

Southgate Business Center



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22 Wilson Ave. NE
PO Box 6009
St. Cloud, MN 56302

www.rca-re.net



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Owning Your Office Real Estate Has Been Proven to be a
Wise Long-Term Financial Strategy for Most Companies.

Southgate Business Center

Southgate Business Center is easily accessible from all parts of St. Cloud and is located on the fast growing south side of St. Cloud

Southgate Business Center is a professional office/retail development allowing for individually owned lots with common access through a private road immediately off a semaphore controlled intersection on County Road 75. Traffic count estimates exceed 28,000 cars per day.



Contact us for a complete informationa package for the purchase, construction or development of your office retail space.

- Individual lots for construction by your own contractor or Build to Suit and Build to Lease options available.
- Professional design concept by Hagemeister Mack Architects to provide an appealing, modern and timeless exterior design.
- Design maximizes land use and space efficiency.
- Executive parking available under structure.
- Close proximity to Gold's Gym, dining, shopping, and the new Coborn's Super Store.
- More than ample free on-site parking with ease of ingress and egress, by private road access off County Road 75. Direct access to 33rd Avenue South.
- High visibility and park-like modern design layout concept.
- Convenient for clients and employees.
- Building lots available to construct a 4,000 up to 40,000 square foot building.

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Looking East From Front of Site



