

AN APPRAISAL REPORT OF

4.581 ACRES OF RESIDENTIALLY ZONED LAND
4185 STYGLER ROAD
GAHANNA, OHIO 43230

PREPARED FOR

EDWARD MINHINNICK
BUSTEREVE LLC
4579 POTH ROAD
COLUMBUS, OHIO 43213

PREPARED BY

THE CHARLES R. PORTER COMPANY
255 LINCOLN CIRCLE, SUITE A
GAHANNA, OHIO 43230

EFFECTIVE DATE OF THE APPRAISAL: JANUARY 18, 2014
DATE OF THE REPORT: JANUARY 19, 2014

The Charles R. PORTER COMPANY
Real Estate Appraisers and Consultants
255 Lincoln Circle, Suite A, Gahanna, Ohio 43230
614-428-4180 phone
614-428-4187 fax

January 19, 2014

Edward Minhinnick
Bustereve LLC
4579 Poth Road
Columbus, Ohio 43213

Subject: 4.581 acres of residentially zoned land
4185 Stygler Road
Gahanna, Ohio 43230

Mr. Minhinnick:

As you requested and in accordance with your directives, we have prepared an appraisal of the above captioned property. We have made a physical inspection of the property, researched the market and analyzed applicable data as described in the scope of work section of this report and have developed an opinion of value, based upon the definition of value contained herein. The effective date of the appraisal is January 18, 2014, date of our on-site visit to the property.

The subject property is 4.581 acres of residentially zoned land on the west side of Stygler Road, between Sandburr Drive and Woodside Meadows Place, in the City of Gahanna, Franklin County, Ohio. The property is addressed as 4185 Stygler Road, Gahanna, Ohio 43230.

The land has been preliminarily approved for a 13-lot single-family residential subdivision by the Gahanna Planning Commission. Development of the site requires a dedication of a portion of land for parks or a cash payment in lieu of park land dedication. The intended use of the appraisal is to establish land value for calculating park fee assessments in lieu of park land dedication. Refer to the park fee code included in the addenda section of this report.

Based upon the market data gathered and the methodology utilized, it is our professional opinion that the market value of the subject property, as-is, as of January 17, 2014, is:

TWO HUNDRED TEN THOUSAND (\$210,000) DOLLARS

To the best of our knowledge, this report has been prepared in conformance with the Uniform Standards of Professional Appraisal Practice as promulgated by the Appraisal Foundation and subject to the Code of Ethics of the Appraisal Institute.

The appraisal is communicated in the Appraisal Report reporting option as set forth by Standards 2, 8, and 10 in the 2014-2015 edition of the Uniform Standards of Professional Appraisal Practice (USPAP). The Appraisal Report option will summarize the appraiser's analysis and the rationale for the conclusions.

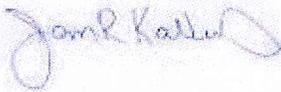
**4.581 acres of residentially zoned land
4185 Stygler Road, Gahanna, Ohio**

We are experienced in the application of the Cost, Sales Comparison and Income Capitalization Approaches as they pertain to land valuation in the subject's market area and no further steps are considered necessary to comply with the Competency Provision of USPAP.

This letter should not be construed as an appraisal report and is utilized only to transmit the conclusions of the appraisal report attached hereto. This letter must remain attached to the report for the value opinions set forth to be considered valid.

We trust this report is sufficient for your needs and sincerely appreciate the opportunity to be of service. Should you have any questions, please do not hesitate to call.

Respectfully submitted,



James R. Kaltenecker
Ohio Licensed Residential Appraiser



Charles R. Porter, Jr. MAI SRA
Ohio Certified General Appraiser

JRK: 01140010

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**4.581 acres of residentially zoned land
4185 Stygler Road, Gahanna, Ohio**

SUBJECT PHOTOGRAPHS



Subject property looking northwest from Stygler Road



Subject property looking southwest from Stygler Road

**4.581 acres of residentially zoned land
4185 Stygler Road, Gahanna, Ohio**

SUBJECT PHOTOGRAPHS



Street scene looking north along Stygler Road, subject on the left



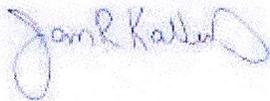
Street scene looking south along Stygler Road

I. INTRODUCTION

CERTIFICATION OF THE APPRAISER

I certify that, to the best of my knowledge and beliefs:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
4. I have not provided services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. My compensation is not contingent upon the reporting of a pre-determined 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.
6. 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 & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
7. I have made a personal visit to the property that is the subject of this report and have viewed the comparable properties from the street.
8. No one provided significant real property appraisal assistance to the persons signing this report.
9. I do not authorize the out-of-context quoting from or partial reprints of this appraisal report.
10. I certify that this appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.



James R. Kaltenecker
Ohio Licensed Appraiser # 000382515

CERTIFICATION OF THE APPRAISER

I certify that, to the best of my knowledge and beliefs:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.
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6. 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 & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
7. I have made a personal visit to the property that is the subject of this report and have viewed the comparable sales from the street.
8. No one provided significant real property appraisal assistance to the persons signing this report.
9. I do not authorize the out-of-context quoting from or partial reprints of this appraisal report.
10. I certify that this appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
11. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representative.
12. As of the date of this report, I have completed the requirements of the continuing education program of the Appraisal Institute.

**4.581 acres of residentially zoned land
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13. Charles R. Porter, Jr. MAI SRA directly supervised the appraiser who prepared the appraisal report, has reviewed the appraisal, agrees with the statements and conclusions of the appraiser, agrees to be bound by the appraiser's certifications above, and is taking full responsibility for the appraisal and the appraisal report.



