MEMORANDUM

To: Potential Bidder

From: Daniel Bird
Real Estate Advisor
OBO/PRE/MPE/EV

Date: March 5, 2012

Reference: Real Estate Appraisal

Attached, please find a Real Estate Appraisal Services Scope of Work (SOW) and a Real Estate Appraisal Specification and Format. These documents concern the appraisal of a parcel of land in Khartoum, Sudan and **should be made part of the Request for Proposal (RFP) to all firms interested in submitting fee quotes.**

U.S. DEPARTMENT OF STATE
DEPARTMENT OF OVERSEAS BUILDINGS OPERATIONS (OBO)
REAL ESTATE APPRAISAL SCOPE OF WORK (SOW)

Khartoum, Sudan

THE PROPERTY:

The subject of the appraisal is the former recreational facility for the US Embassy known as the Blue Nile Club. The original area of the site was 8,271 m2. In 2010 the City of Khartoum acquired 1,123 m2 of the site for the extension of the Corniche. The remaining area of the site is approximately 7,148 m2.

The preceding information is provided for informational purposes only and it is the responsibility of the appraiser to confirm factual information on the subject property, including zoning. The appraiser must independently research/confirm lot size. In addition, if the highest and best use of the site includes the existing improvements, the appraiser must ascertain the building sizes (i.e. by utilizing plans or measuring the structures). The appraisal report must itemize the land and any building sizes along with the source of the information. It is also beholden upon the appraiser to determine if the existing improvements are developed to the maximum density on the site, or could be expanded to maximize the density on the existing site, provided that the appraiser concludes that the continued existence of said improvements is the highest and best use. This element is critical since rarely is an appraiser able to simply return to the subject site to measure the buildings and research public records for land area.

PROPERTY RIGHTS:

Freehold Interest

APPRAISAL PROBLEM/PURPOSE OF THE APPRAISAL:

The "as is" market value of the freehold interest in the property based on its highest and best use of the property and consistent with local zoning codes, urban planning and other relevant local laws.

POINT OF CONTACT – LOCAL:

Local point of contact for this engagement is Robert Heater, General Services Officer, US Embassy Khartoum, Sudan [Tel. 249-187-022000, Email HeaterRD@State.Gov.

FORMAT AND DUE DATE:

All items specified in the APPRAISAL SPECIFICATIONS & FORMAT located on the following pages shall be included in a detailed and logical form. No departure from this provision shall be accepted without adequate explanation. Following OBO's recommended format and methodology will expedite the review process and approval for immediate payment of the invoice. The report must include all Assumptions & Limiting Conditions and a Signed Certification of Value.

1. An acceptable draft of the report produced under this service is due to OBO within ***30 days*** from receipt of the Purchase Order (PO). The draft must be submitted electronically, with analyses and addenda to BirdDE@state.gov.
2. The USG expects the draft report to have been thoroughly reviewed under a quality control procedure that it is fully compliant with the SOW, free from grammatical, methodological, and mathematical errors. If the review appraiser finds this is not the case, the report will be rejected and returned to the appraiser for revisions. If the report is returned for these reasons, it is not considered to have been received in an acceptable draft form and the USG reserves the right to impose a late penalty, as noted herein.
3. With the submission of the draft report, provide the reviewer **with electronic versions of all data summary tables and adjustment grids in an unlocked, usable Microsoft Excel format.**
4. Two copies of the final report are due one week following the completed review of the draft document by OBO. The review of the draft report is considered complete when the appraisers have addressed all questions to the satisfaction of OBO.
5. A complete copy of the final report must also be provided to OBO via CD-ROM.
6. The report must be transmitted in English.
7. Market value must be reported in the currency in which real estate transactions occur in the market. In addition, in the final value reconciliation market value must also be converted into US Dollars, with the exchange rate stated as of the date of value.

When approved, final reports must be sent to the review appraiser via overnight courier, i.e., FEDEX, UPS, or other express mail service to:

DANIEL E. BIRD III, MAI, SRA, MRICS
U.S. DEPARTMENT OF STATE, OBO/PRE/MPE/EV
1701 NORTH FT MYER DRIVE, RM 911H
ROSSLYN, VA 22209
TEL: 703-875-6239; EMAIL: BIRDDE@STATE.GOV.

