.
2. Deduct an appropriate Vacancy Loss Factor and Rental Concessions to arrive at an Estimated Effective Gross Income.
3. Estimate and stabilize the annual expense incurred by the property by utilizing historical operating statements and projected budgets. The annual expenses are then deducted from the Estimated Effective Gross Income to arrive at the Estimated Net Operating Income.
4. Capitalize the Estimated Net Operating Income before recapture at an appropriate rate to reflect interest and recapture (return on and return of the investment) to yield a value indication.
ANALYSIS OF MARKET RENT

To develop this approach, the economic rent of the property must be determined. The restaurant portion of the building is currently leased. The owner indicated that the rent is $4,500/month. This rent is just under $5.00/ per sq. ft. which is in the low range for leases on restaurants, but it does demonstrate concessions that are being made in a soft market. This property had been rented as high as $6,800 per month ($7.81/sq. ft.) to another lessee but that lessee was unable to make the restaurant viable. The current lease does call for increases; this will give the new tenant an opportunity to build the business.

The office area is currently not occupied and not being actively marketed. This office area had been used by the owner and consists of a storage area, three private offices and a work room. The office finish is good but it is on the second level and would require some minor work to separate from the 24th floor banquet area. Most downtown office rents I have found have been in the $4.00 to $6.00 per sq. ft. range. The owner has indicated that there has been interest in leasing and has had offers of $1,500 a month or about $3.70 per sq. ft. Again, this is on the low side of the range of rental values. It should be noted that there are currently a number of buildings that are currently vacant and offered for lease. I believe most investors would be conservative in their analysis and the lower rent range will be used. For the purpose of this report I will use the actual rents of the property and build an annual increase. The restaurant will start at its current rent of $4.97 and increase over a ten year period to $7.35, and the office will start at $3.70 and increase to $5.06.

EXPENSE PROJECTIONS

Economic Vacancy:
A survey of property managers, real estate brokers and commercial lenders, indicates vacancy rates vary from six to ten percent for class "B" or "C" commercial use. Since the subject property is in a smaller community, I will use the upper portion of the range, say 8%.

Management:
The management fee is the cost of having a professional management company manage the day-to-day operations of the subject property. According to several property managers as well as financials of similar properties, these fees vary from 3% to 7% of the effective gross income. I will use 5%.

Operating Expenses:
This category includes utilities such as water and common electric and heat, as well as other expenses. These expenses vary as some properties have common utilities paid by the landlord. Historical data, as well as pro-formas from competing buildings, are considered. If required, the operating expenses are included in overall expenses. In this instance it would be assumed that if the property is rented, the tenants would pay the operating expenses.

Real Estate Taxes:
Income Approach is based on the economic rent that would have the tenant pay 100% of the taxes. The real estate taxes of $14,326.00 would be paid by the tenant. This would be about $891 per sq. ft.
Replacement Reserves:
Typically, a reserve for replacement account should be between 2% and 6% of the projected income. I have utilized three percent (3%). $2,420 placed in a reserve for twenty years at 5% would yield $80,019 at the end of the term. This could be used for replacements or tenant improvements.

CAPITALIZATION ANALYSIS

In estimating the value of the subject property by the income Approach, I utilized the Band of Investment Capitalization technique, predicated upon a 75% loan to value ratio, with a twenty year amortization. After interviewing several commercial lenders, I believe an appropriate rate for a commercial building like the subject property would be six percent (6%). A mortgage rate of six percent has a mortgage constant of .08597. It is my opinion that this property would command a 10% return to equity to attract capital. This is slightly higher than the typical building, but since it is an older building and it is in a smaller community, I feel the higher rate is appropriate. I have also reviewed sales in the area and compared it to their potential gross income and feel a 9% cap rate is accepted in the market. The capitalization rate is calculated as follows:

\[
.08597 \times 75\% = .06448 \\
.10000 \times 25\% = .02500 \\
.08948
\]

Say 9.0%
**SUMMARY OF THE INCOME APPROACH**

The following worksheet calculates the Income Approach for the property. The Potential Gross Income for the building has been established through a review of the lease and is supported by comparisons of competing properties and leases. The vacancy rates have been applied as appropriate. Expenses for management and reserves have also been deducted.

The appropriate capitalization rate has been applied to the anticipated Net Operating Income. The indicated value of the Income Approach is $815,000.

