

# AMERICAN TRUST LAND COMPANY

*Residential*

**Real Estate**

*Commercial*

1612 3rd Avenue North  
Birmingham, Alabama 35203

Telephone  
(205) 324-7878

December 30, 1987

Mr. Hilliard  
Attorney at Law  
1605 8th Avenue North  
Birmingham, Alabama 35203

American Trust  
1612-1614 3rd Avenue North  
Birmingham, Alabama 35203

Dear Mr. Hilliard:

At your request, an inspection and appraisal have been completed on the above referenced property. The purpose of the appraisal was to estimate the market value of the property subject to renovation as an office building according to plans and specifications made an addendum to the report. A definition of market value and legal description are presented within the attached report.

In valuing the property, consideration was given to the three traditional appraisal methods, i.e., the Reproduction Cost, Income Capitalization, and Sales Comparison Approaches to Value.

Based on the available data and subsequent analysis, the property has an indicated market value, subject to renovation, as of December 30, 1987, of:

SIX HUNDRED FIFTY-FOUR THOUSAND DOLLARS

Divided as:

Land	49,000
Improvements	605,000
Total	\$654,000

The attached report is submitted in support of this conclusion.

Very truly yours,

*Willie A. Casey*  
Willie A. Casey

EXHIBIT

EXECUTIVE SUMMARY

Property Address: American Trust  
1612-1614 3rd Avenue North  
Birmingham, Alabama 35203

Legal Description: Lot 15, Block 70, Birmingham Survey

Owner's Name & Address: Earl F. Hilliard, Attorney  
1605 8th Avenue North  
Birmingham Alabama 35203

Subject Sale History: William Parker to Earl F. Hilliard  
Price \$125,000 (PMM \$118,500)  
Date: 8/21/86; Recorded RV 2971,  
Pg. 226

Tax Assessment: Parcel I.D. # 22-26-2-41-9  
Land \$35,000  
Improvements 25,880  
Total \$60,880  
  
(as is before renovation)

Present Zoning B-4, General Business District

Highest and Best Use: Office use.

Date of Value: December 30, 1987

Divided as: Land \$ 49,000  
  
Improvements 605,000  
Total 654,000

TABLE OF CONTENTS

	<u>Page</u>
Date of Value.....	1
Property Ownership/Tax Data.....	1
Location of Subject/Legal Description.....	1
Zoning and Public Utilities.....	2
Neighborhood Analysis.....	3
Site Analysis.....	5
Highest and Best Use.....	6
Purpose of Appraisal.....	7
Land Value.....	9
Description of Improvements.....	18
Reproduction Cost Approach.....	20
Income Capitalization Approach.....	22
Sales Comparison Approach.....	26
Reconciliation and Final Value.....	28
Certification.....	30

EXHIBITS SECTION

Subject Photographs  
Location Map  
Tax Map  
Building Plans  
Comparable Office Rentals  
Comparable Building Sales  
Comparable Land Sales Map  
Assumptions and Limiting Conditions  
Qualifications of Appraiser

DATE OF VALUE ESTIMATE

The subject property is appraised as of December 30, 1987, being the date of inspection. The appraisal is made subject to completion of renovation plans and specifications as made an addendum hereto and summarized under

Description of Improvements.

PROPERTY OWNERSHIP/TAX DATA

The subject is owned by: American Trust Life Insurance Company  
1614 3rd Avenue North  
Birmingham, Alabama 35203

The property is assessed under parcel #22-36-2-41-9. The total present value for tax purposes is:

Land	\$35,000	
Improvements	\$25,880	
Total	\$60,880	(as is before renovation)

Ad Valorem Taxes: \$846.23

LOCATION OF SUBJECT/LEGAL DESCRIPTION

The two-story commercial building is located in the downtown business district of Birmingham.

1612-1614 3rd Avenue North  
Birmingham, AL 35203

Lots 15, Block 70  
Survey of Birmingham

The lot is a rectangular shaped interior lot, with 50 feet along 3rd Avenue North and 140 feet deep. The total land area is 7,000 square feet.

## ZONING AND PUBLIC UTILITIES

The subject parcel is under the zoning jurisdiction of the Birmingham Zoning and Planning Commission, with a current zoning of B-4, Central Business District. All utilities are available to the property. The proposed use as an office building does conform to property's zoning. Provisions for off-street parking is not required under B-4, zoning, however the building owner has an arrangement for parking spaces in a lot a short distance away. See Exhibits Section for letter agreement.

