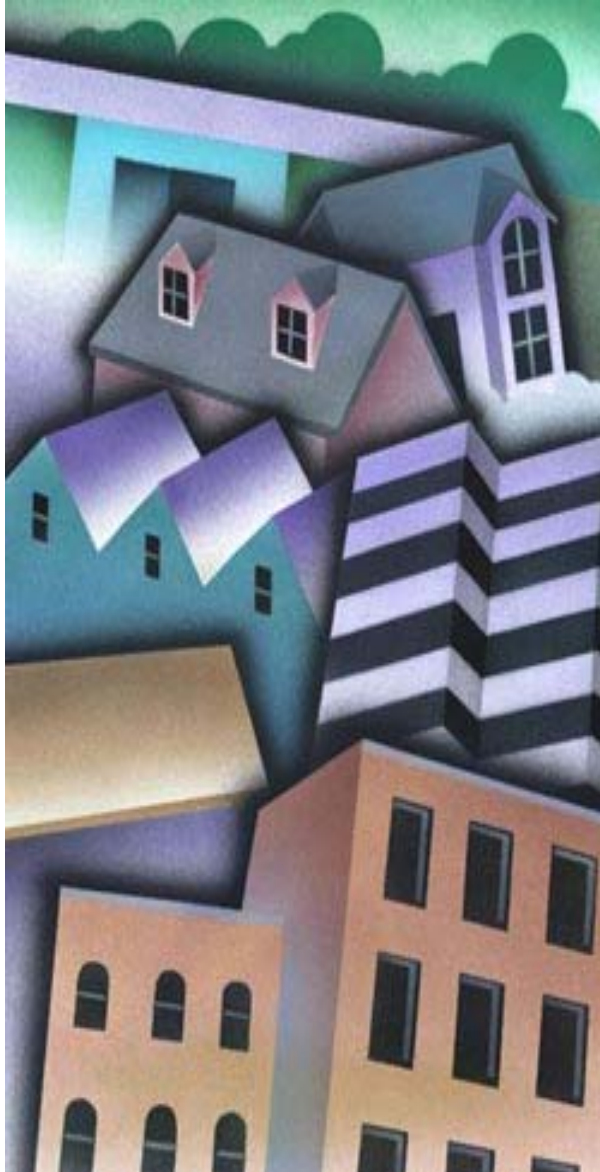


**CURETON JOHNSON &  
ASSOCIATES, LLC  
REAL ESTATE SERVICES**



***Residential and Commercial  
Real Estate Appraisal Services***

***Telephone: 850.386.3720***

***Fax: 850.385.7626***

**An  
Appraisal Report**

**Of**

**A Commercial-Retail Property  
(Gold 4 Properties LLC)**

**Located At**

**709 Main Street North  
Havana, Gadsden County, Florida**

**For**

**Gold 4 Properties LLC  
Attn: Mr. Dean Chabaan  
4205 Camden Road  
Tallahassee, FL 32303**

**Date of Value  
March 26, 2018**

**Date of Report  
March 30, 2018**

**Cureton Johnson File #: 180169**

# CURETON JOHNSON & ASSOCIATES, LLC

REAL ESTATE SERVICES

1358 Thomaswood Drive, Tallahassee, Florida 32308

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PAUL T. CURETON, CREA  
STATE-CERTIFIED GENERAL REAL ESTATE  
APPRAISER RZ1827

WAYNE R. (CHIP) JOHNSON, MAI  
STATE-CERTIFIED GENERAL REAL ESTATE  
APPRAISER RZ2407 (FL) - 297403 (GA)

JASON HART  
STATE-CERTIFIED RESIDENTIAL APPRAISER  
RD7028

CHAD TAYLOR  
STATE-CERTIFIED RESIDENTIAL APPRAISER  
RD7284

March 30, 2018

Gold 4 Properties LLC  
Attn: Mr. Dean Chabaan  
4205 Camden Road  
Tallahassee, FL 32303

Re: An **Appraisal Report** of an existing two-tenant, commercial-retail property, located at 709 North Main Street, Havana, Gadsden County, Florida. The property contains 2,589 square feet of gross building/net leasable area and is situated on 0.305 acre +/- of land area. The property is more particularly described in this report.

Dear Mr. Chabaan:

At your request we have completed the appraisal of the aforementioned property located in Gadsden County, Florida. The property is more specifically described in the body of this report. The purpose of this appraisal is to estimate the market value of the fee simple estate in the subject property. Market value and fee simple interest are defined in the accompanying report.

It should be mentioned that this is an **Appraisal Report**, which contains several specific assumptions that may impact the value reported. The assumptions made are set forth within the attached report along with the general assumptions and limiting conditions. By accepting our report, you agree to the assumptions and conditions as noted. We hope that you find the enclosed appraisal report clear, logical and adequately documented in the conclusions reached.

Based on the inspection of the subject property and the investigation and analysis undertaken, we have formed the opinion that, as of the date of value stated herein; and subject to the assumptions and limiting conditions set forth in this report, the subject property has a market value as follows:

MARKET VALUE CONCLUSION			
Interest Appraised	Date of Value	Value Conclusion	Exposure Period
Fee Simple Estate	March 26, 2018	\$300,000	6-12 Months

Should you have any questions, please contact us at your convenience. We appreciate having had the opportunity to be of service to you.

Respectfully submitted,



W.R. Chip Johnson, MAI  
State-Certified General Appraiser RZ2407

**CURETON JOHNSON & ASSOCIATES, LLC**

Real Estate Appraisals • Real Estate Consulting • Real Estate Sales • Litigation Support • Expert Witness • Feasibility Studies

## PREFACE

**Preface:** We have been asked by our client, Gold 4 Properties LLC, to value the fee simple interest of a commercial property (two-tenant retail), located at 709 North Main Street, Havana, Gadsden County, Florida.

Our reporting presentation is an **Appraisal Report** which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice for an **Appraisal Report**. As such, it presents only summary discussions of the data, reasoning and analyses that were used in the appraisal process to develop our opinion of value. Supporting documentation concerning the data, reasoning and analysis is retained in our file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated in this report. We are not responsible for any unauthorized use of this report. Information contained in this report is felt to be accurate, however, the information extracted from public records is not guaranteed. All reasonable attempts to verify the information have been made.

