



Iowa
Appraisal and Research
CORPORATION

August 4, 2010

Arlo W. Meyer
Assistant Vice President for Business Services
Iowa State University
3616 Administrative Services Building
Ames, IA 50011-3616

Dear Mr. Meyer:

Re: Valuation of the Hayward Avenue Parking Lot, Ames, Iowa.

As you requested, we have on July 22, 2010 observed the property identified in the caption of this letter. The property's legal description is included in the addenda.

The purpose of the appraisal is to estimate the market value of the subject property, in two different land area scenarios.

This appraisal is prepared in compliance with USPAP and the Appraisal Institute's Code of Ethics. Our findings are presented in a self-contained appraisal report.

Thank you for using our appraisal services. If you have any questions regarding the estimates of market value, please feel free to contact us at your convenience.

Respectfully Submitted,

Fred H. Lock, MAI SRPA
President

Dane R. Anderson, MAI
Vice President

FHL/DRA:llf

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SUMMARY OF SALIENT DATA

Property Type	Semi-improved Land - Parking Lot
Location	129/225 Hayward Avenue Ames, IA
Site	±217,566 square feet, or ±4.99 acres, valuing Entire Parcel ±172,280 square feet, or ±3.955 acres, valuing Smaller Parcel (see maps included in report and addenda)
Improvements	The site is improved with approximately 86,554 square feet of asphalt paving and pole lighting.
Legal Description	See addenda for legal description of Entire Parcel. No legal description for the Smaller Parcel available.
Ownership and Sales History	According to public records, title is held by the State of Iowa. We are unaware of any transfers involving the subject within the past three years. The property is not listed for sale.
Occupancy	The parking lot is utilized by Iowa State University for parking.
Assessed Valuation and Taxes	The current assessed valuation is zero. The property is not assessed because it is owned by the state and does not pay property taxes.
Client	Iowa State University
Intended Use	Internal purposes; no other use is intended.
Intended User	Iowa State University; no other user is intended.
Ownership Interest Valued	Fee Simple
Scope of the Appraisal	Please refer to the Scope of Work section of the report.
Definitions	Please refer to the Addenda for the definition of market value and other selected terms used in this report.
Zoning	S-GA/O-UIW, Government/Airport District with West University Impacted Overlay District

Date of Field Visit	July 22, 2010
Effective Date of the Appraisal	July 22, 2010
Date of Report	August 4, 2010
Fixtures and Equipment	Only the real property has been considered.
Exposure Period	We estimate an exposure period of up to two years based on comparable sales and typical marketing periods for development land.
Highest and Best Use	
As Vacant	Future mixed-use development.
As Improved	Interim parking lot use until redevelopment is feasible.
Valuation Conclusion	
Fee Simple Market Value, As Is, Entire Parcel (±4.99 acres)	\$2,200,000
Fee Simple Market Value, As Is, Smaller Parcel (±3.955 acres)	\$2,100,000

Extraordinary Assumption: We assume our estimates of floodway, flood plain, and the Smaller Parcel are accurate. If the areas are materially different than we estimate, our value opinion will change.

GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

Extraordinary Assumption: *We assume our estimates of floodway, flood plain, and the Smaller Parcel are accurate. If the areas are materially different than we estimate, our value opinion will change.*

The appraisal and the appraisal report do not constitute an inspection of the improvements. The appraiser(s) performed only a visual inspection of the immediately accessible areas and the appraisal cannot be relied upon to disclose conditions or defects in the improvements. In addition, regardless of who receives a copy of the appraisal, unless specifically stated in the appraisal, they are not an intended user of it.

The following assumptions and limiting conditions may or may not be applicable to every assignment:

This appraisal report has been made with the following general assumptions:

1. No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
2. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
3. Responsible ownership and competent property management are assumed.
4. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.
5. All engineering studies are assumed to be correct. The plot plans and illustrative material in this report are included only to help the reader visualize the property.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover them.
7. It is assumed that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the appraisal report.
8. It is assumed that the property conforms to all applicable zoning and use regulations and restrictions unless a nonconformity has been identified, described, and considered in the appraisal report.
9. It is assumed that all required licenses, certificates of occupancy, consents and 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 opinion of value contained in this report is based.
10. It is assumed that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
11. Unless otherwise stated in this report, the existence of hazardous materials, pollutants, fungi or microbes commonly known as mold (collectively referred to as "environmental hazards") that may or may not be present on the property, was not observed by the appraiser. The appraiser is not trained in environmental engineering, is not qualified to detect environmental hazards and has not investigated whether environmental hazards are present on or in the property. The presence of substances such as asbestos, ureaformaldehyde foam insulation, and other environmental hazards may affect the value of the property. The estimate of value is predicated on the assumption that there are no environmental hazards on or in the property that

would cause a loss in value. No responsibility is assumed for the presence of environmental hazards. To conduct an environmental assessment of the property, the intended user is urged to retain an environmental engineer.

This appraisal report has been made with the following general limiting conditions:

1. Any allocation of the total value estimated in this report between the land and the improvements applies only under the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
2. Possession of this report, or a copy thereof, does not carry with it the right of publication.
3. The appraiser, by reason of this appraisal, is not required to give further consultation or testimony or to be in attendance in court with reference to the property in question unless arrangements have been previously made.
4. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales or other media without the prior written consent and approval of the appraiser.

Additional assumptions and limiting conditions:

1. Any opinions of value provided in the report apply to the entire property, and any proration or division of the total into fractional interests will invalidate the opinion of value, unless such proration or division of interests has been set forth in the report.
2. If only preliminary plans and specifications were available for use in the preparation of this appraisal, the analysis is subject to a review of the final plans and specifications when available.
3. Any proposed improvements are assumed to have been completed unless otherwise stipulated, so any construction is assumed to conform with the building plans referenced in the report.
4. The appraiser assumes that the reader or user of this report has been provided with copies of available building plans and all leases and amendments, if any, that encumber the property.
5. If no legal description or survey was furnished, the appraiser used the county tax plan to ascertain the physical dimensions and acreage of the property. Should a survey prove this information to be inaccurate, it may be necessary for this appraisal to be adjusted.
6. The forecasts, projections, or operating estimates contained herein are based on current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are, therefore, subject to changes with future conditions.
7. The Americans with Disabilities Act (ADA) became effective January 26, 1992. The appraiser has not made a specific compliance survey or analysis of the property to determine whether or not it is in conformity with the various detailed requirements of ADA. It is possible that a compliance survey of the property and a detailed analysis of the requirements of the ADA would reveal that the property is not in compliance with one or more of the requirements of the act. If so, this fact could have a negative impact upon the value of the property. Since the appraiser has no direct evidence relating to this issue, possible noncompliance with the requirements of ADA was not considered in estimating the value of the property.
8. This appraisal report is not intended to be used and shall not be used by real estate syndications, real estate investment trusts, limited partnership or other individuals or entities in the solicitation of investors. The appraiser shall not be liable for violations or alleged violations of the Securities Act of 1933 or 1934 and the amendments thereto, or any state blue sky or securities law or similar federal or state law.

SCOPE OF WORK

Summary

The client requested a market valuation of a parking lot and another valuation of that property, excluding a portion in a floodway and flood plain. The areas valued are shown on the maps included in the report. The property is located in Ames, Iowa. The entire parking lot is referred to as the Entire Parcel and the smaller area is referred to as the Smaller Parcel. The client requested a depth of scope of work adequate to provide a reliable indication of value. We are providing our findings in a self-contained appraisal report.

Property Visit

The property has been visited and viewed. The property was viewed from the right-of-way and from the subject property itself. After viewing the subject property we viewed and observed the surrounding development and neighborhood. Photographs of the subject property and neighborhood were taken.

Data Collection

We researched the local and regional markets for data. We collected data on all items that affect the value of the subject property. These factors include Area and City Data, Neighborhood Data, Site and Improvement Data, Highest and Best Use Analysis, and the application of the three approaches to estimate the property's value. Data was obtained from public records, the client, real estate agents, the property owner, other appraisers, our internal database, and other various sources. We have relied on assessor records for our estimate of land area of the Entire Parcel. We have relied on measures taken from the Story County Graphical Information System (GIS) for our estimates of the paving, floodway, flood plain, and the area of the Smaller Parcel.

Valuation

Real estate appraisers generally use three approaches to value known as: The Cost Approach, Sales Comparison Approach (also known as the Market Data Approach) and the Income Capitalization Approach. We are performing a sales comparison approach for both the Entire Parcel and Smaller Parcel.

AMES AREA AND CITY DATA

The Ames Metropolitan Statistical Area includes the City of Ames and Story County. The City of Ames is located in the west central portion of the County at the northwest corner of the intersection of Interstate 35 and U.S. Highway 30. It is approximately 35 miles north of Des Moines, 210 miles south of Minneapolis and 168 miles northeast of Omaha.

Population

Population growth is an important determinant of demand for real estate development. Positive growth generally indicates that more development will be needed in the future.

TABLE 1: POPULATION GROWTH¹

	2000	2009	% Change	2014	% Change
Population - Ames	50,731	56,442	11.3%	58,688	4.0%
Population - MSA	79,981	85,961	7.5%	88,484	2.9%

The MSA had a population of 79,981 as of the 2000 Census. Our data provider, stdbonline, estimates the current population is over 85,000 and expected to continue to grow through 2014.

Households

We have obtained data on households and household growth from a national data service.² The data is show below.

TABLE 2: HOUSEHOLD GROWTH

	2000	2009	% Change	2014	% Change
Households - Ames	18,085	20,825	15.2%	21,885	5.1%
Households - MSA	29,383	32,764	11.5%	34,063	4.0%

The data indicates steady growth in households from 2000 through 2009. Growth in households is expected to continue through 2013 for both the City of Ames and the MSA. Household formations are an important factor in determining demand for housing construction.

Employment

The Ames MSA is heavily reliant on education and education services. The following table shows the estimated 2009 employment base by industry for the Ames MSA.

¹ stdbonline

² STDB

TABLE 3: EMPLOYED POPULATION BY INDUSTRY³

Employed Population by Industry - MSA	2009
Agricultural, Forestry, Fishing & Hunting	1.7%
Mining	0.0%
construction	4.3%
Manufacturing	5.1%
Wholesale Trade	1.7%
Retail Trade	9.9%
Transportation/Warehousing	1.9%
Utilities	0.5%
Information	2.0%
Finance/Insurance	2.5%
Real Estate/rental/Leasing	1.2%
Professional, Scientific & Technical Services	5.5%
management of Companies/Enterprises	0.2%
Admin., Support & Waste Mgmt. Services	2.2%
Educational Services	35.5%
Health Care/Social Assistance	9.8%
Arts/Entertainment/Recreation	1.9%
Accommodation/Food Services	6.5%
Other Services	3.2%
Public Administration	4.4%

Iowa State University is located in Ames. The following table shows the leading employers in the MSA.

TABLE 4: LEADING EMPLOYERS

Employer	Product/Service	Employees
Iowa State University	Education Services	13,875
Mary Greeley medical Center	Health Services	1,400
Iowa Department of Transportation	Public Transportation	1,200
Ames Community School District	Education Services	680
Sauer-Danfoss Company	Hydro-Transmissions	625
McFarland Clinic, P.C.	Health Services	520
City of Ames	Municipal Services	500
Ames Laboratory	Research	443
3M Company	Abrasive Products	430
Hy-Vee Food Stores	Food	300
Hach Company	Water Analysis Equipment	250
National Animal Disease Center	USDA Research	250
National Veterinary Services	Veterinary Research	230
Wal-Mart	Retail	230
Ball Corporation	PET Bottles	180

Unemployment Rate

The MSA has consistently maintained a lower unemployment rate than the State of Iowa and the United States for the period analyzed below.

³ STDBonline

TABLE 5: UNEMPLOYMENT RATE⁴

Year	MSA	Iowa	US
2002	2.5%	3.9%	5.8%
2003	2.8%	4.0%	6.0%
2004	3.0%	4.7%	5.5%
2005	3.1%	4.3%	5.1%
2006	2.7%	3.7%	4.6%
2007	2.8%	3.8%	4.6%
2008	3.0%	4.0%	5.8%

Income Profile

We obtained data regarding household and per capita income for the MSA. The data is summarized in the table below.

TABLE 6: INCOME DATA – AMES MSA⁵

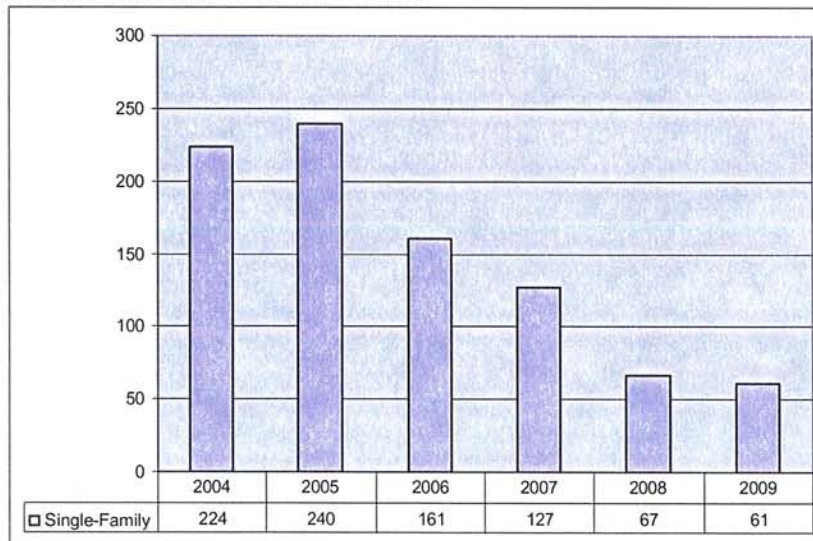
	2000	2009	% Change	2014	% Change
Median Household Income - MSA	40,479	51,170	26.4%	53,357	4.3%
Average Household Income - MSA	51,942	63,641	22.5%	65,103	2.3%
Per Capita Income - MSA	19,949	25,818	29.4%	26,779	3.7%

The data indicates continued income growth for the MSA through 2014. The annualized change between 2000 and 2009 is at or above typical inflation, which is a good indicator for the local economies viability. Income is projected to increase through 2014, but a lower annual rate.

Residential Construction

The City of Ames is experiencing declining demand for new single-family residential housing as demonstrated by the declining levels of new permits issued between 2005 and 2009. The number of single-family permits declined significantly between 2006 and 2007 and the numbers have now stabilized for 2008 and 2009 between 60-70 new starts per year.

FIGURE 1: SINGLE-FAMILY PERMITS

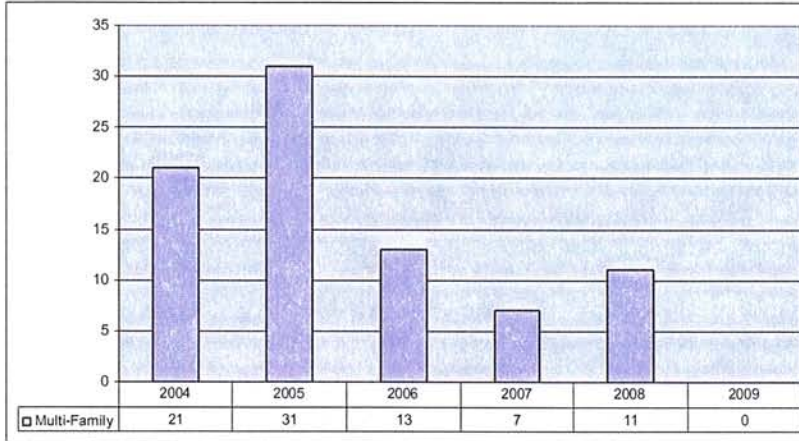


⁴ Iowa Workforce Development & Bureau of Labor Statistics

⁵ STDBonline

The City of Ames experienced a significant decline in the number of multi-family permits issued after 2005. Last year there were no permits issued for new multi-family construction for the first time in over ten years.

FIGURE 2: MULTI-FAMILY PERMITS



The City of Ames experienced a significant decline in the number of multi-family permits issued after 2005. Last year there were no permits issued for new multi-family construction for the first time in over ten years.

Summary

The Ames MSA has experienced a growing population during the last nine years. With it, job growth has been steady and predictable. We have seen household formations and median income rise during the same period, which has provided a strong economic base to this area.

The area has experienced a declining demand for all types of residential development. Commercial development has also declined since 2005 and 2006, with 2009 have the lowest amount of new permits issued in five years, but has been stable especially along Duff Avenue in Ames. The trend for the Ames MSA is continued steady growth. Having the Iowa State University in Ames provides an excellent, stable economic base.