Charles R. Porter, Jr. MAI SRA
Ohio Certified General Appraiser
Supervisory appraiser, Charles R. PORTER COMPANY

ENVIRONMENTAL STATEMENT

It is assumed that there are no hidden or unapparent conditions of the property, subsoil or structural, which would render the property more or less in valuation. The appraiser assumes no responsibility for such conditions or for engineering, which might be required to discover such factors. In this appraisal assignment, the existence of potentially hazardous material use in the construction or maintenance of the building, such as the presence of urea-formaldehyde foam insulation, and/or the existence of toxic waste, which may or may not be present on the property, was not observed by the appraiser, nor does he have the knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances.

It is strongly suggested the client retain the services of a reputable environmental engineer to perform an environmental audit of the property in order to determine if any toxic substances are present. If said substances are found to be present, then the appraiser reserves the right to adjust the valuation reported herein at his sole discretion.

LIMITING CONDITIONS AND UNDERLYING ASSUMPTIONS

General Limiting Conditions

1. The contract for the appraisal, consultation or analytical service, is fulfilled and the total fee is payable upon completion of the report. The appraiser(s) will not be asked or required to give testimony or appear in court, to engage in post appraisal consultation with the client or third parties except under separate and special arrangement and at additional fees.
2. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any persons, other than the party to whom it is addressed, without the written consent of the appraiser, and in any event only with proper written qualification and only in its entirety.
3. This appraisal report may contain a valuation relating to the geographical portion of a larger parcel and the value reported for such geographical portion relates to such portion only, and should not be construed as applying with equal validity to other portions of the larger parcel, or tract, and the value reported for such geographical portions, plus the value of all other geographic portions, may or may not equal the value of the entire parcel, or tract, considered as an entity.
4. This appraisal report contains a valuation relating to an estate in land that may be less than the whole fee simple estate, and the value reported for such estate relates to a fractional interest only in the real estate involved, and the value of this fractional interest plus the value of all other fractional interest may or may not equal the value of the entire fee simple estate considered as a whole.
5. The distribution of the total valuation between land and the improvements applies only under the existing program of utilization and conditions stated in this report. The separate valuation for land and building must not be used in conjunction with any other appraisal and is invalidated under other programs of utilization or conditions, or if used in making a summation appraisal.
6. Neither all nor any part of the contents of this report, or a copy thereof, shall be conveyed to the public through advertising, public relations, news, sales or any other media without written consent and approval of the appraiser. Nor shall the appraiser, firm, or professional organization of which the appraiser is a member of, be identified without written consent of the appraiser.

General Underlying Assumptions

1. The legal description used in this report is assumed to be correct.
2. No responsibility is assumed for matters legal in character or nature, or matters of survey, nor of any architectural, structural, mechanical, or engineering nature. No opinion is rendered as to the title, which is presumed to be good and marketable.
3. All mortgages, liens, encumbrances, leases and servitudes have been disregarded unless so specified within the report.
4. It is assumed that the property which is the subject of this report will be under prudent and competent ownership and management; neither inefficient nor super-efficient.
5. The market value estimate and the costs used are as of the date of the estimate of value. All dollar amounts are based on the purchasing power and price of the dollar as of the date of the value estimate.
6. To the best of the appraiser's knowledge and belief, the statements and opinions contained in this report are supportable. The factual data has been compiled by the appraiser from sources deemed reliable, but no responsibility is assumed for its accuracy.
7. The sketches and maps in this report are included to assist the reader in visualizing the property and are not necessarily to scale nor should they be construed as being surveys. Various photos, if any, are included for the same purpose and are not intended to represent the property in other than actual status, as of the date of the photos.
8. The appraisal is based on the condition that there are no hidden or unapparent conditions of the property, subsoil or structures, which would render it more or less valuable. No responsibility is assumed for any such conditions or for any expertise or engineering to discover them. All mechanical components are assumed to be in operable condition and status standard for properties of the subject type. The condition of heating, cooling, ventilating, electrical, and plumbing equipment is considered to be commensurate with the condition of the balance of the improvements unless otherwise stated. No judgment is made as to the adequacy of insulation or energy efficiency of the improvements or equipment.

**4.581 acres of residentially zoned land
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9. Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test such substances or conditions. If the presence of such substances, such as asbestos, urea formaldehyde foam insulation, or other hazardous substances or environmental conditions, may affect the value of the property, the value estimated is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them.
10. 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.
11. Full compliance with all applicable zoning and use regulations and restrictions is assumed unless nonconformity has been stated, defined and considered in the appraisal report.

**4.581 acres of residentially zoned land
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SUMMARY OF THE IMPORTANT CONCLUSIONS

Property type:	Residentially zoned land
Property address:	4185 Stygler Road, Gahanna, Ohio
Land area:	4.581 acres
Zoning:	SF-3, Single Family Residential
Property owner:	Bustereve, LLC
Property rights appraised:	Fee simple
Effective date of the appraisal:	January 18, 2014
Date of the report:	January 19, 2014
Highest and Best Use:	Single-family residential development
Extraordinary assumptions:	None
Hypothetical conditions:	None
Value conclusions:	
Cost Approach	Not applicable
Sales Comparison Approach	\$210,000
Income Capitalization Approach	Not applicable
Final value conclusion	\$210,000

II. FACTUAL DESCRIPTIONS

INTRODUCTORY DATA

Identification of the Property

The subject property is 4.581 acres of residentially zoned land on the west side of Stygler Road, between Sandburr Drive and Woodside Meadows Place, in the City of Gahanna, Franklin County, Ohio. The property is addressed as 4185 Stygler Road, Gahanna, Ohio 43230.

Legal Description

A complete legal description is contained in the deed to the property, a copy of which is included in the addenda section of this report.