*We have not been provided a copy of a survey or title policy for the subject property. Should either reveal any major discrepancies with respect to lot size or negative encroachments/encumbrances to the property, this report may be subject to revision.*

*Please note that we assume that the subject property contains no mold infestation or site contamination. We conducted an interior/exterior inspection of the property and saw no visible signs of such and no problems were disclosed by the current owner. However, given the fact that no environmental audit was provided, we were resigned to assuming the property is free of mold and/or contamination.*

*We assume the subject property is structurally sound and contains no major deficiencies or negative structural issues, as we are not licensed or trained to assess this condition. Should a licensed contractor find otherwise, this valuation may be subject to revision.*

*Please note that this valuation only includes real property items. Moreover, no trade fixtures or equipment associated with the previous laundromat business are included in this valuation. Moreover, no going concern or business enterprise associated with this facility is included either.*

<b>DATE OF VALUE:</b>	March 26, 2018
<b>DATE OF INSPECTION:</b>	March 26, 2018
<b>DATE OF REPORT:</b>	March 30, 2018
<b>PROPERTY TYPE:</b>	Improved Commercial-Retail Property (Two-Tenant)
<b>PROPERTY LOCATION:</b>	<p>The subject property is located at the southeast intersection of North Main Street (U.S. Highway 27) and 2<sup>nd</sup> Avenue East, in the downtown district of Havana, FL. More generally, the property is located in eastern Gadsden County, approximately 10 miles north of Tallahassee (State Capital) and 7 miles east of Quincy (county seat).</p> <p>The address of the property is: 709 North Main Street, Havana, FL 32333</p>
<b>LEGAL DESCRIPTION:</b>	Lengthy metes and bounds description in Section 27, Township 3 North, Range 2 West; Gadsden County, FL
<b>APPRAISAL PURPOSE:</b>	To estimate the market value of the fee simple estate in the subject property, as defined by the Office of the Controller of the Currency under 12 CFR, Part 34, Subpart C.
<b>INTENDED USE OF REPORT:</b>	For the sole purposes of assisting the client for internal evaluation purposes.
<b>OWNER OF RECORD:</b>	<p>According to the Gadsden County Public Records, the subject property(s) is currently owned by:</p> <p><i>Gold 4 Properties LLC 4205 Camden Road Tallahassee, FL 32303</i></p>
<b>NEIGHBORHOOD:</b>	The subject neighborhood is best described as the town of Havana, FL; located in eastern Gadsden County.
<b>TAX IDENTIFICATION NUMBER:</b>	2-27-3N-2W-0220-00003-0010
<b>LAND-USE CATEGORY:</b>	<i>Development District (Zoning/Future Land Use)</i>
<b>LAND SIZE:</b>	0.305 Acre, or 13,286 Square Feet +/-

**IMPROVEMENT DESCRIPTION:**

The subject improvements are comprised of a one-story, two-tenant commercial-retail center. The building is currently built-out as a laundromat for the north bay and open retail for the south bay. The building is a concrete-block structure, originally constructed in 1960 (per public records), is well maintained and in above-average physical condition. The building contains 2,589 SF of gross building/net leasable area and the property includes onsite (asphalt-paved) parking, concrete curb/gutter, street signage and landscaping.

**BUILDING AREA TYPE:**

Space Type	Size	% Area
North Bay (Laundromat)	1,493 SF	57.67%
South Bay (Open Retail)	1,096 SF	42.33%
<b>Net Leasable/Gross Building</b>	<b>2,589 SF</b>	<b>100.00%</b>

**HIGHEST & BEST USE:**

As Though Vacant:

Highway-Oriented Commercial Use

As Improved:

Highway-Oriented Commercial Use

**MARKET VALUE:****\$300,000****EXPOSURE PERIOD:****6-12 MONTHS**

I certify that, to the best of my knowledge and belief, . . .

- ▶ The statements of fact contained in this report are true and correct.
- ▶ The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, unbiased professional analyses, opinions and conclusions.
- ▶ I have no present or prospective interest in the property that is the subject of this report and I have no personal interest or bias with respect to the parties involved.
- ▶ My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this report.
- ▶ My analyses, opinions and conclusions were developed and this report has been prepared, in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice.
- ▶ As of the date of this report, Wayne R. Johnson has completed the requirements of the continuing education program required by the Florida Department of Business and Professional Regulation and for the Appraisal Institute.
- ▶ The appraiser has provided a sketch in the appraisal report to show approximate dimensions of improvements and the sketch is included only to assist the reader in visualizing the property and understanding the appraiser's determination of its size.
- ▶ No personal property, unless specifically indicated, has been included in our value conclusion. Only the real estate has been considered.
- ▶ No engineering survey was made or caused to be made by the appraisers and any estimates of fill or other site work are based on visual observation. Therefore, accuracy is not guaranteed.
- ▶ No soil tests were made or caused to be made by the appraisers. Soil of the subject parcel appears to be firm and solid, typical of the area; and subsidence in the area is unknown or uncommon. The appraisers, however, cannot warrant against such condition or occurrence.
- ▶ The description and condition of physical improvements, if any, described in this valuation are based on visual observation. Since engineering tests were not conducted, no liability can be assumed for soundness of structural members.
- ▶ All value estimates are contingent on zoning regulations and land-use plans in effect as of the date of appraisal and based on information provided by governmental authorities and employees. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconforming use has been stated, defined and considered in the valuation.
- ▶ A concerted effort was made to verify each comparable sale noted in this report. Since many principals, however, reside out of the area, or entities for which no agent could be contacted within the allotted time for completion of this report, certain sales may not have been verified.
- ▶ No responsibility is assumed for legal matters concerning this report, nor is any opinion rendered concerning title, which is assumed to be good and merchantable. The property is assumed to be free and clear of all liens or encumbrances, unless specifically enumerated within this report.
- ▶ No one provided significant real property appraisal or appraisal consulting assistance to the person signing this certification.

