

Integra Realty Resources
Cincinnati/Dayton

Appraisal of Real Property

Reid Park Golf Course
Golf Course Property
1325 S. Bird Road
Springfield, Clark County, Ohio 45505

Prepared For:
City of Springfield

Effective Date of the Appraisal:
January 1, 2015

Report Format:
Appraisal Report – Standard Format

IRR - Cincinnati/Dayton
File Number: 108-2016-0323





Reid Park Golf Course
1325 S. Bird Road
Springfield, Ohio



July 15, 2016

Mr. Jerome M. Strozdas
Law Director
City of Springfield
73 E. High Street
Springfield, OH 45502

SUBJECT: Market Value Appraisal
 Reid Park Golf Course
 1325 S. Bird Road
 Springfield, Clark County, Ohio 45505
 IRR - Cincinnati/Dayton File No. 108-2016-0323

Dear Mr. Strozdas:

Integra Realty Resources – Cincinnati/Dayton is pleased to submit the accompanying appraisal of the referenced property. The purpose of the appraisal is to develop an opinion of the retrospective market value of the fee simple interest in the property. The client for the assignment is City of Springfield, and the intended use is for tax assessment purposes.

The subject is an existing 36 hole golf course property with a total of nine buildings. The improvements include a pro-shop, a restaurant building, various restroom buildings, a cart storage building, a second metal quonset hut cart storage building, a picnic shelter building, two metal course maintenance buildings as well as numerous on course restroom buildings and shelter buildings. There is also asphalt parking area, some fencings and gravel cart paths. The improvements were constructed in 1965 with various additions and renovations, the most recent of which occurred in 2007. The improvements are 100% owner occupied as of the effective appraisal date. The site area is 380.60 acres and is zoned G-green space.

The appraisal is intended to conform with the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute and applicable state appraisal regulations.

To report the assignment results, we use the Appraisal Report option of Standards Rule 2-2(a) of USPAP. As USPAP gives appraisers the flexibility to vary the level of information in an

Mr. Jerome M. Strozdas
City of Springfield
July 15, 2016
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Appraisal Report depending on the intended use and intended users of the appraisal, we adhere to the Integra Realty Resources internal standards for an Appraisal Report – Standard Format. This format summarizes the information analyzed, the appraisal methods employed, and the reasoning that supports the analyses, opinions, and conclusions.

Based on the valuation analysis in the accompanying report, and subject to the definitions, assumptions, and limiting conditions expressed in the report, our opinion of value is as follows:

Value Conclusion			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Retrospective Market Value	Fee Simple	January 1, 2015	\$2,280,000

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. It is assumed the property was in similar condition on the retrospective date as it was the date of inspection. The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

1. None

If you have any questions or comments, please contact the undersigned. Thank you for the opportunity to be of service.

Respectfully submitted,

Integra Realty Resources - Cincinnati/Dayton



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Summary of Salient Facts and Conclusions

Property Name	Reid Park Golf Course	
Address	1325 S. Bird Road Springfield, Clark County, Ohio 45505	
Property Type	Recreational - Golf Course	
Owner of Record	The City of Springfield Ohio	
Tax ID	33007000151001001, 33007000151001002, 33007000151001003, 33007000152001015, 33007000152001016, 30007000152001032, 33007000153051026, 33007000163041001, 33007000212031004, 33007000212041003 and 34007000224181002	
Land Area	380.60 acres; 16,666,056 SF	
Gross Building Area	18,291 SF	
Percent Leased	NA	
Year Built; Year Renovated	1965, 1966, 1967, 1996, 2007; Varies	
Zoning Designation	G, Green Space, Park and School District	
Highest and Best Use - As if Vacant	Recreational use	
Highest and Best Use - As Improved	Continued recreational use	
Exposure Time; Marketing Period	24-36 months; 24-36 months	
Effective Date of the Appraisal	January 1, 2015	
Date of the Report	July 15, 2016	
Property Interest Appraised	Fee Simple	
Market Value Indications		
Cost Approach-Land Value Only	\$2,280,000	(\$63,333/Hole)
Sales Comparison Approach	\$2,160,000	(\$60,000/Hole)
Income Capitalization Approach	Not Used	
Market Value Conclusion	\$2,280,000	(\$63,333/Hole)
The values reported above are subject to the definitions, assumptions, and limiting conditions set forth in the accompanying report of which this summary is a part. No party other than City of Springfield and Clark County Auditors office may use or rely on the information, opinions, and conclusions contained in the report. It is assumed that the users of the report have read the entire report, including all of the definitions, assumptions, and limiting conditions contained therein.		

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. It is assumed the property was in similar condition on the retrospective date as it was the date of inspection. The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

1. None

General Information

Identification of Subject

The subject is an existing 36 hole golf course property with a total of nine buildings. The improvements include a pro-shop, a restaurant building, various restroom buildings, a cart storage building, a second metal quonset hut cart storage building, a picnic shelter building, two metal course maintenance buildings as well as numerous on course restroom buildings and shelter buildings. There is also asphalt parking area, some fencings and gravel cart paths. The improvements were constructed in 1965 with various additions and renovations, the most recent of which occurred in 2007. The improvements are 100% owner occupied as of the effective appraisal date. The site area is 380.60 acres and is zoned G-green space. A legal description of the property was not provided.

Property Identification

Property Name	Reid Park Golf Course
Address	1325 S. Bird Road Springfield, Ohio 45505
Tax ID	33007000151001001, 33007000151001002, 33007000151001003, 33007000152001015, 33007000152001016, 30007000152001032, 33007000153051026, 33007000163041001, 33007000212031004, 33007000212041003 and 34007000224181002
Owner of Record	The City of Springfield Ohio

Sale History

To the best of our knowledge, no sale or transfer of ownership has taken place within a three-year period prior to the effective appraisal date.

Pending Transactions

To the best of our knowledge, the property is not subject to an agreement of sale or an option to buy, nor is it listed for sale, as of the effective appraisal date.

Purpose of the Appraisal

The purpose of the appraisal is to develop an opinion of the retrospective market value of the fee simple interest in the property as of the effective date of the appraisal, January 1, 2015. The date of the report is July 15, 2016. The appraisal is valid only as of the stated effective date or dates.

Definition of Market Value

Market value is defined as:

“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:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- 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.”

(Source: Code of Federal Regulations, Title 12, Chapter I, Part 34.42[g]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472)

Definition of Property Rights Appraised

Fee simple estate is defined as, “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.”

Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 6th ed. (Chicago: Appraisal Institute, 2015)

Intended Use and User

The intended use of the appraisal is for tax assessment purposes. The client is City of Springfield. The intended users are City of Springfield and Clark County Auditor’s office. The appraisal is not intended for any other use or user. No party or parties other than City of Springfield and Clark County Auditor’s office may use or rely on the information, opinions, and conclusions contained in this report.

Applicable Requirements

This appraisal is intended to conform to the requirements of the following:

- Uniform Standards of Professional Appraisal Practice (USPAP);
- Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute;
- Applicable state appraisal regulations;

Report Format

This report is prepared under the Appraisal Report option of Standards Rule 2-2(a) of USPAP. As USPAP gives appraisers the flexibility to vary the level of information in an Appraisal Report depending on the intended use and intended users of the appraisal, we adhere to the Integra Realty Resources internal standards for an Appraisal Report – Standard Format. This format summarizes the information

analyzed, the appraisal methods employed, and the reasoning that supports the analyses, opinions, and conclusions.

Prior Services

USPAP requires appraisers to disclose to the client any other services they have provided in connection with the subject property in the prior three years, including valuation, consulting, property management, brokerage, or any other services. We have not performed any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

Scope of Work

To determine the appropriate scope of work for the assignment, we considered the intended use of the appraisal, the needs of the user, the complexity of the property, and other pertinent factors. Our concluded scope of work is described below.

Valuation Methodology

Appraisers usually consider the use of three approaches to value when developing a market value opinion for real property. These are the cost approach, sales comparison approach, and income capitalization approach. Use of the approaches in this assignment is summarized as follows:

Approaches to Value		
Approach	Applicability to Subject	Use in Assignment
Cost Approach	Not Applicable	Not Utilized
Sales Comparison Approach	Applicable	Utilized
Income Capitalization Approach	Not Applicable	Not Utilized

The **sales comparison approach** is the most reliable valuation method for the subject due to the following:

- There is an active market for properties similar to the subject, and sufficient sales data is available for analysis.
- This approach directly considers the prices of alternative properties having similar utility.
- This approach is typically most relevant for owner-user properties.

The **income approach** is not applicable to the subject because:

- This approach does not reflect the primary analysis undertaken by a typical owner-user.

The **cost approach** is not applicable to the subject considering the following:

- The age of the property makes estimates of accrued depreciation very subjective.
- This approach is not typically used by market participants, except for new properties.

- The land value has been estimated to determine the highest and best use for the subject property.

Research and Analysis

The type and extent of our research and analysis is detailed in individual sections of the report. This includes the steps we took to verify comparable sales, which are disclosed in the comparable sale profile sheets in the addenda to the report. Although we make an effort to confirm the arms-length nature of each sale with a party to the transaction, it is sometimes necessary to rely on secondary verification from sources deemed reliable.

Inspection

James A. Herbig, SRA, conducted an interior and exterior inspection of the property on April 18, 2016. Michael A. Cahill conducted an interior and exterior inspection on April 18, 2016.

Significant Appraisal Assistance

It is acknowledged that Jessica Caesar made a significant professional contribution to this appraisal, consisting of performing appraisal analyses and assisting in report writing, under the supervision of the persons signing the report.

Economic Analysis

Clark County Area Analysis

Clark County is 397 square miles in size and has a population density of 340 persons per square mile. Clark County is part of the Springfield, OH Metropolitan Statistical Area, hereinafter called the Springfield MSA, as defined by the U.S. Office of Management and Budget.

Population

Clark County has an estimated 2015 population of 135,089, which represents an average annual 0.5% decrease from the 2010 census of 138,333. Clark County lost an average of 649 residents per year over the 2010-2015 period, and its downward trend in population contrasts with the State of Ohio which had a 0.1% average annual increase in population over this time.

Looking forward, Clark County's population is projected to decrease at a 0.3% annual rate from 2015-2020, equivalent to the loss of an average of 449 residents per year. Clark County's decline in population contrasts with Ohio, which is projected to increase at a 0.1% rate.

Population Trends					
	Population			Compound Ann. % Chng	
	2010 Census	2015 Est.	2020 Est.	2010 - 2015	2015 - 2020
Clark County, OH	138,333	135,089	132,844	-0.5%	-0.3%
Ohio	11,536,504	11,587,674	11,653,908	0.1%	0.1%

Source: Claritas

Employment

Total employment in Clark County is currently estimated at 49,238 jobs. Between year-end 2004 and the present, employment declined by 2,706 jobs, equivalent to a 5.2% loss over the entire period. There were declines in employment in five out of the past ten years, influenced in part by the national economic downturn and slow recovery. Although many areas suffered declines in employment over the last decade, Clark County underperformed Ohio, which experienced a decline in employment of 2.4% or 130,707 jobs over this period.

A comparison of unemployment rates is another way of gauging an area's economic health. Over the past decade, the Clark County unemployment rate has been generally higher than that of Ohio, with an average unemployment rate of 7.5% in comparison to a 7.2% rate for Ohio. A higher unemployment rate is a negative indicator.

Recent data shows that the Clark County unemployment rate is 4.1% in comparison to a 4.3% rate for Ohio, a positive sign for Clark County economy but one that must be tempered by the fact that Clark County has underperformed Ohio in the rate of job growth over the past two years.

Employment Trends						
Year	Total Employment (Year End)				Unemployment Rate (Ann. Avg.)	
	Clark County	% Change	Ohio	% Change	Clark County	Ohio
2004	51,944		5,349,786		7.0%	6.3%
2005	50,789	-2.2%	5,359,967	0.2%	6.5%	5.9%
2006	51,573	1.5%	5,347,128	-0.2%	5.6%	5.4%
2007	50,947	-1.2%	5,335,682	-0.2%	6.2%	5.6%
2008	50,123	-1.6%	5,163,819	-3.2%	6.7%	6.4%
2009	47,026	-6.2%	4,909,573	-4.9%	10.6%	10.3%
2010	48,212	2.5%	4,962,516	1.1%	10.8%	10.3%
2011	48,257	0.1%	5,030,219	1.4%	9.2%	8.8%
2012	48,595	0.7%	5,103,892	1.5%	7.6%	7.4%
2013	49,352	1.6%	5,179,382	1.5%	7.3%	7.5%
2014*	49,238	-0.2%	5,219,079	0.8%	5.4%	5.7%
Overall Change 2004-2014	-2,706	-5.2%	-130,707	-2.4%		
Avg Unemp. Rate 2004-2014					7.5%	7.2%
Unemployment Rate - August 2015					4.1%	4.3%

*Total employment data is as of September 2014; unemployment rate data reflects the average of 12 months of 2014.
Source: Bureau of Labor Statistics and Economy.com. Employment figures are from the Quarterly Census of Employment and Wages (QCEW).
Unemployment rates are from the Current Population Survey (CPS). The figures are not seasonally adjusted.

Major employers in Clark County are shown in the following table.

Major Employers - Clark County, OH	
Name	Industry
1 Assurant Inc.	Insurance
2 Clark County Government	Government
3 Community Mercy Health Partners	Service
4 Dole Fresh Vegetables	Manufacturing
5 Gordon Food Service	Trade
6 Marathon/Speedway SuperAmerica LLC	Trade
7 Navistar	Manufacturing
8 Springfield City Schools	Government
9 Springfield Masonic Community	Service
10 Wittenberg University	Service

Source: Ohio County Profiles, Office of Research

Gross Domestic Product

Gross Domestic Product (GDP) is a measure of economic activity based on the total value of goods and services produced in a defined geographic area. Although GDP figures are not available at the county level, data reported for the Springfield MSA is considered meaningful when compared to the nation overall, as Clark County is part of the MSA and subject to its influence.

Economic growth, as measured by annual changes in GDP, has been considerably lower in the Springfield MSA than the United States overall during the past eight years. The Springfield MSA has declined at a 1.0% average annual rate while the United States has grown at a 0.9% rate. As the

national economy improves, the Springfield MSA continues to underperform the United States. GDP for the Springfield MSA rose by 0.1% in 2013 while the United States GDP rose by 1.8%.

The Springfield MSA has a per capita GDP of \$27,674, which is 44% less than the United States GDP of \$49,115. This means that Springfield MSA industries and employers are adding relatively less value to the economy than their counterparts in the United States overall.

Gross Domestic Product

Year	(\$ Mil)		(\$ Mil)	
	Springfield MSA	% Change	United States	% Change
2006	4,054		14,612,582	
2007	3,861	-4.8%	14,824,616	1.5%
2008	3,771	-2.3%	14,728,947	-0.6%
2009	3,530	-6.4%	14,328,006	-2.7%
2010	3,550	0.6%	14,639,748	2.2%
2011	3,679	3.6%	14,868,836	1.6%
2012	3,763	2.3%	15,245,906	2.5%
2013	3,768	0.1%	15,526,715	1.8%
Compound % Chg (2006-2013)		-1.0%		0.9%
GDP Per Capita 2013	\$27,674		\$49,115	

Source: Bureau of Economic Analysis and Economy.com; data released September 2014. The release of state and local GDP data has a longer lag time than national data. The data represents inflation-adjusted "real" GDP stated in 2009 dollars.

Income, Education and Age

Clark County has a lower level of household income than Ohio. Median household income for Clark County is \$41,428, which is 14.9% less than the corresponding figure for Ohio.

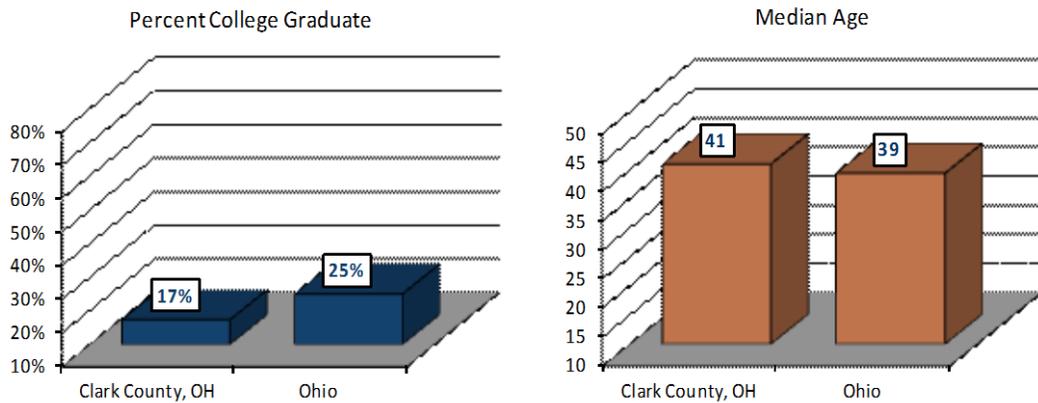
Median Household Income - 2015

	Median
Clark County, OH	\$41,428
Ohio	\$48,687
Comparison of Clark County, OH to Ohio	- 14.9%

Source: Claritas

Residents of Clark County have a lower level of educational attainment than those of Ohio. An estimated 17% of Clark County residents are college graduates with four-year degrees, versus 25% of Ohio residents. People in Clark County are older than their Ohio counterparts. The median age for Clark County is 41 years, while the median age for Ohio is 39 years.