Type and Definition of Value

This appraisal report provides the client with an accurate and adequately supported opinion of the market value of the subject property. Market value is defined as:

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

- buyer and seller are typically motivated;
- both parties are well informed or well advised, and each acting in what they consider their own best interests;
- a reasonable time is allowed for exposure in the open market;
- payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- 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.”¹

Property Rights Appraised

The property rights appraised are fee simple rights. Fee simple is defined as:

“Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.”²

Intended Use of the Appraisal

The intended use of the appraisal is to establish land value for calculating park fee assessments in lieu of park land dedication.

¹ Federal Register, vol. 55, no. 163, August 22, 1990, pages 34228 and 34229

² The Dictionary of Real Estate Appraisal

Client and Intended Users of the Appraisal

The intended users of the appraisal are the property owner and representatives of the City of Gahanna Parks Department. There are no other intended users of the appraisal.

Property Owner

Bustereve LLC

Effective Date of the Appraisal

January 18, 2014

History of the Property

The subject property consists of two adjacent tax parcels that were purchased in May 2013 by Edward L. Minhinnick for a recorded \$130,000. The transfer is reflective of the only arm's length transaction of the property in the last five years. The 0.750-acre site was improved with a single-family residence that has been razed.

We are not aware of any current listings for sale, pending purchase agreements or options to purchase the subject property at this time.

Exposure Time

Exposure time is defined 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 on an analysis of past events assuming a competitive and open market. Exposure time is always presumed to occur prior to the effective date of the appraisal. The overall concept of reasonable exposure encompasses not only adequate, sufficient and reasonable time but also adequate, sufficient and reasonable effort.

Exposure time is different for various types of real estate and value ranges and under various market conditions.³

Based on the exposure times exhibited in the commercial real estate market and from conversations with market participants, the exposure time for the subject property is estimated to be one to two years.

³ Appraisal Standards Board of the Appraisal Foundation, Statement on Appraisal Standards No. 6

Marketing time

Marketing time is defined as:

“The time it takes an interest in real property to sell on the market subsequent to the date of an appraisal.

Reasonable marketing time is an estimate of the amount of time it might take to sell an interest in real property at its estimated market value during the period immediately after the effective date of the appraisal; the anticipated time required to expose the property to a pool of prospective purchasers and to allow appropriate time for negotiation, the exercise of due diligence, and the consummation of a sale at a price supported by concurrent market conditions. Marketing time differs from exposure time, which is always presumed to precede the effective date of the appraisal.”⁴

Marketing time for the subject property is also estimated to be from one to two years.

Real Estate Tax Data

The subject property consists of two tax parcels within the City of Gahanna taxing district. The Franklin County Auditor’s 2013 appraised and assessed values and the real estate taxes are as follows:

Parcel	Appraised	Assessed	Real Estate Taxes
025-010309 (3.831 acres)			
Land	\$93,700	\$32,800	
Building	\$0	\$0	
Total	\$93,700	\$32,800	\$2,406.66
025-004352 (0.750 acres)			
Land	\$19,100	\$6,690	
Building	\$0	\$0	
Total	\$19,100	\$6,690	\$490.88
Totals	\$112,800	\$39,490	\$2,897.54

In the State of Ohio, the auditor’s appraised value should reflect its market value and when a property transfers, the auditor’s values are frequently adjusted to reflect the sale price. Based on the recent sale price, taxes would be approximately \$3,339.36 per year.

⁴ The Dictionary of Real Estate Appraisal

Scope of Work

The scope of work is the work an appraiser performs to develop assignment results. USPAP defines the "scope of work" as the type and extent of research and analyses in an assignment.⁵

In the process of developing an opinion of value for the subject property, your appraiser has:

- personally inspected the subject property in sufficient detail to gather significant understanding of the characteristics of the property;
- reviewed information concerning the subject's immediate market area and the subject's specific location within the market area;
- prepared a highest and best use analysis of the subject property;
- collected market information necessary to consider and apply the three generally accepted methods of valuation, namely the Cost, Sales and Income Capitalization Approaches;
- analyzed the specific applicable approaches to value and reconciled the market value indications into a final value opinion; and
- prepared an appraisal report setting forth the value conclusions derived in this analysis, including information upon which the value conclusions are based.

Market research for this appraisal was gathered from numerous sources including, but not limited to the following:

- Public records of Franklin County, Ohio (Auditor and Recorder offices)
- Columbus Realtors Multiple Listing Service
- Xceligent (a national comparable sales and lease data search engine)
- LoopNet, Inc. (a national comparable sales and lease data search engine)
- MidOhio Real Estate Research (a Franklin and surrounding county data service)
- Information contained in the exclusive files of the Charles R. PORTER COMPANY

The market was searched for recent sales of comparable properties as far back as 2010.

The determination of comparability was based on factors including, but not limited to zoning, most probable use, location, topography, size and configuration and market conditions. Where possible, the comparable sales were verified with individuals involved in or familiar with the transactions, to determine if the sales were arm's length and to discover other factors such as availability of utilities, time on the market, financing and buyer and/or seller motivation.

⁵ Foundation E-News, The Appraisal Foundation, 26 June 2006

AREA DESCRIPTION

The subject is located within the Columbus Metropolitan Statistical Area. The MSA of Columbus, as set forth by the 2000 Census, includes Franklin, Delaware, Licking, Pickaway, Fairfield, Madison, Union and Morrow counties. Columbus, the State Capital of Ohio, is located within Franklin County and is the dominant political entity controlling the local utilities, water sources, and sewage disposal systems.

Location

From a geographic standpoint, Columbus is situated in the industrial core of the nation. Being located midway between the industrial Ohio River Valley and the shipping ports of the Great Lakes affords Columbus access to national, as well as world markets. This strategic location, which is within 550 miles of over one-half of the population of the US, is an important consideration for existing and incoming industrial and commercial enterprises, as is evidenced by the growth rate in the area.