- ▶ The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.
- ▶ No responsibility is assumed for the flood maps used in this report. These maps lack detail. Only licensed surveyor can determine the subject property's flood zone status with precise accuracy.
- ▶ It is assumed that the utilization of the land and improvements is within the boundaries of property lines of the property described and that there is no encroachment or trespass unless in the report.
- ▶ The value estimated in this report is base on the assumption that the property is not negatively affected by any hazardous substances or detrimental environmental conditions. The appraiser is not an expert in the identification of hazardous substances or detrimental environmental conditions. The appraiser's routine inspection of and inquiries about the subject property, did not develop any information that indicated any apparent, significant hazardous substances or detrimental environmental conditions which would affect the property negatively. It is possible that the test and inspections made by a qualified hazardous substance and environmental expert would reveal the existence of hazardous materials and environmental conditions on, or around, the property that would negatively affect its value.
- ▶ W.R. Chip Johnson, MAI, the appraiser(s) signing this report, has not performed or provided any appraisal or appraisal consulting services pertaining to the subject property within the prior three years (of the effective date of value), as an appraiser or in any other capacity. Furthermore, neither the appraiser or any other employee of Cureton Johnson & Associates, LLC is presently involved with the management, leasing, disposition, or any similar service regarding the subject property.
- ▶ The reported analyses, opinions and conclusions were developed and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- ▶ The use of this report is subject to the requirements of the Appraisal Institute relating to review by it's duly authorized representatives.
- ▶ I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- ▶ I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- ▶ My engagement in this assignment was not contingent upon developing or reporting predetermined results.

This is to certify that, upon the request for valuation by our client, I have personally inspected, collected and analyzed data concerning the subject property and appraised the fee simple interest of the above captioned real property.

Based on the inspection of the subject property and the investigation and analysis undertaken, we have formed the opinion that, as of the date of value stated herein, subject to the assumptions and limiting conditions set forth in this report, the subject has a market value as follows:

MARKET VALUE CONCLUSION			
Interest Appraised	Date of Value	Value Conclusion	Exposure Period
Fee Simple Estate	March 26, 2018	\$300,000	6-12 Months



W.R. Chip Johnson, MAI  
State-Certified General Appraiser RZ2407



<p><b>General Value Conditions:</b></p>	<p>Unless otherwise specifically stated, the value given in this appraisal report represents our opinion of the market value as of the date specified. The market value of the real estate is affected by market and economic conditions, both local and national and will vary as these conditions change. This value, unless so stated, is gross, without consideration given to any encumbrance, restriction or question of title.</p> <p>The value for land and improvements as contained within this report are constituent parts of the total value reported and neither is to be used in making a summation appraisal by combination with values derived from other sources.</p>
<p><b>Use of the Appraisal:</b></p>	<p>Possession of this report or a copy thereof does not carry with it the right of publication nor may it be used for any purpose by any one but the client for whom it was made without the consent of our office and undersigned or the client. Unauthorized printing, copying or duplication of any part or in total of this report is specifically prohibited by the undersigned and Cureton Johnson &amp; Associates, LLC. Copies may be obtained from the undersigned upon approval of the undersigned, the firm, or our client.</p> <p>Acceptance of and/or use of this appraisal in any way, constitutes acceptance of the General Assumptions and Limiting Conditions on which it was based. Our responsibilities are complete upon delivery and acceptance of the appraisal report.</p>
<p><b>Data:</b></p>	<p>The description of the improvements to the property as well as any income and expense information of the subject property as submitted by the client or his assignees for this appraisal or has been obtained by our office is considered to be accurate and reflects the subject as of the date of this appraisal. We assume no responsibility for the accuracy of information supplied by others.</p> <p>The information contained in this report including any information furnished by others to our office is not guaranteed but was gathered from reliable sources which are believed to be accurate. We reserve the right to reconsider any value estimate to the extent justified by subsequent discovery of any inaccuracies in any data or the discovery of any new data which could result in a revised value estimate.</p>
<p><b>Legal Considerations:</b></p>	<p>The legal description used in this report is assumed to be correct. However, it may not necessarily have been confirmed by survey. No responsibility is assumed in connection with a survey or for encroachments, overlapping or other discrepancies that might be revealed thereby. We have not made a survey and assume no responsibility for any survey which may be presented.</p> <p>We assume no responsibility for matters legal in nature and title to the property is assumed to be marketable. In addition, unless stated to the contrary, the property is appraised as an unencumbered fee simple estate which is not used in violation of acceptable ordinances, statutes or other governmental regulations.</p> <p>All mortgages, liens and any other encumbrances to the title of the subject property have been disregarded unless specified within the appraisal report. The subject property has been appraised as though managed under responsible ownership and competent management.</p>

<p><b>Conditions Unapparent to the Appraiser:</b></p>	<p>We assume that no hidden or unapparent conditions of the property, subsoil or structure, contamination by hazardous material of any type exist which would render it more or less valuable than the comparable properties used in this report.</p>
<p><b>Zoning and Licenses:</b></p>	<p>It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconforming use has been stated, defined and considered in the valuation. Unless otherwise noted, it is assumed that no encroachments or violations exist within the subject property. Furthermore, it is assumed that the subject property complied with all applicable federal, state and local environmental regulations and laws unless noncompliance is stated, defined and considered in the valuation.</p> <p>This appraisal is based upon the assumption that all required licenses and/or permits, consents or other legislative or administrative authority from any local, state or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based in a timely manner and without unusual cost.</p>
<p><b>American with Disabilities Act (ADA) :</b></p>	<p>The American with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the varied detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the act. If so, this fact could have a negative impact on the value of the property. Since we do not direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of ADA in estimating the value of the property.</p>

**Appraisal Development and Reporting Process:** The appraisal process encompasses the necessary research and analysis to prepare a complete appraisal in accordance with the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation.

This appraisal involved inspecting the subject site, the general comparable market area and the subject neighborhood. Investigations were made of various economic indicators and other market sources to determine the strengths and weaknesses of the economy as it affects the value of the subject property. Adequate economic and market data was sought and used if found, for a basis of supported market conclusions. Judgement was used in the absence of available data, or in instances when the collection of data was uneconomic in relation to its importance to the valuation problem.

The valuation of the property consisted of utilizing all three of the traditional methods of valuation: The Income Capitalization, The Direct Sales Comparison and Cost Approaches.

Market data compiled for this report included a variety of rent comparables and improved sales. These data are a result of research specific to the subject market and pertinent to the subject property. The available data was verified with those affiliated with each transaction or lease, including: buyers, sellers, brokers, managers, closing agents, etc. In preparing this appraisal, the appraiser inspected the subject and gathered information from the subject's neighborhood and from comparable areas to the subject property.

The **Cost Approach** (Replacement Cost New Less Depreciation): This approach entailed valuing the subject land as though vacant and then estimating the depreciated value of the existing improvements. We utilize the Marshall Valuation service to estimate replacement cost new less depreciation. The *Calculator Cost* Program maintained by Marshall & Swift is a nationally recognized source for cost data. Depreciation was extracted from the market. This approach ultimately is represented as the sum of the vacant land value and the depreciated value of the site improvements.