NEIGHBORHOOD MAP



NEIGHBORHOOD PHOTOGRAPHS



PHOTO 1: FACING SOUTH ON HAYWARD AVENUE



PHOTO 4: FACING SOUTH ON SOUTH SHELDON AVENUE



PHOTO 2: FACING NORTH ON HAYWARD AVENUE



PHOTO 5: FACING NORTH ON SOUTH SHELDON AVENUE



PHOTO 3: FACING EAST ON CHAMBERLAIN STREET

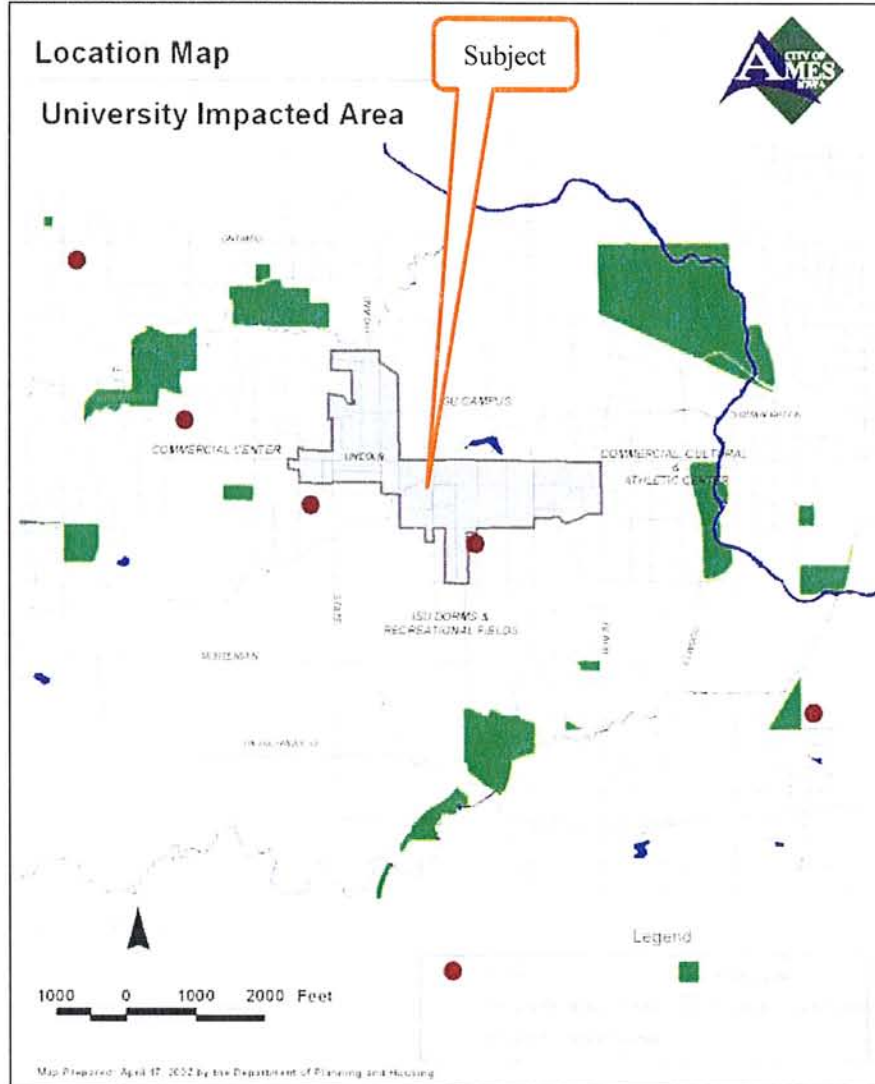


PHOTO 6: FACING EAST ON HUNT STREET

NEIGHBORHOOD ANALYSIS

The subject neighborhood is located in the central portion of Ames. For the purposes of this appraisal, the subject neighborhood includes properties within the East University Impacted Area as defined by the City of Ames. This area is displayed in the following map.

MAP 1: UNIVERSITY IMPACTED AREA



Streets

Lincoln Way borders the north side of the subject neighborhood, supporting four lanes of traffic traveling east and west. Lincoln Way is also an arterial road servicing the central portion of the City of Ames. Some of the primary roads running north/south through the subject neighborhood include Welch Avenue, Hayward Avenue, Stanton Avenue, and Lynn Avenue. The south side of the subject neighborhood is bordered by Storm Street and the Iowa State University "Towers" dormitories.

Utilities

All public utilities and services are available to the properties within the neighborhood. The utilities include natural gas, electricity, city water, sanitary sewer and storm sewer.

Topography and Flood Hazard Area

The topography of the neighborhood is generally level to gently rolling. College Creek cuts through the northwest portion of the subject neighborhood. Consequently, areas adjacent to the Creek are within the one hundred year flood plain (Zone AE).

Zoning

Commercial zoning throughout the subject neighborhood is “CSC” which is described as Campustown Service Center. “Development is intended to be very dense with high building coverage, large buildings in scale with the predominant building pattern in the Campustown commercial area, and buildings placed close together, while also conserving and preserving existing valuable characteristics by assuring compatibility between existing and new development. Building placement, scale at the street, design and materials reinforce a dynamic, pedestrian-friendly neighborhood character.”⁶

Residential zoning throughout the subject neighborhood is mostly “RH” which is described as Residential High Density with some fringe areas zoned “RL”, Residential Low Density. The RH “Zone is intended to accommodate certain high-density residential areas in the City, including areas on or adjacent to the Iowa State University campus and areas adjacent to existing commercial and employment centers.”⁷ The RL zone is intended for single family development.

Neighborhood Development

This is an established neighborhood catering to a specific demographic affiliated with Iowa State University. Newer development consists of multi-story, mixed-use buildings supporting retail, service, and office development on the street level and multi-family units on the remaining floors. Older improvements are a variety of types and uses.

Recent Development

Due to the economic recession, development in the neighborhood has been very limited over the past few years. Development that has occurred is typically multi-story with first level retail/service and upper level apartments, or entirely multi-family.

A new intermodal facility is planned for the parking lot on Hayward Avenue (the subject). The project is to include a parking deck with parking for both buses and cars. In the future, retail/service along Hayward Avenue is planned.

A developer, Four Lanes, is working on a revitalization plan for an approximately one block area bordered by Hayward, Welch, and Lincoln Way. The plan is for redevelopment of the area with modern building improvements, more dense development, and uses such as entertainment, boutique retail, and parking. Residential is not currently planned, according to the City’s planning department. The land is owned by the university, the city, and private property owners.

Pattern of Growth

Growth within the neighborhood is generally sporadic. Development occurs primarily as existing, underutilized improved parcels become available and are redeveloped, typically with first level retail/service and upper level apartments.

⁶ Section 29.809 of the City of Ames Zoning Ordinance.

⁷ Section 29.704 of the City of Ames Zoning Ordinance.

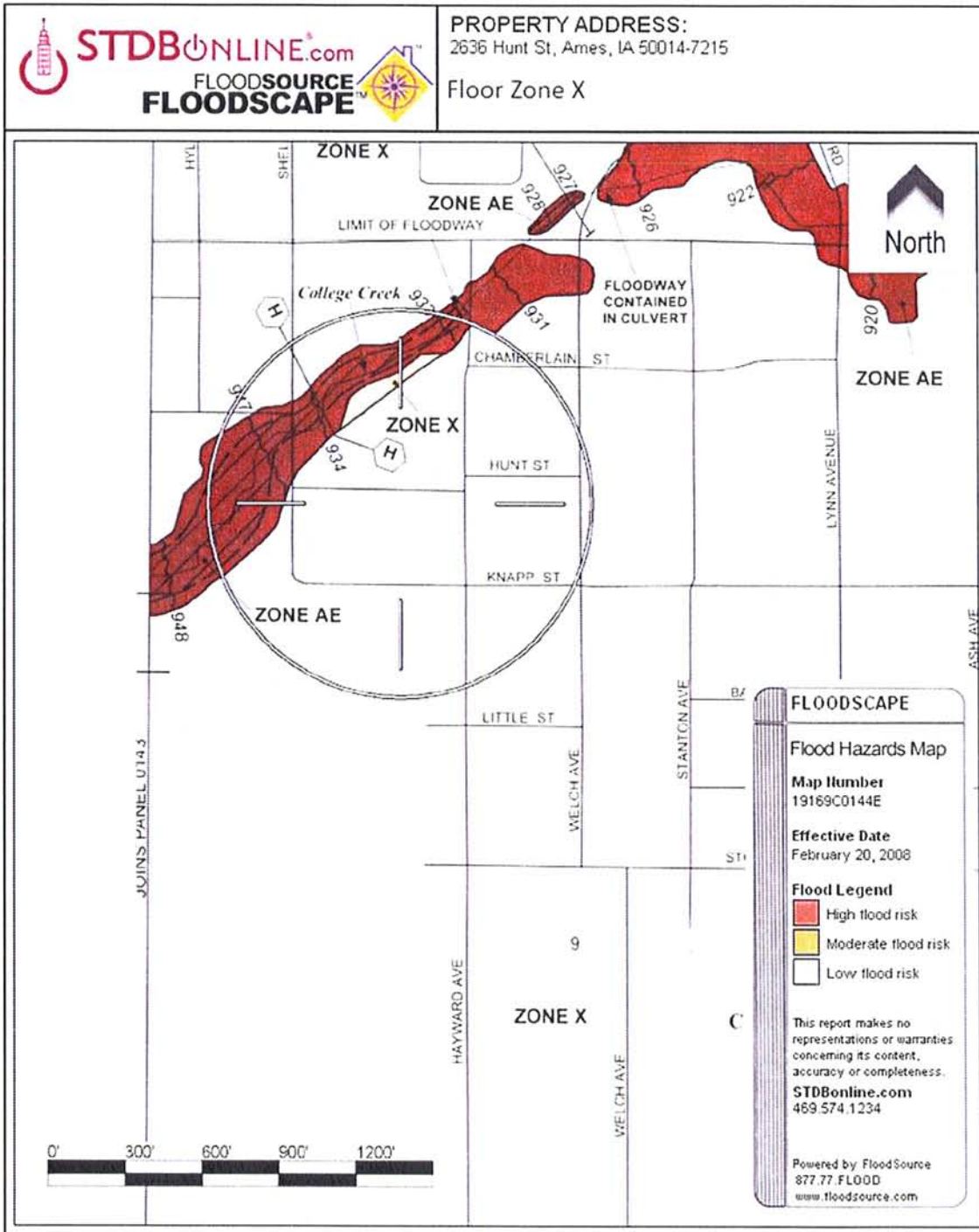
Competitive Areas

The neighborhood is unique and primarily serves the ISU student body. There are no direct competing areas. Secondary competition would be the various retail corridors and areas of apartments throughout the city.

Anticipated Trend

The trend for the neighborhood is for continued redevelopment of the older improvements with new, multi-story improvements. The uses are generally retail or service oriented on the first level with upper level apartments. The area will continue to be very dependent on the university for its stability and growth. The neighborhood will continue to be a mixture of uses and continue to grow more dense as redevelopment occurs. No blighting influences were noted in the neighborhood during our visit.

FLOOD MAP



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SUBJECT PHOTOGRAPHS



PHOTO 7: FACING WEST AT SUBJECT PARKING AREA

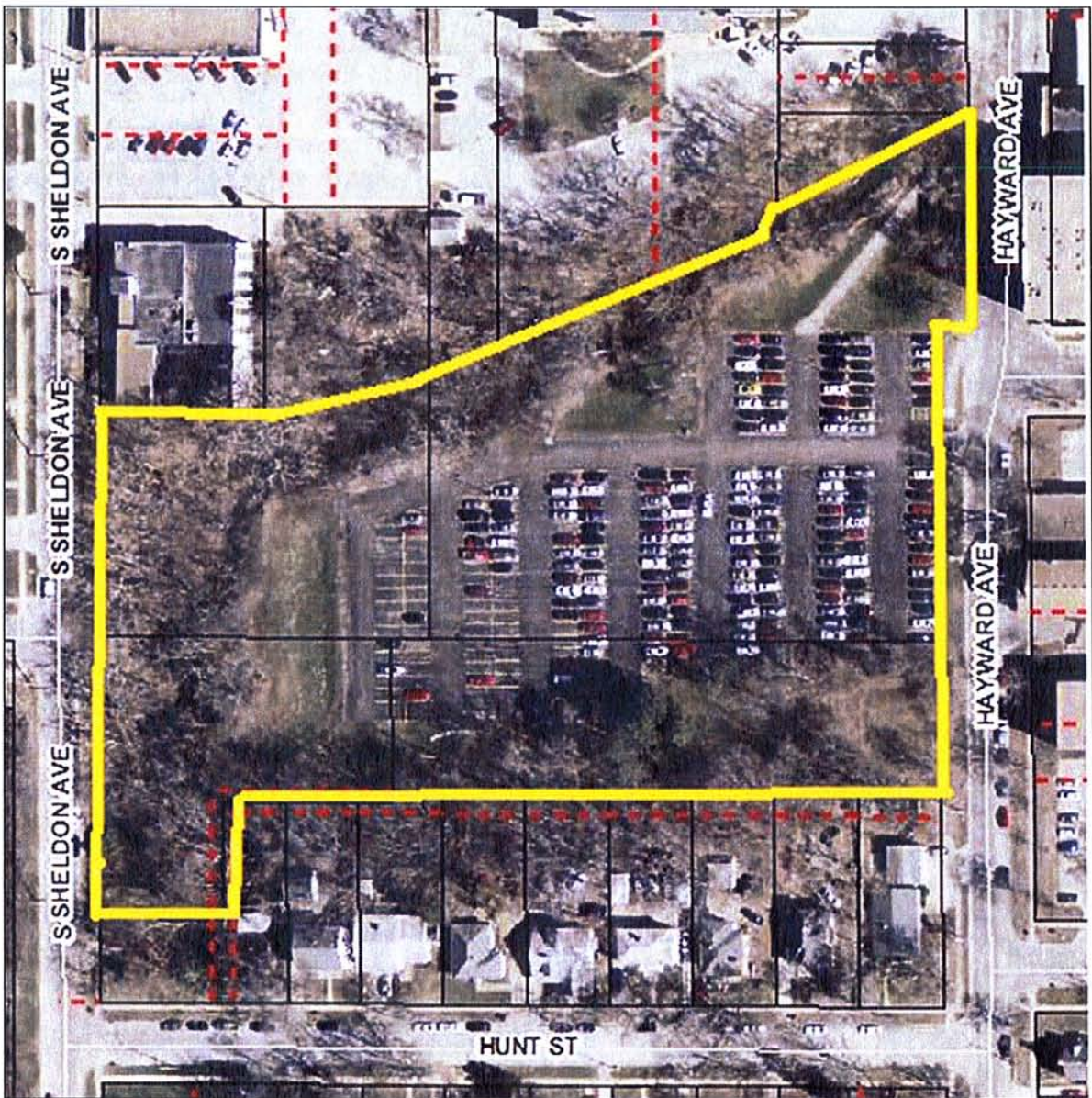


PHOTO 8: FACING SOUTHWEST AT PARKING AREA FROM NEAR ITS MIDDLE



PHOTO 9: FACING EAST AT SUBJECT PARKING AREA FROM EDGE OF PARKING LOT

AERIAL PLAT MAP – ENTIRE PARCEL



SITE ANALYSIS – ENTIRE PARCEL

General	The property has an address of 129/225 Hayward Avenue in Ames, IA.
Access	Existing access from Hayward Avenue.
Size	±217,566 square feet, or ±4.99 acres, according to assessment records.
Shape	Very Irregular, see maps in report.
Frontage and Visibility	±640 feet along Hayward Avenue ±360 feet along Sheldon Avenue
Nearby Properties	North of the subject are several building improvements for the Collegiate United Methodist Church and Wesley Foundation. East of the subject is the Chamberlain Condo building, a five-story mixed-use building built in 2003, an office/medical office building built in 1995, and two apartment buildings built in 1997-8. South of the subject are single-family residences and duplexes built during the 1910s-1950s. West of the subject, across South Sheldon Avenue are apartments and green space.
Flood Zone	We estimate ±1.91 acres of the subject are located within a 100-year flood plain. Of that area, we estimate ±0.9 acres are located in the floodway. The remainder of the site is located in an area of low flood risk (100-year flood hazard).
Topography	The site generally slopes downward to the west. The College Creek runs through the subject's northern side.
Easements & Encroachments	No atypical easements noted. No obvious encroachment noted during our property visit.
Utilities	All utilities and city services are available.
Soils	We have performed no soil analysis. It is assumed that the site would support those uses deemed to be the highest and best use of the land.
Streets	Hayward Avenue and South Sheldon Avenue are both two-way, two-lane, paved roads running north-south.

Zoning Summary

The site is zoned S-GA/O-UIW, Government/Airport District with West University Impacted Overlay District. The S-GA district generally indicates governmental structures are legally exempt from local zoning and requests their cooperation in using the property in a compatible way with the existing development. The O-UIW overlay district is intended to provide housing diversity opportunities and density for areas near the ISU campus, in a compatible way with the existing architecture. The overlay district provides development, architectural, landscaping, and parking requirements as summarized in the next section.

O-UIW Requirements

Development Standards

Front Yard Setbacks - Primary façade at front setback line

Maximum Building Height - 45 feet

Architectural Standards

Windows and Doors - Primary facades subdivided by openings along no less than 40 percent.

Building Materials - Brick must be the primary material.

Landscaping and Fences

Loose hard materials must be smaller than 3/4 inch

Fences - parking lots adjacent Low-Density Residential Zoning require screening.

Street Trees - at least one overstory tree within the parking for every 60 feet of lot frontage.

Parking Requirements

1.5 spaces per residential unit for one-bedroom residential units

1.25 spaces per bedroom for residential units of 2 bedrooms or more

All other uses shall provide parking as required in the general zoning ordinance.

Hazards and Nuisances

No obvious hazards or nuisances were observed during our field visit.

Improvements

The subject has a parking lot with approximately ±86,554 square feet of asphalt paving. The paving is in average condition. There are several light poles in fair condition.

HIGHEST AND BEST USE – ENTIRE PARCEL

This section seeks to determine the most profitable use of the subject land, as if it were vacant as well as the improved property. Refer to the Definition pages in the Addenda for a full definition of highest and best use. The highest and best use analysis is inferred, relying on readily available data and historical observations/inferences of the market.

