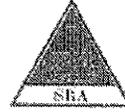


SHERMAN-ANDRZEJCZYK GROUP, Inc.

REAL PROPERTY COUNSELORS AND APPRAISERS
Based in CLEVELAND, OHIO

JEFFERSON L. SHERMAN, MAI
e-mail: jshe44094@aol.com

ROBERT J. ANDRZEJCZYK, SRA
e-mail: rjand67@aol.com



October 28, 2011

Mr. Michael Lograsso
Director of Law
1349 South Green Road
South Euclid, Ohio 44121

RE: 7.10 Acres of Vacant Commercial Land
Cedar Center
South Euclid .OH 44121

Dear Mr. Lograsso:

In accordance with your request, I have completed appropriate valuation analyses of the above captioned property. This report is a Restricted Use Report and can only be used by you, the Client.

CLIENT AND INTENDED USERS: The City of South Euclid

IDENTIFICATION OF OWNER: The City of South Euclid

INTENDED USE OF REPORT: It is my understanding that you will use this market value for financial decisions.

RESTRICTED USE: Use of this report is limited to the Client.

This is a Restricted Use Appraisal Report that is intended to comply with the reporting requirements set forth under Standard Rule 2-2(c) of the Uniform Standards of Professional Appraisal Practice for a Restricted Use Appraisal Report. As such, it does not include discussions of the data, reasoning, and analyses that were used to the appraisal process to develop the appraisers' opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraisers' file. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.



Vacant Commercial Land – Cedar Center
South Euclid, OH

PURPOSE OF THE APPRAISAL, INTEREST APPRAISED AND DATES: The purpose of this analysis is to develop an estimate of the market value (as defined in the Addenda herein) of the Fee Simple Interest in the real estate as of October 28, 2011.

INSPECTION DATE: October 28, 2011.

EFFECTIVE DATE OF VALUE: October 28, 2011.

IDENTITY OF REAL ESTATE APPRAISED: 7.103 acres of vacant commercial land. The property is located on the north side of Cedar Road within 250' west of the intersection of Warrensville Center Road in South Euclid, Ohio. The parcel number is split from parcel 704-23-003.

OPINION OF MARKET VALUE: \$1,400,000.

EXPOSURE TIME: Eighteen to Twenty Four Months.

EXTRAORDINARY ASSUMPTIONS: The site is assumed to be clean of any contaminants and stable for development. For purposes of this analysis, I have assumed that no negative easements, wetlands or encroachments exist which would negatively impact the property.



Vacant Commercial Land – Cedar Center
South Euclid, OH

SCOPE OF WORK

The property was inspected and photographed on October 28, 2011. The entire parcel was viewed and walked where possible. Sales of comparable properties were researched, verified and analyzed in the Sales Comparison Approach. Commercial brokers were contacted to verify sales and derive market value data for the comparable sales. Properties for sale were also researched and owners and developers interviewed to determine asking prices and market times. I had consulted with Mr. Andrew Blackley P E of Hovancsek Engineers and Planners to determine the correct lot size. See addenda for revised plat plan.

The subject site is appraised as 7.103 net acres of commercial zoned land. The intent of development is retail strip center with onsite parking. The property is zoned C-C Cedar Center. The property cannot be developed with cluster housing, condos, senior housing or a limited care facility without a zoning change. After extensive research, I have determined that there are comparable sales within the greater Cuyahoga County area. Land sales are limited due to the recent past recession, credit crunch and lack of any new major retail construction. The sales selected are comparable in terms of land use, i.e. commercial use. The Sales Comparison Approach is the only method of valuation that applies to vacant land analysis.



Vacant Commercial Land – Cedar Center
South Euclid, OH

SITE DATA

Size: +/-309,276 square feet or 7.103 acres net ROW

Shape: Two rectangles

Frontage: +/-708.25 feet on Cedar Road.

Topography: Generally level above road grade.

Soil Conditions: Assumed to be stable for typical building improvements.

Utilities: All public utilities are available to include water and sewer.

Zoning: C-C Cedar Center. The property can be developed with multiple families as apartment or townhouses, offices and a variety of retail/services.

Functional Utility of the Site: Overall average with adequate frontage for ingress and egress. There is a reserved easement of Stanhope Road that extends through the northern ½ of the property. The site is not a corner location.

Status: The site is cleared and ready for construction. The existing retail buildings were razed and removed.



Vacant Commercial Land – Cedar Center
South Euclid, OH

HIGHEST AND BEST USE: Subject's location is suburban with dense commercial and residential uses in an older established community. Cedar Road is a high traffic commercial corridor built up with a variety of commercial and retail uses along the entire length through South Euclid. Other high traffic commercial corridors are Mayfield and Warrenville Center Roads. The parcel is zoned CC Cedar Center which provides for development with offices, multiple family structures and a variety of retail uses. Development with apartments or offices is highly unlikely due to the limited demand for this type of new construction and surrounding uses of retail and commercial.

The most probable scenario is purchase by a user that would develop the site with retail uses that would conform to surrounding uses. Therefore, the development with retail uses physically possible, legally permissible, appropriately supported and results in the highest and best use.

INDICATED EXPOSURE/MARKETING TIME: My research indicates both an exposure and a marketing time of eight to twelve months for the subject property when properly priced.



Vacant Commercial Land – Cedar Center
South Euclid, OH

SUMMARY OF LAND SALES AND ADJUSTMENTS

7.10 Acres of Vacant Commercial Land Cedar Road South Euclid, Ohio

COMPID	SUBJECT	44989 SALE 1	45186 SALE 2	45185 SALE 3	45648 SALE 4
STREET:	Cedar Road	Royalton Rd	4721 Richmond Rd	25080 Richmond Road	7240 Engle Road
LOCATION:	South Euclid, OH	Strongsville, OH	Warrensville Hts, OH	Beachwood, OH	Middleburgh Hts, OH
DATE:	08-Oct-11	29-Jan-09	14-May-09	18-Jun-08	21-Jul-11
PRICE:	N/A	\$1,370,000	\$2,200,000	\$4,877,265	\$600,000
SALE CONDITIONS:	N/A	Arm's Length	Arm's Length	Arm's Length	Arm's Length
TERMS:	N/A	Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller
RIGHTS:	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
FRONTAGE:	708'	342/855'	588	1,144	423
SITE SIZE ACRE	7.10	5.69	15.70	23.00	3.58
CORNER INFLUENCE:	No	Yes	No	No	No
TOPOGRAPHY:	Mostly level	Mostly level	Mostly level	Mostly level	Mostly level
ZONING:	Commercial	MS/GB	Commercial	Commercial	Office
UTILITIES AVAILABLE:	All Public	All Public	All Public	All Public	All Public
SHAPE:	Rectangular	Rectangular	Irregular	Rectangular	Rectangular
OTHER:	\$0	\$0	\$0	\$0	\$0
CASH EQUIVALENT PRICE:		\$1,370,000	\$2,200,000	\$4,877,265	\$600,000
CONDITIONS OF SALE:		1.00	1.00	1.00	1.00
ADJUSTED VALUE:		\$1,370,000	\$2,200,000	\$4,877,265	\$600,000

INDICATIONS OF VALUE: \$ PER ACRE: \$240,773 \$140,127 \$212,055.00 \$167,598

MARKET CONDITIONS:
2 % (Per Annum) to 01-Jan-08 2.0% 1.00 1.00 1.00 1.00

SALE ADJUSTED FOR MARKET CONDITIONS: \$ PER ACRE: \$240,773 \$140,127 \$212,055.00 \$167,598

PHY CHARACTERISTICS:	0%	10%	-15%	0%
LOCATION:	0%	10%	-15%	0%
SIZE:	0%	15%	20%	0%
FRONTAGE:	-5%	0%	-10%	0%
TOPOGRAPHY:	0%	0%	0%	0%
CORNER:	-10%	0%	0%	0%
SHAPE:	0%	10%	0%	5%
ZONING:	0%	0%	0%	5%

AVERAGE SCORE: -15% 35% -5% 10%

INDICATIONS OF VALUE FOR SUBJECT: \$204,657 \$189,172 \$201,452 \$184,358

ARITHMETIC MEAN: \$194,910 STD. DEV:---> \$9,696.91
MEDIAN: \$195,312

LOW HIGH
\$ PER SF: \$184,358 \$204,657 COEFF DISPERSION:--> 4.98%

SUBJECT VALUE @ \$195,000 per acre equals: \$1,384,500

ROUNDED LAND VALUE: \$1,400,000



I have researched the local market and have obtained information regarding similar land parcels for comparison to the subject's 7.10 net acres. The following pages depict the various elements contributing to value differences and adjustments thereto. The narrative comparables then follow in the addenda. The comparable sales are always adjusted to reflect the differences with the subject property.

