

<p align="center"><b>Cost Approach</b>  <b>Blue Subdivision, Phase 6</b></p>					
<p>Developer estimates which are too low or high are adjusted properly.                      Atypical presented costs (high, low or extraordinary) are noted in Comments.                      Costs are based on Appraiser's substantial cost data &amp; research of comparable subdivisions.</p>					
Hard Costs	Appraiser's Costs	Developer's Estimate	Lots	Appraiser's Cost per Lot	Comments on appraiser's costs
Offsite Sewer & Water Lines	\$0	\$0	36	\$0	
Offsite Power, Gas, Phone Lines	\$0	\$0	36	\$0	
Sewer Lines	\$61,200	\$64,800	36	\$1,700	
Water Lines	\$57,600	\$64,800	36	\$1,600	
Site Prep, Storm Drain	\$36,000	\$32,400	36	\$1,000	<i>Slightly higher site prep due to rolling topography</i>
Concrete Curb, Gutters, Sidewalks	\$55,800	\$68,400	36	\$1,550	<i>Above avg concrete cost due to subdivision design</i>
Street Paving	\$90,000	\$108,000	36	\$2,500	<i>Above avg paving cost due to subdivision design</i>
Power Lines	\$43,200	\$72,000	36	\$1,200	
Telephone Lines & Cable	\$7,200	\$21,600	36	\$200	<i>(developer said his added costs for power and telephone lines attributed to rock contingency)</i>
Pressurized Irrigation	\$32,400	\$36,000	36	\$900	
Perimeter Fencing, Street Lighting	\$14,400	\$14,400	36	\$400	
Project Signage	\$0	\$0	36	\$0	
Common Area Landscaping	\$0	\$0	36	\$0	
Contingency	\$25,000	\$25,560	36	\$694	<i>Cont. for potential rock (some found in prev phases)</i>
<b>Total Hard Costs</b>	<b>\$422,800</b>	<b>\$507,960</b>		<b>\$11,744</b>	Per Lot
<b>Per Lot</b>	<b>\$11,744</b>	<b>\$14,110</b>			
<b>Total Hard Cost Estimate</b>	<b>\$422,800</b>				
<b>Soft Costs</b>					
<p><b><u>Excluded in this Sample</u></b></p>					
<b>Market Value by Cost Approach:</b>		<b>\$680,000</b>			

**VALUE CONCLUSION**

The concluded cost here includes no excess profit; therefore, is representative of the true cost of development to a typical developer. Based on this Cost Approach, the Phase 6 market value as proposed and at completion is concluded to be:

**MARKET VALUE BY COST APPROACH: ..... \$680,000**