



An appraisal of the vacated service station site located in the city of Middleton at 6130 University Avenue. April 30, 1980

Landmark Research, Inc.

[s.l.]: [s.n.], April 30, 1980

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**THE SERVICE STATION SITE
AT 6130 UNIVERSITY AVENUE
MIDDLETON, WISCONSIN**

**PREPARED FOR
THE ESTATE OF GEORGE J. MALOOF**

*Landmark
Research
Inc.*

AN APPRAISAL
OF
THE VACATED SERVICE STATION SITE

LOCATED IN
THE CITY OF MIDDLETON
AT
6130 UNIVERSITY AVENUE

AS OF
APRIL 30, 1980

PREPARED FOR
THE ESTATE OF GEORGE J. MALOOF

PREPARED BY
LANDMARK RESEARCH, INC.
JAMES A. GRAASKAMP
JEAN B. DAVIS

Landmark
Research
Inc.

James A. Graaskamp, Ph.D., SREA, CRE
Tim Warner, MS, MAI, SREA
Jean B. Davis, MS

November 14, 1980

R. Christian Davis
Trust Account Manager
First Wisconsin National Bank of Madison
One South Pinckney Street
Madison, Wisconsin 53703

Dear Mr. Davis:

With this letter we are delivering the appraisal of the property known as the Service Station located at 6130 University Avenue in the City of Middleton and further described within this report. The appraisal is requested as a measure of fair market value as of April 30, 1980, for the purpose of settling the estate of George J. Maloof.

My associate, Jean B. Davis, real estate appraiser and analyst, and I have inspected the property on several occasions. Recent buyers of similar properties were interviewed to confirm sale and property information and to compile a buyer profile.

The most probable use of the subject site is as a Class I Motor Fuel Station as defined in Chapter 10 of the City of Middleton, Wisconsin, Zoning Code as of December 17, 1974; the most probable buyer is the current lessee, Cheker Oil Company. The most probable buyer will pay no more for the site than as if vacant and for sale on the open market.

Our estimate is based upon the market comparison approach to value using comparable sales of vacant sites as benchmarks of market value. Since a lender will only finance improvements on a site for which the borrower holds title, the appraised value assumes a cash sale.

Mr. R. Chistian Davis
Page Two
November 14, 1980

Based upon the assumptions and limiting conditions presented in the attached report, it is the opinion of the appraiser that the highest probable price in dollars and fair market value of the subject property which might be obtained as of April 30, 1980 is the amount of

SIXTY THOUSAND DOLLARS
(\$60,000)

assuming a cash sale.

We are pleased to be of continuing service to you, and Ms. Davis and I remain available to answer any specific questions you may have regarding this report.

FOR LANDMARK RESEARCH, INC.

James A. Graaskamp
James A. Graaskamp, Ph.D., CRE, SREA

Jean B. Davis
Jean B. Davis, MS

deb

VACATED SERVICE STATION SITE

6130 University Avenue
Middleton, Wisconsin



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SUMMARY OF IMPORTANT FACTS, ASSUMPTIONS, AND CONCLUSIONS

Address of Property: 6130 University Avenue
Middleton, Wisconsin

Date of Valuation: April 30, 1980

Type of Estate: Fee simple, subject to a possessory interest in the form of a lease with Cheker Oil Co., and to zoning and building restrictions

Lease Term: 4.33 years remaining (until August 31, 1984) with 2-5 year renewal options

Improvements: Two bay service station; right of disposition is held by lessee during term of lease. Not included in value estimate.

Site Dimensions: 176.91' x 150.10' x 258.87' x 168.79'

Total area: 32,407 square feet

Gross Annual Rent: \$7,500; \$625 due monthly

Unit of Comparison: Price per square foot

Probable Terms of Sale: Cash

Value Estimated:
Market Data Approach \$60,000

Current Assessed Value (1980)

Land	\$54,200
Improvements	40,200
(68% of market)	Total \$94,400

Real Estate Taxes (1979): \$2,214.92

I. PROBLEM ASSIGNMENT

The content of an appraisal report is determined by the decision for which it will serve as a benchmark and by the limiting assumptions inherent in the property, data base, or other factors in the decision context.

This appraisal is requested as a measure of Fair Market Value as of April 30, 1980, of the property located at 6130 University Avenue, in the City of Middleton, for the purpose of settling the estate of George J. Maloof.

A. Legal Interest to be Appraised

The rights valued in this appraisal involve the fee simple estate subject to public limitations and subject to a possessory interest in the form of a lease. The site is valued as if vacant because the lessee has the first claim on the salvage value of the improvements, and the existing improvements would represent a liability to the buyer if the lease is not renewed and responsibility for removal is abandoned; this is a real possibility.

1. Property Identification

The subject property is a vacated service station site currently under lease to Cheker Oil Company. It is located on the northeast corner of University Avenue and Allen Boulevard (aka County Trunk Q) in the City of Middleton, Dane County, Wisconsin. (See Exhibit 1.)

The tax parcel identification number is 50-01-267.19.

LOCATION OF SUBJECT PROPERTY

EXHIBIT 1



2. Legal Description

The legal description of the subject property provided by R. Christian Davis, Trust Account Manager, First Wisconsin National Bank of Madison is:

Part of Lots Twenty-six (26) and Twenty-seven (27), Assessor Plat #1 of the Township of Middleton, more particularly described as follows: Commencing at the intersection of the northerly right of way line of University Avenue (United States Highways 12 and 14) and the easterly right of way line of Allen Blvd. (County Trunk Highway Q) as the same was relocated by the order of the Village Board of the Village of Middleton in August, 1962, thence Southeasterly along the Northerly right of way line of University Avenue 175 feet, thence Northeasterly at right angles to University Avenue a distance of 150 feet, thence Northwesterly parallel with the Northerly right of way line of University Avenue to the Easterly right of way line of said Allen Blvd. as relocated, thence Southerly on and along the Easterly right of way line of Allen Blvd. to the point of beginning, in the City of Middleton.

In 1971 the City of Middleton contracted with Bridwell Engineering Company, Inc., to create Assessor's Plat No. 2, City of Middleton, which includes the subject property. Because of some unresolved conflict, the final map dated October 18, 1971, was never recorded, but this document appears to contain the most updated description of the property. The non-recorded metes and bounds description of the subject property known as Lot 2 of Assessor's Plat No. 2, City of Middleton, is as follows:

LOT 2

A parcel of land in the SE 1/4 of the Southeast 1/4 of Section 12 and in the NE 1/4 of the Northeast 1/4 of Section 13, T7N, R8E, Dane County, Wisconsin, more particularly described as follows:

Commencing at the Southeast corner of said Section 12;
Thence N 89 degrees 26'W, 533.84 feet;
Thence S 05 degrees 19'E, 199.31 feet;
Thence S 18 degrees 55' 40"W, 91.25 feet;
Thence N 50 degrees 38'W, 191.95 feet;
Thence N 50 degrees 20'59.5"W, 172.33 feet to the
point of beginning;
Thence along the northerly line of University Avenue
on the arc of a 11,389.20 foot radius curve
concave northeasterly with a chord N 49
degrees 28'17"W, 176.91 feet;
Thence along the easterly line of Allen Boulevard
N 10 degrees 39'E, 168.79 feet;
Thence S 50 degrees 18'20"E, 258.87 feet;
Thence S 39 degrees 41'40"W, 150.10 feet to the
point of beginning.

This metes and bounds description was used by Bridwell
Engineering Company, Inc., in determining the size of the subject
site. (See Exhibit 2.)

3. Qualifications of Property
to be Appraised

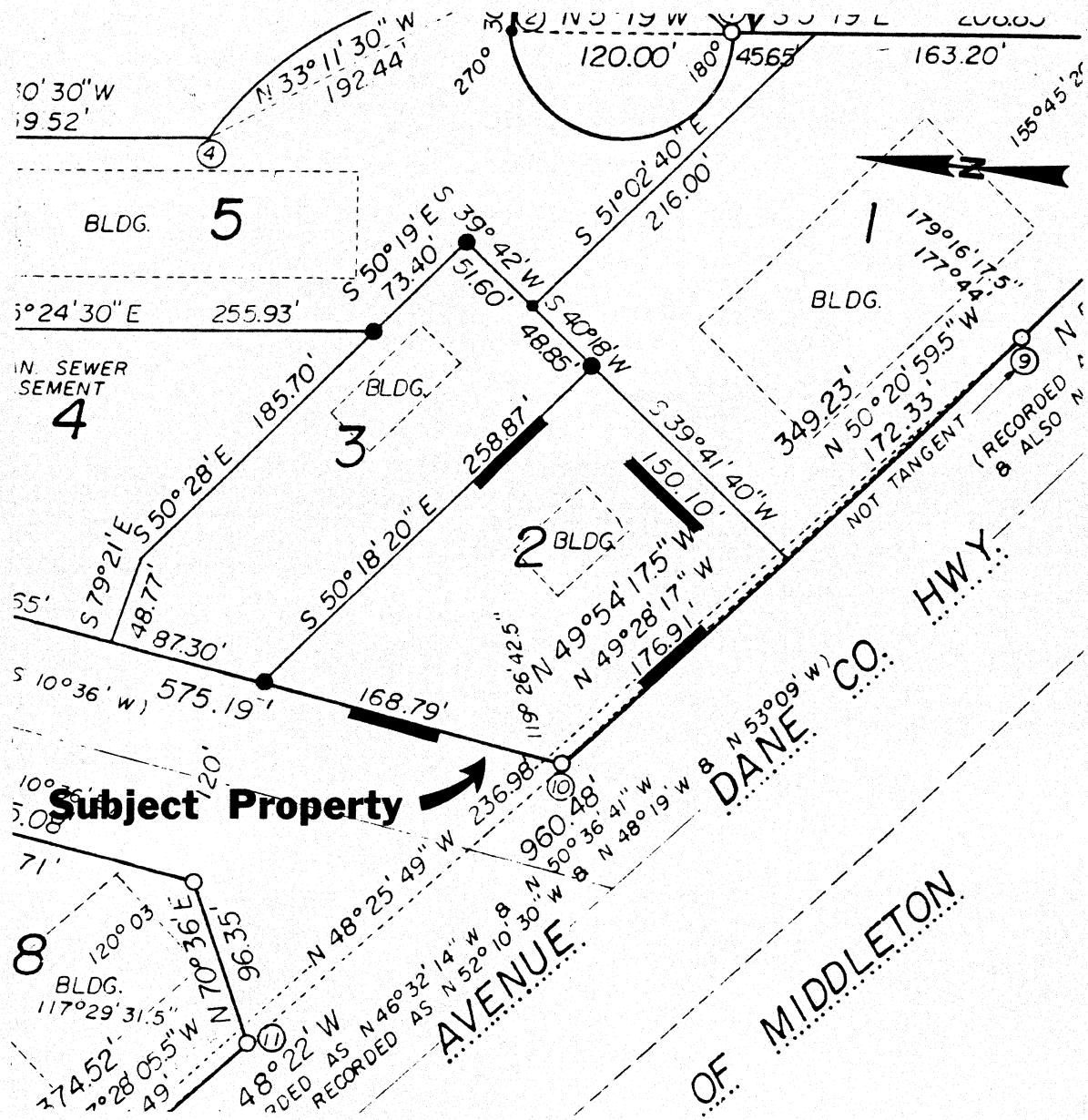
The appraisal is to include only the fee simple real estate
interest at the above location subject to a lease with Cheker
Oil Company.

The lease, originally between Humble Oil and Refining
Company and Dr. George J. and Elizabeth M. Maloof, was subsequently
assigned to Cheker Oil Company (formerly Oklahoma Oil Company)
in 1977. According to a Cheker Oil spokesman, the current lessee
has never operated a service station on the site; this lease assignment
was part of a package acquired from Humble Oil Company. The original
lease term has 4.33 years remaining with two five year renewal
options. (See Appendix A for text of lease).

Under the terms of the lease, the lessor agreed to build

EXHIBIT 2

DIMENSIONS OF SUBJECT SITE



the improvements necessary for the operation of a service station, but the lessee has the right to move, remove, or alter any improvements as is necessary to the conduct of its business [Appendix A, Lease Improvements (5)]. The lessee currently has the improvements listed for sale.

The lessee has a first right of refusal option; the lessee has the right to purchase the property at the same price and upon the same terms and conditions as contained in a separate acceptable bona fide offer for the purchase of the subject property. The lessee has sixty (60) days to exercise this option.

The mortgage between George J. and Elizabeth M. Maloof (mortgagors) and American Family Life Insurance Company (mortgagee), dated November 11, 1964, for \$90,000, and amortized over a 20 year term at 5-1/4 percent interest with an annual debt service of \$7,277.52 per year has no clause defining its assumability.

It is the intent of the mortgagee to require the mortgage to be paid off if the property is sold, so for the purposes of this appraisal the mortgage is considered non-assumable and is not an encumbrance to the property.

B. Selection of Market Value Methodology

1. Value Definition

The fundamental purpose of an appraisal assignment is most usually to estimate value. Conventionally, the value required is Market Value, defined as:

The most probable price in terms of money which a property is expected to bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus.

Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated.
2. Both parties are well informed or well advised, and each acting in what he considers his own best interest.
3. A reasonable time is allowed for exposure in the open market.
4. Payment is made in cash or its equivalent, if market conditions indicate that cash sales prevail.
5. Financing, if any, is on terms generally available in the community at the specified date and typical for the property type in its locale.
6. The price represents a normal consideration for the property sold unaffected by special financing amounts and/or terms, services, fees, costs, or credits incurred in the transaction.¹

This definition assumes a perfect market where a number of fully informed, reasonably prudent buyers and sellers are acting rationally and logically to maximize their financial well-being.

It also assumes payment in cash if cash sales prevail.

¹THE REAL ESTATE APPRAISER, Nov. - Dec., 1977, p. 18.