Adjustments were made based on differences between the comparable properties and the subject property on a percentage basis. If an adjustment is greater than 0% for any particular element of comparison, this indicates that the comparable property was inferior to the subject and required a positive adjustment. Likewise, if an adjustment is less than 0% for any particular element of comparison, this indicates that the comparable property was superior to the subject and required a negative adjustment. If no adjustment is made, the adjustment is equal to 0% then the comparable property is generally similar to the subject property for that particular element of comparison.

The first three categories, real property rights (all were fee simple), conditions of sale (all were arm's length) and financing (all were cash to the seller) were similar from the comparable sales to the subject, thus requiring no adjustment.

The next item to be examined is market conditions or time. This adjustment reflects changes in the market which are commonly referred to as appreciation or depreciation and in some cases stability exists. A time of sale adjustment is not necessary. Each parcel sold after the recession and credit crunch was evident.

Sale 3 is adjusted downward for better demand location on a high traffic commercial corridor with higher surrounding property values and more viable, established residential and commercial improvements. Sale 2 is a lesser demand location. Each sale has close proximity to highway access and are located in older established suburban neighborhoods.

Sales 2 and 3 are adjusted upward for larger size. A smaller parcel will typically sell for less per acre or square foot. Alternatively, the inverse is true. Sale 1 is most similar in size and is accorded most weight.

Each sale had adequate frontage for ingress and egress for the lot size and development. Sale 1 is adjusted downward for corner influence and two (2) frontages.

Sale 2 is adjusted upward for less desirable shape for development.



Vacant Commercial Land – Cedar Center
South Euclid, OH

Sale 4 is adjusted upward for Office Zoning which is less desirable than retail zoning. Sale 4 was zoned Motor Services and was changed to office for the development of a headquarters office facility which is the intended use of the land. Sales 1, 2 and 3 permit retail uses within the zoning category.

COMMENTS: There are limited comparable sales due to the recent past recession, credit crunch and no development of large scale retail centers. Sales 1, 2 and 3 are the most reliable sales due to zoning and similar surrounding commercial uses. Sale 4 is located in an industrial location with no surrounding retail influence.

A range of value is bracketed between \$184,358 and \$204,657 per acre. Sales 1 and 2 are accorded the most weight. The mean of these two sales is \$196,914 per acre which compares well with the overall mean and median of \$194,910 and \$195,312 per acre. The mean of Sales 1 and 2, median and overall mean point to \$195,000 per acre as indicated value for the subject property. After analysis, the weighted average and final opinion of market value for the property is \$195,000 per acre or \$1,384,500 Rounded to \$1,400,000:

ONE MILLION FOUR HUNDRED THOUSAND DOLLARS

(\$1,400,000)



Vacant Commercial Land – Cedar Center
South Euclid, OH

MARKET VALUE OPINION: Therefore, based upon my analysis of the data, it is my opinion that the “as is” market value of the Fee Simple Interest in the subject property as herein identified as of October 28, 2011 is:

ONE MILLION FOUR HUNDRED THOUSAND DOLLARS

(\$1,400,000)

The above value includes no personal property included in the sale of the property.

Respectfully submitted,
Sherman-Andrzejczyk Group, Inc.

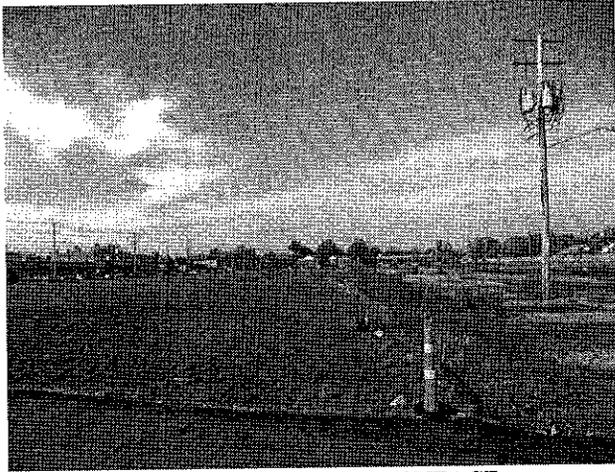
Robert J. Andrzejczyk, SRA
Ohio Certified General Appraiser # 382462

ADDENDA ITEMS:

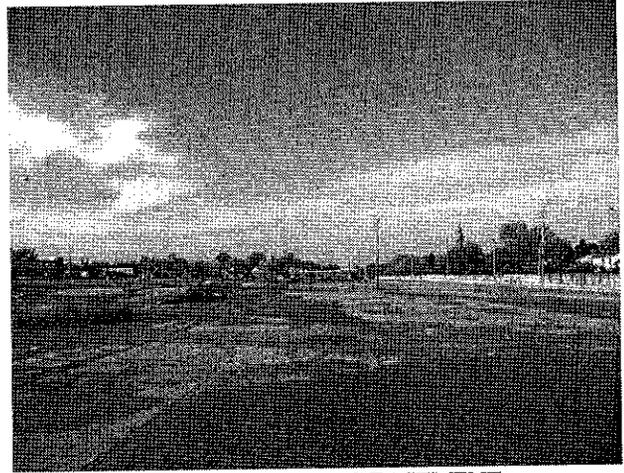
- Subject Photos
- Comparable Sales & Map
- Plat Plan
- Definition of Market Value
- Assumptions and Limiting Conditions
- Basic Appraisal Definitions
- Certification of Appraiser
- Appraiser Qualifications

PHOTOGRAPHS OF SUBJECT PROPERTY

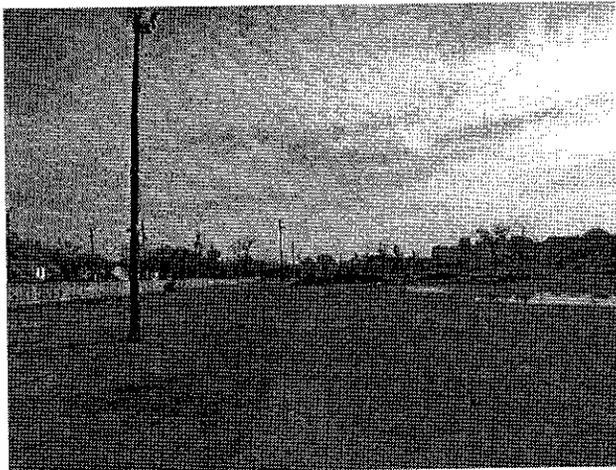
Vacant Commercial Land Cedar Road, South Euclid, OH