Service Road Across View



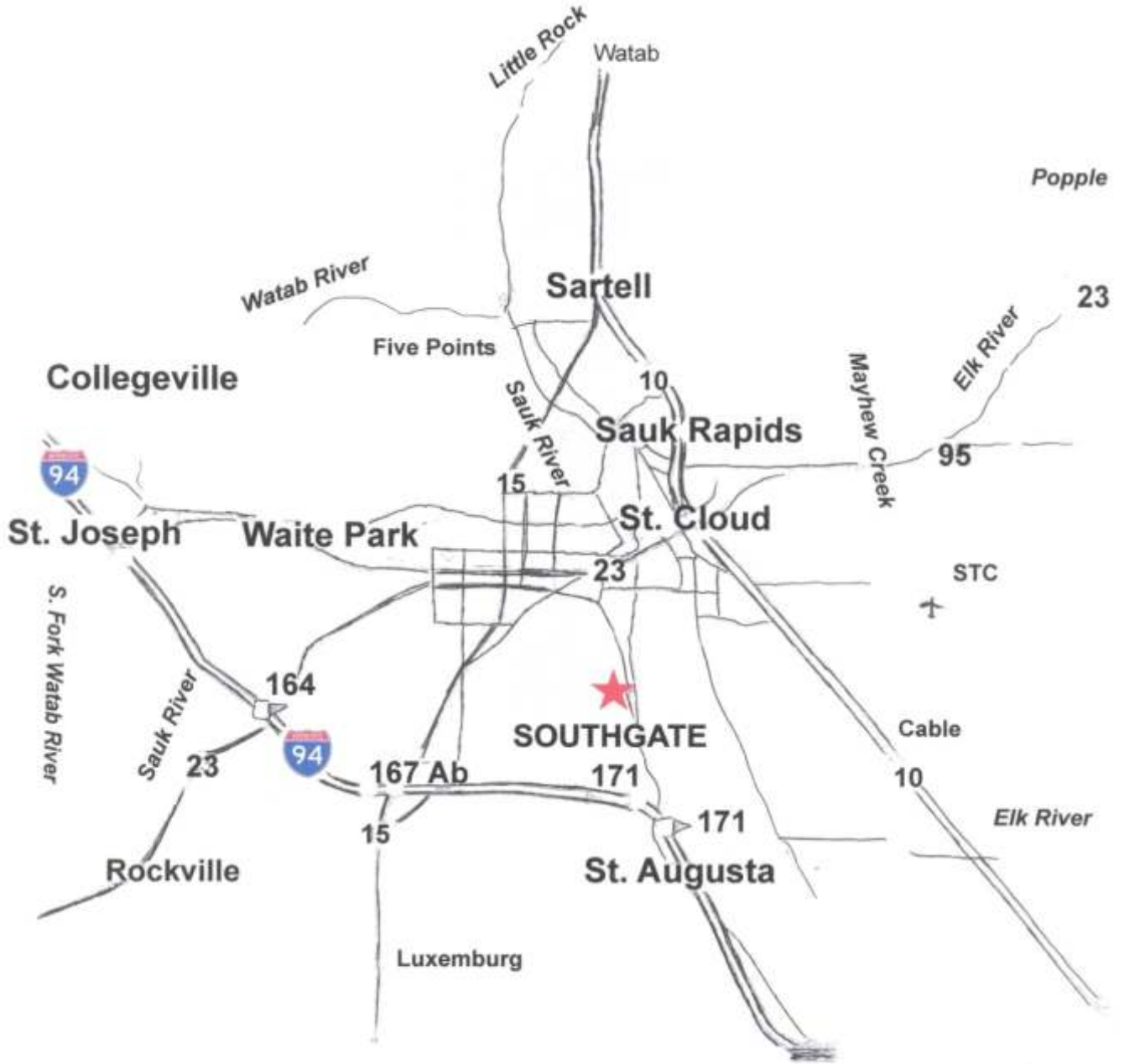
Looking North From Service Road



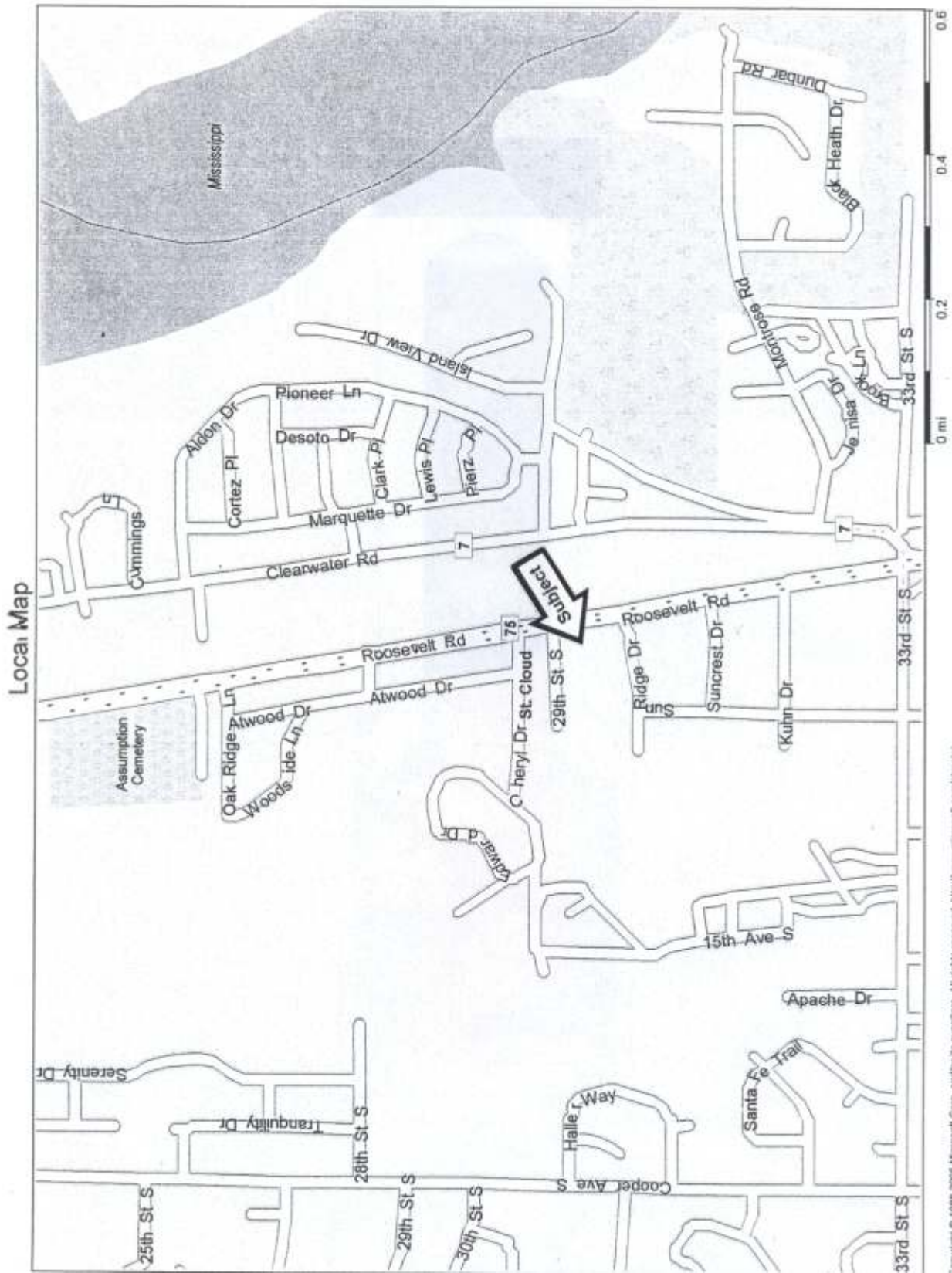
Looking West From Service Road



SOUTHGATE LAND



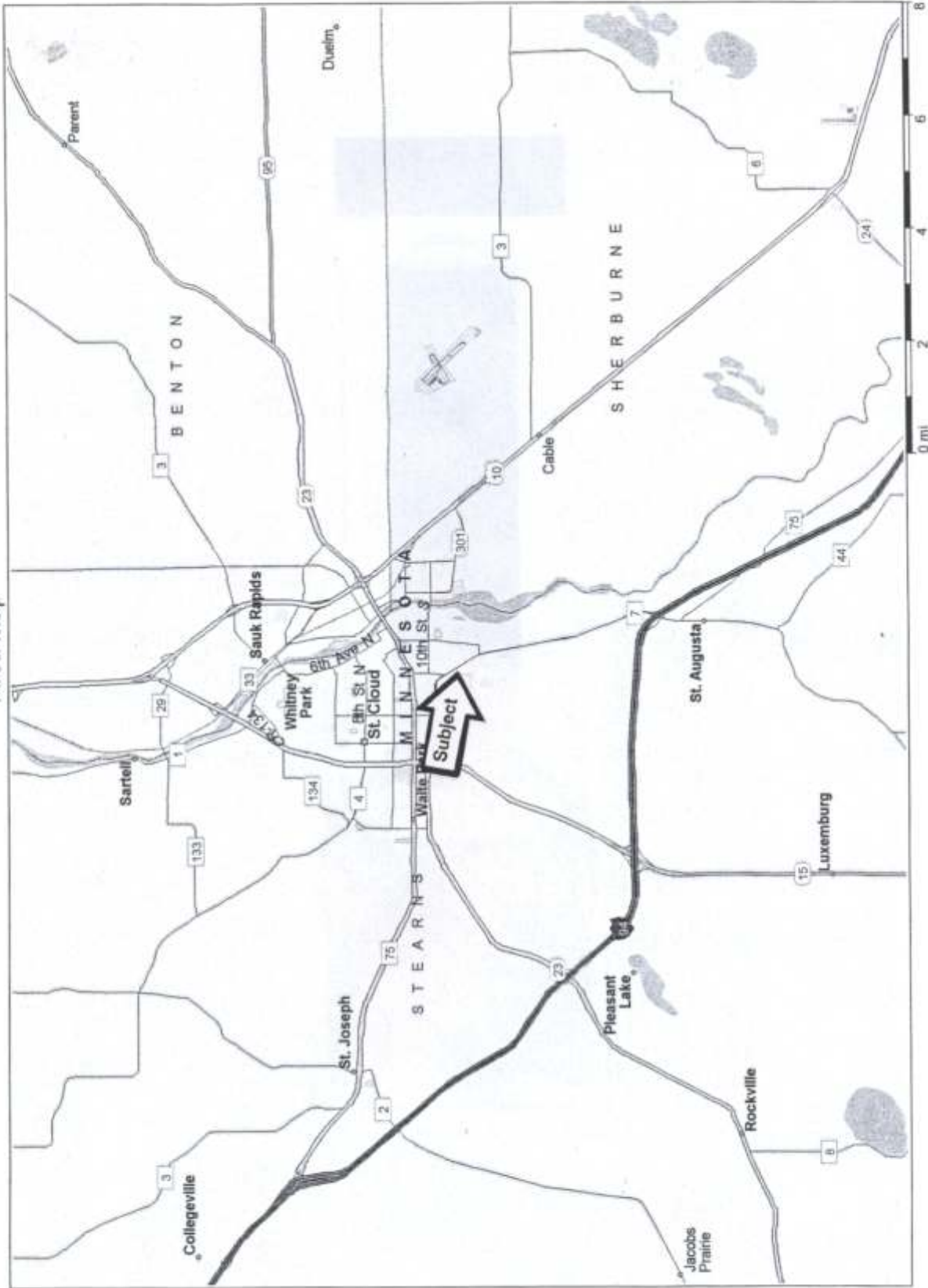
Local Map



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AREA MAP

Area Map

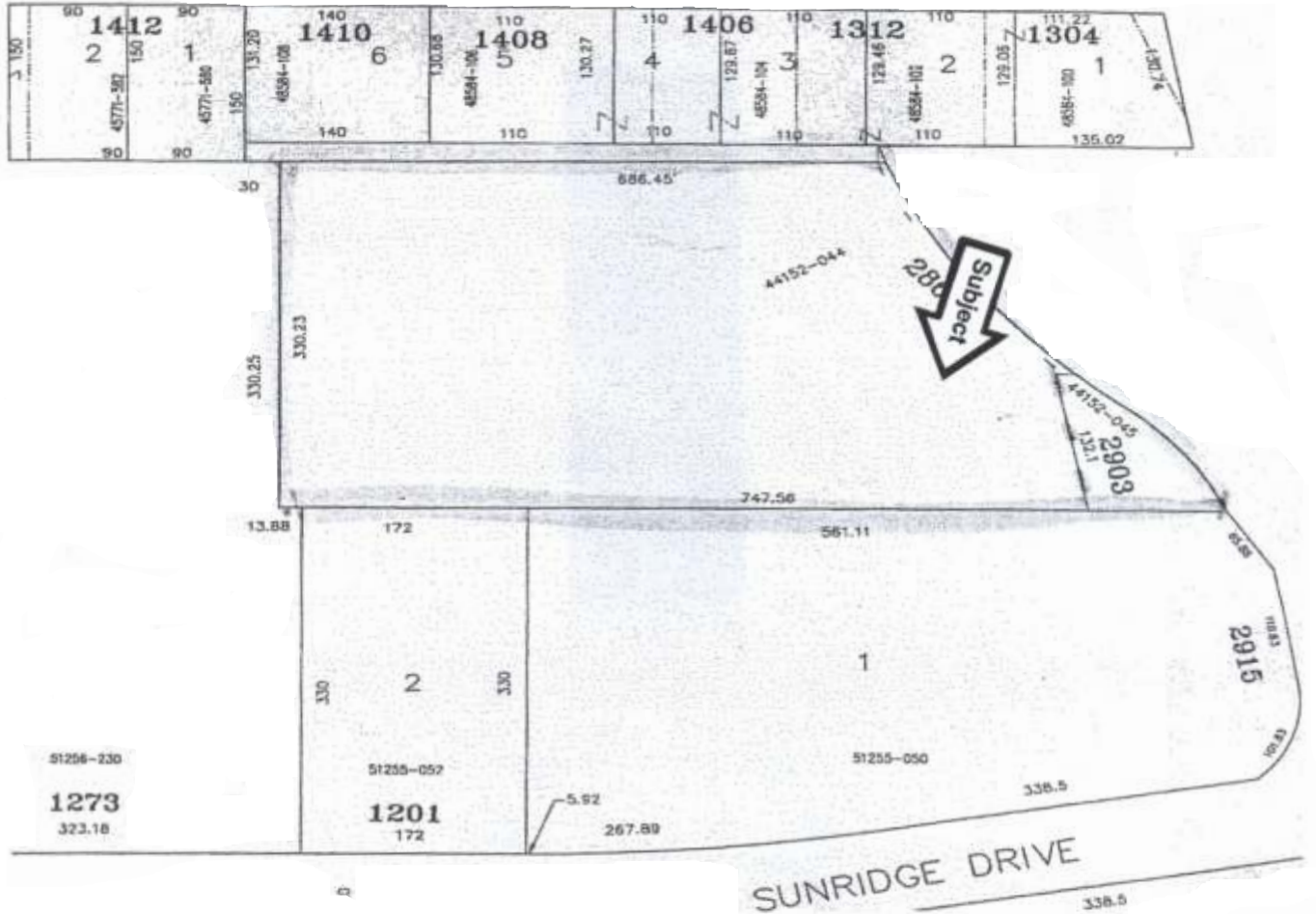


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City of St. Cloud

Parcel Number: 8244152044	Township:	Stearns County
Address: 2867 ROOSEVELT RD ST CLOUD, MN 56301	Property Class: Commercial	Neighborhood: 02 South
	Subdivision: METES AND BOUNDS DESC.	

CHERYL DRIVE



Site Map

PROPERTY BRIEF

RCA Real Estate, a Commercial Investment Real Estate firm with 30 plus years experience in the St. Cloud commercial market and Engler Retail Construction, a firm with extensive commercial construction experience, have joined to develop Southgate Business Center.

Working in conjunction with Murray Mack, of Hagemeister Mack and Associates, one of St. Cloud's premiere architectural firms, the layout and design of this approximately 5 acre site is located on one of St. Cloud's main arterial corridors, Country Road 75.

A number of concepts were discussed during the initial planning and development phase for this site. The first priority was to have an up scale and environmentally appealing office park site. Due to Southgate's close proximity to the St. Cloud Country Club, Interstate 94, and the fast growing 33rd Avenue S. corridor, this proves to be an ideal accessible location with high visibility. Southgate has easy access to west St. Cloud and downtown, as well as I-94. Southgate Business Center will be one of St. Cloud's finest, most accessible office/retail development parks.

Signage Availability

An additional benefit to Southgate Business Center is the 5,300 square feet out lot directly fronting County Road 75. Through negotiations with the city's planning department, this out lot will allow for a pylon sign identifying the center as well as listings for any individual tenants occupying the park.

Timeline

The blacktop roadway was completed in the spring of 2008. Future designs provide for sculpting and ponding for adequate drainage and to create an excess of green space over St. Cloud's minimum requirements. This will provide for an appealing, attractive office/retail location.

Each individual office structure can have its own specific identity, while maintaining an architecturally similar exterior using various stucco and glass and brick components to provide for an appealing and unified appearance while maintaining construction efficiencies and providing a separate identity.

With its close in location, abundance of mature trees, and its proximity to downtown St. Cloud, this easily accessible site can be ideal for you to consider for your business development site.

Individual building sites and lot sizes along with their prices are listed below. Present concept plans allow for four individual free standing buildings, the smallest at 4,000 to 6,000 square feet to the largest exceeding 20,000 square feet. The flow of the land will allow for underground parking facilities on buildings built on the west boundaries of the site.