The **Sales Comparison Approach** is based primarily upon the principle of substitution, which implies that a prudent individual will pay no more for a property than it would cost the individual to purchase a comparable substitute property. Units of comparison are components into which a property may be divided for purposes of comparison. All appropriate units of comparison should be analyzed for the property type being appraised and the resulting value indications reconciled to a single indicated value or value range. The sales are analyzed and adjusted for differences in elements of comparison, which are characteristics of properties that cause the prices paid for real estate to vary. Sales requiring lesser degrees of adjustment are typically the most comparable and are given greater weight than sales requiring greater degrees of adjustment. However, other factors must be considered including the reliability of the sales data and the degree of support of the required adjustments. After consideration of these factors, a final point value or value range is set forth.

The **Income Capitalization Approach** is based upon the premise that the present value of a property is based upon the present worth of future benefits. There are two primary methods that are normally utilized in developing the income capitalization approach - the direct capitalization method and the yield capitalization method.

The direct capitalization method is a method that converts an income estimate for a single year into an estimate of value through the application of a capitalization rate. An overall capitalization rate ( $R_o$ ) is normally used. The  $R_o$  reflects the relationship between a single year's income and value. The most common way to estimate overall capitalization rates is via analysis of comparable sales. The yield capitalization method is performed by analyzing future income and expense figures (via cash flow analysis) and "discounting" both the income streams and the reversion value (based on a typical holding period) to present day terms. The first step in the Income Approach is to determine a market extracted lease rate for the subject property's net leasable building area. Through analysis of comparable sales and conversations with local owners and property managers, a market vacancy rate is derived. Application of the vacancy rate to the potential gross income of the subject property results in the effective gross income (EGI). The net operating income (NOI) for the subject is determined by deducting the property operating expenses from the EGI. Operating expenses are extracted from market comparables. A market derived capitalization rate is applied to the NOI to formulate a value via the Income Approach.

<b>Definition of Market Value:</b>	<p>The most probable price which a property should bring in an open and competitive market under all conditions requisite to fair sale, the buyer and seller each acting prudently and knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:</p> <ul style="list-style-type: none"> <li>▶ buyer and seller are typically motivated</li> <li>▶ both parties are well informed or well advised and acting in what they consider their own best interest</li> <li>▶ a reasonable time is allowed for exposure in the open market</li> <li>▶ payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto</li> <li>▶ the price represents the normal consideration for the property sold unaffected by special or creative financing or sale concessions granted by anyone associated with the sale.<sup>1</sup></li> </ul>
<b>Appraisal Objective:</b>	To estimate the market value of the fee simple estate in the subject property, as defined by the Office of the Controller of the Currency under 12 CFR, Part 34, Subpart C.
<b>Intended Use of Report:</b>	For the sole purpose of assisting the clients in evaluating the subject property's market value for internal evaluation purposes.
<b>Intended User or Client:</b>	This report has been prepared for use by the client, Mr. Dean Chabaan of Gold 4 Properties LLC; and/or assigns.
<b>Date of Physical Observation:</b>	March 26, 2018
<b>Effective Date of Value:</b>	March 26, 2018
<b>Date of Report:</b>	March 30, 2018
<b>Property Observation Performed By:</b>	W.R. Chip Johnson, MAI, State Certified General Appraiser #RZ2407 performed an inspection of the subject premises on 03/26/2018.
<b>Property Rights Appraised:</b>	The interest appraised represents the fee simple estate.
<b>Definition of Fee Simple Estate:</b>	Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat. <sup>2</sup>
<b>Definition of Leased Fee Estate:</b>	An ownership interest held by a landlord with the rights of use and occupancy conveyed by lease to others. The rights of the lessor (the leased fee owner) and the lessee are specified by contract terms contained within the lease. <sup>3</sup>

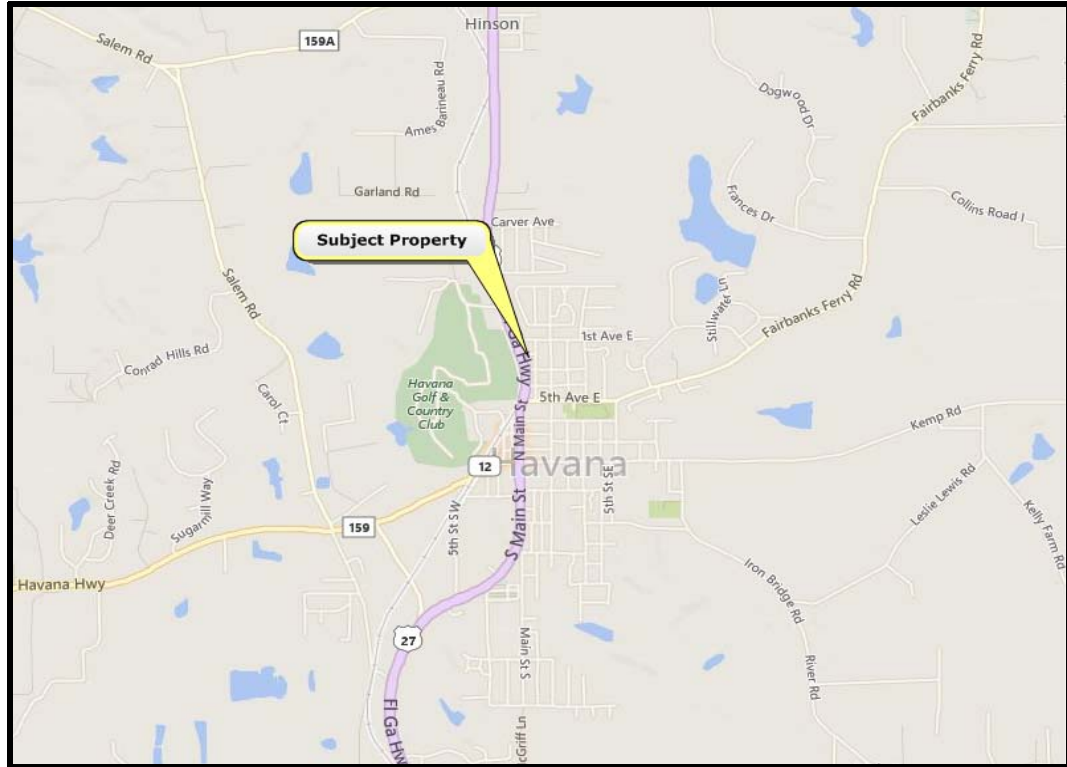
<sup>1</sup>[The Appraisal Foundation. Uniform standards of Professional Appraisal Practice. United States of America: The Appraisal foundation, 2003; 7] [Rules and Regulations, Federal Register, Volume 55, No. 165, Page 34696]

<sup>2</sup>The Dictionary of Real Estate Appraisal, 4<sup>th</sup> Edition, The Appraisal Institute, 2001.