THE SITE IF VACANT

Physically Possible

The site's area is ±4.99 acres, according to assessment records. The site is very irregular in shape, as shown in the maps included in the report. The property is bounded to the west and east by streets. All utilities and city services are available to the site. *The property is partially located in a floodway and 100-year flood hazard area, as described in the site analysis.*

Legally Permissible

The subject is zoned S-GA, Government/Airport District and is included in the O-UIW, West University Impacted Overlay District. The S-GA zoning is for government owned property only. Our analysis does not assume governmental ownership. Our analysis looks to put the property to its highest and best use, regardless of ownership. Therefore, we must consider what the most probable zoning of the subject is, to a typical owner. The long-term plan indicates multi-family residential for the subject. However, the University's plan for an intermodal facility indicates there is a high probability for more intensive use along Hayward Avenue.

Based on the surrounding development described in the report, surrounding zoning described in the report, and discussions with the City of Ames Planning and Housing Department, we conclude the most probable zoning of the subject, to a typical owner, is Campus Town Service Center (CSC) along Hayward Avenue and towards College Creek with Residential High Density (RH) along the southern side of the parcel. The CSC zoning permits most retail, service, office, and high density residential uses, in a dense development. The RH zoning permits low to high density residential.

To our knowledge, there are no private deed restrictions affecting the property.

Financial Feasibility

The subject property is located in an area transitioning away from the dense campus-town area and towards low-density residential and University athletic field used land. The surrounding development was described in the site analysis. Due to the newer, dense multi-family with first level retail/service/office use to the east, and the continued strong occupancy of multi-family in or near campus town, multi-family development is likely financially feasible. One to three story mixed use with office, retail, or service on the first level is likely feasible as well. A use catered to the University would likely be feasible as well.

The recent recession has slowed demand for development land. Immediate development is not considered financially feasible, but development will likely require relatively significant planning approval due to the location near campus town and required rezoning. We believe it is feasible for mixed use development in the near future.

Maximally Productive

The maximally productive, and therefore highest and best use of the site as vacant, is for future development of multiple, multi-story improvements, similar to that seen in the neighborhood. The

improvements should provide for lower level or onsite parking. The use of the property along Hayward Avenue should be retail/service/office on the main level with apartments on the upper levels. Away from Hayward Avenue, development should be primarily multi-family use. Development should be timed to finish in time for students to begin leasing in the fall, before school begins. Development of the subject would likely occur in one to three years. The most probable owner is an investor.

THE SITE AS IMPROVED

The site is semi-improved with paving and lighting for use as a parking lot. The parking lot could generate revenue if privately owned. However, the subject is within the University Impacted Overlay District and is considered valuable land, ideal for redevelopment. The subject should be utilized for parking until redevelopment takes place. The most probable redevelopment is the same as the highest and best use as vacant. The most probable owner is an investor.

SALES COMPARISON APPROACH— ENTIRE PARCEL

To estimate the market value of the land, we have analyzed comparable development land sales. The sale of development land in campus town is scarce. In addition, parcels the size of the subject are almost exclusive controlled by the University, who does not typically sell. Therefore, we have had to expand our search for sales to smaller parcels and less desirable areas that require more adjustment. We were also unable to find comparable sales within campus town that were impacted by a flood hazard area like the subject. Of the sales located, six have been chosen for presentation within this section. The comparable sales located represent a range of size, shape, zoning and location. The most consistent indicator of value is the sale price per square foot and the sales are analyzed on this basis. Additional information on the sales is included in the Addenda.

The Sales Comparison Adjustment Table follows. It is a presentation of the essential data for each sale and the adjustments we deemed necessary. Comparing the sales for differences such as location, size, and zoning indicates significant volatility in the market for land in campus town. Therefore, we have relied on qualitative adjustments, plus (+) or minus (-). Qualitative adjustments more accurately reflect a typical market participants analysis of comparable sales and provide a means to analyze the sales without relying on highly subjective and potentially misleading quantitative adjustments.

The adjustment table is followed by a discussion of the relevant adjustments.

TABLE 7: COMPARABLE LAND SALES ADJUSTMENT TABLE

Sale Comp ID Address City	Subject N/A Ames	1		2		3		4		5		6	
		139033 2811 West Street Ames	36606 125 Beach Ave. Ames	41155 2519 Chamberlain Street Ames	40771 217 Welch Avenue Ames	34365 2922 West Street Ames	40824 117 Stanton Avenue Ames						
Sale Price (SP)	N/A	\$135,000	\$325,000	\$466,000	\$558,000	\$470,000	\$230,000	\$470,000	\$230,000	\$230,000	\$230,000	\$230,000	\$230,000
Area (Sq Ft)	217,566	13,500	36,833	21,003	22,983	38,463	12,540	38,463	12,540	12,540	12,540	12,540	12,540
SP/\$SF	N/A	\$110.00	\$8.82	\$22.19	\$24.28	\$12.22	\$18.34	\$12.22	\$18.34	\$18.34	\$18.34	\$18.34	\$18.34
Grantor	N/A	Janice J. Alfred Revocable Trust	Commercial Federal Bank	Scott Randall	McDonald's Corp	Max L. and Monica G Porter	Theodore Landsberg et ux	Max L. and Monica G Porter	Theodore Landsberg et ux	Theodore Landsberg et ux	Theodore Landsberg et ux	Theodore Landsberg et ux	Theodore Landsberg et ux
Grantee	N/A	West Street Lofts, LLC	121 Beach, LLC Jon Chester	Chamberlain, LLC	Dickson & Luanne Jensen	Hanson Homes, Inc.	Ev Cochran	Hanson Homes, Inc.	Ev Cochran	Ev Cochran	Ev Cochran	Ev Cochran	
Property Rights Conveyed	N/A	Adj	Adj	Adj	Adj	Adj	Adj	Adj	Adj	Adj	Adj	Adj	
Cash Equivalency	N/A	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	
Conditions of Sale	N/A	Typical	Typical	Typical	Typical	Typical	Typical	Typical	Typical	Typical	Typical	Typical	
Market Conditions	N/A	Typical	Typical	Typical	Typical	Typical	Typical	Typical	Typical	Typical	Typical	Typical	
Adjusted Sale Price	N/A	9/15/2008	3/31/2003	12/13/2000	9/29/2004	7/31/2000	11/15/2001	7/31/2000	11/15/2001	11/15/2001	11/15/2001	11/15/2001	
Adjusted Price / Sq. Ft.	N/A	\$10.00	\$8.82	\$22.19	\$24.28	\$12.22	\$18.34	\$12.22	\$18.34	\$18.34	\$18.34	\$18.34	
Other considerations	N/A												
Location	N/A	Inferior	Inferior	Superior	Superior	Inferior	Superior	Inferior	Superior	Superior	Superior	Superior	
Size	N/A	13,500	36,833	21,003	22,983	38,463	12,540	38,463	12,540	12,540	12,540	12,540	
Shape	N/A	Superior	Superior	Superior	Superior	Superior	Superior	Superior	Superior	Superior	Superior	Superior	
Utilities	N/A	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	
Topography	N/A	Superior	Superior	Superior	Superior	Superior	Superior	Superior	Superior	Superior	Superior	Superior	
Zoning	N/A	RH	R-H	DCSC	DCSC	RH	DCSC	RH	DCSC	DCSC	DCSC	DCSC	
Total Adjustment	N/A												

Explanation of Adjustments

Property Rights Conveyed – The sales are of the fee simple estate. We are valuing the fee simple estate and therefore no property rights conveyed adjustments are necessary.

Cash Equivalency – The sales occurred with conventional terms or with contract terms that did not impact the sale price. No adjustments are necessary.

Conditions of Sale – The comparables are all considered to have typical conditions of sale and no adjustments are necessary here.

Market Conditions – The national real estate downturn and economic recession has affected the local economy. However, the comparable data is mixed in its indication of historical market conditions. A comparison of sales one and six, located one block from one another and developed with the same use, indicates a significant decline in the market value of development land from July 2000 through September 2008. However, development land in the Campus-town area continues to be in demand. Overall, the least overall variance in the adjusted sales is indicated when applying no market conditions adjustment. Although we note continued demand for Campus-town land, no market conditions adjustment appears necessary.

Location - The subject is located in a transitioning area, away from Campus-town's dense development towards less dense use. Overall, the subject has an average location for properties in Campus-town.

Comparable sales one and five are located on West Street, in an area of primarily multi-family residential conversion use with some lower density, store front uses. The location is considered overall inferior to the subject's and upward adjustments are applied.

Comparable sale two is located on Beach Avenue in an area of less dense development. However, the property is near the university's performance auditoriums and stadiums and arenas. Comparable two is the low end of the range and away from Campus-town. An upward adjustment is necessary.

Comparable three is located across the street from the subject at the corner of Hayward Avenue and Chamberlain Street. The property is therefore closer to the core of Campus-town and at a corner. A downward adjustment is applied.

Comparable four is located southeast of comparable three and is considered to have a slightly superior location. A downward adjustment is applied.

Comparable six has a similar location as comparable three and requires downward adjustment.

Size – This category considers the size of each comparable sale in relation to the subject. Typically, as the size of the property increases, the sales price per square foot decreases due to economies of scale.

The comparable sales are all significantly smaller parcels. No sales the size of the subject, or larger, were available from the Campus-town area or other areas considered similar to Campus-town. All of the comparable data require downward adjustment for being smaller parcels that are more feasible to purchase by smaller developers and users. The very small parcels require the largest downward adjustment.

Shape – The subject is irregular in shape, following the creek on its northern side, having a protruding area on its southwest side, and following an indentation on Hayward Avenue on its east side. Considering the location of the floodway and 100-year flood hazard area, the shape becomes even more irregular. The shape is not desirable, but a site plan can be laid out to utilize the area relatively efficiently. The comparable data are generally typical, near rectangle, parcels or of shapes that are easily developed. The subject’s shape is judged a negative factor and we have observed irregular shaped parcels selling for less in other real estate markets. Therefore, we adjust all of the comparable data downward for shape.

Utilities – The subject and comparable data all have access to all city utilities and services. No adjustments are necessary.

Topography – The subject’s topography is sloping downward to the west with a creek and resulting flood hazard and floodway areas. We have sales of a variety of uses, both in and out of the flood hazard area. Our observation of this data is that as the value of the land increases, the percent discount for flood hazard land decreases, but the amount per square foot of land area increases, indicating a lessening impact of flood hazard or increasing contributory value as green space. Unfortunately, the sale of other land within Campus-town with floodway or 100-year flood hazard areas have not occurred within the time period analyzed. The floodway land only contributes value as green space as it cannot be built on. The 100-year flood hazard area could potentially be improved, if raised above the flood elevation. Giving consideration to the above discussion, we adjust the sales down.

Zoning – The comparable data zoned for high density residential versus allowing commercial use indicate a similar adjusted sale price. Therefore, we conclude no measureable premium exists for the commercial zoning. No adjustments for zoning are necessary.

Competitive Listings

We were unable to locate any competitive listings for the subject property.

Reconciliation of Values

After adjustments, the land sales indicate a wide range in value of about \$6.75 to \$12.00 per square foot. Four of the sales indicate a narrow range of value of about \$9.00 to \$12.00 per square foot. Sales one and two required upward adjustment for inferior location; the location adjustments required are potentially more severe than we can infer from the market. Majority weight is given to the four sales that indicate a more narrow range of value (\$9.00-\$12.00/SF).

Giving consideration to the analysis above, we reconcile to a value of \$10.00 per square foot for the Entire Parcel.

Reconciled Value Per Sq Ft	\$10.00	Times	217,566	Sq Ft	is	\$2,175,660
					Rounded to	\$2,200,000

**AERIAL MAP – SMALLER PARCEL
(SMALLER PARCEL IS OUTLINED IN THE BOLD DASHED LINE)**



SITE ANALYSIS – SMALLER PARCEL

The Smaller Parcel has the same attributes as the entire parcel, with the following exceptions.

Size	±3.96 acres (from County GIS measurements)
Shape	Very irregular, as shown on the previous map.
Frontage and Visibility	±620 feet along Hayward Avenue ±120 feet along Sheldon Avenue
Flood Zone	We estimate ±0.92 acres of the Smaller Parcel is located in a 100-year flood hazard area.

HIGHEST AND BEST USE – SMALLER PARCEL

THE SITE IF VACANT

Physically Possible

The site's area is ±3.96 acres, according to our GIS measured area. The site is very irregular in shape, as shown in the maps included in the report. The property is bounded to the west and east by streets. All utilities and city services are available to the site. *The property is partially located in a 100-year flood hazard area, as described in the site analysis.*

Legally Permissible

The legally permissible section is the same as from the Highest and Best Use – Entire Parcel section.

Financial Feasibility

The same uses are financially feasible as from the Highest and Best Use – Entire Parcel section.

Maximally Productive

The maximally productive, and therefore highest and best use of the site as vacant, is the same as from the Highest and Best Use – Entire Parcel section.

THE SITE AS IMPROVED

The highest and best use, as improved, is the same as from the Highest and Best Use – Entire Parcel section.

SALES COMPARISON APPROACH—SMALLER PARCEL

We have utilized the same sales as from the valuation of the entire parcel. The analysis is presented in a similar manner as the entire parcel valuation section. First, we present the sales summary and adjustment table.

TABLE 8: SALES COMPARISON ADJUSTMENT TABLE – SMALLER PARCEL

Sale	1	2	3	4	5	6
Comp ID	139033	36606	41155	-0771	34365	-0824
Address	2811 West Street	125 Beach Ave.	2519 Chamberlain Street	217 Welch Avenue	2922 West Street	117 Stanton Avenue
City	Ames	Ames	Ames	Ames	Ames	Ames
Sale Price (SP)	\$135,000	\$325,000	\$466,000	\$558,000	\$470,000	\$230,000
Area (Sq Ft)	13,500	36,833	21,003	22,983	38,463	12,540
SP/SSF	\$10.00	\$8.82	\$22.19	\$24.28	\$12.22	\$18.34
Grantor	Janice J. Alfred Revocable Trust	Commercial Federal Bank	Scott Randall	McDonald's Corp	Max L and Monica G Porter	Theodore Landsberg et ux
Grantee	West Street Lofts, LLC	121 Beach, LLC Jon Chester	Chamberlain, LLC	Dickson & Luaine Jensen	Hanson Homes, Inc.	Ev Cochran
Property Rights Conveyed	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Cash Equivalency	Typical	Typical	Typical	Typical	Typical	Typical
Conditions of Sale	Typical	Typical	Typical	Typical	Typical	Typical
Market Conditions	7/22/2010	3/31/2003	12/13/2000	9/29/2004	7/31/2000	11/15/2001
Adjusted Sale Price	\$135,000	\$325,000	\$466,000	\$558,000	\$470,000	\$230,000
Adjusted Price / Sq. Ft.	\$10.00	\$8.82	\$22.19	\$24.28	\$12.22	\$18.34
Other Considerations						
Location	Inferior	Inferior	Superior	Superior	Inferior	Superior
Size	172,280	36,833	21,003	22,983	38,463	12,540
Shape	Very Irregular	Superior	Superior	Superior	Superior	Superior
Utilities	All Public	Similar	Similar	Similar	Similar	Similar
Topography	Sloping, 23% flood hazard	Superior	Superior	Superior	Superior	Superior
Zoning	S-GA/O-UIW	R-H	DCSC	DCSC	RH	DCSC
Total Adjustment	-	-	---	---	---	---

Justification of Adjustments

The sales required the same adjustments as from the Entire Parcel valuation, except as noted below.

Size – Smaller downward adjustments are necessary for size.

Shape – The Smaller Parcel is very irregular in shape. More irregular in shape than the Entire Parcel. Larger downward adjustments are necessary for shape.

Topography – The Smaller Parcel has a lower proportion of its square footage located in the 100-year flood hazard area and none located in the floodway. Smaller downward adjustments are necessary.

Reconciliation

After considering the relative magnitude of the qualitative adjustments, the indicated adjusted range is about \$8.00 to \$14.00 per square foot. Again, sales three through six indicate a more narrow range of value of about \$10.75 to \$14.00 per square foot.

Giving consideration to the analysis above, we reconcile to a value of \$12.00 per square foot for the entire parcel.

Reconciled Value Per Sq Ft	\$12.00	Times	172,280	Sq Ft	is	\$2,067,360
					Rounded to	\$2,100,000

CERTIFICATION

We certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- We have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- Dane R. Anderson has made a personal field visit to the subject property. Fred H. Lock has not visited the subject property.
- No one provided significant professional assistance to the person signing this report.
- As of the date of this report, Dane R. Anderson has completed the requirements of the continuing education program of the Appraisal Institute.



Fred H. Lock, MAI SRPA
President
State #CG01159



Dane R. Anderson, MAI
Vice President
State #CG02718

Rev. 5/10

PROFESSIONAL SERVICES CONTRACTUAL AGREEMENT

THIS PROFESSIONAL SERVICES CONTRACTUAL AGREEMENT (hereafter Agreement) is made and entered into by and between IOWA STATE UNIVERSITY OF SCIENCE AND TECHNOLOGY, Ames, Iowa (also referred to as "University" or "ISU"), and IOWA APPRAISAL AND RESEARCH CORPORATION (also referred to as "Contractor").

FOR CONSIDERATION of the mutual promises and covenants contained in this Agreement, the University and Contractor agree as follows:

1. SCOPE OF WORK

A. **PROFESSIONAL SERVICES:** Consistent with Request for Proposal No. 61382 for Land Appraisal Services (RFP 61382) and Contractor's response to RFP 61382, including its subsequent clarification, Contractor agrees to provide the following appraisal services (hereafter also referred to as Professional Services):

1. To assist in determining the value of the above property, conduct a complete, self-contained appraisal of the property identified in RFP 61382 and referenced by attached Exhibit A. Provide the full data, reasoning, and sources used to determine the appraised value. Incorporate projected uses of the land, comparable sales, sales of land within Story County, local land sales, pace of sales information, and any other relevant data to assist in determining the appraised value of the land shown below. The appraisal must meet the specific requirements listed in RFP 61382, including those requirements listed below in Section 1.A.2 and Section 1.A.3. The terms, provisions and requirements of RFP 61382 are incorporated herein by reference. Where conflict exists between any document referenced herein and the Agreement, this Agreement shall govern.