FEE QUOTE: The fee quote provided in the following manner:

Post: Khartoum Vendor:				
Identification	**All-Inclusive Market Value Appraisal Fee Quote**	**Total Cost - Appraisal**	**All-Inclusive Update Market Value Appraisal Fee Quote**	**Total Cost - Appraisal**
Blue Nile Club	$0	$0	$0	$0
Up to two days field support	$0	$0		

The above fee quotes must be provided as separate line items. The USG may trigger these services separately or together, therefore, the initial fee should be priced as if done together and also priced as stand-alone assignments.

1. Fee quotes must be in US Dollars.
2. Fee quotes must be all-inclusive; therefore, all travel and incidental costs shall be included.
3. As part of this assignment, the USG is also seeking two days field support. In this regard, an OBO representative will likely be visiting post. Typical actions that may be requested

on the part of the contractor could include, a field inspection of sales and listing data relevant to solving an appraisal of the subject property, an inspection of the city and the areas of prime commercial and residential development, additional field research on the subject property in particular, negotiation guidance and other field research, as needed. The fee to provide this service should be presented as a separate line item.

4. With the submission of the fee quote, the vendor must also submit the name of the appraiser(s) who will be performing the market study assignment, their experience in the subject market and property type, the name/location of the office or firm that the appraiser is assigned to, and the appraiser's credentials. It is expected that the identified appraiser(s) will inspect the comparable properties and significantly contribute to the opinions rendered.
5. Fee quotes must remain valid for a period of up to eighteen months.
6. A separate fee quote must be provided to update the appraisal within 12-18 months from the completion of the initial assignment.
7. If the draft appraisal report is not delivered on or before the contractually agreed to date, and there is no mutual understanding between the USG and the contractor that the report will be late for good cause, ***the USG reserves the right to impose a 2% daily base fee reduction as penalty for each day the draft report is late.***

REVIEW AND APPROVAL:

Upon review of the appraisal, comments needing further clarification, if any, will be forwarded to the appraiser e-mail. There might be several rounds of communication including additional drafts, prior to the finalization of any report. Since these assignments are time sensitive, prompt responses are expected from the appraiser.

PAYMENT:

Payment will be made after OBO approval and receipt of the final reports and CD.

U.S. DEPARTMENT OF STATE
OVERSEAS BUILDINGS OPERATIONS (OBO)
REAL ESTATE APPRAISAL SPECIFICATIONS & FORMAT

Note to Appraisers: *The purpose of the Format is to assist the appraiser in the preparation of the appraisal report based on the needs of the U.S. Department of State. The justification for the value estimate should be presented clearly and logically with sufficient explanation to allow the reader to understand the appraiser's reasoning.*

The following outlines the ***minimum*** *requirements for real estate appraisals. The appraiser is instructed to meet these requirements in a format that generally follows the order below. Where appropriate, and based on additional appraisal requirements and customs in the country, in which the property is located, the specifications may be expanded to meet those requirements.* ***The appraiser should provide explanation for deviation from our specifications and/or departure.***

A review appraiser in the U.S. Department of State will review the appraisal for adherence to this format. In the event there are areas requiring completion or clarification, the review appraiser will contact the Appraiser to obtain the additional information. ***In order to expedite the review and approval process, the report must be in English and should contain the following information and analysis under each sub-heading:***

I. INTRODUCTION

A. **Title Page**
This shall include (1) the name of the property, (2) the name of the individual preparing the appraisal, and (3) the effective date of the value.

B. **Letter of Transmittal**
Report the value conclusion in the currency in which real estate transactions occur in the market and convert it into US Dollars, with the exchange rate stated as of the date of value. Additionally, a signature(s) of the appraiser(s) attesting the value must be included. Any extraordinary assumptions and/or limiting conditions applicable to the estimated market value must be stated.

C. **Table of Contents**

D. **Photographs**
Pictures of the appraised property showing the front and rear views of the land and buildings, street scenes, and any other unusual features.

E **Executive Summary of Important Conclusions**
The appraiser should reference the attached sample Executive Summary for items to be included.

F. **Assumptions and Limiting Conditions**
Include any assumptions and limiting conditions in preparing the appraisal report.