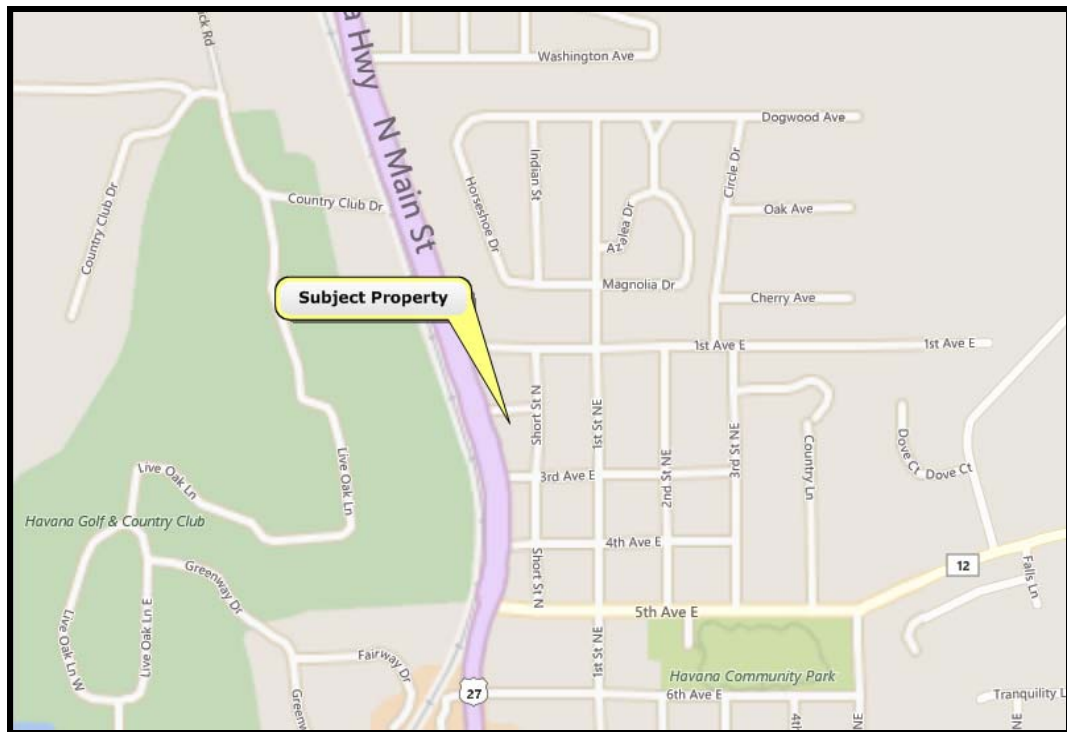
<sup>3</sup>The Dictionary of Real Estate Appraisal, 4<sup>th</sup> Edition, The Appraisal Institute, 2001.

<b>Exposure Period</b>	<p><b>Exposure period</b> is the general length of time that a property would have to be exposed for sale on the market, given that the property sold at market value. Exposure period is best defined in the <i>Dictionary of Real Estate Appraisal, 4<sup>th</sup> Edition, 2002</i>, as:</p> <ol style="list-style-type: none"> <li>1. <i>The time a property remains on the market.</i></li> <li>2. <i>The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market. Exposure time is always presumed to occur prior to the effective date of the appraisal.</i></li> </ol>
<b>Marketing Period:</b>	<p>In an advisory opinion, the Appraisal Standards Board (ASB) of the Appraisal Foundation <i>Advisory Opinion 7 (A)-7, Uniform Standards of Professional Appraisal Practice, 2001 Edition, page 128</i>, defines <b>marketing period</b> as:</p> <p><i>An estimate of the amount of time it might take to sell an interest in real property at its estimated market value during the period immediately after the effective date of the appraisal.</i></p>
<b>Conclusion:</b>	<p>Based on previous sales information found in our appraisal files and based on conversations with local real estate brokers, the estimated exposure and marketing period for the subject property is estimated at <b>6 to 12 months</b>.</p>
<b>External Forces Affecting Market Value:</b>	<p>There were no factors found in our research or inspection that would indicate that conditions external to the subject site, were found that would negatively affect the value of the subject property.</p>

<b>General Property Description:</b>	<p>The subject of this valuation report is an existing commercial property, represented as a two-bay commercial-retail property. The north bay is a laundromat facility (currently not operational) and the south bay is open retail space.</p> <p>The improvements were originally built in 1960, but renovated over time and later converted to the existing two-bay facility. The improvements are well maintained and in above-average overall physical condition.</p> <p>The subject property is located at the southeast intersection of North Main Street (U.S. Highway 27) and 2<sup>nd</sup> Avenue East, in the downtown district of Havana, FL. More generally, the property is located in eastern Gadsden County, approximately 10 miles north of Tallahassee (State Capital) and 7 miles east of Quincy (county seat).</p>
<b>Physical Address:</b>	709 North Main Street Havana, FL 32333
<b>Assessor Parcel #:</b>	2-27-3N-2W-0220-00003-0010
<b>Legal Description:</b>	Lengthy metes and bounds description, in Section 27, Township 3 North, Range 2 West; Gadsden County, Florida.
<b>Current Ownership:</b>	<p>According to the Gadsden County Public Records, the subject property(s) is currently owned by:</p> <p><i>Gold 4 Properties LLC 4205 Camden Road Tallahassee, FL 32303</i></p>
<b>Five Year History of Ownership:</b>	<p>Per public records, the subject property has not transferred (via an arms-length sale) within the past ten years. The most recent transfer was a warranty deed transfer from James W. Weaver, Jr. (seller) and Golf 4 Properties LLC (buyer), at a reported purchase price of \$300,000. This transaction took place on August 11, 2004 and was recorded in OR Book 594, Page 1704. Due to the datedness of this transaction this sale was not verified or utilized in the current valuation of the subject property.</p> <p>Please note the appendix of this report, which displays the subject tax card (showing the aforementioned sales history). A copy of the most recent deed for the subject can be found within this report well.</p>
<b>Current Listing Agreement for Sale:</b>	It is our understanding that the subject property is not currently listed for sale or under contract for sale. Upon our inspection of the property, no "for sale" signs were visible.