In the present case, economic and monetary conditions prevalent as of April 30, 1980, have made land sales, and indeed most other types of sales, extremely difficult under conventional mortgage financing terms.

Financing by the seller has been the principal method of assuring consummation of a transaction but lenders will not finance improvements on a site for which the title has not passed to the buyer. Only when the buyer is an institution with the financial strength to pay cash or to secure financing not readily available to individual investors (such as McDonald's Corporation or Flad Development and Investment Company) is a cash sale possible. Otherwise, as of April 30, 1980, there would be no transaction.

For the purposes of this appraisal, fair market value is synonymous with most probable selling price.

2. Preference for Market Comparison Approach

The appraisal process prefers to base valuation upon a comparison of data from actual sales of comparable properties where the buyer and seller are under no unusual duress and where there are no significant special circumstances in the sales transaction.

Seven sales and three current listings were selected as most comparable to the subject site. Seven are zoned B-2 as is the subject, one is zoned R-3 and two are zoned B-3. All are within two miles of the subject with frontage on major roadways.

3. Income Approach

The subject property, under lease but presently not in

active commercial use, does return an income stream to the lessor/owner of the property. A hypothetical buyer of the subject property who holds the property for speculative purposes would determine the present value of the cash flow and the reversion over a holding period to calculate the most probable price he would pay for the property.

4. The Cost Approach

The cost approach is limited to those appraisal assignments where the improvements are new or represent the optimum use of the site in question. The right of disposition of the improvements belongs to the lessee; if the lessee chooses not to remove the improvements they represent a negative value to another user if they must be demolished. Therefore, for purposes of this appraisal, the improvements are assumed to have no value to the buyer of this property and the cost approach is irrelevant and inappropriate for this valuation.

II. PHYSICAL ANALYSIS OF THE SUBJECT PROPERTY

Market Value of the subject property is determined, in part, by its physical attributes and improvements which include the engineering characteristics of its soils; the size, shape, and topography of the site; the legal attributes constraining the use of the property; the linkages of the site to residential, commercial and recreational areas, and to public roadways; and the dynamic attributes which are determined by how people perceive and behave relative to the property.

A. Physical Attributes (See photographs in Exhibit 3)

1. Soils, Shape and Topography

According to the Soil Survey of Dane County, Wisconsin, the soil of the subject property is predominantly Dresden silt loam (DsC2) with 6 to 12 percent slopes and is eroded. DsC2 has an agricultural capability unit of III on a scale of I to VII with I representing the best soil. These soils usually have a depth to bedrock of greater than ten feet and the seasonal high water table is greater than five feet. This soil type has low corrosivity and low shrink-swell potential. Low corrosivity means there is a low probability of soil-induced corrosion damage to structures below grade. Low shrink-swell potential indicates there is little hazard to the maintenance of structures built in, on or with material having this rating.

EXHIBIT 3

PHOTOGRAPHS OF SUBJECT PROPERTY



Looking east northeast onto subject site. Note vacated Villa Piazza structure at left.



Looking northwest onto subject site. Note sloping grassy area contiguous to paved parking area.

EXHIBIT 3 (Continued)



Looking northwest from contiguous property. Note slope of north and east sides of subject site.

Ingress/egress points of subject site along University Ave. Approach is from the southeast, travelling toward Middleton.



EXHIBIT 3 (Continued)



Intersection of Allen Blvd. and University Ave. Subject site is to the east of Allen Blvd. Note the uncontrolled right turn lane onto Allen Blvd.

Looking southeast along University Ave. Median strip prevents access to subject site by southeast bound traffic traveling to Madison.



EXHIBIT 3 (Continued)



Allen Blvd. ingress/egress point
for subject site. Improvements
are hidden from view by vehicle.

The Soil Survey refers to the original grade of the site which is closely parallel to the underground gas tanks. However, the rectangular site has been filled with materials of unknown quality, and the necessity of sloping the rear and side yards reduces the effective site area; parking needed for alternative commerical retailing uses could not be accommodated on the sloping portions of the site.

2. Size

As determined by Bridwell Engineering Company, Inc., the size of the subject site is 32,407 square feet or .744 acres. (See Exhibit 2 for site dimensions.)

3. Improvements

The right of disposition of the improvements belongs to Cheker Oil Company and therefore they are not valued in this appraisal. The improvements built in 1964-1965 consist of a vacated service station facility including a two stall garage for automotive repairs, fuel storage tanks below grade, and paving on approximately two-thirds of the site.

The paving and underground tanks are not marketable except as part of the site. The paving will be of minimal use to the buyer. By the City of Middleton's definition, the service station is considered abandoned, and the property owners will be required to remove or fill the underground tanks with sand. This order could come at any time.

B. Legal-Political Attributes
of the Subject Property

1. Zoning

The City of Middleton zoning ordinances are compiled in a publication dated December 17, 1974, entitled, "City of Middleton, Wisconsin, Chapter 10, Zoning Code."

The subject site is zoned B-2 Retail Business District. Permitted uses do not include motor fuel stations of any class. (See Exhibit 4.)

Classification of motor fuel stations in Chapter 10, Zoning Code, is as follows:

Motor Fuel Station:

Motor Fuel Station, Class I. Retail place of business engaged only in the sale of motor fuels and incidental petroleum products.

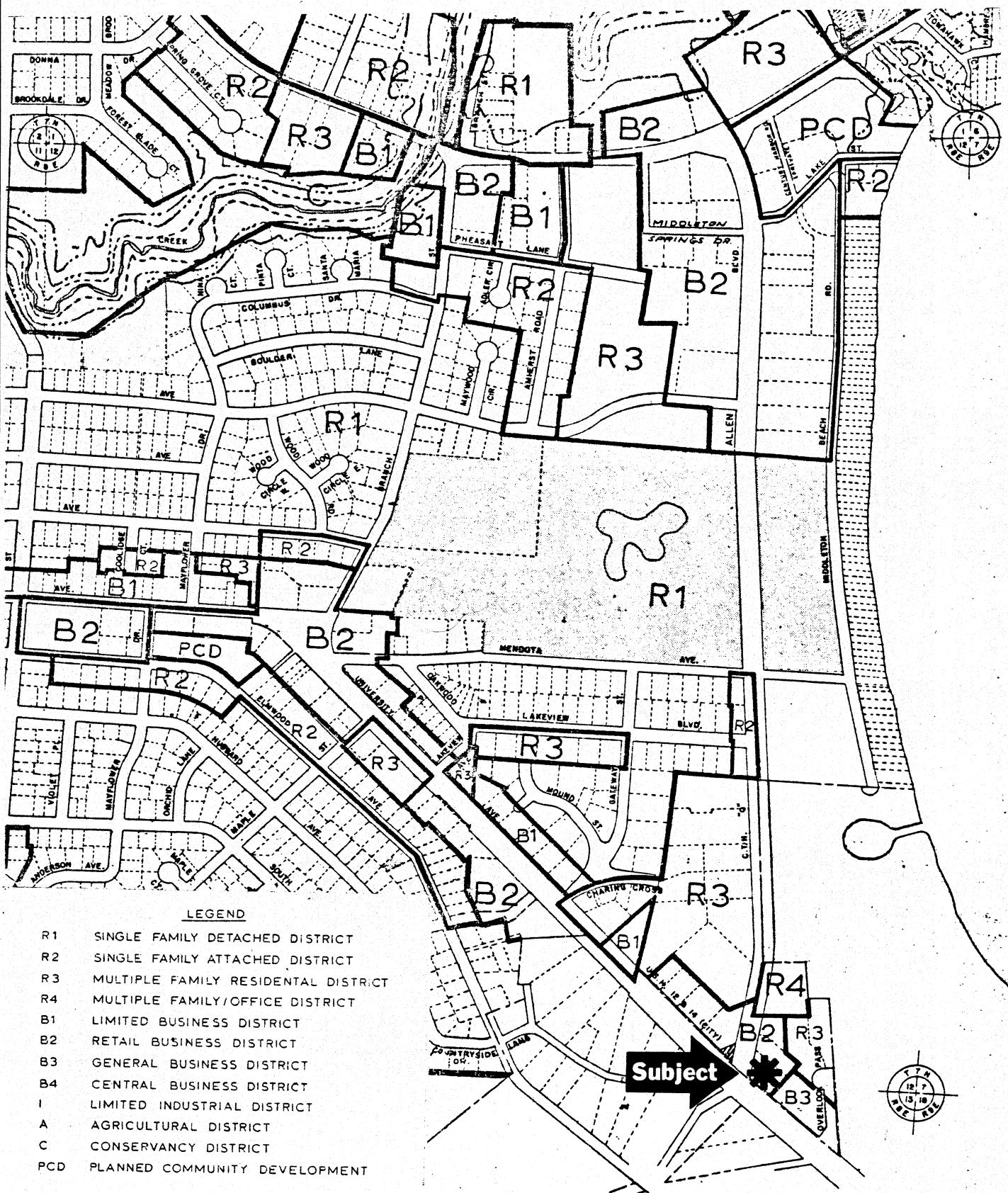
Motor Fuel Station, Class II. Retail place of business engaged primarily in the sale of motor fuel, but also engaged in supplying goods and services generally associated with the operation and maintenance of motor vehicles. This may include the sale of petroleum products, sale and servicing of tires, batteries, automotive accessories and replacement items, washing and lubrication services and the performance of automotive maintenance and repair.

Motor Fuel Station, Class III. A retail place of business engaged in the sale of motor fuels and dispensing of services generally associated with the operation and maintenance of motor vehicles; the dispensing of food when food is served to a customer and consumed by him while seated at a counter or table; and providing of places of temporary residence for motorists, tourists or travelers.

In Section 10.04 General Provisions of the Code, (3) Non-Conforming Uses and Structures, it is stated in (f): Except in cases described in the previous paragraph, (when damage is due

EXHIBIT 4

CITY OF MIDDLETON ZONING MAP OF
SUBJECT SITE AND SURROUNDING AREA



to catastrophes), whenever a non-conforming use is discontinued for a period of one (1) year, any future use of the land, building, or structure shall be a conforming use. (See Appendix for full text.)

All classes of Motor Fuel Stations are listed as conditional uses in the several zoning districts in Middleton. A B-2 district allows a Class I Motor Fuel Station only if a conditional permit is issued; Class I and II Motor Fuel Stations are allowed in I-1 Industrial Districts only if a conditional use permit is issued. Auto repairs and incidentally, the sale of petroleum products is permitted in a B-3 district.

Prior to its closing, the subject site apparently operated as a Class II Motor Fuel Station with facilities to provide goods and services generally associated with the operation and maintenance of motor vehicles. This is a non-conforming use in a B-2 district; since the non-conforming use has been discontinued for a period of one (1) year, any future use of the land, building, or structure shall have to comply with the permitted or conditional uses allowed in a B-2 district. Thus, only a Class I Motor Fuel Station will be allowed to operate on the site in the future.

As mentioned previously, the City of Middleton requires vacated service stations to remove or fill underground fuel storage tanks within a year of abandonment. By the terms of the lease, the lessee agrees "to comply with all statutes, ordinances, rules,

orders, regulations and requirements of federal, state, and municipal governments." (See Appendix A for lease - Use of Premises.)

A city order will force the lessee to decide if he will settle for a Class I gas station starting in 1981, default on the lease by failing to correct the illegal tank situation, or salvage the tanks and look for an opportunity to assign the lease.

2. Assessed Value

In the opinion of the City Assessor, the Middleton assessments for 1979 were approximately 75 percent of market value and for 1980, 68 percent of market value. The 1979 and 1980 assessment for the subject property, listed on the assessment roll as parcel number 50-01-267.19 is as follows:

Land	\$54,200
Improvements	<u>40,200</u>
Total	\$94,400

The 1979 tax was \$2,214.92.

3. Highway Median Strip - Allen Boulevard

The City of Middleton Department of Public Works is planning to construct a median strip along the entire length of Allen Boulevard with median breaks into Elizabeth Manor on the east side of Allen Boulevard, into the Century Square Shopping Center, and into Maywood, Lakeview and Mendota Streets on the west side of Allen Boulevard. A sharing of federal, county, and city funds is necessary for the

strip to be built; budgeting of this project in 1981 by the three governmental bodies mentioned above will assure the beginning of this construction in June 1981. A map detailed in Exhibit 5 shows the changes in relationship to the subject site.

C. Linkage Attributes of the Subject Site

The subject site is on the eastern edge of the City of Middleton and is approximately 1.5 miles from its central business district. The site is approximately six miles from the center of Madison.

Middleton has a population of approximately 12,000 according to the 1980 preliminary census; the population has increased 45 percent since 1970 at an average rate of 4.5 percent per year. The greatest growth spurt has been in the last four to five years.

In the immediate proximity of the subject site the major area of growth has been to the north along Allen Boulevard and Century Avenue. The recent construction of neighborhood shopping centers and apartment complexes has greatly increased the retailing activity in this area.

