

Real Estate Appraisal Report

**Lancaster County Maintenance Building
6700 Hickman Rd.
Hickman, NE. 68372**

**James J. Shotkoski
General Certified Appraiser**

January 26, 2018

Lancaster County
Board of Commissioners
555 South 10th Street
Lincoln, NE. 68508

Re: Appraisal Report
County Maintenance Building
Hickman, NE.

To Whom it May Concern:


This appraisal assignment is the result of a request by Ms. Pamela Dingman, Lancaster County Engineer, requesting the appraisal assignment on behalf of the Lancaster County Board of Commissioners. In response to your request, I have conducted the required investigation, inspected the subject property and gathered the necessary data, and made certain analysis that has enabled me to form an opinion of the market value of the "Fee Simple" estate to the above referenced property. The following appraisal report is a Restricted Appraisal Report of an existing one-story maintenance building used by Lancaster County Nebraska. This appraisal assignment is being used, in part, by the referenced client as a basis for possible disposition of the property.

The intended use of this appraisal will be to provide an estimate of value of the subject site, "as vacant and "as improved". The subject site was used purchased for and was used as a County Maintenance Shop since its inception. As such, the site contained on-site fuel storage tanks, etc. Based on my physical inspection of the site, I did not observe any signs of fuel spills or contaminated soil; however, the County has chosen to not do any type of Phase II or III environmental impact studies to determine whether or not there is any on-site contamination of soil, etc. As such, this report is predicated on the Hypothetical Condition that is subject site does not contain any type of soil contamination, etc. If there is any evidence that the site does have this type of stigma, this could have an influence on the final indication of value in this report. This appraisal report is an update of an appraisal done for the Sponsor, as of November 17, 2016. The date for this appraisal report is as of January 25, 2018, and corresponds with my last inspection date of the subject property. Based on the inspection of the property and investigation and analyses undertaken, I have estimated the Fee Simple Market Value to the subject property, as of January 25, 2018, to be:

FIFTY-FIVE THOUSAND (\$ 55,000.00) DOLLARS

It is the intent of this report to fully comply with the requirements of the Uniform Standards of Professional Appraisal Practice "USPAP", The Real Estate Appraisal Board. The appraisal assignment was not based on a requested minimum valuation, specific valuations, or the approval of a loan. Neither my engagement to make this appraisal (or any future appraisal to this client), nor any compensation therein, are contingent upon the reporting of a 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.

Respectfully submitted,



James J. Shotkoski
General Certified Appraiser

SUMMARY OF FACTS AND CONCLUSIONS

Type of Property: Storage/Warehouse Development

Location: 6700 Hickman Rd.
Hickman, NE.

Legal Description: Lot One (1), Southeast Quarter (SE¼) Section Twenty-Eight (28), Township Eight North (8N), Range Seven East (7E) of the 6th Principal Meridian, Lancaster County, Nebraska,

Property Rights: Fee Simple Estate

Owner of Record: Lancaster County
555 South 10th Street
Lincoln, NE. 68508

Sponsor: Lancaster County
Board of Commissioners
555 South 10th Street
Lincoln, NE. 68508

Purpose of the Appraisal: Valuation of County Owned land for possible disposition

Appraisal Format: Restricted Format

Neighborhood: The subject neighborhood is generally described as the Village of Hickman, Nebraska, and is roughly bounded on the south by Hickman Road, on the west by the Burlington Northern Railroad, and on the east by South 82nd Street and on the north by Roca Road. The neighborhood boundaries were selected as they provide lines of demarcation for changes in land use. The subject neighborhood is an established mixed-use area with primarily commercial usage in the central part of the Village of Hickman, and less intensive lower density usages dominating development to the east and western portions of the neighborhood.

Site Description: The site lies north of the north right-of-way line of Hickman Road and contains 125 lineal feet of frontage adjacent to Hickman Road on the south and extends northerly 158 lineal feet with a total gross site area of 19,750 SF (0.45 Ac.), less 4,125 SF (0.095) acres of existing road right-of-way for a net usable gross available site area of 15,625 SF (0.36 Ac.), more or less. The site is at curb grade and slopes from the northwest to the southeast. The site is an interior location and has limited visibility from Hickman Road. The access is limited to

SUMMARY OF FACTS AND CONCLUSIONS (Continued)

Site Description (Cont.)	Hickman Road and is considered to be adequate. The site is within the one-mile territorial limits for the Village of Hickman, with municipal fire and police services are available from the Village of Hickman.
Zoning:	The site is zoned C-2, General Commercial Business District. This zoning designation is established standards that will benefit the retail trade, business, cultural, and social activities of the entire community.
Flood Status:	The subject site is not believed to be in a delineated flood zone or flood hazard area.
Taxes and Assessments:	The subject site is owned by Lancaster County, State of Nebraska, a governmental agency, and is considered to be exempt from property tax assessments.
Improvements:	The subject site is improved with a one-story stone building measuring 51 lineal feet adjacent to Hickman Road and extending northerly for 36 lineal feet 1,836 SF. In addition, the main building has a 11 x 17 foot attached addition on the north elevation for a total gross building area of 2,023 SF. The building was constructed in approximately 1930, as a maintenance building for Lancaster County. The building is believed to be situated on a concrete footing. The sidewalls are stone and are twelve foot sidewalls. The roof is a sloped roof and appears to be in adequate condition with various items of deferred maintenance observed. The interior of the building has a poured concrete floor and is heated from a ceiling mounted space heater. The subject property does not have water available to the building; however, it is believed there is an on-site well that is available for potable water. The interior of the building is accessed from the east elevation from a walk-in door or from the south elevation by way of one of three wooden overhead garage doors. The subject property is functionally designed and has been reasonably maintained. The physical age of the improvements is approximately eighty-eight (88) years; however, the effective age is something less than the chronological age and for purposes of this appraisal report, I am of the opinion the effective age of the subject property building improvements to be fifty (50) years with very limited remaining economic life. However, the value of the subject property improvements would appear to exceed the value of the land, and as such, the improvements are still considered to have an economic value over and above the value of the land.

SUMMARY OF FACTS AND CONCLUSIONS (Continued)

Highest and Best Use:	Commercial Development
History of Property:	The fee simple title to the subject site land and improvements to the land have not transferred within the last five years.
Intended Use and Users:	The intended user of this report will be the Lancaster County Board of Commissioners, or their assigns, with all other users considered to be unintended users. The use of this appraisal report is to provide a basis for negotiation between Lancaster County, Nebraska, for the disposition of the subject site.
Scope of the Appraisal:	<p>The intended use of this appraisal will be to provide an estimate of value of the subject site, "as vacant and "as improved". The subject site was used purchased for and was used as a County Maintenance Shop since its inception. As such, the site contained on-site fuel storage tanks, etc. Based on a physical inspection of the site, the appraiser did not observe any signs of fuel spills or contaminated soil; however, the County has chosen to not do any type of Phase II or III environmental impacts studies to determine whether or not there is any on-site contamination of soil, etc. As such, this report is predicated on the Hypothetical Condition that is subject site does not contain any type of soil contamination, etc. If there is any evidence that the site does have this type of stigma, this could have an influence on the final indication of value in this report.</p> <p>This appraisal report is an update of an appraisal done for the Sponsor, as of November 17, 2016, and the photos used in this report, were taken by the appraiser as part of the original appraisal report. The as of date for this appraisal report is January 25, 2018, corresponds with my last inspection date of the subject property.</p>
Indications of Value:	
Land Valuation Estimate	\$ 56,000
Cost Comparison Approach:	Not Applicable
Sales Comparison Approach:	\$ 55,000
Income Approach:	Not Applicable
Final Indication of Value:	\$ 55,000
Date of Appraisal:	The effective date of the appraisal is as of January 25, 2018, and corresponds with my last inspection of the site.

GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

The Standards of Professional Practice of the Appraisal Foundation requires the appraisers to disclose clearly and accurately any extraordinary assumption or limiting conditions that directly affects an opinion or conclusion. In order to help the reader in interpreting this report, the appraiser's assumptions and limiting conditions are set forth as follows:

1. The date of value to which the conclusions or opinions expressed in this report apply is set forth in the letter of transmittal. The dollar amount of any value opinion rendered is based on the purchasing power of the American dollar existing on that date.
2. Photographs contained in the individual appraisal reports were taken by the appraiser on the date the property was inspected. Any photos taken on a different date or by another person are appropriately labeled.
3. The appraiser assumes no responsibility for economic or physical factors which may affect the opinions in the report which occur after the date of the letter transmitting the report.
4. Forecasts of anticipated revenues and expenses were based on the appraiser's analysis of market trends, economic conditions and the operating history of the property. Such forecasts are dependent on assumptions about future economic, social and political conditions, and market related activity. They represent the appraiser's opinion of current investor attributes and motivations applicable to the class of property appraised, and no warranty or representation that these forecasts will materialize is implied. Any leasehold valuation made on the date is assumed to be correct. Should either the property owner or the tenant provide data which is in conflict, the appraiser will re-evaluate the various claims and the estimate of property division? The value of fractional interests, if reported, may or may not equal the value of the whole (in fee simple).
5. Information furnished by others is believed to be reliable; however, no warranty for its accuracy is implied.
6. Data relating to ownership and legal description were obtained from the client, property owner or from public records and is assumed to be correct. No opinion is rendered on the title. Title is assumed to be marketable and free and clear of all liens, encumbrances, easements and restrictions except those specifically discussed in the report. The property is appraised assuming responsible ownership, competent management, and available for its highest/best use.
7. The appraiser reserves the right to make such adjustments to the analysis, opinions and conclusions set forth in this report as may be required by consideration of additional data or more reliable data that may become available.
8. The appraiser assumes no responsibility for hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for arranging for engineering studies that may be required to discover them.
9. No soil tests or environmental studies were available unless specifically stated in this report. It is assumed that there are no sub-surface, toxic waste or building material

GENERAL ASSUMPTIONS AND LIMITING CONDITIONS (Continued)

hazards in the property that would adversely affect its existing or potential use, unless otherwise stated in this report. This site was used for as a Lancaster County maintenance site and the presence or absence of any hazardous wastes or contamination have not been provided to the appraiser and any analysis of these environmental concerns are above the scope of this appraisal assignment.

10. Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyl, 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 the appraiser nor did the appraiser become aware of such during the appraiser's inspection. The appraisers have no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraisers, however, are 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, nor for any expertise or engineering knowledge required to discover them.
11. Unless otherwise stated, the existence of any violations or non-conformity with the minimum standards set forth in the American with Disabilities Act (ADA) were not called to our attention. The detection non-compliance does not fall within the expertise of the appraiser. It is our recommendation that a survey of the improvements be separately conducted by qualified experts.
12. No opinion is expressed on the value of subsurface oil, gas or mineral rights or whether the property is subject to surface entry for the exploration or removal of such materials except as expressly stated.
13. Unless otherwise stated, the property is appraised assuming the property is in compliance with all applicable zoning and use regulations and restrictions.
14. The property is appraised assuming all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been, or can be, obtained or renewed for any use on which the value estimate contained in this report is based, unless otherwise stated.
15. Maps, plats and exhibits included in this report are for illustration purposes only to be used as an aid to help the reader to visualize matters discussed within the report. They should not be considered as surveys or relied upon for any other purpose, nor should they be removed from, reproduced, or used apart from this report.
16. No opinion is intended to be expressed for matters, which require legal expertise or specialized investigation, or knowledge beyond that customarily employed by real estate appraisers.

GENERAL ASSUMPTIONS AND LIMITING CONDITIONS (Continued)

17. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
18. The possession of this report, or a copy of it, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of appraiser, and in any event only with proper written qualification and only in its entirety.
19. Testimony or attendance in court or at any other hearing is not required by reason of rendering this report, unless such arrangements are made a reasonable time in advance pertaining to such additional employment.
20. Disclosure of the contents of this appraisal report shall not be conveyed to the public without the written consent and approval of the appraiser.

EXTRAORDINARY ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal is made under the following assumptions along with those that appear in the body of the appraisal.

An "Extraordinary Assumption" is defined as an assumption directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of the data used in an analysis. (USPAP, 2014-15).

1. As defined by the Uniform Standards of Professional Appraisal Practice, this appraisal analysis is reported in a Restricted Appraisal format. As such, this appraisal report is not intended for any other users. The appraisal report is written to be in conformance with the Uniform Standards of Professional Appraisal Practice (USPSP).
2. The subject site is contained in a parcel with a total site 19,750 SF of total site area with the net usable available site area reduced to 15,625 SF (0.36 Ac.), more or less. The correct legal description conforms to the property herein described and illustrated by plat maps contained in this report. Any change in size or legal description of the land could affect the value estimate.
3. The subject site under consideration in this report includes land generally utilized for light industrial/commercial development usage. A metes and bounds boundary survey description has been provided to the appraiser, the subject site's size and location are based on plat maps filed with the Lancaster County Register of Deeds Office as well as property cards on file with the Lancaster County Assessor's Office. The results of this analysis may change should the actual size of the subject parcel digress.

EXTRAORDINARY ASSUMPTIONS AND LIMITING CONDITIONS (Continued)

4. The appraiser has not been provided with a title search. Additionally, the appraiser has researched the public records to determine the ownership and title history of the subject property going back to the point the site was vacant and available for its highest and best use. The subject property ownership and title history are based on this research, and are not warranted to be correct. The ownership data in this report is assumed to be correct. Any change in this factual data may affect the subject property valuation.
5. The appraiser is not an expert on hazardous materials. The appraiser cautions that if present, such materials could affect the value of the property. The subject property is currently utilized as a County Maintenance Facility. The current use does appear to include restricted use chemicals; however, proper application procedures would have limited any long-term impact to the subject property. The inspection of the site revealed no known hazardous materials. Once again, the appraiser was not provided with any type of Environmental Hazard or Impact Report, and the existence of any hazardous materials or environmental concerns could affect the overall market value of the subject property land and improvements to the land.
6. The subject site is located in an developing established mixed-use area for the City of Hickman, Nebraska. Surrounding development usages appear to be predominantly a blend of single-family and light commercial/industrial development with predominantly agricultural outside the corporate limits of the Hickman.

IDENTIFICATION OF THE PROPERTY

The subject property is located at 6700 Hickman Road, Hickman, Nebraska, and is described as Lot One (1), Southeast Quarter (SE $\frac{1}{4}$) Section Twenty-Eight (28), Township Eight North (8N), Range Seven East (7E) of the 6th Principal Meridian, Lancaster County,

PURPOSE OF THE APPRAISAL

The purpose or objective of this appraisal is to provide a supported opinion of the market value of the fee simple interest in the property described in this report. The appraisal and the final estimate of value are made subject to the General Limiting Conditions, Extraordinary Assumptions and Hypothetical Conditions cited herein. Any user of this appraisal report should be thoroughly familiar with the three above mentioned sections of this report.

MARKET VALUE DEFINED

Market value is defined as the most probable selling 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.

MARKET VALUE DEFINED (Continued)

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:

- buyer and seller are typically motivated;
- both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest;
- a reasonable time is allowed for exposure in the open market;
- payment is made in cash in US dollars or in terms of financial arrangements comparable thereto;
- the price represents a normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

It should be noted the market value described herein, is the value to a single purchaser, as of the date of the appraisal, with all appropriate deductions and discounts considered.

PROPERTY RIGHTS APPRAISED

The real estate interests appraised are the fee simple estate to the subject property land and improvements to the land.

DEFINITION OF FEE SIMPLE ESTATE

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

Source: Appraisal Institute. The Dictionary of Real Estate Appraisal. Fifth Edition. Chicago 2010

FEE OWNER OF RECORD

Lancaster County
555 South 10th Street
Lincoln, NE. 68508

SPONSOR

Lancaster County Board of Commissioners
555 South 10th Street
Lincoln, NE. 68508

DATE OF THE APPRAISAL

The effective date of the appraisal is as of January 25, 2018.

FUNCTION OR USE OF THE APPRAISAL

To provide a market value estimate of the subject property land and improvements to the land which will aid the Sponsor in ascertaining the disposition of the subject property.

HISTORY OF PROPERTY

The fee simple title to the subject site land and improvements to the land have not transferred within the last five years.

COMPETENCY PROVISION

I certify that I have sufficient education, training, and experience to be able to arrive at a supported indication of value for the above-described property in a timely manner. For further clarification of my competencies, skills, and abilities, I urge the reader to review the Qualifications of the Appraiser, located in the Addenda of this report.

SCOPE OF THE APPRAISAL

As part of the appraisal process, I have inspected the subject property, taken the subject photos contained in this report, and obtained the physical and financial information used to prepare my estimate of value.

Geographic, economic and general data contained in this report is based on data from the Lancaster County, Nebraska, Assessor's Office and public information obtained as part of my primary research. The market data used in this report is from my files, municipal records, other appraisers, Realtors, and others knowledgeable with the market place.

The intended user of this appraisal report will be Lancaster County Board of Commissioners, or their assigns. All other users are unintended users. The intended use of the report will be to help provide a basis for negotiation for the disposition of the subject site.

This appraisal report is an update of an appraisal done for the Sponsor, as of November 17, 2016, and the photos used in this report, were taken by the appraiser as part of the original appraisal report. The as of date for this appraisal report is January 25, 2018, corresponds with my last inspection date of the subject property.

MARKETING TIME ESTIMATE

The marketing period typically associated with a property such as the subject property is based on a review of sales data and conversations with local market participants. The sales used in this report indicate a relatively short marketing time in the area of twelve (12) to twenty-four (24) months assuming the property is actively marketed and competitively priced.

INTENDED USE AND USERS

The intended user of this appraisal report will be Lancaster County Board of Commissioners, or their assigns, with all other users considered to be unintended users. The appraiser has had no discussion with the owner or client relating to value conclusions, prior to the preparation of this report.

NON-REALTY ITEMS EXCLUDED FROM VALUATION

This appraisal and analysis gives no consideration to items of personal property, except those herein described. The subject site is currently improved with a one-story pre-fabricated metal single tenant distribution warehouse/service building.

ACKNOWLEDGEMENT OF ASSISTANCE

No one provided significant assistance in the preparation of the appraisal report or this report other than the author of the report. All photographs were taken on January 25, 2018, by James J. Shotkoski, Lancaster County Engineering Dept.

NEIGHBORHOOD DESCRIPTION

The subject neighborhood is generally described as the Village of Hickman, Nebraska, and is roughly bounded on the south by Hickman Road, on the west by the Burlington Northern Railroad, and on the east by South 82nd Street and on the north by Roca Road. The neighborhood boundaries were selected as they provide lines of demarcation for changes in land use. The subject neighborhood is an established mixed-use area with primarily commercial usage in the central part of the Village of Hickman, and less intensive lower density usages dominating development to the east and western portions of the neighborhood.

SITE DESCRIPTION

The site lies north of the north right-of-way line of Hickman Road and contains 125 lineal feet of frontage adjacent to Hickman Road on the south and extends northerly 158 lineal feet with a total gross site area of 19,750 SF (0.45 Ac.), less 4,125 SF (0.095) acres of existing road right-of-way for a net usable gross available site area of 15,625 SF (0.36 Ac.), more or less.

The site is at curb grade and slopes from the northwest to the southeast. The site is an interior location and has limited visibility from Hickman Road. The access is limited to Hickman Road and is considered to be adequate. The site is within the one-mile territorial limits for the Village of Hickman, with municipal fire and police services are available from the Village of Hickman.

ZONING

The site is zoned C-2, General Commercial Business District. This zoning designation is established standards that will benefit the retail trade, business, cultural, and social activities of the entire community. Please refer to the Addenda of this report for a copy of the applicable zoning regulations.

FLOOD STATUS

The subject site is not believed to be in a delineated flood zone or flood hazard area.

TAXES AND ASSESSMENTS

The subject site is owned by Lancaster County, State of Nebraska, a governmental agency, and is considered to be exempt from property tax assessments.

DESCRIPTION OF THE IMPROVEMENTS

The subject site is improved with a one-story stone building measuring 51 lineal feet adjacent to Hickman Road and extending northerly for 36 lineal feet 1,836 SF. In addition, the main building has a 11 x 17 foot attached addition on the north elevation for a total gross building area of 2,023 SF. The building was constructed in approximately 1930, as a maintenance building for Lancaster County. The building is believed to be situated on a concrete footing.