## NEIGHBORHOOD DATA

The property's location on 3rd Avenue North between 16th and 17th Streets is on the fringe of the primary downtown Birmingham business district. The 100% district of downtown is considered to be along 20th Street between 1st and 6th Avenues North. Property values generally decrease progressively east and west of 20th Street. The subject neighborhood is characterized by a mixture of land uses such as older low rental buildings, parking lots, older retail buildings, and vacant parcel. There have been some recent developments nearby which have spurred property sales in the neighborhood. The construction of Alabama Power Company's new headquarters building and the new Federal Courthouse Building have created a rather active sales market in the area. Public records indicate that Alabama Power Company is continuing to purchase properties in the area, evidently in anticipation of future expansion. Approximated two blocks north of the subject at 17th Street and 5th Avenue North, a city housing authority home for elderly was recently completed. The building, called Freedom Manor, is a highrise apartment type structure. Kelly Ingram Park takes up an entire city block two blocks north of the subject and is a well-maintained city park frequented often by children living or going to school or church nearby. There are several churches, in the area, including 16th Street Baptist Church and St. Paul Methodist Church, across the street from the subject.

There are a number of small office and commercial buildings being renovated in this area of downtown as shown by the neighborhood photographs in the Exhibits Section. Overall, the subject neighborhood appears to be in the revitalization stage of development and shows some very positive signs of support for the subject.

NEIGHBORHOOD (con't)

The transition from old to new will most likely continue at a slow pace with the most interested parties being the government or corporate sectors which already have a sizable investment in nearby properties. The City of Birmingham has been purchasing property in the neighborhood for several years, apparently anticipating a revitalization of this area of town. Therefore, the future of property values in the subject neighborhood appear to be increasing.

## SITE DATA

The site is a level 50' x 140' foot lot containing 7,000 sq.ft. of land area. The interior lot fronts fifty feet on Third Avenue North and fifty feet along a rear alleyway. The site is level and improved with a two-story masonry building presently occupied. The building covers the entire lot area, therefore no offstreet parking area is feasible on the site. There is a large public parking lot located one hundred feet east of the subject at the corner of 3rd Avenue North and 17th Street.

Buildings on both sides of the subject appear to have been renovated and are presently occupied. Businesses on either side of the subject include a printer, preview color business, leather shop, and community blood plasma service. Across the street are two renovated buildings occupied by a security service company and optical business. The subject street has a good appearance and shows signs of revitalization.

All public utilities are available and connected to the site. Municipal services such as police and fire protection are provided by the City of Birmingham. Under the property's zoning of B-4, General Business District, most types of office or rental uses are allowed with no off-street parking required.



## HIGHEST AND BEST USE

The highest and best use, or that which presents the highest return to the land site, as if vacant, is felt to be for office or retail usage as zoned. This conclusion is based on the surrounding land uses, current B-4 zoning and the needs and demands evident within the area. Due to the complexities of a feasibility analysis, the exact highest and best use of the site is beyond the scope of the appraisal assignment. However, an inspection of the building indicates that the structure is sound with good hardwood floors and ornamental ceilings which would contribute to a desirable office environment. An arrangement with a nearby parking lot, as well as signed leases for the second floor of the building, all support a highest and best use determination as office usage.

## PURPOSE OF APPRAISAL

This appraisal is made for the purpose of estimating a fair market value of the properties described herein with this value being in fee simple unencumbered title and being subject to easements and restrictions of public record.

The term "Market Value" as defined in the Federal Home Loan Bank Board's R-41C Memorandum 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 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:

- a. buyer and seller are typically motivated;
- b. both parties are well informed or well advised, and each acting in what he considers his own best interest;
- c. a reasonable time is allowed for exposure in the open market;

PURPOSE OF APPRAISAL (con't)

- d. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- e. 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.

LAND VALUE - SALES COMPARISON

The subject land site is valued by the sales comparison approach using the price per square foot as a unit of comparison. Consideration is given to sales in the subject area with similar zoning and potential usage as the subject site. Adjustments are made for time of sale location, and condition of sale, if applicable.