Size

Columbus presently covers 218.6 square miles and is the largest city in Ohio with respect to both area and population. From 1970 to the present time, Columbus is the only major city in the northeastern quadrant of the United States that has demonstrated continuing growth. An aggressive annexation program is slated to continue with the expectation of attracting new industry and accommodating an increasing populace.

Utilities

An adequate utility service is extremely important to the future of any population center. The city's location in proximity to the rich coalfields of southern Ohio and Kentucky provides an excellent source of electrical power at a reasonable cost. Electricity for the Columbus area is produced by one of the eight divisions of the American Electric Power System.

The Columbus City Water Enterprise serves 250,000 customers, with an estimated population in their service area of 1,000,000. The Scioto River, Big Walnut Creek, Alum Creek and the South Well Field are each sources of raw water for the city's three water treatment plants located on Dublin Road, Morse Road and Parsons Avenue. The combined 2001 capacity of these facilities was 203 million gallons per day with an average daily use of 143 million gallons per day. This supply, when analyzed with the projected demand is considered adequate until the year 2008. For years beyond, the City has plans to expand the South Well Field and construct two reservoirs north of the city. Expanded capacity will approach 300 million gallons per day.

Columbus Division of Sewerage and Drainage services most central Ohio residents, even outside Columbus city limits: 1.1 million out of 1.4 million in the region. The city has contract agreements to treat the wastewater of 22 surrounding municipalities, as well as some of Delaware County, Franklin County, Jefferson Township, and Rickenbacker Airport. The city operates two major sewage treatment facilities, the Jackson Pike Plant and the Southerly Water Treatment Plant. In 2003, they handled together an average of 184 million gallons per day, 10% more than 2002, for a total of more than 67 billion gallons. In 2005, the Columbus City Council agreed to add on to the Southerly Wastewater Treatment Plant, so it can treat another 100 million gallons of wastewater a day.

Columbia Gas distributes natural gas throughout Columbus and the surrounding areas. Seven points of delivery, drawing from three different wholesale transmission companies, provide gas for a high-pressure loop system, which nearly parallels the Interstate 270 Outerbelt.

Transportation

Port Columbus International Airport, the 45th busiest airport in the nation, is located six miles northeast of downtown Columbus. Port Columbus has two runways of 10,000 and 8,000 feet and is one of the major air traffic points in the Midwest, currently providing direct flight service to 22 markets. The 600,000 square foot terminal has 25 gates used by 19 airlines. There are 14 air cargo and 11 air express firms servicing the metropolitan area with 12 of these firms offering worldwide service. In 1996, construction of a \$30 million terminal expansion was completed, followed by a \$92 million parking garage in 2000 and state of the art control tower in 2004.

In 2002, the City of Columbus, Franklin County and the Columbus Airport Authority approved the merger of the Columbus Airport Authority and Rickenbacker Port Authority, forming the Columbus Regional Airport Authority, effective January 1, 2003.

Rickenbacker Air Industrial Park is the conversion of the former Rickenbacker Air Force Base, and is a 5,000-acre airport and adjoining industrial park, built around two parallel 12,000-foot runways with state-of-the-art landing systems and environmental flight approvals. Foreign trade zone designation and ready access to highways, rail lines and air markets make Rickenbacker the premier air-related industrial park in the nation.

The smaller Bolton Field and Don Scott Field airports provide more than adequate facilities for private and corporate aircraft. Columbus is a major railroad hub, accessible nationwide, and is serviced by three major railroads (Norfolk and Western Railway Company, Chessie System and Conrail). In addition, 7 intercity bus lines and approximately 110 freight and motor carrier companies serve the area with 26 of these firms servicing the continental United States.

Expressways

Columbus is located at the intersection of Interstate 70 (east-west) and Interstate 71 (northeast-southwest). Interstate 71 extends from Cleveland to Cincinnati where it joins Interstate 75, which is complete to Florida. Interstate 70 is complete, coast-to-coast. The recently opened Interstate 670 connects east and west portions of I-270 with the Columbus central business district and provides direct access from downtown Columbus to Port Columbus International Airport. Interstate 270, known as the 'outerbelt', forms a 56-mile perimeter highway encircling the city with a radius of approximately 10 miles.

This network of major highways provides rapid freeway movement throughout the urban area. Columbus' central location and easy accessibility have made it a vigorous market for marketing, distribution, and warehouse centers.

Population

Ohio ranks thirty-fourth in area in the United States, while ranking seventh in population. Columbus ranked sixteenth in the nation in terms of population in the 1990 Census and fifteenth in the 2000 Census; however, its influence extends far beyond its boundaries due to a statewide political presence and a domination of retail and wholesale trade in Central Ohio.

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Following is a graph that charts the Columbus MSA* in population:

Year	Population	Percentage of Growth
1970	1,149,432	
1980	1,243,833	8.2%
1990	1,377,419	10.7%
2000	1,511,800	9.8%
2010	1,629,000	7.8%
2015	1,680,800	3.2%

* figures are based on the 1990 definition of the Columbus MSA, which has since added two additional counties, Union and Morrow.

The average annual rate of growth of the Columbus MSA during the period 1970-1980 was 0.68%. During the periods of 1980-1990 and 1990-2000 this has increased to approximately 1%; however, the growth is projected to slow in the next decade.

Employment/Economy

Between 1970 and 1980 there was a dramatic drop in the annual rate of population growth in the State of Ohio. This drop in population growth is attributed to the general slowdown in the national population growth rate and to a shift in the regional pattern of job creation. The south and west have gained new manufacturing jobs, while the northeast and north central regions lost manufacturing jobs. Trends show a shift from manufacturing to the service industry, attributable to the growth of technologies.