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THE SALES COMPARISON APPROACH

The Sales Comparison Approach is a method of estimating the market value of a property by comparison of actual sales of similar properties to the property under appraisement. The major premise of the Sales Comparison Approach is that the market value of a property is directly related to the prices of comparable, competitive properties. The Appraisal of Real Estate, 14th Edition, pages 367 and 368, sponsored by the Appraisal Institute, states:

"The concepts of anticipation and change, together with the principles of supply and demand, substitution, balance, and externalities, are basic to the sales comparison approach. Guided by these principals, an appraiser attempts to consider all issues relevant to the valuation problem in a manner that is consistent and reflects local market conditions".

SUPPLY AND DEMAND:

"Property prices are determined by the market; they result from negotiations between buyers and sellers. Buyers constitute market demand and properties offered for sale make up the supply. If the demand for a particular type of property is high, prices tend to increase; if demand is low, prices tend to decline. Shifts in the supply of improved properties frequently lag behind shifts in demand because supply is created by time-consuming construction and reduced by conversion to other uses, while satisifiable demand can be changed rapidly. The analysis of real estate markets at a specific time may seem to focus on demand, but the supply of properties must also be considered..."

SUBSTITUTION

"As applied in the sales comparison approach, the principle of substitution holds that the value of a property tends to be set by the price that would be paid to acquire a substitute property of a similar utility and desirability within a reasonable amount of time. This principle implies that the reliability of the sales comparison approach is diminished if substitute properties are not available in the market"

BALANCE

"The forces of supply and demand tend toward equilibrium, or balance, in the market, but absolute equilibrium is almost never attained. The balance between supply and demand changes continually. Due to shifts in population, purchasing power, and consumer tastes and preferences, demand varies greatly over time. The construction of new buildings, conversion to other uses, and demolition of old buildings cause supply to vary as well..."

EXTERNALITIES

"Positive and negative external forces affect all types of property. A period of economic development or economic depression influences property values..."

The appraiser has made a survey to obtain sales and offerings of improved properties which were similar to the subject property in improvement, age, style and design, quality of workmanship, materials of construction, building construction, utility and amenities. Of the sales compiled during the appraiser's market survey, the following sales were considered the most comparable to the subject and have been utilized in the following market analysis of the subject property.
### Sales Comparison Approach

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Subject</th>
<th>Comparable 1</th>
<th>Comparable 2</th>
<th>Comparable 3</th>
</tr>
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<tbody>
<tr>
<td>Address</td>
<td>2131 N Morse Ave</td>
<td>2290 N Morse Ave</td>
<td>1413 Grandview Ave</td>
<td>417 E 2nd St</td>
</tr>
<tr>
<td>Property Type</td>
<td>Single Family</td>
<td>Single Family</td>
<td>Single Family</td>
<td>Single Family</td>
</tr>
<tr>
<td>Size</td>
<td>5,780 sq ft</td>
<td>5,780 sq ft</td>
<td>5,780 sq ft</td>
<td>5,780 sq ft</td>
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<tr>
<td>Bed</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Bath</td>
<td>2.5</td>
<td>2.5</td>
<td>2.5</td>
<td>2.5</td>
</tr>
<tr>
<td>Sale Date</td>
<td>9/12/2014</td>
<td>9/12/2014</td>
<td>9/12/2014</td>
<td>9/12/2014</td>
</tr>
<tr>
<td>Sale Price</td>
<td>$508,000</td>
<td>$508,000</td>
<td>$508,000</td>
<td>$508,000</td>
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<tr>
<td>Price/Sq Ft</td>
<td>$86.84</td>
<td>$86.84</td>
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<td>Value Adjustment</td>
<td>Description</td>
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</tr>
<tr>
<td>Location</td>
<td>Average</td>
<td>Good</td>
<td>Good</td>
<td>Good</td>
</tr>
<tr>
<td>Condition</td>
<td>Average</td>
<td>Average</td>
<td>Average</td>
<td>Average</td>
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<tr>
<td>Story</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Lot Size</td>
<td>10,720 sq ft</td>
<td>10,720 sq ft</td>
<td>10,720 sq ft</td>
<td>10,720 sq ft</td>
</tr>
</tbody>
</table>

**Analysis and Discussion of Sales Comparison Approach/Market Sales Conditions:**

The subject property was the Muncie Building located at 1413 Grandview Avenue. It has 5,780 square feet of office space in the main building, which was converted to a commercial building in 2008. The property was bought for $508,000, which is 10% below market value. It is zoned for commercial use and is located in the central business district of Muncie, Indiana.