Education & Age - 2015

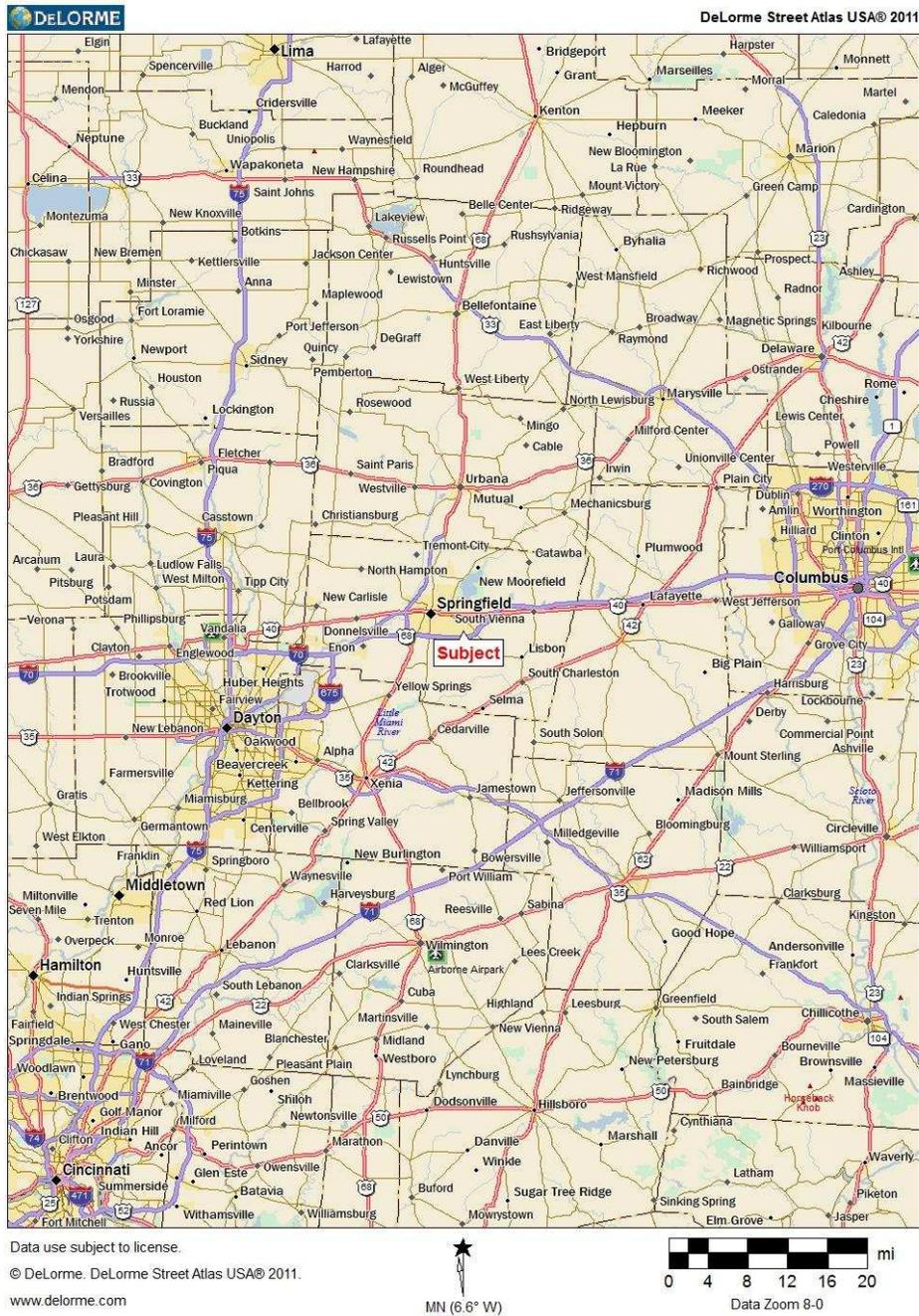


Source: Claritas

Conclusion

The Clark County economy will struggle with a flat to declining population base and lower income and education levels. Clark County experienced a decline in the number of jobs, and had a generally higher unemployment rate than Ohio over the past decade. Moreover, economic weakness is evident in the decline of Gross Domestic Product (GDP) at the Springfield MSA level, of which Clark County is a part. We anticipate that growth in the Clark County economy will be limited, and there will be continued weakness in the demand for real estate in general.

Area Map



Surrounding Area

The subject is located within the City of Springfield in the central part of Clark County. The City of Springfield is approximately midway between the City of Dayton (29 miles west) and the City of Columbus (45 miles east). This market area is generally delineated as follows:

North	Champaign County Line
South	Greene County Line
East	Madison County Line
West	Miami County Line

Access and Linkages

Primary highway access to the area is via Interstate 70 with interchanges at State Route 41 and State Route 41. State Route 40 is a major historic arterial that runs east/west through the downtown area. Overall, vehicular access is average.

Public transportation is provided by SCAT and provides access to the local area. The local market perceives public transportation as average compared to other areas in the region. However, the primary mode of transportation in this area is the automobile.

The Dayton International Airport is located about 30 miles from the property; travel time is about 35 minutes, depending on traffic conditions. The Dayton CBD, the economic and cultural center of the region, is approximately 29 miles from the property.

Demand Generators

Retail demand generators include a significant employment base, a densely populated trade area with average household income levels, and proximity of various retail uses.

Employment Base

Primary employers/employment centers are located in Springfield including Community Mercy Hospital, Clark County, Navistar, Springfield Board of Education, The Assurant Group, Mercy Medical Center, Marathon Speedway Super America, Wittenberg University and Clark State Community College. Other primary employment centers are located in the northeast Dayton area approximately 20-30 miles from the subject.

Demographics

A demographic profile of the surrounding area, including population, households, and income data, is presented in the following table.

Surrounding Area Demographics					
2016 Estimates	1-Mile Radius	3-Mile Radius	5-Mile Radius	Clark County	Ohio
Population 2010	626	23,935	67,359	138,333	11,536,504
Population 2016	615	23,589	66,153	136,041	11,622,431
Population 2021	609	23,442	65,656	135,152	11,720,045
Compound % Change 2010-2016	-0.3%	-0.2%	-0.3%	-0.3%	0.1%
Compound % Change 2016-2021	-0.2%	-0.1%	-0.2%	-0.1%	0.2%
Households 2010	260	9,786	26,725	55,244	4,603,435
Households 2016	256	9,764	26,535	54,566	4,672,122
Households 2021	254	9,768	26,486	54,348	4,729,919
Compound % Change 2010-2016	-0.3%	0.0%	-0.1%	-0.2%	0.2%
Compound % Change 2016-2021	-0.2%	0.0%	0.0%	-0.1%	0.2%
Median Household Income 2016	\$54,869	\$37,035	\$36,153	\$45,301	\$50,829
Average Household Size	2.4	2.4	2.4	2.4	2.4
College Graduate %	17%	10%	15%	19%	26%
Median Age	49	39	38	41	40
Owner Occupied %	86%	61%	58%	69%	68%
Renter Occupied %	14%	39%	42%	31%	32%
Median Owner Occupied Housing Value	\$118,143	\$76,101	\$87,453	\$108,159	\$138,800
Median Year Structure Built	1961	1951	1953	1962	1968
Avg. Travel Time to Work in Min.	22	23	22	24	25

Source: The Nielsen Company

As shown above, the current population within a 3-mile radius of the subject is 23,589, and the average household size is 2.4. Population in the area has declined since the 2010 census, and this trend is projected to continue over the next five years. Compared to the Springfield MSA overall, the population within a 3-mile radius is projected to decline at a similar rate.

Median household income is \$37,035, which is lower than the household income for the Springfield MSA. Residents within a 3-mile radius have a lower level of educational attainment than those of the Springfield MSA, while median owner occupied home values are considerably lower.

Land Use

The area is suburban in character and approximately 60% developed. The predominant direction of growth is northwest.

Land uses immediately surrounding the subject are predominantly residential and agricultural with some scattered industrial uses.

Development Activity and Trends

During the last five years, development has been predominantly of commercial uses located along Bechtle Avenue. This has included Wal-Mart Supercenter, Home Depot, Lowe's, Kohl's, Marshall's, Target, Best Buy, PetSmart, North Bechtle Square I & II, Texas Roadhouse, Big O Tires, O'Charley's, Panera Bread, Gold Star Grill, Goodwill Store, Gordon Food Service, Steak and Shake, White Castle, Papa Murphy's Pizza, Chipotle and several smaller strip centers. The major shopping arterial has switched from Upper Valley Pike around the Upper Valley Mall to Bechtle Avenue.

One of the most recent developments in Springfield is the grand opening of the Springfield Regional Medical Center in November of 2011. It is a 254 bed, 475,000 square foot state of the art facility. This property is located on North Street, approximately three miles north of the subject property. Another medical center that opened at the end of 2011 is the Springfield Orthopedic and Sports Medicine Institute at 140 West Main Street. There is also a larger physician owned surgical hospital located at 100 W. Main Street that opened around the same time in 2011.

Outlook and Conclusions

The market area is in the static stage of its life cycle. With the current economic situation and the information supplied earlier within this report, property values have shown some decline. Given the history of the area and the stagnant growth trends, we expect that property values will remain stable in the near future.

Golf Market Analysis

The strength of any market depends on supply and demand. The following analysis addresses the overall golf market, emphasizing the supply of courses, demand, prices, proposed competition, etc. Various sources were contacted, interviewed, analyzed and referenced in regards to the local golf market. Information from IBISWorld and National Golf Foundation (NGF) reports were utilized in this analysis.

Subject Golf Course Classification

Golf courses can be identified in numerous ways, however the most common is based on the type of course and the accessibility. These categories are defined as follows.

Country Club/Private Course – Generally regarded as the highest quality courses, these facilities are private and are driven by memberships. The amount of play on these courses is typically below that of a public course, with greater emphasis on the social aspects and country club lifestyle. In some cases these courses are professionally designed or are signature courses by prominent golf course developers. Courses such as this are obviously geared toward the high income golfer and family, with a further intention of attracting a PGA sponsored event.

Upscale Public Course – This is a daily green fee course that also offers some type of memberships and has the amenities of the country club, but is accessible to the public. A vast majority of these courses are tied to real estate developments that include single family detached and/or attached dwellings. These courses are also sometimes designed by nationally known developers such as Jack Nicklaus, Arnold Palmer, Greg Norman, Pete Dye, A.W. Tillinghast, etc. Currently, the "upscale public golf course" concept provides an attractive alternative for both traditional "country club" and "resort course" golfers. In fact, many new public courses now built are "upscale" in nature.

In some cases a course that comes online as an upscale public course will eventually become a private or semi-private course. In the initial stages of the course the public is invited to play and enjoy the amenities offered, but after the advertising and public relations aspects are complete, the course would convert to a private course.

Daily Green Fee Public Course or Municipal Course – The daily green fee course is a public venue that is accessible to all persons, with prices directed at the average golfer or beginner. These courses typically receive the greatest level of play due to the accessibility and the fact prices are held more in line with what a typical golfer or beginning golfer is willing to pay.

Some courses in the country are labeled as resort courses, however in this market this is not a common category. Resort courses are designed to attract vacationers and provide for a get-a-way setting that suits the entire family or strict golfer. The subject area is not considered a prominent golf resort.

The subject is a daily fee municipal public course, in line with such courses as Locust Hills, Rocky Lakes and Sugar Isle, etc. Although we have considered all types of golf course data in the Greater Springfield submarket, our focus is on the class of competition that is most similar to the subject.

National Trends

Direct excerpts from IBISWorld's December 2015 Golf Courses & Country Clubs in the US Industry Report follow:

Over the five years to 2015, the Golf Courses and Country Clubs industry has struggled due to the lingering effects of the recession and a decline in golf participation. High unemployment and lower consumer spending pushed down membership and golf course usage through 2011, causing industry revenue to decline. Additionally, the sport has faced difficulties attracting younger players, with many people finding golf too difficult to learn and having cumbersome rules of etiquette to follow.

In the aftermath of the recession, individuals cut down discretionary spending on recreational activities, including country club visits and golfing. Because the cost of maintaining a golf course or country club remains fairly constant regardless of customer participation, a decline in the number of individuals visiting golf course or paying club fees significantly threatens industry establishments. Moreover, large development of golf facilities in the 1990s and early 2000s created an oversupply of golf courses in the United States, further adding to industry competition and encouraging facility closure. As a result the number of course and country clubs in the United States is expected to decrease during the five years to 2015 at an annualized rate of 0.1% to 11,834 clubs.

After a few years in the rough, the Golf Courses and Country Clubs industry will return to moderate growth due to higher corporate profit, rising disposable income and increased consumer sentiment. These factors will likely stimulate demand for industry clubs as people return to the golf courses and country clubs. Consequently, IBISWorld forecasts that industry revenue will increase at an average annual rate of 2.7% to \$27.4 billion over the five years to 2020. Despite these positive forecasts, if golf continues to diminish in popularity in the years to 2020, the industry will likely experience only minimal growth over the long term.

Per capita Disposable Income

Increased household disposable income leads to greater expenditure on leisure activities. In particular, an increase in per capita disposable income generally translates to higher golf participation among casual golfers, raising revenue from green fees and benefiting the industry. Per capita disposable income is expected to increase during 2015

Time Spent On Leisure and Sports

An increase in available leisure time for golfers and country club patrons encourages higher participation and demand for services, which translates to growth in industry revenue. As climbing levels of employment erode consumers' free time, time spent on leisure and sports is expected to decrease in 2015, representing a potential threat to the industry.

Households Earning Over \$100,000

Country club memberships are often very expensive; therefore, wealthier individuals are the most likely consumers to spend a significant amount of money annually on green fees and club memberships. This fact leads households with incomes over \$100,000 to represent the largest market

for industry services. The number of households earning more than \$100,000 is expected to increase during 2015.

Median Age of Population

Golf is a sport of precision in a calm setting, rather than a fast-paced game of athleticism; therefore, it has historically attracted both younger and older athletes. An aging population means there will be more retirees with more leisure time, which creates additional demand for golf and country club activities. The median age of the US population is expected to increase during 2015, as the baby boomer generation reaches the age of retirement.



Current Performance

Weakened consumer and business spending in the aftermath of the recession caused the Golf Courses and Country Clubs industry to contract early in the five-year period. Because the industry's success depends on the size of its consumer base, declining membership levels, which were largely due to the collapse in consumer sentiment and decreased household wealth, continued to hurt industry revenue through 2011. Additionally, according to data from the National Golf Foundation (NGF), golf participation rates for both the avid golfer and occasional golfer have been declining for the past decade. Increased competition from other leisure activities, such as other sports or digital forms of entertainment, as well as the perceived difficulty and time commitment of golf, have reduced the total number of adults that play annually from about 28.0 million in 2009 to about 24.0 million in 2014 (latest data available).

Despite these initial struggles, the industry has rebounded slightly since 2011. In addition, in 2012, as the number of households earning more than \$100,000 (the largest market for the industry's services) increased, industry revenue grew 3.1%. Consequently, over the five years to 2015, industry revenue is expected to inch up an annualized 1.7% to reach \$24.1 billion. As per capita disposable income

continues to recover, the industry is poised to benefit from increased spending on golfing, boosting revenue at an estimated 3.8% in 2015.

Participation Trends

The recession and its aftermath significantly hampered golf participation over the five-year period. With sharp declines in spending and sentiment, many Americans had to cut down on their golfing trips or give up their country club memberships. The industry took its largest hit in 2010, with membership levels reduced and golf trips cut to a minimum. Although consumer sentiment began to improve in 2010, golfing was not high on the priority list for those strongly affected by the recession. Consequently, industry revenue did not turn around until 2012.