Exhibit 6 illustrates the isolation of the subject site from these other retailing areas; the Middleton Master Plan, developed in 1973, divided the City into planning neighborhoods. Planning Neighborhoods 9, 10, and 11 encompass the area around the subject site. Very little area has been set aside for general business and retailing activity; the largest concentration lies on the

CHANGES PLANNED FOR ALLEN BLVD.
WITH INSTALLATION OF MEDIAN STRIP

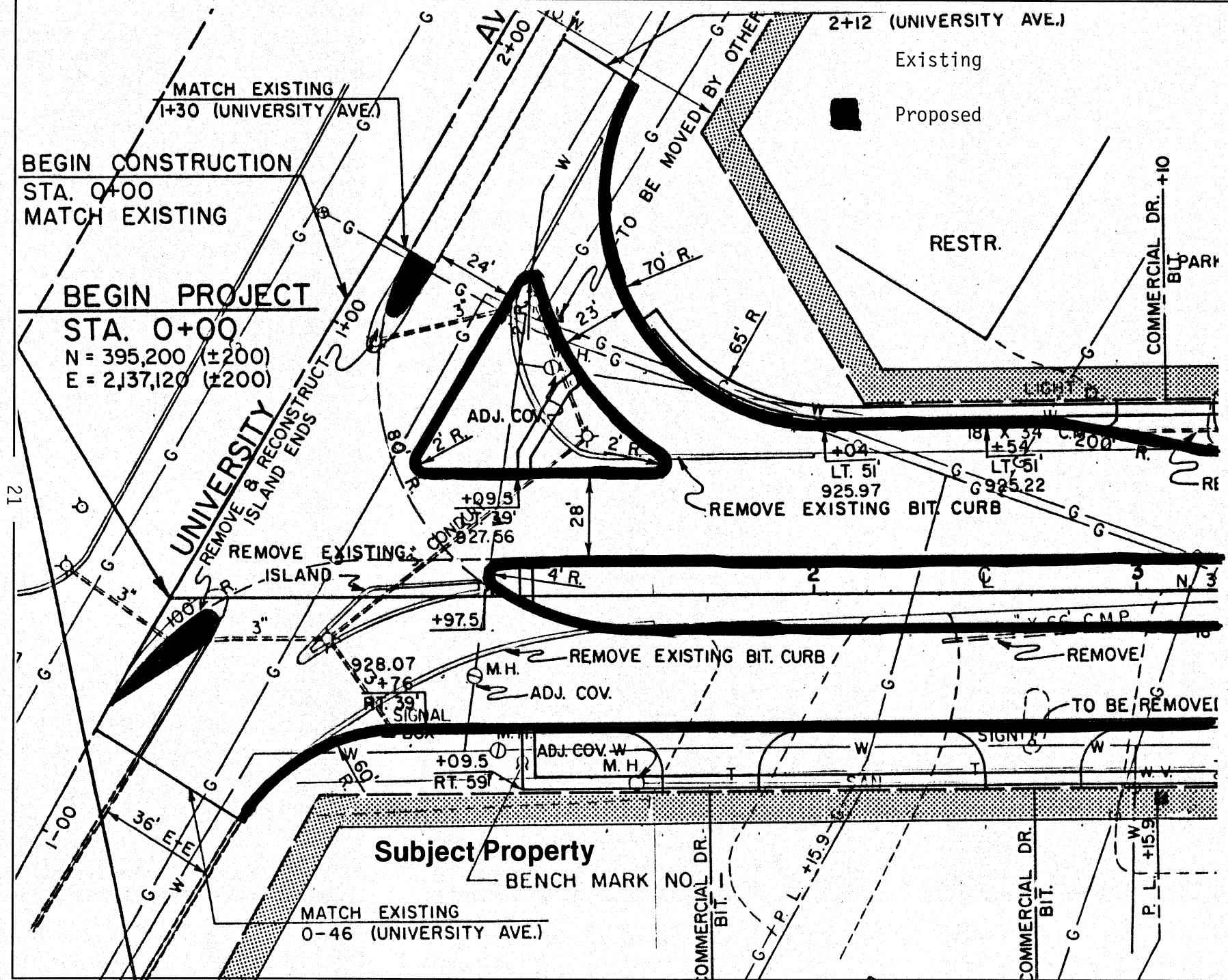


EXHIBIT 6

NEIGHBORHOOD PLANNING AREAS NEAR THE SITE

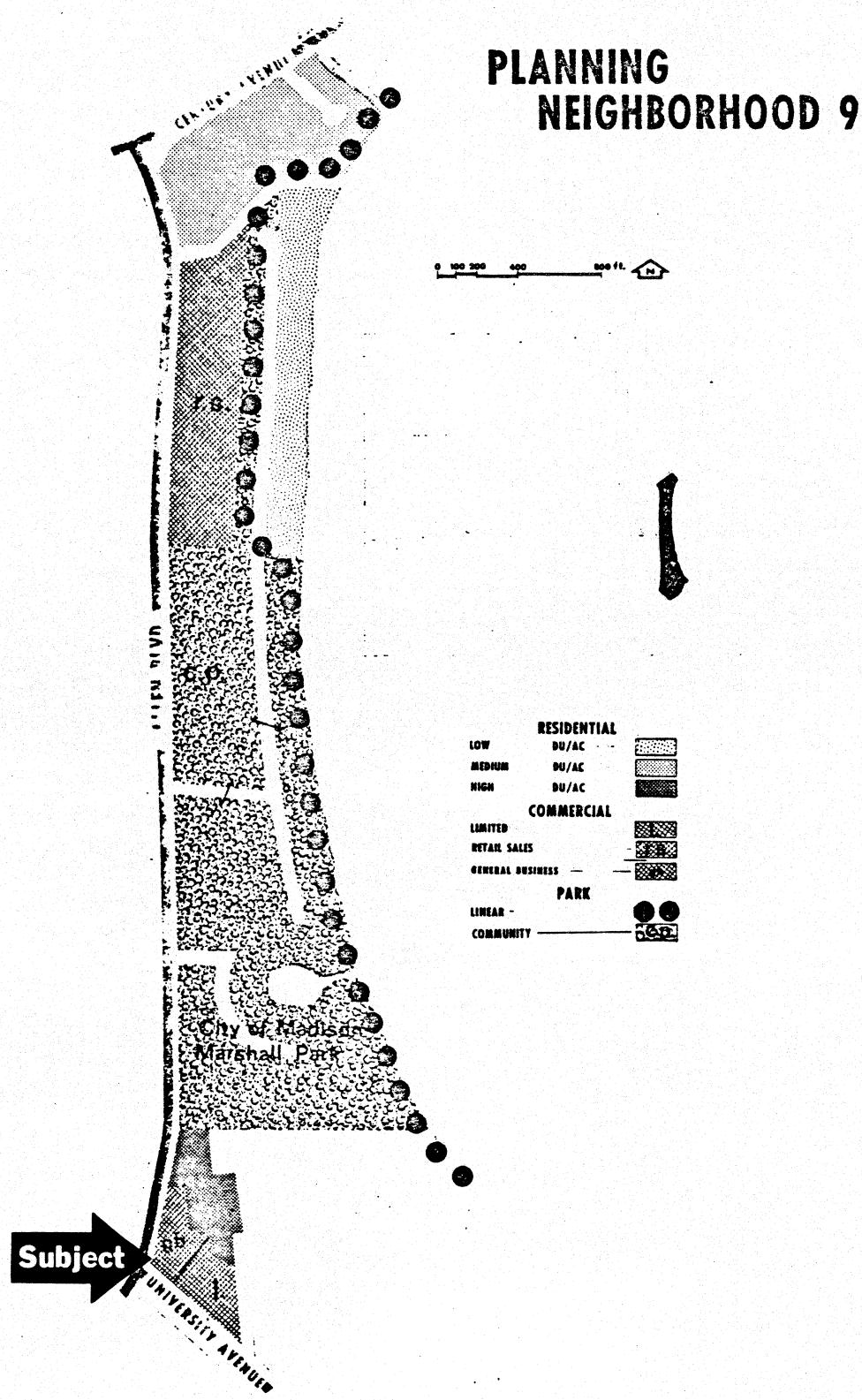
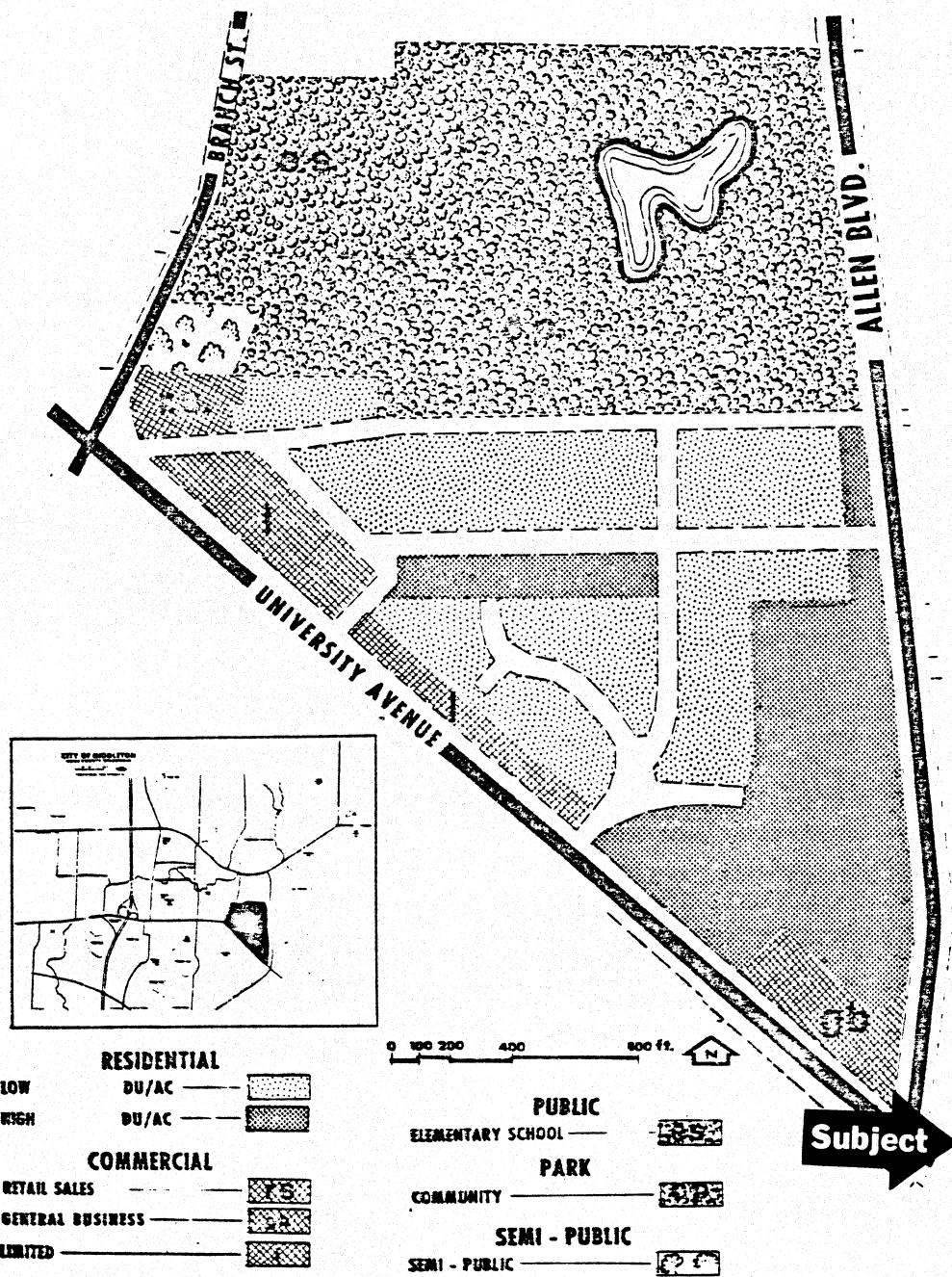
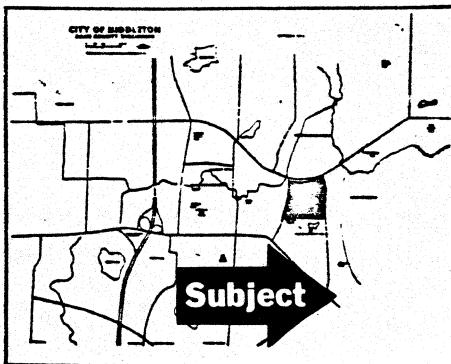
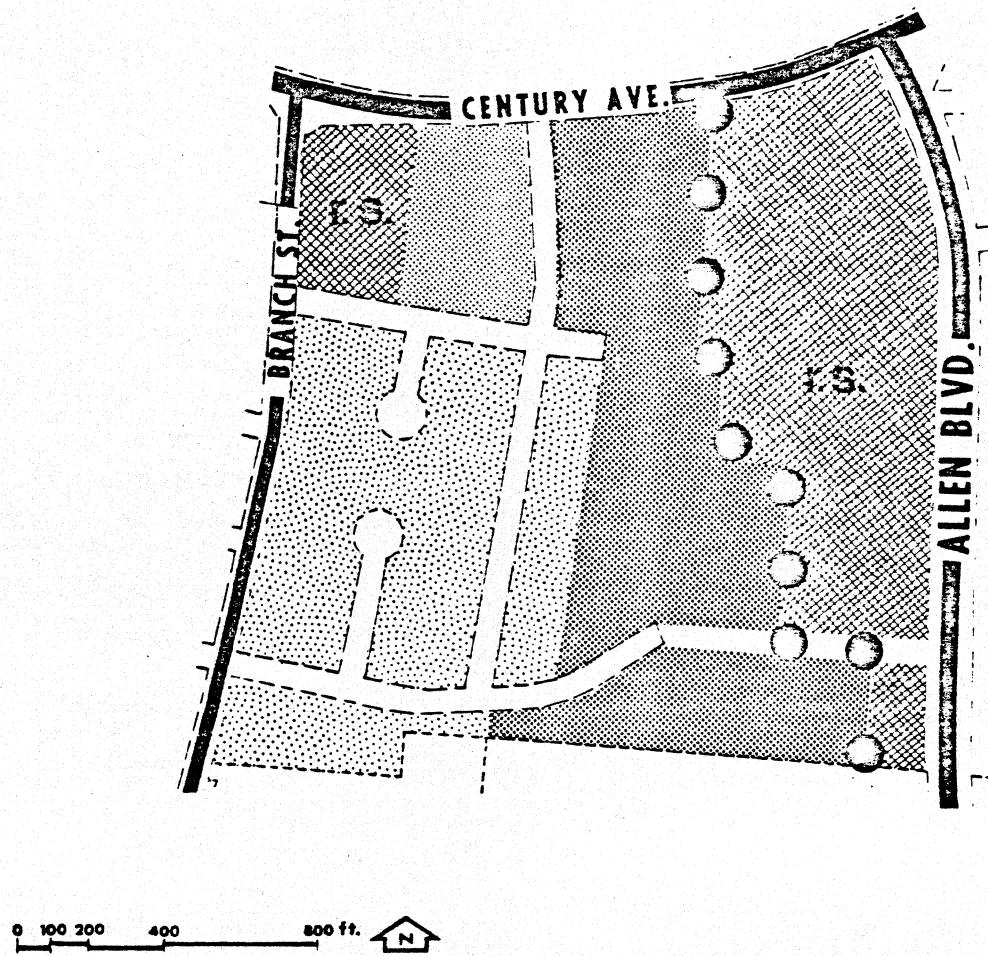


EXHIBIT 6 (Continued)

PLANNING NEIGHBORHOOD 11



PLANNING NEIGHBORHOOD 10



RESIDENTIAL
LOW DU/AC — [diagonal line pattern]
MEDIUM DU/AC — [dots pattern]
HIGH DU/AC — [solid black]
COMMERCIAL
RETAIL SALES — [diagonal line pattern]
PARK
LINEAR — [two circles connected by a line]

Century Avenue (County M) and Allen Boulevard corner, the site of the new McDonald's restaurant.