1. Parcel #:	22-35-1-16-2
Street / #:	6th Avenue North
Type and Zone:	Vacant/M-1
Date of Sale:	11/16/83
Sale Amount:	\$10,000
Grantor/ee:	Dolphus B. Mitchell to Ala. Power Co.
Legal Desc:	Block 42, Lot 4
Size/Lot:	5,000 SF
Deed/Book:	RV 2420, P. 576
Price/SF:	\$2.00

LAND VALUE - SALES COMPARISON (con't)

2. Street / #: 6th Avenue North between 14th & 15th St.  
Type and Zone: Vacant/M-1  
Date of Sale: 4/30/84  
Sale Amount: \$150,000  
Grantor/ee: Iron & Steel Credit Union to Jim Burke  
Size/Lot: 43,000 SF  
Deed/Book: RV 2499, P. 47  
Price/SF: \$3.49

3. Parcel #: 22-35-1-16-3  
Street / #: 1421 6th Avenue North  
Type and Zone: Vacant/M-1  
Date of Sale: /83  
Sale Amount: \$42,000  
Grantor/ee: Birmingham Realty to Alabama Power  
Size/Lot: 19,200 SF  
Deed/Book: RV 2424, P. 854  
Price/SF: \$2.20

LAND VALUE - SALES COMPARISON (con't)

4. Parcel #: 22-35-1-16-4  
Type and Zone: Vacant/M-1  
Date of Sale: 8/21/84  
Sale Amount: \$14,000  
Grantor/ee: Sam Grambrone to Jim Burke, Jr.  
Size/Lot: 4,750 SF  
Deed/Book: RV 2560, p. 965  
Price/SF: \$2.95

5. Parcel #: 22-35-1-16-9  
Street / #: 513 14th Street North  
Type and Zone: Vacant/M-1  
Date of Sale: 5/13/83  
Sale Amount: \$85,000  
Grantor/ee: Mozambique Inc. To Jim Burke Buick  
Legal Desc: Lots 12 - 16, Block 42  
Size/Lot: 19,000 SF  
Deed/Book: RV 2332, p. 252  
Price/SF: \$4.47

LAND VALUE - SALES COMPARISON (con't)

6. Parcel #: 22-35-4-10-4  
Street / #: 1207 5th Avenue North  
Type and Zone: Vacant/M-1  
Date of Sale: 3/4/84  
Sale Amount: \$100,000  
Grantor/ee: C.H. Chichester to Alabama Power Co.  
Legal Desc: Lots 17 and 18, Block 254  
Size/Lot: 19,000 SF  
Deed/Book: RV 2471, p. 845  
Price/SF: \$5.26

7. Parcel #: 22-35-3-43-1  
Street / #: 621 3rd Avenue NW  
Type and Zone: Vacant/M-1  
Date of Sale: 7/17/84  
Sale Amount: \$55,000  
Grantor/ee: Allison Oil Co. to Joe C. Vickers  
Size/Lot: 30, 845 SF  
Deed/Book: RV 2540, p. 702  
Price/SF: \$1.78

LAND VALUE - SALES COMPARISON

8. Parcel #: 22-35-1-35-7  
Street /#: 1111 7th Avenue North  
Type and Zone: Vacant/M-1  
Date of Sale: 6/18/84  
Sale Amount: \$31,500  
Grantor/ee: St. James Baptist Church to Alabama Power  
Size/Lot: 9,500 SF  
Deed/Book: RV 2529, p. 607  
Price/SF: \$3.32
9. Parcel #: 22-35-1-35-3  
Street / #: 1117 7th Avenue North  
Type and Zone: Vacant/M-1  
Date of Sale: 3/30/84  
Sale Amount: \$20,000  
Grantor/ee: Ruth Dowdell to Alabama Power Co.  
Size/Lot: 4,750 SF  
Deed/Book: RV 2484, p. 484  
Price/SF: \$4.21



LAND VALUE - SALES COMPARISON

10. Parcel #: 22-36-2-43-5  
Street / #: 1524 3rd Avenue North  
Type and Zone: Vacant/M-1  
Date of Sale: 1/23/84  
Sale Amount: \$49,000  
Grantor/ee: McDonald etal to City of Birmingham  
Legal Desc: Lots 18 - 20, Block 69  
Size/Lot: 14,000  
Deed/Book: RV 2452, p. 6  
Price/SF: \$3.50

11. Parcel #: 22-35-2-9-1  
Street /#: 1101 8th Avenue North  
Type and Zone: Vacant/M-1  
Date of Sale: 7/5/83  
Sale Amount: \$32,500  
Grantor/ee: Suzanne Oliver Vann to Leon S. Shelton  
Size/Lot: 19,500 SF  
Deed/Book: RV 2367m p. 557  
Price/SF: \$1.69