Design Concept

The final exterior design concept and plan has not been finalized as yet. A lead occupant of the Southgate Business Center will have considerable input as to the overall design and appearance. The first initial building will set the pattern for all additional buildings on this site.

The parcel is zoned C-5. A copy of the regulations and allowable uses under C-5 is contained in this packet for your review. Note that the present zoning provides for the best range of uses for this site and does not require any additional city or governmental approvals, other than the standard construction and set-back requirements under the current zoning ordinances.

The developer and potential user have considerable flexibility throughout the site. Location of roadways, landscaping, ponding, curb and gutter, trees and lighting can all be redesigned based on an individual user's need. Should any individual user require the entire 4.73 acre parcel, the price for the entire site, not including assessments is \$1,580,000.00. Sewer, water and storm sewer assessments need to be complete for this parcel. The City's most current assessment cost breakdown is included for your review.

Developer is also proposing that a building, could be constructed per the users specifications and a sale lease-back would be available. Construction costs under the control of the building user would determine the rental rates.

INDIVIAUAL LOT SIZES AND PRICES

Lot 1	29,730 Square Feet	\$334,500.00
Lot 2	67,993 Square Feet	\$764,900.00
Lot 3	57,313 Square Feet	\$644,500.00
Lot 4	44,385 Square Feet	\$499,500.00

**Above prices include all assessments*



PROPOSED ASSESSMENT RATES FOR 2007 PUBLIC IMPROVEMENTS*

SANITARY SEWER MAIN:

- Residential Property \$79.00 per assessable foot
- Commercial and Industrial Property..... \$95.00 per assessable foot
- Sewer Replacement25% of standard rate

WATER MAIN:

- Residential Property \$61.00 per assessable foot
- Commercial and Industrial Property..... \$73.00 per assessable foot
- Water Main Replacement25% of standard rate

STORM DRAIN:

- R-1 and R-2 Residential Property \$0.350 per square foot
- R-3 and R-7 Residential Property \$0.390 per square foot
- Commercial and Industrial Property..... \$0A60 per square foot
- Storm Drain Replacement25% of standard rate

UTILITY SERVICE LINES:

- 4" and 6" Sanitary Sewer Service\$1,235.00 per service
- 1" Water Service (including tapping fee).....\$1,425.00 per service
- 6" Water Service (including tapping fee).....\$2,600.00 per service
- 8" Water Service (including tapping fee).....\$2,850.00 per service
- 6° and 8° Storm Sewer Service..... \$1,045.00 per service
- Other Size Utility Services Actual construction and engineering costs

BITUMINOUS SURFACE STREET WITH CURB AND GUTTER:

- Residential Property (36' street)\$104.00 per assessable foot
- Residential Property (32' street) \$92.50 per assessable foot
- Commercial and Industrial Property.....\$125.00 per assessable foot
- Street Replacement, R1 and R2 Property.....50% of standard rate
- Collector/Arterial Street Replacement, R1 and R2 Property..... 25% of standard rate
- 6" Concrete Driveway Apron \$5.90 per sq. ft. of apron
- 8" Concrete Driveway Apron \$7.00 per sq. ft. of apron

CONCRETE SIDEWALK:

- City-Initiated Improvements in Existing R1 and R2 Developed Area No charge
- Petitioned Improvement in Existing R1 and R2 Developed Area
(Assessments levied against properties on both sides of the street)
 - Sidewalk installed on one side of street..... \$3.12 per assessable foot
 - Sidewalk installed on both sides of street \$6.25 per assessable foot
- New Subd. and Commercial, Industrial,
or Multi-Family Properties..... \$25.00 per assessable foot
- Sidewalk Replacement, R1 and R2 Property.....50% of standard rate
- Collector/Arterial Sidewalk Replacement, R1 and R2 Property.....25% of standard rate

ALLEY BITUMINOUS SURFACING:

- Residential Property.....\$6.30 per assessable foot (25% of cost)
- Commercial and Industrial Property.....\$16.80 per assessable foot (2/3 of cost)
- Bituminous Alley Resurfacing (Residential)\$4.75 per assessable foot (25% of cost)

*These rates do not apply to year 2007 improvements for which special assessments are levied prior to construction.

Southgate Business Center

South St. Cloud's Finest New Office Park

WILL BUILD TO SUIT
Lease with Options Available

*Four beautifully landscaped lots, located in a high traffic area
on County Road 75 with direct access to 33rd Ave. S.*

Builders and Brokers Protected



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A Site Plan and Concept Development Study has been completed to convert the entire parcel for medical use. Under that development proposal, preliminary site plans were drawn by Hagemeister Mack Architects. Under that development proposal, the site would easily accommodate a 30,000 to 40,000 square foot free standing facility. Parking that met medical Requirements of 6 spaces per thousand were also factored in.

Even though the site proved to be extremely accessible, highly visible, and an efficient operating layout for medical, those plans with the medical user have stalled. This is an excellent development site; especially in conjunction with the fast growing south side of St. Cloud. The increased family population in the various developments, the future expansion of the 33 Avenue South corridor, and the relocation of a District 742 facility along 33rd Avenue, make this a very advantageous site for any business development.

Keeping the lot and site configuration in mind, a free standing office structure could also be developed to maximize use of surface and underground parking and provide a good mixed use.

Due to the excessive parking available on this site, this could also provide high visibility and an easily accessible site for technology, telemarketing, marketing, accounting, architectural, legal, educational or investment marketing use.

A free standing bank branch pad has also been discussed with various financial institutions. With the easy accessibility of the service road and semaphore light, a drive through facility would be a great customer convenience.

More specific traffic counts, population counts, and growth statistics are available upon request.

Development Proposal

At the present time the developers are proposing a number of scenarios for the completion of this site.

The site could be sold in its entirety to an individual user to develop as they may. The site could be sub-divided as to the lot break down as shown on previous pages. Buildings could be constructed for individual use either on a lease basis or a build to suit basis, or certainly a build to suit sale lease-back arrangement.

The eventual large scale user of this site will have naming rights as to the development.