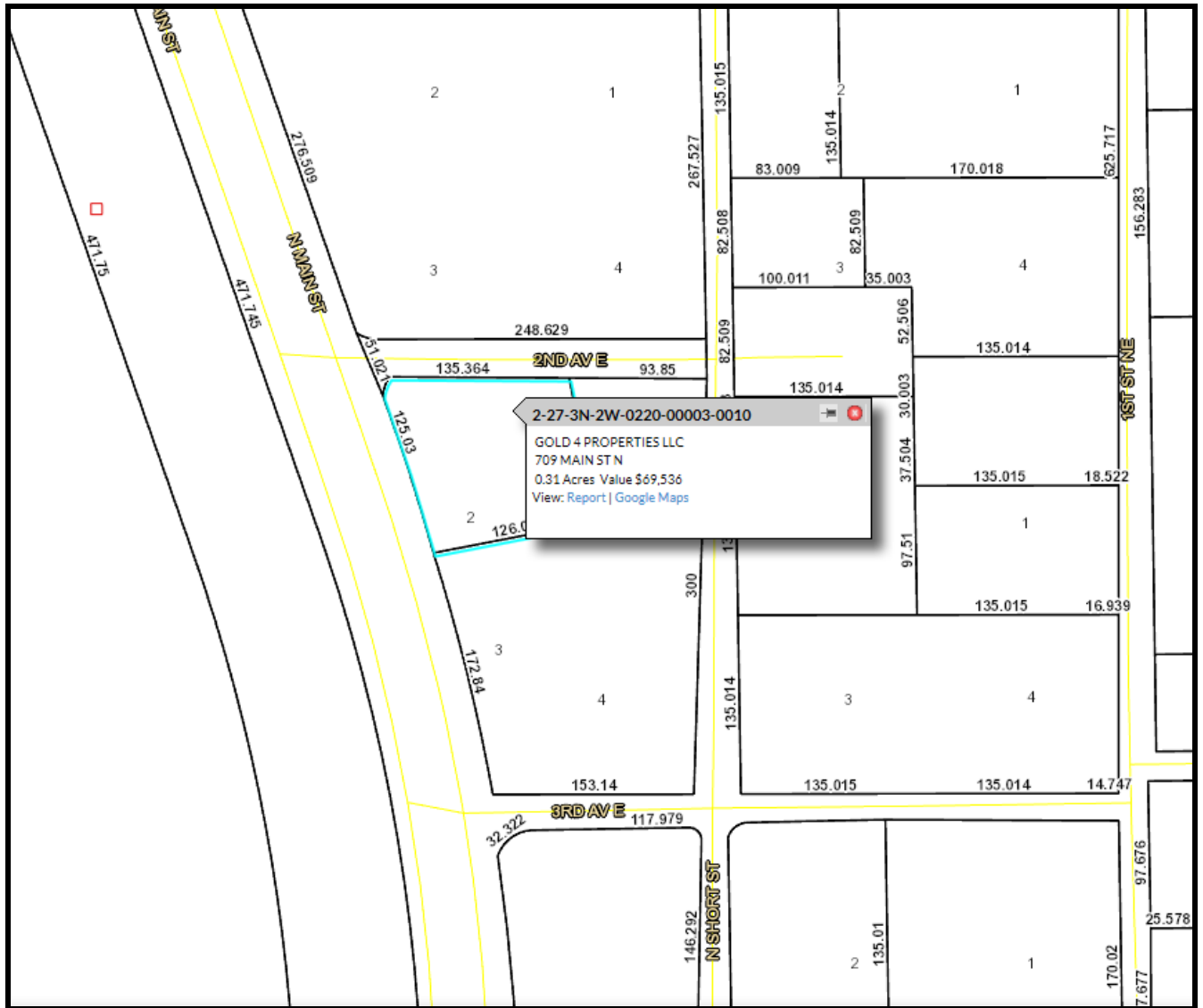
Subject Location Map - General



Subject Location Map - Specific

<b>Overview:</b>	<p>The subject of this valuation report is an existing commercial property, represented as a two-bay commercial-retail property. The north bay is a laundromat facility (currently not operational) and the south bay is open retail space. The improvements were originally built in 1960, but renovated over time and later converted to the existing two-bay facility. The improvements are well maintained and in above-average overall physical condition.</p> <p>The subject property is located at the southeast intersection of North Main Street (U.S. Highway 27) and 2<sup>nd</sup> Avenue East, in the downtown district of Havana, FL. More generally, the property is located in eastern Gadsden County, approximately 10 miles north of Tallahassee (State Capital) and 7 miles east of Quincy.</p>
<b>Land Size:</b>	0.305 Acre, or 13,286 Square Feet +/-
<b>Shape:</b>	Slightly Irregular, With Rectangular Attributes (See Plat Map)
<b>Access &amp; Visibility:</b>	<p>The subject property encompasses approximately 125 +/- linear feet of frontage on the east side of North Main Street (U.S. Highway 27). This four-laned roadway is asphalt-paved and federally maintained. Traffic counts on North Main Street (near the subject) are 8,100 VPD (FDOT Traffic Online 2016). In addition, the subject has 135+/- feet of frontage on 2<sup>nd</sup> Avenue East. However, this two-laned road yields only modest traffic exposure. In summary, access and visibility is considered good, especially since U.S. 27 is the main arterial running from Tallahassee, through Havana and towards Bainbridge, GA (north).</p>
<b>Topography:</b>	The subject parcel is slightly above road-grade level, with a generally level to slightly sloping topography. The subject contains no wetlands or flood-prone areas either.
<b>Soils:</b>	A soil analysis for the site has not been provided for the preparation of this appraisal. In the absence of a soil report, it is a specific assumption that the site has adequate soils to support the highest and best use.
<b>Drainage:</b>	Upon inspection, we found no evidence of poor drainage or standing water. Per FEMA flood plain maps, the subject appears to not be located within the floodplain or contain any wetlands. We would suggest consulting a surveyor for exact flood zone boundaries, however, as our maps lack detail.
<b>Stormwater Retention Facility:</b>	The subject property has no onsite stormwater retention. Thus, stormwater runoff is provided via city storm drains.
<b>Environmental &amp; Engineering Issues:</b>	Unless otherwise stated in this report, we have no knowledge of any hidden or unapparent conditions of the subject site, (including wetlands or unsuitable soil), or adverse environmental conditions (including the presence of hazardous wastes, toxic substances, etc.). It should be stated that Cureton Johnson & Associates are not engineers and are not qualified to provide a soil assessment or detect the existence of potentially hazardous material or underground storage tanks which may be present on or near the site. For purposes of this analysis, Cureton Johnson & Associates has specifically assumed that the property is not affected by any unsuitable soils, wetlands, or hazardous materials and/or underground storage tanks.