Property Description

The land, which is to be appraised as one property, primarily consists of a parking lot made up of four parcels of land acquired at various times. The property is located south of Lincoln Way and the Collegiate United Methodist Church between Hayward Avenue on the east, Sheldon Avenue on the west, and Hunt Street on the south, within the city limits of Ames, Iowa. The parcels comprising the property to be appraised are identified by the following descriptions:

1st Parcel in the northwest corner of the property: See attached Parcel F, B55/162, Slide 286, pg. 1

2nd Parcel in the northeast corner of the property: See attached Parcel G, B57/74, Slide 286, pg. 3

3rd Parcel in the southwest corner of the property: See attached Out Lot 1, B55, pg. 162, Resler & Miller Addition

4th Parcel in the southeast corner of the property: See attached Metes & Bonds description, Book 54, pg. 535

2. The Appraiser shall, at a minimum:
 - (a) Provide an appraisal that is a written statement independently and impartially prepared by a qualified appraiser setting forth an opinion of defined value of an adequately described property, as of a specific date, supported by the presentation and analysis of relevant market information.

- (b) Afford the property owner or the owner's designated representative the opportunity to accompany the Appraiser on the inspection of the property. The ISU contact for viewing the site is Catherine Brown at 515-294-6001. In her absence Helene Uhlenhopp should be contacted at 515-294-1014 to arrange a time to meet Ms. Brown at the site.
 - (c) Perform an inspection of the subject property. The inspection should be appropriate for the appraisal and address:
 - (1) The extent of the inspection and description of the neighborhood and proposed project area,
 - (2) The extent of the subject property inspection, including interior and exterior areas, and
 - (3) The level of detail of the description of the physical characteristics of the property being appraised.
 - (d) In the appraisal report, include a sketch of the property and provide the location and dimensions of any improvements. Include adequate photographs of the subject property and comparable sales. Provide location maps of the property and comparable sales.
 - (e) In the appraisal report, include the following required items:
 - (1) The property right(s) to be acquired, e.g., fee simple, easement, etc.,
 - (2) The value being appraised (usually fair market value), and its definition,
 - (3) Appraised as if free and clear of contamination (or as specified),
 - (4) The date of the appraisal report and the date of valuation,
 - (5) The realty/personalty report which identifies the owner of the real property and, if found, the personal property associated with the site,
 - (6) The known and observed encumbrances, if any,
 - (7) Title information,
 - (8) Location,
 - (9) Zoning
 - (10) Present use, and
 - (11) At least a 5-year sales history of the property.
 - (f) In the appraisal report, identify the highest and best use. If highest and best use is in question or different from the existing use, provide an appropriate analysis identifying the market-based highest and best use.
 - (g) Present and analyze relevant market information. Specific requirements should include research, analysis, and verification of comparable sales. Inspection of the comparable sales also should be specified.
 - (h) In developing and reporting the appraisal, disregard any decrease or increase in the fair market value of the real property caused by the project for which the property is to be used as a match or by the likelihood that the property would or would not be acquired for the project. If necessary, the Contractor may cite the Jurisdictional Exception or Supplemental Standards Rules under Uniform Standards of Professional Appraisal Practice (USPAP) to ensure compliance with USPAP while following this Uniform Act requirement.
 - (i) Report his or her analysis, opinions, and conclusions in the appraisal report.
3. Additional Requirements:
- (a) Intended Use: This appraisal is to estimate the fair market value of the property, as of the specified date of valuation, for the proposed acquisition of the property rights specified (i.e., fee simple, etc.) for a federally assisted project.
 - (b) Intended User: The intended user of this appraisal report is primarily the funding agency, but its funding partners may review the appraisal as part of their program oversight activities.
 - (c) Definition of Market Value: To be as determined by State of Iowa law, but includes the following:
 - (1) Buyer and seller are typically motivated;

- (2) Both parties are well informed or well advised, each acting in what he or she considers his or her own best interest;
 - (3) A reasonable time is allowed for exposure in the open market;
 - (4) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
 - (5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.
- (d) Certification: The Contractor shall be certified as required by the State of Iowa's approved Appraisal Procedures or State law. The appraisal shall be performed by a Certified General Real Property Appraiser, who is also a Member of the Appraisal Institute (MAI).
- (e) Assumptions and Limiting Conditions: The Appraiser shall state all relevant assumptions and limiting conditions. Include any information on property contamination considered by the Appraiser in making the appraisal.

B. PERFORMANCE MONITORING: Contractor shall produce the following written reports or take the specified actions necessary to fulfill this Agreement (collectively referred to as "deliverables") by the dates indicated:

Five (5) copies of the completed final appraisal shall be submitted to ISU no later than August 2, 2010. Additional copies may be produced by ISU as needed, and Contractor hereby authorizes ISU to copy the appraisal and any reports or deliverables developed by Contractor for distribution to other parties as appropriate.

All written reports, observations, suggestions, and the appraisal required under this Agreement are to be delivered to Arlo W. Meyer, Assistant Vice President for Business Services, 3616 Administrative Services Building, Ames, IA 50011-3616, in accordance with the above schedule.

2. PERIOD OF PERFORMANCE When signed by both parties this Agreement provides authorization to begin the appraisal process. This Agreement, unless earlier terminated according to the provisions contained herein, shall cover the period of July 9, 2010 through August 31, 2010. The Agreement may be extended by written mutual consent of both parties.

3. COMPENSATION AND PAYMENT

A. The University agrees to pay Contractor for the Professional Services referenced earlier, in accordance with the rates and provisions set forth below:

Upon receipt of an invoice (see 3.C. below), satisfactory completion of the final appraisal, and submission of five (5) copies of the final appraisal as specified herein, payment of two thousand eight hundred dollars (\$2,800.) will be made. Satisfactory completion is to include any changes required as part of the appraisal review conducted by a third party as stated in RFP 61382.

B. Should an overnight stay be necessary to attend a Board of Regents meeting, with proper documentation provided by Contractor, the University shall reimburse Contractor, or pay directly any University-authorized lodging and food expenses, as deemed reasonable by the University in accordance with University travel policy. This will include:

1. Meals while in travel status and on site to attend Regents meetings in Iowa will be reimbursed up to \$26 per day. Alcoholic beverages are not a reimbursable expense.
2. Lodging expenses shall be reimbursed at reasonable rates consistent with the University's travel policy.

University will only reimburse Contractor for the above meals and lodging expenses upon receipt of a list of itemized allowable expenses. Expense reimbursement requests shall be submitted within 60 days of the date incurred. University will not reimburse Contractor for dry cleaning, laundry, valet expenses, and charges for entertainment expenses.

- C. Contractor shall submit a lump sum bill upon completion of the appraisal process defined above. At its discretion, the University may hold payments until sufficient value has been received, from its perspective, before releasing one or more payments. The University reserves the right to withhold ten percent (10%) from our payment until the University agrees the project has been completed to its satisfaction.

When the appraisal has been completed and all copies submitted, please send an invoice, referencing this Agreement, to the following address:

Iowa State University
Attn: Arlo W. Meyer
Business Services
3616 Administrative Services Bldg.
Ames, IA 50011-3616

4. CONTRACT CHANGE ORDER

- A. The University, without invalidating the Agreement, may direct changes in the project within the general scope of the Agreement, with the authorized payment maximum being adjusted accordingly. All such changes in the project shall be in writing and signed by both parties.
- B. The added cost or cost reduction to the University resulting from a change in the Agreement shall be determined in one or more of the following ways:
 - 1. by mutual acceptance of a lump sum properly itemized and supported by sufficient data to permit evaluation,
 - 2. by unit prices stated in the Agreement or subsequently agreed upon,
 - 3. by cost to be determined in a manner agreed upon by the parties, or
 - 4. by a mutually acceptable fixed or percentage fee.
- C. It shall be the responsibility of Contractor before proceeding with any change in scope to verify that the change has been properly authorized on behalf of the University. No additional charges or any other change in the Agreement will be allowed unless previously authorized in writing by the University, with the applicable compensation method and maximum authorized additional sum stated.

5. PROPRIETARY RIGHTS AND CONFIDENTIAL INFORMATION

- A. Contractor agrees to hold in trust and confidence the appraised value of the property (which shall be considered confidential information) and any other confidential and proprietary information or data relating to University business, and shall not disseminate or disclose such confidential information to any individual or entity, except Contractor's employees or subcontractors performing services hereunder (who shall be under a duty of confidentiality), and any other individuals specifically permitted in each instance by the University.
- B. With respect to any confidential information, Contractor's obligations of nondisclosure set forth above shall continue to apply to such information for as long after this Agreement expires or terminates, as such information remains confidential.
- C. An item will not be considered confidential information or a trade secret of the University if it is:

1. In the public domain prior to disclosure to Contractor or subsequent to such disclosure but through no fault of Contractor; or
 2. Obtained from a third party not subject to a duty of confidentiality.
- D. Contractor agrees that any appraisals, reports, or other deliverables (also referred to as "Work") developed by Contractor solely, or with others, resulting from the performance of Contractor's responsibilities and obligations pursuant to this Agreement are the property of the University. If for any reason the Work would not be considered a work made for hire under applicable law, for the consideration included herein, Contractor does hereby sell, assign, and transfer to the University, its successors and assigns, the entire right, title and interest in and to the Work, including but not limited to exclusive rights to reproduce, distribute, prepare derivative works, and display the Work. Contractor agrees to provide whatever assistance is necessary for the University to preserve its commercial interest. This provision shall survive expiration and termination of this Agreement.
- E. Contractor agrees that the appraisal may be distributed to others as deemed appropriate by ISU and may be presented to any granting or funding agency or the Board of Regents, State of Iowa, for their review or action. The appraisal may be copied by ISU as necessary and at ISU's discretion the appraisal may become a public document available for review or copying by the public.
6. **TERMINATION**
- A. The University may terminate this Agreement, upon ten (10) days written notification, without penalty to the University, should Contractor fail to carry out its provisions or fail to provide services acceptable to the University.
 - B. With the mutual agreement of the parties, upon receipt and acceptance of not less than fifteen (15) days written notice, this Agreement may be terminated without penalty to either party.
 - C. Upon termination or Agreement expiration, the University shall pay Contractor all services fees and authorized reimbursable expenses due Contractor for services already provided or expenses incurred through the effective date of Agreement termination, provided such expenses are reasonable, documented, and represent services requested by the University. Upon termination, Contractor shall turn over to the University all Work performed to date.
7. **NON-AVAILABILITY OF FUNDS** Notwithstanding any other provisions of this agreement, if funds anticipated for the continued fulfillment of this contract are at any time not forthcoming or insufficient, either through the failure of the Federal government or of the State of Iowa to appropriate funds or through discontinuance or material alteration of the program under which funds were provided, then the University shall have the right to terminate this agreement without penalty by giving not less than thirty (30) days written notice documenting lack of funding.
8. **REMEDIES UPON DEFAULT** In any case where Contractor fails in whole or in part to substantially perform its obligations or has delivered nonconforming services, ISU shall provide a Cure notice. If after notice Contractor continues to be in default, ISU may terminate this agreement immediately. ISU shall only be obligated to compensate Contractor for compliant services performed prior to notice of termination.
9. **INDEPENDENT CONTRACTOR STATUS** Contractor agrees that the relationship between Contractor and University is that of an independent contractor for employment tax purposes. Contractor shall be solely responsible for self-employment, income or any other taxes relating to payments under this agreement including those of any employees. Contractor shall be solely responsible for liability, disability and health insurance coverage.

10. **TAXES -- FEDERAL, STATE AND LOCAL** The University is exempt from Federal Excise Taxes, and no payment will be made for any taxes levied on Contractor's employee's wages. The University is exempt from State and Local Sales and Use Taxes on the products and services supplied pursuant to this Agreement.
11. **LAWS** Terms and provisions of this Agreement shall be construed in accordance with the laws of the State of Iowa, and any and all litigation or actions commenced in connection with this Agreement shall be instituted in the appropriate courts in the State of Iowa.
12. **COMPLIANCE WITH LAWS** Contractor agrees that during the duration of this Agreement and as a condition of the University's duty to perform under the terms of this Agreement, that Contractor will be in compliance with all applicable laws and regulations of the state and federal government, including, but not limited to, Equal Employment Opportunity provisions, Occupational Health and Safety Act, records retention, audit requirements and allowable costs.
13. **RESPONSIBILITY FOR THOSE PERFORMING WORK**
 - A. Contractor shall at all times enforce strict discipline and good order among Contractor's employees and shall not employ any unfit person or anyone not skilled in the task assigned.
 - B. Incompetent or incorrigible employees shall be dismissed from the project by Contractor when so determined by the University, and such persons shall be prohibited from returning to the project without the written consent of the University.
 - C. Contractor shall be responsible for the acts and omissions of all Contractor's employees and all subcontractors, their employees, agents and agent's employees, and all other persons providing services under agreement with Contractor.
14. **IMMUNITY FROM LIABILITY** Every person who is a party to this Agreement is hereby notified and agrees that the University is immune from liability and suit for or from Contractor's activities involving third parties and arising from this Agreement.
15. **ASSIGNMENT** This Agreement may not be assigned or transferred by either party to this Agreement without the prior written consent of the other party. Subcontractors may not be used without ISU's prior written approval.
16. **INDEMNIFICATION**
 - A. To the fullest extent permitted by law, Contractor shall defend, indemnify and hold harmless the "State of Iowa", the "Board of Regents, State of Iowa", and the "University", its agents and employees from and against all claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or resulting from (A) the material non-performance, non-compliance or breach with the terms and obligations of this Agreement or (B) bodily injury, sickness, disease, or death, or to injury to or destruction of tangible property, including the loss of use resulting there from caused in whole or in part by any negligent act or omission of Contractor or Subcontractor, or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, regardless of whether or not caused in part by a party indemnified hereunder. Such obligation shall not be construed to negate, abridge, or otherwise reduce any other right or obligation of indemnity, which would otherwise exist as to any party or person.
 - B. In any and all claims against the University, its agents, successors, and assigns, and the Board of Regents, State of Iowa, by any employee of Contractor or its Subcontractors, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, Contractor's indemnification obligation shall not be limited in any way by any

definition or boundary on the amount or type of damages, compensation or benefits payable by or for Contractor or any Subcontractor under worker's compensation, disability benefits or other employee benefit acts.

- C. Contractor agrees to jointly and severally indemnify and hold the State of Iowa, the "Board of Regents, State of Iowa" (Regents), and the University, its agents, successors and assigns, harmless from and against all liability, loss, damage or expense, including reasonable attorney's fees which the State may incur or sustain by reason of the failure of the selected Contractor to fully perform and comply with the terms and obligations of the Agreement.

17. INSURANCE

- A. Contractor shall purchase and maintain, throughout the life of this Agreement, commercial general liability insurance and commercial automobile liability insurance to protect Contractor from all claims for bodily injury, including accidental death, personal injury, and property damage arising from operations under this Agreement, whether such operations be by Contractor, subcontractor or by anyone else directly or indirectly employed by Contractor. In addition, all statutory insurance requirements, including worker's compensation, shall be met. Limits of such insurance shall be as stated below:

<u>Type of Insurance</u>	<u>Limits of Liability (Minimum)</u>
Worker's Compensation	Statutory
Commercial General Liability	\$1 million each occurrence
Commercial Auto Liability	\$1 million each occurrence
Errors and Omissions	\$1 million each occurrence

- B. The "State of Iowa", the "Board of Regents, State of Iowa", and "Iowa State University" shall be named on such policies as additional insureds. Prior to providing services under the terms of this Agreement, Contractor shall provide a Certificate(s) of Insurance evidencing the required insurance coverage. Contractor shall maintain such insurance in effect throughout the duration of the Agreement consistent with all applicable laws and in amounts sufficient to cover any and all claims or actions arising from performance of this Agreement. The Certificate(s) shall also provide that should the policy be canceled or materially changed, thirty (30) days written notice prior to the effective date shall be given directly to the University's Purchasing department. Failure to carry the required insurance coverage places Contractor in breach of this Agreement. Requests for variations to liability limits shall be reviewed by the University's Risk Manager, who will make the final decision.

- C. Certificate(s) of Insurance acceptable to the University shall be addressed to:

Iowa State University
Attn: Arlo W. Meyer
Business Services
3616 Administrative Services Bldg.
Ames, IA 50011-3616

- D. Contractor shall either (1) require each Subcontractor to procure and to maintain during the life of each Subcontract, Subcontractor's Liability Insurance of the type and in the same amounts as specified in this section or (2) insure the activities of the Subcontractors in Contractor's own policy.
- E. Contractor shall automatically renew policies, which expire during the term of this Agreement and notify the University of such renewal.