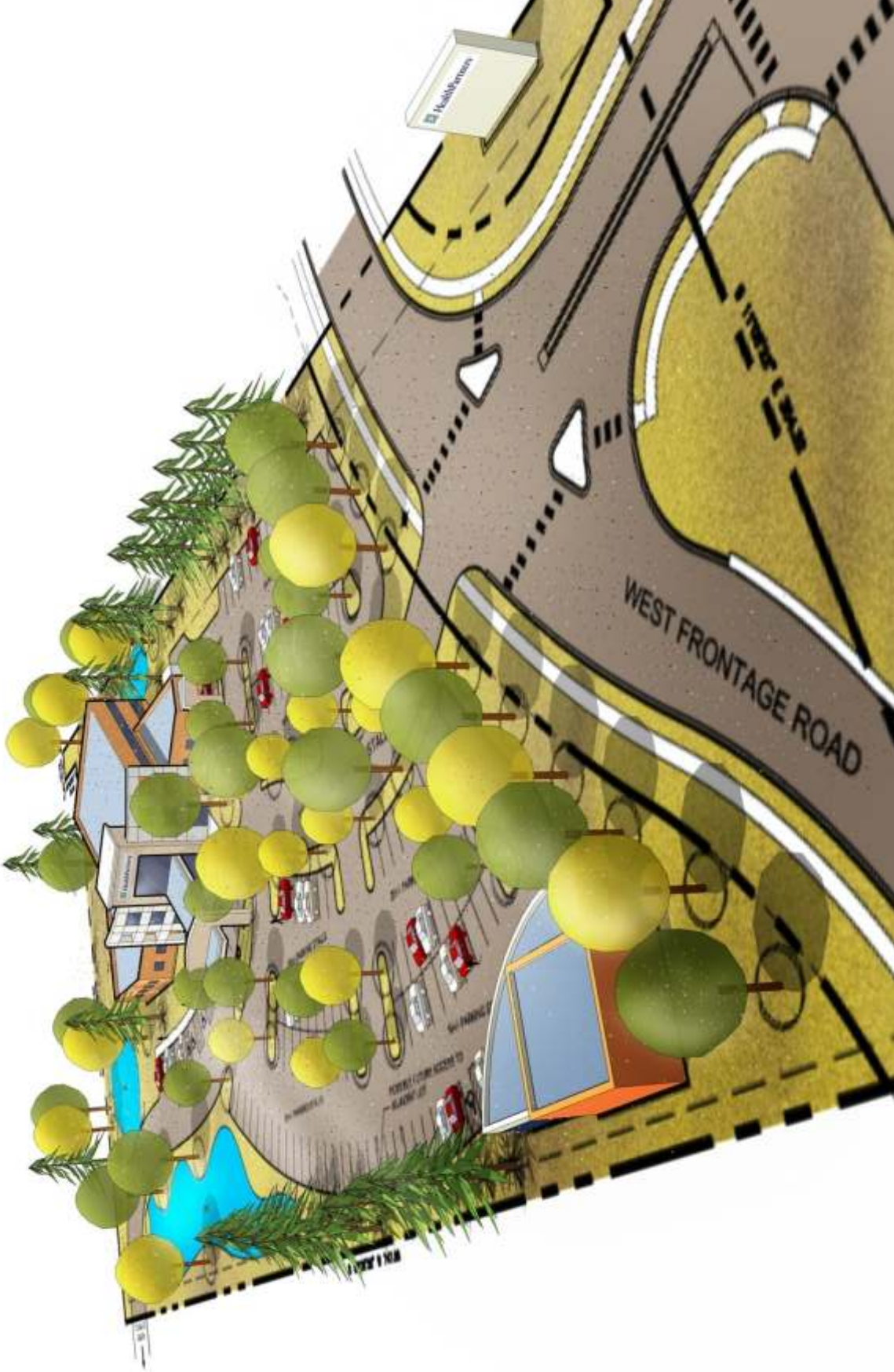
Southgate Business Center



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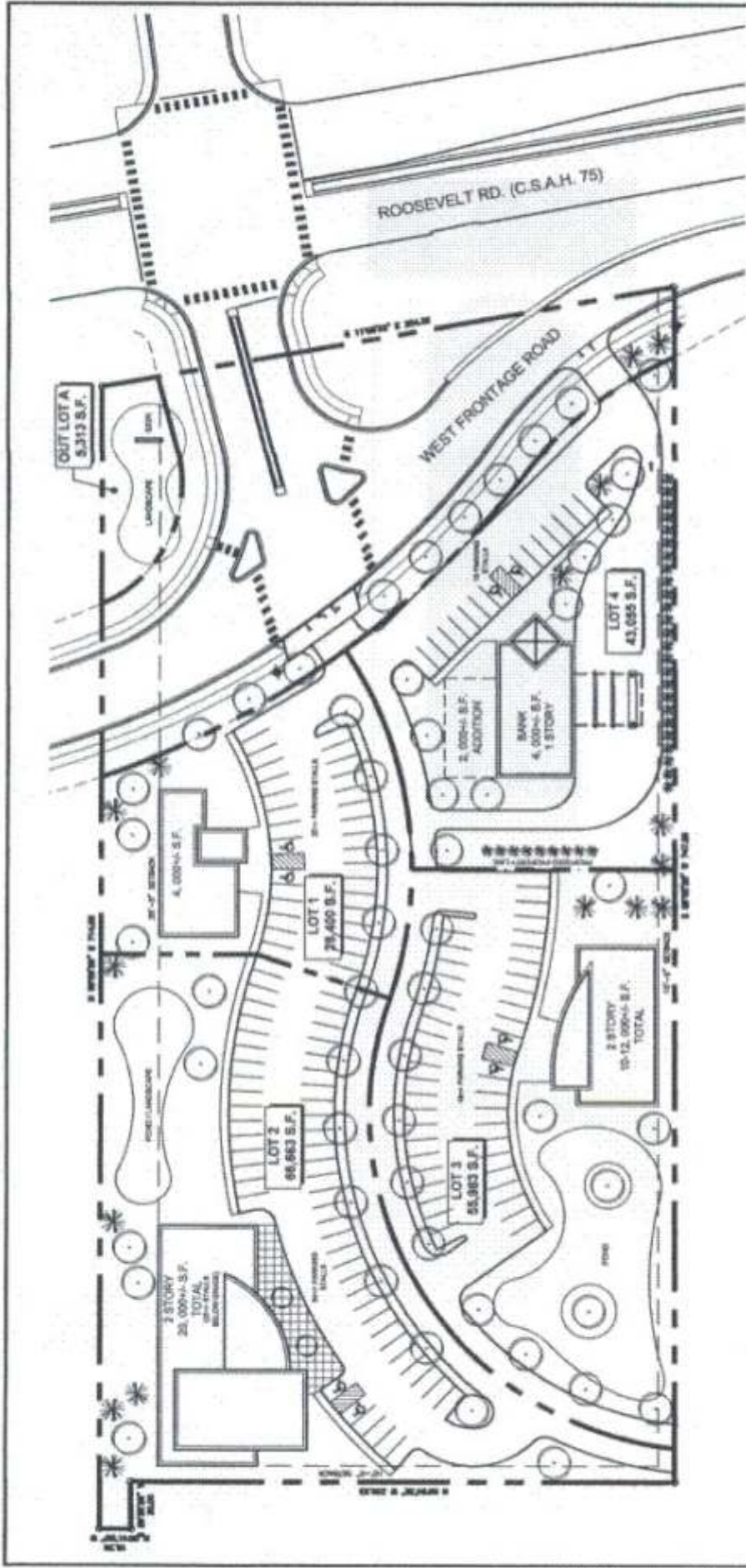




**YOUR BUSINESS
NAME HERE**

2903 Roosevelt Road

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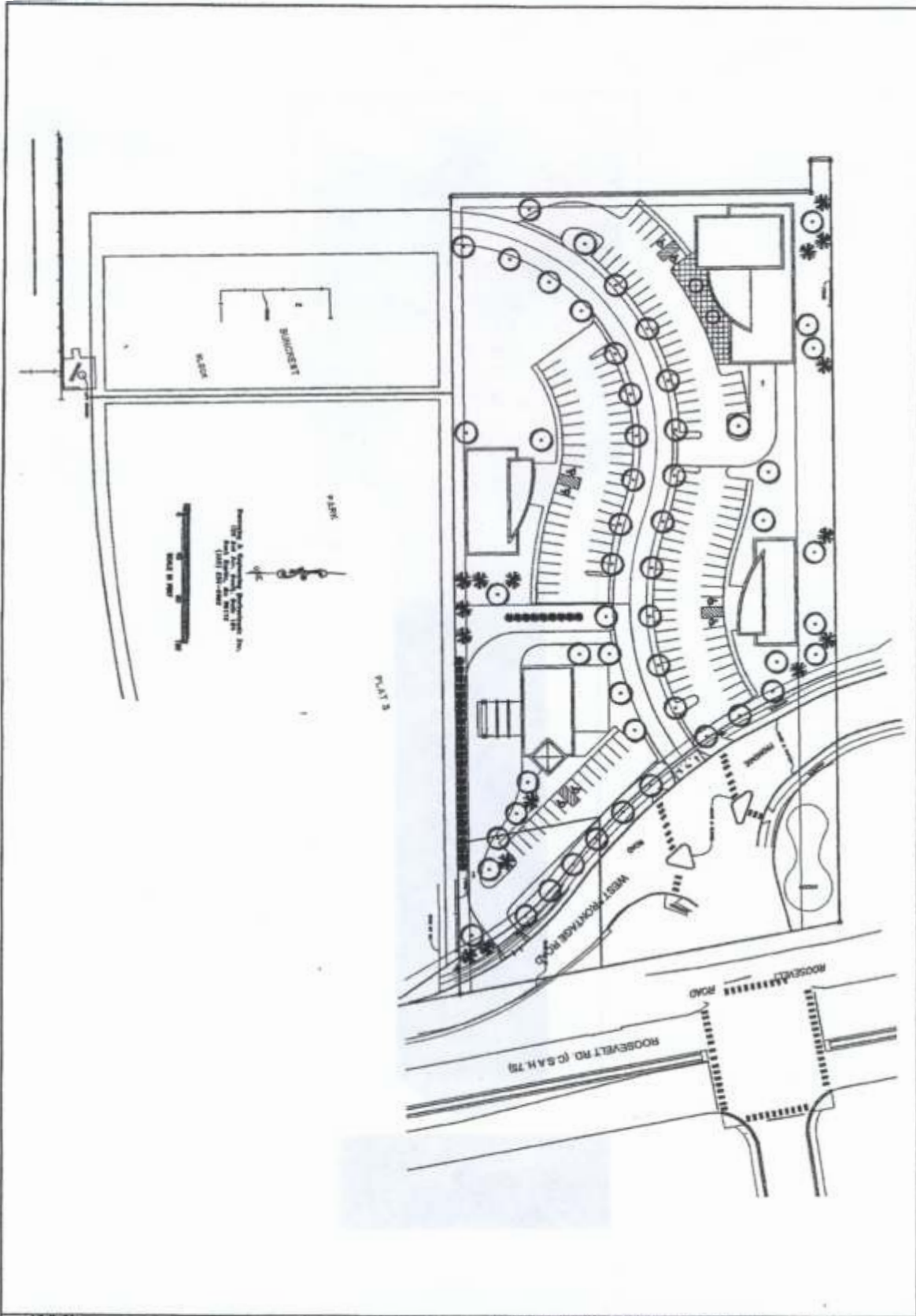


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 architects
 501 st. germain street west, suite 200
 st. cloud, minnesota 56301-3605
 320 - 251 - 9155 fax 320 - 251 - 4919
 e-mail: hnmack@hnmack.com
 website: www.hnmack.com



SITE PLAN - OPTION B5
 SCALE: 1" = 80'-0"

Southgate Development
St. Cloud, MN



SITE PLAN
Southgate Office Complex
St. Cloud, Minnesota

Surveying & Engineering Professionals, Inc.
 301 10th Ave. South
 St. Cloud, MN 56307
 Phone (320) 239-8200
 Fax (320) 239-8218

1. I hereby certify that this plan, specification or report was prepared by me or under my direct supervision and that I am a duly Licensed Professional Engineer in the State of Minnesota.

William A. Hennrich, P.E.
 Date: 11-28-08 License No. 20002

NO.	DATE	REVISION

MARKET AREA/NEIGHBORHOOD ANALYSIS

The subject property is located in the southwest quadrant of the intersection of Cheryl Drive and Roosevelt Road (CSAH 75), just north of the intersection of 33rd Street South, CSAH 75 and Clearwater Road. Recently a newly lighted intersection was constructed at the intersection of CSAH 75, Cheryl Drive and Sportsman Island Road, which provides access directly into this property. There are reportedly approximately 28,000 vehicles that pass this intersection each day.