G. **Competency Provision**

Indicate whether the appraiser is competent to appraise the subject property and whether the appraiser had adequate experience in appraising properties similar to the subject in the area or region.

II. FACTUAL DATA

A. **Identification of the Property**

This should include the common address, the legal description.

B. **Ownership Information**

The name and address of all parties having a legal interest in the ownership shall be included.

C. **Zoning**

Ascertain the current zoning, permitted uses, density, building restrictions, any change in zoning (uses) in the neighborhood for better or worse, and historic designations.

D. **Real Estate Assessment Information**

Include the assessed value and whether the assessed value is intended to represent market value.

Purpose of the Appraisal

See attached Scope of Work.

Function of the Appraisal

The appraisal is to be used in connection site acquisition.

Scope of the Appraisal

Explain the research and verification of the data and the analysis conducted by the appraiser to estimate the market value of the subject property.

Property Rights Appraised

Freehold / Fee simple interest.

Area/City/Neighborhood Analysis

Data should include detailed information on the social and economic influences in the region, city and the subject neighborhood of the appraised property to clearly demonstrate value trends. Neighborhood analysis should include the surrounding developments and trends, accessibility, proximity to surrounding amenities, developments, and cities/central business district. **This section should also include area, city, and neighborhood maps indicating the subject's location**

Market Analysis

Describe and analyze the regional and local real estate market conditions that impact the appraised property such as supply, demand, vacancy rates, trends in value, sales prices, rental rates, etc. Indicate the marketability (who is a typical buyer for the subject) and a reasonable marketing time for the subject property under study.

Property Data

Site: Describe the physical characteristics of the site, its dimensions, and size (square meters, etc.). In addition, this section should include description of frontage, accessibility, any easements and encroachments on the land, available utilities to the site. Please conclude the marketability of the site based on physical and functional characteristics.

Improvements: Describe all improvements, including: dimensions, size, age and effective age, type of construction, details of the building/structural components, use, differed maintenance, overall condition, functional utility, and marketability.

III. ANALYSIS OF PROPERTY AND VALUATION DATA

Highest and Best Use

The estimated market value should conform to the Highest and Best Use conclusion.

Highest and Best Use as Vacant: Analyze the site as though it were vacant. Based on what is physically possible, legally permissible, and financially feasible, state the use that would produce the highest financial return to the land. If possible, provide financial income and expense comparisons. If the maximal use differs from the existing use of the land, then the property should be appraised based on its highest and best use as vacant.

Highest and Best Use as Improved: Compare the existing improvement to the ideal improvement. Discuss whether the existing improvement should be renovated to achieve a greater value, or whether the existing improvement should be demolished and replaced. Utilize the same criteria of physically possible, legally permissible and financially feasible. State your conclusion of the overall highest and best use. This conclusion should serve as the basis for selecting sales and/or rental comparables.

Approach to Value (Appraisal Procedures)

The appraiser shall explain the approach or approaches used in estimating the property value. The appraiser should provide an explanation for any deviation/departure from the applicable approach.

Valuation Methodology

Briefly explain the appraisal method used and the sources of the data analyzed. In the case of income producing property, or potential income producing property, the income capitalization approach should also be used. In cases where very limited market data is available, the cost approach should also be used, particularly in the case of newer buildings. The relevance of each

approach should reflect the views of the most likely purchaser of the property within the context of the local market.

Cost Approach: Estimate value based on the value of the land plus the depreciated value of the cost to replace the existing improvement. This approach should be utilized for improved properties which are less than ten years old where depreciation can be estimated, and in markets where reliable market data for the sales comparison and income capitalization approach is limited. Provide land sales comparables as follows: photograph or plot plan, address, land area, frontage on roadway, shape, zoning, highest and best use, buyer, seller, date of sale, sales price, sales price per appropriate unit of measure in U.S. dollars and in local currency. Include a map showing the appraised property and the land sales comparables. Discuss adjustments to the land sales comparables and provide a grid showing the adjustments. **Appraiser must estimate the land value, even if the improvements are so old that further analysis under the cost approach is not necessary.**