18. **CODE OF FAIR PRACTICES** The Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sexual orientation, gender identification, marital status, national origin, sex, age, or physical or mental disability, or status as a US veteran. Company shall take affirmative action to ensure that applicants are employed and that the employees are treated during employment without regard to their race, creed, color, religion, national origin, sex, age, or physical or mental disability or status as a veteran or a Vietnam-era/disabled veteran, except where it relates to a bona fide occupational qualification. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or terminations; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Contractor shall comply with the provisions of Federal Executive Order 11246 as amended by Executive Order 11375. In the event of Contractor's noncompliance with this clause or with any of the aforesaid regulations, this contract may be canceled, terminated or suspended, in whole or in part, without penalty to the Board of Regents, State of Iowa; the University; or the State of Iowa, and the Contractor may be declared ineligible for further contracts with Board of Regents, State of Iowa, institutions.
19. **FORCE MAJEURE** Neither party shall be obligated to perform hereunder, and neither shall be deemed to be in default, if performance is prevented by fire, earthquake, flood, act of God, riot, civil commotion, destruction of facilities, or other matter or condition, or any law, ordinance, rule regulation or order of any public or military authority stemming from the existence of economic controls, riot, hostilities, war, or governmental law and regulations, which by the exercise of reasonable diligence, said party is unable to prevent. Whenever a Contractor's place of business, or ability to provide services has been disrupted by strike or act of God, it shall be the responsibility of Contractor to promptly advise the University.
20. **ADVERTISING** Contractor agrees it will not use the name or marks of University in any commercial advertising, or as a business reference, without the expressed written consent of the University.
21. **GENERAL**
 - A. The failure of any party to strictly enforce any rights set forth in this Agreement shall in no way be construed to be a waiver of such right, nor affect the validity of this Agreement or any part hereof, or the right of the other party thereafter to enforce each and every right and provision.
 - B. Contractor and University each warrant and represent to each other that the person executing this Agreement for and on its behalf has been, and is duly authorized by all necessary and appropriate action to execute this Agreement.
22. **SEVERABILITY** In the event any one or more of the provisions contained in this agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this agreement, but this agreement shall be construed as if such invalid or unenforceable provision had never been contained.
23. **DEBARRED, SUSPENDED and INELIGIBLE STATUS** Contractor certifies that it has not been debarred, suspended, or declared ineligible nor is it included on the General Services Administration's List of Parties Excluded from Federal Procurement or Nonprocurement Programs in accordance with Executive Orders #12549 and #12689. Contractor will immediately notify ISU's Purchasing Department if Contractor is placed on this list.
24. **CONFLICT OF INTEREST** Should Contractor, Contractor's spouse or minor child be a paid employee of ISU or any other Iowa Regent institution, Contractor will be considered a "conflict of interest vendor." In addition, should any individual, their spouse or minor child, who is a paid employee of ISU or any other Regent institution, also be a partner in Contractor's firm or own five

percent (5%) or more of Contractor's corporate stock, a conflict of interest exists. Whenever Contractor represents a conflict of interest, Contractor must have prior approval from the "Board of Regents, State of Iowa" (Regents) to do business with the University. Contact the Purchasing Department at (515) 294-4860 for further information and do not sign this Agreement, until express approval has been given by the Purchasing Department.

25. **INTERPRETATION** Words and phrases contained herein shall be interpreted and understood according to the context in which they are used. This writing constitutes the entire agreement between the parties hereto with respect to the subject matters, hereof; and no statement, representation or promise with reference to this agreement, or any purported change in the terms of this agreement, shall be binding upon either of the parties unless in writing and signed by authorized representatives of both.

Contractor: Please complete this information:		
Contractor is a: Sole Proprietor <input type="checkbox"/> Partnership <input type="checkbox"/> Corporation <input checked="" type="checkbox"/> Other: <hr/>	If Contractor is a sole proprietor, is Contractor a non-resident alien? Yes <input type="checkbox"/> No <input type="checkbox"/> If yes, Form 8233 must be completed and attached to this Agreement. This form can be obtained at http://www.adp.iastate.edu/vpbf/accounting/form%208233.pdf	Contractor's Tax Identification Number: <u>42-1351929</u> If Contractor is a sole proprietor, the number must be either the Social Security number of the individual or the Federal Employer Identification number (Taxpayer I.D.).

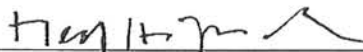
HAVING READ AND UNDERSTOOD THIS AGREEMENT, the parties have signed this Agreement and caused it to be executed in duplicate, with each of the copies to be considered an original agreement. Contractor certifies that none of the following represent paid employees of ISU or any other Regent institution: Contractor, Contractor's spouse and Contractor's minor child. In addition, Contractor certifies that no individual, their spouse or minor child, who is a paid employee of ISU or any other Regent institution, is also a partner in Contractor's firm or owns five percent (5%) or more of Contractor's corporate stock. See Section 24 herein for additional information if a conflict of interest exists.

CORPORATION

CONTRACTOR: IOWA APPRAISAL AND RESEARCH

ADDRESS: 719 Midland Building; 206 Sixth Avenue
 CITY, STATE, ZIP: Des Moines, IA 50309-4067
 PHONE: 515-283-0146
 EMAIL: fredlock@iowaappraisal.com

DATE: 7/13/2010

BY: 

TITLE: President

IOWA STATE UNIVERSITY
 Business Services
 3616 Administrative Services Building
 Ames, IA 50011-3616

DATE: 7-9-10

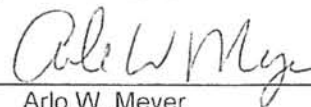
BY: 
 Arlo W. Meyer
 Assistant Vice President for Business Services

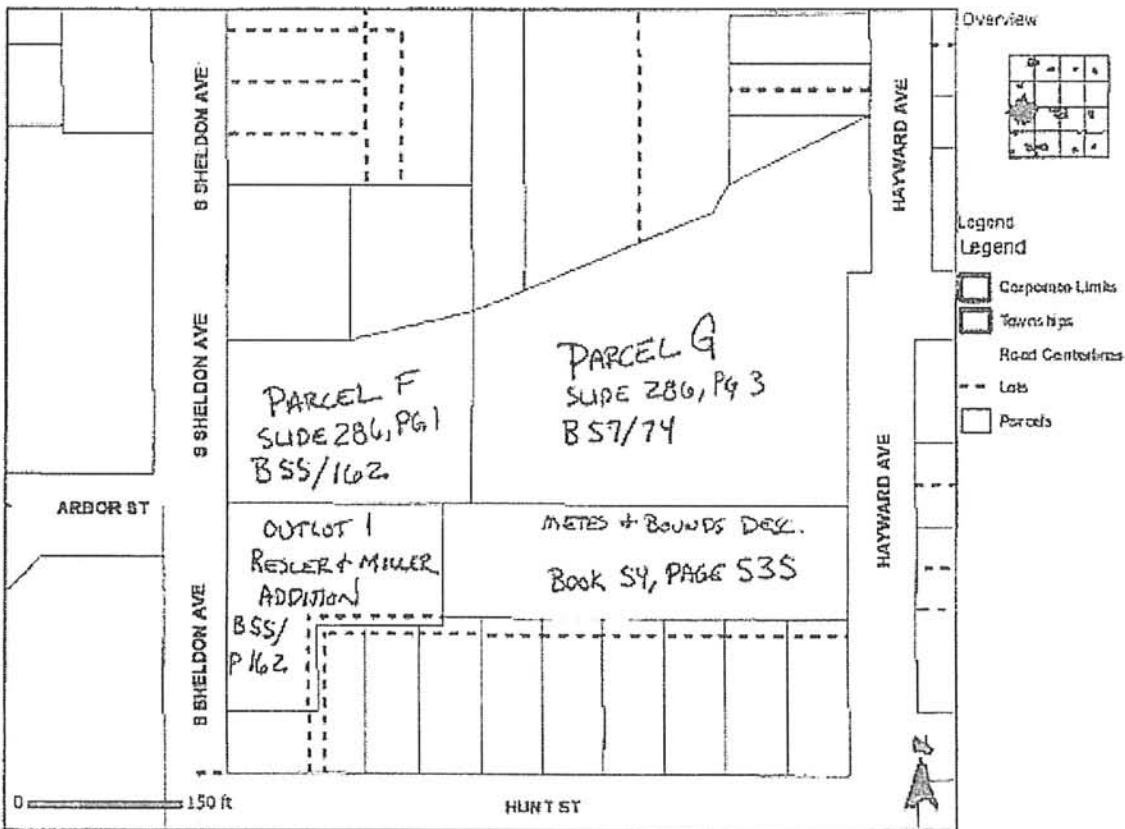
EXHIBIT A

Story County, IA / City of Ames



Intermodal Site

Created By: Gene Dreyer
Date Created: 6/16/2010
Map Scale: 1 in = 150 ft



Parcel ID	0909129030	Alternate ID	N/A	Owner Name	RANDALL, SCOTT E (D)
Sec/Twp/Rng	9-83-24	Class	RESIDENTIAL	Owner Address	RANDALL, SCOTT E
Property Address	2632 HUNT ST AMES	Acres	0.00		420 S 17TH ST AMES IA 50010

District: AMES/AMES,REG
Brief Tax Description: RESLER & MILLER ADD LOT 7 BLK 2
(Note: Not to be used on legal documents)

Last Data Upload: 6/18/2010 4:16:33 AM

Concerning Assessment Parcels and Platted Lots for the City of Ames:
The solid parcel boundary lines represent the legal description as recorded and are not necessarily the official platted lot lines. Dashed lines are official platted lots. If a parcel contains dashed lines, please contact the Ames Planning & Housing Department (515-239-5460) to determine which lines can be recognized for building permit or zoning purposes.

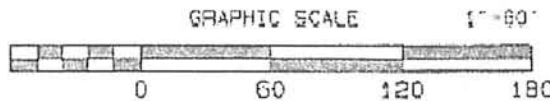
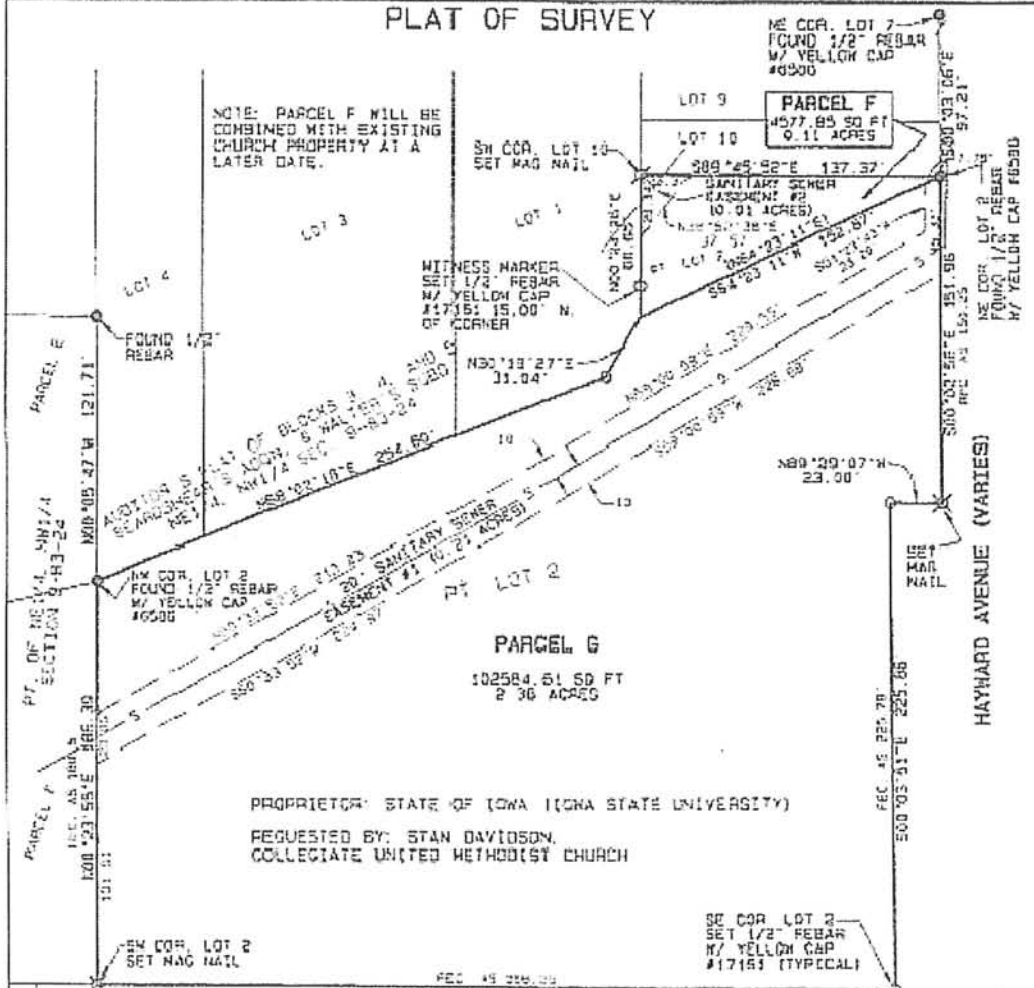


developed by
The Schneider Corporation
www.schneidercorp.com

Instrument: 2006-0009493
 Date: Mar 03, 2006 10:47:53A
 Rec Fee: 10.00 E-Case Fee: 1.00
 Ad Fee: .00 Trans Tax: .00
 Rec Management Fee: 1.00
 Non-Standard Page Fee: .00
 Filed for record in Blaine County, Iowa
 Susan L. VanDe Kamps, County Recorder

R. BRADLEY STUMBO P.O. BOX 165A AMES, IOWA 50010 515-233-3689

PLAT OF SURVEY



Certification: I hereby certify that this land surveying document was prepared and the related survey work was performed by me or under my direct personal supervision and that I am a duly licensed Land Surveyor under the laws of the State of Iowa

R. Bradley Stumbo
 R. Bradley Stumbo License #17161 Date: 8-02-06
 My license renews date is December 31, 2007
 Job #15550P52 Date: 8/01/06 Page 1 of 2
 Fieldwork Completed: 4/01/05



THIS SEAL COVERS TWO PAGES.

JOB #15580952
Date: 8/01/96
Page 2 of 2

PROPRIETOR: STATE OF IOWA (IOWA STATE UNIVERSITY)

REQUESTED BY: STAN DAVIDSON,
COLLEGIATE UNITED METHODIST CHURCH

Survey Description-Parcel 'F':

A part of Lot 2 in the Auditor's Plat of Blocks 3, 4, and 5 of Beardshear's Addition and Walters Subdivision of the Northeast Quarter of the Northwest Quarter of Section 9, Township 83 North, Range 24 West of the 5th P.M., City of Ames, Story County, Iowa being more particularly described as follows: Beginning at the Northwest Corner of said Lot 2; thence S64°23'11"W, 152.87 feet to a corner on the northwesterly line of said Lot 2; thence N00°24'26"E, 66.65 feet to the Southwest Corner of Lot 10 in said Auditor's Plat; thence S29°45'52"E, 137.37 feet along the north line of said Lot 2 to the point of beginning, containing 0.11 acres.

Survey Description-Parcel 'G':

A part of Lot 2 in the Auditor's Plat of Blocks 3, 4, and 5 of Beardshear's Addition and Walters Subdivision of the Northeast Quarter of the Northwest Quarter of Section 9, Township 83 North, Range 24 West of the 5th P.M., City of Ames, Story County, Iowa being more particularly described as follows: Beginning at the northeast corner of said Lot 2; thence following the east line of said Lot 2 S00°02'56"E, 151.56 feet; thence N89°29'07"W, 23.00 feet; thence S00°03'51"E, 229.66 feet to the Southeast Corner of said Lot 2; thence N89°30'45"W, 168.33 feet to the Southwest Corner of said Lot 2; thence N00°23'55"E, 186.39 feet to the Northwest Corner of said Lot 2; thence following the northwesterly line of said Lot 2 N68°02'18"E, 254.60 feet; thence N33°19'27"E, 31.04 feet; thence departing said line N64°23'11"E, 152.87 feet to the point of beginning, containing 2.35 acres.

Survey Description-Sanitary Sewer Easement #1:

A strip of land 20.00 feet in width across Parcel G of part of Lot 2 in the Auditor's Plat of Blocks 3, 4 and 5 in Beardshear's Addition and Walters Subdivision of the Northeast Quarter of the Northwest Quarter of Section 9, Township 83 North, Range 24 West of the 5th P.M., City of Ames, Iowa being more particularly described as follows: Commencing at the Southwest Corner of said Parcel G; thence N00°23'55"E, 101.91 feet along the west line of said Parcel G to the point of beginning; thence continuing N00°23'55"E, 23.05 feet; thence N60°33'52"E, 213.23 feet; thence N59°00'59"E, 229.55 feet; thence N01°23'43"E, 23.20 feet to a point on the north line of said Parcel G; thence N64°23'11"E, 7.76 feet to the Northeast Corner of said Parcel G; thence S00°02'56"E, 45.32 feet along the east line of said Parcel G; thence S59°00'59"W, 229.66 feet; thence S60°33'52"W, 224.97 feet to the point of beginning, containing 0.21 acres.