This area is approximately 3 miles south of the central business district of the City of St. Cloud and approximately 2 miles north of the intersection of CSAH 75 and Interstate 94. The immediate neighborhood is a mixture of light industrial to the west and northwest, commercial to the north and northeast, light industrial and commercial to the south and residential to the southwest and west. The Plum Creek neighborhood is a mixture of homes constructed during the past 10-15 years, many of them executive quality homes. The residential development that is occurring to the west of this neighborhood, along the south and north sides of 33rd Street South, all appear to be middle-to-upper level homes; larger than average homes on larger than typical lots. To the west of the subject property, the St. Cloud Medical Group just completed its south campus medical office building. To the north of that, there is the new Spanier Bus Company and limousine facility a couple blocks to the west of CSAH 75. The new Rosters sports bar is approximately 75% completed just south of the subject property, which I feel is just the beginning of strong growth in commercial office and retail development in this neighborhood.

From the St. Cloud Area Quarterly Business Report for January of 2006, the appraiser highlights the following:

1. The St. Cloud Index of Leading Economic Indicators and the St. Cloud Area Business Outlook Survey predicts that strong growth of the area economy will occur in 2006.
2. Local employment in October 2005 was 1.3% higher than a year previous, the 2.8% area unemployment rate is the lowest reported since October 2000, and help wanted ads in the St. Cloud Times was up 64% from the previous year period.
3. 60% of surveyed companies expect improved economic conditions while only 12% expect to decrease. 45% of firms expect to increase employment compared with only 4% that plan to reduce payrolls. Area firms remain concerned about finding qualified workers to replace retiring baby boomers in the next 10 years.
4. Housing goes from red-hot to pretty warm as many builders expect to see slower business growth in 2006. After peaking at an annual rate of 1,100 building permits, the area cooled to 1,028 rate in September 2005. Increasing interest rates and materials price increases due to the demand for material in the Gulf Coast were some reasons mentioned.

St. Cloud is the core city of the St. Cloud Metropolitan area, which is approaching 195,000 residents and it is located at the junction of the Mississippi and Sauk Rivers. The City of St. Cloud is located in three counties, Stearns, Sherburne and Benton. However, the St. Cloud Metropolitan Statistical Area (MSA) has been defined to include only Stearns and Benton counties. The three counties had a 2000 population of 232,000, and increase of approximately 21% since 1990. St. Cloud is located approximately 70 miles northwest of the Minneapolis/St. Paul Metropolitan area and 160 miles southwest of the Duluth/Superior Metropolitan area. St. Cloud boasts a well-educated work force with over 86 percent of area residents having graduated from high school and more than 22 percent having attained a bachelor's degree or higher. Stearns County, the largest county in the St. Cloud area grew by 11.6% from 1990 to 2000. The immediate area consists of the cities of St. Cloud, Sauk Rapids, Sartell, Waite Park, St. Joseph, St. Augusta, Clearwater, and Townships of Sauk Rapids, Le Sauk, Minden, St. Joseph and Haven. Cities

within easy commuting are Avon, Albany, Cold Spring, Richmond, Holdingford, Rice, Clear Lake and Clearwater.

Geographically speaking, St. Cloud's location is a major advantage, located along the banks of the Mississippi River and on Interstate 94, which provides easy and quick access to Minneapolis-St. Paul and to Fargo-Moorhead. A major state highway, Highway 10, also connects St. Cloud to the Twin Cities area and runs through some of the larger cities to the south and west of St. Cloud. Highways 71 and 23 also link St. Cloud to out-state Minnesota. In addition, access to the Brainerd Lake Area of Minnesota is easy from the St. Cloud area. Two railway companies (BNSF and Amtrak), 18 motor freight carriers, and two intercity bus lines (St. Cloud and Greyhound) service the St. Cloud area. St. Cloud is home to the St. Cloud Regional Airport.

St. Cloud is expected to continue to be one of the three fastest growing communities in the state of Minnesota, along with Rochester and the Twin Cities metro area. A number of organizations have attempted to forecast the future population of the St. Cloud Metropolitan Area (SCMA) and a forecast done by the Minnesota Demographic Center in October 2002 (using 2000 as the base year) puts 2005 population at approximately 178,000, an increase of 6.3% from 2000. Population forecasts for 2010, 2015, and 2020 are 188,000, 197,000 and 206,000 respectively; an approximate average increase of 5% for each of those 5-year periods. Though St. Cloud has had the slowest growth rate of the 5 major communities of the SCMA, it has added the most in real population during the past 20 years. Because of its location, St. Cloud's growth could be limited in the future as it is already expanding to the extent of its borders with neighboring cities. St. Cloud's population is approximately 65,000 with approximately 25,000 households as of March 2003.

Most community data does provide insight into the growth trends in both supply and demand but it is constrained by time. Most housing reports are 1-2 years behind present time and due to the fast paced nature of the housing market, drawing conclusions from those reports could be misleading. To mitigate this, a field survey of existing and new developments has been completed in order to estimate the current and near future supply of single-family lots. An April 4, 2005 report by the St. Cloud Association of Realtors indicated that there were approximately 272 single-family lots available for sale, with an average price of \$72,000 and a median price of \$61,000. This does not include lots purchased by builders for spec homes or lots currently plat approved but not developed yet. This report indicated that the majority of new developments were taking place in Sartell, West St. Cloud and South St. Cloud. In aggregate, the available information for lot inventory as of the end of 2003 indicated 706 platted lots, which when compared to growth and demand forecasts for the same area; it would appear there was less than one year's inventory at the end of 2003.

Employment growth rates average between 3 and 4 percent per year during the 1990's and the St. Cloud Area continued to add jobs during the 2000-2003 periods, although at a significantly lower rate. The biggest sector of employment is Trade, Transportation and Utilities (almost 22,000 employees). This industry classification includes many typical businesses engaged in trade activities such as grocery stores, department stores and gas stations. The industry classification with the second largest level of employment is Education and Health Services with approximately 19,000 private and public employees. Manufacturing is the third largest industry classification with approximately 17,000 employees.

The St. Cloud area has a rapidly expanding economy with an active real estate market. Rapid single-family home development is taking place in new and established additions. There is strong demand for previously owned residential homes. A good measure of demand for housing is indicated by the Average Market Time, which has increased slightly from 111 days in 2000 to 122 days in 2004. Multi-family vacancy and credit loss is estimated at from 15 to 22%. The apartment market remains soft with no

approach is based upon the principle of substitution, which states that “when a property is replaceable in the market, its value tends to be set by the cost of acquiring an equally desirable substitute property.

I have enclosed several site drawings and prospective building footprints in this report. I have also included a site drawing indicating the proposed easement area.

Easements and Encroachments: A title policy has not been provided for this appraisal and based upon the appraiser’s visual inspection and review of the site plan, the property does not appear to be adversely affected by any easements or encroachments. It is recommended that the client obtain a current title policy outlining all easements and encroachments on the property, if any, prior to making any decisions regarding the property.

Access Agreements: There are no known access agreements that may affect the subject’s marketability.

Covenants, Conditions and Restrictions: There are no known covenants, conditions or restrictions impacting the site that are considered to affect the marketability or highest and best use, other than zoning restrictions.

Assessor Parcel Numbers: 82.44152.044 and 82.44152.045.

Shape and Frontage: The site is somewhat rectangular in shape with approximately 450’ of frontage along the western frontage roads of Cheryl Drive and West Frontage Road (turns into Sun Ridge Drive to the south), with 686’ of depth along the north property line and 747’ along the south property line.

Ingress and Egress: The property has good access and visibility to CSAH 75 via the controlled intersection at Cheryl Drive, Sportsman Road and CSAH 75.

Topography and Drainage: The site appears to be at street grade. The topography of the site is not seen as an impediment to the development of the property. The appraiser observed no drainage problems during his inspection and assumes that none exist. There is an attractive row of mature trees along the north property line that will serve as a nice buffer to the more residential development to the property’s north.

Soils: The appraiser observed nothing that would raise concerns regarding the quality of the soil. The owner stated that they have had soil engineering studies done and the soils are good.

Flood Zone: The subject property is in Flood Zone X. This is described as an area with minimal to moderate flood hazard where flood insurance is available but not required by federally regulated lenders. Community Panel #270546 0195 B; November 16, 1994.

Environmental Assessment: The appraiser did not observe the existence of hazardous or potentially hazardous on-site or off-site material, which may or may not be present on or off the subject property. We have no knowledge of the existence of such materials on or in the property, nor are we qualified to detect such substances. The presence of such substances as asbestos, radon gas, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The appraiser is not an environmental inspector and is not qualified to detect the value loss due to hazardous substances. To the best of our knowledge, there are no underground storage tanks on the site, and no un-contained hazardous materials on the property. The appraiser does not guarantee that the property is free of defects or environmental problems as appraiser performs an inspection of visible and accessible areas only. (See Assumptions & Limiting Conditions, #12 for additional information). Appraiser did not observe the

general market or student housing units added in 2004, and just 32 HRA units added during that year at Westwood Village. In 2002 and 2003 there was 768 and 230 general market apartment units added respectively.

In the commercial real estate sector, building permit values have averaged approximately \$55 million per year since it's past 10-year high of \$108 million in 2000. The number of commercial construction permits has averaged 400/year for 2000 -2004. New commercial/industrial projects commencing in 2004 include the following major projects: Maine Prairie Center (33,000sf, \$2,300,000, office) Interchange Retail Center (23,000sf, \$1 ,800,000, retail) Country Inn & Suites (41,000sf, \$1,700,000, motel) Arlington Business Center (19,000sf, \$1,600,000, office) and East Side Glass (18,000sf, \$850,000, manufacturing), to name a few.

