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APPRAISAL REPORT  
ON THE EXISTING  
*MULTI-TENANT*  
*RETAIL/OFFICE BUILDING*  
LOCATED AT  
**195 N 2<sup>ND</sup> E**  
MOUNTAIN HOME, IDAHO 83647

FOR

MR. ALAN BERMENSOLO  
MOUNTAIN HOME URBAN RENEWAL AGENCY  
C/O MIRACLE & ASSOCIATES  
P.O. BOX 1150  
MOUNTAIN HOME, ID 83647

EFFECTIVE DATE OF VALUE:  
AUGUST 9, 2019

LA FILE NO. 19.1140o  
BY

SAM LANGSTON, MAI  
IDAHO CGA #195



August 20, 2019

Mr. Alan Bermensolo  
Mountain Home Urban Renewal Agency  
C/O Miracle & Associates  
P.O. Box 1150  
Mountain Home, ID 83647

Re: Appraisal Report on the existing 6,906±sf multi-tenant retail/office building located at 195 N. 2<sup>nd</sup> E, Mountain Home, ID 83647

Dear Mr. Bermensolo:

In accordance with your request for an appraisal on the above captioned property, Langston & Associates has conducted market investigations, gathered pertinent data, and performed the analysis necessary for the appraisal process. From such, an opinion regarding the market value "As Is" as defined in the report, for the Leased Fee Estate of the subject property has been formed.

The information herein is presented with the understanding that appraisals and reporting formats vary greatly depending upon the client's individual needs, time constraints, the size and complexity of the property, and the intended use of the data. It is at your request and by mutual agreement that the written report be presented in a summary format.

This appraisal report is intended to comply with the reporting requirements set forth under Standards Rule 2-2(A) of the Uniform Standards of Professional Appraisal Practice 2018/2019 Edition for an appraisal report. As such, it presents summary discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraisers' opinion of value. Additional supporting documentation concerning the data, reasoning, and analyses is retained in the appraisers' file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated within the report. The appraiser is not responsible for unauthorized use of this report.

This report is intended to comply with the USPAP 2018/2019 Edition Scope of Work Rule and has been prepared in accordance with the Appraisal Standard Board's Advisory Opinions 28 and 29.

This appraisal report has been prepared in conformance with the requirements of the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA); the Interagency Appraisal and Evaluation Guidelines and the Uniform Standards of Professional Practices (USPAP). This appraisal includes an estimate of exposure time as required in Statement 6 (USPAP) and clearly states the Scope of Work and reporting options used under Standard 2-2(USPAP). Market value is defined by the Federal Deposit Insurance Corporation (FDIC) and is in compliance with FIRREA. The report clearly and accurately discloses all assumptions, extraordinary assumptions, hypothetical conditions, and limiting conditions used in the assignment.

The primary value being sought by the client is the Market Value of the Leased Fee Estate "As Is." As of the effective date of this report, the subject property was 22% leased by two individual tenants. The remaining 78% of the building was vacant and designed for a single occupant. Two of the three customary approaches to value—Sales Comparison and Income—were determined to be applicable to the subject property. The most likely purchaser is viewed as being an investor or an owner occupant or combination thereof. After carefully considering the most likely purchaser in the subject's market segment, primary weighting was given to the indication provided by the Income Approach and secondary weighting was given to the indication provided by the Sales Comparison Approach. Of the three approaches to value, the Cost Approach is considered to be the least applicable because of the subjectivity of the depreciation estimate required in the valuation of the existing improvements. The Sales Comparison and Income Approaches are most reliable. In this instance the Cost Approach has been excluded from the analysis. The elimination of the Cost Approach is not considered to affect the reliability or credibility of the value estimate presented herein.

The existing improvements include a multi-tenant retail/office building with 6,906±sf of gross leasable area (GLA) located on a 0.138± acres (6,011.28±sf) site. According to the Elmore County Assessor's office, the building was built in 1962. The building is of masonry construction and is finished on the exterior with a combination of stucco and brick veneer with large storefront windows. The improvement is covered by a flat membrane roof. The interior finishes include painted and textured drywall walls, a combination of commercial grade carpet, vinyl, and CVT tile flooring, hard surface ceilings with areas of finished exposed beams, lighting consists of various fluorescent, incandescent and canned fixtures, double-pane windows with aluminum frames, solid wood core interior doors along with glass storefront exterior doors, and an HVAC system for climate control. The interior of the building is divided into three individual retail/office areas. Two of the areas are typical retail/office spaces and measure 700±sf and 800±sf. The larger space is at the northeast corner of the building and measures 5,406±sf and includes a 2,000±sf finished mezzanine. The building also has a 3,000±sf unfinished storage basement.

Overall, the building is of average quality construction and is in average condition. Site improvements include signage, concrete curb, gutter and walks, and minimal landscaping.

Langston & Associates has employed extraordinary assumptions for the purpose of this report and their use may have affected the assignment results. The extraordinary assumptions will be addressed in the Overview of Assumptions and Limiting Conditions section of this report.

The value estimate reported herein, would result in a sale of the property within an approximate 12± month period, under present market dynamics. This assumes the property is offered at a price approaching that contained within the parameters developed in this appraisal report and that the property is actively and professionally marketed.

Therefore, based upon the physical inspection of the subject, the analyses undertaken, the market and ancillary investigations performed; and, subject to the Assumptions and Limiting Conditions set forth in the report, the Addenda, and this Letter of Transmittal, it is my opinion that the market value of the Leased Fee Estate "As Is" as of August 9, 2019 was:

**MARKET VALUE OF THE LEASED FEE ESTATE "AS IS:" .....\$253,000**

The following appraisal report sets forth a description of the subject property, explanations of the data, reasoning and analysis leading to the conclusions set forth. I trust that you will find the information contained in the report relevant to your decisions regarding the subject property. Should you have any questions regarding this report, or if I may be of further service to you on future projects, please contact me at your convenience.

Sincerely,  
LANGSTON & ASSOCIATES, INC.

**Sam L.  
Langston**

Digitally signed by Sam L. Langston  
DN: cn=Sam L. Langston, o=Langston  
& Associates, ou=Principal,  
email=sam@slangston.com, c=US  
Date: 2019.08.20 14:43:29 -06'00'

Sam Langston, MAI  
Idaho CGA #195