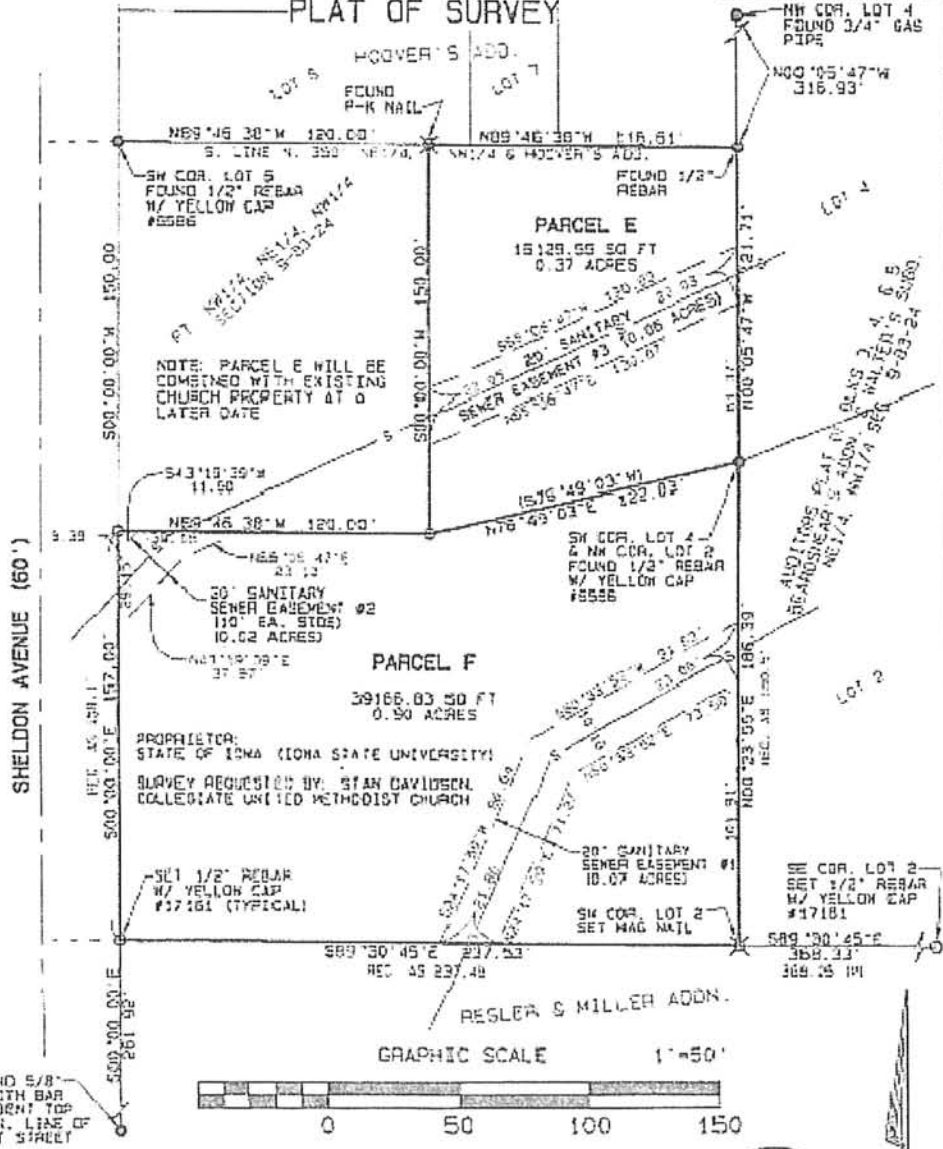
Survey Description-Sanitary Sewer Easement #2:

A triangular shaped piece of land in the Northwest Corner of Parcel F of part of Lot 2 in the Auditor's Plat of Blocks 3, 4 and 5 in Beardshear's Addition and Walters Subdivision of the Northeast Quarter of the Northwest Quarter of Section 9, Township 83 North, Range 24 West of the 5th P.M., City of Ames, Iowa being more particularly described as follows: Beginning at the Northwest Corner of said Parcel G; thence S20°24'25"W, 29.34 feet along the west line of said Parcel G; thence N28°52'39"E, 37.57 feet to a point on the north line of said Parcel G; thence N59°45'52"W, 20.37 feet to the point of beginning, containing 0.01 acres.

Instrument: 2006-0007452
 Date: 03/20/06 10:47:37A
 Rec Fee: 10.00 E-Code Fee: 1.00
 Ad Fee: .50 Trans Fee: .50
 Rec Measurement Fee: 1.00
 Non-Standard Page Fee: .50
 Filed for record in Story County, Iowa
 Susan L. Vande Nave, County Recorder

R. BRADLEY STUMBO P.O. BOX 1664 AMES, IOWA 50010 515-233-3689

PLAT OF SURVEY



Certification: I hereby certify that this land surveying document was prepared and the related survey work was performed by me or under my direct personal supervision and that I am a duly licensed Land Surveyor under the laws of the State of Iowa.

R. Bradley Stumbo
 R. Bradley Stumbo License #17161 Date: 8-02-06
 My license expires date is December 31, 2007
 JGD #15560P5 Date: 8/01/06 Page 1 of 2
 Fieldwork Completed: 4/01/05



THIS SEAL COVERS TWO PAGES.

Job #15560P51
Date: 8/01/06
Page 2 of 2

PROPRIETOR:
STATE OF IOWA (IOWA STATE UNIVERSITY)

SURVEY REQUESTED BY: STAN DAVIDSON,
COLLEGIATE UNITED METHODIST CHURCH

Survey Description-Parcel 'E':

A part of the Northwest Quarter of the Northeast Quarter of the Northwest Quarter of Section 9, Township 83 North, Range 24 West of the 5th P.M., City of Ames, Story County, Iowa being more particularly described as follows: Beginning at the Southwest Corner of Lot 4 in the Auditor's Plat of Blocks 3, 4, and 5 of Beardshear's Addition and Walter's Subdivision in the Northeast Quarter of the Northwest Quarter of said Section 9; thence N00°05'47"W, 121.71 feet along the west line of said Lot 4; thence N89°45'39"W, 118.61 feet along the south line of the North 350.00 feet of the Northeast Quarter of the Northwest Quarter of said Section 9; thence S00°00'00"W, 150.00 feet; thence N76°49'03"E, 122.03 feet to the point of beginning, containing 0.37 acres.

Survey Description-Parcel 'F':

A part of the Northwest Quarter of the Northeast Quarter of the Northwest Quarter of Section 9, Township 83 North, Range 24 West of the 5th P.M., City of Ames, Story County, Iowa being more particularly described as follows: Beginning at the Southwest Corner of Lot 2 in the Auditor's Plat of Blocks 3, 4, and 5 of Beardshear's Addition and Walter's Subdivision in the Northeast Quarter of the Northwest Quarter of said Section 9; thence N00°23'55"E, 101.91 feet to the Northwest Corner of said Lot 2; thence S75°49'03"W, 122.03 feet; thence N89°46'39"W, 120.00 feet to the east line of Sheldon Avenue; thence S00°00'00"E, 157.00 feet along said line to a point on the north line of Regier and Miller Addition to Ames, Story County, Iowa; thence S89°30'45"E, 237.53 feet to the point of beginning, containing 0.90 acres.

Survey Description-Sanitary Sewer Easement #1:

A strip of land 20.00 feet in width across Parcel F in the Northeast Quarter of the Northwest Quarter of Section 9, Township 83 North, Range 24 West of the 5th P.M., City of Ames, Iowa being more particularly described as follows: Commencing at the Southeast Corner of said Parcel F; thence N00°23'55"E, 101.91 feet along the east line of said Parcel F to the point of beginning; thence continuing N00°23'55"E, 23.06 feet; thence S60°33'52"W, 91.62 feet; thence S24°17'59"W, 86.64 feet to a point on the south line of said Parcel F; thence S09°30'45"E, 21.86 feet along said line; thence N24°17'59"E, 71.27 feet; thence N60°33'52"E, 73.60 feet to the point of beginning, containing 0.07 acres.

Survey Description-Sanitary Sewer Easement #2:

A strip of land 20.00 feet in width across Parcel F in the Northeast Quarter of the Northwest Quarter of Section 9, Township 83 North, Range 24 West of the 5th P.M., City of Ames, Iowa being more particularly described as follows: Commencing at the Northwest Corner of said Parcel F; thence S00°00'00"E, 8.39 feet along the west line of said Parcel F to the point of beginning; thence continuing S00°00'00"E, 29.15 feet; thence N43°19'39"E, 37.97 feet; thence N65°06'47"E, 23.13 feet to a point on the north line of said Parcel F; thence N89°46'39"W, 39.15 feet along said line; thence S43°19'39"W, 11.50 feet to the point of beginning, containing 0.02 acres.

Survey Description-Sanitary Sewer Easement #3:

A strip of land 20.00 feet in width across Parcel E in the Northeast Quarter of the Northwest Quarter of Section 9, Township 83 North, Range 24 West of the 5th P.M., City of Ames, Iowa being more particularly described as follows: Commencing at the Southeast Corner of said Parcel E; thence N00°05'47"W, 51.37 feet along the east line of said Parcel E to the point of beginning; thence continuing N00°05'47"W, 22.03 feet; thence S65°06'47"W, 130.83 feet to a point on the west line of said Parcel E; thence S00°00'00"W, 21.05 feet along said line; thence N65°06'47"E, 130.87 feet to the point of beginning, containing 0.05 acres.

Town Lot Deed Record, No. 55, Story County, Iowa

4814

WARRANTY DEED.

J. H. Frandsen & Wife

To

State of Iowa.

Filed for Record the 7th day of
October, A. D., 1924, at 10:30 A. M.
Recorder H. D. Rowley
Recording Fee 50c. ✓

KNOW ALL MEN BY THESE PRESENTS:

That J. H. Frandsen and Mattie M. Frandsen, husband and wife, of the County of Lancaster and State of Nebraska for and in consideration of the sum of Twenty-seven Hundred Fifty Dollars DOLLARS in hand paid do hereby grant, bargain, sell, convey and confirm unto the State of Iowa for the use and benefit of the Iowa State College of Agriculture and Mechanic Arts of the County of Story and State of Iowa the following described real estate situated in Story County, and State of Iowa, to-wit:

The east 257.48 feet of the West 357.48 feet (except the North 350 feet thereof and also except the south 150 feet of west 100 feet of North 500 feet thereof) of the Northwest Quarter Northeast Quarter Northwest Quarter Section Nine, Township Eighty three, Range Twenty-four and also beginning 90 feet north of the southwest corner of Cut Lot No. 2 in Resler and Miller Addition to Ames, Iowa, thence east 126.2 feet, thence north 95 feet, thence east 83.15 more or less, foot to east line of said Cut Lot No. 1, thence north along said east line to the northeast corner of said Cut Lot No. 1; thence west along the north line of said Cut Lot No. 1 to northwest corner thereof; thence south along the west line of said Cut Lot No. 1, to place of beginning. (Excepting from all streets and alleys belonging to the City of Ames, Iowa.)

TO HAVE AND TO HOLD the premises above described, together with all the Tenements, Hereditaments and appurtenances thereunto belonging, unto the said _____ and to _____ heirs and assigns forever. And we do hereby covenant with the said Grantee and with _____ heirs and assigns that we are lawfully seized of said premises; that they are free from encumbrance whatsoever that we have good right and lawful authority to sell the same; and we do hereby covenant to warrant and defend the title to said premises against the lawful claims of all persons whatsoever.

And the said Mattie M. Frandsen hereby relinquishes all her right, title and interest in and to the above described premises.

Signed this 14th day of August A. D. 1924.

J. H. Frandsen

Mattie M. Frandsen.

In presence of

Nancy M. Sherman

State of Nebraska Lancaster County ss.

On this 14th day of August, A. D. 1924, before me, the undersigned Nancy M. Sherman a Notary Public, duly commissioned and qualified for and residing in said County, personally came J. H. Frandsen and Mattie M. Frandsen, husband and wife, to me known to be the identical persons whose names are affixed to the foregoing instrument and acknowledged the same to be their voluntary act and deed.

Witness my hand and Notarial Seal the day and year last above written.

Nancy M. Sherman

Notary Public.

SEAL.

Revenue \$3.00.

My commission expires the 12 day of June, 1925.

FROM
Wiley M. Stoney, vendor
 TO
State of Iowa

Filed for Record the 7th day of October
 A. D. 1922 at 10 o'clock A.M.
 WARENTY DEED
W. M. Stoney
 Na. Wiley M. Stoney
 Recorder, Story County, Iowa
 Recording Fee 1.00 By _____ Deputy.

KNOW ALL MEN BY THESE PRESENTS: That Wiley M. Stoney vendor of
City of Hartsville
 of Story County, and State of Iowa in consideration of
 the sum of Twenty Five hundred Dollars (\$2500.00) DOLLARS,
 in hand paid by the State of Iowa for the use and benefit of the State of Iowa
 of Story County, and State of Iowa do hereby SELL AND CONVEY
 unto the said State of Iowa all that certain lot
 the following described premises, situated in the County of Story, and State of Iowa, to-wit:

Lot 200 (2) in Block 200 (2) on Beardslee's Addition to Duane, Iowa;
except the north 200 feet thereof, and except also a parcel of
land described by metes and bounds as follows, to-wit: Beginning
on the west side of Highway Avenue 120' (120) feet north of the
westward corner of Lot 200 (1) in Block 200 (1) of Beardslee's
Wells Addition to Duane, Iowa; thence south 80' (80) feet; thence north
westward to the corner of said Highway Avenue, 280' (280) feet north of said
westward corner of Lot 200 (1) in Block 200 (1) of Beardslee's Wells Addition
thence south 120' (120) feet to the place of beginning; and corner,
also, Lot Duane 171 of Nathan's Subdivision of Lot 4 (4) in
Block 4 (4) and that East 125' (125) feet of Lot 111 in
Block 5 (5) on Beardslee's Addition to Duane, Iowa; (except
the north 100' (100) feet thereof); and corner, also about an acre
of land described by metes and bounds as follows, to-wit:
Beginning at the northwest corner of said Block 5 (5) on
Beardslee's Addition to Duane, Iowa; thence south 60' (60) feet
thence east 242' (242) feet; thence north 60' (60) feet; thence west
242' (242) feet to place of beginning (excepting from said and all of
the foregoing the complete and all interests and appurtenances
in and to the State of Iowa);

And the said Wiley M. Stoney hereby covenants with the said State of Iowa
 that she had good right and lawful authority to sell and convey the same, that they are free and clear from all
 liens and incumbrances whatsoever
 and she covenants to WARRANT AND DEFEND the said premises against the lawful claims of all persons whomsoever.
 And the said State of Iowa hereby relinquishes her
 right of dower in and to the above described premises.
 Signed the 7th day of October A. D. 1922
 in presence of _____
Wiley M. Stoney

STATE OF IOWA, Story COUNTY, SS.
 On this 7th day of October A. D. 1922, before me,
 a Notary Public, within and for said County, personally came Wiley M. Stoney, a vendor
 personally to me known to be the identical person whose name is affixed to the above
 instrument as granted, and severally acknowledged the execution of the same to be
 voluntary act and deed, for the purposes therein expressed.
 WITNESS my hand and seal, the day and date last above written,
James J. Scott
 Notary Public



Book 54, Page 535

JCD #15583052
Date: 8/01/06
Page 2 of 2

PROPRIETOR: STATE OF IOWA (IOWA STATE UNIVERSITY)

REQUESTED BY: STAN DAVIDSON,
COLLEGIATE UNITED METHODIST CHURCH

Survey Description-Parcel "F":

A part of Lot 2 in the Auditor's Plat of Blocks 3, 4, and 5 of Beardshear's Addition and Walters Subdivision of the Northeast Quarter of the Northwest Quarter of Section 9, Township 83 North, Range 24 West of the 5th P.M., City of Ames, Story County, Iowa being more particularly described as follows: Beginning at the Northeast Corner of said Lot 2; thence S64°23'11"W, 182.87 feet to a corner on the northwesterly line of said Lot 2; thence N00°24'26"E, 66.65 feet to the Southwest Corner of Lot 10 in said Auditor's Plat; thence S29°45'32"E, 137.37 feet along the north line of said Lot 2 to the point of beginning, containing 0.11 acres.

Survey Description-Parcel "G":

A part of Lot 2 in the Auditor's Plat of Blocks 3, 4, and 5 of Beardshear's Addition and Walters Subdivision of the Northeast Quarter of the Northwest Quarter of Section 9, Township 83 North, Range 24 West of the 5th P.M., City of Ames, Story County, Iowa being more particularly described as follows: Beginning at the Northeast Corner of said Lot 2; thence following the east line of said Lot 2 S00°02'56"E, 151.56 feet; thence N89°29'07"W, 23.00 feet; thence S00°03'51"E, 225.86 feet to the Southeast Corner of said Lot 2; thence N89°30'45"W, 168.33 feet to the Southwest Corner of said Lot 2; thence N00°23'55"E, 186.39 feet to the Northwest Corner of said Lot 2; thence following the northwesterly line of said Lot 2 N68°02'18"E, 254.60 feet; thence N30°19'27"E, 31.04 feet; thence departing said line N64°23'11"E, 182.87 feet to the point of beginning, containing 2.55 acres.

Survey Description-Sanitary Sewer Easement #1:

A strip of land 20.00 feet in width across Parcel G of part of Lot 2 in the Auditor's Plat of Blocks 3, 4 and 5 in Beardshear's Addition and Walters Subdivision of the Northeast Quarter of the Northwest Quarter of Section 9, Township 83 North, Range 24 West of the 5th P.M., City of Ames, Iowa being more particularly described as follows: Commencing at the Southwest Corner of said Parcel G; thence N00°23'55"E, 101.91 feet along the west line of said Parcel G to the point of beginning; thence continuing N00°23'55"E, 23.05 feet; thence N60°33'52"E, 213.23 feet; thence N59°00'59"E, 229.55 feet; thence N01°23'43"E, 23.20 feet to a point on the north line of said Parcel G; thence N64°23'11"E, 7.76 feet to the Northwest Corner of said Parcel G; thence S00°02'55"E, 45.32 feet along the east line of said Parcel G; thence S59°00'59"W, 229.68 feet; thence S60°33'52"W, 224.87 feet to the point of beginning, containing 0.21 acres.