The St. Cloud Metropolitan area has excellent educational facilities within the school districts of St. Cloud, Sauk Rapids, Cold Spring and Sartell. There are a number of parochial elementary and high schools in the city and the area. Institutions of higher learning include; St. Cloud State University, St. Johns University, College of St. Benedict, St. Cloud Technical College, and St. Cloud School of Business. The area has excellent health care facilities including the St. Cloud Hospital, the U.S. Veterans Administration Medical Center and many nursing homes.

The subject property is located in Census Tract 4, Block Group 2, and Block 2020.

SITE ANALYSIS

The subject site, as is, is comprised to two parcels of land, one that encompasses 4.51 acres and the other that encompasses .21 acres. Combined the two parcels are 4.73 acres, or 206,038sf. The tract has approximately 450' along the frontage road (Cheryl Drive, West Frontage Road). Cheryl Drive goes to the north across the northern portion of the tract, while West Frontage Road (turns into Sunridge Drive) goes to the south, across the southern portion of the tract. The southern property line is approximately 745' deep, while the northern property line is approximately 686' deep. The property will also have a small out lot of 5,313 sf, where it will be allowed to place a monument sign for the development. The site is at street grade and there are all municipal utilities available at the site. The owner states that there have been soil-engineering studies done on the site and there are no issues with the suitability of the soils.

“As completed”, the site Could have 4 platted lots for development, and one out lot, Out Lot A, where a monument sign will be placed for the development. There will be a road through the development accessed directly from the west frontage road of Cheryl Drive. This will be a private road and the property owner's will own to the middle of the road. The owner of the property states that they have obtained a road easement across the western boundary of the neighboring property to the south, so that they can have access to Sunridge Drive, in addition to the access they have from Cheryl Drive to its east. This will be an attractive feature to the development, allowing people from the heavily developed residential areas along 33rd Street South, just a few blocks south of the subject development.

The proposed plat given to the appraiser provides for 4 lots of 28,400sf, 66,663sf, 55,983sf and 43,055sf. The total of these 4 lots is 194,101sf; with an average lot size of 48,525sf.

HIGHEST AND BEST USE

The highest and best use premise may be defined as: “the reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value; as of the effective date of the appraisal. This definition applies specifically to the highest and best use of the land. It is to be recognized that in cases where a site has existing improvements on it, the highest and best use may be different from the existing use. The existing use will continue, however, unless and until land value in its highest and best use exceeds the total value of the property in its existing use. Implied within these definitions is recognition of the contributions of that specific use to community environment or to community development goals, in addition to wealth maximization of individual property owners. Also implied is that the determination of the highest and best use results in the appraiser’s judgment and analytical skill. For example, the use determined from analysis represents an opinion, not a fact to be found. In appraisal practices the concept of highest and best use represents the premise upon which value is based. In the context of most probable selling price (market value), another appropriate term to reflect highest and best use would be most probable use. In the context of investment value an alternative term would be most profitable use. Highest and best use can be described as the foundation upon which market value rests. The competitive forces within the market where the property is located shape it. The source of definition is from the Real Estate Appraisal Terminology, edited by Byrl N. Boyce, Ph. D. S.R.A.P., Ballinger Publishing Co., Cambridge, Mass. 1975.

The highest and best use of land as though vacant and property as improved must meet four criteria. The highest and best use must be legally permissible, physically possible, financially feasible and maximally productive. These criteria are often considered sequentially.

CONCLUSION OF HIGHEST AND BEST USE

Highest and Best Use As Though Vacant. Analysis of the highest and best use of land or a site as though vacant assumes that a parcel of land is vacant or can be made vacant by demolishing any improvements. Even when a site is not vacant, appraisal theory enjoins the appraiser to analyze the site as though vacant. Such analysis seeks to determine how desirable the current use is and whether it should be continued or superseded. In determining the highest and best use of a vacant parcel, we consider the site’s physical characteristics, the zoning, its location, and its development feasibility. The subject property will have excellent visibility and access from CSAH 75. Traffic turning west off of CSAH 75 onto Cheryl Drive, will be looking right at the entrance of the subject development. This development will also have an attractive monument sign located on Out Lot A, adjacent to the west of CSAH 75 and on the north side of Cheryl Drive. It is the appraiser’s opinion that the highest and best use of the subject property is for commercial retail and/or office development, as allowed by zoning.

THE SALES COMPARISON APPROACH TO VALUE- LAND VALUE

The sales comparison approach is essential in almost every appraisal of real estate. This value analysis results in a value estimate that can be defined as “the price at which a willing seller would sell and a willing buyer would buy, neither being under abnormal pressure.” This assumes that the seller and buyer are fully informed about the property, and both have general knowledge of the market for that type of property and assumes that the property has been exposed in the open market for a reasonable time. This

presence of any environmental hazard on the subject or surrounding land and sees no reason to recommend any further environmental investigations at this time.

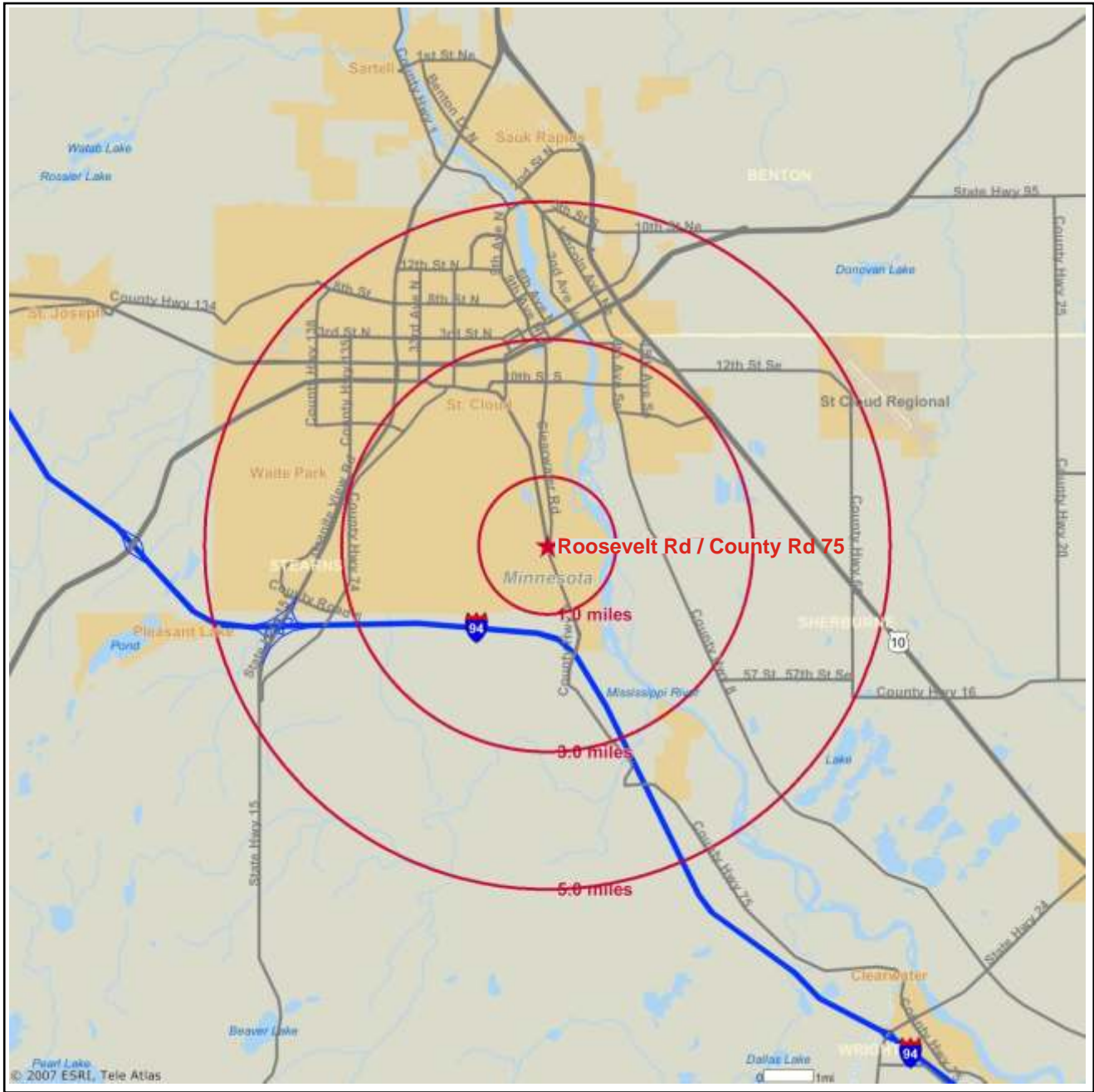
Conclusion: It is the appraiser's opinion that the subject location is a good retail and/or office location with excellent visibility and access from CSAH 75. There is little high quality office or retail development in this neighborhood, other than the medical facility just constructed on 33rd Street South. 33rd Street South is planned to be a major southern beltway to the St. Cloud area in the near future, which has prompted significant interest in the land in this area. RA Morton is completing a new 2 store office/retail complex on the southwest corner of the intersection of 33rd Street South and CSAH 75, with reported rents in the \$19/sf triple net range. The appraiser expects to see commercial development continue along CSAH 75 and Roosevelt Road, both to the north and to the south of the subject. The southern portion of St. Cloud is expected to see continued growth both commercially and residentially and the appraiser feels that this area will continue to see significant growth in the foreseeable future.