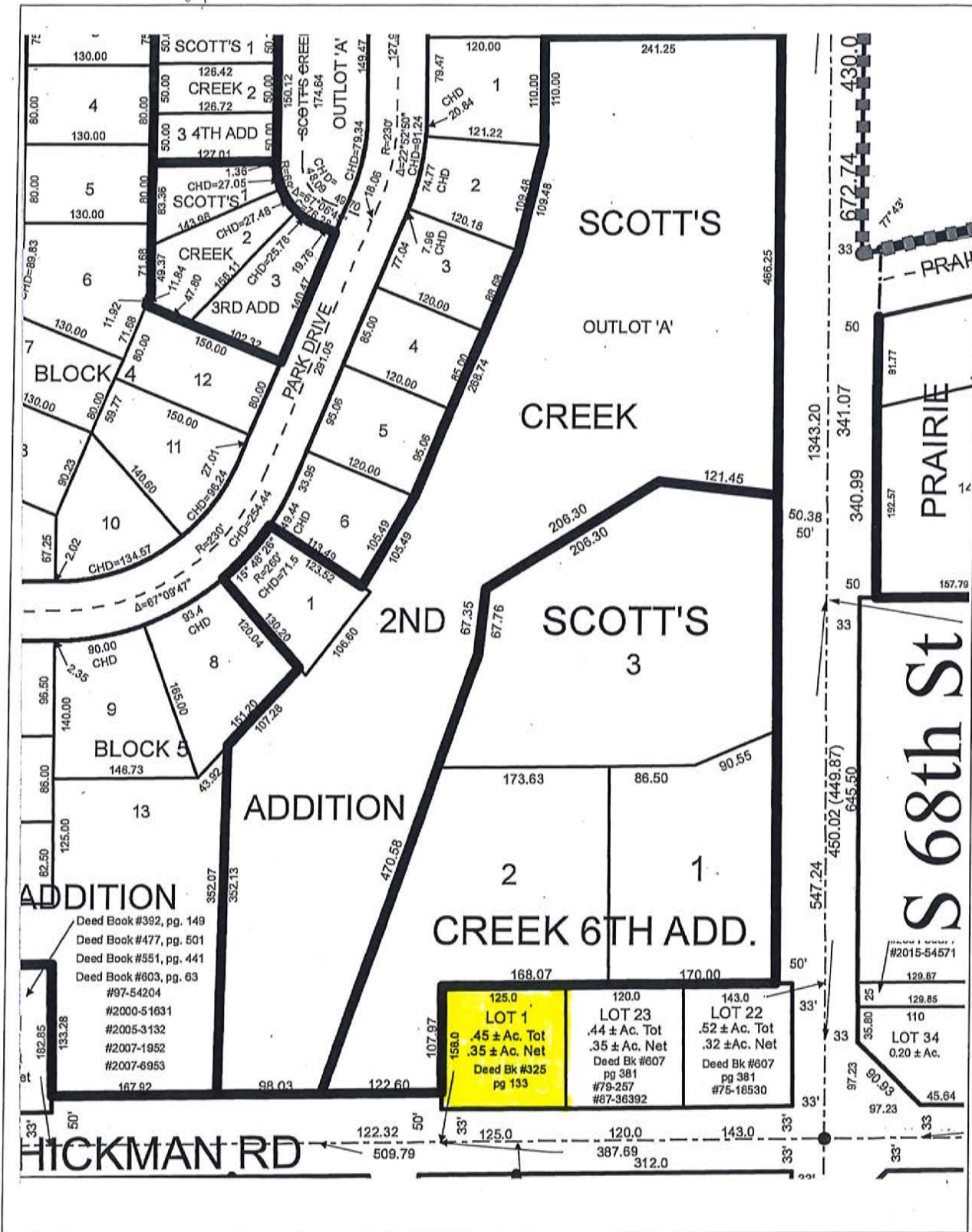
The sidewalls are stone and are twelve foot sidewalls. The roof is a sloped roof and appears to be in adequate condition with various items of deferred maintenance observed. The interior of the building has a poured concrete floor and is heated from a ceiling mounted space heater. The subject property does not have water available to the building; however, it is believed there is an on-site well that is available for potable water.

The interior of the building is accessed from the east elevation from a walk-in door or from the south elevation by way of one of three wooden overhead garage doors. The subject property is functionally designed and has been reasonably maintained.

The subject site was used purchased for and was used as a County Maintenance Shop since its inception. As such, the site contained on-site fuel storage tanks, chemicals, etc. Based on a physical inspection of the site, the appraiser did not observe any signs of fuel spills or contaminated soil; however, the County has chosen to not do any type of Phase II or III environmental impacts studies to determine whether or not there is any on-site contamination of soil, etc. As such, this report is predicated on the Hypothetical Condition that is subject site does not contain any type of soil contamination, etc. If there is any evidence that the site does have this type of stigma, this could have an influence on the final indication of value in this report.

The physical age of the improvements is approximately eighty-eight (88) years; however, the effective age is something less than the chronological age and for purposes of this appraisal report, I am of the opinion the effective age of the subject property building improvements to be fifty (50) years with very limited remaining economic life. However, the value of the subject property improvements would appear to exceed the value of the land, and as such, the improvements are still considered to have an economic value over and above the value of the land.

PLAT MAP





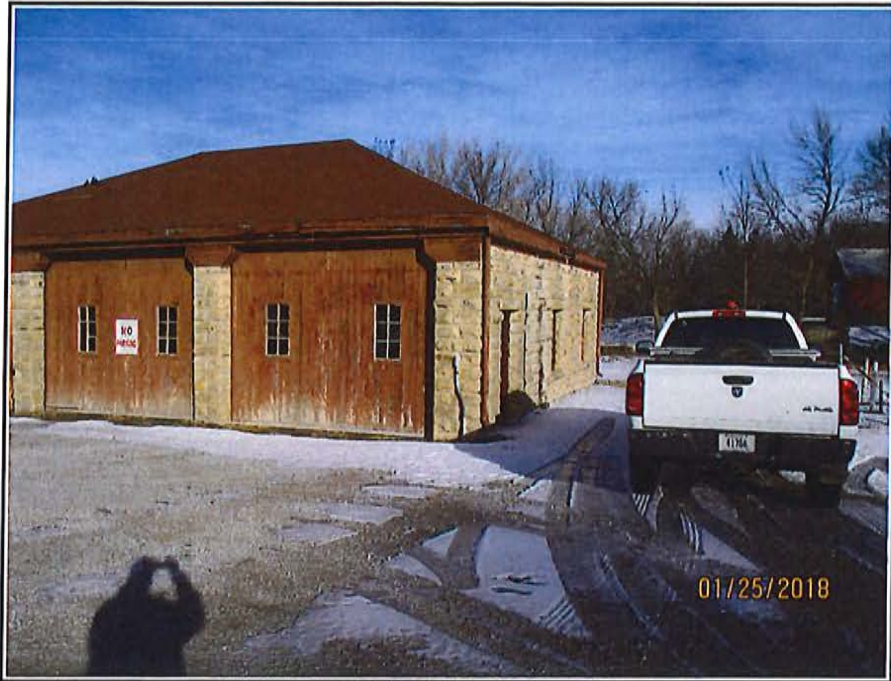
Street Scene

Partial view looking easterly along Hickman Road as seen from the entrance to the subject property. Camera direction facing easterly. Photograph taken November 17, 2016, by James J. Shotkoski



Street Scene

Partial view looking westerly along Hickman Road as seen from the entrance to the subject property. Camera direction facing westerly. Photograph taken November 17, 2016, by James J. Shotkoski



Subject Property

Partial view of the south and east elevation of the subject property as seen from an interior on-site location. Camera direction facing northwesterly. Photograph taken November 17, 2016, by James J. Shotkoski



Subject Property

Partial view of the south and west elevation of the subject property as seen from an interior on-site location. Camera direction facing northeasterly. Photograph taken November 17, 2016, by James J. Shotkoski



Subject Property

Partial view of the east and north elevation of the subject property as seen from an interior on-site location. Camera direction facing southwesterly. Photograph taken November 17, 2016, by James J. Shotkoski



Subject Property

Partial view of the north and west elevation of the subject property as seen from an interior on-site location. Camera direction facing southeasterly. Photograph taken November 17, 2016, by James J. Shotkoski



Subject Site

Partial view looking northerly across the length of the subject site as seen from an interior on-site location. Camera direction facing northerly. Photograph taken November 17, 2016, by James J. Shotkoski



Subject Site

Partial view looking easterly across the length of the subject site as seen from an interior on-site location. Camera direction facing easterly. Photograph taken November 17, 2016, by James J. Shotkoski

HIGHEST AND BEST USE

All real estate value estimates must be supported by a conclusion as to the highest and best use of a land tract. Highest and best use is considered in the economic sense and it is generally defined as the most profitable likely use within the realm of reasonable probability to which a land tract can be put or adapted and for which there is a current market. The criteria for determining the highest and best use of a given property call for an evaluation of how the property adapts to a number of requirements, i.e.

1. The use must be legally permissible or reasonably possible.
2. The use must be physically possible on the site.
3. The use must be economically and financially feasible under the projected market conditions.
4. The use must be the most profitable among the alternatives that are legally permissible, physically possible and economically feasible.

The highest and best use analysis involves two separate studies:

1. The site as if vacant and ready to be put to its highest and best use; and if the property is improved;
2. A study of the highest and best use of the property as improved.

Highest and Best Use as if Vacant

The site lies north of the north right-of-way line of Hickman Road and contains 125 lineal feet of frontage adjacent to Hickman Road on the south and extends northerly 158 lineal feet with a total gross site area of 19,750 SF (0.45 Ac.), less 4,125 SF (0.095) acres of existing road right-of-way for a net usable gross available site area of 15,625 SF (0.36 Ac.), more or less.

The site is zoned C-2, General Commercial Business District. This zoning designation is established standards that will benefit the retail trade, business, cultural, and social activities of the entire community.

The subject neighborhood is an established mixed-use area with primarily commercial usage in the central part of the Village of Hickman, and less intensive lower density usages dominating development to the east and western portions of the neighborhood.