Average industry profit margins have grown since 2010, when they were constrained due to the lingering effects of the recession. Still, limited golf course and country club participation have hindered operators' ability to turn a profit during the past five years. High competition and reduced demand constrained profit margins across the industry, which in turn forced many clubs to close. This trend carried into the years after the recession, as clubs continued to struggle in the weakened economy. While this forced a number of industry operators out of business, the situation also provided an opportunity for well-funded companies to expand their portfolios as golf course courses were put up for sale. For example, industry operator ClubCorp acquired a handful of golf clubs in the past five years, including Hartefeld National Golf Club and Canterwood Golf and Country Club in 2011; Oak Tree Country Club and Chantilly National Golf and Country Club in 2013; and Sequoia Golf in 2014.

Restructuring

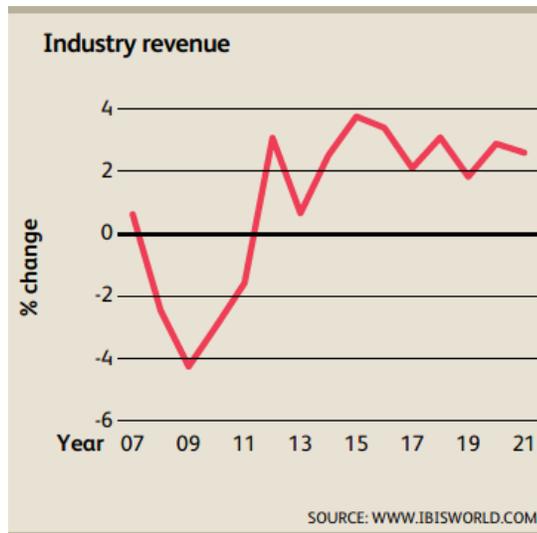
With increased competition among participants for fewer avid or regular golfers, establishments have invested more resources into retaining existing members and attracting new ones. Operators have discounted memberships, provided reciprocal membership rights to other clubs and improved golf course and country club facilities. Country clubs have increased the number of rounds played, particularly during off-peak seasons, by lowering green fees or increasing services. Operators have also emphasized greater retail sales of golf equipment, promotion of lessons and golfing clinics and better practice facilities to shore up extra revenue. Moving forward, industry operators may increase outreach programs in an attempt to attract new golfers and members.

Supply

The supply of golf courses has exceeded demand for golf courses for much of the past 20 years, leading the number of golf courses in the United States to steadily decrease for much of the past decade. This trend is expected to slow in the five years to 2020, as the market readjusts back to its proper size. Correct market size, coupled with steady demand for private golf course and country club activities, is expected to maintain the number of industry courses and clubs; in the five years to 2020, the number of golf courses and country clubs is expected to increase marginally, at an annualized rate of 1.1% to total 12,506. Similarly, employment is forecast to recover during the five-year period; industry employment is projected to rise at an annualized rate of 2.0% to 354,078 workers over the five years to 2020.

Industry Outlook

After a tough few years, the Golf Courses and Country Clubs industry will return to moderate growth due to a stronger business environment, rising disposable income and healthier consumer sentiment; these factors will likely stimulate demand for industry clubs as people return to the golf courses and country clubs. As a result, IBISWorld forecasts that industry revenue will increase at an average annual rate of 2.7% to \$27.4 billion over the five years to 2020.



Demand

Demand for country club memberships is expected to rise in 2016, as high corporate profit and employment levels increase consumer optimism. However, the golf participation rate is anticipated to continue decreasing in the years to 2020, constraining much of the industry's long-term growth. According to data from the National Golf Foundation (NGF), golf participation rates have been falling for the past decade; some individuals find the "etiquette rules" (e.g. no cell phones, specific dress code) off-putting, while others find that the game simply takes too long to play. This trend is expected to continue through 2020, with the number of casual golfers steadily shrinking. As casual golfers tend to pay one-time green fees (as opposed to more passionate golfers who hold memberships to country clubs), revenue earned from green fees is expected to continue shrinking in the years to 2020, while revenue earned from membership fees will likely experience slow growth.

Additionally, the percentage of retirees in the country is expected to slow down in the years to come due to the extending length of time that most workers remain in the labor force, which will further hurt golf participation rates. With many retirement plans extended and 401(k) plans cut nearly in half, some individuals on the brink of retirement have been forced to keep working to regain their savings. This factor, coupled with a lower unemployment rate, will slightly limit leisure-time availability in the five years to 2020, restraining demand for club memberships and golf course use.

As demand for golf course and country club services increases because of the improving economy, many establishments will be able to gain profit after years of net losses. Rising demand will allow golf courses and country clubs to slightly increase green and membership fees, further increasing profit

margins. Consequently, profit, defined as earnings before interest and taxes, is expected to increase to 2.5% of revenue in 2020, up from 2.1% in 2015.

Still, the presence of many small operators in the industry will likely dampen the industry's average profit margin. The individual and community nature of many country clubs and golf courses, which overrides concerns of profitability, often draws small operators to the industry. These establishments do not achieve the economies of scale of larger players, thus lowering profit margins. Additionally, the large number of municipal golf courses, which account for about 40.0% of industry revenue, will continue to force down average industry profit margins.

Profitability

As demand for golf course and country club services increases, many establishments will be able to gain profit after years of net losses. Also, as disposable incomes rise due to improved economic conditions, golf courses and country clubs will likely increase green and membership fees, leading to increased profit margins. Profit, defined as earnings before interest and taxes, is expected to increase to 2.5% of revenue in 2019, up from 2.0% in 2014.

Still, the presence of many small operators in the industry will likely bring down the industry's average profit margin. A growing interest in golf, which overrides concerns of profitability, often draws small operators to the industry.

These establishments cannot achieve the economies of scale of larger players, thus lowering profit margins. However, consolidation experienced because of the recession will likely ease the effects of the influx of small operators.

Expansion

Increased demand for private golf course and country club activities is forecast to cause a slow yet steady increase in new courses and clubs. In 2014, establishment numbers are projected to rise 0.8% as golf participation and club membership numbers rise. In the five years to 2019, the number of golf courses and country club establishments is expected to grow at an annualized rate of 0.5% to total 12,239.

Meanwhile, golf course overbuilding in certain markets will likely benefit some companies, because owners with fewer financial resources and management experience may be forced to liquidate their properties at discounted prices, leading to acquisitions. Furthermore, continuous competitive pressures from larger establishments will likely force many smaller players to exit the industry. As more affluent operators seek to acquire smaller players, particularly non-employers, average company sizes will grow.

Employment is also forecast to increase, growing faster than establishments, as courses and clubs increase in size. Industry employment is projected to rise at an annualized rate of 0.8% to 309,609 workers over the five years to 2019, as a result of increased demand and industry expansion.

National Statistics

Industry Data

	Revenue (\$m)	Industry Value Added (\$m)	Establishments	Enterprises	Employment	Exports	Imports	Wages (\$m)	Domestic Demand	Consumer Spending (Mils)
2006	24,289.9	12,330.6	11,870	11,080	309,364	--	--	9,277.3	N/A	9,821.7
2007	24,441.5	12,375.5	11,851	11,015	316,442	--	--	9,293.4	N/A	10,041.6
2008	23,839.1	12,431.9	12,059	11,156	322,631	--	--	9,475.9	N/A	10,007.2
2009	22,823.7	11,646.8	11,853	10,971	302,486	--	--	9,024.3	N/A	9,847.0
2010	22,151.7	11,456.5	11,890	10,973	296,020	--	--	8,917.9	N/A	10,036.3
2011	21,802.4	11,182.4	11,751	10,857	289,505	--	--	8,668.6	N/A	10,263.5
2012	22,473.1	11,300.1	11,628	10,757	307,360	--	--	8,756.2	N/A	10,449.7
2013	22,621.8	11,353.3	11,592	10,716	307,488	--	--	8,776.7	N/A	10,699.7
2014	23,191.3	11,729.9	11,716	10,818	313,769	--	--	8,986.3	N/A	10,969.0
2015	24,063.6	12,107.8	11,834	10,907	320,759	--	--	9,247.8	N/A	11,336.1
2016	24,881.6	12,486.5	12,014	11,057	329,343	--	--	9,540.1	N/A	11,664.0
2017	25,405.6	12,724.8	12,078	11,104	333,463	--	--	9,695.9	N/A	12,148.8
2018	26,190.6	13,119.3	12,258	11,256	341,853	--	--	9,980.9	N/A	12,513.1
2019	26,670.5	13,348.8	12,321	11,303	345,735	--	--	10,126.4	N/A	12,792.5
2020	27,441.0	13,756.4	12,506	11,461	354,078	--	--	10,409.7	N/A	13,093.6
Sector Rank	7/19	6/19	7/19	7/19	4/19	N/A	N/A	4/19	N/A	N/A
Economy Rank	394/1373	244/1373	376/1373	343/1373	140/1373	N/A	N/A	194/1373	N/A	N/A

Annual Change

	Revenue (%)	Industry Value Added (%)	Establishments (%)	Enterprises (%)	Employment (%)	Exports (%)	Imports (%)	Wages (%)	Domestic Demand (%)	Consumer Spending (%)
2007	0.6	0.4	-0.2	-0.6	2.3	N/A	N/A	0.2	N/A	2.2
2008	-2.5	0.5	1.8	1.3	2.0	N/A	N/A	2.0	N/A	-0.3
2009	-4.3	-6.3	-1.7	-1.7	-6.2	N/A	N/A	-4.8	N/A	-1.6
2010	-2.9	-1.6	0.3	0.0	-2.1	N/A	N/A	-1.2	N/A	1.9
2011	-1.6	-2.4	-1.2	-1.1	-2.2	N/A	N/A	-2.8	N/A	2.3
2012	3.1	1.1	-1.0	-0.9	6.2	N/A	N/A	1.0	N/A	1.8
2013	0.7	0.5	-0.3	-0.4	0.0	N/A	N/A	0.2	N/A	2.4
2014	2.5	3.3	1.1	1.0	2.0	N/A	N/A	2.4	N/A	2.5
2015	3.8	3.2	1.0	0.8	2.2	N/A	N/A	2.9	N/A	3.3
2016	3.4	3.1	1.5	1.4	2.7	N/A	N/A	3.2	N/A	2.9
2017	2.1	1.9	0.5	0.4	1.3	N/A	N/A	1.6	N/A	4.2
2018	3.1	3.1	1.5	1.4	2.5	N/A	N/A	2.9	N/A	3.0
2019	1.8	1.7	0.5	0.4	1.1	N/A	N/A	1.5	N/A	2.2
2020	2.9	3.1	1.5	1.4	2.4	N/A	N/A	2.8	N/A	2.4
Sector Rank	5/19	5/19	13/19	14/19	10/19	N/A	N/A	9/19	N/A	N/A
Economy Rank	432/1373	563/1373	743/1373	731/1373	570/1373	N/A	N/A	493/1373	N/A	N/A

Conclusion

The industry is in the mature phase of its life cycle. Over the 10 years to 2020, industry value added (IVA), which is the industry's contribution to the overall economy, is forecast to increase at an average annual rate of 1.8%, which is below the projected 2.2% annualized growth rate for GDP over the same period. While the discrepancy between IVA and GDP growth could indicate a declining industry, the difference in rates reflects the particularly bad years through 2011, when the industry struggled due to the lingering effects of the economic downturn; as consumer sentiment and disposable income remained low, consumers cut back on nonessential expenses such as golf and country club memberships. Revenue, establishments and employment all fell significantly in those years as consumers and businesses cut back on discretionary spending.

However, change within the industry is generally minimal, with sustained demand for the industry's services keeping the industry in a mature stage. For instance, industry establishments are anticipated to grow marginally in the 10 years to 2020, at an annualized rate of 0.5%. Additionally, golf courses

and country clubs have developed few new services and generally differentiate themselves by the quality of services and prices that they offer, further indicating that the industry is in the mature stage of its lifecycle. Lastly, industry performance falls broadly in line with the health of the overall economy, with demand growing or falling as unemployment, disposable income, corporate profit and consumer sentiment increase or decrease. This is a further indication of the industry's maturity.

Local Market Overview

As noted previously, the subject is in the Springfield submarket area and is impacted by overall market conditions for this general area. The golf market in this area includes courses in Clark County, Champaign County, eastern Miami County and northern Montgomery County. Basically we have considered courses that are within reasonable drive times from various sections of Greater Springfield area. This best reflects the economic base from which golf courses in the area can draw, keeping in mind that upper end clubs such as the subject can draw from more affluent areas of an economic base.

The following are a list of the courses that are considered competition with the subject and their asking green fees without any discounts.

Greens Fees for Competitive Courses		
Course	Summer Rates	
	Weekdays	Weekend
<i>Reid Park - Subject</i>	<i>\$28.00</i>	<i>\$36.00</i>
Windy Knoll	\$35.00	\$42.00
Locust Hills	\$26.00	\$28.00
Rocky Lakes	\$24.00	\$35.00
Sugar Isle	\$30.00	\$35.00
Homestead	\$30.00	\$33.00
Indian Springs	\$25.00	\$38.00
Averages (excluding subject)	\$28.33	\$35.17

Demand Analysis

Demand analysis for golf courses is based on various factors including number of rounds per year in a specific market, the percent of the population that participates, household income levels, etc. A wide variety of internet based data, publications, local interviews and public data have been used to provide insight into the demand analysis for golf courses in the greater Springfield area. A full feasibility and/or market analysis is beyond the scope of this report; however the following analysis does touch on the various aspects that are important to successful golf course operations.

Number of Rounds per Year

As would be expected, the downward trend in golfers and participation has resulted in a downward trend in total rounds of golf played. The total number of rounds played throughout the US has been on a downward trend since 2006, again generally mirroring the overall US recession. 2012 saw the biggest increase in rounds since 2000 with a reported 5.7% gain in total rounds played. Improving economic conditions as well as favorable weather conditions are likely the cause. Conversely, 2013

once again saw a sharp decline with a national figure of 4.9% decline reported. A 1.7% decline was experienced in 2014. A resurgence was seen in 2015 with a national increase of 1.8%. Clark County as a whole is lagging behind in any economic recovery which will in all likelihood also translate to a lagging behind any improvement in the overall golfing market.

The statistics below are compiled by the PGA and NGCOA and provide the number of rounds played regionally comparing December 2014 to December 2015 as well as comparing year to date figures of the two years.

NATIONAL GOLF ROUNDS PLAYED REPORT						
POWERED BY						
						
	DEC	YTD		DEC	YTD	
PACIFIC	2.5%	2.7%				
CA	8.2%	1.6%				
Los Angeles	12.4%	2.3%				
Orange County	8.6%	1.8%				
Palm Springs	5.7%	-1.5%				
Sacramento	9.3%	4.3%				
San Diego	10.0%	3.8%				
San Francisco/Oakland	11.4%	1.0%				
HI	-3.1%	-2.9%				
OR	-37.3%	5.0%				
Portland	-38.4%	6.1%				
WA	-28.2%	8.2%				
Seattle	-31.4%	7.5%				
MOUNTAIN	-16.9%	-1.9%				
AZ	-9.2%	-4.0%				
Phoenix	-7.8%	-3.9%				
CO	-66.1%	-1.3%				
Denver	-69.2%	-4.2%				
ID, WY, MT	-71.1%	0.3%				
NM	-20.1%	-2.1%				
NV	-6.4%	1.5%				
Las Vegas	-4.7%	1.7%				
UT	-40.6%	-2.2%				
WEST NORTH CENTRAL	58.4%	4.9%				
IA	14.4%	5.3%				
KS	82.4%	2.3%				
NE	84.6%	4.7%				
ND,SD	-81.5%	5.0%				
MN	NA	9.3%				
Minneapolis/St. Paul	NA	9.9%				
MO	62.2%	-0.1%				
St Louis	68.0%	2.9%				
Kansas City	59.8%	0.5%				
UNITED STATES	11.6%	1.8%				
PUBLIC ACCESS	11.7%	2.4%				
PRIVATE	11.4%	-0.4%				
EAST NORTH CENTRAL	89.4%	7.2%				
IL	68.5%	3.7%				
Chicago	49.6%	2.5%				
IN	72.3%	0.8%				
MI	33.4%	10.9%				
Detroit	39.3%	14.0%				
OH	135.5%	8.2%				
Cincinnati	104.2%	3.1%				
Cleveland	210.9%	10.5%				
Columbus	121.1%	2.5%				
WI	257.0%	9.2%				
Milwaukee	328.6%	9.6%				
SOUTH CENTRAL	21.4%	-5.0%				
AL	6.7%	-3.1%				
Birmingham	13.0%	0.1%				
AR	87.2%	-6.5%				
KY	102.9%	0.7%				
LA	-3.4%	-5.5%				
MS	-11.4%	-5.3%				
OK	50.9%	-4.0%				
Oklahoma City	40.1%	-5.3%				
TN	56.1%	-1.9%				
Nashville	101.8%	-0.3%				
TX	14.4%	-7.3%				
Dallas/Ft. Worth	25.8%	-5.7%				
Houston	4.0%	-9.1%				
San Antonio	22.4%	-7.3%				
SOUTH ATLANTIC	4.3%	0.5%				
DE, DC, MD	83.1%	5.1%				
Washington/Baltimore	66.0%	3.8%				
FL	-2.0%	1.7%				
Jacksonville/Daytona	4.8%	5.0%				
Orlando	7.0%	4.3%				
Tampa	-0.6%	1.6%				
Palm Beach	-2.1%	-1.6%				
Sarasota	-0.9%	-2.0%				
Naples/Ft Myers	-11.1%	2.9%				
Miami/Ft.Lauderdale	-3.6%	0.3%				
GA	4.6%	-1.2%				
Atlanta	4.5%	-2.3%				
NC	10.7%	-1.5%				
Greensboro/Raleigh	20.6%	1.2%				
SC	0.9%	-4.9%				
Charleston	14.1%	-1.6%				
Hilton Head	2.3%	0.4%				
Myrtle Beach	-8.5%	-5.3%				
VA	43.4%	3.4%				
WV	66.8%	1.8%				
MID ATLANTIC	112.1%	5.0%				
NJ	111.6%	6.9%				
NY	108.9%	4.4%				
New York City	95.9%	6.1%				
PA	114.9%	4.7%				
Philadelphia	101.4%	7.4%				
Pittsburgh	183.9%	2.4%				
NEW ENGLAND	144.3%	1.6%				
CT	183.6%	-1.7%				
Hartford	119.0%	0.0%				
MA, RI	116.5%	2.9%				
Boston	125.5%	2.8%				
ME, NH, VT	NA	2.0%				

The percentages represent the differences in number of rounds played comparing December 2015 to December 2014. For more information contact Golf Datatech, [golfdatatech.com](mailto:golfroundsplayed@golfdatatech.com) or call 407-944-4116

The Cincinnati market (which is the closest market area reported, showed a 3.1% gain from 2014 to 2015. This comes after a 6.3% yearly decline in 2014 figures compared to 2013. Weather conditions, especially on key summer weekends were reported to have a great effect on 2014 figures.



