

Appraisal Company
56 Smith Ave
Anytown, PA 16241

April 28, 2022

Represent US LLC
c/o Allie P. Cat, Esquire
345 Reassessment Road
Sunbury, PA 17801

RE: Cost Approach Addenda to Appraisal of Office 123 Market Street, Sunbury,
Northumberland County, PA

Dear Client:

As requested, we have completed a Cost Approach analysis of the above referenced parcel as an addendum to the appraisal previously submitted. The owner is concerned about the age of the building and asked that a cost approach be also considered along with the sales analysis and income approach to evaluate whether the building's age and any depreciation noted would warrant continued investment.

Using the cost approach to find market will involve finding today's replacement costs as if the building were built today, minus physical, functional depreciation and/or external obsolescence (if any) and adding in the site value.

This cost approach to value addenda should be included with the Correlation and Conclusion of Value found on page 73 of the appraisal but will not change, influence or alter the other two opinions of value.

Please refer to the cover letter of the appraisal for additional information regarding Code of Professional Ethics and Standards of Professional Practice as well as any comments regarding presence of hazardous substances as well as page 26 for Building Description.

Respectfully submitted,

Joseph T. Appraiser, President

Pennsylvania Certified General
Real Estate Appraiser
Certification Number GA012345 L

Cost Approach Addenda
123 Market Street, Sunbury Pennsylvania

Site Value-Summary of comparable land sales or other methods of estimating site

15 Redmont Place 10,000 sq. ft. sold 7/15/2022 for \$65,500
 23 Red Barn Lane 11,000 sq. ft. sold 3/23/2022 for \$62,000
 232 Market Street 9,000 sq. ft. sold 4/14/2022 for \$65,000*

Opinion of Site Value for cost approach **\$65,000**

*232 Market was chosen as the closet to the subject in location and size

Estimated Replacement Cost New Source- Blue Book National Report

Mixed Use Office and Dwelling

5,724 sq ft for office space	@ \$55.00 per sq foot	\$314,820
880 sq ft for residence	@ \$22.00 per sq ft.	<u>\$19,360</u>
		\$334,180

Depreciation

Physical Curable	11%	\$36,270
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Functional Curable	3%	\$12,000
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Economic Obsolescence	4%	<u>\$13,370</u>
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Total Depreciation	\$61,640
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DEPRECIATED COST OF IMPROVEMENTS	\$272,540
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VALUE OF SITE IMPROVEMENTS	<u>\$65,000</u>
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INDICATED VALUE BY THE COST APPROACH	\$337,540
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