Given the above, it is my opinion, one of the highest and best uses for the subject site "As Vacant" is for some type of low density commercial/retail development capitalizing on the subject site's proximity to Hickman, as it is physically possible, legally permissible and financially feasible.

Highest and Best Use, as Improved

The current usage is considered to be an interim highest and best use. As such, it is my opinion, one of the highest and best uses for the subject site, "as improved", would be to raze the existing building improvements for some type of new commercial or retail development.

VALUATION SECTION

Land Valuation

The value of the subject site is estimated by comparison to other similar land transactions. The following transactions representing vacant commercial sales that were used to assist in the estimate of the value of the subject site.

Land Sale No. 1

Parcel Identification Number:	15-28-409-002-000
Location:	1200 Park Dr. Hickman, NE.
Legal Description:	Lot Two (2), Block Four (4), Woodland Plaza Addition, as surveyed, platted and recorded, Village of Hickman, Lancaster County, State of Nebraska
Grantor:	Woodland Plaza, LLC, a Nebraska limited liability company
Grantee:	Hickman Development, LLC, a Nebraska limited liability company
Instrument:	Warranty Deed Date of Execution: 01/27/2016 Instrument # 2016004327 Date Recorded: 02/04/2016
Tract Size:	48,610 SF (1.12 Ac), more or less
Sale Price:	\$ 170,000 \$/SF: \$ 3.50/SF
Financing:	Cash to Seller
Zoning:	Commercial Development
Flood Status:	The site is not believed to be in a delineated flood zone or flood hazard area
Highest and Best Use:	Commercial
Improvements:	Vacant
Confirmed:	Real Estate Transfer Statement Nebraska Dept. of Revenue

Land Valuation (Continued)

Land Sale No. 3

Parcel Identification Number: 15-28-406-003-000

Location: 6710 Woodland Boulevard
Hickman, NE.

Legal Description: Lot Three (3), Block One (1), Woodland Plaza Addition, as surveyed, platted and recorded, Village of Hickman, Lancaster County, State of Nebraska

Grantor: Woodland Plaza, LLC, a Nebraska limited liability company

Grantee: Teresa L. Keslar

Instrument: Warranty Deed

Date of Execution: 08/12/2016
Instrument # 2016033578
Date Recorded: 08/11/2016

Tract Size: 73,779 SF (1.69 Ac), more or less

Sale Price: \$ 250,400 \$/SF: \$ 3.39/SF

Financing: Cash to Seller

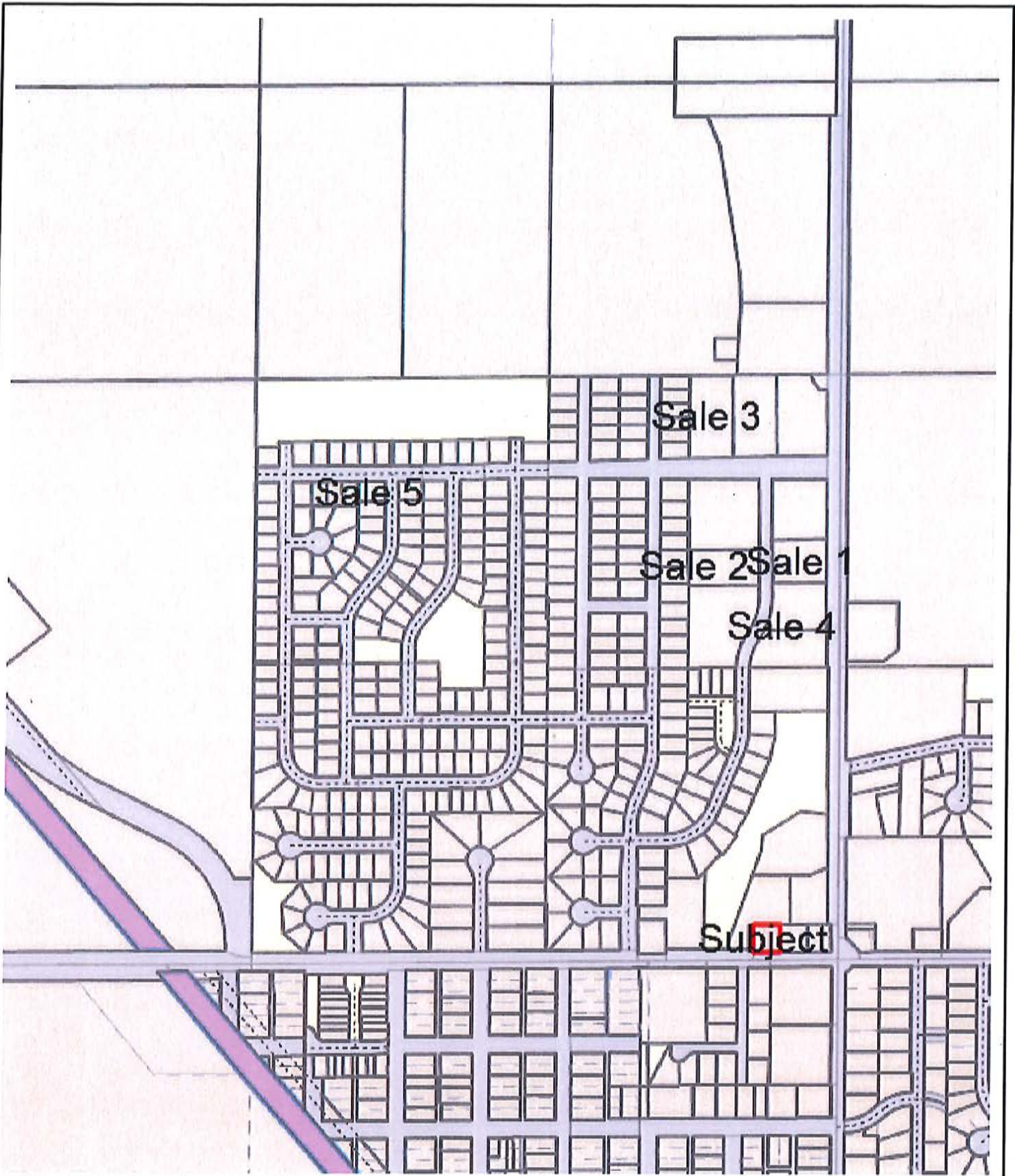
Zoning: Commercial District

Flood Status: The site is not believed to be in a delineated flood zone or flood hazard area

Highest and Best Use: Commercial Development

Improvements: The site has been improved with a new multi-tenant neighborhood shopping center containing 8,938 SF constructed in 2017

Confirmed: Real Estate Transfer Statement
Nebraska Dept. of Revenue



Lancaster County/City of Lincoln GIS Map

LAND SALES MAP



Printed: Jan 26, 2018

DISCLAIMER: The information is presented on a best-efforts basis, and should not be relied upon for making financial, survey, legal or other commitments. If you have questions or comments regarding the data displayed on this map, please email ags@lincoln.ne.gov and you will be directed to the appropriate department.

Land Valuation (Continued)

The preceding vacant primarily commercial land sales are summarized as follows:

Sale	Location	Date	Price (\$)	Size (SF)	\$/SF	Zoned
1	1200 Park Dr.	01/2016	\$ 170,000	48,610	\$ 3.50	Comm.
2	1201 Park Dr.	04/2016	175,773	51,698	3.40	Comm.
3	6740 Woodland Blvd.	08/2016	250,400	73,779	3.39	Comm.
4	1004-1006 Park Dr.	09/2017	165,000	108,453	1.52	Comm.
5	Woodland Dr./Hickory St	01/2018	706,000	138,433	5.10	Res.
Subject	67 th & Hickman Rd			15,625		Comm.

The subject site is located in the Village of Hickman. Hickman is a developing primarily residential development area of southern Lancaster County. Typically, the most common unit of comparison for either residential or commercial sites is the sales price per square foot of total available site area. As such, the economic unit of comparison in this report will utilize the sales price per square of total gross available site area. The subject site is a commercial site adjacent to a paved east/west arteriole for the Village of Hickman.

The above sales range in size from a low of 48,610 SF to a high of 138,433 SF, with an arithmetic mean of 84,195 SF, compared to the subject site's size of 15,625 SF. The consideration per square foot vary from a low of \$ 1.52/SF to a high of \$ 5.10/SF and an arithmetic mean of \$ 3.38/SF and a weighted average of \$ 3.49/SF (\$ 1,467,173 Total Consideration divided by 247,923 SF).

In the process of estimating a market value for the subject site, the preceding sales must first be analyzed to identify significant differences between the elements of comparison and make adjustments either positive or negative for those differences.

In the process of estimating a market value for the site, the items considered to warrant adjustments are property rights conveyed by the sale, terms and conditions of the sale, the financing surrounding the sale, and finally an adjustment for changing market conditions, more commonly referred to as a time adjustment, to reflect the changes from the effective date of the sales to the date of the appraisal and finally, any physical adjustments for size, location, access and the zoning including the functional utility or development potentiality of the site.

Each of the above sales involved the transfer of the fee simple estate and do not require any further adjustments for property rights conveyed.

In adjusting for the terms and conditions of the sale, each of the above sales were considered to be have been normal "arm's length" transactions, and do not require any further adjustments for this consideration, relative to that of the subject site.

Each of the above sales are considered to a cash sales, or has been adjusted for financing and do not require any further adjustments for below market or special financing adjustments or arrangements.

In adjusting for changing market conditions over the past two years, an analysis of the above sales indicates a fairly active market for commercial development parcels in the Village of

Land Valuation (Continued)

Hickman. Given the fact there has been only one commercial land sale in the last twelve months would indicate that each of the above sales are considered sufficiently recent, in terms of the date of the sale and do not require any further adjustments for time or changing market conditions, relative to that of the date of the appraisal.

The next step is to make adjustments for physical characteristics and differences. The subject is the norm and the sales are adjusted accordingly toward the subject with sales which are considered to be inferior requiring upward adjustments; and conversely, sales which are considered to be superior requiring downward adjustments toward the subject.

The underlying real estate principle governing the adjustments is the larger the size of the unit of comparison, the smaller the price paid per unit of value, and conversely, the smaller the size of the unit of value, the higher the price paid per unit of value, all other valuation considerations being equal.