Golf Market Analysis Conclusions

The subject has competition from the previously mentioned courses. These recent closures should help to increase demand at the subject.

Locally in the Dayton/Cincinnati market area there have been numerous golf courses closed. They include but are not limited to the following: Larch Tree has closed, Snyder park has closed, Gem City Golf Club(Greene CC) closed, Meadowbrook was just given to the City of Clayton, Weather Wax closed at the end of 2015, Hara Greens closed 9 holes, Shaker Run golf course will be closing 9 holes this year, Piqua CC closed at the end of 2015 and then tried to open in 2016 with limited success. Additionally, the Dayton/Cincinnati area has shown a decline of 8.3% of rounds played within the past several years

As stated before, the subject is under the category of daily green fee municipal public course. Competition will be driven by the courses at the lower to middle end of the greens fee spectrum. As the surrounding area and communities experience residential growth, the demand for golf courses could increase, assuming a continued recovery in the economic conditions in the near future.

Single-Family Residential Market Analysis

Introduction

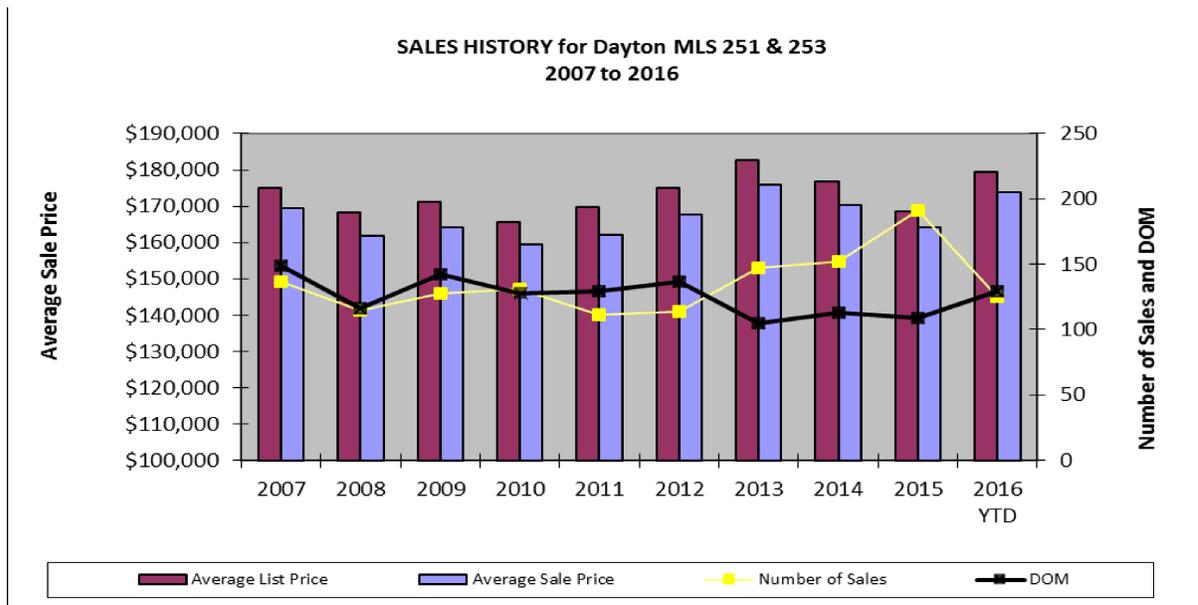
The strength of any market depends on supply and demand. The subject property could be developed with single family residential properties and are estimated to include detached single family homes. Any newly constructed homes would in all likelihood be above \$100,000. Therefore for our market analysis we have used \$100,000 as our base and researched homes \$100,000 and more. We are basing the following supply and demand analysis on single-family home sales within the subject market area with sale prices ranging from \$100,000 and up.

Supply & Demand Analysis

The subject property is located in Springfield and falls within the Clark County 251 defined market area as compiled by the Dayton Multiple Listing Service. We will use the primary area that the subject falls within Springfield (251) and the adjacent area Moorefield Township north of OH-4 (area 253). The following information is based on that area of the Dayton Multiple Listing Service.

According to the Dayton MLS, there are currently 72 active listings with an average list price of \$248,521 and 43 active/pending and pending listings in the over \$100,000 range. The pending listing homes range from two to five bedrooms, with the average home having three bedrooms and two baths, having approximately 1,799 square feet and a list price of \$152,344. The average listing has been on the market for 103 days.

The following graph charts the historical sales for the subject area as defined by the Dayton MLS service of 251 and the adjacent Moorefield Township area of 253, in the \$100,000 and above range.



The data shows the number of sales remaining fairly steady to increasing in 2014 and then again in 2016 for YTD figures. The average sale price has been increasing since 2014. Additionally, marketing times have been decreasing since 2012.

Single Family Residential Market Analysis Conclusions

Supply and demand factors indicate that the immediate single family residential market is considered to be stable for the overall residential market in the Springfield area for homes over \$100,000. Among a host of other factors, based on the increasing amount of sales and the amount of new construction in the market, it is expected that the demand for single-family residential buyers is increasing slightly for the subject's price range and market area. Any additional improvement will likely mirror continual recoveries in the financial markets. Therefore, prices in the single family residential market will likely be stable to increasing in the foreseeable future.

Property Analysis

Land Description and Analysis

Land Description

Land Area	380.60 acres; 16,666,056 SF
Source of Land Area	Public Records
Primary Street Frontage	Bird Street
Shape	Irregular
Corner	No
Topography	Slightly sloping
Drainage	No problems reported or observed
Environmental Hazards	None reported or observed
Ground Stability	No problems reported or observed
Flood Area Panel Number	39023C0225E
Date	February 17, 2010
Zone	X
Description	Outside of 500-year floodplain
Insurance Required?	No

Zoning; Other Regulations

Zoning Jurisdiction	City of Springfield
Zoning Designation	G
Description	Green Space, Park and School District
Legally Conforming?	Appears to be legally conforming
Zoning Change Likely?	No
Permitted Uses	Open space in any form of undeveloped land, publicly owned and operated
Other Land Use Regulations	None noted

Utilities

Service	Provider
Water	City of Springfield
Sewer	City of Springfield
Electricity	Ohio Edison
Natural Gas	Various Providers
Local Phone	AT&T

We are not experts in the interpretation of zoning ordinances. An appropriately qualified land use attorney should be engaged if a determination of compliance with zoning is required.

Easements, Encroachments and Restrictions

Based upon a review of the deed and property survey, there do not appear to be any easements, encroachments, or restrictions that would adversely affect value. Our valuation assumes no adverse impacts from easements, encroachments, or restrictions, and further assumes that the subject has clear and marketable title.

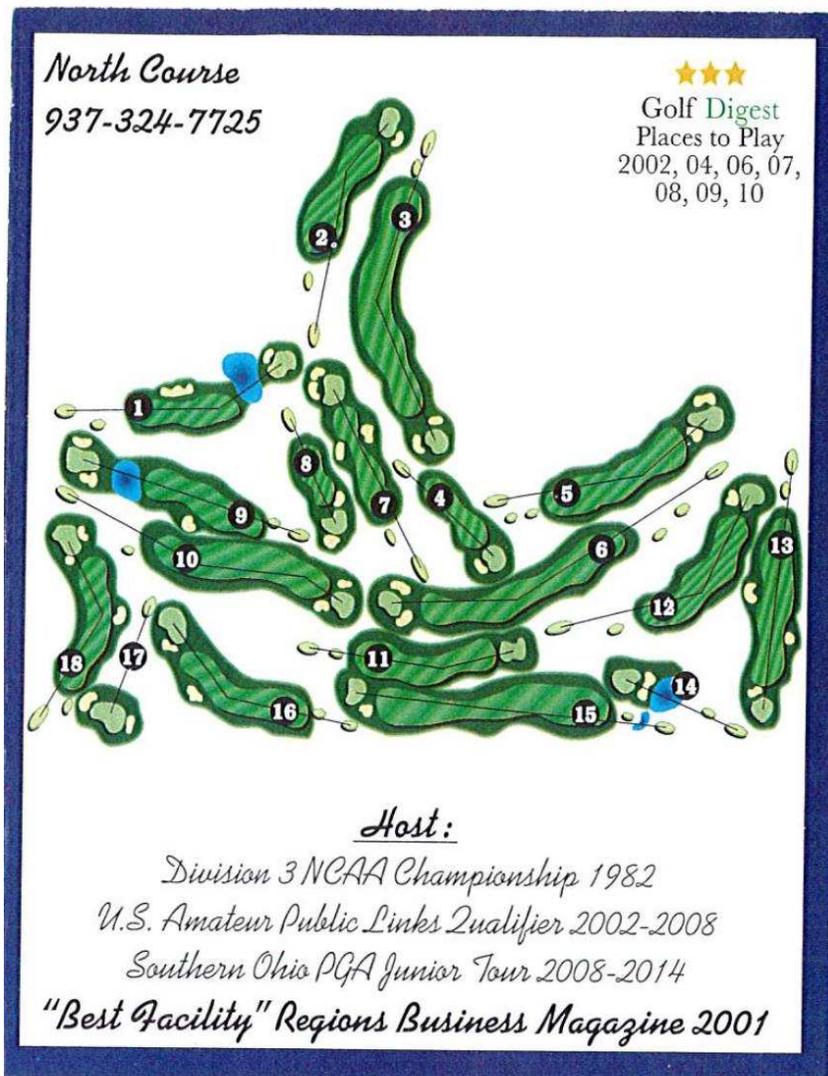
Conclusion of Land Analysis

Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses including those permitted by zoning. We are not aware of any other particular restrictions on development.

Plat Map

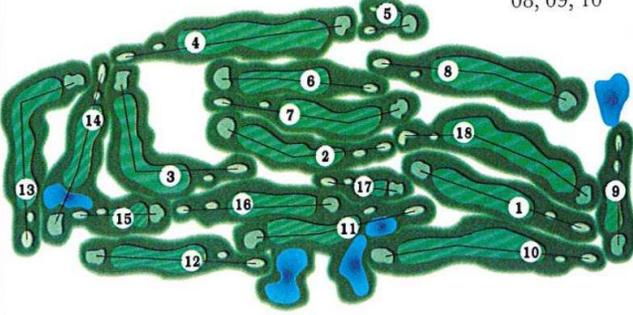


Course Layout



South Course
937-324-7725

☆☆☆
Golf Digest
Places to Play
2002, 04, 06, 07,
08, 09, 10



 **National
Trail Golf.**
Parks & Recreation District
Reid Park

Host:
Souther Ohio PGA "Player Ability Test" 2005 - 2014
"Best Facility" Regions Business Magazine 2001

Improvements Description and Analysis

The subject is an existing 36 hole golf course property with a total of nine buildings. The improvements include a pro-shop, a restaurant building, various restroom buildings, a cart storage building, a second metal quonset hut cart storage building, a picnic shelter building, two metal course maintenance buildings as well as numerous on course restroom buildings and shelter buildings. There is also asphalt parking area, some fencings and gravel cart paths. The improvements were constructed in 1965 with various additions and renovations, the most recent of which occurred in 2007. The improvements are 100% owner occupied as of the effective appraisal date. The site area is 380.60 acres and is zoned G-green space.

The information provided here is based on our inspection of the property, discussions with the owner and a review of site plans, etc.

Reid Park is currently has two 18 hole golf courses. The two courses are called the north course and the south course. The south course is considered the easier of the two and has no sand traps on the course. This course is also more level topography while the north course has sand traps and more wooded areas and rolling topography. It appears that the courses were constructed around 1965.

The courses are set up as follows:

North Course

DATE: _____		USGA RULES GOVERN ALL PLAY EXCEPT AS MODIFIED																						
SCORER: _____		• ALL PLAYERS MUST REGISTER IN SHOP • EACH PLAYER MUST HAVE CLUBS & BAG • ALL ENVIRONMENTAL AREAS ARE TO BE PLAYED AS A LATERAL HAZARD • KEEP CARTS AT LEAST 30 FEET FROM GREENS • SHIRTS MUST BE WORN AT ALL TIMES • CLUB THROWING WILL RESULT IN SUSPENSION																						
ATTEST: _____																								
BLUE	72.7 / 136	394	398	539	201	402	600	363	193	376	3466	I n i t i a l	509	357	420	434	178	511	374	172	351	3306	6772	
WHITE	70.3 / 129	368	382	507	184	390	497	345	179	360	3212		486	331	379	369	161	497	342	151	335	3051	6263	
HANDICAP		14	7	4	3	12	8	15	9	6			5	2	13	16	11	1	17	18	10			
PAR		4	4	5	3	4	5	4	3	4	36		5	4	4	4	3	5	4	3	4	36	72	
HOLE		1	2	3	4	5	6	7	8	9	Out	10	11	12	13	14	15	16	17	18	In	Tot	Hcp	Net
RED HCP		4	12	2	9	7	3	16	13	10		5	6	8	14	17	1	11	18	15				
RED	69.9 / 121	329	292	448	167	362	425	265	164	295	2747	340	301	294	297	119	383	259	129	259	2381	5128		



South Course

PGA Tim Grieser PGA Professional		GCSAA Ron Baker Golf Course Superintendent		USGA RULES GOVERN ALL PLAY EXCEPT AS MODIFIED • ALL PLAYERS MUST REGISTER IN SHOP • EACH PLAYER MUST HAVE CLUBS & BAG • ALL ENVIRONMENTAL AREAS ARE TO BE PLAYED AS A LATERAL HAZARD • KEEP CARTS AT LEAST 30 FEET FROM GREENS • SHIRTS MUST BE WORN AT ALL TIMES • CLUB THROWING WILL RESULT IN SUSPENSION • FENCE DEFINING OUT OF BOUNDS-PLAYER DOES NOT GET RELIEF WHEN BALL COMES TO REST NEXT TO FENCE																					
BLUE	70.4 / 113	404	383	399	522	160	365	425	465	184	3307	Initial	490	388	385	353	308	170	358	190	473	3115	6422		
WHITE	69.5 / 112	397	377	389	511	143	352	413	448	177	3207		478	375	371	345	300	161	347	179	460	3016	6223		
GOLD	68.5 / 110	390	371	379	500	115	339	401	431	170	3096		466	362	357	337	292	151	336	168	447	2916	6012		
HANDICAP		3	4	11	5	18	17	2	14	8			6	1	9	16	12	13	15	7	10				
HOLE		1	2	3	4	5	6	7	8	9	Out		10	11	12	13	14	15	16	17	18	In	Tot	Hcp	Net
PAR		4	4	4	5	3	4	4	5	3	36		5	4	4	4	4	3	4	3	5	36	72		
RED HCP		5	11	7	1	18	13	8	3	15			2	9	10	14	6	17	12	16	4				
RED	67.3 / 106	302	284	317	431	102	326	306	348	137	2553		389	265	266	257	237	111	260	119	389	2293	4846		

A breakdown of the areas within the greens, tees and bunkers was not available. However the courses are laid out in such a manner as to have minimal distance between greens and tees. The courses are very walkable and carts are not always required.