As a basis for the estimate of the **replacement cost new,** use either comparable building costs provided by local builders, or a cost manual. Indicate any **deferred maintenance** which you consider to be necessary in order to maintain the property. From the replacement cost new, deduct the estimated costs to repair these items. If applicable, three forms of depreciation should be estimated as follows; **physical, functional and economic depreciation**. Physical depreciation is measured by a ratio of the effective age of the property, based on its condition to the total expected life of the improvement. From the replacement cost new less the cost to repair deferred maintenance figure, deduct physical depreciation as a percentage of that cost. Functional depreciation is measured by estimating the loss in income which can be attributed to a functional characteristic of the building which results in a lower rent relative to the overall market. For example, if the building would achieve a lower rent because of its small room sizes, or lack of elevators, the capitalized loss in rent should be deducted as functional depreciation. Economic depreciation which results from either external factors which detract from value or market rents which have decreased since the building was built should be deducted. Estimate the rent loss due to the external factor. Capitalize that loss at a reasonable capitalization rate as the measure of economic depreciation.

The final value estimate by the cost approach is the land value plus the depreciated replacement cost of the building.

Sales Comparison Approach: Estimate value based on sales and properties available for sale that are most similar to the appraised property. Indicate the following for each comparable sale: photograph, type of property, address, land area, gross and net floor area, condition of the comparable, proximity to the appraised property, date of sale, buyer, seller, sales price, and sales price per appropriate unit of measure. Provide available information on financing, the legal interest conveyed, and any other transaction information. Include a map showing the location of the appraised property and the comparables. An adjustment grid ***must*** be provided in tabular form to demonstrate the analysis developed in reaching the value conclusion (a sample of the data adjustment chart is presented in the Addenda

of this document). Photographs and a tax/location map of the comparable land sales are required.

Briefly discuss the major variables which have an impact on value such as location, size, condition, zoning, etc. Based on these variables, compare the comparables to the property being appraised stating whether the comparable is inferior to or superior to the appraised property for each variable. Attempt to quantify the amount of adjustment required for each comparable in order to **adjust it to the appraised property** for each variable. Present the data in **grid form**. Estimate the value of the appraised property by the sales comparison approach.

Income Capitalization Approach: Estimate value based on the property's anticipated income from the perspective of a typical investor in the marketplace. **Rent comparables must be provided to estimate the fair market rent.** Present the following information for each comparable: photograph, property type, address, total floor area, leased area, landlord, tenant, date of lease, number of years of lease, lease rate per appropriate unit of measure and time period in U. S. dollars, parking available to the tenant as included in the lease rate, and additional expenses paid by the landlord, if applicable. Include a map showing the location of the appraised property and the comparables. An adjustment grid ***must*** be provided in tabular form to demonstrate the analysis developed of the comparable rentals in reaching the value conclusion. Discuss any adjustments to the comparables and estimate a market rental rate for the appraised property. Based on the rental estimate, calculate the **potential gross income** of the appraised property. If a vacancy factor is appropriate in the market, estimate a **vacancy rate** and subtract that amount from potential gross income in order to calculate the **effective gross income.**

Estimate all expenses that the landlord would pay in order to operate the property such as real estate taxes, insurance, repairs and maintenance. If possible, base the estimate on actual expenses of properties in the market. Subtract the total expense estimate from effective gross income in order to calculate the **net operating income**.

Estimate an appropriate **capitalization rate** based on a reasonable expectation of return on the investment appropriate to the market. If investors exist in the market, research the rate of return investors would expect on net operating income in order to invest in the type of real estate. If investors are not available, compare real estate with other available types of investments, taking into consideration any risks inherent in the real estate market. If there are sales of properties for which you can estimate net operating income, divide the net operating income by the sales price in order to calculate a capitalization rate. Estimate value by dividing the net operating income by the capitalization rate.

Final Reconciliation of Value: Briefly summarize the approach you consider to be the most reliable estimate of value based on the quantity and the quality of the data, as well as the approach that best applies to the market and state the final value estimate**.**

Analysis and Interpretation

The appraiser should analyze and discuss the market information relating to the property, and explain to the reader how the value conclusion was determined. The analysis should include the use of comparison grids displaying the comparable sales and rentals, and a discussion of the differences between the subject property and the comparable.