In adjusting for size, the subject site contains 15,625 SF of developable site area. Each of the above sales are larger than the subject site and utilizing the above real estate principle are considered to be inferior to that of the smaller subject site in terms of size and require varying degrees of upward adjustment toward the smaller and superior subject site to account for this difference. The magnitude of the adjustment is not well documented from an analysis of the above sales; however, for purposes of this report, I consider Comparable Sales 1, 2 and 3 to each require an upward adjustment of ten percent, relative to that of the subject site for this consideration. Comparable Sale 2 is approximately fifty percent smaller than the subject site to account for this difference, while Comparable Sales 4 and 5 each require an upward adjustment of fifteen percent to account for this size difference, relative to that of the subject site.

The next adjustment is for location and takes into consideration the marketability of the comparable sale, relative to that of the subject site. The subject site is located within the Village of Hickman adjacent to a paved arteriole and within one block of an exclusively commercially oriented intersection.. Each of the comparable sales are located in a newly developing residential area of development and are each considered to be slightly superior to the subject site for this consideration and require a slight downward adjustment of five percent each toward the subject site to account for locational differences.

In adjusting for access the subject site has good access from Hickman Road which borders the subject site on the south. Each of the comparable sales are located adjacent to paved roadways and are considered to be comparable to the subject site for this consideration and require only minor adjustments, relative to the subject site for this consideration.

In adjusting for zoning, the subject property is zoned for commercial development. Each of the above comparable sales used in this report, with the exception of Comparable Sale 5, were zoned for commercial development. As such, I consider each of the above sales to be comparable to the subject site for this consideration and require minor adjustments, relative to the subject site for this consideration. Comparable Sale 5 is zoned for residential development, and based on an analysis of the above sales, is superior to the subject site in terms of zoning. As such this comparable sale requires a adjustment to account for the development potential of the subject site, relative to that of the comparable sales. A downward adjustment five percent for this consideration is considered to be reasonable to account for this distinction.

Land Valuation (Continued)

The above adjustments considered for the sales are reflected on the following adjustment grid. An adjustment factor greater than one indicates the subject is superior; and an adjustment factor less than one indicates the subject is inferior.

UNIMPROVED SALES ADJUSTMENT GRID

Attribute	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
Prop. Rights	1.00	1.00	1.00	1.00	1.00
Conditions	1.00	1.00	1.00	1.00	1.00
Financing	1.00	1.00	1.00	1.00	1.00
Mkt. Conditions	1.00	1.00	1.00	1.00	1.00
Size	1.10	1.10	1.10	1.15	1.15
Location	0.95	0.95	0.95	0.95	0.95
Access	1.00	1.00	1.00	1.00	1.00
Zoning	1.00	1.00	1.00	1.00	0.95
Composite	1.05	1.05	1.05	1.09	1.05
Unadjusted \$/SF	\$ 3.50	\$ 3.40	\$ 3.39	\$ 1.52	\$ 5.10
Composite	<u>1.05</u>	<u>1.05</u>	<u>1.05</u>	<u>1.09</u>	<u>1.04</u>
Adjusted \$/SF	\$ 3.68	\$ 3.57	\$ 3.56	\$ 1.66	\$ 5.30

Arraying the above sales in linear fashion, results in the adjusted sales falling in a range from a low of \$ 1.66/SF to a high of \$ 5.30/SF. Omitting the high and low sales from further analysis as being outside the indicated range of value, results in three of the five sales falling in a relatively narrow range of value from \$ 3.56/SF to \$ 3.68/SF. Based on the analysis of the above sales, I am of the opinion the fee simple market value of the subject site, as of January 25, 2018, to be \$ 3.60/SF. This results in the following indication of value for the subject site to be:

$$15,625 \text{ SF @ } \$ 3.60/\text{SF} = \$ 56,250$$

$$\text{Call It: } \$ 56,000$$

Cost Approach

The Cost Approach is predicated on the Principle of Substitution which states that a buyer will pay no more for a property than the cost of an equally desirable similar property with identical use and design. The fact the subject property has a physical age of approximately eighty-eight (88) years makes the application of the Cost Approach in this report more of an academic exercise, than as an indicator of value due to the magnitude of the adjustments required to account for the accrued depreciation, physical, functional and external obsolescence thereby diminishing the persuasiveness of this approach as a final indication of value in this report. As such, the Cost Approach was not used in this report.

The subject property building improvements were constructed in approximately 1930, and the remaining economic life for the subject property building improvements is primarily for warehouse storage.

The Cost to Cure to upgrade the subject property to address the various forms of accrued depreciation exceeds the economic value of the subject property, as improved; therefore, the existing building improvements are considered to be an interim use and the most probable use for the subject site, as improved, would be for the demolition of the existing building improvements and the construction of some type of new commercial development, capitalizing on the location and surrounding mixed-use developments within the vicinity of the subject property.

The cost of demolition and the removal of the razed building improvements are needed prior to the construction of any new building improvements. The cost to demolish and remove the existing building improvements is estimated to be approximately \$ 5,000. This cost equates to a figure of approximately \$ 2.50/SF (\$ 5,000 Total Demolition Costs divided by 2,023 SF Total Building Improvement Size). The cost to remove the existing building improvements is a development cost which must be taken prior to implementation of the subject property highest and best use, "As Vacant". This development cost, in my opinion, would be a deduction from what a developer would pay for the site, as the developer must incur this cost, prior to the construction of any new building improvements, and this cost would be reflected in what a potential developer would be willing to pay for site.

Sales Comparison Approach

The procedure of the Sales Comparison Approach arrives at an estimate of value by comparing the subject property to sales of similar properties. The sales are analyzed to bring out similar characteristics to common denominators. These common denominators are referred to as "units of comparison", and may be such common denominators as the value of the total site, the value of the parcel on a per square foot basis, some other supportable economic unit of comparison.

The subject property being appraised is compared and rated with other like properties for which market data is available. The appropriate economic unit of comparison in this report is the sale price per square foot of total gross building area.

Sales Comparison Approach

Improved Comparable Sale 1



Parcel Identification Number: 15-27-301-011-000

Location: 6850 Hickman Rd.
Hickman, NE.

Legal Description: Lot Thirty-Six (36), Irregular Tract, located in the Southwest Quarter (SW¼) of Section Twenty-Seven (27), Township Eight (8) North, Range Seven (7) East of the 6th P.M, Lancaster County, State of Nebraska

Grantor: Urban Motors, Inc., a Nebraska corporation

Grantee: Farabee Properties, LLC, a Nebraska limited liability company

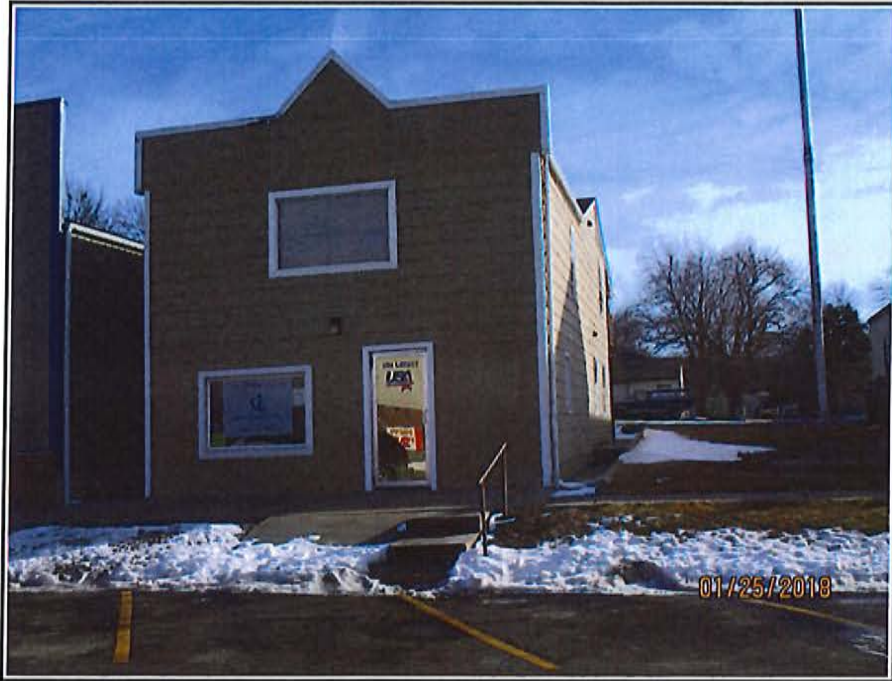
Instrument: Warranty Deed
Date of Execution: 12/01/2014
Instrument # 2014046098
Date Recorded: 12/01/2014

Tract Size: 13,003 SF (0.30 Ac.), more or less

Description of Improvements: The site is improved with a one-story single tenant concrete block and wood frame building constructed in 1985, and containing approximately 1,072 SF of ground

Sales Comparison Approach (Continued)

Improved Comparable Sale 2



Parcel Identification Number: 15-33-223-010-000

Location: 108 Locust Street
Hickman, NE.

Legal Description: The North 25 feet of the South 35 feet of Lot Ten (10), Block Twenty-Three (23), Village of Hickman, Lancaster County, State of Nebraska, and The South One Foot (S 1') of the North Fifteen Feet (N 15') of Lot Ten (10) Block Twenty-Three (23), Village of Hickman, Lancaster County, State of Nebraska

Grantor: William F. Bryant and Linda M. Bryant, Husband and Wife

Grantee: Rick D. Meyer and Susan K. Meyer, Husband and Wife

Instrument: Survivorship Warranty Deed

Date of Execution: 10/21/2016
Instrument # 2016044751
Date Recorded: 10/25/2016

Tract Size: 3,639 SF (0.08 Ac.), more or less

Sales Comparison Approach (Continued)

Improved Comparable Sale 2

Description of Improvements:

The site is improved with a two-story wood frame development constructed in 1960, and containing 2,112 SF of above ground building area. The comparable sale is situated on a concrete slab and appears to be in average or slightly above average condition. The building is currently used for office development.