Enhanced Site Map

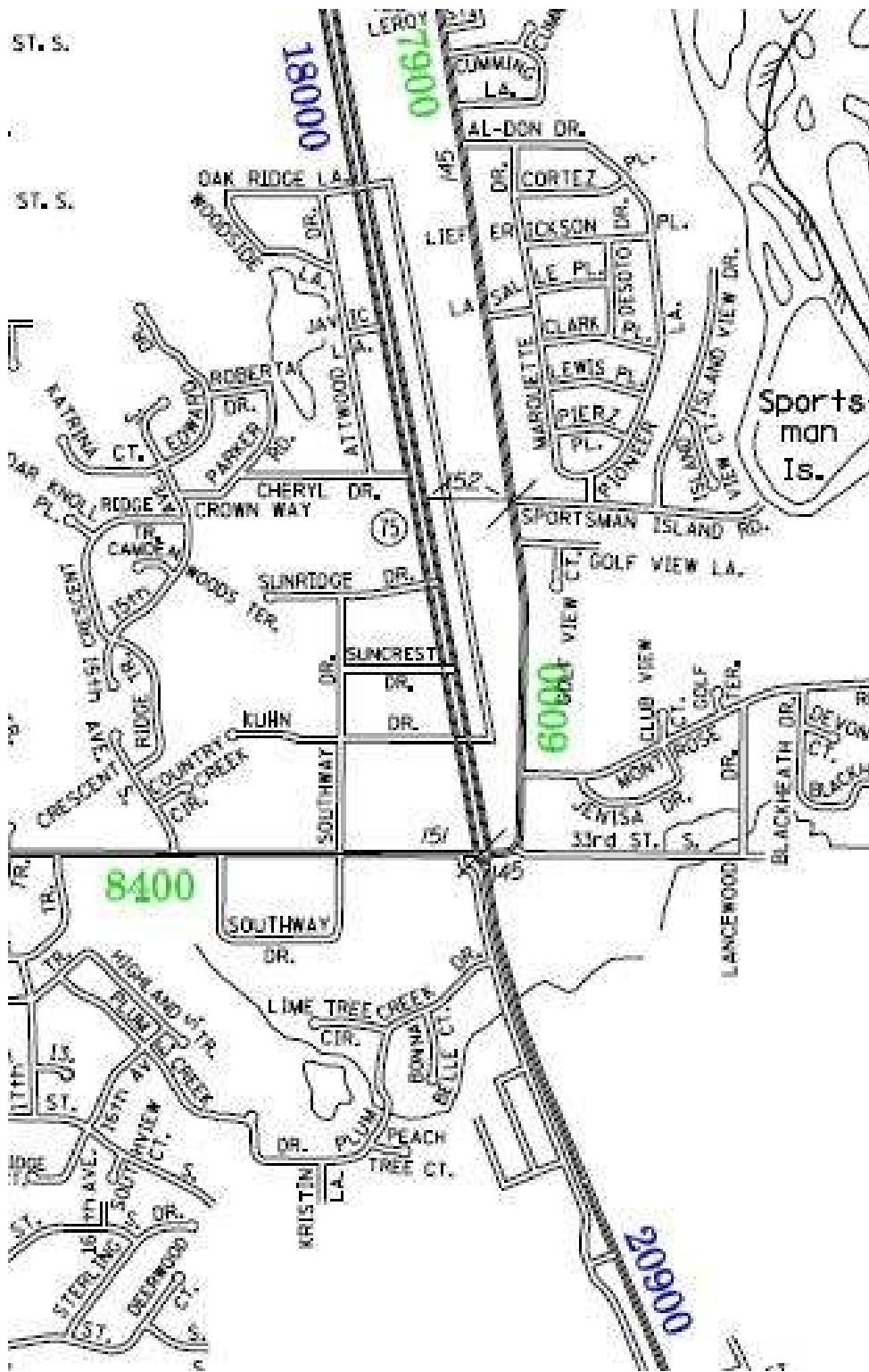
Roosevelt Rd /County Rd 75
Saint Cloud, MN 56301

March 2, 2007

Latitude: 45.515
Longitude: -94.15985



2008 TRAFFIC COUNT



Site Type: Radius	Roosevelt Rd / County Rd 75 Saint Cloud, MN 56301 Radius: 1.0 miles	Roosevelt Rd / County Rd 75 Saint Cloud, MN 56301 Radius: 3.0 miles	Roosevelt Rd / County Rd 75 Saint Cloud, MN 56301 Radius: 5.0 miles
2006 Population			
Total Population	3,074	32,553	71,291
Male Population	49.5%	50.5%	50.0%
Female Population	50.5%	49.5%	50.0%
Median Age	36.5	26.9	29.5
2006 Income			
Median HH Income	\$76,559	\$49,580	\$45,793
Per Capita Income	\$34,813	\$26,104	\$25,236
Average HH Income	\$94,975	\$68,750	\$60,568
Households			
Total Households	1,148	11,719	28,750
Average Household Size	2.67	2.50	2.31
1990-2000 Annual Rate	3.19%	1.53%	1.3%
2006 Housing			
Owner Occupied Housing Units	83.2%	54.9%	54.7%
Renter Occupied Housing Units	14.2%	42.9%	43.1%
Vacant Housing Units	2.5%	2.2%	2.2%
Population			
1990 Population	2,011	26,783	62,363
2000 Population	2,537	29,329	66,120
2006 Population	3,074	32,553	71,291
5 Year Projected population	3,457	36,313	78,042
1990-2000 Annual Rate	2.35%	0.91%	0.59%
2000-2006 Annual Rate	3.12%	1.68%	1.21%
2006-2011 Annual Rate	2.38%	2.21%	1.83%

In the identified market area, the current year population is 71,291. In 2000, the Census count in the market area was 66,120. The rate of change since 2000 was 1.21 percent annually. The five-year projection for the population in the market area is 78,042, representing a change of 1.83 percent annually from 2006 to 2011. Currently, the population is 50.0 percent male and 50.0 percent female.

Households			
1990 Census	680	8,751	22,779
2000 Census	931	10,185	25,930
Current Year	1,148	11,719	28,750
5 Year Projected	1,304	13,390	32,016
1990-2000 Annual Rate	3.19%	1.53%	1.3%
2000-2006 Annual Rate	3.41%	2.27%	1.67%
2006-2011 Annual Rate	2.58%	2.7%	2.18%

The household count in this market area has changed from 25,930 in 2000 to 28,750 in the current year, a change of 1.67 percent annually. The five-year projection of households is 32,016, a change of 2.18 percent annually from the current year total. Average household size is currently 2.31, compared to 2.36 in the year 2000. The number of families in the current year is 14,967 in the market area.

Housing

Currently, 54.7 percent of the 29,410 housing units in the market area are owner occupied; 43.1 percent, renter occupied; and 2.2 percent are vacant. In 2000, there were 26,641 housing units— 53.2 percent owner occupied, 44.2 percent renter occupied and 2.6 percent vacant. The rate of change in housing units since 2000 is 1.59 percent. Median home value in the market area is \$157,527, compared to a median home value of \$181,127 for the U.S. In five years, median home value is projected to change by 3.57 percent annually to \$187,738. From 2000 to the current year, median home value changed by 8.96 percent annually.

Site Type: Radius	Roosevelt Rd / County Rd 75 Saint Cloud, MN 56301 Radius: 1.0 miles	Roosevelt Rd / County Rd 75 Saint Cloud, MN 56301 Radius: 3.0 miles	Roosevelt Rd / County Rd 75 Saint Cloud, MN 56301 Radius: 5.0 miles
Median Household Income			
1990 Median HH Income	\$42,070	\$26,107	\$25,650
2000 Median HH Income	\$63,511	\$39,836	\$36,720
Current Year Median HH Income	\$76,559	\$49,580	\$45,793
5Y Projected Median HH Income	\$89,008	\$58,356	\$53,673
1990-2000 Annual Rate	4.2%	4.32%	3.65%
2000-2006 Annual Rate	3.03%	3.56%	3.6%
2006-2011 Annual Rate	3.06%	3.31%	3.23%
Per Capita Income			
1990 Per Capita Income	\$18,730	\$12,226	\$12,248
2000 Per Capita Income	\$30,101	\$19,983	\$19,442
Current Year Per Capita Income	\$34,813	\$26,104	\$25,236
5Y Projected Per Capita Income	\$43,409	\$32,867	\$31,469
1990-2000 Annual Rate	4.86%	5.04%	4.73%
2000-2006 Annual Rate	2.35%	4.37%	4.26%
2006-2011 Annual Rate	4.51%	4.72%	4.51%
Average Household Income			
1990 Average Household Income	\$55,352	\$35,368	\$31,957
2000 Average Household Income	\$84,455	\$55,103	\$48,291
Current Year Average HH Income	\$94,975	\$68,750	\$60,568
5Y Projected Average HH Income	\$117,232	\$85,455	\$74,756
1990-2000 Annual Rate	4.32%	4.53%	4.21%
2000-2006 Annual Rate	1.9%	3.6%	3.69%
2006-2011 Annual Rate	4.3%	4.45%	4.3%

Households by Income

Current median household income is \$45,793 in the market area, compared to \$51,546 for all U.S. households. Median household income is projected to be \$53,673 in @ve years. In 2000, median household income was \$36,720, compared to \$25,650 in 1990.

Current average household income is \$60,568 in this market area, compared to \$71,092 for all U.S. households. Average household income is projected to be \$74,756 in @ve years. In 2000, average household income was \$48,291, compared to \$31,957 in 1990.