Reconciliation of Estimates

Discuss and reconcile each valuation approach when more than one approach is used, and show the final value conclusion based on the analysis. Indicate the approach most relied upon in concluding the open market value and explain. The value estimate must be reported in the currency in which real estate transactions typically take place as well as in US dollars (include the exchange rate and the date of the exchange rate).

Certification

This section shall include a signed statement that ***"the appraisal company (indicate the name) nor the appraiser has no present or prospective interest In the property that is the subject of this report, and has no personal interest or bias with respect to the parties involved."*** Also, state that, the appraiser(s) have personally inspected the premises, inspection date(s), effective date and amount of value estimate, etc.

IV. COMPARABLE DATA EXHIBITS

A. **Location and comparable sales Map**

Show geographic location of the appraised property and the comparable sales properties used in the sales comparison t approach. Map(s) should be of sufficient detail to locate properties if an OBO field review occurs.

B. **Photographs of Comparable Sales Properties**

C. **Detail of the Comparative Data**

Include descriptions of the comparable sales and indicate the following for each sale: photograph, type of property, address, land area, gross and net floor area if applicable, condition of the comparable, proximity to the appraised property, date of sale, buyer, seller, sales price, and sales price per appropriate unit of measure. Present the price data in local currency and U.S. dollars based on the exchange rate as of the date of sale. Provide available information on financing, the legal interest conveyed, and any other transaction information.

V. ADDENDA

D. **Plot Plan/Survey Map/Tax Map**

E. **Floor Plans (if applicable)**

F. **Other Pertinent Exhibits**

G. **Appraiser Qualifications**

THE APPRAISER IS ALSO ASKED TO INCLUDE AN EXECUTIVE SUMMARY SIMILAR TO THE FOLLOWING AT THE BEGINNING OF THE APPRAISAL REPORT

EXECUTIVE SUMMARY

Property Name: *

Property Address & Location: *

Current Use: *

Interest Appraised: Freehold / leasehold / perpetual use rights

Date of Value: *

Date of Appraisal: *

Zoning: *

Legal Ownership: *

Land Area: XX,XXX square meters, rectangular shape

Building Area: X,XXX+/- gross square meter office building with on-site parking for XXX vehicles

Date of Construction: Constructed in 19XX, expanded in 19XX

Highest and Best Use:

As Vacant: *

As Improved:

Value Indicators	Market Value (USD)	Market Value
Cost Approach	$	*
Land Value	$	*
Sales Comparison Approach	$	*
Income Approach	$	*
Market Rental Estimate	$	*
Final Conclusion of Value	**$**	*

Exchange Rate: * as of (date)

Special Assumptions: Note any assumptions

COMPARABLE RENTALS SUMMARY TABLE

	Subject	1	2	3	4	5	6
Building Name	Subject Info	IA Business Center	Escoto Building	Palau Construction Bank Building	Thompson Tower	Han Pa Building	NECO Office Building
Building Address							
Neighborhood							
No. of Floors	10						
Year Built	2004						
Floor of Leased Space	1st	2nd	2nd	1st	1st	3rd	1st
Floor Area Leased (M²)	1,650	576	940	800	1,200	700	678
Lease Date		Jun-05	May-05	May-05	Mar-05	Feb-05	Jul-05
Lease Term	5 years	2 years	1 year	1 year	2 years	1 year	5 years
Services (Full / Net)							
Escalation Clause							
Parking (Rent/Space/Year)							
Condition							
Standard Tenant Fitout (Per M²)							
Rent / Month (local currency)		**900.00**	**1,375.00**	**900.00**	**1,700.00**	**1,000.00**	**678.00**
Annual Rent (local currency)		10,800.00	16,500.00	10,800.00	20,400.00	12,000.00	8,136.00
Rent / M² /Mo. (local currency)		18.75	17.55	13.50	17.00	17.14	12.00
Comments	.	Four-story walk up commercial / residential building. Landlord completed interior improvements and added 2 split A/C units.	Recently completed 2-story office building along road to CBD.	Recently completed 2-story commercial / residential building along road to CBD. Finished office space without interior walls.	Four-story walk up commercial / residential building. Partially furnished.	New building. Rent includes 2 parking spaces @ 350/sp.	Recently completed 2-story office building along main street in downtown area.