LAND VALUE - SALES COMPARISON

12. Parcel #: 22-35-1-26-2  
Street / #: 6th Avenue North  
Type and Zone: Vacant/M-1  
Date of Sale: 5/16/83  
Sale Amount: \$655,000  
Grantor/ee: Caldwell Foundry & Conaway to Ala. Power  
Legal Desc: Lots 1 - 24, Block 41  
Size/Lot: 152,000 SF  
Deed/Book: RV 2332, p. 937  
Price/SF: \$4.31
13. Parcel #: 22-36-3-28-8  
Street / #: 2nd Avenue North  
Type and Zone: Vacant/M-1  
Date of Sale: 7/10/85  
Sale Amount: \$25,000  
Grantor/ee: Stober & Sessions to Brother Bryan Mission  
Legal Desc: W 1/2 Lot 16, Block 89  
Size/lot: 3,500 SF  
Deed/Book: RV 2538, p.101-108  
Price/SF: \$7.14

LAND VALUE - SALES COMPARISON (con't)Sales Summary and Adjustments:

Sale No.	Date	Land Size SF	Price/SF	Time	Adjustments		Adjusted Price
					Location	Cond.	
1	11/83	5000 SF	\$2.00	+15%	+20%	-0-	\$2.70
2	4/84	43000 SF	3.49	+13%	+20%	-0-	4.64
3	1/83	19200 SF	2.20	+20%	+20%	-0-	3.08
4	8/84	4750 SF	2.95	+12%	+20%	-0-	3.89
5	5/83	19000 SF	4.47	+18%	+20%	-0-	6.17
6	3/84	19000 SF	5.26	+14%	+50%	-50%	6.00
7	7/84	30845 SF	1.78	+12%	+110%	-0-	3.95
8	6/84	9500 SF	3.32	+13%	+60%	-0-	5.74
9	3/84	4750 SF	4.21	+14%	+60%	-0-	7.33
10	1/84	14000 SF	3.50	+15%	+10%	-0-	4.38
11	7/83	19500 SF	1.69	+17%	+60%	-0-	2.99
12	5/83	152000 SF	4.31	+18%	+30%	-0-	6.38
13	7/84	3500 SF	7.14	+12%	-0-	-0-	8.00

Time:

A time increase of 5% per year is applied to sales prices from 1/87 to date of appraisal 8/85. The increase is felt to reasonably reflect the active market in the area and improved economic conditions affecting the area real estate market as reflected by land sales data.

## LAND VALUE -SALES COMPARISON (con't)

### Location

Since land values typically decrease to the west of the subject (toward I-65) and increase to the east of the subject (toward downtown) the sales are adjusted by +10% for each block west and -20% for each block east of the subject wite. This trend is evident by numerous land sales within the market.

### Sales Summary and Adjustments:

Condition of Sale: Sales #6 was considerably above the market due to plottage value to Ala. Power Co. land assemblage.

### Final Value Analysis:

The adjusted sales indicate an overall adjusted price range of \$2.70 to \$8.00 per square foot. It is noted that the majority of sales fall within the \$4.00 to \$7.00 per square foot range, which appears to represent the current market value for land in the subject area. The subject being located 3rd Avenue North would have a value at the upper end of the range. Based on the above sales and subsequent analysis, a value of \$7.00 per square foot of land area appears to be a reasonable reflection of the market for the subject land.

Land Value 7,000 SF @ \$7/SF = \$49,000

## DESCRIPTION OF IMPROVEMENTS

Details of the subject building and renovation plans are presented by the blue prints and specifications as prepared by The Owens and Woods Partnership, P.C., Architects, identified as the "Renovation of the Hilliard Building", dated October 9, 1986. These plans are made an Addendum to this report and the value estimated herein is made subject to the completion of construction as described.

A description summary is presented as follows:

Present Building Condition: The subject building measures 50 x 140 x 2 floors for a total of 14,000± square feet. Construction is brick with a built-up tar and gravel flat roof. Interior walls are sheetrock or plaster with hardwood floors and high ornamental ceilings. The building is divided in equal halves with separate entrances on the ground floor. According to public records the structure was built around 1900. The first floor has been completed, and tastefully renovated and occupied by the owner and a real estate company. The building appears to be very solid and in amazingly good condition for its age. There is a freight elevator in the building as well as five restrooms (two up/three down). The first floor is served by central heat and air.