Survey Description-Sanitary Sewer Easement #2:

A triangular shaped piece of land in the Northwest Corner of Parcel F of part of Lot 2 in the Auditor's Plat of Blocks 3, 4 and 5 in Beardshear's Addition and Walters Subdivision of the Northeast Quarter of the Northwest Quarter of Section 9, Township 83 North, Range 24 West of the 5th P.M., City of Ames, Iowa being more particularly described as follows: Beginning at the Northwest Corner of said Parcel G; thence S00°24'26"W, 29.34 feet along the west line of said Parcel G; thence N28°52'35"E, 37.57 feet to a point on the north line of said Parcel G; thence N59°45'52"W, 20.37 feet to the point of beginning, containing 0.01 acres.

Job #15560P5;
Date: 8/01/06
Page 2 of 2

PROPRIETOR:
STATE OF IOWA (IOWA STATE UNIVERSITY)

SURVEY REQUESTED BY: STAN DAVISON,
COLLEGIATE UNITED METHODIST CHURCH

Survey Description-Parcel 'E':

A part of the Northwest Quarter of the Northeast Quarter of the Northwest Quarter of Section 9, Township 83 North, Range 24 West of the 5th P.M., City of Ames, Story County, Iowa being more particularly described as follows: Beginning at the Southwest Corner of Lot 4 in the Auditor's Plat of Blocks 3, 4, and 5 of Beardshear's Addition and Walter's Subdivision in the Northeast Quarter of the Northwest Quarter of said Section 9; thence N00°05'47"N, 121.71 feet along the west line of said Lot 4; thence N89°45'39"W, 118.51 feet along the south line of the North 350.00 feet of the Northeast Quarter of the Northwest Quarter of said Section 9; thence S00°00'00"W, 150.00 feet; thence N76°49'03"E, 122.03 feet to the point of beginning, containing 0.37 acres.

Survey Description-Parcel 'F':

A part of the Northwest Quarter of the Northeast Quarter of the Northwest Quarter of Section 9, Township 83 North, Range 24 West of the 5th P.M., City of Ames, Story County, Iowa being more particularly described as follows: Beginning at the Southwest Corner of Lot 2 in the Auditor's Plat of Blocks 3, 4, and 5 of Beardshear's Addition and Walter's Subdivision in the Northeast Quarter of the Northwest Quarter of said Section 9; thence N00°23'55"E, 185.39 feet to the Northwest Corner of said Lot 2; thence S75°49'03"W, 122.03 feet; thence N89°45'39"W, 120.00 feet to the east line of Shelton Avenue; thence S00°00'00"E, 157.00 feet along said line to a point on the north line of Resler and Miller Addition to Ames, Story County, Iowa; thence S89°30'45"E, 237.53 feet to the point of beginning, containing 0.90 acres.

Survey Description-Sanitary Sewer Easement #1:

A strip of land 20.00 feet in width across Parcel F in the Northeast Quarter of the Northwest Quarter of Section 9, Township 83 North, Range 24 West of the 5th P.M., City of Ames, Iowa being more particularly described as follows: Commencing at the Southeast Corner of said Parcel F; thence N00°23'55"E, 101.91 feet along the east line of said Parcel F to the point of beginning; thence continuing N00°23'55"E, 23.05 feet; thence S60°32'52"W, 91.62 feet; thence S24°17'59"W, 85.64 feet to a point on the south line of said Parcel F; thence S89°30'45"E, 21.85 feet along said line; thence N24°17'59"E, 71.27 feet; thence N60°33'52"E, 73.60 feet to the point of beginning, containing 0.07 acres.

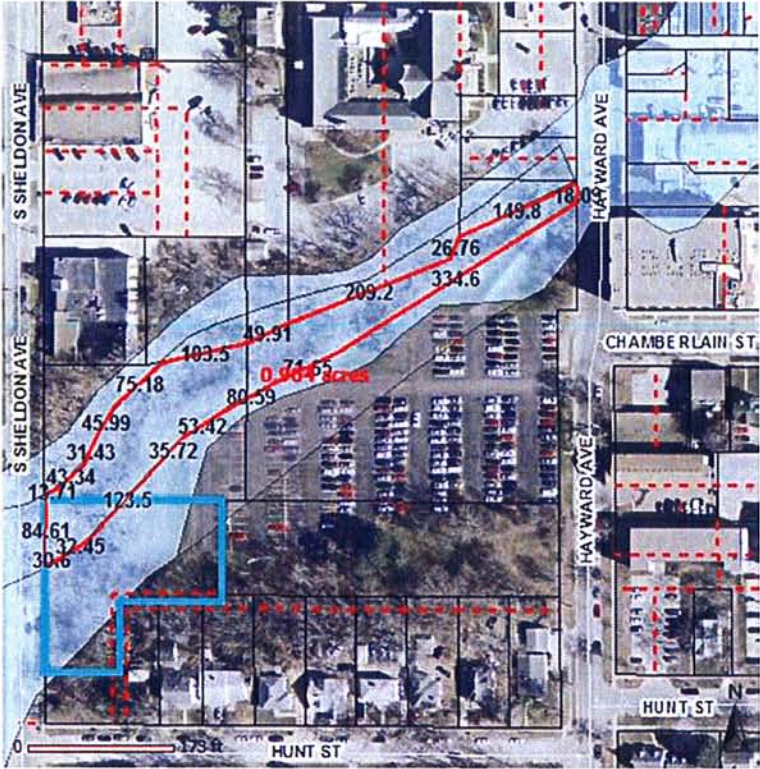
Survey Description-Sanitary Sewer Easement #2:

A strip of land 20.00 feet in width across Parcel F in the Northeast Quarter of the Northwest Quarter of Section 9, Township 83 North, Range 24 West of the 5th P.M., City of Ames, Iowa being more particularly described as follows: Commencing at the Northwest Corner of said Parcel F; thence S00°00'00"E, 8.59 feet along the west line of said Parcel F to the point of beginning; thence continuing S00°00'00"E, 29.15 feet; thence N43°19'39"E, 37.97 feet; thence N65°06'47"E, 23.13 feet to a point on the north line of said Parcel F; thence N89°48'38"W, 39.15 feet along said line; thence S43°19'39"W, 11.50 feet to the point of beginning, containing 0.02 acres.

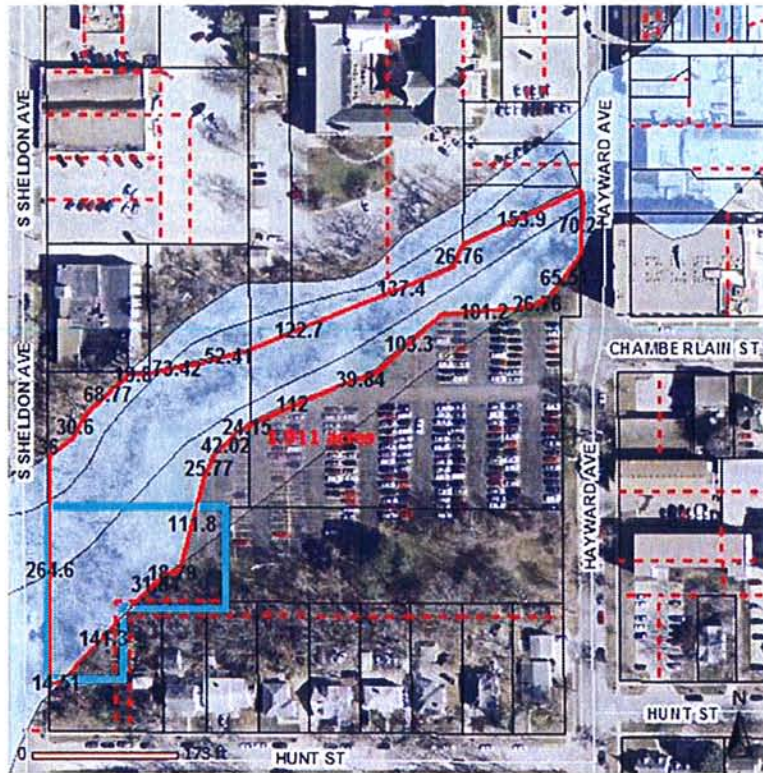
Survey Description-Sanitary Sewer Easement #3:

A strip of land 20.00 feet in width across Parcel E in the Northeast Quarter of the Northwest Quarter of Section 9, Township 83 North, Range 24 West of the 5th P.M., City of Ames, Iowa being more particularly described as follows: Commencing at the Southeast Corner of said Parcel E; thence N00°05'47"N, 51.37 feet along the east line of said Parcel E to the point of beginning; thence continuing N00°05'47"W, 22.03 feet; thence S65°06'47"W, 130.83 feet to a point on the west line of said Parcel E; thence S00°00'00"W, 23.05 feet along said line; thence N65°06'47"E, 130.87 feet to the point of beginning, containing 0.06 acres.

FLOODWAY OUTLINED AND MEASURED – ENTIRE PARCEL



FLOOD HAZARD OUTLINED AND MEASURED – ENTIRE PARCEL



FLOOD HAZARD OUTLINED AND MEASURED – SMALLER PARCEL



OUTLINED AND MEASURED – SMALLER PARCEL



COMPARABLE LAND SALES MAP

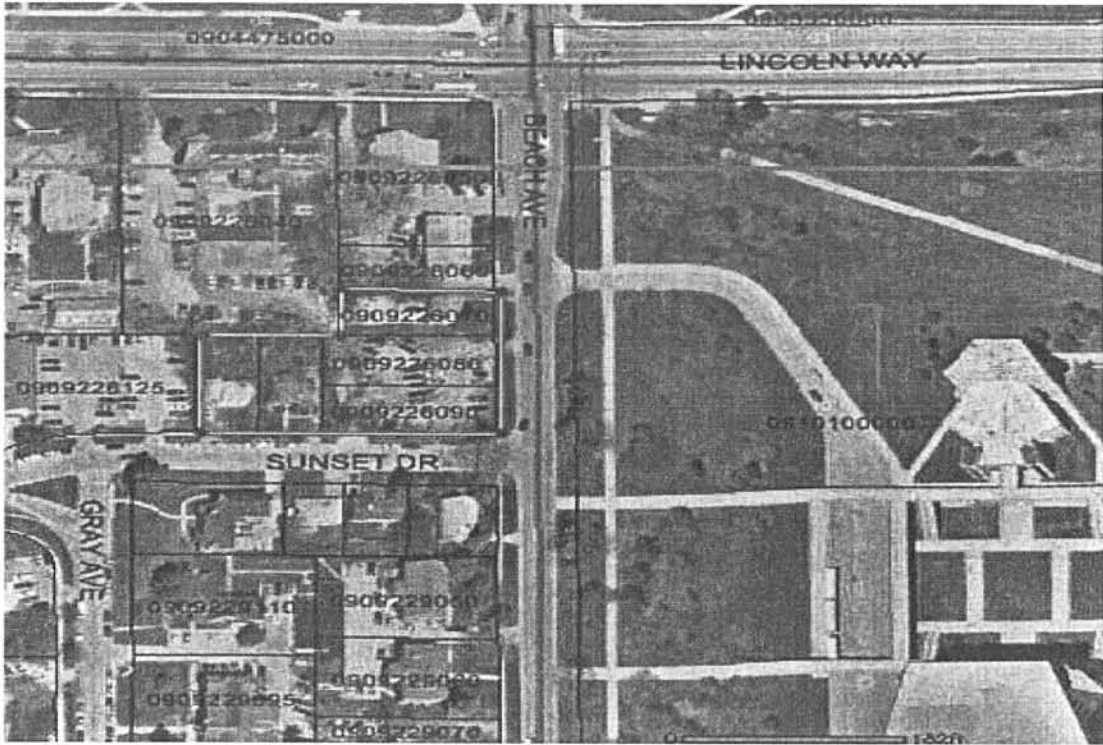


Comparable Land Sale 1



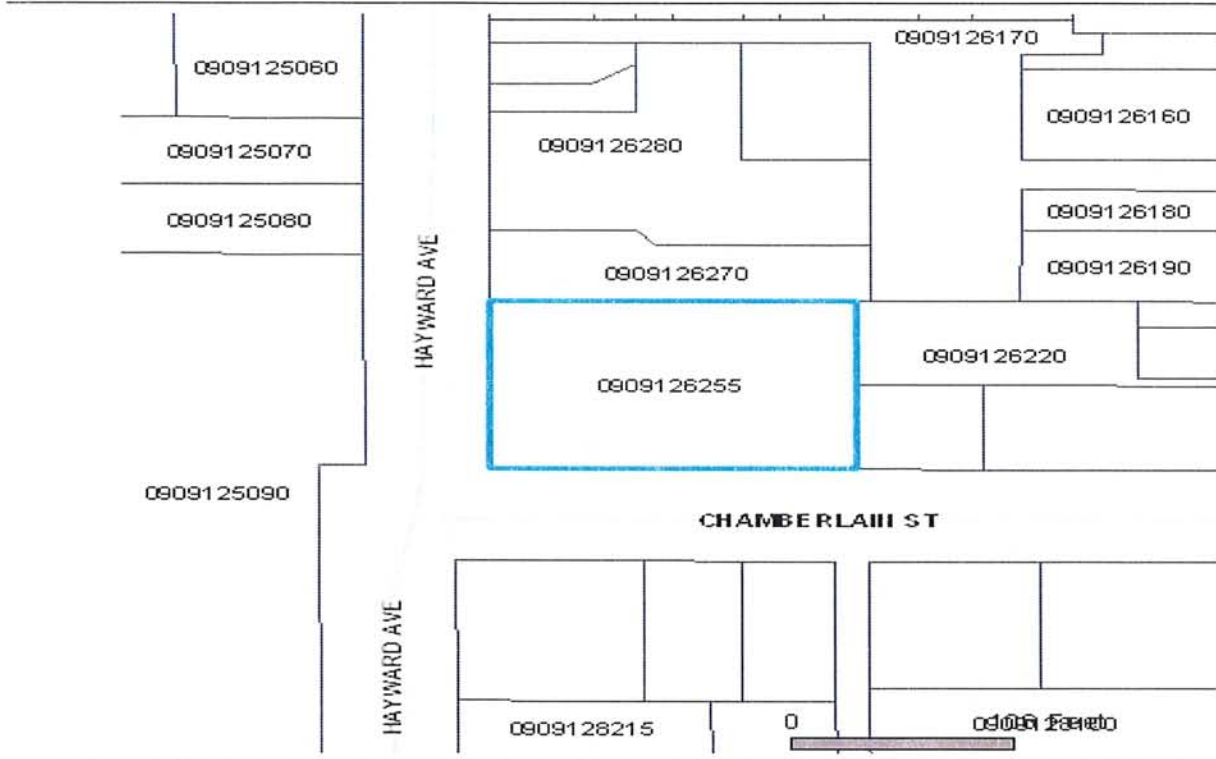
Comp ID:	139033	Date:	09-15-2008
Address:	2811 West Street	Instrument:	Trust Warranty Deed
City, State:	Ames, IA	Revenue Stamps:	\$215.20
County:	Story	Book/Page:	2008/10378
Land Area:	13,500 SqFt, or .310 Acres	Sale Price:	\$135,000
Shape:	Rectangle	Adjustment Up:	\$0
Topography:	Level	Adjustment Down:	\$0
Zoning:	RH: Residential High Density District	Adj. Sale Price:	\$135,000
Utilities:	All Available	Sale Price/\$SF:	\$10.00 per SF
Access:	Paved	Sale Price/\$Acre:	\$435,600 per Acre
Highest/Best Use:	Multi-Family	Grantor:	Janice J. Alfred Revocable Trust
Present Use:	Multi-Family Apartment	Grantee:	West Street Lofts, LLC
Sale Conditions:	Arm's Length	Verified:	Keith Arneson, Grantee
Terms:	Cash		
Marketing Time:	Not Marketed		
Rights Conveyed:	Fee Simple		
Legal:	Lot 1 of Stanley's Subdivision of Lot 6 in the W $\frac{1}{2}$ of the SW $\frac{1}{4}$ of Section 4 T83N, R24@ of the 5th P.M., Ames, Iowa		
Remarks:	Property is one block west of ISU Campus in an area of dense apartment development. Grantee approached Grantor. Grantee is affiliated with Pinnacle Properties. Grantee says that they buy floor coverings from Grantor, but that this did not affect the sale price. Site subsequently improved with an 8 unit apartment building. Indicated sale price per unit is \$16,875. Building has six 2BR units and two 3BF units, (18 bedrooms total) indicating a sale price per bedroom of \$7,500.		