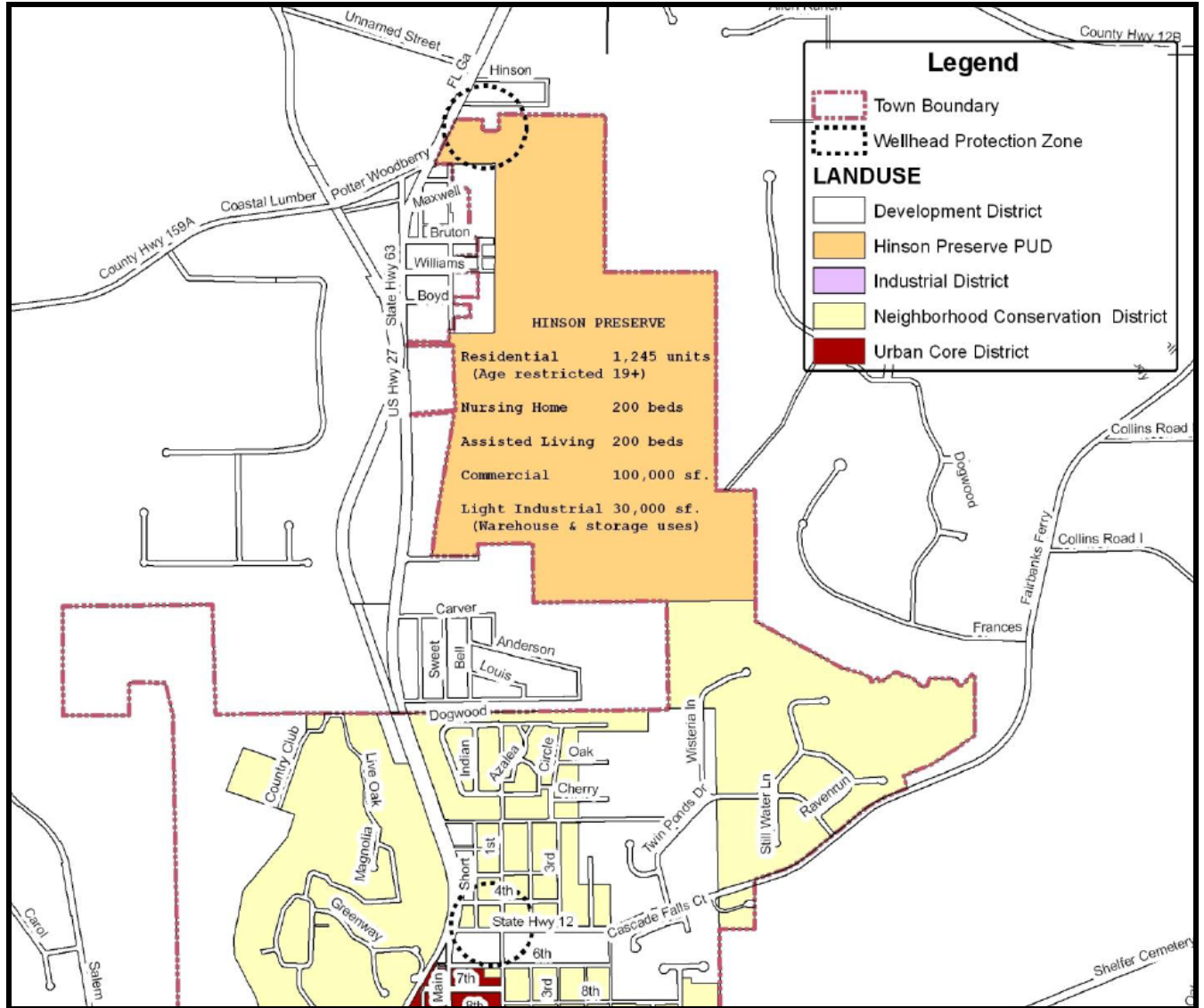
Subject Property Plat Map



Subject Aerial Plat Map



Subject Aerial Plat Map - Zoomed In



City of Havana - Zoning Map

Documentary Tax Pd. 2100.00  
 Intangible Tax Pd.  
 MICHAEL THOMAS, CLERK, GADSDEN COUNTY  
 By [Signature] Date 8/13/04  
 Deputy Clerk

**WARRANTY DEED**

THIS WARRANTY DEED is made on August 11, 2004, by James W. Weaver, Jr., aka J.W. Weaver, Jr., a single man, whose mailing address is Post Office Box 12279, Tallahassee, Florida 32317, (hereinafter referred to as the "Grantor") to Gold 4 Properties, LLC, a Florida limited liability company, whose mailing address is 4205 Camden Road, Tallahassee, Florida 32303 (hereinafter referred to as the "Grantee"). The terms "Grantor" and "Grantee" shall be deemed to include both the singular and plural where appropriate, and where the masculine gender is used, it shall include the masculine, feminine or neuter genders, where appropriate.

**WITNESSETH:**

The Grantor, for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable considerations to the Grantee in hand paid by the Grantee, the receipt whereof is hereby acknowledged, has granted, bargained and sold to the Grantee and Grantee's heirs and assigns forever, the property located in Gadsden County, Florida, and more particularly described as follows:

Begin at an iron pipe (found) marking the Southeast corner of Fractional Block 7 of the northern Extension of the Original Town of Havana, a subdivision as per map or plat thereof recorded in Plat Book 1, Page 23 of the Public Records of said county, also said point being a point of intersection of the Westerly right of way boundary of Short Street and the Northerly right of way boundary of Third Avenue East and run thence North 60 degrees 8 minutes 51 seconds East along said Westerly right of way boundary a distance of 300.00 feet to a re-bar (set) marking the Southeast corner of a strip of land as deeded from S. Lucier Loring and wife to the Town of Havana as described in Official Records Book 180, page 428 of said Public Records; thence North 89 degrees 49 minutes 09 seconds West along the Southerly boundary of said lands a distance of 225.72 feet to a nail and cap (set on the Easterly right of way boundary of State Road No. 63 (Highway 27), thence along the right of way boundary of said State Road as follows: thence South 18 degrees 38 minutes 05 seconds East 51.69 feet to a re-bar (set); thence run North 89 degrees 49 minutes 09 seconds West 10.56 feet to a re-bar (set); thence South 18 degrees 38 minutes 05 seconds East 47.44 feet to a re-bar (set) marking a point of curve to the right; thence along said curve with a radius of 1509.12 feet through a central angle of 08 degrees 49 minutes 56 seconds for an arc distance of 232.69 feet (the chord of said arc being South 14 degrees 13 minutes 07 seconds East 232.40 feet) to a re-bar (set on said Northerly right of way boundary, thence leaving said right of way boundary and run South 89


degrees 49 minutes 09 seconds East along said Northerly right of way boundary a distance of 153.14 feet to the POINT OF BEGINNING.