The slowdown in the Columbus MSA population growth can be partially attributed to a readjustment of the Columbus economy toward a growing service based economy and the expansion of the service producing industries has contributed to increases in population growth.

The most fundamental measure of the health and strength of any economy is its ability to provide employment for its labor force. Columbus and Franklin County unemployment levels are contrasted with Ohio and United States rates as follows:

Unemployment Rates							
	2011	2010	2009	2008	2007	2006	2005
Franklin County	7.1	9.5	7.0	4.9	4.7	4.7	5.6
Columbus MSA	6.4	9.8	7.3	5.2	4.9	5.1	5.4
Ohio	8.6	11.8	9.6	6.4	6.3	6.0	6.8
USA	8.9	9.7	9.3	5.8	4.6	4.6	5.1

Source: US Department of Labor, Bureau of Labor Statistics

Unemployment levels in the Columbus MSA and Franklin County are consistently below the state rates, but edging over national unemployment rates. The economic diversity of the Columbus MSA has contributed to a continued stable growth rate and should continue to protect the total economy from the extreme swings of the business cycle. 2008-2010 statistics indicate that unemployment rates increased dramatically, as did state and national rates. Even though Franklin County and Columbus MSA have low unemployment in comparison to the

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state, the increase from previous years is substantial. Increases in unemployment are attributed to the recent economic downturn beginning in 2006. Although there is speculations as to when the downturn will subside, there appears to be a turnaround in the unemployment rate in 2011 and into 2012, with positive growth in the employment in 2011-2012, but far below job losses in 2009.

The income levels of its inhabitants can show the relative purchasing power of its inhabitants. Following is a comparison of household incomes for Columbus, Franklin County, Columbus MSA, Ohio and the US:

Area	Median Income 2010	Median Income 2000
Columbus	\$43,122	\$37,897
Franklin County	\$49,087	\$42,734
State of Ohio	\$47,358	\$40,956
USA	\$51,914	\$41,994

Franklin County, which includes surrounding suburbs of Columbus, has a higher median household income than the City of Columbus. The difference is due to the inclusion of the affluent suburbs. Median household income for the Columbus MSA is projected to be near the Franklin County figures.

Employment Centers

The major employment centers are well balanced throughout the Columbus MSA. Downtown Columbus is the most obvious, which is home to six of the ten largest central Ohio employers, including the Ohio State University, State of Ohio government offices, OhioHealth, Nationwide Insurance Companies, City of Columbus offices and Nationwide Children’s Hospital. Following is a table of Central Ohio’s twenty largest employers.

Central Ohio’s Twenty Largest Employers					
Employers and Number of Employees					
1	The Ohio State University	26,778	11	Mount Carmel Health	7,620
2	State of Ohio	26,728	12	Limited Brands	7,300
3	JP Morgan Chase & Co	18,000	13	Honda of America	7,000
4	OhioHealth	13,217	14	Franklin County	6,851
5	Nationwide	11,668	15	Huntington Bancshares Inc.	5,024
6	Columbus City Schools	9,766	16	Giant Eagle, Inc.	4,600
7	Kroger Co.	9,766	17	Cardinal Health	4,222
8	City of Columbus	8,592	18	Abercrombie and Fitch Co.	3,662
9	Nationwide Children’s Hospital	7,904	19	DLA Land and Maritime	3,600
10	McDonald’s Corp.	7,622	20	American Electric Power	3,511

Source: Business First of Columbus, January 2012

Education

The economic strength of Columbus lies in the imagination and inventiveness of its people. The presence of institutions of education such as The Ohio State University, Columbus State Community College, Ohio Dominican University, Capital University, Franklin University, Otterbein College, DeVry Institute, Columbus College of Art and Design and others insure Columbus of a talented workforce for continued economic development.⁶