FACE WEST ALONG FRONTAGE



FACE WEST ALONG EASEMENT



FACE EAST ALONG EASEMENT

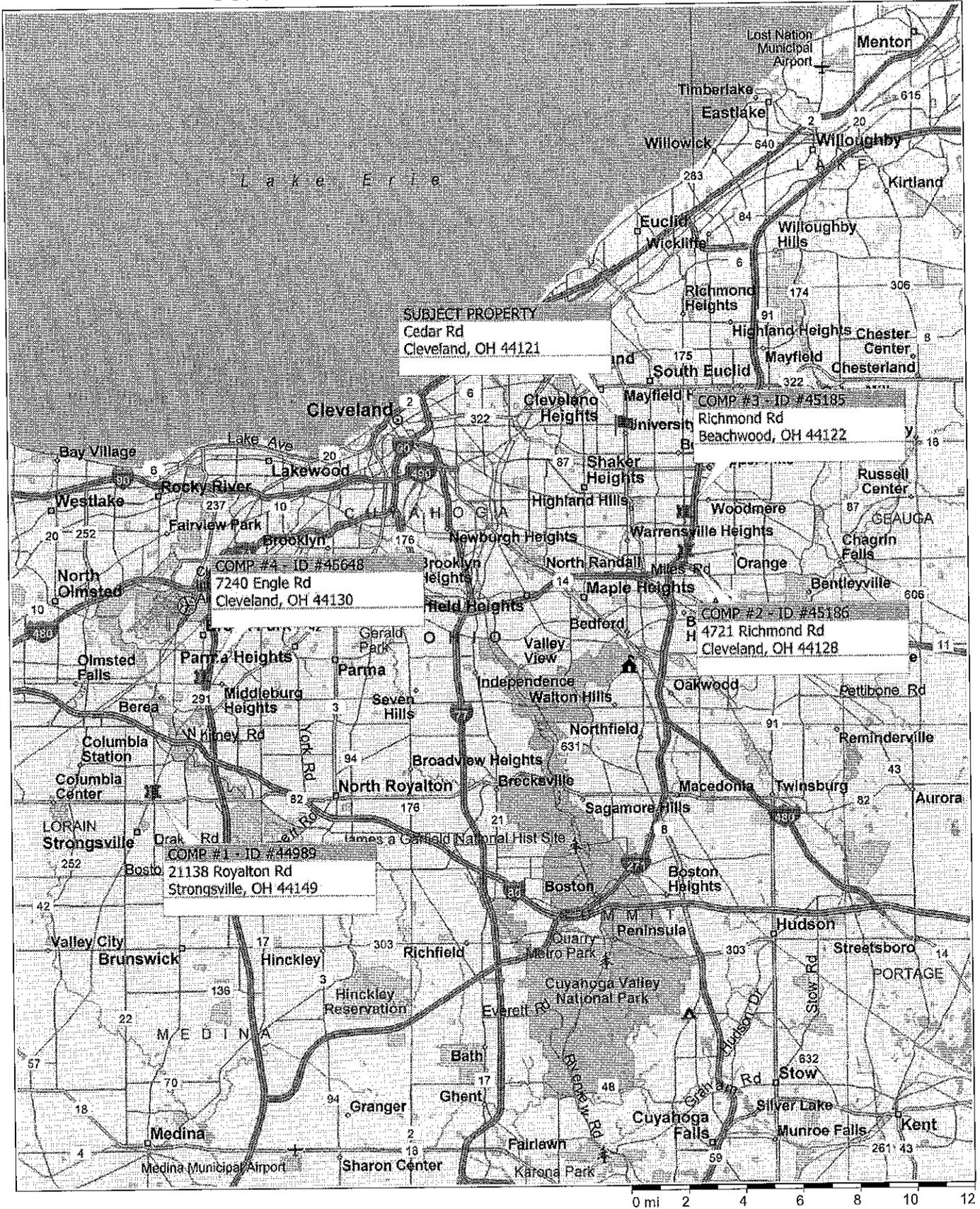


FACE CEDAR ROAD FROM MID SECTION



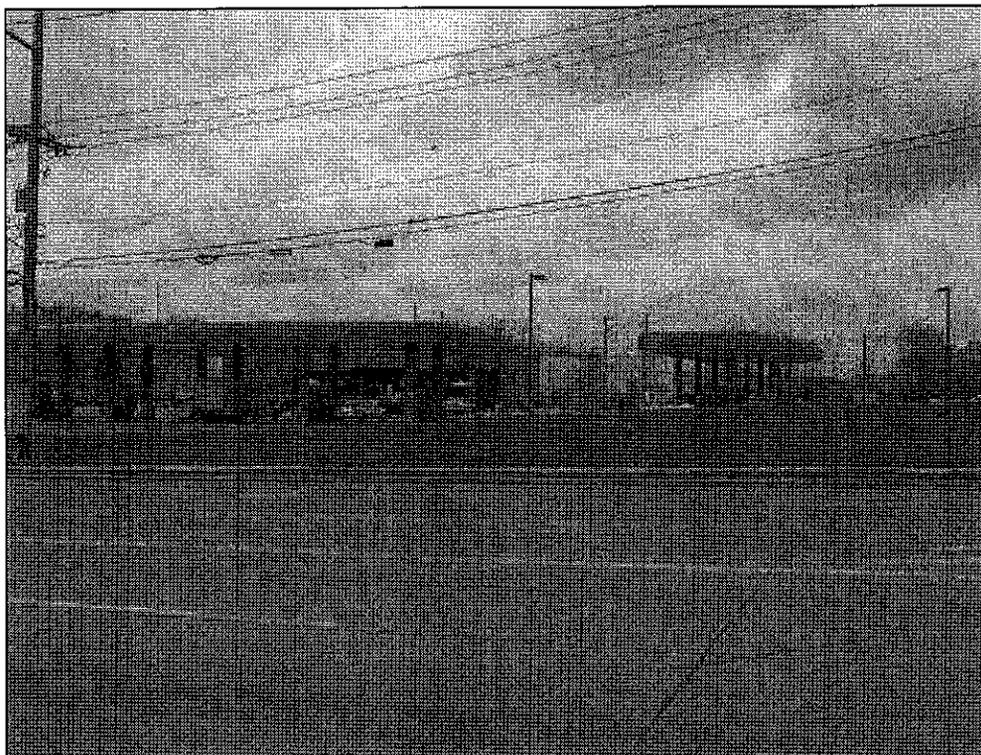
WEST LINE - FACE GFS

SUBJECT PROPERTY & COMPARABLE SALES



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Vacant - Sale - Commercial
COMPARABLE # 44989



Typical View

Photo Date: 4/11/2011
Taken By: JG

LOCATION

Cross Street: Northwest corner of Royalton and Prospect Rd.
Street Number: 21138
Street Name: Royalton
City or Township: Strongsville
County: Cuyahoga
State: OH
Tax ID Number: 392-16-002

SALE INFORMATION

Sale Date: 01/29/09
Sale Price: \$ 1,355,000.00
Cash Price: \$ 1,370,000.00
Seller: Catanzarite Invest. Co., LLC and Edno Clubs
Buyer: Planning Team Members, LP
Comments: The cash price above includes razing costs of of \$15,000.

FINANCING

Financing: Cash
Comments: Assumed cash to seller.

LAND DESCRIPTION

Net Land Area: 247,856 Sq Ft 5.690 Acres
Primary Frontage (Ft): 342.220
Physical Location: Corner
Shape: Irregular
Environmental Contamination: None Known
Anticipated Improvements: Acquired for development as site for Sheetz gas station/convenience center:

Comments: Frontage: there is approximately 342.22 f.f. on Prospect and 855 +/- f.f. on Royalton.