### Adjustment for Time and Season

- **Adjustment for Time:** 24 to 30 months
- **Adjustment for Season:** 5%

**Market Value:**

$51.00 x 15,720 = $801,720

Say $801,500
COMPARABLE BUILDING SALE
2300 Park Ave., Muscatine, Iowa 52761

SALE PRICE: $265,000
ASSESS VALUE: $260,530
DATE SOLD: 12/14/2010
LOT SIZE: 42,293 .97 Acre
BUILDING AREA: 4,616 Sq. Ft.
LAND TO BLDG. RATIO: 9.15
PRICE PER SQ. FT.: $57.41
Doc. #: 2010-06449

GRANTOR: Barrington
GRANTEE: Tulip

LEGAL DESCRIPTION: Lot 7 & 8 S. 39.2' Lots 5 & 6 North Park
PROPERTY TYPE: Restaurant
ZONING: Commercial
CONSTRUCTION: Brick
YEAR BUILT: 1981
CONDITION: Average
HEATING/COOLING: HVAC
PLUMBING: 2 Baths

COMMENTS: Restaurant converted to office after sale,

SOURCE OF VERIFICATION: Assessor
COMPARABLE BUILDING SALE

1415 Grandview Avenue, Muscatine, Iowa 52761

SALE PRICE: $144,000
DATE SOLD: 9/29/2011
BUILDING AREA: 3,200 Sq. Ft.
PRICE PER SQ. FT.: $45.00

ASSESSED VALUE: $136,360
LOT SIZE: 3.94 Acres, 171,026 Sq. Ft.
LAND TO BLDG. RATIO: 65.41

GRANTOR: First National Bank, Muscatine.
GRANTEE: VFW

LEGAL DESCRIPTION: Parcel B NE NW & SE NW
PROPERTY TYPE: Restaurant
ZONING: Commercial
CONSTRUCTION: Vinyl
YEAR BUILT: 1959
CONDITION: Good
HEATING/Cooling: HVAC
PLUMBING: 2 Baths

COMMENTS: Restaurant 200 amp

SOURCE OF VERIFICATION: Agerl - Assessor
COMPARABLE BUILDING SALE

417 E. 2nd Street, Muscatine, Iowa 52761

SALE PRICE: $205,000
DATE SOLD: 10/30/2012
BUILDING AREA: 5,140 sq. ft.
GRANTOR: Manley
GRANTEE: Honts

ASSESSED VALUE: $94,140
LOT SIZE: 40 x 140' 5,000 Sq. Ft.
LAND TO BLDG RATIO: 1.08
SALE PRICE / SQ. FT. $39.88
DOC NUMBER 2012-05461

LEGAL DESCRIPTION: E. 1/3 Lot 3 W. 1/3 Lot 4 Block 26
PROPERTY TYPE: Commercial Office & Retail Loft Apartment
ZONING: C-2 Commercial
CONSTRUCTION: Average Quality
YEAR BUILT: 1900
CONDITION: Average
HEATING/ COOLING: 2 F. Air/CAC
PLUMBING:

COMMENTS:
CONCLUSIONS
FINAL RECONCILIATION

CORRELATION OF VALUE

Value by Cost Approach $831,500

Value by Income Approach $815,000

Value by Sales Comparison Approach $801,500

Final Estimate of Value $810,000

Conclusion:

In this instance the Cost Approach will be developed, but given little consideration. As mentioned earlier, the Cost Approach is most reliable when the subject property is newer, cost figures can be verified and there is little functional or external depreciation. This was not the case with the subject property. The subject property has an effective age of 40 years and required so many estimates for cost new and depreciation that it would be unreliable.

The Income Approach should give a good indication of value. The lease value used was well within the economic rent range of the area. The actual rents were considered, the rents used were at the lower portion of the value range but in today’s market most investors are being conservative on their income estimates. The economic rents were based on a net lease with the tenant paying the property taxes and insurance. Many potential purchasers would consider the quality, quantity and durability of the income stream as a major factor of their purchase decision.

The Sales Comparison Approach will be considered. The comparables used indicate a value in the low $50.00 per sq. ft. range. Sales in Muscatine were considered and most emphasis was placed on the sales that were restaurant use. This approach will be given the most consideration. The comparables had similar utility and a like highest and best use.

