

THE BLACKWELL GROUP

Real Estate Valuation

Date: >

To: >
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From: >
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RE: EVALUATION OF COMMERCIAL REAL ESTATE

This Evaluation is an assessment of the probable value of a property and is prepared according to the *Interagency Appraisal and Evaluation Guidelines*, dated October 27, 1994 and the OCC Commercial Real Estate and Construction Handbook – Appendix E. This document is intended to meet the requirements of a *Restricted Appraisal Report* as set forth under Standards Rule 2-2 (c) of the Uniform Standards of Professional Appraisal Practice.

The intended client, _____ Bank, and the undersigned have discussed and mutually agreed to the adequacy of this document based on the limited investigation undertaken and the intended use. This report is intended only for the internal use of The Blackwell Group.

REFERENCE NO.:

SUBJECT PROPERTY:

LOCATION:

ASSESSOR'S PARCEL #:

PURPOSE OF EVALUATION:

INTENDED USE:

VALUE PREMISE(S):

PROPERTY INTEREST(S):

EFFECTIVE DATE OF VALUE:

RECOMMENDATIONS:

VOLATILE ISSUES:

DISCLAIMER

THIS REPORT IS PREPARED BY THE BLACKWELL GROUP FOR THE SOLE USE AND BENEFIT OF _____ BANK AND IS BASED, IN PART, UPON DOCUMENTS, WRITINGS, AND INFORMATION OWNED AND POSSESSED BY _____ BANK. NEITHER THIS REPORT, NOR ANY OF THE INFORMATION CONTAINED HEREIN SHALL BE USED OR RELIED UPON FOR ANY PURPOSE BY ANY PERSON OR ENTITY OTHER THAN THE _____ BANK EXCEPT AS SPECIFICALLY ALLOWED BY THE BLACKWELL GROUP IN WRITING.

EVALUATION CONCLUSION(S)	
MARKET VALUE AS-IS:	
MARKET VALUE STABILIZED:	

SCOPE OF THE APPRAISAL

1. Appraisal Report Type: Restricted Appraisal Report. Following is the scope of the investigation undertaken: [Appraiser should outline to the extent s/he believes necessary the scope of the investigation undertaken.]
2. The term market value used herein is in accordance with the definition of the office of the Comptroller of the Currency, under 12-CFR, part 34, subpart C-Appraisals, 34.42 Definitions [F].
3. A preliminary title report has / has not been reviewed. If reviewed, the legal description on the title report is consistent with the Assessor’s Parcel Number (APN) indicated in this appraisal report.
4. The appraiser did/did not (select one) accomplish a physical inspection of the subject property.

PREVIOUS APPRAISAL(S)

Date of Value:	Prepared By:	Value Premise(s):	Concluded Value:

Three-Year Sales History of the Subject	
Highest and Best Use	
As Vacant	
As Improved	
Estimated Marketing Time	
Estimated Exposure Time	

PROPERTY ANALYSIS

Property Type/Description	
Current Use/Projected Use	
Land Size (Square Feet, Acres, etc.)/Description	
Yr. Built / Effective Age / Remaining Life	
Building Size (Square Feet, Units, etc.)	
Interior Finish	
Occupancy (As a %)	
Special Features	
Physical Condition	
Surrounding Property Uses	
Environmental Problems	
Earthquake Zone	
Flood Zone	
Title Exceptions	

Comments on Property Analysis:

COMPETITIVE MARKET ANALYSIS

How does the property compare to the other properties in the competitive market?	
Sales Price Range	
Market Rent Range	
Market Concessions	
Average Vacancy in this Property Type	
Supply of this Property Type	
Demand for this Property Type	
Comments on Competitive Market Analysis:	

INCOME ANALYSIS

	Actual FY/CY 200	Evaluation
Potential Gross Income		
Vacancy and Credit Loss		
Effective Gross Income		
Total Operating Expenses		
Net Operating Income (NOI)		
Overall Capitalization Rate		
As-Is Value from Income Analysis (NOI/Cap Rate)		
Time to Reach Stabilized Income		
Discount Period		
Discount Rate		
Projected Stabilized Value		
Comments on Income Analysis		