ZONING & UTILITIES

Current Zoning:	MS Motorist Service /GB General Busines
Water:	Public
Sewer:	Public
Gas:	Natural
Electricity:	Public

HIGHEST AND BEST USE

Commercial

REAL PROPERTY RIGHTS

Fee Simple

CONDITION OF SALE

Arm's Length

UNITS OF COMPARISON

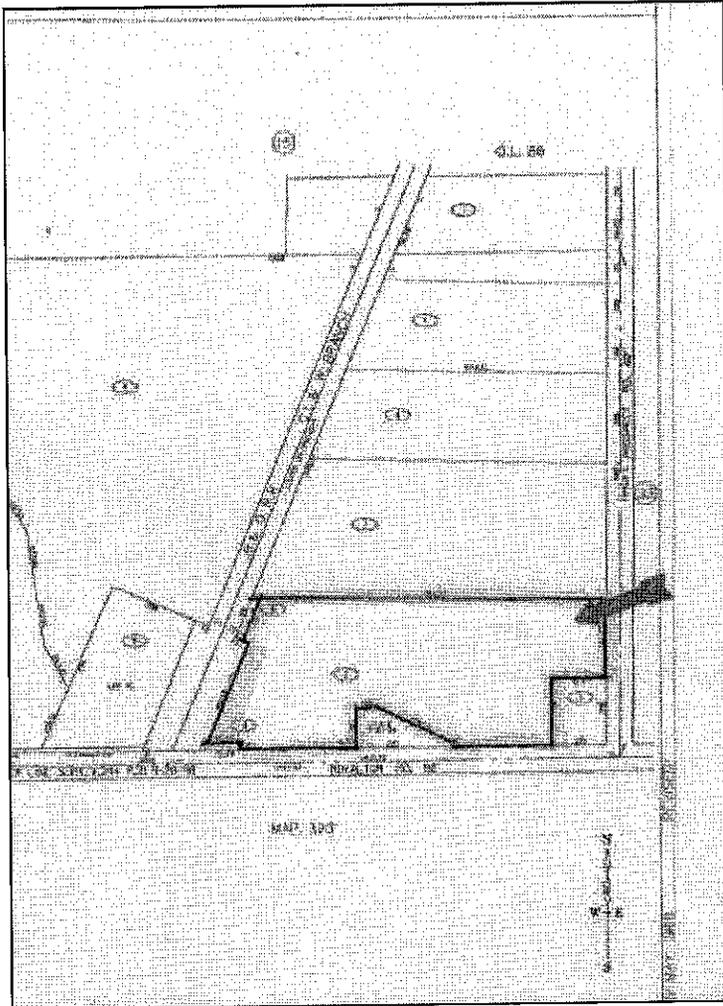
Physical Characteristics

Price/Sq Ft (Net Land Area):	\$ 5.53
Price/Acre (Net Land Area):	\$ 240,774
Price/Frt Ft (Primary Roadway):	\$ 4,003
Front Feet/Net Acre:	60.14

SOURCE

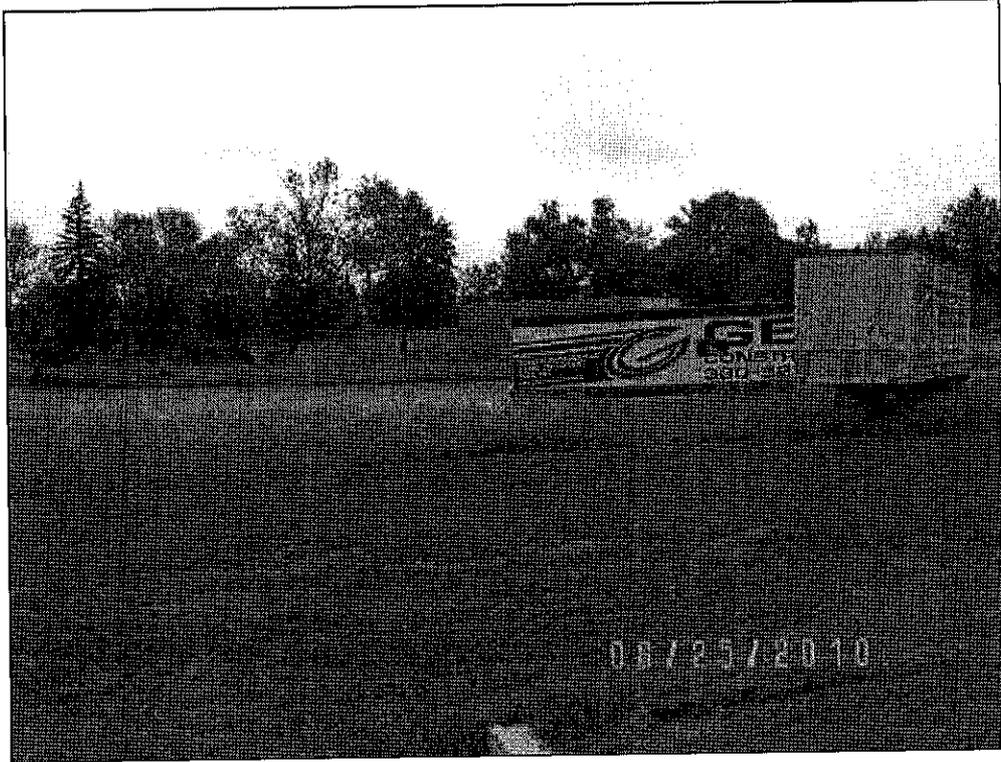
Confidential

ADDITIONAL PHOTOS



Plat Map

Vacant - Sale - Commercial
COMPARABLE # 45186



Typical View

Photo Date: 8/25/2010
Taken By: JG

LOCATION

Cross Street: Emery Road
Street Number: 4751
Street Name: Richmond Road
City or Township: Warresville Heights
County: Cuyahoga
State: OH
Tax ID Number: 763-29-035
Legal Description: 101 RICH HTS 0082 ALL
Comments: Located on the east side of Richmond Road within 1/4 mile south of Emery Road and north of Miles Avenue. Surrounding uses are commercial and residential. Highway access within 1/2 mile north along Richmond Road. Commercial facilities located along Miles Ave.

SALE INFORMATION

Sale Date: 5/14/2009
Sale Price: \$ 2,000,000.00
Cash Price: \$ 2,200,000.00
Seller: Bishop Edward F. Hoban
Buyer: Hemingway at Richmond Llc
Marketing Time (Months): 20
Comments: \$2,000,000 plus \$200,000 to raze and remove the buildings = \$2,200,000. The \$200,000 is estimated by RJA per Marshall Swift Cost Book section 66 page 11. Mr. Jeff Green at Geis Companies could not be reached for demolition cost..

INSTRUMENT

Type of Instrument: Warranty Deed
Date Recorded: 5/14/2009
Document Number: 20095140333

LAND DESCRIPTION

Net Land Area: 683,892 Sq Ft 15.700 Acres
Physical Location: Interior
Shape: Rectangular
Topography: Mostly Level
Environmental Contamination: None Known
Anticipated Improvements: Office Park
Easements: Normal Utility
Comments: Site was the St Jude Church and school property. The site was improved with the main church, parish house, preschool and a day care school. The improvements were razed and removed. The site is to be an office park. The first office building is under construction. The cost to raze and remove the improvements is \$150,000.