The proposed median strip, the length of Allen Boulevard, already briefly described, will make access to the subject site difficult. Traffic traveling south on Allen will have no reasonable access to the site; traffic moving east along University Avenue will have to make a left at the intersection of Allen and University to gain access at the Allen Street entrance.

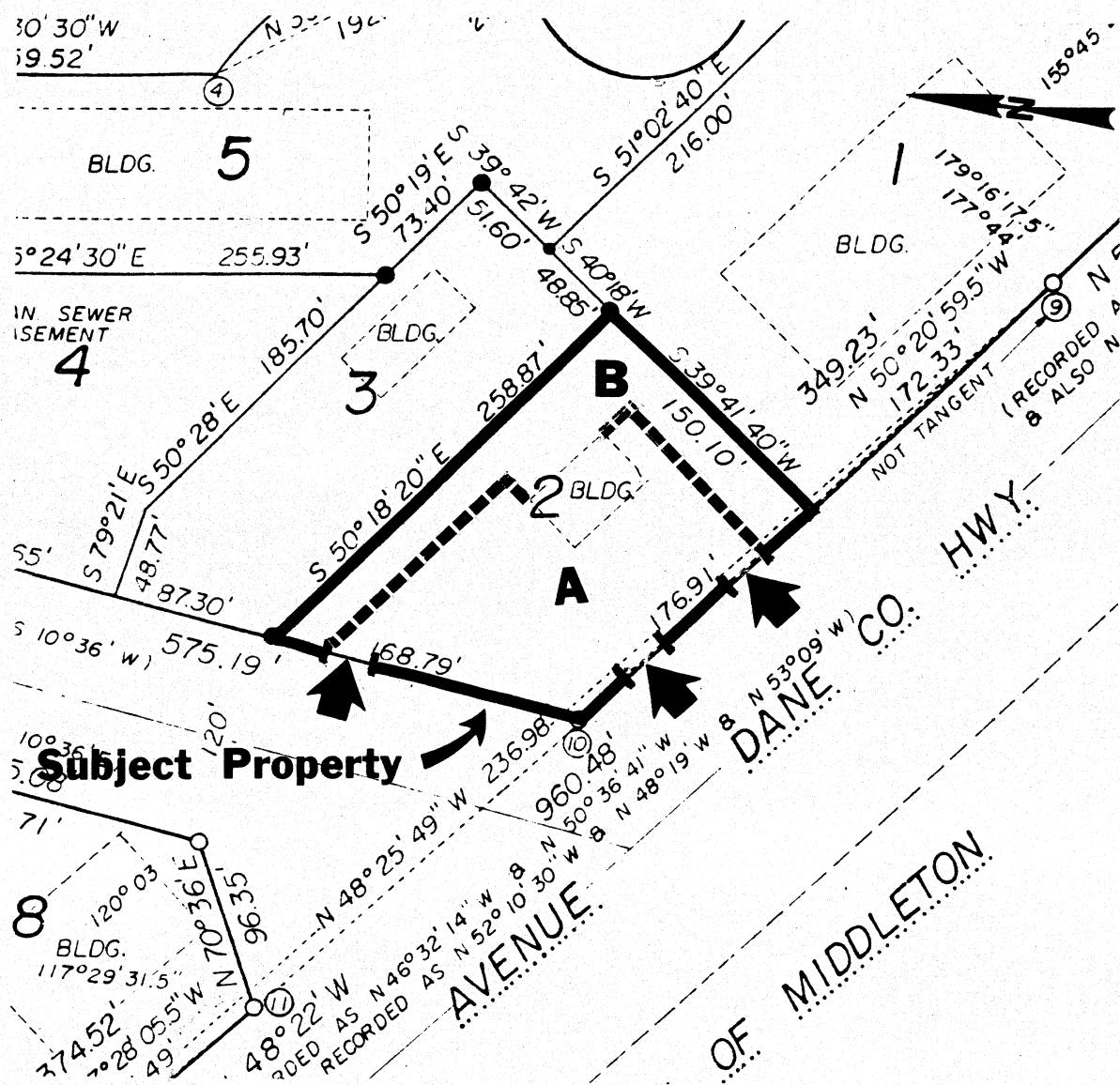
Only those cars traveling west on University Avenue and north on Allen Boulevard will have access to the egress/ingress points of the subject site. (See Exhibit 7.) According to the Madison Traffic Engineer's Office, the number of cars per day traveling along University Avenue and Allen Boulevard from 1976 to 1980 were as follows:

<u>Year</u>	<u>University Ave. West of Allen Blvd. (Vehicles/day)</u>	<u>University Ave. East of Allen Blvd. (Vehicles/day)</u>	<u>Allen Blvd. (Vehicles/day)</u>
1976	15,352	28,361	13,376
1977	14,572	27,850	12,545
1978	16,673	25,159	12,968
1979	No count	taken in 1979	
1980	14,591	25,130	14,869

The right turn onto Allen Boulevard for westbound traffic on University Avenue has no traffic control lights and the fast moving traffic quickly passes the site's Allen Boulevard access point. The probability that customers will turn impulsively onto

EXHIBIT 7

EGRESS AND INGRESS POINTS OF SUBJECT SITE



A Paved Area

B Downward Sloping Grassy Area

the site is greatly diminished. The uncontrolled traffic flow also makes egress from the site onto Allen Boulevard difficult at times of heavy traffic.

The greatest increase in traffic flow over the past few years has been on Allen Boulevard. Since 1976 an increase of 1,500 vehicles per day has occurred and yet the subject site will lose all of the southbound traffic as potential customers when the median strip on Allen Boulevard is in place.

D. Dynamic Attributes of the Subject Property

The corner of University Avenue and Allen Boulevard appears blighted due to several vacated sites with deteriorating improvements. The Villa Piazza, an ethnic restaurant north of and contiguous to the subject site closed its doors in the spring of 1980. Poorly maintained landscaping and weeds growing in the cracks of the paving are the visual signs of business failure. The subject site has weeds growing around the former pump islands and the building. Plywood on a part of the building front and the peeling paint adds to the blighted appearance. West of the site along University Avenue is another vacated service station. Plywood on the building front, large weeds around the service island, and blank signs emphasize its abandonment.

The general topography of the area lends itself to poor visibility of the subject site; all three approaches to the site are on an incline so oncoming traffic has little chance to recognize

the site and make a decision before passing the site (See Exhibit 8.)

The number of accidents at the intersection in general have varied from year to year:

1977	10 accidents (Madison Police report only)
1978	7 accidents (Madison Police report only)
1979	15 accidents (Madison and Middleton Police reports)
1980 to date	10 accidents (Madison and Middleton Police reports)

Though the intersection is not ranked by Madison police as the most accident prone corner, Middleton engineers have been concerned enough to initiate the development of the median strip; the lane crossovers now permitted at the access points for Country Kitchen and the subject site are perceived as extremely dangerous.

Businessmen in the area, unhappy with the proposed changes to Allen Boulevard, believe they have little voice in the Middleton City government and are the forgotten segment of Middleton.

E. Conclusion

A combination of the negative attributes of the site and the variability of the overall economic climate make the forecast of the economic condition of the area highly uncertain. It is not known to what degree the median strip will discourage use of the site; if the blight will be alleviated; or if a synergism can be created by a newly established group of retailing operations. Therefore, the value estimate is made under conditions of great economic uncertainty.

EXHIBIT 8

PHOTOGRAPHS ILLUSTRATING POOR VISIBILITY OF
SUBJECT SITE FROM UNIVERSITY AVENUE AND ALLEN BOULEVARD



Traveling toward Madison along University Ave., approaching the Allen Blvd. intersection. Subject site is just beyond Country Kitchen sign.

Taken from intersection of University Ave. and Allen Blvd. Note incline of University Ave. Subject site becomes visible as vehicle approaches median strip.



EXHIBIT 8 (Continued)



Taken from Allen Blvd. approaching subject site. From this distance site is not visible.

III. SELECTION OF MOST PROBABLE USE

Having completed an inventory of the positive and negative attributes of the property, the significant limitations on future use, and the immediate linkages of the location, the appraiser must identify possible uses.

A. Alternative Uses of the Subject Property

Zoning restrictions, limitations on use imposed by topography and size, current and impending problems of access to the site, the proximity of competitive retailing centers, and the overall appearance of economic depression in the immediate area greatly restrict alternative uses of the subject site in the near future.

1. Scenario No. 1

The site would be purchased for current cash flow and held for future retailing use; it is presently subject to a lease with Cheker Oil Company discussed earlier. A buyer would do nothing with or to the site until the lease is terminated. The term of the lease is uncertain; the decision rests with the lessee.

2. Scenario No. 2

A purchaser of the site would also buy out the lease in order to establish a new retailing use on the site.

3. Scenario No. 3

The lessee would purchase the site and again commence the operation of a service station.

B. Ranking of the Alternatives

When the alternative scenarios are ranked in terms of economic feasibility, given the site's attributes, one use outranks the others.

Scenario No. 1 has a high risk factor built in; the purchaser lacks control over the timing of the disposition of the property due to a lease that overwhelmingly favors the lessee. The remaining term of 4.33 years can be extended at the same terms and conditions for two 5-year periods. The lessee could continue to pay \$625 a month for 124.33 months for the right to determine the use of the site over that time period and still have the right to dispose of the improvements at any point in time over the lease period. It is unlikely the lessee would find it economically feasible to renew for ten more years, but Cheker Oil Company's investment strategy is unknown, except that they have expressed interest in purchasing the site.

A hypothetical buyer of the site, encumbered by the lease, would buy for cash flow today and would speculate on the intent of the lessee and the future value of the site. He would use equity money or have seller financing during the lease period because no lender in the tight money market of April 30, 1980, would lend on a vacant site with such high risk. A buyer's opportunity cost of money would be from 12 to 15 percent; an additional risk factor must be built in for the speculative nature of the holding period

and the poor site attributes so an investor would have to discount the cash flow and reversion of this investment from 18 to 20 percent over an optimum holding period of 4.33 years, the immediate lease period, to determine what his justified purchase price would be. (See Exhibit 9.)

In Scenario No. 2 a hypothetical buyer would assess the immediate retailing potential of the site and the cost of buying out the lease from Cheker Oil Company to determine a justified purchase price. Spokespersons for Cheker Oil Company stated an asking price of \$75,000 for the improvements and lease assignment, but upon further questioning indicated a more probable transaction price of \$40,000 to \$50,000.

Though a variety of retail uses are permitted, the site lacks the synergism found in a strip or neighborhood shopping center. (See Appendix B for B-2 permitted and conditional uses.)

The adverse influence of nearby vacated businesses would further deter the use of this site for a retailing purpose that requires pedestrian traffic.

The corner location lends itself to a well-managed fast food operation, but the effective site size is only about 80 percent (26,000 square feet) of its 32,407 square feet due to the sloping sides to the north and to the east. A survey of the sizes of 20 fast food sites in the Madison area reveal an average size of 42,000 square feet. The ingress/egress problems discussed earlier in the appraisal also apply to restaurant use.

EXHIBIT 9

SCENARIO 1

SITE PURCHASED FOR PRESENT CASH FLOW AND FUTURE USE

Facts and Assumptions

where

Rent	= \$625/month
Lease Terms	= Triple Net
Remaining Lease Period	= 4.33 years
Discount Factor	= 18%
Equity	= 100%
Present Value Factor	
Monthly Annuity	= 35.91043
Present Value -	
Reversion Factor (4.33 yrs.)	= .461344
Land Value at End of Holding	
Period $[1.85/\text{SF} \times (1.03)^{4.33}]^1$	= \$2.10

then

$$\$625/\text{mo.} \times 35.91043 = \$22,444$$

$$\$68,055 \times .461344 = \underline{31,397}$$

$$\$53,841$$

$$\text{Justified Purchase Price} = \$54,000$$

$$\text{or } \$1.67/\text{SF}$$

¹Summary of comparable sales data used to determine land value is found in Exhibit 14. A three percent annual appreciation rate for land over the lease period is generous given the present depressed economic conditions in the immediate area of the site.

EXHIBIT 10

SCENARIO 2

SITE PURCHASED FOR RETAILING USE

Facts and Assumptions

where

Land value (assuming a vacant site)	=	\$1.85 SF ¹
Buy out of lease	=	\$40,000 -- \$50,000

then

\$1.85 ¹ x 32,407 SF	=	\$59,952
less lease buy out	<u>=</u>	<u>(40,000)</u>
		\$19,952

OR

\$1.85 ¹ x 32,407 SF	=	\$59,952
less lease buy out	<u>=</u>	<u>(50,000)</u>
		\$9,952

Justified Purchase Price = \$10,000 -- \$20,000

¹Summary of comparable sales data used to determine land value is found in Exhibit 14.