COMPARABLE RENTALS ADJUSTMENT GRID

COMPARISON ELEMENTS	Rental 1	Rental 2	Rental 3	Rental 4	Rental 5	Rental 6	Rental 7
Rent per M²/Year (local currency)	1,000.00	2,000.00	2,500.00	1,750.00	3,500.00	3,500.00	3,500.00
Conditions of Rental Adjustment	0%	0%	0%	0%	0%	0%	0%
Adjusted Price	1,000.00	2,000.00	2,500.00	1,750.00	3,500.00	3,500.00	3,500.00
Market Conditions Adjustment	0%	0%	0%	0%	0%	0%	0%
Adjusted Price	1,000.00	2,000.00	2,500.00	1,750.00	3,500.00	3,500.00	3,500.00
Adjustments for Physical and Economic Factors:							
Location	0%	0%	0%	0%	0%	0%	0%
Condition	0%	0%	0%	0%	0%	0%	0%
Size	0%	0%	0%	0%	0%	0%	0%
Expense Basis	0%	0%	0%	0%	0%	0%	0%
Factor	0%	0%	0%	0%	0%	0%	0%
Factor	0%	0%	0%	0%	0%	0%	0%
Factor	0%	0%	0%	0%	0%	0%	0%
Factor	0%	0%	0%	0%	0%	0%	0%
Final Adjusted Price per M²	**1,000.00**	**2,000.00**	**2,500.00**	**1,750.00**	**3,500.00**	**3,500.00**	**3,500.00**
For Reconciliation Purposes:							
Total Net Adjustment	0%	0%	0%	0%	0%	0%	0%
Total Gross Adjustment	0%	0%	0%	0%	0%	0%	0%
Final Adjusted Rental Value per M²	1,000.00	2,000.00	2,500.00	1,750.00	3,500.00	3,500.00	3,500.00
Weighting	10.00%	35.00%	35.00%	10.00%	10.00%	10.00%	10.00%
Weighted Reconciliation	100.00	700.00	875.00	175.00	350.00	350.00	350.00
Reconciled Rental Value in USD							