ZONING & UTILITIES

Current Zoning: Commercial
Water: Public
Sewer: Public
Gas: Natural
Electricity: Public

HIGHEST AND BEST USE

Commercial

REAL PROPERTY RIGHTS

Fee Simple

CONDITION OF SALE

Arm's Length

UNITS OF COMPARISON

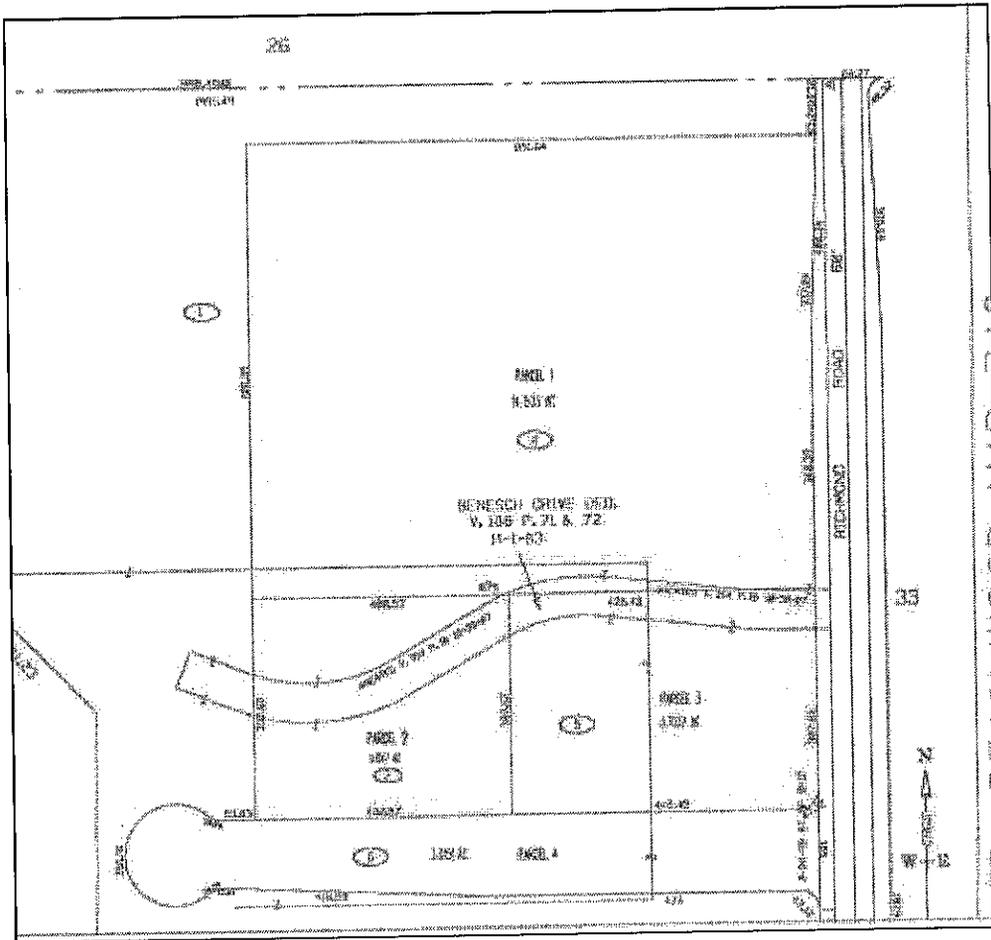
Physical Characteristics

Price/Sq Ft (Net Land Area): \$ 3.22
Price/Acre (Net Land Area): \$ 140,127

SOURCE

Contact: Joe Perrow
Geis Companies
330.526,3500
Confirmation Date: 8/25/2010
Appraiser: RJA
Comments: Mr. Perrow provided sale and descriptive data.

Vacant - Sale - Commercial
COMPARABLE # 45185



Tax Map

LOCATION

Cross Street:	Harvard Road
Street Number:	25080-25
Street Name:	Richmond Road
City or Township:	Beachwood
County:	Cuyahoga
State:	OH
Tax ID Number:	742-35-002 & 004
Legal Description:	(002) PCL 2 VOL 356 PG 37-38 FF 337.62 D 400.57 3.1057AC OL 69/79 2009 S/R (004) PCL 1 VOL 356 PG 37-38 FF 697.43 D 891.64 14.1503AC OL 69/79 2009 S/R
Comments:	Located west side of Richmond Road within 1/4 mile north of Harvard Ave. Area of new construction to include restaurants and offices along Harvard and Richmond Road. Close proximity to I-271 via Harvard Ave.

SALE INFORMATION

Sale Date:	9/24/2009
Sale Price:	\$ 4,877,265.00
Cash Price:	\$ 4,877,265.00
Seller:	City of Cleveland
Buyer:	LTF Real Estate Company, Inc

INSTRUMENT

Type of Instrument: Warranty Deed
Date Recorded: 9/24/2009
Document Number: 20099240448

FINANCING

Financing: New Loan

LAND DESCRIPTION

Net Land Area: 986,634 Sq Ft 22.650 Acres
Primary Frontage (Ft): 1,144.000
Physical Location: Interior
Shape: Irregular
Topography: Mostly Level
Environmental Contamination: None Known
Anticipated Improvements: Lifetime Fitness Center
Easements: Normal Utility
Comments: Generally level land was open and wooded. 2 parcels front on richmond Road.

ZONING & UTILITIES

Current Zoning: Commercial
Water: Public
Sewer: Public
Gas: Natural
Electricity: Public

HIGHEST AND BEST USE

Commercial

REAL PROPERTY RIGHTS

Fee Simple

CONDITION OF SALE

Arm's Length

UNITS OF COMPARISON

Physical Characteristics

Price/Sq Ft (Net Land Area): \$ 4.94
Price/Acre (Net Land Area): \$ 215,332
Price/Frt Ft (Primary Roadway): \$ 4,263
Front Feet/Net Acre: 50.51

SOURCE

Contact: Anthony Thornton
216.664.2832
Confirmation Date: 8/25/2010
Appraiser: RJA

ADDITIONAL PHOTOS



Typical View

Photo Date: 8/25/2010
Taken By: JG

Vacant - Sale - Office
COMPARABLE # 45648

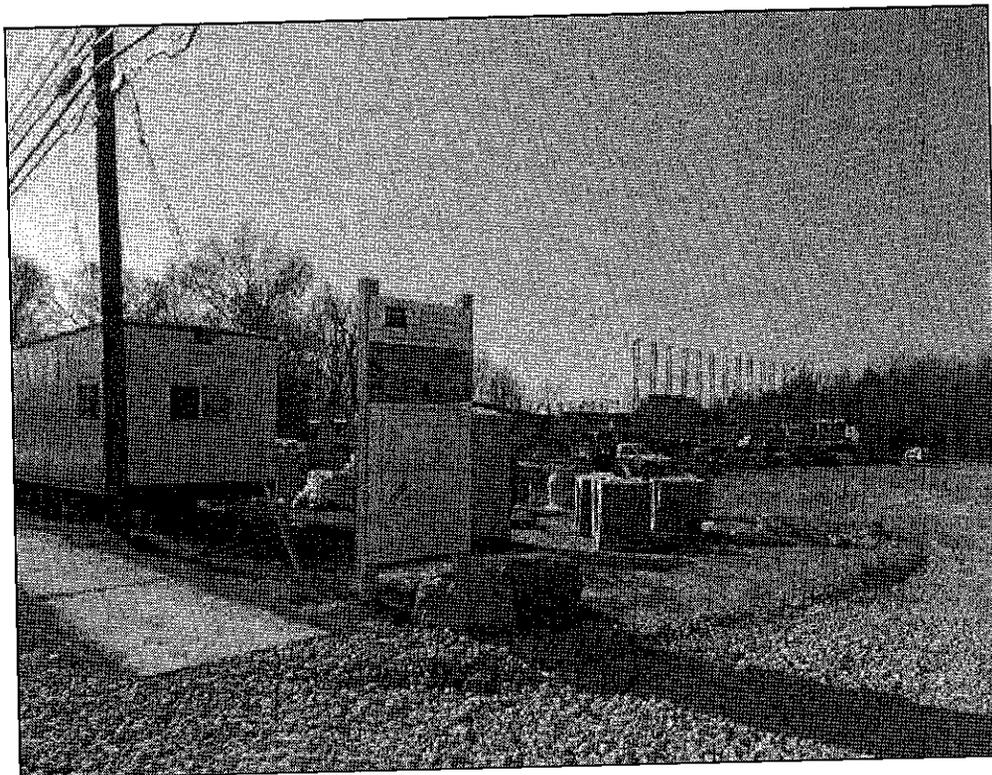


Photo Date: 11/8/2011
Taken By: JAG

LOCATION

Cross Street: Bagley Road
Street Number: 7300
Street Name: Engle Road
City or Township: Middleburg Heights
County: Cuyahoga
State: Oh
Tax ID Number: 373-03-008
Comments: This property is located 0.2 miles from the I-71 and Bagley Road intersection and is surrounded by other commercial and office facilities.