COMPETITIVE SALES ANALYSIS

Sales History of Subject Property	
Sales Prices of Competitive Properties (\$/Sq. Ft., \$/Unit)	
Date Range of Comparable Sales	
Age Range of Comparable Sales	
Size Range of Comparable Sales	
Value from Comparable Sales Analysis	

RECONCILIATION OF VALUE(S)/ADDITIONAL COMMENTS

Value of any Personal Property, Fixtures, Intangibles, etc: Insurable Replacement Cost (If applicable):

GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal has been prepared subject to the following general assumptions and limiting conditions. They are critical to the analyses and conclusions contained in this report.

1. The subject property is appraised free and clear of any and all liens or encumbrances unless otherwise stated. Encumbrances considered in the valuation include, where applicable: real estate taxes, recorded easements and/or covenants, CC&R's, purchase options or sale agreements, signed leases, and unpaid bond debt.
2. It is assumed that any easements noted on the title report without specific locations will have no material effect on the normal use of any of the subject parcels.
3. Responsible ownership and competent property management are assumed.
4. Information furnished by others is believed to be reliable if it cannot be independently verified by the appraiser. However, no warranty is given for its accuracy.
5. No responsibility is assumed for the legal description or other matters involving legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
6. All engineering surveys are assumed to be correct. The plot plans and other illustrative material in this report are included only to assist the reader in visualizing the property.
7. It is assumed that there are no hidden or inapparent conditions of the subject property, subsoil, or structures which would render it more or less valuable than other comparable properties. No responsibility is assumed for any such conditions or for professional engineering services which might be required to discover such facts. No soils or geologic reports were made available to provide further input in this area.
8. It is assumed that all customary public utilities for this property type and market are reasonably available to the subject property, unless otherwise stated.
9. It is assumed that the subject is in compliance with all applicable zoning use regulations and restrictions, unless otherwise stated. It is further assumed that any required governmental entitlements, licenses, certificates of occupancy, consents, etc., have been or can be obtained or renewed for any use upon which the value estimate in this report is based.
10. Any forecasts or projections contained in this report are the product of the analysis of current, historical, and anticipated market conditions and assume continuation of prevailing political, social, economic, and environmental conditions. Such factors and contingent forecasts and/or projections are subject to change.
11. It is assumed that any utilization of land and improvements is within the described legal boundaries of the subject property, and that there is no encroachment or trespass, unless otherwise noted.
12. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.
13. The Americans With Disabilities Act (ADA) became effective in January 1992. The appraiser has not made a specific compliance survey or analysis of this property to determine whether it is in conformance with the various, detailed requirements of the ADA. The value estimate is predicated on the assumption that, except as identified by the appraiser, the subject improvements comply with the ADA. It is possible that a comprehensive compliance survey could reveal additional areas in which the property does not conform with one or more of the Act's requirements. If so, this could have a negative effect upon the market value or marketability of the property.
14. Unless otherwise noted, the existence of hazardous materials, which may or may not be present on the property, was not observed by the appraiser. The presence of hazardous materials, if any, may impact the value of the property. The value estimate is predicated on the assumption there is no such material on or in the property which would cause a loss in value. No responsibility is assumed for any such conditions, or for the expertise or engineering knowledge required to discover them. Should the client have concerns over the existence of hazardous materials on or in the property, they should consider the services of a qualified, independent engineer or contractor to determine the existence and/or extent of any hazardous materials, as well as the cost associated with any required mitigation and/or removal.

CERTIFICATION OF THE APPRAISER:

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

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

Name:

State Certified Real Estate Appraiser

State Number:

Expiration Date:

Date

Exhibits:

- 1) Subject Photos
- 2) Subject Parcel Map
- 3) Summary of Comparable Rentals
- 4) Summary of Comparable Sales (please include photographs)
- 5) Legal Description
- 6) Rent Roll
- 7) Income & Expense Statements