Consideration:

\$ 135,000

\$/SF: \$ 63.92

Land to Building Ratio:

1.72:1

Financing:

Cash to Seller

Zoning:

Commercial/Office

Highest and Best Use at
Time of the Sale:

Existing Office Use

Confirmed:

State of Nebraska
Department of Revenue
Real Estate Transfer Statement

Sales Comparison Approach (Continued)

Improved Comparable Sale 3



Parcel Identification Number: 07-31-203-006-000

Location: 303 Main St.
Hallam, NE.

Legal Description: Lot Ten (10), except the South Seventy-Two Feet (S 72') thereof Block Ten (10), Village of Hallam, Lancaster County, State of Nebraska

Grantor: First State Bank Nebraska f/k/a First State Bank

Grantee: Rock Island Properties, LLC, a Nebraska limited liability company

Instrument: Warranty Deed
Date of Execution: 02/08/2017
Instrument # 2017006108
Date Recorded: 02/13/2017

Tract Size: 2,950 SF (0.07 Ac.), more or less

Description of Improvements: The site is improved with a one-story wood frame development constructed in 2004, and containing 2,700 SF. The comparable sale is situated on a concrete slab and appears to be in average or slightly above average

Sales Comparison Approach (Continued)

Improved Comparable Sale 3

Description of Improvements
(Continued:

condition. The building is currently used for commercial restaurant development.

Consideration: \$ 65,000 \$/SF: \$ 24.07

Land to Building Ratio: 1.09:1

Financing: Cash to Seller

Zoning: Highway Commercial

Highest and Best Use at
Time of the Sale: Existing Commercial Use

Confirmed: State of Nebraska
Department of Revenue
Real Estate Transfer Statement

Sales Comparison Approach (Continued)

Improved Comparable Sale 4



Parcel Identification Number: 21-10-202-008-000

Location: 360 Fir St.
Bennet, NE

Legal Description: Lot Ten (10) and the West Half (W ½) of Lot Eleven (11),
Block Thirty-Four (34), Village of Bennet, Lancaster
County, State of Nebraska

Grantor: Cheney Welding, Inc., a Nebraska corporation

Grantee: John's Used Green Store, LLC, a Nebraska limited liability
company

Instrument: Corporate Warranty Deed

Date of Execution: 09/06/2017

Instrument # 2017037636

Date Recorded: 09/07/2017

Tract Size: 8,209 SF (0.19 Ac.), more or less

Sales Comparison Approach (Continued)

Improved Comparable Sale 4

Description of Improvements: The site is improved with a one-story prefabricated metal warehouse and storage building constructed in 1972, and containing 2,592 SF of above ground building area. The comparable sale is situated on a concrete slab and appears to be in average or slightly above average condition. The building is currently used for commercial development.

Consideration:	\$ 100,000	\$/SF: \$ 38.58
Land to Building Ratio:	3.17:1	
Financing:	Cash to Seller	
Zoning:	Commercial	
Highest and Best Use at Time of the Sale:	Existing Use	
Confirmed:	State of Nebraska Department of Revenue Real Estate Transfer Statement	

Sales Comparison Approach (Continued)

Improved Comparable Sale 5



Parcel Identification Number: 21-10-205-037-000

Location: 305 Fir St.
Bennet, NE

Legal Description: Lots "L", "M", "N", "O", "P" and "Q" Sidles Subdivision of Lots One (1), Two (2), Three (3), Four (4), Five (5), Six (6), Seven (7) and Eight (8), Block Forty-One (41), Village of Bennet, Lancaster County, State of Nebraska

Grantor: John's Used Green Store, LLC, a Nebraska limited liability company

Grantee: Cheney Welding, Inc., a Nebraska corporation

Instrument: Warranty Deed

Date of Execution: 09/06/2017
Instrument # 2017037641
Date Recorded: 09/07/2017

Tract Size: 8,215 SF (0.19 Ac.), more or less

Sales Comparison Approach (Continued)

Improved Comparable Sale 5

Description of Improvements:

The site is improved with a one-story prefabricated metal warehouse and storage building constructed in 1995, and containing 6,000 SF of above ground building area. The comparable sale is situated on a concrete slab and appears to be in average or slightly above average condition. The building is currently used for commercial development.

Consideration:

\$ 200,000

\$/SF: \$ 33.33

Land to Building Ratio:

1.37:1

Financing:

Cash to Seller

Zoning:

Commercial

Highest and Best Use at
Time of the Sale:

Existing Use

Confirmed:

State of Nebraska
Department of Revenue
Real Estate Transfer Statement

Sales Comparison Approach (Continued)

Improved Comparable Sale 6



Parcel Identification Number: 07-31-204-001-000

Location: 215 Main St.
Hallam, NE.

Legal Description: Lots One (1), Two (2), and the North Half (N ½) of Lot Three (3), Block Eleven (11), Village of Hallam, Lancaster County, State of Nebraska

Grantor: Raymond O. Moyer and Charlotte A. Moyer, Husband and Wife

Grantee: John C. Mackichan, Trustee of the John C. Mackichan Agreement, dated February 7, 1996

Instrument: Warranty Deed
Date of Execution: 09/28/2017
Instrument # 2017042009
Date Recorded: 10/05/2017

Tract Size: 17,290 SF (0.40 Ac.), more or less

Description of Improvements: The site is improved with three abutting one-story developments. Two of the structures and pre-fabricated metal buildings constructed in 1980 and 2006. These two

Sales Comparison Approach (Continued)

Improved Comparable Sale 6

Description of Improvements
(Continued:

buildings contain a total of 1,500 SF of warehouse storage building area. The remaining structure is a concrete block and brick building constructed in 1932, and contains 856 office and storage area. The total gross building area contained in the three buildings total 2,386 SF.

Consideration: \$ 35,000 \$/SF: \$ 14.67

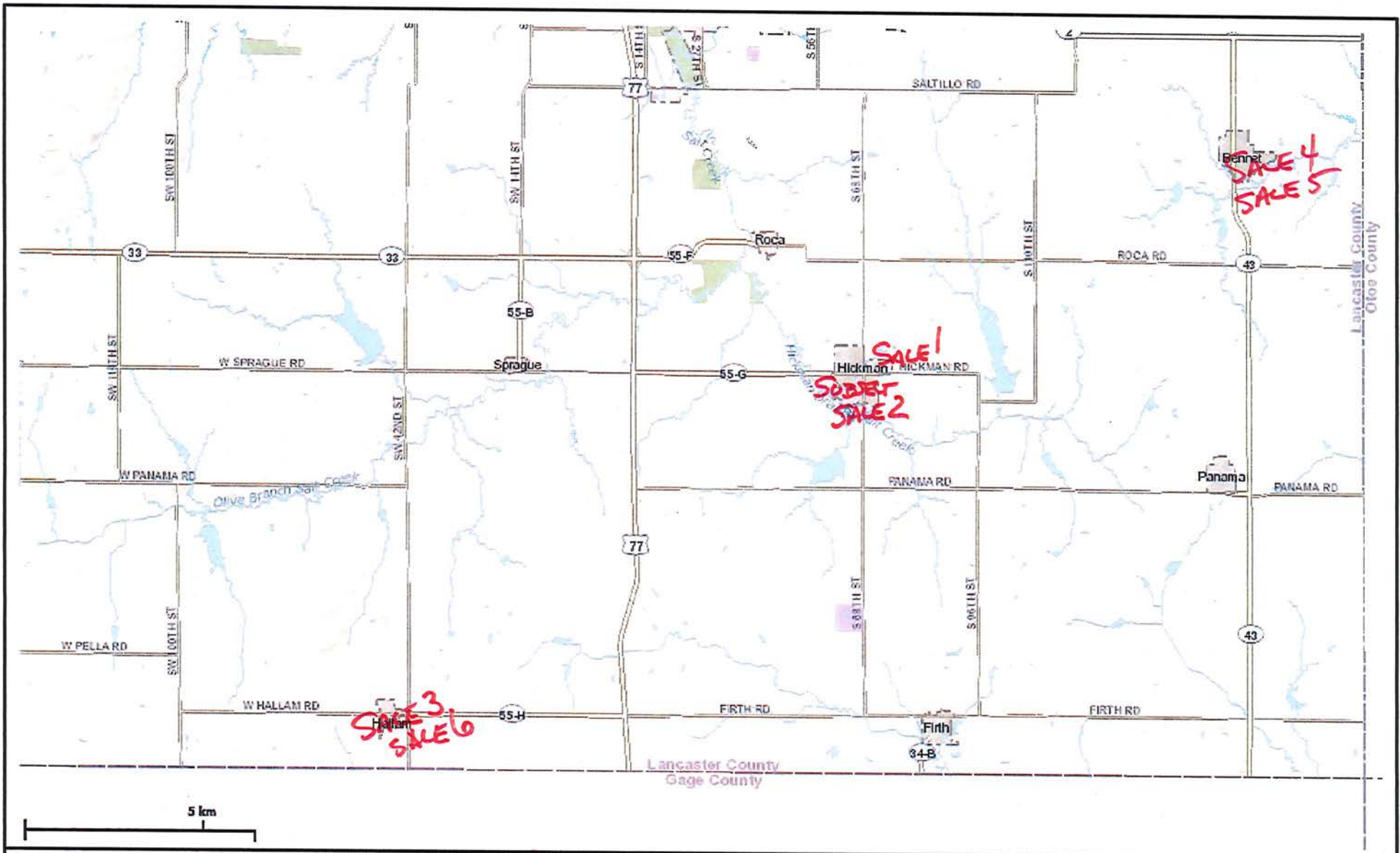
Land to Building Ratio: 7.25:1

Financing: Cash to Seller

Zoning: Highway Commercial

Highest and Best Use at
Time of the Sale: Existing Use

Confirmed: State of Nebraska
Department of Revenue
Real Estate Transfer Statement



Lancaster County/City of Lincoln GIS Map

IMPROVED SALES MAP

Printed: Jan 26, 2018

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Sales Comparison Approach (Continued)

The preceding improved commercial building sales are summarized as follows:

Sale	Location	Date	Price	Size (SF)	\$/SF	Built	L:B Ratio
1	6850 Hickman Rd	2014	\$ 140,000	1,072	\$ 130.60	1985	12.13:1
2	108 Locust St.	2016	135,000	2,112	63.92	1960	1.72:1
3	303 Main St.	2017	65,000	2,700	24.07	2004	1.09:1
4	360 Fir St.	2017	100,000	2,592	38.58	1972	3.17:1
5	305 Fir St.	2017	200,000	6,000	33.33	1995	1.37:1
6	215 Main St.	2017	35,000	2,386	14.67	1932+	7.25:1
Subj	6700 Hickman Rd.			2,023		1930	7.72:1

As set forth in the above summary, one of the most commonly recognized economic units of comparison for the subject property is the sales price/square foot of total above ground building area. The above comparable sales indicate prices for the improved building developments fall in a range from a low of \$ 14.57/SF to a high of \$ 130.60/SF. The arithmetic mean for the above sales is \$ 50.85/SF and the weighted average is \$ 40.03/SF (\$ 675,000 Total Consideration divided by 16,862 SF Total Gross Building Area).