There are several smaller ponds on the courses and they all appear to be in play on the courses. The driving range is located on the east side of the property along the entrance to the facility.

Description of Improvements

As previously mentioned there are a total of approximately nine buildings on the premises and this does not include shelters and restrooms on the golf course. There is a single story pro-shop with 1,353 square feet, a small restaurant building with the same 1,353 square feet, a restroom building with 1,353 square feet, a picnic shelter building by the restaurant building with 1,792 square feet, a cart storage building with 4,800 square feet, the Quonset hut storage building for cart storage, two maintenance buildings with 4,032 square feet and 5,400 square feet and a separate storage building located near the cart storage. It should be noted that there are two water towers on the property that have not been included in this valuation process as they do not appear to lend any additional value for a golf course type property.

Improvements Description

Name of Property	Reid Park Golf Course
General Property Type	Recreational
Property Sub Type	Golf Course
Occupancy Type	Owner Occupied
Number of Buildings	Nine
Stories	One
Construction Class	D
Construction Type	Wood frame
Construction Quality	Average
Condition	Average
Gross Building Area (SF)	18,291
Land Area (SF)	16,666,056
Building Area Source	Inspection/county records
Year Built	1965, 1966, 1967, 1996, 2007
Year Renovated	Varies
Estimated Effective Age (Yrs.)	30
Parking Type	Surface

Furniture, Fixtures and Equipment (FF&E)

Non-realty items necessary for the continued operation of the property include furniture and maintenance equipment. We were not provided with a current balance sheet indicating book depreciated Golf Course Equipment balances. However, based on comparable sales researched and other golf course properties we have appraised, typical FF&E is in the range of 10% to 25% of overall going concern market value or total sale price. Below are sales of public/private golf courses with a breakdown of FF & E allocation as a percentage of the overall sales price:

FF & E Allocation

Course	Sale Price	FF & E Allocation	Percentage
Eagles Landing	\$1,050,000	\$230,000	21.90%
Pinecrest Golf Club	\$1,400,000	\$300,000	21.43%
Quail Creek Golf Course	\$1,350,000	\$100,000	7.41%
Dye's Walk Country Club	\$2,300,000	\$200,000	8.70%
Plum Creek Golf Course	\$1,700,000	\$250,000	14.71%
Golf Club of Indiana	\$1,505,000	\$200,000	13.29%
Four Bridges Country Club	\$1,747,434	\$497,434	28.47%
Powderhorn Country Club	\$1,350,000	\$100,000	7.41%
Ivy Hills Country Club	\$2,600,000	\$450,000	17.31%
Averages	\$1,666,937	\$258,604	15.62%

We estimate a contributory value of the FF& E of \$216,000. This equates to 10% of our overall value opinion as a golf course which is in line with the comparables, although it is towards the lower end of the range.



Street Scene – S. Bird Rd. Facing North
(Photo Taken on April 18, 2016)



Street Scene – S. Bird Rd. Facing South
(Photo Taken on April 18, 2016)



Entrance
(Photo Taken on April 18, 2016)



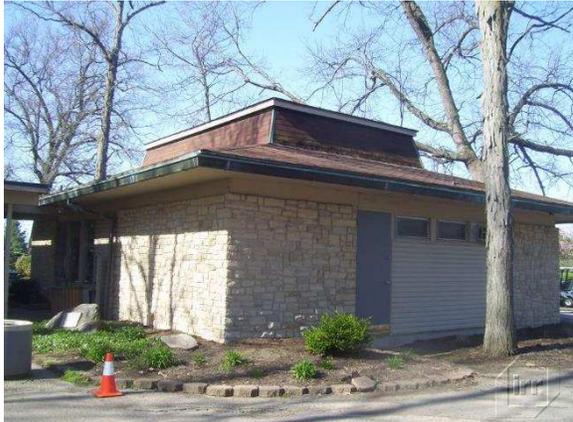
Golf Course View
(Photo Taken on April 18, 2016)



Golf Course View
(Photo Taken on April 18, 2016)



Golf Course View
(Photo Taken on April 18, 2016)



Building View
(Photo Taken on April 18, 2016)



Interior View-Pro Shop
(Photo Taken on April 18, 2016)



Interior View-Restaurant
(Photo Taken on April 18, 2016)



Interior View-Cart Storage
(Photo Taken on April 18, 2016)



Exterior View
(Photo Taken on April 18, 2016)



Interior View-Restaurant
(Photo Taken on April 18, 2016)



Driving Range
(Photo Taken on April 18, 2016)



Water Tanks-Not Included
(Photo Taken on April 18, 2016)



Driving Range
(Photo Taken on April 18, 2016)



Parking Lot
(Photo Taken on April 18, 2016)



Exterior View
(Photo Taken on April 18, 2016)



Golf Course View
(Photo Taken on April 18, 2016)



Golf Course View
(Photo Taken on April 18, 2016)



Golf Course View
(Photo Taken on April 18, 2016)



On Course Restroom Building
(Photo Taken on April 18, 2016)



Golf Course View
(Photo Taken on April 18, 2016)



Golf Course View
(Photo Taken on April 18, 2016)



Picnic Shelter
(Photo Taken on April 18, 2016)



Maintenance Building
(Photo Taken on April 18, 2016)



Maintenance Building
(Photo Taken on April 18, 2016)



Golf Course View
(Photo Taken on April 18, 2016)



Golf Course View
(Photo Taken on April 18, 2016)



Putting Green
(Photo Taken on April 18, 2016)



Exterior View
(Photo Taken on April 18, 2016)



Exterior Building View
(Photo Taken on April 18, 2016)



Cart Storage
(Photo Taken on April 18, 2016)



Cart Storage
(Photo Taken on April 18, 2016)



Picnic Shelter
(Photo Taken on April 18, 2016)



Restroom Building
(Photo Taken on April 18, 2016)



Storage Building
(Photo Taken on April 18, 2016)

Aerial Map



Real Estate Taxes

Real estate tax assessments are administered by Clark County and are estimated by jurisdiction on a county basis for the subject. Real estate taxes in this state and jurisdiction represent ad valorem taxes, meaning a tax applied in proportion to value. Real estate taxes are based upon assessed value, which is meant to represent 35% of true value, that to be somewhat synonymous with market value. The gross tax rate is expressed in millage, and then is subject to different reduction factors to arrive at an effective tax rate. The real estate taxes for an individual property may be determined by dividing the assessed value for a property by 1,000, then multiplying the estimate by the effective tax rate.

Real estate taxes and assessments for the current tax year are shown in the following table.

Taxes and Assessments - 2015							
Tax ID	Assessed Value			Taxes and Assessments			
	Land	Improvements	Total	Tax Rate	Taxes	Direct Assessments	Total
33007000151001001	\$1,713,960	\$0	\$1,713,960	60.897190%	\$104,375	\$91	\$104,466
33007000151001002	\$457,380	\$0	\$457,380	60.897190%	\$27,853	\$13	\$27,866
33007000151001003	\$152,460	\$0	\$152,460	60.897190%	\$9,284	\$10	\$9,295
33007000152001015	\$113,580	\$0	\$113,580	60.897190%	\$6,917	\$0	\$6,917
33007000152001016	\$154,910	\$253,590	\$408,500	60.897190%	\$24,877	\$12	\$24,889
30007000152001032	\$38,120	\$0	\$38,120	60.897190%	\$2,321	\$2	\$2,323
33007000153051026	\$1,273,350	\$0	\$1,273,350	60.897190%	\$77,543	\$52	\$77,596
33007000163041001	\$176,930	\$0	\$176,930	60.897190%	\$10,775	\$11	\$10,785
33007000212031004	\$285,100	\$13,680	\$298,780	60.897190%	\$18,195	\$13	\$18,208
33007000212041003	\$830,750	\$53,190	\$883,940	60.897190%	\$53,829	\$16	\$53,845
34007000224181002	\$218,170	\$0	\$218,170	60.897190%	\$13,286	\$4	\$13,290
	\$5,414,710	\$320,460	\$5,735,170		\$349,256	\$224	\$349,479

Assessor's Market Value

Tax ID	Land	Improvements	Total
33007000151001001	\$4,897,020	\$0	\$4,897,020
33007000151001002	\$1,306,800	\$0	\$1,306,800
33007000151001003	\$435,600	\$0	\$435,600
33007000152001015	\$324,520	\$0	\$324,520
33007000152001016	\$442,610	\$724,540	\$1,167,150
30007000152001032	\$108,900	\$0	\$108,900
33007000153051026	\$3,638,130	\$0	\$3,638,130
33007000163041001	\$505,500	\$0	\$505,500
33007000212031004	\$814,570	\$39,090	\$853,660
33007000212041003	\$2,373,580	\$151,960	\$2,525,540
34007000224181002	\$623,340	\$0	\$623,340
	\$15,470,570	\$915,590	\$16,386,160

Based on the concluded market value of the subject, the assessed value appears high.

Highest and Best Use

Process

Before a property can be valued, an opinion of highest and best use must be developed for the subject site, both as if vacant, and as improved or proposed. By definition, the highest and best use must be:

- Physically possible.
- Legally permissible under the zoning regulations and other restrictions that apply to the site.
- Financially feasible.
- Maximally productive, i.e., capable of producing the highest value from among the permissible, possible, and financially feasible uses.

As If Vacant

Physically Possible

The physical characteristics of the site do not appear to impose any unusual restrictions on development. Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses.

Legally Permissible

The site is zoned G, Green Space, Park and School District. Permitted uses include open space in any form of undeveloped land, publicly owned and operated parks and recreation areas, schools and public service facilities or specific uses that are determined by the City Commission to be necessary or incidental to the operation of the City or any of its departments.. To our knowledge, there are no legal restrictions such as easements or deed restrictions that would effectively limit the use of the property. Given prevailing land use patterns in the area. Based on conclusions later within this report, both recreational use and residential use are given further consideration in determining highest and best use of the site, as though vacant. This would assume that a zoning change from the current G zoning to some form of residential zoning was made.

Financially Feasible

Based on our analysis of the market, there appears to be some demand for additional single family residential development at the current time and there is little or minimal demand for recreational use (golf course). Our single family market analysis was based on home sales over \$100,000 which would be necessary for a development of the subject site into a residential property. It appears that a newly developed single family residential use or a recreational use on the site would not have a value commensurate with its cost; therefore, single family residential use or recreational use is not considered to be financially feasible. Nevertheless, we expect an eventual recovery of the market accompanied by a potential increase in residential property values to a level that could justify the cost of new construction of a residential subdivision. Thus, it is anticipated that single family residential development will eventually become financially feasible in the future. It is highly unlikely that a recreational use will become financially feasible anytime in the near future as the demand for golf has dropped significantly.

Maximally Productive

There does not appear to be any reasonably probable use of the site that would generate a higher residual land value than holding the property for future development of a single family residential use. Accordingly, it is our opinion that holding the property for future single family residential use, based on the normal market density level permitted by zoning, is the maximally productive use of the property.

Conclusion

Holding the property for future development of a single family residential use is the only use that meets the four tests of highest and best use. Therefore, it is concluded to be the highest and best use of the property as if vacant.

As Improved**Financially Feasible**

The following is the financial information for years 2012 through 2015 for the subject property as a golf course operation.

Operating History

	Actual 2012	Actual 2013	Actual 2014	12 Months Annualized 2015
Income				
Golf fees	363,228	333,094	387,371	384,828
Season Tickets	94,240	66,782	79,980	74,290
Driving Range	7,296	12,548	14,639	12,934
Merchandise sales	34,374	28,246	45,912	49,944
Food Service sales	96,168	112,059	143,658	131,674
Cart rentals	132,029	155,829	181,463	167,875
Cart Permits	42,613	26,509	39,308	19,924
City Subsidy	225,000	317,115	215,000	345,000
Sales Tax	2,440	1,650	3,067	3,220
Miscellaneous Income	25,968	18,557	35,009	21,623
Effective Gross Income	\$1,023,356	\$1,072,389	\$1,145,407	\$1,211,312
Expenses				
Labor Costs	\$493,226	\$506,503	\$575,435	\$579,459
Utilities	62,790	84,363	75,920	46,525
Maintenance Contracts	9,128	0	1,144	0
Professional Services	75,492	27,497	30,791	29,013
Other Contractual Services	106,955	69,215	96,251	107,102
Insurance	1,600	875	1,735	1,590
Vehicle Insurance	212	449	369	561
Property Insurance	4,129	2,775	2,919	2,917
State fees and taxes	12,102	19,619	25,318	22,821
Membership fees	1,507	110	1,781	1,950
Other fees	8,463	8,880	12,564	11,334
Supplies	116,631	97,485	111,360	102,758
Merchandise-Pro Shop	57,505	33,504	29,354	42,889
Merchandise-Restaurant	74,394	67,122	76,238	81,506
Fuel	35,119	58,956	40,688	42,598
Maintenance Supplies	18,367	9,119	8,913	11,648
Miscellaneous Expenses	0	228	1,111	143
Total Expenses	\$1,077,620	\$986,700	\$1,091,891	\$1,084,814
Net Operating Income	-\$54,264	\$85,689	\$53,516	\$126,498
Operating Expense Ratio	105.3%	92.0%	95.3%	89.6%

It should be noted that the City of Springfield has subsidized the operation with anywhere from \$215,000 to \$345,000 per year during this time period. It also should be noted that per the client, the City has not charged any water expense after 2014. The water expense can run anywhere for \$40,000 to \$80,000 per course per year with the highest water/sewer cost prior to 2015 was \$71,000. One last thing that should be noted that there are no real estate taxes included in the operational expenses and if a buyer would consider a purchase that is an additional expense that would be incurred. If the subsidies from the City were deducted and the water expense and the real estate taxes were added to the operational expenses, the annual losses from the operations would be in the range of a low of

\$515,000 to a high of \$635,000. Additionally when comparing other costs associated with the subject property with typical golf course operational expenses, the subject's costs appear to be considerably higher. Therefore the highest and best use as a golf course operation is not financially feasible and because of this the highest and best use as improved is not the existing golf course operation. This is also shown with our estimated land value which is higher than our concluded golf course value via the sales comparison approach.

Most Probable Buyer

Taking into account the size and characteristics of the property, the likely buyer is a developer.

Valuation

Valuation Methodology

Appraisers usually consider three approaches to estimating the market value of real property. These are the cost approach, sales comparison approach and the income capitalization approach.

The **cost approach** assumes that the informed purchaser would pay no more than the cost of producing a substitute property with the same utility. This approach is particularly applicable when the improvements being appraised are relatively new and represent the highest and best use of the land or when the property has unique or specialized improvements for which there is little or no sales data from comparable properties.

The **sales comparison approach** assumes that an informed purchaser would pay no more for a property than the cost of acquiring another existing property with the same utility. This approach is especially appropriate when an active market provides sufficient reliable data. The sales comparison approach is less reliable in an inactive market or when estimating the value of properties for which no directly comparable sales data is available. The sales comparison approach is often relied upon for owner-user properties.

The **income capitalization approach** reflects the market's perception of a relationship between a property's potential income and its market value. This approach converts the anticipated net income from ownership of a property into a value indication through capitalization. The primary methods are direct capitalization and discounted cash flow analysis, with one or both methods applied, as appropriate. This approach is widely used in appraising income-producing properties.

Reconciliation of the various indications into a conclusion of value is based on an evaluation of the quantity and quality of available data in each approach and the applicability of each approach to the property type.

The methodology employed in this assignment is summarized as follows:

Approaches to Value		
Approach	Applicability to Subject	Use in Assignment
Cost Approach	Not Applicable	Not Utilized
Sales Comparison Approach	Applicable	Utilized
Income Capitalization Approach	Not Applicable	Not Utilized

Land Valuation

To develop an opinion of the subject's land value, as if vacant and available to be developed to its highest and best use, we utilize the sales comparison approach. Our search for comparable sales focused on transactions within the following parameters:

- Location: Springfield MSA
- Size: Up to 100 acres
- Use: Agricultural/Residential
- Transaction Date: 2012 to present

For this analysis, we use price per acre as the appropriate unit of comparison because market participants typically compare sale prices and property values on this basis. We have included both residential land sales as well as agricultural land sales. A typical developer who would potentially purchase the site would not develop the entire site at once (380+ acres). The developer would typically develop the first section and based on the highest and best use would in all likelihood farm the remaining acreage until the time it would be developed. The most relevant sales are summarized in the following table.