DESCRIPTION OF IMPROVEMENTS (con't)

Proposed Renovation Description: Plans and specifications by Owens and Woods Architects indicate that the second floor of the building will be completely renovated including redesigned doors, and ornamental columns. The second floor of the building (7,000 sq. ft.) will be leased out as a "shell" with the tenants finishing the areas at their expense. The entire building will be required and central heat and air conditioning installed. The freight elevator and the staircase at the front of the building as well as the two rear interior stairways will provide access to the second floor.

Overall the building appears to be well suited for office conversion. The plans and specifications as referenced appear to be feasible for this stage of renovating the building, subject to compliance with local codes.

## REPRODUCTION COST APPROACH TO VALUE

This valuation approach is not considered a primary method for the appraisal of older buildings, however with building renovations such as the subject this approach does offer a measure of feasibility. The estimated building cost, less accrued depreciation, is added to the land value. Reproduction figures were obtained from the Marshall Valuation service under average class C office building as well as actual cost estimates provided by the subject building contractor. Accrued depreciation is based on the age/life method with an effective age estimated at 10 years after renovation, with a remaining life of 40 years, indicating 20% physical deterioration. No functional and economic obsolescence noted. Also, deducted from construction cost is the cost of demolition and removal of old materials related to renovation. This amount is estimated as \$2.00 in additional construction cost as estimated by observation.

The value by Cost Approach is calculated on the following page.

COST APPROACH (con't)

Finishing Building 14,000 SF @ \$60/SF =		\$840,000
Less Depreciation:		
Physical Deterioration (20%)	168,000	
Functional Obsolescence	-0-	
Economic Obsolescence	<u>-0-</u>	
Total Depreciation		168,000
Sub-total Depreciated Cost of Improvements		\$168,000
Less: Demolition related to Renovation		2,000
Total Depreciated Cost of Improvements		\$670,000
Plus: Land Value as Estimated		49,000
Value by Cost Approach		<u>\$719,000</u>



## INCOME CAPITALIZATION APPROACH

This valuation method is considered to be the best reflection of market value for income producing office buildings such as the subject. The gross rental income is estimated from comparable office building rentals and is reduced by estimated operating expenses to arrive at a Net Operating Income (NOI). The N.O.I. is capitalization rate which represents current debt and equity rates available in the market. Comparable rental income and expense data are presented in the Exhibits Section. The subject second floor rental is set at \$5.00 per square foot finished. Expenses are itemized based on expenses of comparable buildings with the overall operating expense amount of \$2.80 per square foot of ground floor leasable area.

Calculations of the Income Approach are presented on the following page:

INCOME APPROACH (con't)

Calculations by Income:

Estimated Gross Income:	Ground Floor Finished 7000 SF @ \$9.50 =	\$66,500
	2nd Floor finished 7000 SF	5.00 <u>35,000</u>
	Sub-total	\$101,500
Estimated Vacancy and Credit Loss (10%)		<u>(10,150)</u>
Effective Gross Income		\$ 91,350

Less: Operating Expenses

Management (5%)	2,284	
Taxes (est.)	2,800	
Insurance	1,500	
Utilities	7,000	
Janitorial	3,600	
Miscellaneous & Supplies	<u>2,400</u>	
Total Expenses		(19,584)

Net Operating Income (N.O.I.) \$71,766

Capitalization:

NOI \$71,766 - .1012\* = \$726,271

\*\*Value by Income Approach (Rounded) 726,000

\* See following page for basis of Capitalization rate.

\*\* Subject to renovation as shown by plans and specifications made an Addendum hereto.

## INCOME APPROACH (con't)

### Basis for Capitalization Rate:

A capitalization rate reflective of current market financing and equity requirements is best developed by the Band of Investment method. Under this method a cash to seller transaction is assumed with the purchaser obtaining a conventional mortgage loan at the prevailing market terms. The rate of return on any cash requirement paid by the purchaser above the loan amount is based on competitive alternate investments. At the date of appraisal commercial lenders were quoting terms as follows:

80%	Loan to Value Ratio
25 years	Monthly Amortization w/3 year call
10%	Fixed Interest Rate
.1099	Annual Constant (monthly payments)

The equity dividend rate of return on cash outlay is reflective of the risk involved in an office building investment as compared to a "safe" rate of return in alternate investments such as U.S. Treasury Notes or Bonds. Since the available "safe" rates are currently 5% to 5.5% on five year maturities, an equity dividend rate of 7% appears to be reasonable for the subject considering the additional risk involved.