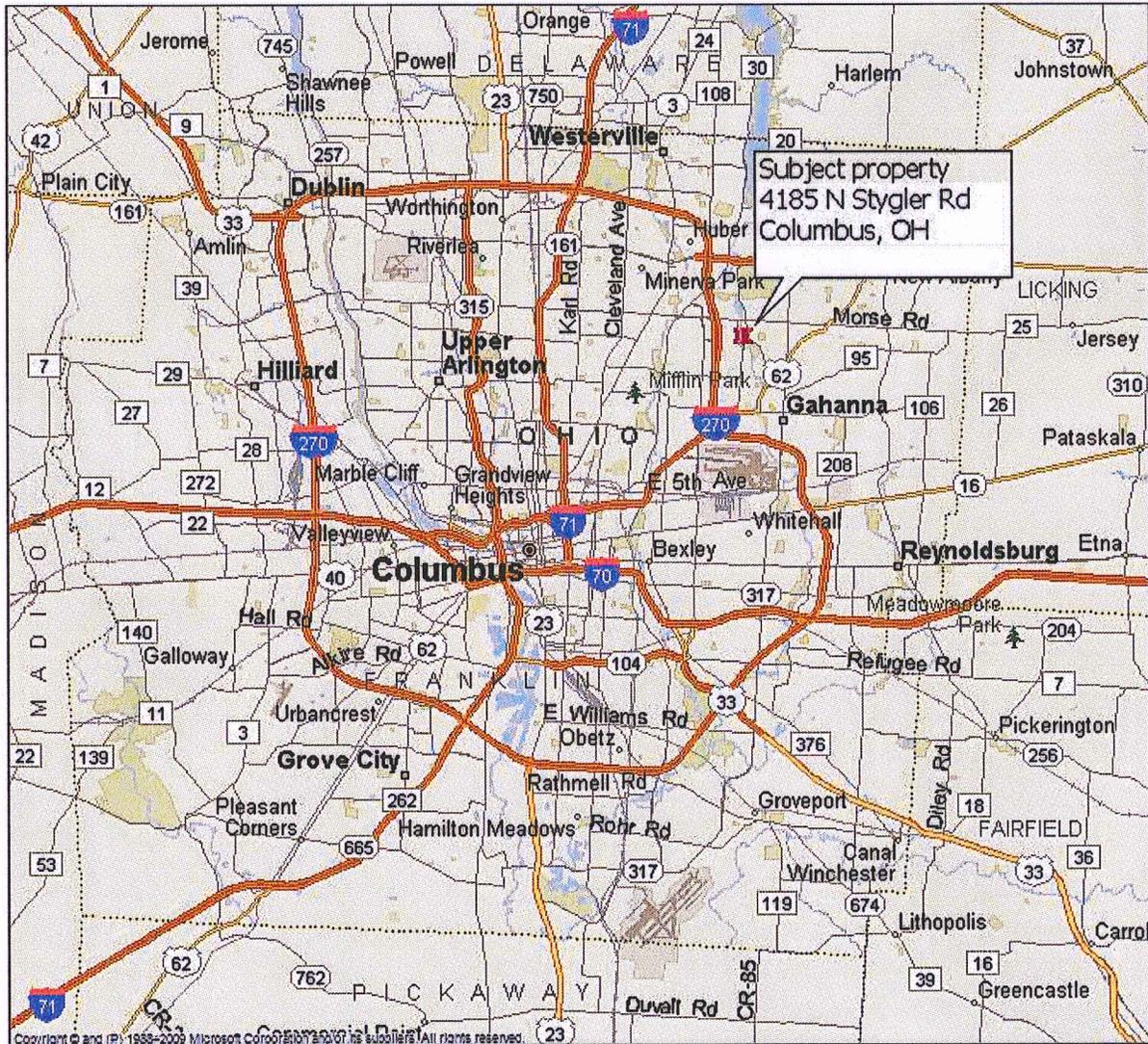
Conclusion

Historically, the Columbus MSA has maintained a stable economy within a region losing population to southern and western Sunbelt locations. Columbus' strategic location, developed transportation system and diversity in employment sectors have been instrumental in allowing the Columbus MSA to grow over the last thirty years, withstanding economic fluctuations. However, recent events in the national and global economies have resulted in significant increases in a wide distribution of unemployment, impacting the once stable and insulated Columbus economy. Unemployment is moderating and the economy is viewed with cautious optimism.

⁶ Comprehensive Annual Financial Report of the City of Columbus

4.581 acres of residentially zoned land
4185 Stygler Road, Gahanna, Ohio

Area map



NEIGHBORHOOD DESCRIPTION

The subject property is located in the City of Gahanna, within the northeast quadrant of Franklin County, approximately ten miles northeast of the Columbus central business district. The neighborhood is bounded by Morse Road on the north, I-270 on the west, US Route 62 on the south and the Big Walnut Creek on the east.

Stygler Road connects Morse Road on the north with Route 62 on the south. Interstate access is readily accessible at the Route 62 and I-270 and Morse Road and I-270 interchanges.

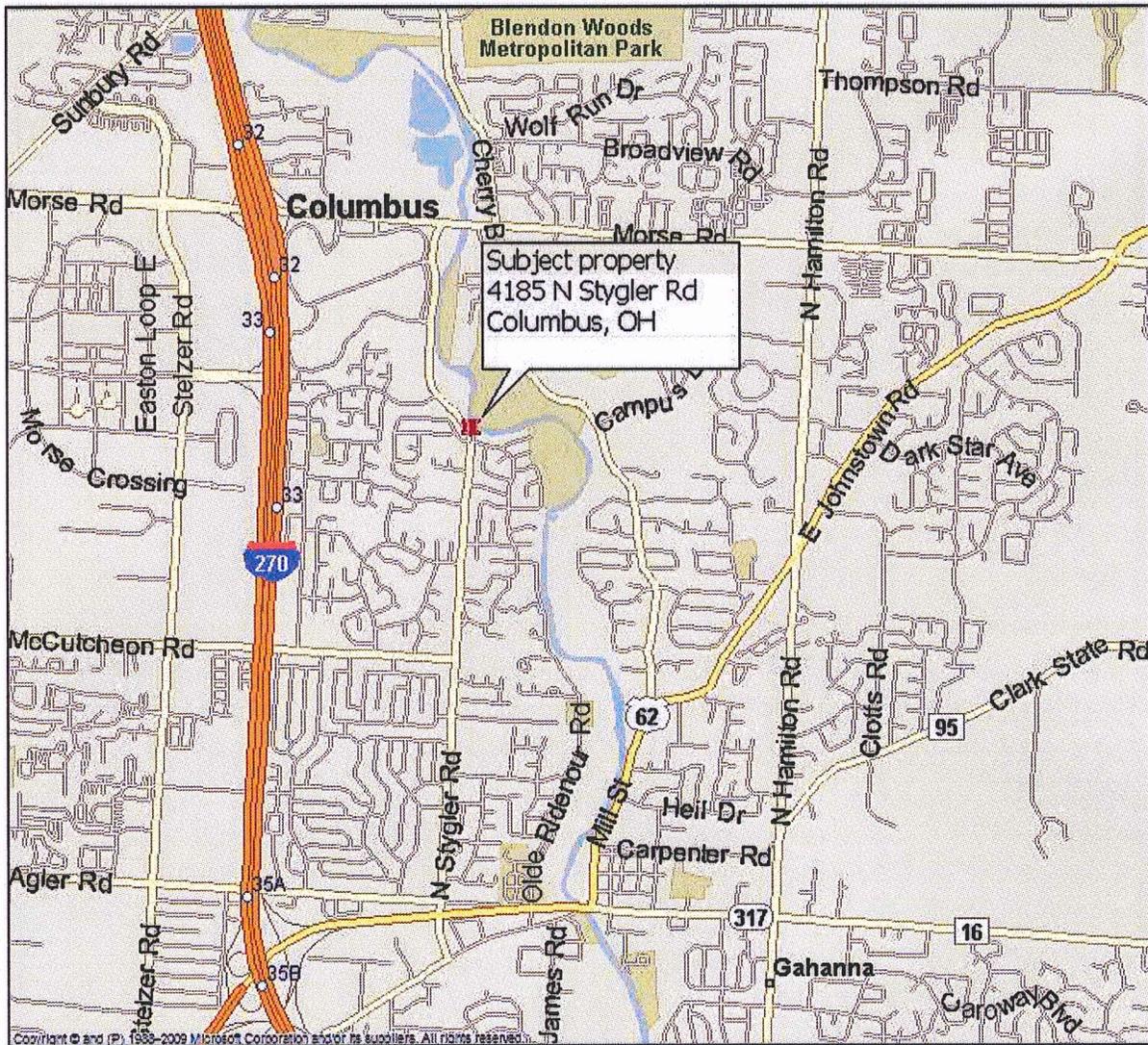
Land uses in the bounds of the subject neighborhood is primarily single-family residential along Stygler Road with commercial use at the intersection of Route 62.