In the process of estimating a market value for the subject property, the preceding sales must first be analyzed and adjusted to identify significant differences between the elements of comparison and make adjustments either positive or negative for those differences, relative to that of the subject property.

In the process of estimating a market value for the subject, the following are considered to warrant adjustments; property rights conveyed by the sale, terms and conditions of the sale, the financing surrounding the sale, and the change in market value over the interim between the date of the comparable sale, and the effective date of the appraisal, more commonly called a time adjustment.

The final adjustments are for any physical adjustments of the comparable sales, versus that of the subject property. These differences are typically referred to as elements of comparison and are typically adjustments for differences in building sizes, locational considerations, zoning and age and condition of the improvements relative to that of the subject property comprising the functionality or developmental use of the comparable sale.

Each of the above sales involved the sale of the fee simple estate to the above referenced land and improvements, and as such no further adjustments for this consideration are warranted.

In adjusting for the motivations or conditions surrounding the sale, each of the above sales were considered to have been "arm's length" transactions and do not require any further adjustments relative to that of the subject property development for this consideration.

In adjusting for financing, each of the sales were cash sales or have been adjusted for cash or cash equivalency, and as such, any further adjustments for this consideration are not deemed to be necessary.

Sales Comparison Approach (Continued)

Market conditions or time adjustments over the previous approximately four year period are considered to have been stable with a normal market ebb and flow of prices. Each of the above sales are considered to be comparable to the subject property for this consideration and require only minor adjustments, relative to the subject site for changing market conditions over the last four year interim.

After making each of the above adjustments, the sales are all brought to the same point in time. The next step is to make adjustments for elements of physical characteristics and differences. The subject site is considered to be the norm and each of the sales are adjusted accordingly toward the subject with sales which are considered to be inferior requiring varying degrees of upward adjustments toward the superior subject; and conversely, sales which are considered to be superior require varying degrees of downward adjustments toward the inferior subject property to account for these differences.

The underlying real estate principle governing the adjustments in this report is based on the economic principle of the larger the size of the individual unit of value, the lower the price paid per for this individual unit of value, and conversely, the smaller the size of the unit of value, the higher the price paid per unit of value, assuming all other economic valuation considerations being equal. As mentioned, the subject site is considered the norm, and sales are adjusted according utilizing the above mentioned real estate principle.

In adjusting for size, the subject property is currently used by Lancaster County as a maintenance shop for storage and repair of County owned vehicles and equipment. Each of the comparable sales in this report are predominantly owner occupied service and warehouse developments for the owner's primary benefit and are considered to be sufficiently comparable to the subject property in terms of size and require only minor adjustments for this consideration.

In terms of location, the subject property is located within the confines of the Village Hickman, and is a developing community approximately twenty miles south from the established Central Business District for the City of Lincoln, and the main campus for the University of Nebraska. Comparable Sales 1 and 2 are each located in the Village of Hickman, and are considered to be comparable to the subject property for this consideration. As such, each of these sales requires only minor adjustments, relative to that of the subject property to account for these differences. Comparable Sales 3, 4, 5 and 6 are each located in locations which are considered to be slightly inferior to that of the subject property. As such, each of these sales are considered to be inferior to the subject property in terms of location, and utilizing the above real estate principle, require varying degrees of upward adjustment toward the superior subject property for this consideration. The magnitude of the adjustment is not well defined from an analysis of the above sales; however, for purposes of this report, I consider an upward adjustment of ten percent for Comparable Sales 3, 4, 5 and 6 toward the less desirable or inferior subject property to account for differences in location, relative to that of the subject property.

In adjusting for the age and condition of the subject property, relative to that of the comparable sales, I am of the opinion each of the comparable sales have been well maintained and items of deferred maintenance have been cured over the economic life of the comparable sale, thereby reducing the effective age to something less than the chronological age of the comparable sales. Each of the comparable sales are considered to be superior to the subject property for this consideration and utilizing the above real estate principle, require varying degrees of downward

Sales Comparison Approach (Continued)

adjustment toward the inferior subject property for this consideration. The magnitude of the downward adjustment is not well documented from the above sales, but using a roughly approximated "matched-pairs" analysis of Comparable Sales 3 and 6. The "matched-pairs" analysis compares and contrasts the two sales where the valuation considerations of each of the sales are identical in all respects, exclusive of one attribute, in this case, the date of the sale, with the change in value between the two sales attributed to the impact of the influence. Comparable Sale 3, which was constructed in 2004, sold initially in February 2017, for a sales price for land and building improvements of \$ 24.07/SF; while Comparable Sale 6, which was originally constructed in 1932, with two later additions constructed over the next twenty years, sold in September 2017, for a sales price for land and improvements of \$ 14.67/SF. The "matched-pairs" analysis is predicated on the assumption each of the above sales are comparable in terms of valuation considerations in all relevant aspects, except for the age of the improvements. The interim between these two sales was 249 days which equates to approximately 8 months. The resulting straight-line change in value over this period of time of is 39.06% or a monthly decrease of 3.25%. The subject property building improvements were constructed in the 1930's and based on the above, the direction of the adjustment for age and condition for the above sales is downward. The magnitude of the downward adjustment is three percent per month or annualized to 36% per year. For purposes of this appraisal report, I consider a negative age and condition adjustment for each of the above sales of 3.00% per month to be justified.

In adjusting for zoning, the subject property is zoned for commercial development. Each of the above comparable sales used in this report were comparably zoned for various types of commercial development. As such, I consider each of the above sales to be comparable to the subject property for this consideration and require only minor adjustments, relative to the subject site for this consideration.

The above adjustments considered for the sales are reflected on the following adjustment grid. An adjustment factor greater than one indicates the subject is superior; and an adjustment factor less than one indicates the subject is inferior.

IMPROVED SALES ADJUSTMENT GRID

Attribute	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	Sale 6
Prop. Rights	1.00	1.00	1.00	1.00	1.00	1.00
Conditions of Sale	1.00	1.00	1.00	1.00	1.00	1.00
Finance	1.00	1.00	1.00	1.00	1.00	1.00
Time	1.00	1.00	1.00	1.00	1.00	1.00
Size	1.00	1.00	1.00	1.00	1.00	1.00
Location	1.00	1.00	1.10	1.10	1.10	1.10
Age/Condition	0.20	0.45	0.65	0.86	0.86	0.86
Zoning	1.00	1.00	1.00	1.00	1.00	1.00
Composite	0.20	0.45	0.72	0.95	0.95	0.95
Unadjusted \$/SF	\$ 130.60	\$ 63.92	\$ 24.07	\$ 38.58	\$ 33.33	\$ 14.67
Composite	0.20	0.45	0.72	0.95	0.95	0.95
Adjusted \$/SF	\$ 26.12	\$ 28.76	\$ 17.33	\$ 36.65	\$ 31.66	\$ 13.94

Sales Comparison Approach (Continued)

Arraying the above sales in a linear fashion, results in the adjusted sales price per square foot of total above ground building area range from a low of \$ 13.94/SF to a high of \$ 36.65/SF with four of the six comparable sales falling in a range from a low of \$ 26.12/SF to a high of \$ 36.65/SF. Comparable Sales 1 and 2 are each located within the territorial limits of the City of Hickman, and fall within the indicated range above. After consideration of each of the above sales, I am of the opinion the "As Is" market value of the subject property land and improvements to the land, as of January 25, 2018, to be \$ 27.00/SF. This results in the following:

2,023 SF @ \$ 27.00/SF = \$ 54,621

Call It: \$ 55,000

RECONCILIATION OF VALUE

The indications of value for the subject property are estimated as follows:

Land Valuation	\$ 56,000
Cost Approach	Not Applicable
Sales Comparison Approach	\$ 55,000
Income Approach	Not Applicable

The Cost Approach typically sets the upper limit in an appraisal report. This is because the principle of substitution affirms that a purchaser is not justified in paying more than the cost to reproduce an exact replica of the property, assuming equal utility and no undue delay. The Marshall Valuation Service was the source of such information. The Land Valuation section of this report is supported by information from the market place. If there is a weakness in this approach, it generally involves the estimation of depreciation. The fact that the subject property building improvement has a physical age of approximately eighty years would tend to diminish the persuasiveness of this approach. As such, the Cost Approach was omitted from this report as an indication of value, due to the age of condition of the building.

The subject property building improvements were constructed in approximately 1930, and the remaining economic life for the subject property building improvements is primarily for warehouse storage.

The Cost to Cure to upgrade the subject property to address the various forms of accrued depreciation exceeds the economic value of the subject property, as improved; therefore, the existing building improvements are considered to be an interim use and the most probable use for the subject site, as improved, would be for the demolition of the existing building improvements and the construction of some type of new commercial development, capitalizing on the location and surrounding mixed-use developments within the vicinity of the subject property.

The cost of demolition and the removal of the razed building improvements are needed prior to the construction of any new building improvements. The cost to demolish and remove the existing building improvements is estimated to be approximately \$ 5,000. This cost equates to a figure of approximately \$ 2.50/SF (\$ 5,000 Total Demolition Costs divided by 2,023 SF Total Building Improvement Size). The cost to remove the existing building improvements is a development cost which must be taken prior to implementation of the subject property highest and best use, "As Vacant". This development cost, in my opinion, would be a deduction from what a developer would pay for the site, as the developer must incur this cost, prior to the construction of any new building improvements, and this cost would be reflected in what a potential developer would be willing to pay for site.