Summary of Comparable Land Sales

No.	Name/Address	Sale Date; Status	Effective Sale Price	SF; Acres	Zoning	\$/SF Land	\$/Acre
1	Burnett - Farm 2700 S. Burnett Road Springfield Clark County OH	Apr-15 Closed	\$540,000	3,564,950 81.84	Planned Unit Development	\$0.15	\$6,598
<i>Comments: This was a tax based exchange facilitated by Southward with title later passing to the end purchaser. The buyer farms a large amount of acreage in the region and it is not known if eventual development was part of the motivation.</i>							
2	Fletcher Road Agricultural Land 5450 Fletcher Chapel Springfield Clark County OH	Sep-12 Closed	\$349,700	2,437,182 55.95	Agricultural	\$0.14	\$6,250
<i>Comments: Clark County farm ground located within a mile of the SR 41 interchange at Interstate 70, just southeast of Springfield, Ohio. Property was split prior this sale from a larger 77 acre site that included a residence. Secondary sales verification through the multiple listing service and public records.</i>							
3	Stewart - Agricultural Land Stewart Rd. South Charleston Clark County OH	Feb-13 Closed	\$275,000	2,177,129 49.98	Agricultural	\$0.13	\$5,502
<i>Comments: No buildings on site.</i>							
4	Buena Vista - Agricultural Land S. Buena Vista Rd. South Charleston Clark County OH Tax ID: 1400800015000010 Grantor: Paul J. Gross Grantee: Pamela L. Carpenter	Sep-14 Closed	\$286,000	2,264,684 51.99	Agricultural	\$0.13	\$5,501
<i>Comments: No buildings on the site.</i>							
5	Oak Brooke Development 5250 Little Sugarcreek Rd. Dayton Greene County OH	Feb-15 Closed	\$750,000	3,006,947 69.03	Planned Residential Development	\$0.25	\$10,865
<i>Comments: Property was purchased to be developed into Oak Brooke subdivision. This subdivision will have a total of 98 lots with 100 FF that have been purchased for single family homes by Ryan Homes. The buyers had to pay \$247,000 to extend water and sewer to the site. This cost was not added to selling price based on discussions with the buyer that this is a normal expense in the development of a similar type piece of real estate for single family homes.</i>							
6	Indian Ripple - Land Indian Ripple Rd. Xenia Greene County OH	Dec-13 Closed	\$900,000	3,104,408 71.27	Planned Unit Development	\$0.29	\$12,628
<i>Comments: Buyer knew that the property did not connect to the sewer and understood it may take some time to have this put in place. Once the sewers are in place the buyer intends to develop it into single family residential.</i>							
Subject Reid Park Golf Course Springfield, OH				16,666,056 380.60	Green Space, Park and School District		

Comparable Land Sales Map





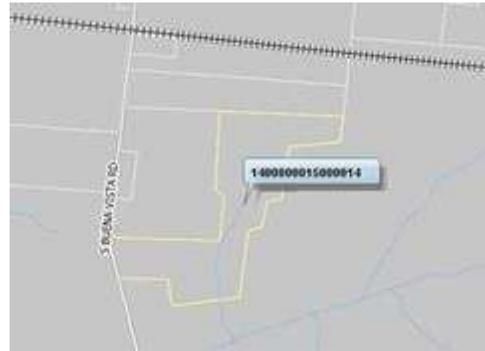
Land Sale 1
Burnett - Farm



Land Sale 2
Fletcher Road Agricultural Land



Land Sale 3
Stewart - Agricultural Land



Land Sale 4
Buena Vista - Agricultural Land



Land Sale 5
Oak Brooke Development



Land Sale 6
Indian Ripple - Land

Reid Park Golf Course



Analysis and Adjustment of Sales

The sales are compared to the subject and adjusted to account for material differences that affect value. Adjustments are considered for the following factors, in the sequence shown below.

Adjustment Factor	Accounts For	Comments
Effective Sale Price	Atypical economics of a transaction, such as demolition cost or expenditures by buyer at time of purchase.	No adjustment warranted
Real Property Rights	Fee simple, leased fee, leasehold, partial interest, etc.	No adjustment warranted
Financing Terms	Seller financing, or assumption of existing financing, at non-market terms.	No adjustment warranted
Conditions of Sale	Extraordinary motivation of buyer or seller, assemblage, forced sale.	No adjustment warranted
Market Conditions	Changes in the economic environment over time that affect the appreciation and depreciation of real estate.	No adjustment warranted
Location	Market or submarket area influences on sale price; surrounding land use influences.	Comparables 5 and 6 are located in the Bellbrook area of Greene County and considered superior location and were adjusted downward.
Access/Exposure	Convenience to transportation facilities; ease of site access; visibility; traffic counts.	No adjustment warranted
Size	Inverse relationship that often exists between parcel size and unit value.	All of the comparables are much smaller than the subject site and based on economies of scale have been adjusted downward.
Shape and Topography	Primary physical factors that affect the utility of a site for its highest and best use.	No adjustment warranted
Zoning	Government regulations that affect the types and intensities of uses allowable on a site.	No adjustment warranted
Entitlements	The specific level of governmental approvals attained pertaining to development of a site.	No adjustment warranted

The following table summarizes the adjustments we make to each sale.

Land Sales Adjustment Grid							
	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5	Comparable 6
Name	Reid Park Golf Course	Burnett - Farm	Fletcher Road	Stewart -	Buena Vista -	Oak Brooke	Indian Ripple -
Address	1325 S. Bird Road	2700 S. Burnett Road	5450 Fletcher Chapel	Agricultural Land Stewart Rd.	Agricultural Land S. Buena Vista Rd.	Development 5250 Little Sugarcreek Rd.	Land Indian Ripple Rd.
City	Springfield	Springfield	Springfield	South Charleston	South Charleston	Dayton	Xenia
County	Clark	Clark	Clark	Clark	Clark	Greene	Greene
State	Ohio	OH	OH	OH	OH	OH	OH
Sale Date		Apr-15	Sep-12	Feb-13	Sep-14	Feb-15	Dec-13
Sale Status		Closed	Closed	Closed	Closed	Closed	Closed
Price Adjustment		-	-	-	-	-	-
Description of Adjustment							
Effective Sale Price		\$540,000	\$349,700	\$275,000	\$286,000	\$750,000	\$900,000
Square Feet	16,666,056	3,564,950	2,437,182	2,177,129	2,264,684	3,006,947	3,104,408
Acres	380.60	81.84	55.95	49.98	51.99	69.03	71.27
Price per Acre		\$6,598	\$6,250	\$5,502	\$5,501	\$10,865	\$12,628
Property Rights		Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Adjustment		=	=	=	=	=	=
Financing Terms		Cash to seller	Cash to seller	Cash to seller	Cash to seller	Cash to seller -	Cash to seller
Adjustment		=	=	=	=	=	=
Conditions of Sale		=	=	=	=	=	=
Adjustment		=	=	=	=	=	=
Market Conditions	1/1/2015	Apr-15	Sep-12	Feb-13	Sep-14	Feb-15	Dec-13
Adjustment		=	=	=	=	=	=
Location		=	=	=	=	----	----
Access/Exposure		=	=	=	=	=	=
Size		---	---	---	---	---	---
Shape and Topography		=	=	=	=	=	=
Zoning		=	=	=	=	=	=
Entitlements		=	=	=	=	=	=
Overall Adjustment		---	---	---	---	-----	-----
Indicated Value		\$6,000					



Land Value Conclusion

Prior to adjustment, the sales reflect a range of \$5,501 - \$12,628 per acre. After adjustment, the range is narrowed to \$4,676 - \$8,209 per acre, with an average of \$5,924 per acre. We give consideration to all the sales, and arrive at a land value conclusion as follows:

Land Value Conclusion	
Indicated Value per Acre	\$6,000
Subject Acres	380.60
Indicated Value	\$2,283,600
Rounded	\$2,280,000

Also considered were the following sales located in the Clark County market area. These additional sales are typically for the most part removed from the Springfield area and are considered less desirable locations and hence the lower value range.

Large Land Sales							
Location	Site Size/Acres	Improvements	Estimated Improvement Value	Date of Sale	Selling Price	Selling Price/Acre w/Improvements	Selling Price/Acre W/O Improvements
Snyder Dormer Road, Springfield	315.04	Yes	\$2,380	2/9/2012	\$611,100	\$1,940	\$1,932
Columbus Xenia Road, South Solon	431.06	Yes	\$140,530	8/25/2015	\$2,781,900	\$6,454	\$6,128
Dayton Lakeview Road, New Carlisle	148.29	Yes	\$9,090	9/4/2014	\$500,000	\$3,372	\$3,310
Neer Road, Mechanicsburg	131.76	No	\$0	1/3/2012	\$412,100	\$3,128	\$3,128
County Line Road, Springfield	143.05	Yes	\$311,430	8/27/2013	\$875,000	\$6,117	\$3,940
Wilson Road, South Charleston	159.88	No	\$0	2/12/2015	\$781,000	\$4,885	\$4,885
Moorefield Road, Springfield	211.72	Yes	\$3,950	4/11/2012	\$1,300,000	\$6,140	\$6,122
Average with Improvements						\$4,576	
Average without Improvements							\$4,206

Sales Comparison Approach

The sales comparison approach develops an indication of value by comparing the subject to sales of similar properties. The steps taken to apply this approach are:

- Identify relevant property sales;
- Research, assemble, and verify pertinent data for the most relevant sales;
- Analyze the sales for material differences in comparison to the subject;
- Reconcile the analysis of the sales into a value indication for the subject.

To apply the sales comparison approach, we searched for sale transactions within the following parameters:

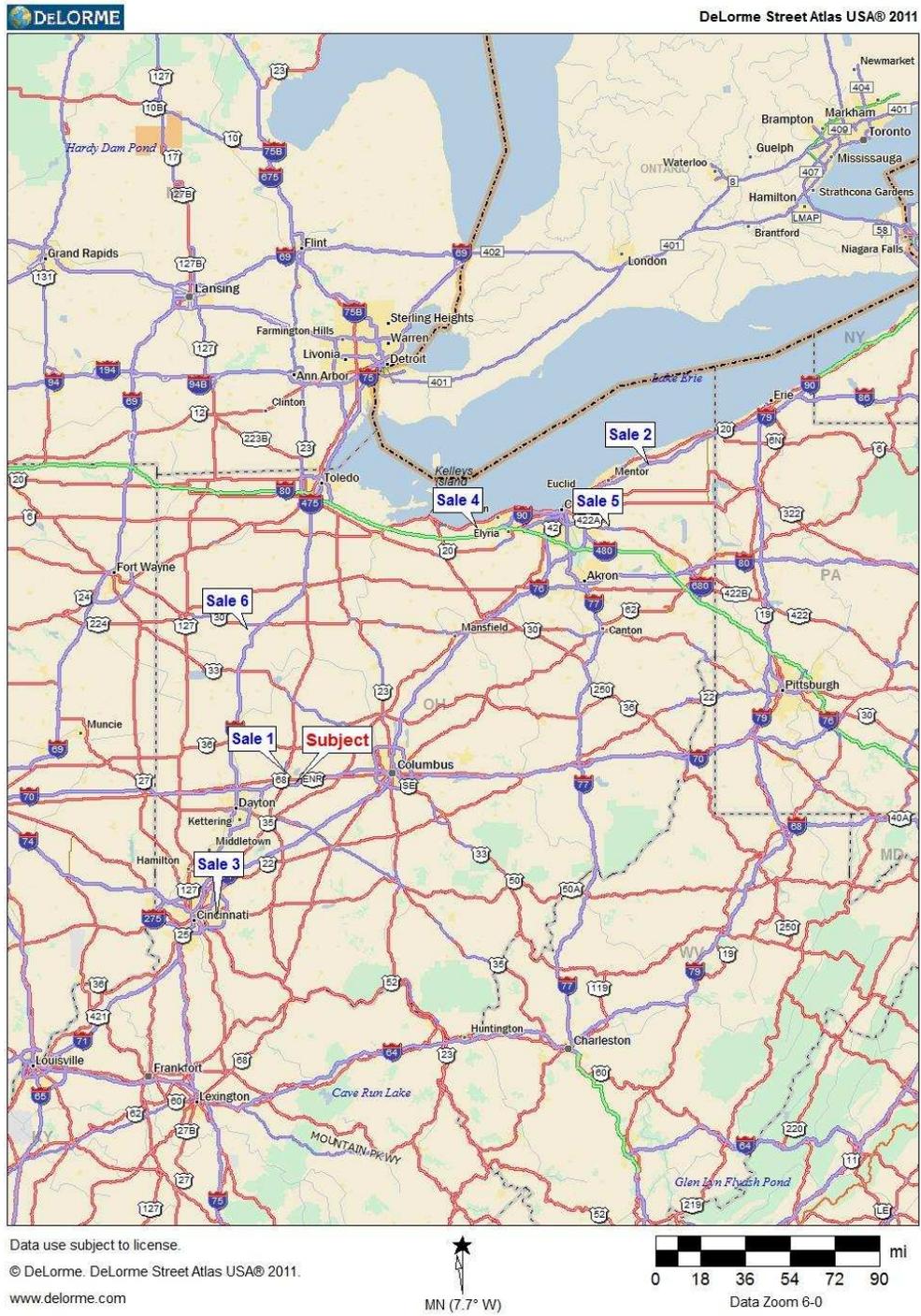
- Property Type: Golf Courses
- Location: Ohio
- Age/Quality: Average quality
- Transaction Date: 2012 to present

For this analysis, we use price per hole as the appropriate unit of comparison because market participants typically compare sale prices and property values on this basis. The most relevant sales are summarized in the following table.

Summary of Comparable Improved Sales

No.	Name/Address	Sale Date; Status	Year Built	Acres	Prop Rights	# of Holes	Effective Sale Price	\$/Hole
1	Windy Knoll Golf Club 500 Roscommon Drive Springfield Clark County OH	May-12 Closed	2002	140.38	Fee Simple	18	\$1,400,000	\$77,778
	<i>Comments: This is a newer golf course that was originally built as a semi-private play course on the north side of Springfield. The property reported sold by a receiver, however, common to many distressed golf course sales, appears to have sold in the range of value. Play is now open to the public. Sale included all FF&E. The purchaser indicated no business value.</i>							
2	Powderhorn Country Club 3991 Bates Rd. Madison Lake County OH	Jun-13 Closed	1940	231.29 0.00	Fee Simple	18	\$1,350,000	\$75,000
	<i>Comments: The property was purchased by local members with the intent to operate as usual under its current name. Buyer estimated contributory value of FF&E at \$100,000.</i>							
3	Ivy Hills Country Club 7711 Ivy Hills Blvd. Newtown Hamilton County OH	Mar-14 Closed	1992	146.47	Fee Simple	18	\$1,200,000	\$66,667
	<i>Comments: Going concern sale of a privately owned country club. The buyer valued the FF & E at \$450,000.</i>							
4	Willow Creek Golf Course 15905 Darrow Rd. Vermilion Lorain County OH	Apr-14 Closed	1950	169.11	Fee Simple	18	\$620,000	\$34,444
	<i>Comments: Sale included excess land, not used for golf course operations, but included in sale price. Subject was never actively listed for sale.</i>							
5	Tanglewood Country Club 8745 Tanglewood Trail Chargin Falls Geauga County OH	Oct-12 Closed	1967	132.47	Fee Simple	18	\$850,000	\$47,222
	<i>Comments: This is the sale of an 18-hole golf club. The club has a driving range, tennis courts and a club house that can be rented out for private events. The club has week day greens fees of approximately \$43.00 per 18-holes and weekend greens fees of approximately \$53.00 per 18-holes.</i>							
6	Springbrook Golf Club 4200 Ottawa Road Lima Allen County OH	Apr-13 Closed	2002	139.00	Fee Simple	18	\$752,000	\$41,778
	<i>Comments: This is the sale of a public 18-hole golf club. The club has a club house with a pro shop but does not have a driving range. Greens fees at the club are approximately \$20.00 per 18-holes during the week and on weekends \$32.00 per 18-holes.</i>							
	Subject Reid Park Golf Course Springfield, OH		1965, 1966, 1967, 1996, 2007	380.60	Fee Simple	36		

Comparable Improved Sales Map





Sale 1
Windy Knoll Golf Club



Sale 2
Powderhorn Country Club



Sale 3
Ivy Hills Country Club



Sale 4
Willow Creek Golf Course



Sale 5
Tanglewood Country Club



Sale 6
Springbrook Golf Club

Reid Park Golf Course



Analysis and Adjustment of Sales

The sales are compared to the subject and adjusted to account for material differences that affect value. Adjustments are considered for the following factors, in the sequence shown below.