INCOME APPROACH (con't)

Basis for Capitalization Rate (con't)

Considering the market rates as discussed the following Band of Investment calculation is applied for an overall capitalization rate:

Loan to Value Ratio	.80 x .1090 Constant	= .0872
Equity Investment	.20 x .07 EDR	= <u>.0140</u>
	Overall Capitalization Rate	.1012 or 10.12%

## SALES COMPARISON APPROACH TO VALUE

As the third valuation approach consideration is given to small downtown office building sales. Although there have been very little office renovation in the immediate subject area, the sales resented are intended to offer a reference point from which to judge the subject. Adjustments for differences in location, time of sale, and condition of the building as compared to the subject were considered.

Downtown building sales are presented in the Exhibits Section with a summary as follows:

<u>Sale</u>	<u>Date</u>	<u>Price/SF</u> <u>Ground Floor</u>	<u>Adjustments</u>			<u>Adjusted</u> <u>Price/SF</u>
			<u>Time</u>	<u>Cond</u>	<u>Loc.</u>	
1	1/85	\$25.71	+10%	+50%	-20%	\$35.99
2	4/85	21.43	+10%	+60%	-20%	32.15
3	3/85	27.58	+10%	+50%	-20%	38.61
4	6/84	36.41	+20%	-0-	-20%	40.05
5	4/84	37.70	+20%	-0-	-20%	37.70

Adjustments for time are based on a +5% per year value increase as reflected in market sales and activity. Condition adjustments considers the subject in renovated condition as compared to the observed condition of the sales. Location adjustment related to land sales analysis, however building value changes are less dramatic than land sales.

SALES COMPARISON APPROACH (con't)

The adjusted building sales indicate an overall value range for the subject of \$32.15 to \$40.05 per square foot floor building area. Sales No. 4 and 5 required the least adjustment and are more comparable to the condition of the subject after renovation. Therefore, a subject value of \$37 per sq.ft. of floor area is indicated by the available data, calculated as:

14,000 SF ground floor building area @ \$37/SF	\$518,000
Value by Sales Comparison	\$518,000

## RECONCILIATION AND FINAL VALUE

### Reproduction Cost Approach

\$719,000

This approach is given the least consideration due to the age of the building and difficulty in estimating accrued depreciation. Land value was based on comparable land sales and is well supported. Actual construction cost of renovation is shown in the Exhibits Section to be approximately \$170,000 Architect's fee according to the owner.

### Income Capitalization Approach

\$726,000

This is the primary approach to value for the subject property since the building will be renovated for office rental usage. Renovation plans show the second floor area to be left unfinished and with only a rear stairway access. Upstairs walk-up rental space has traditionally drawn very little demand in downtown Birmingham therefore any rental value of the second floor is considered minimal, particularly unfinished. The 10.12% Capitalization rate used is reflective of current debt and equity rates in the current market.

### Sales Comparison Approach

\$518,000

Although the availability of comparable building sales were few, the sales used did offer a reference point from which to judge the subject. This approach was basically used as a check against the value by Income Approach.

RECONCILIATION AND FINAL VALUE (con't)

Based on the available data and subsequent analysis, the indicated market value of the subject property, subject to completion according to plans and specifications, as of December 30, 1987, is:

SIX HUNDRED FIFTY FOUR THOUSAND DOLLARS

(\$654,000)

Divided as:

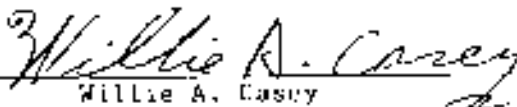
Land	49,000
Improvements	<u>605,000</u>
Total	\$654,000



CERTIFICATION

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

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 assumption 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 and subject of this report, and I have no personal interest or bias with respect to the parties involved.
4. My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this report.
5. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of Real Estate Appraisers.
6. The use of this report is subject to the requirements of the Real Estate Appraisers relating to reviews by its duly authorized representatives.
7. I am currently under the voluntary continuing education program of Real Estate Appraisers.
8. I have made a personal inspection of the property that is subject of this report.
9. No one provided significant professional assistance to the person signing this report, except as noted below.

  
Willie A. Casey