The site size and location would best accommodate a business catering to home bound traffic and quick customer turnover such as a liquor store.

In Scenario No. 3 the lessee, Cheker Oil Company, would purchase the subject property and reopen the service station. Cheker Oil Company would determine the justified purchase price from comparable land sales in the area.

A Class I service station, defined by the zoning ordinance as a conditional use, does not need a large parking area for customers and is a possible use of the site. Several service stations in the area have gone out of business in the past few years and therefore competition has lessened for the subject site.

From the intersection of University Avenue and University Bay Drive in Madison going west to the subject site, there are only three gas stations and these are all at least 1.5 miles or more to the east. Going west from the site to Parmenter Street in Middleton there are four service stations, but none within a mile of the site.

Driving east from Middleton to Madison there are twelve functioning gas stations, but it is difficult to access these stations while driving west on University Avenue. The location of service stations follows the assumption that people prefer to fill gas tanks while going to work rather than when returning home from work.

An attractively designed and well-managed discount self-service

station that sells only petroleum products with several pump islands might capture a large market share of the westbound traffic on University Avenue and the northbound traffic on Allen Boulevard. An example of a busy discount service station is the U-Save Station located at the corner of Franklin and University in Madison.

It is unlikely that eastbound University Avenue traffic will make the left turn onto Allen Boulevard necessary to access the site unless management could offer some irresistible competitive edge such as price.

The lessee who has control over the disposition of the improvements for the duration of the lease and who is interested in re-opening a service station at that location would calculate a justified purchase price based upon comparable land sales in the area. Recent sales from \$1.87 per square foot for a large nearby apartment site to \$2.08 per square foot (adjusted) for a prime corner fast food site which captures the retailing synergism of two shopping centers would set the upper and lower limits of justified purchase prices. Given the poor access to the site, poor visibility for approaching traffic, depressed economic conditions in the immediate area, and the cost of removing the gas tanks required to equate the site with comparable vacant sites, a price range of \$1.80 to \$2.00 per square foot is used in this initial screening of most probable uses. A range of justified purchase prices is shown in Exhibit 11.

EXHIBIT 11

SCENARIO 3

SITE PURCHASE FOR USE AS SERVICE STATION BY LESSEE

Facts and Assumptions

when

Land value	=	\$1.80/SF
Site Size	=	32,407 SF

then

$$32,407 \text{ SF} \times \$1.80 = \$58,333$$

OR

when

Land Value	=	\$2.00/SF
Site Size	=	32,407 SF

then

$$32,407 \text{ SF} \times \$2.00 = \$64,814$$

Range of Justified Purchase Price \$58,500 -- \$65,000

C. Conclusion

A comparison of the justified purchase prices of the three scenarios follows:

Scenario No. 1	Hold for future use	\$54,000
Scenario No. 2	Buy out lease for	\$10,000 - \$20,000
Scenario No. 3	Continue as service station	\$58,500 - \$65,000

Given the present lease, the highest and best use of the subject site is to continue as a service station.

THE MOST PROBABLE USE OF THE SUBJECT SITE IS AS A CLASS I MOTOR FUEL STATION WITH THE LESSEE AS THE MOST PROBABLE BUYER.

IV. PREDICTION OF PRICE FROM MARKET SALES

Recent market sales in a given area are the most reliable predictors of what the most probable buyer might be willing to pay for another property in that area.

A. Most Probable Buyer

Recent sales in the area indicate that buyers of sites are most frequently corporations that purchase for a specific land use. Country Kitchens of Wisconsin, Inc., Flad Development and Investment Company, McDonald's Corporation, C & S Joint Venture (Perkins and Madsen Corporation), and Tracor Northern, Inc., were recent buyers of land in Middleton's retail and commercial districts. Only two of the seven sales reviewed were to individuals or partnerships.

Though the terms and conditions of the subject property's lease led to the identification of the lessee as the specific most probable buyer of the subject site, Cheker Oil Company also fits the prototype of vacant site purchasers in the area.

B. Market Data Approach to Probable Price

The first step to market inference of the most probable selling price is to review recent sales of sites near the subject site that were:

- Zoned for income-production as opposed to single family residential

- Outside of the central business district of Middleton which is defined as Parmenter Street, Hubbard Avenue, and Elwood Avenue just south of University Avenue
- Vacant or having improvements obsolete to a buyer not currently involved with the property
- Fronting on a major roadway such as Allen Boulevard, County M, Highway 12, or University Avenue

The details of the sales and listings are summarized in Exhibit 12. The location of the comparable sales and listings are in Exhibit 13.

Sale No. 1 to McDonald's on May 8, 1980, included the purchase of perpetual easements for vehicular and pedestrian traffic, signage and five parking spaces for employees. The sale price of \$2.83 per square foot includes the cost to Flad, the seller, to convert the property from a muck site to a buildable site. Though the site is not directly accessible from Century Boulevard, a turn onto Allen Boulevard and then into the shopping center easily accesses the site. The proposed median strip on Allen Boulevard will have a median break at the access point and will not impede ingress/egress to and from the site.

Sale No. 2 to Flad Development and Investment Corporation on March 14, 1980, for \$1.87 per square foot was adjusted to include the \$1.00 per square foot cost Flad must expend to convert a peat site into a buildable site. The site is zoned R-3 for multi-family residential development; conditional uses include office use, but no

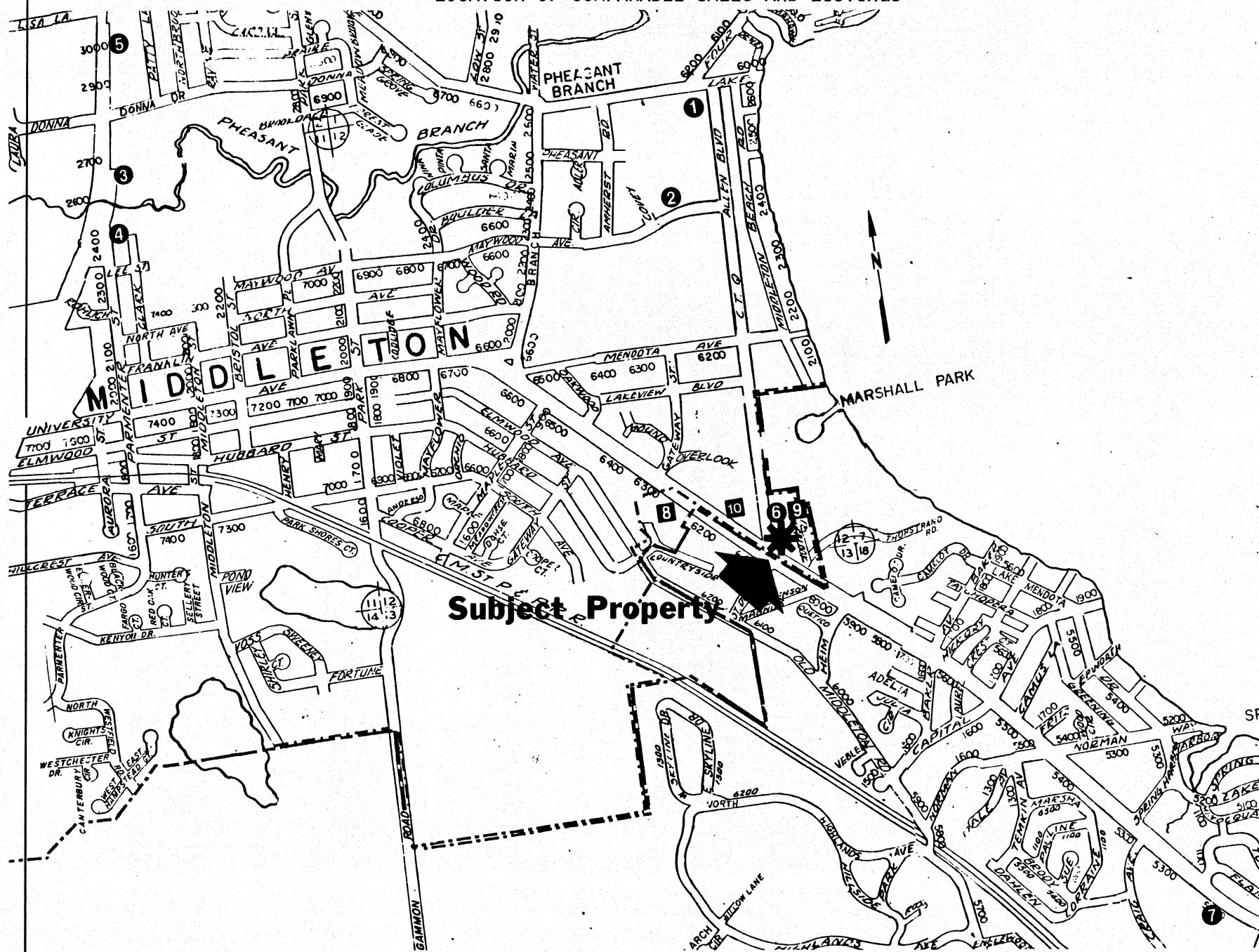
SUMMARY OF COMPARABLE SALES AND LISTINGS

	<u>Sale No. 1</u>	<u>Sale No. 2</u>	<u>Sale No. 3</u>	<u>Sale No. 4</u>	<u>Sale No. 5</u>
Identification of Parcel	Lot 4, Middleton Springs, Middleton, WI (Corner Allen Blvd. & Cnty. M)	Located in NE $\frac{1}{4}$ Sec. 12, T7N, R8E, Near corner of Maywood & Allen, North side of Maywood, Behind & west of A & W	Located in SW $\frac{1}{4}$ SE $\frac{1}{4}$, Sec. 2, T7N, R8E, on US 12	Located in NW $\frac{1}{4}$ NE $\frac{1}{4}$, Sec. 11, T7N, R8E at US 12 & Parmenter	Located in SW $\frac{1}{4}$ SE $\frac{1}{4}$, Sec. 2, T7N, R8E, on US 12
Date of purchase	5/8/80	3/14/80	8/79	10/26/78	10/6/77
Description of Improvements	None	None	None	None	None
Grantor	Flad Development & Investment Corporation	Associated Realty Corporation	Ted A. Poelma, Lloyd L. Otteson, Stephen C. Sash and Arlye M. McDermid	Affiliated Bank of Madison	Ruth M. Miller
Grantee	McDonalds' Corporation	Flad Development & Investment Corporation	Tracor Northern, Inc.	B. & L. Investors, a partnership consisting of Leland C. Bruce and William J. Lazarz	Richard F. Trotta and Hazel V. Trotta, husband and wife
Vol. & Page	Vol. 1941, p. 72	Vol. 1754, p. 58	Vol. 1090, p. 68	Vol. 1007, p. 560	Vol. 873, p. 41
Instrument of sale	Warranty Deed	Warranty Deed	Warranty Deed	Warranty Deed	Land Contract
Zoning	B2--Retail Business District	R3--Multiple Family Residential	B3--General Business District	B3--General Business District	B3--General Business District
Size of site	45,000 sq. ft.	126,324 sq. ft.	15,000 sq. ft.	79,590 sq. ft.	27,120 sq. ft.
Purchase price	\$127,500	\$110,000	\$24,000	\$100,000	\$44,200
Corner site	Yes	No	No	No	No
Site Preparation Cost	Included	\$1.00 sq. ft.	None	None	None
Price per sq. ft.	\$2.83	\$1.87	\$1.60	\$1.26	\$1.63
Remarks	Price includes costs to convert from muck site to buildable site.	Price per sq. ft. includes projected cost to correct peat problem.	None	None	None

	<u>Sale No. 6</u>	<u>Sale No. 7</u>	<u>Listing No. 8</u>	<u>Listing No. 9</u>	<u>Listing No. 10</u>
Identification of Parcel	Parts of Lot 27 & 41 in Assessors Plat 1, Middleton	Located in SW $\frac{1}{4}$ of SE $\frac{1}{4}$ of Sec. 18, T7N, R9E, City of Madison, 5217 University Ave.	Town of Middleton, Along University Ave.	Parts of Lot 27 & 41 in Assessors Plat 1, Middleton	Site contiguous (to west) to subject, Middleton
Date of purchase	3/1/77	1/13/77	currently listed	currently on market	currently on market
Description of Improvements	None	None	None	None	small station facility & paving, no gas tanks
Grantor	Melvin J. Andre	Emma I. Stoddard	N/A	Country Kitchens of Wisconsin, Inc. (Owen Massie)	Consolidated Station
Grantee	Country Kitchens of Wisconsin, Inc.	C & S Joint Venture	N/A	N/A	N/A
Vol. & Page	Vol. 778, p. 407	Vol. 766, p. 18	N/A	N/A	N/A
Instrument of sale	Warranty Deed	Warranty Deed	N/A	N/A	N/A
Zoning	B2--Retail Business District	C3--Commercial	B2--Retail Business District	B2--Retail Business District	B2--Retail Business District
Size of site	28,686 sq. ft.	103,000 sq. ft.	43,560 sq. ft.	28,686 sq. ft.	36,360 sq. ft.
Purchase price	\$39,500	\$125,000	Listed \$140,000 Viable offer \$125,000	Asking \$65,000 Under contract to close at \$60,000 as of 10/80	Asking \$90,000 Nibbles, but no contract
Corner site	No	No	No	No	No
Site Preparation Cost	None	None	None	None	Demolition of improvements
Price per sq. ft.	\$1.38	\$1.21	Possible offer price \$2.87 Listing price as of 10/80 \$3.21	\$2.27/sq. ft. asking \$2.09/sq. ft. contract	\$2.48 asking
Remarks	Site has since been paved for a parking lot at cost of \$15,000 or \$0.52/sq. ft. for a value of \$1.90/sq. ft.	Site used for Perkins Cake & Steak Restaurant	None	This potential sale is being transacted under duress	On market for 2 years. Deed restrictions (25 yrs.) - no retail gas/oil products can be sold on property.