Adjustment Factor	Accounts For	Comments
Effective Sale Price	Atypical economics of a transaction, such as excess land or non-realty components.	No adjustment warranted
Real Property Rights	Leased fee, fee simple, leasehold, partial interest, etc.	No adjustment warranted
Financing Terms	Seller financing, or assumption of existing financing, at non-market terms.	No adjustment warranted
Conditions of Sale	Extraordinary motivation of buyer or seller.	No adjustment warranted
Market Conditions	Changes in the economic environment over time that affect the appreciation and depreciation of real estate.	No adjustment warranted
Location	Market or submarket area influences on sale price; surrounding land use influences.	Comparables 1, 2 and 3 are all considered to have superior locations in areas of more development and were adjusted downward. Comparables 4, 5 and 6 are all considered to have inferior locations and were adjusted upward.
Access/Exposure	Convenience to transportation facilities; ease of site access; visibility; traffic counts.	No adjustment warranted
Size	Inverse relationship that often exists between building size and unit value.	No adjustment warranted
Parking	Ratio of parking spaces to building area.	No adjustment warranted
Building to Land Ratio	Ratio of building area to land area; also known as floor area ratio (FAR).	No adjustment warranted

Adjustment Factor	Accounts For	Comments
Building Quality	Construction quality, amenities, market appeal, functional utility.	Comparable 1 is considered to have superior quality improvements and was adjusted downward. Comparables 4, 5 and 6 are considered to have inferior quality improvements and were adjusted upward.
Age/Condition	Effective age; physical condition.	Comparables 1, 3 and 6 are newer improvements and were adjusted downward. Comparables 2 and 4 are older improvements and were adjusted upward.
Economic Characteristics	Non-stabilized occupancy, above/below market rents, and other economic factors.	No adjustment warranted

The following table summarizes the adjustments we make to each sale. We have not considered any adjustments for the fact the subject is 36 holes compared to the sales that are only 18 holes.

Improved Sales Adjustment Grid

	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5	Comparable 6
Property Name	Reid Park Golf Course	Windy Knoll Golf Club	Powderhorn Country Club	Ivy Hills Country Club	Willow Creek Golf Course	Tanglewood Country Club	Springbrook Golf Club
Address	1325 S. Bird Road	500 Roscommon Drive	3991 Bates Rd.	7711 Ivy Hills Blvd.	15905 Darrow Rd.	8745 Tanglewood Trail	4200 Ottawa Road
City	Springfield	Springfield	Madison	Newtown	Vermilion	Chargin Falls	Lima
County	Clark	Clark	Lake	Hamilton	Lorain	Geauga	Allen
State	Ohio	OH	OH	OH	OH	OH	OH
Sale Date		May-12	Jun-13	Mar-14	Apr-14	Oct-12	Apr-13
Sale Status		Closed	Closed	Closed	Closed	Closed	Closed
Price Adjustment		-	-	-	-	-	-
Description of Adjustment							
Effective Sale Price		\$1,400,000	\$1,350,000	\$1,200,000	\$620,000	\$850,000	\$752,000
Gross Building Area	18,291	12,542	15,824	24,260	3,450	27,500	3,520
Rentable Area	18,291	12,542	15,824	24,260	3,450	27,500	3,520
Number of Holes	36	18	18	18	18	18	18
Year Built	1965, 1966, 1967, 1996, 2007	2002	1940	1992	1950	-	2002
Land Acres	380.60	140.38	231.29	146.47	169.11	132.47	139.00
Price per Hole		\$77,778	\$75,000	\$66,667	\$34,444	\$47,222	\$41,778
Property Rights		Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Adjustment		=	=	=	=	=	=
Financing Terms		Cash to seller	Cash to seller	Cash to seller	Cash to seller	Cash to seller	Cash to seller
Adjustment		=	=	=	=	=	=
Conditions of Sale		=	=	=	=	=	=
Adjustment		=	=	=	=	=	=
Market Conditions	1/1/2015	May-12	Jun-13	Mar-14	Apr-14	Oct-12	Apr-13
Adjustment		=	=	=	=	=	=
Location		---	---	--	++++	++	+++
Access/Exposure		=	=	=	=	=	=
Size		=	=	=	=	=	=
Parking		=	=	=	=	=	=
Building to Land Ratio (FAR)		=	=	=	=	=	=
Building Quality		-	=	=	++	++	+++
Age/Condition		-	+	-	++	=	-
Economic Characteristics		=	=	=	=	=	=
Overall Adjustment		-----	--	---	+++++++	+++	++++
Indicated Value		\$60,000					

Value Indication

Prior to adjustment, the sales reflect a range of \$34,444 - \$77,778 per Hole. After adjustments, the range is narrowed to \$48,222 - \$67,500 per Hole, with an average of \$56,602 per Hole. We give consideration to all the sales, and arrive at a value indication as follows:

Value Indication by Sales Comparison	
Indicated Value per Hole	\$60,000
Subject Holes	36
Indicated Value	\$2,160,000
Rounded	\$2,200,000

Also considered were the following golf course sales:

Additional Sales						
Location	Building Size	Site Size	Selling Price	Date of Sale	SP/Acre	SP/Hole
St. Denis Golf Club, Chardon, OH	16,134	134.050	\$1,340,000	12/3/2015	\$9,996	\$74,444.44
Donnybrook Golf Club, Hubbard, OH	560	130.650	\$385,000	4/16/2014	\$2,947	\$21,388.89
Willow Creek Golf Club, Vermilion, OH	3,450	169.110	\$620,000	4/17/2014	\$3,666	\$34,444.44
Tanglewood Country Club, Chargin Falls, OH	27,500	132.470	\$850,000	10/23/2012	\$6,417	\$47,222.22
Tamarac Golf Club, Lima, OH	5,280	111.000	\$725,000	3/30/2012	\$6,532	\$40,277.78
Springbrook Golf Club, Lima, OH	3,520	139.000	\$752,000	4/4/2013	\$5,410	\$41,777.78
Woods of Possum Run Golf Club, Mansfield, OH	17,000	157.550	\$996,000	9/21/2012	\$6,322	\$55,333.33
Powderhorn Country Club, Madison, OH	15,824	231.290	\$1,350,000	6/19/2013	\$5,837	\$75,000.00
Elks Run Golf Course, Batavia, OH	19,800	162.990	\$2,650,000	5/1/2013	\$16,259	\$147,222.22
Woodridge Woods Golf and Swim Club, Mansfield, OH	17,000	157.550	\$996,000	9/21/2012	\$6,322	\$55,333.33
Royal Oaks Golf Club, Grafton, OH	1,600	95.790	\$310,000	3/16/2013	\$3,236	\$17,222.22
Rawiga Country Club, Seville, OH	15,600	150.580	\$672,000	1/5/2012	\$4,463	\$37,333.33
Eagle's Landing Golf Club, Oregon, OH	10,070	175.560	\$950,000	2/22/2012	\$5,411	\$52,777.78
Ivy Hills Country Club, Cincinnati, OH	43,582	146.470	\$1,200,000	3/4/2014	\$8,193	\$66,666.67
Northwood Hills, Springfield, OH	23,159	129.400	\$900,000	12/21/2009	\$6,955	\$50,000.00
Average Price per SF						
Average Price per Acre					\$6,531	
Average Price per Hole						\$54,429.63

Reconciliation and Conclusion of Value

The values indicated by our analyses are as follows:

Summary of Value Indications	
Land Value	\$2,280,000
Sales Comparison Approach	\$2,160,000
Income Capitalization Approach	Not Used
Reconciled	\$2,280,000

We have considered the sales comparison approach for the land value and the sales comparison approach for the subject as an existing golf course. As evidenced by the two values, the land value is higher than considered the highest and best use of the site. It should be noted that any razing costs would be typical and no deductions from the land value have been considered. Accordingly, our value opinion is as follows:

Value Conclusion			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Retrospective Market Value	Fee Simple	January 1, 2015	\$2,280,000

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. It is assumed the property was in similar condition on the retrospective date as it was the date of inspection. The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.
 1. None

Exposure Time

Exposure time is the length of time the subject property would have been exposed for sale in the market had it sold on the effective valuation date at the concluded market value. Based on the concluded market value stated previously, it is our opinion that the probable exposure time is 24-36 months.

Marketing Period

Marketing time is an estimate of the amount of time it might take to sell a property at the concluded market value immediately following the effective date of value. We estimate the subject's marketing period at 24-36 months.

Certification

We 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 our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. We have not performed any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice as well as applicable state appraisal regulations.
9. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and 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. James A. Herbig, SRA, made a personal inspection of the property that is the subject of this report. Michael A. Cahill has personally inspected the subject.
12. Significant real property appraisal assistance was provided by Jessica Caesar who has not signed this certification.
13. We have experience in appraising properties similar to the subject and are in compliance with the Competency Rule of USPAP.
14. As of the date of this report, James A. Herbig, SRA, has completed the continuing education program for Designated Members of the Appraisal Institute.



James A. Herbig, SRA
Certified General Real Estate Appraiser
Ohio Certificate # 433981

Michael A. Cahill
Certified General Real Estate Appraiser
Ohio Certificate # 383289

Assumptions and Limiting Conditions

This appraisal and any other work product related to this engagement are limited by the following standard assumptions, except as otherwise noted in the report:

1. The title is marketable and free and clear of all liens, encumbrances, encroachments, easements and restrictions. The property is under responsible ownership and competent management and is available for its highest and best use.
2. There are no existing judgments or pending or threatened litigation that could affect the value of the property.
3. There are no hidden or undisclosed conditions of the land or of the improvements that would render the property more or less valuable. Furthermore, there is no asbestos in the property.
4. The revenue stamps placed on any deed referenced herein to indicate the sale price are in correct relation to the actual dollar amount of the transaction.
5. The property is in compliance with all applicable building, environmental, zoning, and other federal, state and local laws, regulations and codes.
6. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

This appraisal and any other work product related to this engagement are subject to the following limiting conditions, except as otherwise noted in the report:

1. An appraisal is inherently subjective and represents our opinion as to the value of the property appraised.
2. The conclusions stated in our appraisal apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events.
3. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.
4. No environmental impact studies were either requested or made in conjunction with this appraisal, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the appraisal assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
5. Unless otherwise agreed to in writing, we are not required to give testimony, respond to any subpoena or attend any court, governmental or other hearing with reference to the property without compensation relative to such additional employment.
6. We have made no survey of the property and assume no responsibility in connection with such matters. Any sketch or survey of the property included in this report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.

7. No opinion is expressed as to the value of subsurface oil, gas or mineral rights, if any, and we have assumed that the property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in our appraisal.
8. We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic considerations such as soils and seismic stability; and civil, mechanical, electrical, structural and other engineering and environmental matters. Such considerations may also include determinations of compliance with zoning and other federal, state, and local laws, regulations and codes.
9. The distribution of the total valuation in the report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. The appraisal report shall be considered only in its entirety. No part of the appraisal report shall be utilized separately or out of context.
10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the persons signing the report.
11. Information, estimates and opinions contained in the report and obtained from third-party sources are assumed to be reliable and have not been independently verified.
12. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute predictions of future operating results.
13. If the property is subject to one or more leases, any estimate of residual value contained in the appraisal may be particularly affected by significant changes in the condition of the economy, of the real estate industry, or of the appraised property at the time these leases expire or otherwise terminate.
14. Unless otherwise stated in the report, no consideration has been given to personal property located on the premises or to the cost of moving or relocating such personal property; only the real property has been considered.
15. The current purchasing power of the dollar is the basis for the values stated in the appraisal; we have assumed that no extreme fluctuations in economic cycles will occur.
16. The values found herein are subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.
17. The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during

- the period covered by our analysis will vary from our estimates, and the variations may be material.
18. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of the property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. We claim no expertise in ADA issues, and render no opinion regarding compliance of the subject with ADA regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.
 19. The appraisal report is prepared for the exclusive benefit of the Client, its subsidiaries and/or affiliates. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.
 20. No studies have been provided to us indicating the presence or absence of hazardous materials on the subject property or in the improvements, and our valuation is predicated upon the assumption that the subject property is free and clear of any environment hazards including, without limitation, hazardous wastes, toxic substances and mold. No representations or warranties are made regarding the environmental condition of the subject property. Integra Realty Resources – Cincinnati/Dayton, Integra Realty Resources, Inc., Integra Strategic Ventures, Inc. and/or any of their respective officers, owners, managers, directors, agents, subcontractors or employees (the "Integra Parties"), shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the subject property.
 21. The persons signing the report may have reviewed available flood maps and may have noted in the appraisal report whether the subject property is located in an identified Special Flood Hazard Area. We are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property, and the value conclusion is predicated on the assumption that wetlands are non-existent or minimal.
 22. Integra Realty Resources – Cincinnati/Dayton is not a building or environmental inspector. Integra Cincinnati/Dayton does not guarantee that the subject property is free of defects or environmental problems. Mold may be present in the subject property and a professional inspection is recommended.
 23. The appraisal report and value conclusions for an appraisal assume the satisfactory completion of construction, repairs or alterations in a workmanlike manner.
 24. It is expressly acknowledged that in any action which may be brought against any of the Integra Parties, arising out of, relating to, or in any way pertaining to this engagement, the appraisal reports, and/or any other related work product, the Integra Parties shall not be responsible or liable for any incidental or consequential damages or losses, unless the appraisal was fraudulent or prepared with intentional misconduct. It is further acknowledged

- that the collective liability of the Integra Parties in any such action shall not exceed the fees paid for the preparation of the appraisal report unless the appraisal was fraudulent or prepared with intentional misconduct. Finally, it is acknowledged that the fees charged herein are in reliance upon the foregoing limitations of liability.
25. Integra Realty Resources – Cincinnati/Dayton, an independently owned and operated company, has prepared the appraisal for the specific intended use stated elsewhere in the report. The use of the appraisal report by anyone other than the Client is prohibited except as otherwise provided. Accordingly, the appraisal report is addressed to and shall be solely for the Client’s use and benefit unless we provide our prior written consent. We expressly reserve the unrestricted right to withhold our consent to your disclosure of the appraisal report or any other work product related to the engagement (or any part thereof including, without limitation, conclusions of value and our identity), to any third parties. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the appraisal report (even if their reliance was foreseeable).
 26. The conclusions of this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public records, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. The Integra Parties are not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we assume competent and effective management and marketing for the duration of the projected holding period of this property.
 27. All prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraph, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to changes in the economy, interest rates, and capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.
 28. The appraisal is also subject to the following:

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. It is assumed the property was in similar condition on the retrospective date as it was the date of inspection. The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

1. None

Addendum A
Appraiser Qualifications

James A. Herbig, SRA

Experience

Currently a Senior Director for Integra Realty Resources - Cincinnati/Dayton. Actively engaged in various types of commercial, residential and industrial real estate appraisal and consultation since 1972.

Executive Vice President of Gutmann & Middleton, Inc. (1985-2001)

Vice President of Gem America Realty and Investment Corporation (1982-1984)

Assistant Chief Appraiser of the Appraisal Department for Gem Savings and RAMCO Appraisal Services (1978-1982)

Assistant Vice President and Assistant Chief Appraiser of Security Federal Savings and Loan of Indian River County, Florida (1976-1978)

Staff Appraiser for Gem Savings Association, involved with the appraisal and inspection of all types of residential and commercial real estate (1972-1976)

Appraisal and consulting services have been performed for a variety of financial institutions, governmental agencies, private corporations, etc., including Fifth Third Bank, Oberer Companies, City of Cincinnati, Bank of America, Ohio Life Insurance Company, ODOT, Huntington National Bank, Good Samaritan Hospital, Key Bank, Mills Morgan Development Company, Miller Valentine, Citizen's Federal, PNC Bank, Monroe Federal, JPMorgan Chase Bank, Farmers & Merchants Bank, Archdiocese of Cincinnati, US Bank, CSX Transportation, United Community Bank, First Financial Bank, Old Fort Banking Company, Old National Bank, McNamee & McNamee, Thompson Hine LLP, Wesbanco, Kinder Morgan, Energy Transfer, Stantec Consulting, Heritage Land Services, etc. Mr. Herbig has appraised ROW easements/takes in numerous counties within the state of Ohio.

Professional Activities & Affiliations

Appraisal Institute - Holds SRA Designation

Appraisal Institute - Ohio Chapter - Treasurer, 2001 to Current

Appraisal Institute - Dayton Ohio Chapter - Past President

Appraisal Institute - Cardinal Ohio Chapter - Past Regional Representative

National Subcommittee for Candidate Guidance - Appraisal Institute, January 1999-December 2002

Licenses

Ohio, Certified General Real Estate Appraiser, 000433981

Education

Bachelor of Science Degree in Business, Miami University, 1972

Successfully completed numerous real estate and valuation courses and seminars sponsored by the Appraisal Institute, accredited universities and others.