SALE INFORMATION

Sale Date: 07/21/2011
Sale Price: \$ 600,000.00
Cash Price: \$ 600,000.00
Seller: Bagley Road Properties
Buyer: The Interlake Steamship Company
Marketing Time (Months): 18
Listing Price: \$ 800,000.00
Date of Listing: 01/21/2009
Comments: The original list price was \$1 M. The price was reduced to \$800,000 after 8 months of exposure to the market.

INSTRUMENT

Type of Instrument: See Comments
Date Recorded: 7/21/2011
Document Number: 201107210476
Comments: Type of Instrument: General Warranty Deed

FINANCING

Financing: Cash

LAND DESCRIPTION

Net Land Area: 155,945 Sq Ft 3.580 Acres
Physical Location: Interior
Shape: Rectangular
Topography: Level
Environmental Contamination: None Known
Anticipated Improvements: Office headquarters building
Easements: Normal Utility
Comments: Since the time of the sale, this property has been improved to include an office building currently under construction. There is also a small culvert that runs through the land that was not detrimental.

ZONING & UTILITIES

Current Zoning: Office
Water: Public
Sewer: Public
Gas: Natural
Electricity: Public
Comments: All city utilities are available. The zoning was changed from Motor Services to Office for the development of the land to a headquarters office building.

HIGHEST AND BEST USE

Office

REAL PROPERTY RIGHTS

Fee Simple

CONDITION OF SALE

Arm's Length

UNITS OF COMPARISON

Physical Characteristics

Price/Sq Ft (Net Land Area): \$ 3.85
Price/Acre (Net Land Area): \$ 167,598

SOURCE

Contact: Bennet Lieberman/Seller's Broker
Kowit & PassovReal Estate Group
216-514-5100
Confirmation Date: 11/9/2011
Appraiser: RJA/jag
Comments: Mr. Lieberman provided sale, zoning and descriptive data

ADDITIONAL PHOTOS

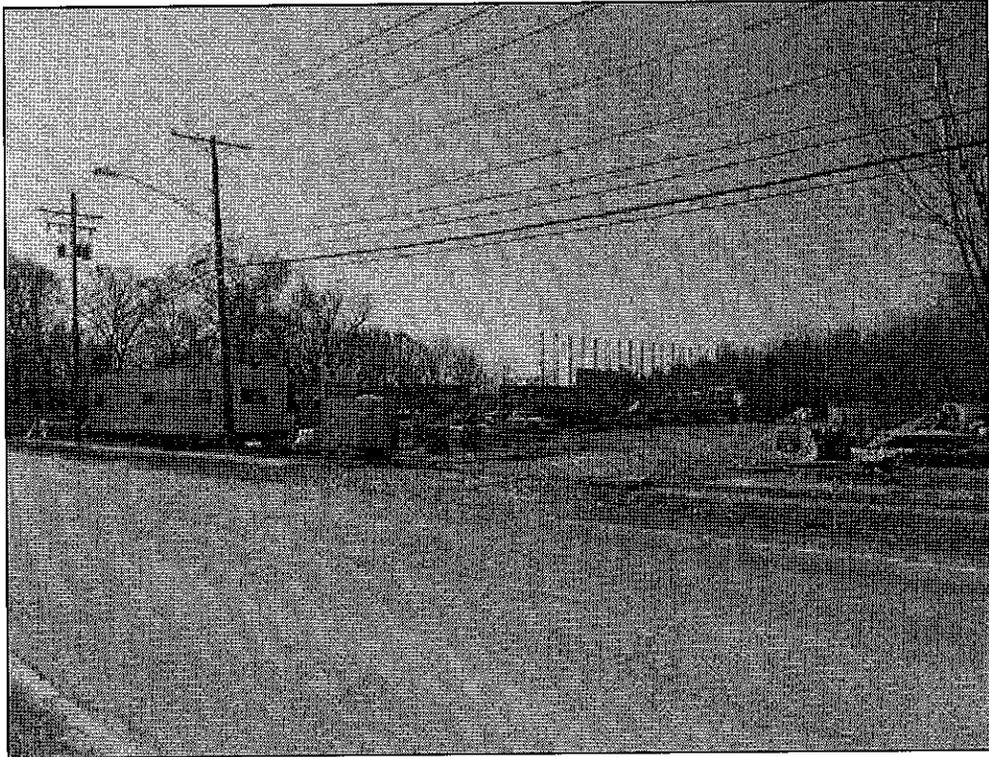


Photo Date: 11/8/2011
Taken By: JAG

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 the consummation of a sale as of a specified date and the 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 own 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. ¹

¹ Uniform Standards of Professional Practice, published by The Appraisal Foundation; also 12 C.F.R. 34.42 and 12 C.F.R. Part 1608 of Title XI of the Federal Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989.



Vacant Commercial Land – Cedar Center
South Euclid, OH

ASSUMPTIONS & LIMITING CONDITIONS

This appraisal has been made with the following general assumptions:

No responsibility is assumed for the legal description or for matters including legal or title considerations. Title is assumed to be good and marketable unless otherwise stated. It is assumed that the utilization of the land and any improvements are within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.

The property is assumed free and clear of liens or encumbrances unless otherwise stated. Responsible ownership and competent property management are assumed. Information furnished by others is believed reliable; however, no warranty is given. All engineering is assumed to be correct. Any illustrative material in this report is included only to assist the reader in visualizing the property.

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 arranging for engineering studies that may be required to discover them.

Unless otherwise stated in this report, the existence of hazardous substances including without limitation: asbestos, polychlorinated biphenyls, petroleum leakage, agricultural chemicals, radon gas, urea formaldehyde foam insulation, lead-based paint, or other hazardous substances, which may or may not be present on the property or other environmental conditions, were not called to the attention of the appraiser, nor did the appraiser become aware of such, during the appraiser's inspection. The appraiser, however, is not qualified to test for such substances or conditions. The presence of such substances or other environmental conditions, may negatively affect the value of the property. The value estimate contained herein is predicated on the assumption that there is no such negative condition on or in the property or in such proximity thereto that it would cause a loss in value in the past, present or future. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them.

It is recommended that any user of this report obtain an environmental audit performed by a qualified contractor.

It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in this report.



Vacant Commercial Land – Cedar Center
South Euclid, OH

ASSUMPTIONS & LIMITING CONDITIONS (continued)

The reader is cautioned that the appraiser is not conducting an inspection to determine the safety, proper operating condition, or structural integrity of subject. It is recommended that the user of this report obtain an inspection by a qualified inspector, contractor, engineer, or other party to obtain definitive data relative to the condition of subject's improvements.

I have assumed no negative factors, relative to the condition of the land and land improvements and buildings, exist unless noted herein. I reserve the right to change the value conclusion(s) contained herein, should such negative factors be discovered.