Sample Tabular Presentation to be used in Presentation of Sale Data

ELEMENT	SUBJECT PROPERTY	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	Sale 6	Sale 7
Property Name	US Chancery	Insert Building Name	Insert Building Name	Insert Building Name	Insert Building Name	Insert Building Name	Insert Building Name	Insert Building Name
Address	Insert Subject Property info	Insert Property Address	Insert Property Address	Insert Property Address	Insert Property Address	Insert Property Address	Insert Property Address	Insert Property Address
Sale Price, converted to US Dollars	N/A	$62,040,000	$72,600,000	$63,360,000	$79,200,000	$77,880,000	$85,800,000	$81,840,000
Sale Price in Euros (or in whatever currency transactions typically take place, such as US dollars)	N/A	47,000,000 €	55,000,000 €	48,000,000 €	60,000,000 €	59,000,000 €	65,000,000 €	62,000,000 €
Price per square meter	**N/A**	**1,502 €**	**1,634 €**	**1,700 €**	**2,000 €**	**1,900 €**	**2,300 €**	**2,100 €**
Property Rights	Freehold	Freehold	Freehold	Freehold	Freehold	Freehold	Freehold	Freehold
Terms	N/A	All cash	$40,000,000 Loan financed by seller at 2% below market	All Cash	Bank Financing at market rate	Bank Financing at market	Bank Financing at market	Bank Financing at market
Conditions of Sale	Normal	Normal	Normal	Highly Motivated Seller	Normal	Normal	Normal	Normal
Date of Sale	Current	5-Mar-10	15-Jan-11	1-Aug-10	7-Mar-11	10-Sep-10	12-Apr-11	15-Dec-10
Purchaser (Grantee)	N/A	Welch Company	Simsonville CO	Weaver Systems	Brady Corp	Jennings Industires	Bothwell Enterprises	Dusek, LLC
Seller (Grantor)	N/A	Bird Family Charitable Remainder Trust	Bainbridge Corp.	Menown In-town	Dallara Company	Hicks Vulture Fund	Foynes and O'Donoghue, JV	Bainbridge and Lauster, LLC
Deed Reference (book / page)	N/A	insert deed reference, if available	insert deed reference, if available	insert deed reference, if available	insert deed reference, if available	insert deed reference, if available	insert deed reference, if available	insert deed reference, if available
PHYSICAL INFORMATION								
Property Use - Time of Sale	US Government Offices	Office Building	Office Building	Office Building	Office Building	Office Building	Office Building	Office Building
Site - Square Meters	10,000	6,000	5,500	10,000	9,000	9,500	13,000	12,000
Building - Square Meters	30,000	31,300	33,670	28,235	30,000	31,053	28,261	29,524
Location	Good - 1.5 km from the CBD	Inferior - 5 km from the CBD	Inferior - 5 km from the CBD	Equal	Equal	Equal	Equal	Equal
Age/Condition	10 Years/Very Good Condition	25 Years/ Average Condition	10 Years/Good Condition	20 Years/Average Condition	10 Years/Very Good Condition	23 Years/Average Condition	5 years/Excellent Condition	5 Years/Very Good Condition
Construction Quality	Good	Very Good	Good	Good	Good	Good	Very Good	Very Good
Parking	Structured Parking For 50 Cars	No Parking	Comparable	Comparable	Superior Parking Ratio	Comparable	Comparable	Comparable
FINANCIAL INFORMATION								
Occupancy at Time of Sale	N/A	97%	97%	97%	97%	97%	97%	97%
Potential Gross Income	N/A	5,000,000 €	5,000,000 €	5,500,000 €	5,000,000 €	6,000,000 €	6,500,000 €	6,200,000 €
Less: Vacancy and Collection Loss	N/A	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Effective Gross Income	N/A	4,750,000 €	4,750,000 €	5,225,000 €	4,750,000 €	5,700,000 €	6,175,000 €	5,890,000 €
Operating Expenses / Ratio	N/A	35%	1,700,000 €	35%	1,000,000 €	35%	35%	35%
Net Operating Income	N/A	3,087,500 €	3,050,000 €	3,396,250 €	3,750,000 €	3,705,000 €	4,013,750 €	3,828,500 €
Overall Capitalization Rate	N/a	6.6%	5.5%	7.1%	6.3%	6.3%	6.2%	6.2%

SAMPLE DATA ADJUSTMENT CHART TO BE USED IN THE APPRAISAL
(Improved Sales)

COMPARISON ELEMENTS	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	Sale 6	Sale 7
Price per Square Meter (Local Currency)	1,500	1,635	1,700	2,000	1,900	2,300	2,100
Property Rights Adjustment	0%	0%	0%	0%	0%	0%	0%
Adjusted Price	1,500	1,635	1,700	2,000	1,900	2,300	2,100
Financing Adjustment	0%	0%	0%	0%	0%	0%	0%
Adjusted Price	1,500	1,635	1,700	2,000	1,900	2,300	2,100
Conditions of Sale Adjustment	0%	0%	0%	0%	0%	0%	0%
Adjusted Price	1,500	1,635	1,700	2,000	1,900	2,300	2,100
Market Conditions Adjustment	0%	0%	0%	0%	0%	0%	0%
Adjusted Price	1,500	1,635	1,700	2,000	1,900	2,300	2,100
Location and Physical Adjustments:							
Location	0%	0%	0%	0%	-20%	0%	0%
Site Area	10%	10%	0%	0%	0%	-5%	-10%
Improvement Area	0%	5%	5%	5%	0%	+5%	10%
Condition	15%	0%	10%	-10%	15%	-15%	-5%
Quality	5%	0%	0%	0%	0%	-10%	-10%
Other	-10%	0%	0%	-5%	0%	0%	0%
Final Adjusted Price per M2	**1,800**	**1,880**	**1,955**	**1,800**	**1,805**	**1,725**	**1,890**
For Reconciliation Purposes:							
Total Net Adjustment	20%	15%	15%	-10%	-5%	-25%	-10%
Total Gross Adjustment	40%	15%	15%	15%	35%	35%	35%
Final Adjusted Price	1,800	1,880	1,955	1,800	1,805	1,725	1,890
Weighting	5.0%	15.0%	15.0%	15.0%	25.0%	10.0%	15.0%
Weighted Reconciliation							