Qualified Before Courts & Administrative Bodies

Board of Revisions in Montgomery, Miami, Clark Warren, Greene & Butler counties, OH.

Qualified as expert witness in Franklin, Greene & Montgomery counties, OH.

Integra Realty Resources
Cincinnati/Dayton

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**STATE OF OHIO
DIVISION OF REAL ESTATE
AND PROFESSIONAL LICENSING**

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

NAME: James A Herbig
LIC/CERT NUMBER: 000433981
LIC LEVEL: Certified General Real Estate Appraiser
CURRENT ISSUE DATE: 05/17/2016
EXPIRATION DATE: 06/09/2017
USPAP DUE DATE: 06/09/2018

Michael A. Cahill
Real Estate Appraiser/Consultant

2444 Mill Trace Lane
Dayton, Ohio 45458
Ohio 383289 General Certification

Email: mike.cahill@sbcglobal.net
Phone: (937) 291-0400
cell: (937) 609-6483

EDUCATION

The Ohio State University Columbus, Ohio	(BA)	1970
Springfield Catholic Central H.S.	Springfield, Ohio	1965

APPRAISAL COURSES

Successfully completed the following appraisal courses offered by the American Institute of Real Estate:

- I-A Basic Principles of Real Estate, 1971
- I-B The Income Approach, 1972
- II Urban Properties, 1973
- VI Investment Analysis, 1974
- Capitalization Theory & Technique Part A, 1988
- Capitalization Theory & Technique Part B, 1988
- Case Studies, 1988
- Report Writing, 1989
- Standards of Professional Practice, 1989
- Limited Appraisals/Appraisal Reporting Options, 1994
- Cost/Income Approach/Valuation of Partial Interest, Standards of Professional Practice – Part A, 1995
Standards of Professional Practice – Part B, 1995
- Subsequent updates of USPAP courses
- Various seminars and Continuing Education

EXPERIENCE

April 2005 – Present: Doing business as Michael A. Cahill & Associates. Along with work in the private sector, I have worked extensively for various government agencies and for consultants associated with government agencies in eminent domain appraisal.

January 2005 – April 2005: I was employed by Sunrise Appraisal Group, (Donald Smith) of Lima, Ohio. I had offices in Kettering, Ohio. I made the decision to return to private practice despite my continuing good professional relationship with Don Smith and his appraisal firm.

1999 – 2004: In October of 1999, I joined Gutmann-Middleton, Inc. of Dayton, Ohio, an appraisal firm begun in 1985. My initial responsibilities were as manager of the eminent domain division, specializing in appraisal for condemnation purposes. Clients included the Ohio Department of Transportation, various city and county governments, and private individuals. Along with these duties, I performed appraisal for mortgage purposes, and for various litigation cases. Gutmann and Middleton became Integra Realty Resources, part of a national network of appraisal firms. Our office served the Cincinnati/Dayton region.

- 1977 – 1999: From 1977 to 1999 I was actively engaged as a real estate appraiser/consultant in Dayton, Ohio. I served at primarily the southwestern Ohio area in the appraisal of all types of real estate to include: Industrial, Commercial, Residential, Agricultural and Special Use Properties. I formed Cahill Appraisal Inc. in 1984.
- 1975 – 1977: Prior to entering the independent fee sector in 1977, I was employed by New York Life Insurance Company in the Real Estate & Mortgage Loan Division. At New York Life, my primary responsibility was the appraisal of large income producing real estate, as partial consideration for loan underwriting purposes.
- 1974 – 1975: Real Estate Appraiser for Columbus, Ohio based mortgage company, ICI Mortgage, as subsidiary of real estate investment trust.
- 1973 – 1974: Real Estate Appraiser/Examiner for Ohio Board of Tax Appeals. Selections of properties were made by random sampling of direct appraisal. The results of our appraisals were considered in conjunction with sales ratio studies in the interest of statewide tax equalization.
- 1970 – 1973: Ohio Department of Transportation. Central Office Review Appraiser with authority relative to owner compensation from \$1.00 to \$75,000.

REVIEW APPRAISAL EXPERIENCE

- 1977 – 1992 I have served the following clients as a contract review appraiser:
- City of Dayton
 - City of Fairborn
 - City of Kettering
 - City of Sidney
 - Montgomery County
 - Van Wert County Regional Airport Authority
 - General Electric Mortgage
 - Federal National Mortgage Assoc. (FNMA)



Integra Realty Resources, Inc.

Corporate Profile

Integra Realty Resources, Inc. offers the most comprehensive property valuation and counseling coverage in North America with 58 independently owned and operated offices located throughout the United States and the Caribbean. Integra was created for the purpose of combining the intimate knowledge of well-established local firms with the powerful resources and capabilities of a national company. Integra offers integrated technology, national data and information systems, as well as standardized valuation models and report formats for ease of client review and analysis. Integra's local offices have an average of 25 years of service in the local market, and virtually all are headed by a Senior Managing Director who is an MAI member of the Appraisal Institute.

A listing of IRR's local offices and their Senior Managing Directors follows:

ATLANTA, GA - Sherry L. Watkins, MAI, FRICS
AUSTIN, TX - Randy A. Williams, MAI, SR/WA, FRICS
BALTIMORE, MD - G. Edward Kerr, MAI, MRICS
BIRMINGHAM, AL - Rusty Rich, MAI, MRICS
BOISE, ID - Bradford T. Knipe, MAI, ARA, CCIM, CRE, FRICS
BOSTON, MA - David L. Cary, Jr., MAI, MRICS
CHARLESTON, SC - Cleveland "Bud" Wright, Jr., MAI
CHARLOTTE, NC - Fitzhugh L. Stout, MAI, CRE, FRICS
CHICAGO, IL - Eric L. Enloe, MAI, FRICS
CINCINNATI/DAYTON, OH - Gary S. Wright, MAI, FRICS, SRA
CLEVELAND, OH - Douglas P. Sloan, MAI
COLUMBIA, SC - Michael B. Dodds, MAI, CCIM
COLUMBUS, OH - Bruce A. Daubner, MAI, FRICS
DALLAS, TX - Mark R. Lamb, MAI, CPA, FRICS
DENVER, CO - Brad A. Weiman, MAI, FRICS
DETROIT, MI - Anthony Sanna, MAI, CRE, FRICS
FORT WORTH, TX - Gregory B. Cook, MAI, SR/WA
GREENSBORO, NC - Nancy Tritt, MAI, SRA, FRICS
HARTFORD, CT - Mark F. Bates, MAI, CRE, FRICS
HOUSTON, TX - David R. Dominy, MAI, CRE, FRICS
INDIANAPOLIS, IN - Michael C. Lady, MAI, SRA, CCIM, FRICS
JACKSON, MS - John R. Praytor, MAI
JACKSONVILLE, FL - Robert Crenshaw, MAI, FRICS
KANSAS CITY, MO/KS - Kenneth Jagers, MAI, FRICS
LAS VEGAS, NV - Charles E. Jack IV, MAI
LOS ANGELES, CA - John G. Ellis, MAI, CRE, FRICS
LOS ANGELES, CA - Matthew J. Swanson, MAI
LOUISVILLE, KY - Stacey Nicholas, MAI, MRICS
MEMPHIS, TN - J. Walter Allen, MAI, FRICS

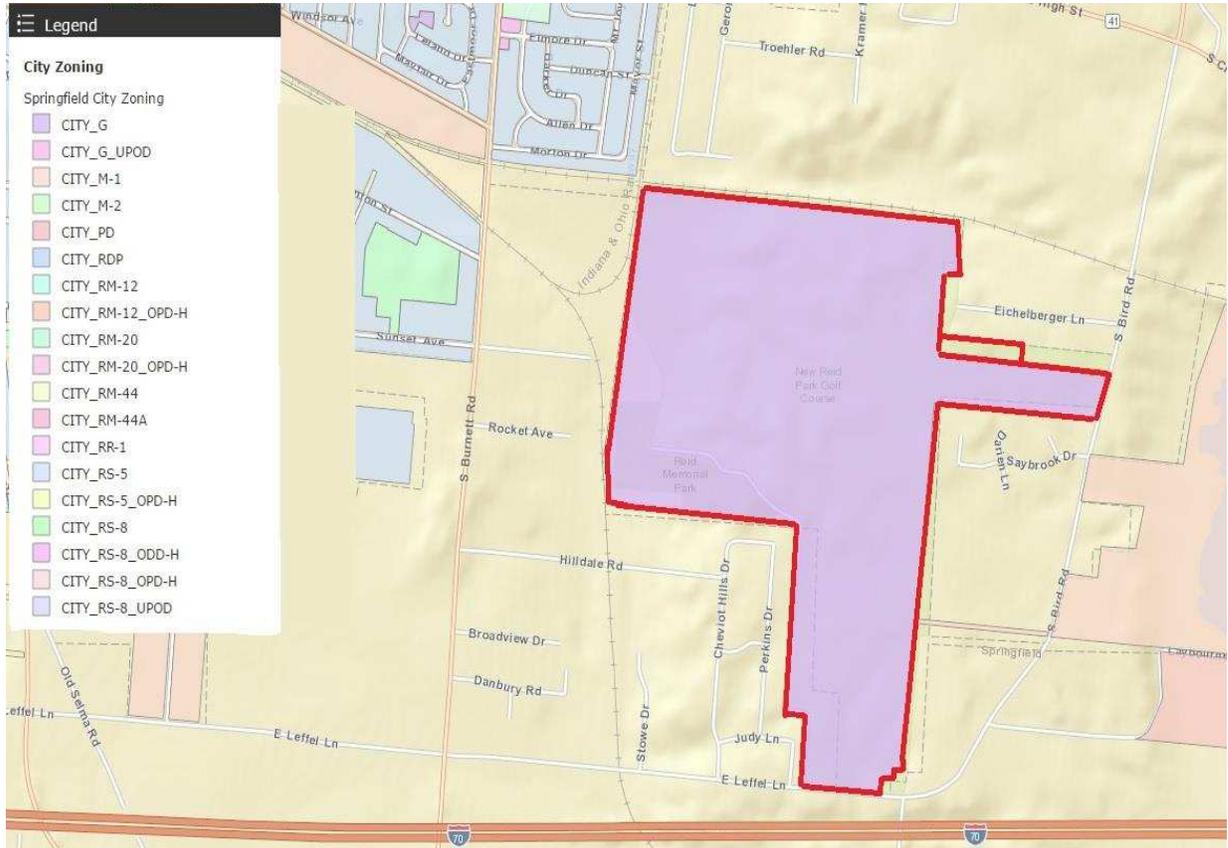
MIAMI/PALM BEACH, FL - Anthony M. Graziano, MAI, CRE, FRICS
MINNEAPOLIS, MN - Michael F. Amundson, MAI, CCIM, FRICS
NAPLES, FL - Carlton J. Lloyd, MAI, FRICS
NASHVILLE, TN - R. Paul Perutelli, MAI, SRA, FRICS
NEW JERSEY COASTAL - Halvor J. Egeland, MAI
NEW JERSEY NORTHERN - Matthew S. Krauser, CRE, FRICS
NEW YORK, NY - Raymond T. Cirz, MAI, CRE, FRICS
ORANGE COUNTY, CA - Steve Calandra, MAI
ORLANDO, FL - Christopher Starkey, MAI, MRICS
PHILADELPHIA, PA - Joseph D. Pasquarella, MAI, CRE, FRICS
PHOENIX, AZ - Walter 'Tres' Winius III, MAI, FRICS
PITTSBURGH, PA - Paul D. Griffith, MAI, CRE, FRICS
PORTLAND, OR - Brian A. Glanville, MAI, CRE, FRICS
PROVIDENCE, RI - Gerard H. McDonough, MAI, FRICS
RALEIGH, NC - Chris R. Morris, MAI, FRICS
RICHMOND, VA - Kenneth L. Brown, MAI, CCIM, FRICS
SACRAMENTO, CA - Scott Beebe, MAI, FRICS
ST. LOUIS, MO - P. Ryan McDonald, MAI, FRICS
SALT LAKE CITY, UT - Darrin W. Liddell, MAI, FRICS, CCIM
SAN DIEGO, CA - Jeff A. Greenwald, MAI, SRA, FRICS
SAN FRANCISCO, CA - Jan Kleczewski, MAI, FRICS
SARASOTA, FL - Carlton J. Lloyd, MAI, FRICS
SEATTLE, WA - Allen N. Safer, MAI, MRICS
SYRACUSE, NY - William J. Kimball, MAI, FRICS
TAMPA, FL - Bradford L. Johnson, MAI, MRICS
TULSA, OK - Owen S. Ard, MAI
WASHINGTON, DC - Patrick C. Kerr, MAI, FRICS, SRA
WILMINGTON, DE - Douglas L. Nickel, MAI, FRICS
CARIBBEAN/CAYMAN ISLANDS - James Andrews, MAI, FRICS



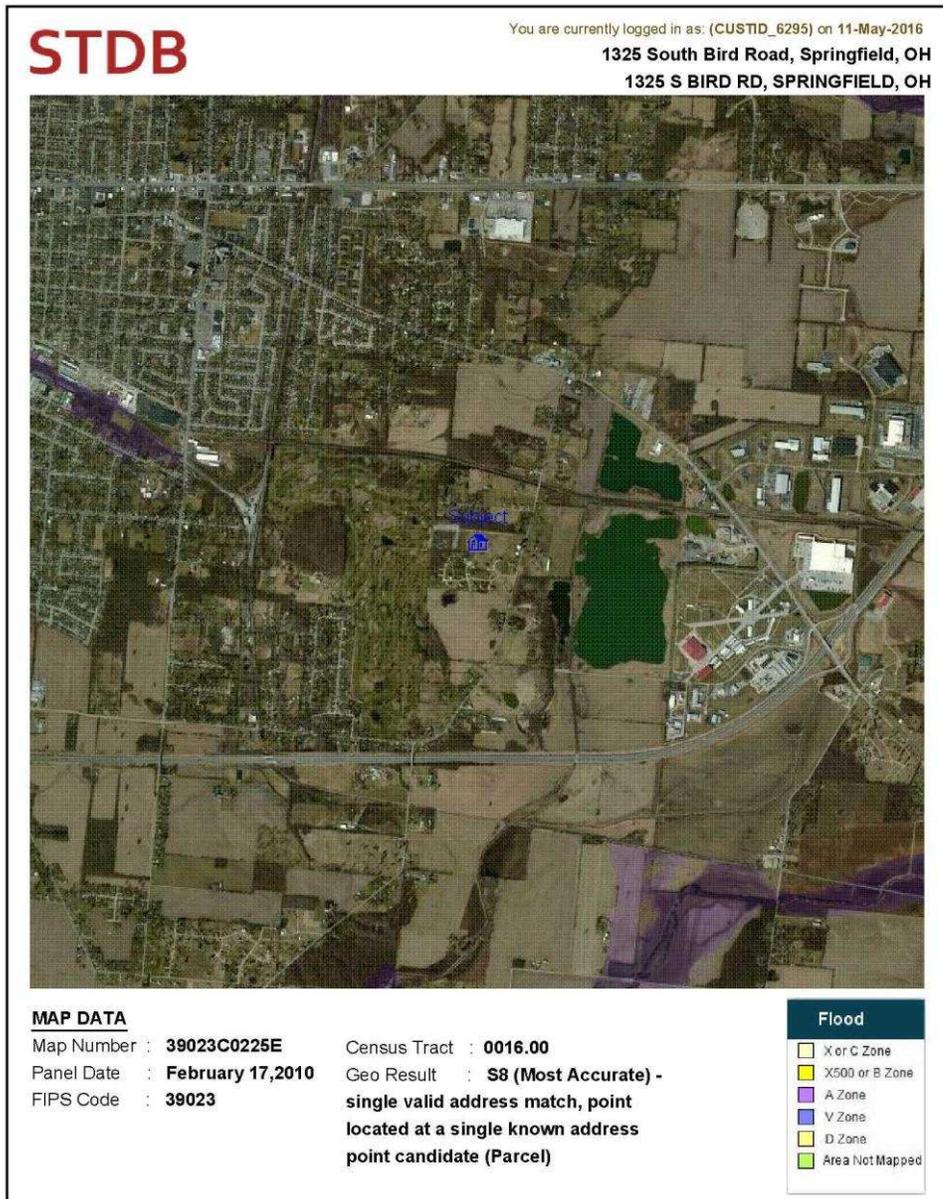
Addendum B
Property Information



Zoning Map



Flood Map



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