EXHIBIT 13

LOCATION OF COMPARABLE SALES AND LISTINGS



independent retail uses are allowed. The site contains 2.87 acres and a small portion is not useable; the larger sites sell for a relatively lower price per square foot.

Sales No. 3, 4, and 5 front on Highway 12 on the west side of Middleton. All are zoned B-3 which allows a wide variety of retail and commerical uses including a full service garage and service station. The time span for the three sales is from October 6, 1977, to August, 1979, but in those two years there is little evidence of any appreciation in land values for that area. Overall, sites on the western edge of Middleton sell for less per square foot than do sites on the eastern edge.

Sale No. 6, purchased by Country Kitchens of Wisconsin, Inc., March 1, 1977, for \$1.38 per square foot was paved after purchase at a cost of approximately \$15,000 or \$.52 per square foot for a value of \$1.90 per square foot. The site was on the market again in 1980 and is reported to have sold for \$2.09 per square foot. There is a question of duress in this transaction. Listing No. 9 more fully addresses this issue.

Sale No. 7 was purchased by an entity representing Perkins' Cake and Steak Restaurant. The site is larger than average for a limited menu table service restaurant. The site is approximately one mile east of the subject site.

Listing No. 8 is a one acre site located in the Town of Middleton which is reported to have property taxes one half those in Madison/Middleton. The site fronts on the south side

of University Avenue and has a rolling terrain. The broker stated that the listing price of \$3.21 per square foot was too high; he believed \$2.87 per square foot or \$125,000 a more reasonable price. An offer at an undisclosed price has been pending for two months.

Listing No. 9 is a potential resale of Sale No. 6. The owner of Country Kitchens of Wisconsin, Inc., Owen Massie, is a lessee of the contiguous property which did business as Villa Piazza; the restaurant closed early in the spring of 1980 and has remained vacant since that time. The lessee needed to get out from the lease of Villa Piazza and was able to package the paved vacant site of 28,686 square feet with the leasehold improvements in Villa Piazza to the buyer of the underlying real estate which was sold by Welard Associates (Ken Welton and Ross Menard). The reported buyer plans to operate an ethnic restaurant on the Villa Piazza site.

Though it is reported Mr. Massie received \$60,000 for the paved site and \$60,000 for the leasehold improvements in Villa Piazza, it is assumed the figures may not represent an arm's length transaction; it was reportedly negotiated under duress. It is also assumed that the price paid for the site, if not arm's length, is lower than market; it would be to the buyer's tax advantage to assign the greater value to the improvements since land is not depreciable. The presence of duress would also depress the price. Mr. Massie had been asking \$65,000 or \$2.27 per square

foot before the package deal was reported to have been transacted.

Listing No. 10 has been vacant and on the market for two years. It was appraised at \$90,000 in 1978 and it is Consolidated's policy to list and sell at the appraised value. The site is partially paved and is improved with a small masonry structure (approximately 380 square feet in size) which is now boarded. The underground fuel storage tanks have been removed. Due to Consolidated's policy, a deed restriction restraining the sale of petroleum products from the site for 25 years goes with the title. Many offers have been made for use as a gas station but they were refused.

Mr. Jeff Raymond, the new owner of Country Kitchens of Wisconsin, Inc. as of October 1, 1980, is interested in acquiring the site which is contiguous to the Country Kitchen site on the northwest corner of Allen Boulevard and University Avenue.

The asking price of \$2.48 per square foot for the Consolidated Station property (Listing No. 10) sets a ceiling on value for vacant sites in the area. To date the market has not recognized that high a value. The improvements will probably be useless to a buyer so the cost of demolition to the buyer will have to be included in the purchase price.

C. Conclusion

To value the subject site, emphasis is placed upon those sales and listings with attributes most comparable to the subject. Size, the quality of retailing location, and the ease of accessing

the site are important attributes that determine what a buyer is willing to pay for the site (Exhibit 14). Sales No. 1, 5, and 6 will be given a greater weight because of their comparable size to the subject's 32,407 square feet.

Sale No. 1 is adjusted downward \$.75 per square foot to account for the easements that were included in the transaction and the difference in quality of retailing location. Also, McDonald's is known to pay premium prices for sites. Though there appear to be site access problems, ingress/egress from Allen Boulevard can be done with ease and the planned median strip will break at this access point.

Sale No. 5 nets out to be fairly similar to the subject. It is located along Highway 12 as a part of a low density commercial strip. There are several new businesses in the area, but the synergism of a shopping center is not present. The site is highly visible to traffic and access is good, but it lacks the advantages of a corner location and greater traffic volume.

Sale No. 6, contiguous to the subject, lacks the advantages of a corner location and has more severe access problems than does the subject. It is smaller and therefore more restricted as to alternative uses.

If the subject site is purchased for another retail use, the site would have to be cleared. The lessee has the right to dispose of the improvements but is not required to do so. This appraisal assumes the sale and removal of the building by the lessee. It is also assumed that the lessee, the most probable

buyer, would pay no more for the site than as if vacant.

To value the site as vacant, an allowance of \$.08 per square foot of site area is made for the cost of removing the fuel storage tanks. Since the value of the paving is questionable to other users, a discounted figure of \$.12 per square foot of site area is used to adjust for the cost of its removal.¹

With a range of five to ten percent per year adjustment for appreciation in the value of vacant sites on the eastern edge of Middleton and a recognition of the differences between the comparable sales and the subject property, an estimated value of the site as if vacant of \$1.85 per square foot as of April 30, 1980, is reasonable (see Exhibit 13). A review of the listing prices substantiates this value conclusion.

Those sellers asking more than \$2.10 per square foot today for sites as if vacant are still without buyers. Listing No. 10 has been on the market for two years; the asking price of \$2.48 per square foot (\$2.32 adjusted as if vacant) is apparently higher than market value. Listing No. 9 is reported to be under sales contract for use as a parking lot; the \$2.09 per square foot price includes a paved surface in good condition. The sales price adjusted as if vacant is \$1.57 per square foot. The sale was reportedly made under duress as explained earlier.

¹Source: John DeBeck, demolition estimator, Speedway Sand and Gravel, Inc., Madison, Wisconsin.

DETERMINATION OF PRICE FROM COMPARABLE SALES AND LISTINGS

	Time from ¹ 4/30/80	Sale, Listing or Offering Price/SF	Adjust to Vacant Site Price/SF	Time Adjustment ³ @ 5%/yr. @ 10%/yr.	Site Size ⁴	Retailing Location ⁵	Site Accessibility ⁶	Remarks
Sale No. 1	0	\$2.83	2.08	2.08	45,000 SF	Excellent	Fair to Good	Corner site - Price includes multiple easements
Sale No. 2	0	1.87	--	1.87	126,324 SF	Not permitted	Good	For use as multi-family residences - large site
Sale No. 3	8 mos.	1.60	--	1.65	15,000 SF	Fair	Good	Fronts on Hwy 12
Sale No. 4	18 mos.	1.26	--	1.36	79,590 SF	Fair	Good	Fronts on Hwy 12 Large site
Sale No. 5	31 mos.	1.63	--	1.85	27,120 SF	Fair	Good	Fronts on Hwy 12
Sale No. 6	39 mos.	1.38	--	1.62	28,686 SF	Poor	Poor	Used as parking lot
Sale No. 7	40 mos.	1.21	--	1.42	103,000 SF	Good to Fair	Good	Located in City of Madison - Large site
Listing No. 8	(6 mos.)	2.87	--	2.80	43,560 SF	Fair	Fair to Good	Sloping terrain poor visibility
Listing No. 9	(6 mos.)	2.09	1.57	1.53	28,686 SF	Poor	Poor	Same site as Sale No. 6
Listing No. 10	(6 mos.)	2.48	2.38	2.32	36,360 SF	Fair	Fair to Good	Site can't be used as service station for 25 years
Subject Property	0	N/A	N/A	N/A	32,407 SF	Fair to Poor	Fair	Corner site but poor visibility

EXHIBIT 14 (Continued)

NOTES TO DETERMINATION OF PRICE FROM COMPARABLE SALES AND LISTINGS

¹ Listing and offering prices are as of October 30, 1980; therefore listing prices are adjusted downward as of April 30, 1980, the valuation date.

² Adjustments are made in the price per square foot of the comparable sales and listings so each site is valued as if vacant. Sale No. 1 is reduced \$.75/square foot for the extra value of the easements included in the selling price. Listing No. 9 is reportedly being purchased for use as a parking lot. The depreciated value assigned the paving is \$.52/square foot; cost new is \$.90 to \$1.00/square foot. Listing No. 10 has a small structure and a narrow strip of paving to be demolished. Estimates from Speedway Sand and Gravel Co. equate to a \$.10/square foot cost for removal of these obsolete improvements. Underground fuel tanks have been removed.

³ Comparable sales on the western edge of Middleton appear to have little or no change in value the past three years. The evidence of the relationship of time to value is not so clear for vacant sites on the eastern edge of Middleton. The listing/offering prices reported recently indicate a slight upward trend in land values in the area. An optimistic 5 percent and very optimistic 10 percent appreciation rate is used to adjust all sale and listing prices to the date of valuation.

⁴ The greatest emphasis is placed upon those sales of sites between 20,000 square feet to 50,000 square feet. As size increases price per square foot decreases beyond a point of maximum marginal utility.

⁵ The criteria used to determine the quality of the site location for retailing purposes include: visibility to vehicular and pedestrian traffic, proximity to other retailing centers, and positive dynamic attributes.

⁶ Site accessibility is judged by the degree of ease of ingress/egress and the availability of access points to all traffic passing the site.

Listing No. 8 has an offer, but the transaction price is unknown as the negotiations have not closed. This property, located in the Town of Middleton, reportedly is taxed at about one half of the Madison/Middleton rate.

Therefore, the fair market value (most probable selling price) of the subject property as of April 30, 1980, is \$1.85 per square foot or:

SIXTY THOUSAND DOLLARS

(\$60,000)

assuming a cash sale.

V. VALUE CONCLUSION

The market approach suggests a value of \$1.85 per square foot or \$60,000 (rounded).

The cost approach is inappropriate to the subject; the value lies in the site while the right to dispose of the improvements is that of the lessee.

The income approach is used to rank the feasibility of alternative uses and to simulate the calculus of the most probable buyer.

Based upon the assumptions of limiting conditions presented, it is the opinion of the appraiser that the highest probable price in dollars and fair market value of the subject property described herein as of April 30, 1980, is:

SIXTY THOUSAND DOLLARS

(\$60,000)

assuming a cash sale.

STATEMENT OF LIMITING CONDITIONS

This appraisal is made subject especially to the following conditions and stipulations:

1. Contributions of Other Professionals

- The appraiser assumes no responsibility for matters which are legal in nature nor is any attempt made to render an opinion on the title. The property has been appraised as if title to the subject property were in fee simple, legal ownership with no regard for mortgage loans or other liens or encumbrances except the current lease.
- The area of the site was determined by Bridwell Engineering Company, Inc., based on the results of a survey done for the City of Middleton in 1971.
- The appraiser did not conduct soil analysis of the subject site; reliance was placed upon the Dane County Soil Survey maps prepared by the Soil Conservation Service in cooperation with the University of Wisconsin.
- The maps and drawings in this report are included to assist the reader in visualizing the property. These visual aids are for illustrative purposes only and do not represent an actual survey of the property.

2. Facts and Forecasts Under Conditions of Uncertainty

- Information furnished by others in this report, while believed to be reliable, is in no sense guaranteed by this appraiser.
- All information furnished in this appraisal including property sales and rentals, financing, soil characteristics, property land use restrictions and vacant site inventory are deemed reliable. No warranty or representation is made regarding the accuracy thereof, and it is submitted subject to errors, omissions, change of price, rental or conditions, prior sale, lease, financing, or withdrawal without notice.

3. Controls on Use of Appraisal

- Values for various components of the subject parcel and improvements as contained within the report are valid only when making a summation and are not to be used independently for any purpose and must be considered invalid if so used.
- Possession of this report or any copy thereof does not carry with it the right of publication nor may the same be used for any other purpose by anyone without the previous written consent of the appraiser or the applicant and, in any event, only in its entirety.
- Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media without the written consent and approval of the author, particularly regarding the valuation conclusions, and the identity of the appraiser, or of the firm with which he is connected or any of his associates.
- The authors will not be required to give testimony or to appear in court by reason of this report, with reference to the property in question, unless timely arrangements have been previously made therefore, at prevailing per diem rates.
- Landmark Research, Inc., will expect to be held harmless from any and all claims that might be brought by third parties which might relate in any way to claims for injury or damage suffered as the result of the implementation of any advice we may have given or services we may have rendered in this connection.

CERTIFICATE OF APPRAISAL

We hereby certify that we have no interest, present or contemplated, in the property and that neither the employment to make the appraisal nor the compensation is contingent on the value of the property. We certify that we have personally inspected the property and that according to our knowledge and belief, all statements and information in the report are true and correct, subject to the underlying assumptions and limiting conditions.

Based upon the information and subject to the limiting conditions contained in this report, it is our opinion that the Fair Market Value, as defined herein, of this property as of April 30, 1980, is:

SIXTY THOUSAND DOLLARS

(\$60,000)

James A. Graaskamp
James A. Graaskamp, Ph.D., SREA, CRE

Jean B. Davis
Jean B. Davis, MS

Date

Landmark Research, Inc.