Easton Town Center is located approximately one mile west along Morse Road and encompasses over 1,200 acres of land, including Easton Town Center which features 700,000 square feet of retail, restaurants, entertainment and office space and Easton Market, a 900,000 square foot power retail center.

The subject property is well located in an area of predominantly residential land uses. Local and regional accessibility is good and the property is conveniently within a thirty-minute drive of most of the Columbus MSA. The subject is viewed as a fill-in parcel of land and population trends in the area are positive. We are optimistic regarding the acceptance of the subject property for single-family residential use.

4.581 acres of residentially zoned land
4185 Stygler Road, Gahanna, Ohio

Neighborhood map



SITE DESCRIPTION

Location and Access

The subject site is located on the west side of Stygler Road between Sandburr Drive and Woodside Meadows Place. Legal access is along the frontage of Stygler Road.

Size and Configuration

The site is rectangular in configuration and contains 4.581 acres of land area.

Topography and Drainage

The subject property is generally level at the grade of Stygler Road and drainage appears to be adequately across the surface of the site.

Flood Hazard Area

The subject property is not located in a flood hazard area. The subject property is located in zone X, an area determined to be outside the 500-year floodplain. Reference is made to Flood Insurance Rate Map, community panel number 39049C0192K, dated June 17, 2008.

Soil and Subsoil

Your appraiser has not been provided soil or subsoil reports; however, based on the condition of the surrounding developments, the load bearing qualities of the soil appear adequate for development.

Utilities

All utilities including gas and electric, public water and sanitary sewer, and telephone and cable are available to the site.

Streets and Improvements

Stygler Road is a two-lane, asphalt-paved north-south roadway improved with center turn lane, improved with concrete curbs, gutters and sidewalks.

Public Services

All City of Gahanna services are available to the property including police and fire protection.

Hazards and Nuisances

There are no known hazards or nuisances, which would adversely affect the marketability, use or value of the property.

Zoning

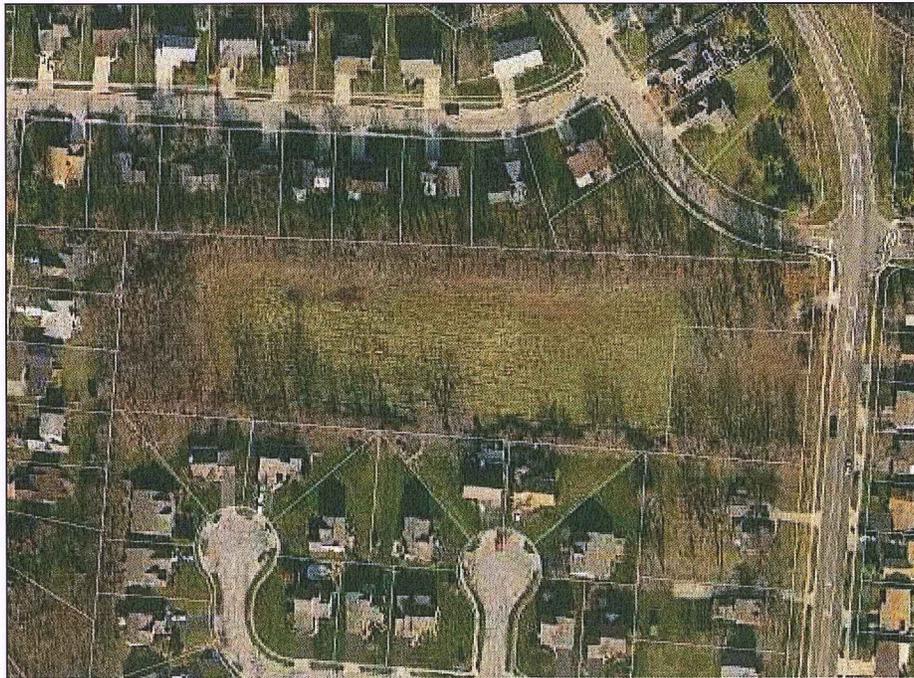
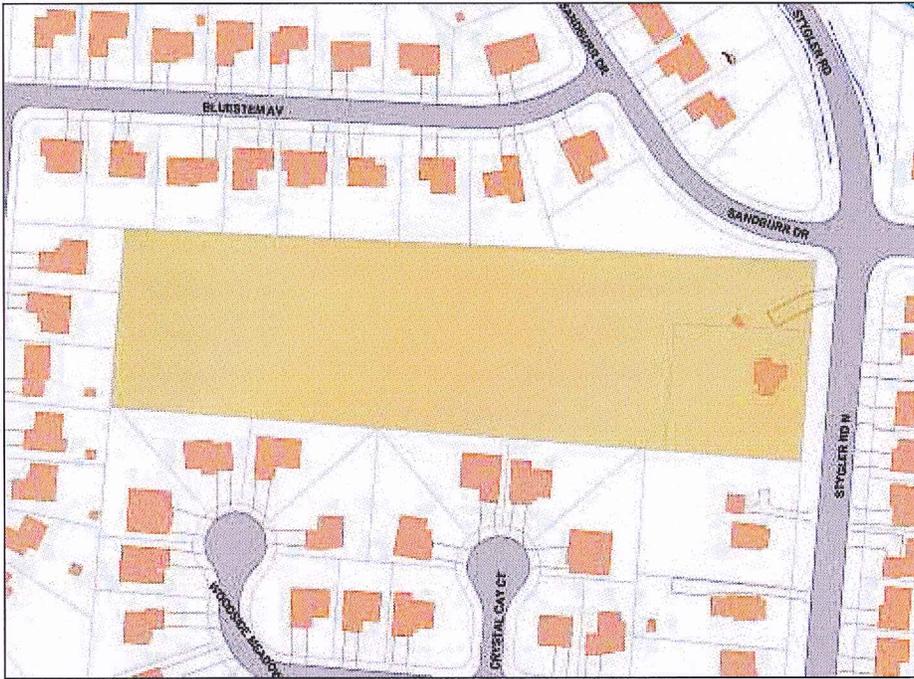
According to the City of Gahanna, the subject site is zoned SF-3, Single-Family Residential District. The SF-3 zoning classification allows for detached single-family dwelling units at a density of 3.96 units per acre. The proposed subdivision is a legal and conforming use under the SF-3 zoning classification.