Based on the above approaches to value, it is my opinion that the subject property warrants a market value in the fee simple estate of:

Final Estimate of Market Value $810,000
ADDENDA
<table>
<thead>
<tr>
<th>Address</th>
<th>City</th>
<th>Date of Sale</th>
<th>Sq. Ft.</th>
<th>Sale Price</th>
<th>S.P./S.F.</th>
</tr>
</thead>
<tbody>
<tr>
<td>710 Grandview Ave.</td>
<td>Muscatine</td>
<td>4/10/2012</td>
<td>2,370</td>
<td>$90,000.00</td>
<td>$37.97</td>
</tr>
<tr>
<td>2300 Park Ave.</td>
<td>Muscatine</td>
<td>12/14/2010</td>
<td>4,616</td>
<td>$265,000.00</td>
<td>$57.41</td>
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<tr>
<td>1820 Park Ave.</td>
<td>Muscatine</td>
<td>2/18/2013</td>
<td>12,568</td>
<td>$400,000.00</td>
<td>$31.83</td>
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<tr>
<td>229 E. 2nd St.</td>
<td>Muscatine</td>
<td>12/20/2010</td>
<td>1,781</td>
<td>$57,500.00</td>
<td>$32.65</td>
</tr>
<tr>
<td>215 E. 2nd St.</td>
<td>Muscatine</td>
<td>11/29/2010</td>
<td>2,800</td>
<td>$85,000.00</td>
<td>$30.38</td>
</tr>
<tr>
<td>110 E. 2nd St.</td>
<td>Muscatine</td>
<td>10/18/2013</td>
<td>2,070</td>
<td>$75,000.00</td>
<td>$36.23</td>
</tr>
<tr>
<td>417 E. 2nd St.</td>
<td>Muscatine</td>
<td>10/30/2012</td>
<td>5,140</td>
<td>$205,000.00</td>
<td>$39.88</td>
</tr>
<tr>
<td>1415 Grandview Ave.</td>
<td>Muscatine</td>
<td>9/29/2011</td>
<td>3,200</td>
<td>$144,000.00</td>
<td>$45.00</td>
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<tr>
<td>1601 Plaza Pl.</td>
<td>Muscatine</td>
<td>9/20/2012</td>
<td>5,000</td>
<td>$320,000.00</td>
<td>$64.00</td>
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<tr>
<td>128 W. 2nd St.</td>
<td>Muscatine Blue</td>
<td>1/4/2013</td>
<td>5,808</td>
<td>$200,000.00</td>
<td>$34.44</td>
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<tr>
<td>101 W. Mayne St.</td>
<td>Grass</td>
<td>9/18/2009</td>
<td>3,658</td>
<td>$185,000.00</td>
<td>$50.57</td>
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<tr>
<td>Area Calculations Summary</td>
<td>Calculation Details</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>---------------------------</td>
<td>--------------------</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Living Area</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>First Floor</td>
<td>9460 Sq ft</td>
<td>140 x 60 = 460</td>
<td></td>
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</tr>
<tr>
<td>Second Floor</td>
<td>7200 Sq ft</td>
<td>40 x 60 = 2400</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>51 x 60 = 4950</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>0.9 x 9 x 3 = 0.62</td>
<td></td>
<td></td>
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</tr>
<tr>
<td><strong>Total Living Area (Roundoff)</strong></td>
<td>15718 Sq ft</td>
<td></td>
<td></td>
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</tr>
<tr>
<td><strong>Non-Sale Area</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enclosed Porch</td>
<td>1176 Sq ft</td>
<td>62 x 19 = 1176</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Dick Queener, SRA
2208 S. 52nd St.
Davenport, Iowa 52807
M: 319.855.8552

Rebecca [Email redacted]
Subject: Butter Factory Lot

I would like to look at the potential of purchasing the Butter Factory Lot for the project. Because the appraisal last done is over 10 months ago, I will need to do a new appraisal. Dick Ewbank of Ewbank, Mason and Associates will be contacting you shortly to begin the process.

Let me know if you have any issues or questions.