J A M E S A. G R A A S K A M P

PROFESSIONAL DESIGNATIONS

SREA, Senior Real Estate Analyst, Society of Real Estate Appraisers

CRE, Counselor of Real Estate, American Society of Real Estate Counselors

CPCU, Certified Property Casualty Underwriter, College of Property Underwriters

EDUCATION

Ph.D., Urban Land Economics and Risk Management - University of Wisconsin
Master of Business Administration - Marquette University
Bachelor of Arts - Rollins College

ACADEMIC HONORS

Chairman, Department of Real Estate and Urban Land Economics,
School of Business, University of Wisconsin
Urban Land Institute Research Fellow
University of Wisconsin Fellow, Omicron Delta Kappa
Lambda Alpha - Ely Chapter
Beta Gamma Sigma, William Kiekhoffer Teaching Award (1966)

PROFESSIONAL EXPERIENCE

Dr. Graaskamp is the President and founder of Landmark Research, Inc., which was established in 1968. He is also co-founder of a general contracting firm, and land development company and a farm investment corporation. He is co-designer and instructor of the EDUCARE teaching program for computer applications in the real estate industry. His work includes substantial and varied consulting and valuation assignments to include investment counseling to insurance companies and banks, court testimony as expert witness, and the market/financial analysis of various projects, both nationally and locally and for private and corporate investors and municipalities.

J E A N B. D A V I S

EDUCATION

Master of Science - Real Estate Appraisal and Investment Analysis,
University of Wisconsin

Master of Arts - Elementary Education, Stanford University

Bachelor of Arts - Stanford University (with distinctions)

Additional graduate and undergraduate work at Columbia Teachers
College and the University of Wisconsin

PROFESSIONAL EDUCATION AND MEMBERSHIPS

Society of Real Estate Appraisers

Appraising Real Property	Course 101
Principles of Income Property Appraising	Course 201

American Institute of Real Estate Appraisers

Residential Valuation (formerly Course VIII)

Certified as Assessor I, Department of Revenue,
State of Wisconsin

PROFESSIONAL EXPERIENCE

With a significant background in education, practiced in California, Hawaii and Wisconsin, Ms. Davis is currently associated with Landmark Research, Inc. Her experience includes the appraisal and analysis of commercial and residential properties, significant involvement in municipal assessment practices, and market and survey research to determine demand potentials.

APPENDIX A

LEASE
AND
LEASE ASSIGNMENT

Landmark Research, Inc.

MOU-MKT
LESSOR BUILT S. S.)
REV. 7-61

LEASE TO COMPANY

- AGREEMENT made this // day of May , 1964 , by and between Dr. George J. Maloof and Elizabeth M. Maloof , his wife, of 636 East Gorham Street, City of Madison , State of Wisconsin , hereinafter called "Lessor", and HUMBLE OIL & REFINING COMPANY, a Delaware corporation, having an office at 3460 West Leeds Place, Milwaukee 15, Wisconsin. hereinafter called "Lessee".

WITNESSETH: That Lessor does hereby demise and lease unto Lessee, and Lessee agrees to take all that lot, piece or parcel of land situate in

LOCATION

DESCRIPTION

Middleton 6130 University Avenue
City or Town Address (Highway, if Rural)

Dane Wisconsin
County State

- more fully described as follows:

Commencing at the intersection of the northerly Right of way line of University Avenue (United States Highways 12 & 14) and the easterly Right of Way line of Allen Blvd. (County Trunk Highway Q) as the same was relocated by the order of the Village Board of the Village of Middleton in August 1962, thence southeasterly along the northerly right of way line of University Avenue 175 feet, thence northeasterly at right angles to University Avenue a distance of 150 feet, thence northwesterly parallel with the northerly right of way line of University Avenue to the easterly right of way line of said Allen Blvd. as relocated, thence southerly on and along the easterly right of way line of Allen Blvd. to the point of beginning.

PERIOD

RENTAL

together with all rights of way, easements, driveways and pavement, curb and street front privileges thereunto belonging and together with all the buildings, improvements and equipment thereon or connected therewith, and the service station building and facilities hereinafter referred to, ~~including the property described in the attached map~~.

- To hold the premises hereby demised unto Lessee for fifteen (15) years, beginning on the 1st day of September , 1964 , and ending on the 31st day of August , 1979 , on the following terms and conditions:

(1) Lessee shall pay the following rent:

The sum of six hundred twenty five dollars (\$625.00) due and payable on or before the 10th day of each and every month.

EXTENSION.

- (2) Lessee shall have the option of ~~extending~~ lease for three (3) additional periods of Five (5) years each, the first of such periods to begin on the expiration of the original term herein granted, and each successive period to begin on the expiration of the period then in effect, upon the same terms and conditions as herein set forth, and all of said privileges of ~~extension~~ be considered as having been exercised unless Lessor gives Lessee notice in writing at least thirty (30) days prior to the expiration of the period then in effect of its intention not to exercise such ~~extension~~ ilege.

TITLE

(3) Lessor covenants that it is well seized of the demised premises, has good right to lease them and hereby warrants and agrees to defend the title thereto and to reimburse and hold Lessee harmless from any loss by reason of any defect in the title. Lessor agrees to notify Lessee immediately upon any default in payment of mortgage interest or principal, or in payment of taxes or other liens upon the premises and Lessee shall have the right to make such defaulted payments for the account of Lessor. Any sums so advanced by Lessee, including costs and attorneys' fees incurred by Lessee in defending any suits and protecting its rights herein granted, shall bear interest at the rate of six per cent (6%) per annum, and the rent provided for herein may be applied to the payment of such sums and interest, or Lessee may require Lessor to pay any unpaid balance. Should the term of this lease or any ~~extension~~ provided for herein, expire before such sums with interest have been fully repaid to Lessee, Lessee may, at its option, continue to occupy said premises on the terms and conditions herein provided until such sums with interest have been fully repaid.

PERMITS
ORD.
NANCES
AND
CONSTRUC-
TION OF
SERVICE
STATION

(4) Lessor agrees to obtain all licenses, consents and permits and certificate of occupancy; where same is required by the Building Code, other building restrictions and regulations in any resolutions or ordinances adopted by the Village, City, or Town in which the premises are situated, necessary for construction and operation on the premises of a drive-in gasoline service station for the storage, handling, advertising and sale of motor fuels, lubricants, other petroleum products and automobile accessories and for any and all business usually conducted in connection with gasoline service stations and to complete, within four (4) months after delivery by Lessee of a signed copy of this lease, a service station in accordance with plans and specifications approved by Lessee, signed by both parties and identified by reference to this lease.

No rent shall accrue or be payable hereunder until the completed service station has been turned over to Lessee for operation and all the necessary licenses, consents and permits and certificate of occupancy where same is required, as above referred to for the construction and operation of a drive-in gasoline service station for the storage, handling, advertising and sale of motor fuels, lubricants, other petroleum products and automobile accessories and for any and all business usually conducted in connection with gasoline service stations have been duly obtained, and in case such licenses, consents and permits are not obtained within six (6) months after the date of this lease, or if obtained, shall thereafter be revoked without fault of Lessee, or if the service station is not completed in accordance with the terms of the preceding paragraph, or if the use of the premises herein demised for any of the purposes enumerated shall be in any manner restricted or prohibited by reason of any law, ordinance, injunction, regulation or order of any properly constituted authority, then Lessee shall have the right at its option to terminate this lease by giving ten (10) days written notice of its intention so to do and shall thereupon be relieved from all liability hereunder.

In the event the improvements contemplated herein are not completed and possession thereof is not delivered to Lessee, ready for operation together with all of the aforesaid licenses, consents and permits, and certificate of occupancy where same is required, by the time stated herein for the commencement of the original term, the original term of this lease shall automatically be extended by the number of days and months intervening between the commencement day of the term hereof as stated herein and the completion and delivery of said improvements to Lessee. Lessee shall, upon the completion of said improvements and the delivery of possession thereof together with the aforesaid necessary licenses, consents and permits and certificate of occupancy where required, by registered mail, notify Lessee that the premises are ready for occupancy in accordance with the terms and conditions hereof and shall therein state the number of days and months by which the original term shall be extended; but in the event Lessor fails to give such notice Lessee may, by registered mail, give written notice to Lessor that it accepts such improvements and has entered into possession thereof and if Lessee therein states the number of days and months by which the original term shall be extended, such statement shall be controlling upon the parties.

(5) Lessee may move, remove or alter any building, structure, tank, curbing, pavement or driveway now or hereafter placed on said premises and may construct, build and place upon said premises such buildings, structures, tanks, curbing, pavement, driveways, machinery and other equipment as shall in its opinion be necessary or desirable to use and operate said premises, and may perform any and all acts necessary to the conduct of its business.

Lessor agrees that all buildings, structures, tanks, machinery, equipment and all other property owned by Lessee heretofore or hereafter placed upon the premises whether annexed to the freehold or not, shall remain the personal property of Lessee, and Lessee shall have the right and privilege (but shall be under no obligation) to remove such property at any time during the period of this lease or any renewal thereof.

Upon the expiration or termination of this lease or any extension thereof, Lessee shall have a period of thirty (30) days within which to remove its property or negotiate its sale to an incoming tenant or supplier. The leaving of such property on the premises during said period, shall not make Lessee liable for storage charges or rent, and shall not constitute a hold-over tenancy.

(6) Lessee agrees to pay during the term of this lease all charges for water, gas and electric current that may be consumed on said premises and will pay all taxes on any and all property owned by Lessor upon the premises. Lessee agrees to pay all other taxes, assessments and betterments now or hereafter levied against the premises when due and payable, and if Lessor fails to do so, Lessor shall have the right to collect the same from Lessee and to deduct the same from any rents or other amounts payable by Lessee hereunder.

(7) Lessee may sublet any or any part of the premises but no such subletting shall release the Lessee from its obligations hereunder.

(8) Anything herein contained to the contrary notwithstanding, Lessor agrees not to exercise any landlord's remedies against Lessee by reason of any default unless and until Lessor shall have given to Lessee written notice by registered mail of the default and unless Lessee shall have failed to remedy such default within a period of thirty (30) days from the giving of such notice.

(9) No waiver by either party, or his or its successors or assigns, of any breach of any of the covenants or conditions herein contained to be performed by the other party, shall be construed as a waiver of any succeeding breach of the same or any other covenant or condition.

(10) Lessor agrees at Lessee's expense, have the

(10) Maintenance. Lessee shall at the Lessee's expense, have the full responsibility for the maintenance of the premises and improvements thereto and shall make all necessary repairs to said premises, building and improvements, including repairs to plumbing, heating, air compressor, hoist, pumps, electrical wiring and fixtures and replace all broken windows during the original term of this lease and any extension thereof.

Lessee further agrees to paint the buildings and improvements whenever it deems such painting is necessary. Lessee shall have the further right to remodel and modernize all buildings and equipment as it deems necessary during the term of this lease or any extension thereof at its own cost and expense, and shall at termination deliver possession to

Lessor in good condition and repair, reasonable wear and tear excepted. In case the premises in Lessee's opinion are rendered unfit for operation as a drive-in gasoline service station by reason of fire, store, explosion or any other cause, no rental shall accrue or is to be paid from the beginning of such unfitness until the property is put into habitable condition by Lessor and Lessee is unable to and does occupy said premises for the purposes herein described. If Lessor defaults in making any such repairs, improvements or restoration, Lessee may at its option either terminate this lease upon written notice or Lessee may

have the necessary repairs done for the account of Lessor, and Lessor shall pay Lessee, upon demand, the expense thereof. If Lessor fails to do so to reimburse Lessee for the expense of such repairs, Lessee may deduct from any rentals payable hereunder as they accrue such amounts as may be necessary to fully reimburse Lessee.

(11) Lessee covenants and agrees to make no unlawful or offensive use of the premises and to comply with all statutes, ordinances, rules, orders, regulations and requirements of federal, state and municipal governments.

(12) If the demised premises or any part thereof shall be taken by or pursuant to governmental authority or through exercise of the right of eminent domain, or if a part only of said premises is taken and the balance of said premises in the opinion of Lessee is not suitable for the operation of a drive-in gasoline service station, this lease, at the option of Lessee, shall

IMPROVE-
MENTS

(5) Lessee may move, remove or alter any building, structure, tank, curbing, pavement or driveway now or hereafter placed on said premises and may construct, build and place upon said premises such buildings, structures, tanks, curbing, pavement, driveways, machinery and other equipment as shall in its opinion be necessary or desirable to use and operate said premises, and may perform any and all acts necessary to the conduct of its business.

TAXES
ASSESS-
MENTS

Lessor agrees that all buildings, structures, tanks, machinery, equipment and all other property owned by Lessee heretofore or hereafter placed upon the premises whether annexed to the freehold or not, shall remain the personal property of Lessee, and Lessee shall have the right and privilege (but shall be under no obligation) to remove such property at any time during the period of this lease or any renewal thereof.

SUB-
LETTING
DEFAULT

(7) Lessee may sublet any or any part of the premises but no such subletting shall release the Lessee from its obligations hereunder.

WAIVER

(8) Anything herein contained to the contrary notwithstanding, Lessor agrees not to

TAXES
ASSESS-
MENTS

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SUB-
LETTING
DEFAULT

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WAIVER

Lessor in good condition and repair, reasonable wear and tear excepted. In case the premises in Lessee's opinion are rendered unfit

REPAIRS
PREMISES
RENDERED
UNFIT

for operation as a drive-in gasoline service station by reason of fire, store, explosion or any other cause, no rental shall accrue or is to be paid from the beginning of such unfitness until the property is put into habitable condition by Lessor and Lessee is unable to and does occupy

USE OF
PREMISES

said premises for the purposes herein described. If Lessor defaults in making any such repairs, improvements or restoration, Lessee may at its option either terminate this lease upon written notice or Lessee may

TAKING BY
PUBLIC
AUTHORITY

have the necessary repairs done for the account of Lessor, and Lessor shall pay Lessee, upon demand, the expense thereof. If Lessor fails to do so to reimburse Lessee for the expense of such repairs, Lessee may deduct from any rentals payable hereunder as they accrue such amounts as may be necessary to fully reimburse Lessee.

(11) Lessee covenants and agrees to make no unlawful or offensive use of the premises and to comply with all statutes, ordinances, rules, orders, regulations and requirements of federal, state and municipal governments.