Surrounding land uses

The subject is located on the northern edge of the City of Gahanna. Surrounding land uses include single-family residential subdivisions development from the 1960's to the late 1990's and single-family residences constructed prior to 1960 on small acre tracts.

4.581 acres of residentially zoned land
4185 Stygler Road, Gahanna, Ohio

Tax map and aerial photograph



III. ANALYSIS OF DATA AND OPINIONS OF THE APPRAISER

HIGHEST AND BEST USE

The definition of Highest and Best Use is:

“The reasonably 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. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility and maximum productivity.”⁷

Highest and best use of land or a site as though vacant:

“Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements.”⁸

Legal Permissibility: According to the City of Gahanna, the subject site is SF-3, Single Family Residential. The SF-3 zoning classification is a single-family zoning district. The Gahanna Planning Commission has granted preliminary approval for a 13-lot single-family subdivision. The property has been approved for variances to allow eight lots to have less than 11,000 square feet of area, lot frontage of less than 80 feet on 12 of the 13 lots and site yards less than 7.5 feet wide on all lots. The proposed 13-lot subdivision use is a legally permissible use under the SF-3 zoning classification.

Physical Possibility: The land must be able to accommodate the size and shape of the ideal improvement. The site is level, rectangular in configuration, has all utilities available and contains 4.581 acres of land area. Construction of 13 single-family residences is considered physically possible with no undue development costs.

Financial Feasibility: The property must have the ability to generate sufficient income to support the use for which it was designed. Demand for single-family homes in the greater Columbus market has declined precipitously as a result of the sub-prime housing market crisis and general economic conditions; however, there are indicators that the market is showing signs of rebounding. A small subdivision of single-family homes appears to be financially feasible at this time.

Maximum Productivity: Considering the surrounding land uses and current economic conditions, the maximally productive use of the subject property is for single-family subdivision.

Conclusion: Based on the foregoing discussion, the Highest and Best Use of the subject property, as vacant, is for single-family subdivision.

⁷ The Dictionary of Real Estate Appraisal

⁸ The Dictionary of Real Estate Appraisal

VALUATION ANALYSIS

There are three generally recognized approaches to value, namely: the Cost Approach, Sales Comparison Approach and Income Capitalization Approach.

The Cost Approach involves an estimate of the cost new to replace the buildings, from which the observed physical deterioration and functional and external obsolescence is deducted. The difference is the depreciated cost of the buildings. The market derived land value, plus the depreciated value of all site improvements are then added to the depreciated cost of the buildings, indicating the market value by the Cost Approach. The Cost Approach is most applicable in valuing new or proposed construction when the improvements represent the highest and best use of the land and land value is well supported.

The Cost Approach is not applicable to the valuation of single-family development land.

The Sales Comparison Approach is based upon a comparison of prices paid for similar properties that have sold in recent times. This method of valuation is predicated on the principle of substitution, and assumes that an informed person will pay no more for a property than the cost of acquiring an equally desirable and valuable substitute property. This approach to value is probably the most easily understood and most readily applied method utilized by buyers and sellers in the market place. The individual characteristics inherent in each property necessitate comparison and adjustments to past transactions to properly arrive at an opinion of value via the Sales Comparison Approach.

Numerous sales of land suitable for single-family subdivision were available from which to develop an opinion of market value for the subject property. As such, the Sales Comparison Approach is applicable to the valuation of the subject property and is presented in this analysis.

The Income Capitalization Approach is an analysis of the net operating income potential of the property, prior to debt service.

There is no income stream associated with the subject property and the Income Capitalization Approach is not considered applicable to the valuation of the subject property.