The Sales Comparison Approach is considered to be highly supportive although not an exclusive indication of value in this report. In today's market, buildings similar to that of the subject are frequently selling in terms of price per square foot and return on cash invested. Due to differences in land value, quality of construction, age of the improvements, and location, the sales price per square foot of gross building area is considered to be a highly supportive indication of value in this report. Based on the data included in this approach, I am of the opinion the Sales Comparison Approach provides a highly persuasive indication of the final value in this report.

RECONCILIATION OF VALUE (Continued)

The Income Capitalization Approach reflects the thought processes of a potential purchaser/investor for this type of property. Typically, an investor is interested in the income stream that the property will produce. This appraisal assignment is to value the Fee Simple Estate to the subject property, land and the contributory value of the building improvements. Typically, this type of property is an owner-occupied purchaser and is motivated more by his own business needs than by the income stream generated from the property. As such, given the motivations of a similar purchaser the Income Approach has been omitted from this report.

The intended use of this appraisal will be to provide an estimate of value of the subject site, "as vacant and "as improved". The subject site was used purchased for and was used as a County Maintenance Shop since its inception. As such, the site contained on-site fuel storage tanks, etc. Based on a physical inspection of the site, the appraiser did not observe any signs of fuel spills or contaminated soil; however, the County has chosen to not do any type of Phase II or III environmental impacts studies to determine whether or not there is any on-site contamination of soil, etc. As such, this report is predicated on the Hypothetical Condition that is subject site does not contain any type of soil contamination, etc. If there is any evidence that the site does have this type of stigma, this could have an influence on the final indication of value in this report.

This appraisal report is an update of an appraisal done for the Sponsor, as of November 17, 2016, and the photos used in this report, were taken by the appraiser as part of the original appraisal report. The date for this appraisal report is as of January 25, 2018, and corresponds with my last inspection date of the subject property.

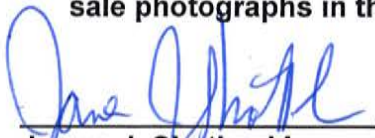
Therefore, after considering each of the above, with primary emphasis on Sales Comparison Approach, I am of the opinion the market value of the Fee Simple estate to the subject property land and improvements, "As Is", as of January 25, 2018, to be:

FIFTY FIVE THOUSAND (\$ 55,000.00) DOLLARS

CERTIFICATION

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

- the statements of fact contained in this report are true and correct.
- the reported analysis, 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 personal 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 his 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 of value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- my analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- I have made a personal inspection of the property that is the subject of this report.
- no one provided significant real property appraisal assistance to the person signing this certification. Alex Olson, an employee of the Lancaster County Engineering Department assisted the appraiser by taking all subject property and comparable sale photographs in this report.



James J. Shotkoski
General Certified Appraiser
Nebraska CG-920233

ADDENDA

Section 5.10 C-2 General Commercial District**5.10.01 Intent:**

The General Commercial District is intended to establish standards that will foster and maintain an area within the district boundaries that will benefit the retail trade, business, cultural, and social activities of the entire community.

5.10.02 Permitted Uses:

The following principal uses are permitted in the C-2 District subject to 5.10.07.

1. Business services including but not including uses defined in Adult Establishment.
 - a. attorneys
 - b. banks
 - c. insurance offices
 - d. real estate offices
 - e. postal stations
 - f. printing
 - g. credit services
 - h. security brokers
 - i. dealers and exchange
 - j. title abstracting
 - k. finance services and investment services
2. Child Care Center.
3. Civic and cultural facilities.
4. Public uses, including but not limited to recreational uses, fire stations, community centers, auditoriums, libraries or museums.
5. Public parks and recreation areas, playgrounds and conservation areas including flood control facilities.
6. Dance studio, not including uses defined in Adult Establishment
7. Tavern and cocktail lounge, not including uses defined in Adult Establishment
8. Meeting hall, not including uses defined in Adult Establishment.
9. Equipment sales and service such as:
 - a. Business machines
 - b. Computer store including repairs and maintenance.
 - c. Electrical fixtures
 - d. Musical instrument shops
 - e. Plumbing and heating
 - f. Radio or television shops
 - g. Sewing machines
 - h. Telephone sales and service including cellular
10. Retail business establishment supplying commodities including the following:
 - a. Antique store
 - b. Apparel and clothing stores including shoe stores
 - c. Automobile parts and supply store
 - d. Bicycle shop including assembly and maintenance
 - e. Books and stationary
 - f. Commercial Greenhouse including Garden supply and retail garden center.
 - g. Department stores including electronic and office supply stores
 - h. Floral shop
 - i. Food markets and shops including delicatessens, bakeries, candy stores, dairy stores, fruit and vegetable stores
 - j. Furniture stores
 - k. Gift and curio shop including jewelry stores
 - l. Hardware stores
 - m. Hobby, camera, craft, toy store
 - n. Home furnishings
 - o. Home improvement stores including paint, wallpaper, drapery, or flooring covering stores
 - p. Household appliance store
 - q. Pharmacies
 - r. Picture framing shop
 - s. Retail mail order store
 - t. Retail paint stores

- u. Second hand stores
- v. Sporting goods
- w. Variety stores
- x. Video store, not including uses defined in Adult Establishment
- y. Liquor Stores
- 11. Service establishment performing services including the following:
 - a. Barber and Beauty shop
 - b. Dry cleaners – establishments (not over 2,000 sq. ft. in floor area) with one dry cleaning unit having a capacity not to exceed 35 pounds per cycle using nonflammable or non-explosive solvents.
 - c. Exercise, fitness and tanning spa, not including uses defined in Adult Establishment
 - d. Laundry, self-service including pick-up and delivery stations
 - e. Locksmith
 - f. Photographer
 - g. Restaurants and cafes
 - h. Tanning salon
 - i. Social club and fraternal organizations, not including uses defined in Adult Establishment
 - j. Telephone exchange
 - k. Telephone answering service

5.10.03 *Conditional Uses:*

The following uses are subject to any conditions listed in this Ordinance and are subject to other conditions relating to the placement of said use on a specific tract of ground in the C-2 District as recommended by the Planning Commission and City Council and approved by the City Council.

1. Recreational establishments not including uses defined in Adult Establishments.
2. Business or trade school.
3. Garden supply and retail garden center.
4. Temporary greenhouses.
5. Boat and trailer sales.
6. Totally enclosed, automated and conveyor-style car washes.
7. Outdoor Entertainment.
8. Convenience store with limited fuel sales.
9. Residences in conjunction with the principle use when located above the ground floor.
10. Churches, temples, seminaries, and convents including residences for teachers and pastors.
11. Printing and publishing.
12. Retail motor vehicle sales and service.
13. Car wash.
14. Service station and minor automobile repair services.
15. Tire store and minor automobile repair service.
16. Public Utility offices, garages, and dispatcher centers
17. Small Animal Clinic/Hospital

5.010.04 *Temporary Uses:* The following temporary uses shall be permitted provided a Temporary Use Permit is obtained and said temporary use is eliminated at the expiration of the permit

1. Buildings and uses incidental to construction work which shall be removed upon completion or abandonment of the construction work.
2. Temporary structure for festivals or commercial events.
3. Fireworks stands provided the criteria are met as established by the City through separate Ordinance.

5.10.05 *Accessory Uses:*

1. Buildings and uses customarily incidental to the permitted uses.
2. Parking as permitted in Article 7.
3. Signs allowed in Article 8.
4. Temporary buildings and uses incidental to construction work which will be removed upon completion or abandonment of the construction work.

5.10.06 *Height and Lot Requirements:* The height and minimum lot requirements shall be follows:
The height and minimum lot requirements shall be as follows:

Use	Lot Area (acres)	Lot Width (feet)	Front Yard (feet)	Side Yard (feet)	Rear Yard (feet)	Max. Height (feet)	Max. Lot Coverage
Permitted Uses	(3)	-	(4)	(1)	(2)	45	40%
Conditional Uses	(3)	-	(4)	(1)	(2)	45	40%
Accessory Uses	-	-	(4)	(1)	(2)	45	40%

1. None, except that when adjacent to any residential district, the side yard setback shall be 25 feet.
2. None, except that when adjacent to any residential district, the rear yard setback shall be 25 feet, unless there is an alley between the two, in which case the rear yard setback shall be five feet.
3. Minimum Lot Area to be calculated based upon Maximum Lot Coverage, Building footprint, and required ancillary uses like parking and landscaping and Section 5.09.07 unless otherwise noted.
4. A front yard setback of 20 feet is required only when no parking is present in the front yard. If parking is located in the front yard then front yard setback is a minimum of 50 feet.

5.10.07 *Miscellaneous Provisions:*

1. Supplementary regulations shall be complied with as defined herein.
2. When adjacent to residentially zoned land, no parking or drives shall be allowed in the required front yard within 15 feet of such district. Furthermore, permanent screening shall be provided in this area in order to minimize impacts on residentially zoned property, as per Article 9.
3. No outdoor storage, except the display of merchandise for sale to the public, shall be permitted.
4. Exterior lighting fixtures shall be shaded so that no direct light is cast upon any residential property and so that no glare is visible to any traffic on any public street.

State of Nebraska Real Property Appraiser Board



Hereby certifies that: JAMES J SHOTKOSKI
LANCASTER CO. ENGINEERING
444 CHERRYCREEK, BLDG "C"
LINCOLN, NE 68528

Is credentialed in the State of Nebraska as a:
Certified General Real Property Appraiser

Holding credential number: CG920233

Issued on: Jan 01, 2017

Set to expire on: Dec 31, 2018

Nebraska Real Property Appraiser Board Director:

All address changes, business or residence must be reported to the Real Property Appraiser Board immediately.
This Pocket Card is proof that such person is credentialed under the Real Property Appraiser Act unless credential has been canceled, surrendered, suspended, or revoked.

Nebraska Real Property Appraiser Board
301 Centennial Mall South, LL PO Box 94963
Lincoln, Nebraska 68509-4963
Phone: 402-471-9015 Fax: 402-471-9017 www.appraiser.ne.gov

Administrative Identification Number:	6129-2017	Registration Fee Paid:	\$275.00
Random Fingerprint Audit Program Fee Paid:	\$5.00	Federal Registry Fee Paid:	\$40.00