Current per capita income is \$25,236 in the market area, compared to the U.S. per capita income of \$27,084. The per capita income is projected to be \$31,469 in @ve years. In 2000, the per capita income was \$19,442, compared to \$12,248 in 1990.

Population by Employment

Currently, 93.6 percent of the civilian labor force in the identified market area is employed and 6.4 percent are unemployed. In comparison, 93.4 percent of the U.S. civilian labor force is employed, and 6.6 percent are unemployed. In @ve years the rate of employment in the market area will be 94.1 percent of the civilian labor force, and unemployment will be 5.9 percent. The percentage of the U.S. civilian labor force that will be employed in @ve years is 93.8 percent, and 6.2 percent will be unemployed. In 2000, 71.6 percent of the population aged 16 years or older in the market area participated in the labor force, and 0.1 percent were in the Armed Forces.

In the current year, the occupational distribution of the employed population is:

- 59.5 percent in white collar jobs (compared to 60.5 percent of U.S. employment)
- 17.7 percent in service jobs (compared to 16.4 percent of U.S. employment)
- 22.8 percent in blue collar jobs (compared to 23.1 percent of U.S. employment)

In 2000, 77.7 percent of the market area population drove alone to work, and 3.1 percent worked at home. The average travel time to work in 2000 was 17.5 minutes in the market area, compared to the U.S. average of 25.5 minutes.

Population by Education

In 2000, the educational attainment of the population aged 25 years or older in the market area was distributed as follows:

- 11.6 percent had not earned a high school diploma (19.6 percent in the U.S.)
- 28.9 percent were high school graduates only (28.6 percent in the U.S.)
- 7.5 percent had completed an Associate degree (6.3 percent in the U.S.)
- 17.6 percent had a Bachelor's degree (15.5 percent in the U.S.)
- 8.9 percent had earned a Master's/Professional/Doctorate Degree (8.9 percent in the U.S.)

ARTICLE 25-C-5-HIGHWAY COMMERCIAL

No building, structure, or premises shall be used and no building or structure shall be here after erected, altered, or converted in any manner unless otherwise provided in this Ordinance.

SECTION 1-PURPOSE

The purpose of the C-5, Highway Commercial District, is to provide an area of service facilities to the motoring public adjacent to arterial traffic routes as defined in the City Comprehensive Traffic and Thoroughfares Plan.

SECTION 2-PRINCIPAL USES

- 2.1 Any use permitted in the C-3, Central Business District, and the C-4, Fringe Central Business District .
- 2.2 Drive-in establishments.
- 2.3 Vehicle wash establishments.
- 2.4 Sale, service, and repair of travel trailers, marine equipment, motorhomes, recreational equipment, motorvehicles, farm or construction vehicles/equipment, and similar vehicles/equipment. The outside storage of any parts or wrecked vehicles or equipment is not allowed.
- 2.5 Shopping centers and other uses containing less than one hundred thousand gross square feet (100,000 gsf).

SECTION 3-ACCESSORY USES

- 3.1 Signs in accordance with Article 7 of this Ordinance.
- 3.2 Off-street parking and loading provided on the same site as the principal use and in accordance with Article 6 of this Ordinance.
- 3.3 Storage of merchandise, solely intended to be retailed by a related and established principal use.
- 3.4 Dwelling units and rooming units shall not be permitted below the second floor; and principal uses shall not be permitted on any floor above the ground floor, except in those buildings or structures where dwelling units are not established.

SECTION 4-CONDITIONAL USES

- 4.1 Any business activity of the same general character as listed in Section 2 of this Article.
- 4.2 Planned unit developments.
- 4.3 Small animal hospitals and kennels, excluding outside runs.
- 4.4 Private utility buildings, and electrical sub-stations, but not to include maintenance yards or facilities.
- 4.5 Bakeries and other food cooking facilities having room(s) for the preparation of food with more than two thousand four hundred square feet (2,400 sq. ft.).

ARTICLE 24 - C-4 – FRINGE CENTRAL BUSINESS DISTRICT

No building, structure or premises shall be used and no building or structure shall be hereafter erected, altered, or converted in any manner unless otherwise provided in this Ordinance.

SECTION 1 - PURPOSE

The C-4, Fringe Central Business District, is designated for activities related in a peripheral manner to those in the Central Business District. The customer may come to a particular establishment by automobile or on foot. Good traffic accessibility is essential to this District.

SECTION 2 - PRINCIPAL USES

- 2.1 Any principal use permitted in the C-3, Central Business District.
- 2.2 Amusement and recreation establishments such as commercial bowling alleys, pool halls, swimming pools, and skating rinks.
- 2.3 Automotive dealerships selling new and used automobiles, including trucks not exceeding two (2) tons in gross weight.
- 2.4 Garages, for the storage, repair, and servicing of motor vehicles of not more than two (2) ton capacity, excluding body repairs or painting except when in conjunction with automotive dealerships displaying and selling new and used vehicles.
- 2.5 Rental agencies for the rental only of clothing, appliances, automobiles, cartage trailers, and household fixtures, furnishings and accessories.
- 2.6 Sign shops.
- 2.7 Taxidermy shops.
- 2.8 Wholesale or warehousing if contained within an enclosed building.
- 2.9 Repair or sale of bicycles, residential garden or lawn equipment, or similar small household equipment. No outside storage of discarded junk or similar equipment and/or parts shall be allowed. Outside storage of new or used operational equipment being repaired shall be allowed.
- 2.10 Day care facilities.

SECTION 3 - ACCESSORY USES

- 3.1 Business signs in accordance with Article 7 of this Ordinance.
- 3.2 Off-street parking and loading provided on the same site as the principal use and in accordance with Article 6 of this Ordinance.
- 3.3 Bus or taxi loading or unloading facilities.
- 3.4 Storage of merchandise solely intended to be retailed by a related and established principal use.

ARTICLE 23 - C-3 CENTRAL BUSINESS DISTRICT

No building, structure, or premises shall be used and no building or structure shall be hereafter erected, altered, or converted in any manner unless otherwise provided in this Ordinance.

SECTION 1 - PURPOSE

The C-3, Central Business District, is designed to reflect central location and ease of access of being at the hub of a system of radial thoroughfares. A prime characteristic of this district is a core of intense pedestrian activity.

SECTION 2 - PRINCIPAL USES - PRINCIPAL USES

- 2.1 Motor vehicle service stations and gas pumps as regulated in Article 25, Section 5. 1, and motor vehicle accessory stores.
- 2.2 Bakeries, provided the room or room containing the preparation and baking process shall not have a gross floor area in excess of two thousand four hundred square feet (2,400 sq. ft.).
- 2.3 Business, personal, and financial services.
- 2.4 Club and lodge halls that are chartered and operated wholly as non-profit organizations.
- 2.5 Commercial establishments which sell goods such as, but not limited to, apparel, groceries, books, liquor, cameras, drugs, hardware, and toys.
- 2.6 Print facilities with plate widths not to exceed twenty-five and one-half inches (25 ^{1/2}) and limited to one (1) twenty-five and one-half inch (25 ^{1/2}) press.
- 2.7 Communications and ambulance facilities.
- 2.8 Dry cleaning establishments provided the room or rooms containing the cleaning and pressing process shall not have a gross floor area in excess of two thousand four hundred square feet (2,400 sq. ft.).
- 2.9 Electrical, furniture, and household appliance stores, including radio and television sales and service.
- 2.10 Hotels and motels. Hotels and motels may have one (1) manager's dwelling unit; the dwelling unit may be on any floor. Any additional dwelling units are regulated under Section 2.17 of this Article.
- 2.11 Medical, dental clinics, and laboratories.
- 2.12 Mortuaries.
- 2.13 Offices, business and professional.
- 2.14 Parking lots and garages.
- 2.15 Private utility buildings and electrical substations, not to include maintenance yards or facilities.

- 2.16 Public buildings.
- 2.17 Dwelling units, lodging and dormitory units, nursing care homes, and elderly housing provided the entire structure is used for residence. Dwelling units and rooming units shall not be permitted below the second floor and principal uses shall not be permitted on any floor above the ground floor, except in those buildings or structures where dwelling units are not established.
- 2.18 Restaurants, excluding outdoor or "drive-in" establishments.
- 2.19 Shopping centers and other uses with a total gross square footage of less than fifty thousand square feet (50,000 sq. ft.).
- 2.20 Taverns.
- 2.21 Theaters, excluding outdoor or "drive-in" facilities.
- 2.22 Schools for teaching dance, music, karate, exercise, and vocational training.
- 2.23 Churches, chapels, temples, and synagogues.
- 2.24 Massage facilities as regulated in Section 447 of the 1977 Code of Ordinances of the City of St. Cloud.
- 2.25 Sale of automobiles, trucks, recreational vehicles, motorcycles, and boats, provided the selling, displaying, and storing of said shall be in an enclosed building.
- 2.26 Temporary shelter facilities (TSF) subject to Section 5.1 of this Article and with a separation requirement of at least one thousand three hundred twenty feet (1,320') from another TSF or residential facility with an on-site supervisor(s) required during all hours of operation with the consumption of intoxicating and non-intoxicating liquor prohibited on the property.
- 2.27 Essential services and essential service structures.

SECTION 3- ACCESSORY USES

- 3.1 Business signs in accordance with Article 7 of this Ordinance.
- 3.2 Off-street parking and loading provided on the same site as the principal use and in accordance with Article 6 of this Ordinance.
- 3.3 Bus or taxi loading or unloading facilities.

SECTION 4 - CONDITIONAL USES

- 4.1 Any business activity of the same general character as listed in Section 2 of this Article.
- 4.2 Planned unit developments.