Rebecca Ross
Riverview Hotel Development, LLC
720-630-8814
www.riverviewhotel.com
bross@riverviewhotel.com

51
RICHARD J. KOESTNER, S.R.A.
Davenport, Iowa 52807

STATE LICENSING:

IOWA:
General Residential Real Estate Property Appraiser
Certificate # GG01698
FHA approved
Real Estate Broker/Office # B05091000

ILLINOIS:
Certified General Real Estate Appraiser
License # 653.001427
FHA approved

MEMBERSHIP:
Membership in professional and technical organizations related to appraisal activities.

REALTOR:
State of Iowa Realtor of the Year 1999
Omega Tia Ro 1999
Iowa Association of Realtors, State President 1997-98
Greater Davenport Board of Realtors, President 1987
Iowa Appraiser Examining Board Chair 2005
NAR Appraisal Committee Chair 2008

APPRaisal:
Appraisal Institute - 1987 to present
S.R.A.-Senior Residential Appraiser Designation
2006 Board of Director of Iowa Chapter Appraisal Institute
2008 Iowa Chapter President
- Served on Professional Standards Committee and Candidate Guidance
- Approved Instructor for the Appraisal Institute

EDUCATION:
Formal Education:
University of Iowa, Iowa City, Iowa 1973-1977
BBA in Marketing and Real Estate
Assumption High School, Davenport, Iowa 1969-1973
<table>
<thead>
<tr>
<th>Professional and Technical Appraisal Courses:</th>
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<tbody>
<tr>
<td>Iowa Chapter of the Appraisal Institute:</td>
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<tr>
<td>The Value of Communication (Report Writing)</td>
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<tr>
<td>Introduction to FHA Appraising</td>
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<tr>
<td>Current Governmental Policies Affecting Real Estate</td>
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<tr>
<td>Appraising Distressed Commercial Real Estate</td>
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<tr>
<td>7-Hour National USPAP Update Course</td>
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<tr>
<td>The New Residential Market Conditions Form (P.M.)</td>
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<td>Appraisal of Residential Property for Foreclosure and Preforeclosure</td>
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<tr>
<td>RE Appraising in Response to Financial and Economic Disaster</td>
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<tr>
<td>Iowa Real Estate Commission: Instructor Development Workshop</td>
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<td>Appraisal Institute:</td>
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<tr>
<td>National Uniform Standards of Professional Appraisal Practice</td>
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<tr>
<td>FHA and the New Residential Appraisal Forms</td>
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<td>Basic Appraisal Procedures</td>
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<tr>
<td>Real Estate Investment &amp; Development</td>
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<td>The Road Less Traveled - Special Purpose Properties</td>
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<tr>
<td>Course 11530 - Advanced Sales Comparison &amp; Cost Approaches</td>
</tr>
<tr>
<td>Course 810 Computer-Enhanced Cash Flow Modeling Rates and Ratios</td>
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<tr>
<td>Course 420 Business Practices and Ethics</td>
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<td>Course 400 USPAP</td>
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<td>Land Valuation Assignments</td>
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<td>Appraisal Institute:</td>
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<td>Advance Income Capitalization</td>
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<td>Boca Raton, FL</td>
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<td>Appraisal Institute, Chicago, IL:</td>
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<td>General Report Writing, Course IL-VII</td>
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<td>Appraisal Institute Online Courses:</td>
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<td>Online Appraisal Curriculum Overview - Residential</td>
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<td>Illinois Real Estate Appraisal Examining Board:</td>
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<td>Appraising in 2011 with New Lending Reforms and Regulations</td>
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<td>Regression Analysis in Appraisal Practice</td>
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<td>McKissick:</td>
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<td>USPAP #021-700</td>
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<td>Supporting Sales comps/Grid Adjustments</td>
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<td>Appraisal of Local Retail Properties</td>
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<td>Appraisal Institute:</td>
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<tr>
<td>Standards of Professional Practice, Part B, IL #520</td>
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<tr>
<td>Standards of Professional Practice, Part A</td>
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<tr>
<td>Numerous continued education classes from 1978-1994</td>
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Appraisal Conferences and Seminars:
- Iowa Appraisal Examining Board
  Peer Review Training
  May 2005
- Culver Group
  New Fannie Mae Forms
  April 2005
- Appraisal Institute Iowa Chapter
  Evaluating Residential Construction
  March 2005
- Culver Group
  USPAP
  February 2005
- Appraisal Institute-Iowa:
  The Ugly House-Counting the Cost
  March 2002
- Appraisal Institute-Chicago Chapter:
  Appraisal of Local Retail Properties
  May 1999
- Appraisal Institute-Iowa Chapter:
  Appraisal Sales Comparison Grid
  Adjustments for Residential Properties
  May 1999
- Appraisal Institute-Rockford, Illinois:
  Board of Realtors:
  Fair Lending & The Appraiser
  April 1999
- Des Moines Area Association of Realtors:
  Iowa Commercial Real Estate Expo
  October 1998
- Iowa Association of Realtors:
  Fundamental of Investments
  May 1998
  Drive-By Appraisals
  May 1998
- Appraisal Institute-Iowa Chapter:
  Eminent Domain & Condemnation Appraising
  May 1998