It is further assumed that the land area noted in this report is reasonably correct. A substantial deviation as determined by a surveyor could render this report invalid. **It is recommended that any user of this report obtain a survey by a qualified land surveyor.**

It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

The liability of SHERMAN-ANDRZEJCZYK GROUP, Inc., its officers, directors, employees and/or agents (the "Company") is limited only to the client who is paying the fee ("Client") and to the amount of the fee actually received by the Company. Further, acceptance and use of this report constitutes an agreement that there is no accountability, obligation, or liability to any third party. If this report is given to anyone other than Client, the Client shall make such party aware of all the limiting conditions and assumptions of this report. The Company is not responsible for any costs or expenses of any kind incurred to discover or correct any deficiencies of any type present in the property; whether physical, financial, and/or legal. The Client agrees to indemnify, defend and hold harmless the Company from and against any and all claims or demands and any and all loss, cost, damage or expense, including without limitation, attorneys' fees (for counsel of the Company's choosing) arising from all lawsuit, litigation or similar action brought against the Company as a result of the issuance of this report and the conclusions contained herein. Any party who uses or relies upon any information in this report, without the preparers' written consent, does so at his/or own risk.



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ASSUMPTIONS & LIMITING CONDITIONS (continued)

This analysis has been made with the following limiting conditions:

The scope of this appraisal is limited to the value as if known to be free of hazardous substances and no evidence of encroachment or trespass which may impact value.

The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other analysis and are invalid if so used.

Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any other purpose by any other person other than the party to whom it is addressed without the written consent of the client and the appraisers, and in any event only with proper written qualification and only in its entirety.

Neither all nor part of the contents of this report (especially any indications as to value, the identity of the appraisers, or the firm with which the appraisers are connected) shall be disseminated to the public through advertising, public relations, news, sales, or any other media without the prior written consent and approval of the appraiser.

The appraiser is not required to give further consultation, testimony, or be in attendance in court with reference to the property unless previous arrangements have been made.

ADA CLARIFICATION: The Americans with Disabilities Act (“ADA”) became effective January 26, 1992. I have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could 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 effect upon the value of the property.

It is my understanding that interpretations of this law are still being developed. I reserve the right to change my value conclusion should further clarification of this issue and its effect on the subject property be presented in the future. The appraiser is not qualified to inspect for compliance with ADA. Further, I recommend that any user of this report obtain a professional compliance survey with cost estimates in order to properly consider these items and their effect on value to the user. Since the appraiser has no direct evidence relating to this issue, possible non-compliance with the requirements of ADA was not considered in estimating the value of the property.



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ASSUMPTIONS & LIMITING CONDITIONS (continued)

EXPOSURE TIME CLARIFICATION: The specified date as contemplated by the market value definition is the date of value indicated in this report for the real property interest appraised. The “reasonable time” allowed for exposure in the open market refers to the market exposure time leading up to the valuation date. Hence, the value estimate presumes a sale on the date of value.

MARKETING TIME CLARIFICATION: The Marketing Time estimate is my opinion of the length of time necessary to market the real property in the future. The future price that may be achieved for the real property (at the end of the marketing time) may or may not be equal to the current appraised value estimate, depending on potential changes in the physical real estate, demographic and economic trends, the real estate market, tenancy, and property operations, among other factors.

WHEN APPRAISER INCLUDES THE COST APPROACH: The Cost Approach has only been developed by the appraiser as an analysis to support their opinion of the property’s market value. Use of this data, in whole or part, for other purposes is not intended by the appraiser. Nothing set forth in the appraisal should be relied upon for the purpose of determining the amount or type of insurance coverage to be placed on the subject property. The appraiser assumes no liability for and does not guarantee that any insurable value estimate inferred from this report will result in the subject property being fully insured for any loss that may be sustained. Further, the Cost Approach may not be a reliable indication of replacement or reproduction cost for any date other than the effective date of this appraisal due to changing costs of labor and materials and due to changing building codes and governmental regulations and requirements.

WHEN CLIENT REQUIRES AN INSURABLE VALUE WORKSHEET BE COMPLETED BY APPRAISER: Provision of an Insurable Value by the appraiser does not change the intended user or the intended purpose of the appraisal. The appraiser assumes no liability for the Insurable Value estimate provided and does not guarantee that any estimate or opinion will result in the subject property being fully insured for any possible loss that may be sustained. The appraiser recommends that an insurance professional be consulted. The Insurable Value estimate may not be a reliable indication of replacement or reproduction cost for any date other than the effective date of this appraisal due to changing costs of labor and materials and due to changing building codes and governmental regulations and requirements.



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BASIC APPRAISAL DEFINITIONS

The following definitions, unless otherwise noted, were taken from The Dictionary of Real Estate Appraisal, Fourth Edition, published by the Appraisal Institute, 2002.

APPRAISAL: The act or process of developing an opinion of value.

DEFINITION OF 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 the consummation of a sale as of a specified date and the 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.¹

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.

¹Uniform Standards of Professional Practice, published by The Appraisal Foundation; also 12 C.F.R. 34.42 and 12 C.F.R. Part 1608 of Title XI of the Federal Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989.



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BASIC APPRAISAL DEFINITIONS (continued)

HIGHEST AND BEST USE: The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the Highest and Best Use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability.

HIGHEST AND BEST USE OF LAND OR A SITE AS THOUGH VACANT: The use of a property based on the assumption that a parcel of land is vacant or can be made vacant by demolishing any improvements.

HIGHEST AND BEST USE OF PROPERTY AS IMPROVED: The use that should be made of a property as it exists. An existing property should be renovated or retained as is so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one.

The Appraisal Standards Board (ASB) of The Appraisal Foundation
has issued statements and advisory opinions further defining:

EXPOSURE TIME: The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market. Exposure time is always presumed to occur prior to the effective date of the appraisal. [Statement on Appraisal Standards No. 6].

REASONABLE MARKETING TIME: Reasonable marketing time is an estimate of the amount of time it might take to sell an interest in real property at its estimated market value during the period immediately after the effective date of the appraisal. [Advisory Opinion G-7].

As excerpted from The Appraiser News, February, 1993,
Appraisal institute, Pgs. 9-10



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CERTIFICATE OF APPRAISAL: I certify that, to the best of our knowledge and belief...

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased, and professional analyses, opinions and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
4. My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
5. This appraisal was not based on a requested minimum valuation, a specific valuation or the approval of a loan.
6. My analyses, opinions, and conclusions were developed, and this report has been prepared, in accordance with the standards and reporting requirements of the Uniform Standards of Professional Appraisal Practice.
7. I have made a personal inspection of the property that is the subject of this report.
8. No one provided significant professional assistance to the persons signing this report.
9. 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.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. As of the date of this report, I have completed the requirements of the continuing education program of the Appraisal Institute.
12. That this appraisal is within the scope of my license as an Ohio General Certified Appraiser # 382462. In addition, I am competent to appraise this property having significant experience in this locale and property type.

Robert J. Andrzejczyk, SRA
Ohio State Certificate #382462

QUALIFICATIONS
Robert J. Andrzejczyk, SRA
Real Property Appraiser

Sherman-Andrzejczyk Group, Inc.
Address: 3951 Erie Street, Suite 101
Willoughby, Ohio 44094-7704
Phone: 440/946-1188

Education

- 1968 - 1973: Cleveland State University, Cleveland, OH
Bachelor of Business Administration - Marketing
- 1962 - 1967: St. Joseph High School, Cleveland, OH

Employment

- 1975 - Present: Self-employed independent fee appraiser.
Experience in appraising residential, commercial and industrial properties.
- 1972 - 1975: Carter and Associates
Three years of residential appraisal experience.
- 1971 - 1972: Elco Realty, Maple Heights, OH
Residential real estate sales.

Experience

Experience with appraising all types of property (residential, commercial and industrial) since 1972.