(12) If the demised premises or any part thereof shall be taken by or pursuant to governmental authority or through exercise of the right of eminent domain, or if a part only of said premises is taken and the balance of said premises in the opinion of Lessee is not suitable for the operation of a drive-in gasoline service station, this lease, at the option of Lessee, shall

Landmark Research, Inc.

(Incorporate here the acknowledgment of the Lessor in the statutory form of the state where the leased property is situated.)

State of Wisconsin } SS
Milwaukee County }

Personally came before me this 11 day of March, 1964,
the above named Dr. George J. Maloof and Elizabeth M. Maloof, his wife, to me
known to be the persons who executed the foregoing instrument and acknowledged
the same.

Thomas R. Wusso

Notary Public, Milwaukee County, Wisconsin
My Commission Expires April 3, 1966

(Corporate acknowledgment for Lessee)

STATE OF ILLINOIS } SS:
COUNTY OF DU PAGE }

I, Juliet L. Keebaugh, a Notary Public, do
hereby certify that H. M. LeConey, Jr., personally known to me to be the
same person whose name is, as Attorney-in-fact, of HUMBLE OIL & REFINING
COMPANY, a corporation of the State of Delaware, subscriber to the foregoing
instrument, appeared before me this day in person and acknowledged that he,
being duly authorized, signed and delivered the foregoing instrument as the
free and voluntary act of said corporation and as his own free and voluntary
act, for the uses and purposes therein set forth.

Given under my hand and seal this 15th day of March, 1964.

My Commission Expires:
March 21, 1967

Juliet L. Keebaugh
Notary Public

SCHEDULE "A"

"Consent of Owner" clause, when necessary is attached as a separate rider.
This instrument created by: Thomas R. Wusso

July 1, 1977

Dr. George J. Maloof and Elizabeth M. Maloof
16 Fuller Court
Madison, Wisconsin 53704

Re: Service Station Lease No. 6939

Dear Dr. and Ms. Maloof:

This is to advise that, effective on June 30, 1977, Exxon Corporation assigned all of its right, title and interest in the above Service Station Lease, in which you have an interest, to Oklahoma Oil Co., a Delaware corporation, with an address at 1904 Cheker Square, East Hazel Crest, Illinois 60429. Exxon, of course, will continue to remain liable for the lessees' obligations under such lease should Oklahoma default in its performance thereunder, an event which we believe would be most unlikely. We believe that Oklahoma will perform all lease obligations under such lease in a manner satisfactory to you.

We wish to take this opportunity to express our appreciation for the fine business relationship which we have had with you under such lease.

Very truly yours

EXXON CORPORATION

By A. A. Richards

Landmark Research, Inc.

CHEKER OIL COMPANY

1904 Cheker Square • 174th & Dixie Highway • E. Hazel Crest, Illinois 60429 • Phone (312) 335-6666

May 3, 1979

Mr. George J. Maloof, MD &
Elizabeth M. Maloof
16 Fuller Court
Madison, WI 53704

Re: Lease Agreement - Location #1157
• 6310 University Avenue
Middleton, WI

This letter confirms renewal of our lease for an additional five (5) year term as provided automatically by Paragraph 2.

Sincerely,

CHEKER OIL COMPANY

Richard E. Baker Jr.
Richard E. Baker
Executive Vice President

REB:jf

CERTIFIED RETURN RECEIPT REQUESTED

APPENDIX B

EXCERPTS FROM
MIDDLETON ZONING CODE

of four hundred (400) cubic yards or more and removal from the site.

73. Motor Court, Motor Hotel or Motel: A building or group of buildings not to exceed two (2) stories, other than a hotel, used primarily as a temporary residence of a motorist, tourists or travelers.

74. Motor Freight Terminal: A building or area in which freight brought by motor truck, or rail, is assembled or stored for future delivery.

* 75. Motor Fuel Station:

Motor Fuel Station, Class I. Retail place of business engaged only in the sale of motor fuels and incidental petroleum products.

Motor Fuel Station, Class II. Retail place of business engaged primarily in the sale of motor fuel, but also engaged in supplying goods and services generally associated with the operation and maintenance of motor vehicles.

This may include the sale of petroleum products, sale and servicing of tires, batteries, automotive accessories and replacement items, washing and lubrication services and the performance of automotive maintenance and repair.

Motor Fuel Station, Class III. A retail place of business engaged in the sale of motor fuels and dispensing of services generally associated with the operation and maintenance of motor vehicles; the dispensing of food when food is served to a customer and consumed by him while seated at a counter or table; and providing of places of temporary residence for motorists, tourists or travelers.

76. Non-conforming Structure: Any structure permitted by existing ordinances upon the

* (3) Non-Conforming Uses and Structures.

(a) Any structure or use lawfully existing on the effective date but not in compliance with this ordinance or one existing on the effective date of any amendment hereto may be continued in the manner of operation existing on such date, except as herein-after specified, and such use shall constitute a non-conforming use.

(b) Building permits legally issued prior to the effective date of this ordinance, the use of which will be non-conforming under the provisions of this ordinance, shall be void unless actual construction is commenced within ninety (90) days after the effective date of this ordinance.

(c) Nothing in this ordinance shall prevent the necessary repair of a building or structure if such structure is declared unsafe by the Building Inspector in accordance with the provisions of the Building Code, but such repairs shall not exceed 50% of the fair market value, also known as the equalized evaluation for real estate assessment purposes. In the event the repairs required by the Building Code exceed 50% of the fair market value, the Building Inspector shall commence condemnation proceedings with the assistance of the City Attorney.

(d) When a non-conforming use of any land or structure in any district is changed to a conforming use, it shall not thereafter be changed to a non-conforming use.

(e) Whenever a non-conforming building or structure is damaged by fire, flood, explosion, earthquake, war, riot or act of God, it may be reconstructed and used as before if reconstruction is completed within twelve (12) months after such calamity, unless the damage to the building or structure is fifty (50) percent or more of its assessed value, in which case its use after reconstruction shall be a conforming use.

(f) Except in cases described in the previous paragraph, whenever a non-conforming use is discontinued for a period of one (1) year, any future use of the land, building or structure shall be a conforming use.

(g) Any non-conforming use of land not involving a structure, and any non-conforming use of a building or structure, either having a current assessed valuation upon the effective date of this ordinance of One Thousand Dollars (\$1,000) or less, may be continued for a period of thirty-six (36) months after the effective date of this ordinance, whereupon such non-conforming use shall cease.

* 10.13 "B-2" RETAIL BUSINESS DISTRICT.

Within the "B-2" Retail Business District, no structures or land shall be used except for one or more of the following uses:

- (1) Permitted Uses. A business providing any of the following sales or services:
 - (a) Antiques.
 - (b) Appliance sales and service, locksmith and fix-it shop.
 - (c) Art and school supplies.
 - (d) Auto accessory and parts, when conducted entirely within an enclosed building, but not including work on vehicles.
 - (e) Bakery goods.
 - (f) Banks, savings and loan companies and other financial institutions.
 - (g) Barber and beauty shops.
 - (h) Books, cards and office supplies.
 - (i) Bowling alleys, pool halls, raquet ball and hand ball facilities. (3-15-77)
 - (j) Broadcasting, T.V. studios.
 - (k) Business, beauty schools.
 - (l) Candy, ice cream, popcorn, nuts, frozen desserts and soft drinks, but not a Restaurant Class II.
 - (m) Camera, photographic supplies, photographic studio, optical and jewelry shop.
 - (n) Carpet, rugs and floor covering.

- (o) Costume and formal wear rental.
- (p) Clubs.
- (q) Delicatessen.
- (r) Department, discount, drug store.
- (s) Dry cleaning, laundromat, pressing, tailor shops.
- (t) Florist shop.
- (u) Frozen foods, not including locker plant or meat market.
- (v) Furniture, upholstery, picture framing, interior decorating studio.
- (w) Glass, china, pottery, gifts and novelties.
- (x) Groceries, fruits and vegetables.
- (y) Hardware, sporting goods.
- (z) Hobby craft, coins, stamps, handy craft classes.
- (aa) Hotel.
- (bb) Jewelry, time pieces, silverware.
- (cc) Leather goods and luggage.
- (dd) Library.
- (ee) Liquor store, holding a Class "A" Liquor License.
- (ff) Musical instruments, records, television, radio, hi-fi, etc.
- (gg) Offices.
- (hh) Paint, wallpaper and related material.

- (ii) Pet shop, provided it is operated so as to cause no offensive odor or noise, and Pet Clinics with non-medical boarding and outside facilities prohibited.
- (jj) Pipe and tobacco shop, newsstand.
- (kk) Printing shop.
- (ll) Tavern, bar holding a Class "B" Liquor License.
- (mm) Sewing centers, sewing machine sales, sewing classes, yard goods.
- (nn) Shoes and shoe repair.
- (oo) Theater, not of drive-in type.
- (pp) Toy, games, variety store.
- (qq) Travel bureau.
- (rr) Women and men apparel shops, furs and fur repair and storage.
- (ss) Municipal Buildings and Structures.
- (tt) Class I restaurants. (8-16-77)

(2) Conditional Uses. Within any "B-2" Retail Business District, no structure or land shall be used for any of the following uses unless a Conditional Use Permit is issued:

- (a) Accessory buildings and structures.
- (b) Dwelling units, provided the units do not occupy the first floor.
- (c) Open sales lots authorized under "SPECIAL PROVISIONS" of this ordinance, except as herein modified.
 - 1. The assembly, repair or manufacture of goods if not permitted within an open sales lot.
 - 2. There is located on the site a building devoted to and used for such sales activity which is at least as large in floor area as the occupation and use on the open lot.

(d) Off-street parking lots for general public, subject to provisions of "SPECIAL PROVISIONS" of this ordinance.

(e) Vending machines, whether for a service or product, shall, when located outside of a building, be considered as an accessory building except where all machines are installed and maintained immediately adjacent to the principle building.

(f) Motels, subject to the same restrictions as provided in Section 10.12 (2), (j).

(g) Class II, III, IV and V restaurants.



(h) Motor Fuel Station, Class I.

(3) Permitted Accessory Uses. Within any "B-2" Retail Business District, the following uses shall be permitted accessory uses:

- (a) Decorative landscape features.
- (b) Off-street loading.
- (c) Parking for permitted or conditional uses.
- (d) Signs, as regulated by the Sign Code.
- (e) Private swimming pools.
- (f) Buildings temporarily located for purposes of construction on the premises for a period not to exceed completion of construction.

(e) When prepared food is served to the customer in a carry-out container, a proposed system of trash containers and trash removal from the site shall be submitted to the Plan Commission for approval; said system shall include the pick-up of papers and other material which may escape from the restaurant site and which may be deposited within three hundred (300) feet of the site.

(f) A proposed system of ingress, egress and parking shall be submitted for approval by the Plan Commission. Curb cuts shall not be permitted within fifty (50) feet of the intersection of any curb line with arterial or collector streets.

 (9) Motor Fuel Station (Class I, II and III). Motor fuel stations Class I, II and III shall be subject to the following standards:

(a) The setback of any canopy or weather protection, freestanding or projecting from the station structure, shall not be less than one-half (1/2) the required front or side yard setback from the street right-of-way line nor less than twenty (20) feet from an abutting property line.

(b) The sale or rental of motor vehicles, trailers, snowmobiles, campers, boats and other related items which are not kept entirely within a building are restricted on the site of a motor fuel station, Class I, II and III, unless a Conditional Use Permit is granted for these uses.

(c) A minimum of one-half (1/2) the required front and side yard setback shall be landscaped along all abutting public streets, except where approved driveways exist.

(d) All goods offered for sale on the motor fuel station site other than those generally required for the operation and maintenance of motor vehicles shall be stored, sold and displayed within a building.

(e) All trash, waste material and used motor vehicle parts shall be stored within a separate enclosure behind the building or areas screened from public view.

(f) All outside parking spaces shall be located on the side or in the rear of the principal building.

(g) The outdoor lighting system shall be approved by the City Plan Commission and shall be so designed that no direct source of light is visible from the public right-of-way or abutting lots.

(h) Wherever a motor fuel station abuts an "R" district a screening not less than six (6) feet high shall be erected and maintained along the side and rear property line that abuts the "R" district to provide a suitable screen to adjacent property.

(i) Class II motor fuel station shall have at least two (2) service stalls, one of which may have an automatic or semi-automatic auto wash installed, provided the station can accommodate six (6) off-street parking spaces in addition to those herein required. The entrance doors for the service stalls shall not face toward the principal street on which the station is located.

(j) Access and egress curb cuts to a motor fuel station shall not be less than fifty (50) feet from the curb line intersection with a collector street and eighty (80) feet from an intersection with an arterial street.

(k) Hours of operation shall be confined to the period between 7:00 A.M. and 10:00 P.M., except for any motor fuel station located fifty (50) feet or more from any "R" district and fronting on an arterial street.

(10) Motor Fuel Station (Class II). Motor Fuel Stations, Class II, shall be subject to all standards listed in (9), above, except subparagraphs (b) and (i) which are not permitted.

(11) Additional Requirements, Exceptions and Modifications. The requirements and standards specified heretofore in this ordinance shall be subject to the following:

(a) Height Limitations: Height limitations as set forth in this ordinance may be increased without a Conditional Use Permit up to twenty-five (25) percent when applied to the following:

1. Antenna - Radio and TV
2. Belfries
3. Cooling towers
4. Church spires and steeples
5. Elevator penthouse
6. Water towers.

Heights in excess thereof for such purposes may be permitted only by a Conditional Use Permit granted by the Plan Commission determining that such structure would not be dangerous and would not substantially affect adjoining or adjacent property.

(b) Rezoning: Rezoning for any individual business or industry shall not be permitted unless it is an extension of an existing business or industrial district, or will be a part of a business or industrial area designated in the Master Plan.