Comparable Land Sale 2



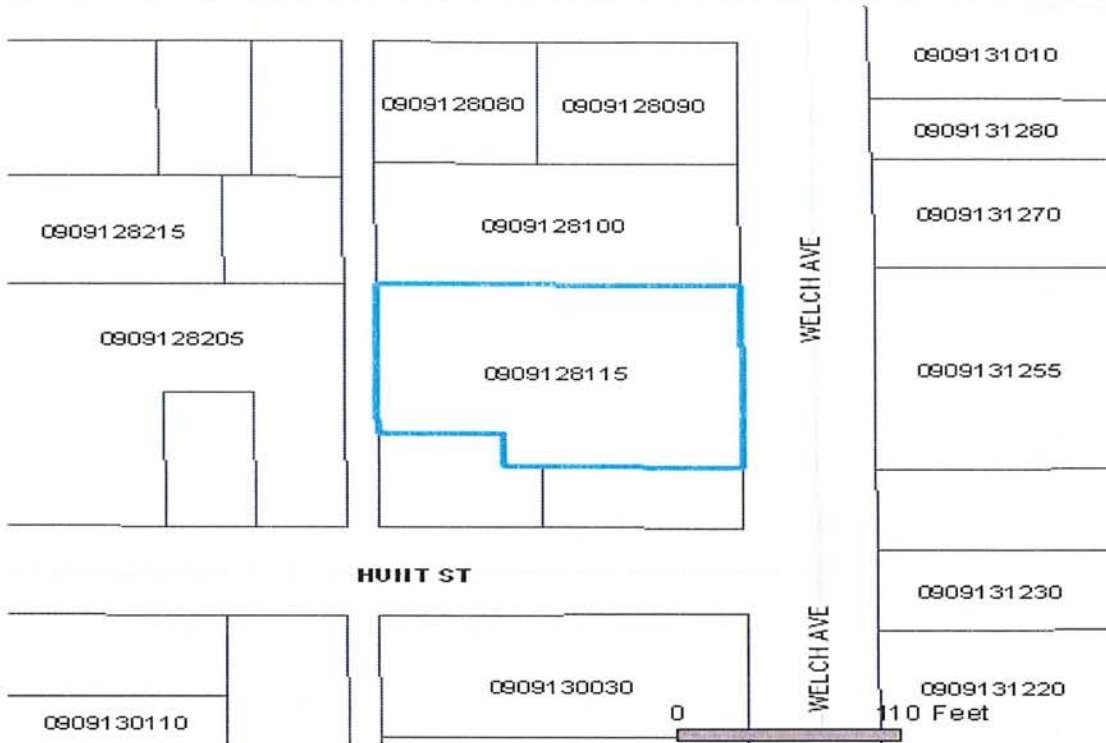
Comp ID:	36606	Date:	03-31-2003
Address:	125 Beach Ave.	Instrument:	Warranty Deed
City, State:	Ames, IA	Revenue Stamps:	\$516.20
County:	Story	Book/Page:	03-06292
Land Area:	36,833 SqFt, or .846 Acres	Sale Price:	\$325,000
Shape:	272	Adjustment Up:	
Topography:	Level	Adjustment Down:	
Zoning:	R-H:	Adj. Sale Price:	\$325,000
Utilities:	All Available	Sale Price/\$SF:	\$8.82 per SF
Access:	Paved	Sale Price/\$Acre:	\$384,356 per Acre
Highest/Best Use:	521	Grantor:	Commercial Federal Bank
Present Use:	Apartment/Condominium/Townhouse	Grantee:	121 Beach, LLC Jon Chester
Sale Conditions:		Verified:	Jon Chester
Terms:	Cash		
Marketing Time:	Unknown		
Rights Conveyed:	Fee Simple		
Legal:	Subdivision College Heights 2nd Addition, Section 9, Township 83, Range 24 Lengthy legal - see rough.		
Remarks:	Developing 20 unit apartment building.		

Comparable Land Sale 3



Comp ID:	41155	Date:	12-13-2000
Address:	2519 Chamberlain Street	Instrument:	Contract
City, State:	Ames, IA	Revenue Stamps:	\$0.00
County:	Story	Book/Page:	00/13888
Land Area:	21,003 SqFt, or .482 Acres	Sale Price:	\$450,000
Shape:	Rectangle	Adjustment Up:	\$16,000
Topography:	Level	Adjustment Down:	\$0
Zoning:	DCSC: Downtown/Campustown Srv Ctr	Adj. Sale Price:	\$466,000
Utilities:	All Available	Sale Price/\$SF:	\$22.19 per SF
Access:	Public Paved	Sale Price/\$Acre:	\$966,479 per Acre
Highest/Best Use:	Mixed Use - Retail - Residential	Grantor:	Scott Randall
Present Use:	Redevelopment	Grantee:	Chamberlain, LLC
Sale Conditions:	Arm's Length	Verified:	Appraiser
Terms:	Contract		
Marketing Time:	Unknown		
Rights Conveyed:	Fee Simple		
Legal:	Parcel D of Lots 32 and 33, Block 4 Beardshear's Add & Walter's SD		
Remarks:	Mixed use commercial/apartment building to be built on site. Building has office/retail space, 57-1 bedroom apartments and basement parking. Adjustment up is for estimated demolition cost. Contract terms of \$125k down, no payment or interest, balloon due 2/01.		

Comparable Land Sale 4



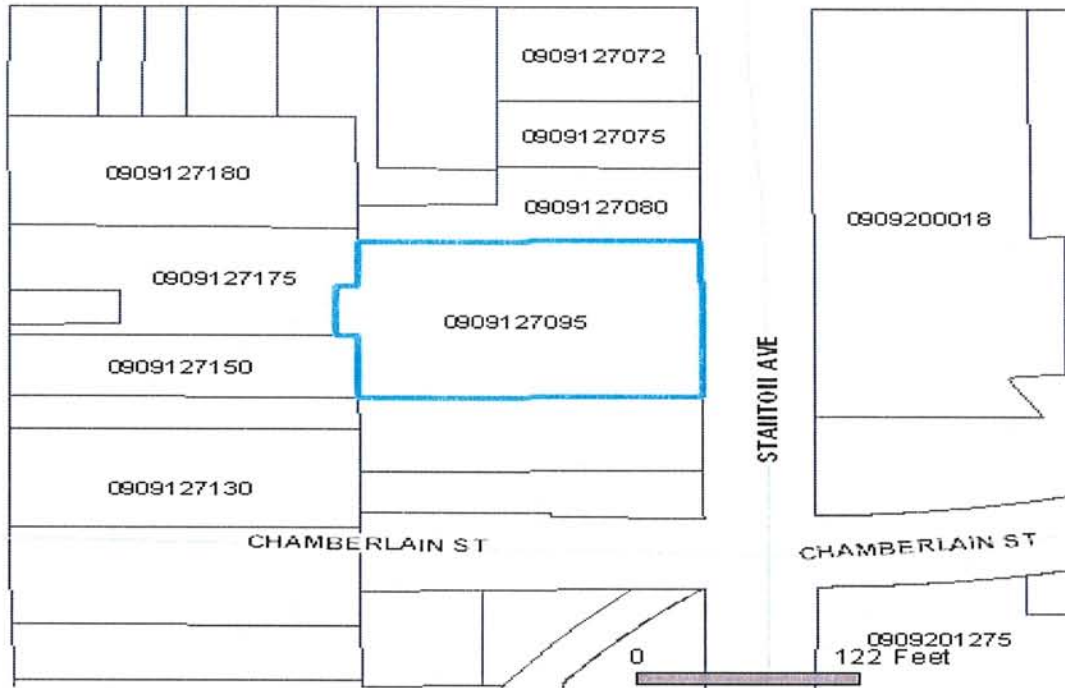
Comp ID:	40771	Date:	09-29-2004
Address:	217 Welch Avenue	Instrument:	Special Warranty Deed
City, State:	Ames, IA	Revenue Stamps:	\$719.20
County:	Story	Book/Page:	04/13917
Land Area:	22,983 SqFt, or .528 Acres	Sale Price:	\$540,000
Shape:	Irregular	Adjustment Up:	\$18,000
Topography:	Level	Adjustment Down:	
Zoning:	DCSC: Downtown/Campustown Srv Ctr	Adj. Sale Price:	\$558,000
Utilities:	All Available	Sale Price/\$SF:	\$24.28 per SF
Access:	Public Paved	Sale Price/\$Acre:	\$1,057,585 per Acre
Highest/Best Use:	Mixed Use - Retail - Residential	Grantor:	McDonald's Corp
Present Use:	Redevelopment	Grantee:	Dickson & Luanne Jensen
Sale Conditions:	Arm's Length	Verified:	Grantee
Terms:	Cash		
Marketing Time:	> 1 Year		
Rights Conveyed:	Fee Simple		
Legal:	Parcel No. 09-09-128-115, BEARDSHEARS ADD & WALTERS SD LOTS 25 26 28 29 BLK 3 PARCEL"E"		
Remarks:	Sale of building on leased land and underlying land. Former McDonalds. Grantor placed deed restrictions prohibiting use of property for nearly all types of restaurants. Developed with 4-story building with first level retail/service and upper level apartments - known as Welch Crown center. Adjustment upward is for demolition costs.		

Comparable Land Sale 5



Comp ID:	34365	Date:	07-31-2000
Address:	2922 West Street	Instrument:	Warranty Deed
City, State:	Ames, IA	Revenue Stamps:	\$687.20
County:	Story	Book/Page:	00/08756
Land Area:	38,463 SqFt, or .883 Acres	Sale Price:	\$430,000
Shape:	Irregular	Adjustment Up:	\$40,000
Topography:	Level	Adjustment Down:	
Zoning:	RH: Residential High Density District	Adj. Sale Price:	\$470,000
Utilities:	All Available	Sale Price/\$SF:	\$12.22 per SF
Access:	Paved Street	Sale Price/\$Acre:	\$532,283 per Acre
Highest/Best Use:	Multi-Family	Grantor:	Max L and Monica G Porter
Present Use:	Redevelopment	Grantee:	Hanson Homes, Inc.
Sale Conditions:	Arm's Length	Verified:	Assessor, Inspection
Terms:	Cash		
Marketing Time:	Unknown		
Rights Conveyed:	Fee Simple		
Legal:	Lengthy legal see rough Woodland Park Add Parcel "A" Lots 5, 6, 7 & E 20' Lot 4 and Vac Alley on South		
Remarks:	Adjoining parcels purchased for 20-plex apartment building complex close to ISU campus. Adjustment up for demolition costs.		

Comparable Land Sale 6



Comp ID:	40824	Date:	11-15-2001
Address:	117 Stanton Avenue	Instrument:	Contract
City, State:	Ames, IA	Revenue Stamps:	\$0.00
County:	Story	Book/Page:	01/05912
Land Area:	12,540 SqFt, or .288 Acres	Sale Price:	\$230,000
Shape:	Irregular	Adjustment Up:	
Topography:	Level	Adjustment Down:	
Zoning:	DCSC: Downtown/Campustown Srv Ctr	Adj. Sale Price:	\$230,000
Utilities:	All Available	Sale Price/\$SF:	\$18.34 per SF
Access:	Public Paved	Sale Price/\$Acre:	\$798,947 per Acre
Highest/Best Use:	Mixed Use - Retail - Residential	Grantor:	Theodore Landsberg etux
Present Use:	Commercial	Grantee:	Ev Cochrane
Sale Conditions:	Arm's Length	Verified:	Appraiser
Terms:	Cash		
Marketing Time:	Not Marketed		
Rights Conveyed:	Fee Simple		
Legal:	Parcel No. 09-09-127-090,		
Remarks:	50k down, 4% interest, 75k 1/10/02 bal 1/03 Assembled with adjacent land for a 10-story mixed use building, known as Legacy Tower. Grantee approached grantor.		

DEFINITIONS

Unless otherwise noted, all definitions are those set forth by the Appraisal Institute, in the *Dictionary of Real Estate Appraisal*, Fifth Edition.

Easement: The right to use another's land for a stated purpose.

Eminent Domain: The right of government to take private property for public use upon the payment of just compensation. The Fifth Amendment of the U.S. Constitution, also known as the *takings clause*, guarantees payment of just compensation upon appropriation of private property.

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

Going-Concern Value: 1. The market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the *market value of the going concern*.

2. The value of an operating business enterprise. Goodwill may be separately measured but is an integral component of going-concern value when it exists and is recognizable.

Goodwill: An intangible asset category usually composed of elements such as name or franchise reputation, customer patronage, location, products, and similar factors.

Grantee: A person to whom property is transferred by deed or to whom property rights are granted by a trust instrument or other document.

Grantor: A person who transfers property by deed or grants property rights through a trust instrument or other document.

Highest & Best Use: The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. Alternatively, the probable use of land or improved property—specific with respect to the user and timing of the use—that is adequately supported and results in the highest present value.

Leased Fee Estate (Interest): A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship (i.e., a lease).

Leasehold Improvements: Improvements or additions to leased property that have been made by the lessee.

Leasehold Interest: The tenant's possessory interest created by a lease.

Lessee: One who has the right to occupancy and use of the property of another for a period of time according to a lease agreement.

Lessor: One who conveys the rights of occupancy and use to others under a lease agreement.

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

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised and acting in what they consider their best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.⁸

Obsolescence: One cause of depreciation; an impairment of desirability and usefulness caused by new inventions, changes in design, improved processes for production, or external factors that make a property less desirable and valuable for a continued use; may be either functional or external.

Uniform Standards of Professional Appraisal Practice (USPAP): Current standards of the appraisal profession, developed for appraisers and the users of appraisal services by the Appraisal Standards Board of The Appraisal Foundation. The standards are endorsed by the Appraisal Institute and by other professional appraisal organizations, and state and federal regulatory authorities enforce the content of the current or applicable editions of the standards.

⁸ Source: Office of the Comptroller of the Currency, effective date August 24, 1990.

Dane R. Anderson, MAI
Vice President

Since joining Iowa Appraisal and Research Corporation in May 2003, Dane has aggressively pursued professional education opportunities. Dane has earned the prestigious MAI designation of the Appraisal Institute. He is currently pursuing his CCIM Designation through their Fast Track program. Dane has testified as an expert witness in district court and in front of the Iowa Property Assessment Appeals Board. He is experienced in a wide range of property types and services in both metropolitan and rural communities, including:

- Leased fee and leasehold valuation
- Office valuation including properties in the central business district, suburban and rural areas
- Hospitality valuation including full-service, limited-service and extended-stay properties
- Eminent domain appraisal
- Appraisal review

Education

University of Iowa, Tippie School of Business

Bachelor of Business Administration, with Distinction, May 2003.

Major in Accounting

Accounting Faculty Scholar

Des Moines Area Community College

Associate in Arts, May 2001.

Appraisal Institute

Designated MAI, 2008.

CCIM Institute

Fast Track Candidate, 2009.

Professional Affiliations

Member, Appraisal Institute (MAI)

- 2009 Leadership Development and Advisory Council
- 2010 Leadership Development and Advisory Council

Appraisal Institute, Iowa Chapter

- Board of Directors (2009-Current)
- General Associate Guidance Committee Chair (2008-Current)

International Right of Way Association (IRWA) Member

State Certification

State of Iowa, Certified General Real Property Appraiser, CG02718

State of Nebraska, Certified General Real Property Appraiser, CG2K0007R

Fred H. Lock, MAI SRPA
President

Bringing more than 35 years of experience in real estate appraising, consulting and mortgage and commercial lending services, Fred has been recognized as a member of the Appraisal Institute and holds state certification in general real estate appraising.

In addition to serving as president of Iowa Appraisal and Research Corporation, Fred works closely with clients to provide:

- Commercial real estate appraisals, specializing in leasehold estates, leased fee estates and federal lending regulations (FIRREA-USPAP).
- Industrial, special purpose, residential and agricultural real estate appraisals.
- Forensic appraisal review services.
- Property tax assessment consultations and valuations.
- Valuation of minority interests in partnerships.
- Expert witness services.
- Real estate consultation.

Education

Drake University

Bachelor of Arts

Major in Economics

Appraisal Institute

Designated MAI, 1981.

MAI Continuing Education includes the successful completion of courses covering a wide range of appraisal skills and practices. Credit hours earned meet or exceed the Appraisal Institute's requirement of 100 credit hours during each five-year period.

Boards

EMC National Life

Professional Affiliations

Member, Appraisal Institute (MAI)

Polk-Des Moines Taxpayers Association

Des Moines Board of Realtors

Appraisal Institute, Iowa Chapter

Rotary Club of America

International Right of Way Association (IRWA) Member

State Certification

State of Iowa, Certified General Real Property Appraiser, CG01159

State of Nebraska, Certified General Real Property Appraiser, CG2K0028R

IOWA APPRAISAL AND RESEARCH CORPORATION PRIVACY NOTICE

The implementation of the Gramm-Leach-Bliley Act, effective July 2001, requires all financial service companies (including appraisers) to notify their clients of their (the company's) policies to protect your non-public information.

If you have questions, you can contact us at 515-283-0146.

Iowa Appraisal and Research Corporation understands our clients' concerns about the privacy of their information collected by us. Our company is dedicated to protecting the confidentiality and security of nonpublic personal information we collect about our customers in accordance with applicable laws and regulations. This notice refers to the Company by using terms "us", "we" and "our". This notice describes our privacy policy and describes how we treat non-public personal information that we receive from our clients.

WHY WE COLLECT AND HOW WE USE INFORMATION

We collect and use information for business purposes with respect to our real estate appraisal and consulting services. We gather this information to evaluate our clients' requests for property appraisal and consulting, and to process these requests according to the Uniform Standards of Professional Appraisal Practice, as well as particular requirements an appraisal reviewer may require.

HOW WE COLLECT INFORMATION

Some information collected by us is provided by you, your lender, your attorney or CPA. We receive copies of purchase agreements, copies of income and expense information, copies of building costs and other pertinent information. We also obtain information from public sources, multiple listing services and other appraisers.

HOW WE PROTECT INFORMATION

We require our appraisers and staff to protect the confidentiality of the information we receive from you. We also maintain physical, electronic, and procedural safeguards designed to protect information. When you, your lender, or your attorney orders an appraisal on your behalf, we hold this request in strict confidence. For example, we will not divulge to unrelated parties whether we are or whether we are not completing an appraisal for you. Once the appraisal document has been completed, we will not, unless requested by you, your lender/your attorney (see intended user section of appraisal report) divulge the results of this report to anyone other than the intended user.

TO WHOM INFORMATION MAY BE DISCLOSED

1. The intended users of our services
2. Peer review groups as may be required to continue our professional designations
3. Law enforcement, regulatory, governmental agencies, courts or parties therein pursuant to a subpoena or court order.
4. A review appraiser, performing a review of your appraisal