Appointed Veterans Administration Appraiser and Veterans Administration Review Appraiser. Appointed Federal Housing Administration Appraiser. Designated Government Appraiser by Mid-Level Civil Service Commission. Appointed VA and FHA Compliance Inspector on new and existing construction. Mobile Home Appraiser for VA and FHA. Past Secretary for the Association of Government Appraisers. Board Member of the Appraisal Institute (Northern Ohio Chapter), Cleveland, Ohio.

Experience in appraising properties for city governments for use in property acquisition/easements. Commercial appraisals completed for the Cuyahoga County Board of Tax Appeals for tax revision purposes. Conservation easement appraisals completed for private owners. Various appraisals completed for the National Park Service. Appraisals also completed for various individuals for estate planning purposes. Numerous employee relocation appraisals completed for various relocation companies.

CLIENTS SERVED

Banks:

Huntington Bank, Midwest Bank and Trust Company,
Bankers Guarantee Title and Trust, Metropolitan
Savings, Dollar Bank, Horizon Savings, National
City Bank, Provident Bank and Security Savings,
Key Bank, Charter One Bank, Peoples Bank, Fifth Third Bank,
Pioneer Bank, Cortland Banks, Crown Bank, Geauga Savings
Bank, Security Federal, Star Bank, Cuyahoga Savings, Community
Bank of N. VA, Equity Bank, ParkView Bank, and Bank of Oakland.

- Mortgage Companies:** Assured Mortgage Company, Huntington Mortgage Company, First Ohio Mortgage Company, Countrywide Funding, Leader Mortgage Company, Lincoln Service Corporation, Lomas and Nettleton, Mellon Mortgage Company, Society Mortgage Company, Chemical Mortgage Company, Nations Bank Mortgage Corp, Fleet Mortgage, BNC Mortgage, Charter One Mortgage, Cooperative Mortgage, Fidelity Mortgage, Founders Mortgage, Metropolitan Mortgage & Securities, and Key Mortgage Services.
- Relocation Companies:** Home Equity, Prudential Relocation Management Company, Coldwell Banker, Armstrong Relocation, Associates Relocation, Value Administrators Ltd., Appraisal Management Co., Executive Relocation, Cendant Mobility, Royal LePage, Argonaut Relocation, Advanced Relocation, and Nabisco Relocation Center.
- Miscellaneous Clients:** Midland Title Information, Inc., Avco Financial Services, Chemical Financial Services Transamerica Financial Services, Municipalities of South Euclid, Highland Heights, Mayfield Village, Moreland Hills, Orange, Eastlake, and Willoughby Hills, Acacia Country Club, Gould, Charles M. Ritley Associates, Inc., Chester S. Giltz Associates, Inc., Hillcrest Educational Credit Union, Cleveland Heights Teachers Credit Union, Cleveland Heights Employees Credit Union, Euclid Municipal Credit Union, Access Financial, First United Equities, Legal Aid, Marine Midland, Amresco, Homepool, Trust Corp., Horth Contractors, Keystone, Equity One, Pace Realty, Silver Hill Financial, Mercury Real Estate Services, Optimal Lender Solutions, Five Brothers, York Claims, John Carroll University, Notre Dame College, University Hospital, and Ohio Department of Transportation.
- Memberships:** Appraisal Institute
Certified State of Ohio General Appraiser,
Certification Number 382462

Career Related Education

- 1975 **Cleveland Board of Realtors**
Valuation of Residential Property
- 1978 **John Carroll University**
Property Inspection I
Property Inspection II
- 1975 **Independent Fee Appraisers**
Valuation of Income Property
Condemnation
Valuation of Income Property

Appraisal Institute

- 1976 Review Appraisal Methods
1977 Appraisal Institute 1A
1978 Appraisal Institute 1B
Appraisal Institute VIII
1986 R41C Seminar
1987 Introduction to Income Capitalization
1988 Appraising Apartments Seminar
1989 Professional Practices Seminar
1990 Principles of Income Property Appraising
1991 Appraiser Certification Course
Standards of Professional Practice, Part A
Standards of Professional Practice, Part B
1992 Surviving and Prospering in the Nineties
1993 16th Annual Real Estate Economic Seminar
1994 Understanding Limited Appraisals and Reporting Options - General
17th Annual Real Estate Economic Seminar
Understanding Limited Appraisals and Reporting Options
1995 Phase I Site Assessments
1996 Limited Appraisals and Emerging Technology
Discounted Cash Flow Analysis
Residential Property Construction & Inspections
Appraising Residential Properties in Cleveland Neighborhoods
Hearts, Smarts & Courage
1997 Basic Income Capitalization
1998 Standards of Professional Practice - Part C
Fundamentals of Relocation Appraising
1999 Econometrics – The Journey Begins
International Symposium – The Globalization of Real Estate: What US Appraisers Need to Know
General Appraiser USPAP Update
Supporting Sales Comparison Adjustments
2000 Highest & Best Use Commercial Case Studies
Appraisal of Manufactured Housing
Attacking & Defending an Appraisal in Litigation
2001 Present Worth of Future Benefits
Regression Analysis in Appraisal Practice
Partial Interest Valuation/Divided
Gramm-Leach-Bliley Act & The Appraiser
2002 Understanding the New Residential Market
Commercial Markets in Cleveland & Akron
Relocation Issues
USPAP: The Changing Role of the Appraiser
Practical Ways to Leverage Adobe Acrobat PDF
Standards of Professional Practice, Part C, Course No. 430
Market to Market
Standards of Professional Practice – Part C
2003 Scope of Work: Expanding Your Range of Service
Black Mold
FBI vs. Mortgage Fraud
A Look at the Commercial/Industrial Market for 2003

Appraisal Institute - continued

- 2004 Evaluating Commercial Construction
 The Commercial Market in Cleveland & Akron
- 2005 Review Appraisers & The Use of Appraisal Reports
 The Real Estate Market & investing in Real Estate
 Effective Appraisal Writing
 National USPAP Update
 Site To Do Business
 Industrial/Retail/Office Real Estate Forum
- 2006 Land Valuation Adjustment Procedures
 Review Appraisers and the Use of Appraisal Reports
 Land Trusts and Valuing Interest Property
 Superintendent's Snippits Update from Ohio Dept. of Commerce
 Cleveland/Akron Regional Markets Industrial/Retail/Office Real Estate Forum
- 2007 Analyzing Operating Expenses
 Loss Prevention Program for Real Estate Appraisers
 7-Hour National USPAP Update Course
 Business Practices and Ethics
 Cleveland/Akron Regional Markets Industrial/Retail/Office Real Estate Forum
- 2008 Subdivision Valuation
 Real Estate Finance, Value, and Investment Performance
 Cleveland/Akron Regional Markets Ind./Retail/Office RE Forum
- 2009 Effectively Communicating the Appraisal
 7-Hour National USPAP Update Course
- 2010 Rates and Ratios: Making Sense of GIMS, OARS, and DCFS
 An Introduction to Valuing Commercial Green Buildings
- 2011 Playhouse Square and Central Business District
 7-Hour National USPAP Update Course
 Loss Prevention Program for Real Estate Appraisers
 Analyzing Distressed Real Estate

Cendant Network Services

- 1993 Regional Seminars: Partners in Success
- 1994 Leaders in Change
- 1995 Force of Excellence
- 1997 Show Me the Value

Ohio Department of Commerce

**Division of Real Estate &
Professional Licensing**

**John R. Kasich, Governor
David Goodman, Director**

AN APPRAISER LICENSE | CERTIFICATE
has been issued under ORC Chapter 4763 to:

NAME: Robert J Andrzejczyk

LIC/CERT #: 000382462

LIC LEVEL: Certified General Real Estate Appraiser

ISSUE DATE: 10/07/2011

EXPIRATION: 10/03/2012

USPAP DUE DATE: 10/03/2013