Numerous conferences and seminars from 1982-1997

EMPLOYMENT HISTORY:

Koestner Realty Ltd., President 1975 to Present
Koestner Realty Ltd., is a family owned business established in 1951.

31 Years appraisal experience
Extensive in-house files and databases
Over 8,800 residential reports completed
Over 600 commercial reports - $100,000 to $6.1 million
100% of income is attributed to Real Estate Appraisal

MEMBERSHIP AND COMMITTEE WORK:

State of Iowa -
Chairman- 2 years
Chairman of Disciplinary Committee- 4 years

National Association of Realtors -
Director 1996-2001
Appraisal Committee 2005-2006
Appraisal Committee Chair 2008
Chair of Small Board Sub-forum 2001
Research Committee 1997-1999
Iowa Association of Realtors-
Realtor of the Year 2010
Realtor of the Year 1999
Appraisal Committee Chair
Mediation Chair
Chaired six other committees and tasks forces
State President 1998

American Institute of Real Estate Appraisers-
Chapter Level-
Candidate Guidance Committee
National Level-
Professional Standards Committee
Residential Demonstration Appraisal Reports
Grading Committee
Chapter President 2009

Society of Real Estate Appraisers-
Chapter Level-
Research Committee
Candidate Guidance Committee
Vice President 1989-1990
President 1991

Greater Davenport Board of Realtors-
Chaired or Co-chaired nine committees
President 1987
Realtor of the Year 1988 and 1999
Quad City Area Association Realtors Vice Chair 2009

Iowa Mortgage Bankers Association
Co-chaired the Appraisers Ad Hoc committee 1996-1997
University of Northern Iowa-
Member of Real Estate Education Program Advisory Council 2001-2006

Realtor Foundation-
Vice President of Realtors Foundation 2004-2006
President 2009

Fannie Mae
Iowa Partnership Advisory Committee

OUTSIDE INTERESTS AND ACTIVITIES:
Council on Children at Risk (Board Member)
East Davenport Little League (Board Member)
Junior Achievement (11 years teacher)
Habitat for Humanity- Quad Cities
St. Paul the Apostle Church-
Education Board 1996-1998
Church Building Committee 1997
Parish Council 2001 / Parish Council president 2003
SOURCES OF INFORMATION:

Koestner, McGivern & Associates belongs to 8 regional MLS systems in eastern Iowa, western Illinois, and western Iowa. These include the Greater Davenport Board of Realtors, Illinois Quad City Area Realtor Association, DeWitt Board of Realtors, Muscatine Board of Realtors, Burlington Board of Realtors, Fort Madison Board of Realtors, Council Bluffs Board of Realtors, and the Greater Omaha Association of Realtors. In addition to the MLS sources listed above, a database of 20+ years includes land, rental, and resale trends for most of our areas. In addition to these databases, memberships in the local Homebuilders, Chamber of Commerce, and other social/local charitable organizations are held. Both residential and commercial Marshall & Swift Cost Services are held, as well.

Additional information regarding our company, areas of coverage, services offered and other pertinent data can be found at our corporate web page:

WWW.MARKETVALUE.COM

Dick's e-mail address is: Dick@marketvalue.com
STATE OF IOWA
IOWA DEPARTMENT OF COMMERCE
PROFESSIONAL LICENSING AND REGULATION

THIS IS TO CERTIFY THAT THE BELOW NAMED
HAS BEEN GRANTED A CERTIFICATE AS A
GENERAL REAL PROPERTY APPRAISER

CERTIFICATE NO. CQ01608    EXPIRES: 6/30/2016

KOESTNER, RICHARD J
KOESTNER MCGIVERN ASSOC.
2208 E 52ND ST. SUITE B
DAVENPORT, IA  52807