

June 13, 2012

Mr. R. Scott Wagner
City of Lawrence
Management Analyst
6 E 6th Street
Lawrence, KS, 66044

Re: Real Estate Appraisal for 1050 E 11th Street

Dear Mr. Wagner:

Our appraisal assignment was to establish an opinion of market value for the industrial building located at 1050 E 11th Street, as well as the 5.83 acres of land and improvements located at 1000 E 11th Street. Our estimate of market value for the combined properties was \$600,000. This appraisal assignment had an effective date of April 5, 2012.

Since our report you have asked us to break out the individual value for 1050 E 11th Street. The value indicated by the cost approach is $\$402,293 \times 1.05$ (Indirect Costs) = $\$422,408 \times 80\%$ (1 – 20% depreciation) = $\$337,926 + \$13,000$ for the concrete + $\$50,000$ for the site = $\$400,926$ or roughly $\$400,000$ for this property.

The sales comparison approach would be the $\$93.00/\text{SF}$ concluded in our report minus the $\$37.50/\text{SF}$ for the contributory value of the excess land & improvements, so $\$56.00/\text{SF} \times 6,400\text{SF} = \$358,400$ say $\$360,000$ for this parcel.

The income approach indicated a value of $\$570,000$. To obtain an estimate for just the building at 1050 E 11th Street the contributory value of the land and improvements at 1000 E 11th Street needs to be removed. $\$570,000 - \$240,000 = \$330,000$ for this property from the income approach.

Therefore, the range in value for the property at 1050 E 11th Street was $\$330,000$ to $\$400,000$.

**KELLER &
ASSOCIATES**

**REAL ESTATE
APPRAISERS AND
CONSULTANTS**

**120 E. NINTH ST., SUITE 201
LAWRENCE, KANSAS 66044
PHONE (785) 841-0110
FAX (785) 841-0148**

Since our original appraisal report, the properties at 1050 E 11th Street and at 1000 E 11th Street sold for \$570,000. This was allocated as \$380,000 for the property at 1050 E 11th Street and \$190,000 for the property at 1000 E 11th Street.

It is also noted that the City of Lawrence is currently in negotiations to purchase the property at 1050 E 11th Street for a price of \$394,250.

The recent and pending transactions fall within our range of value.

Sincerely,
Keller & Associates, Inc.



Matt Speer
Real Estate Analyst



Timothy J. Keller, MAI
State Certified General Appraiser, Kansas No. G-911

CERTIFICATION

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial and unbiased professional analyses, opinions and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- Matt Speer made a personal inspection of the property that is the subject of this report.
- No one provided significant professional assistance to the person(s) signing this report.
- I have previously performed appraisal services on this property



Matt Speer

Real Estate Analyst

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- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- Timothy J. Keller, MAI made a personal inspection of the property that is the subject of this report.
- No one provided significant professional assistance to the person(s) signing this report.
- I certify that, to the best of my knowledge and belief, the reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
- I certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, Timothy J. Keller, MAI has completed the continuing education program of the Appraisal Institute.
- I have previously performed appraisal services on this property



Timothy J. Keller, MAI

State Certified General Appraiser, Kansas No. G-911