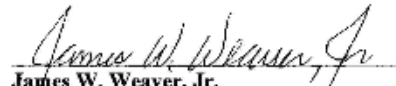
SUBJECT to covenants, easements and restrictions of record, if any, and ad valorem taxes for the year 2004 and subsequent years.

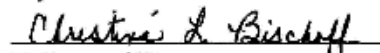
And the Grantor does hereby fully warrant the title to the land and will defend the same against the lawful claims of all persons whomsoever and further represents and warrants that the above-described property is not the homestead of the Grantor and is not contiguous to his homestead.

IN WITNESS WHEREOF, the Grantor has hereunto set Grantor's hand and seal on the day and year first above written.

WITNESSES:

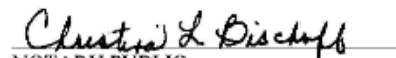
  
Print Name: CHARLES R. GARDNER


  
James W. Weaver, Jr.

  
Print Name: CHRISTINA L. BISCHOFF

STATE OF FLORIDA,  
COUNTY OF LEON.

The foregoing instrument was acknowledged before me this 11<sup>th</sup> day of August, 2004, by **James W. Weaver, Jr.**  
 He is personally known to me; or  
 He has produced his Florida Drivers License as identification

  
NOTARY PUBLIC  
Print Name: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

 Christina L. Bischoff  
MY COMMISSION # 00222807 EXPIRES



FRONT VIEW OF SUBJECT PROPERTY



VIEW OF TYPICAL SUBJECT PARKING AREA



VIEW OF NORTH SIDE OF SUBJECT



VIEW OF 2<sup>ND</sup> AVENUE



REAR VIEW OF SUBJECT PROPERTY



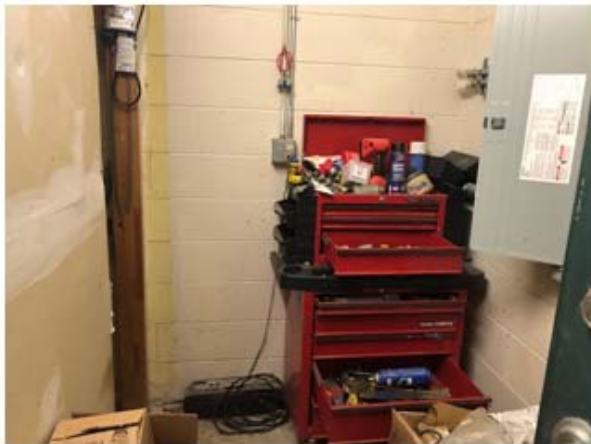
VIEW OF U.S. 27 (N. MAIN STREET)



VIEW OF ADJACENT BURGER KING PROPERTY



VIEW OF NORTH RETAIL BAY (LAUNDROMAT)



VIEW OF NORTH BAY – MECHANICAL ROOM



VIEW OF NORTH BAY (REAR STORAGE/MECH AREA)



VIEW OF EXISTING LAUNDROMAT EQUIPMENT (WALL)



VIEW OF NORTH RETAIL BAY – FACING FRONT





VIEW OF TYPICAL RESTROOM



VIEW OF TYPICAL STORAGE CLOSET



VIEW OF SOUTH RETAIL BAY



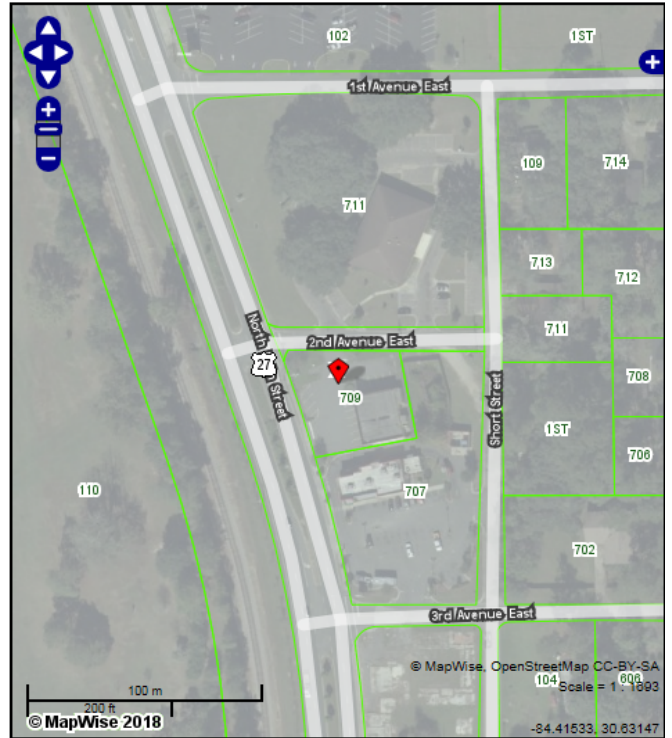
VIEW OF TYPICAL STORAGE ROOM



VIEW OF STORAGE ROOM/CHANGE MACHINE (REAR)

**Flood Zone Status and Elevation:**

Address (from parcels)	709 MAIN ST N
FEMA Data Source	DFIRM - Digital Flood Information Rate Map
Inside Special Flood Hazard Area?	OUTSIDE SPECIAL FLOOD HAZARD AREA
Risk Level	MODERATE TO LOW RISK AREAS
Flood Zone(s)	X
Description(s)	X = OUTSIDE FLOODPLAIN
Base Flood Elevation	-9999.000000000
NFIP Community Name	TOWN OF HAVANA
County	GADSDEN
State	Florida
NFIP Community Number	120411
NFIP Map Number or Community Panel Number	12039C0118C
Inside CBRA?	FALSE
CBRA Type	N/A
Map Panel Effective Date	2/4/2009



<b>FEMA Map #:</b>	12039C0118C
<b>FEMA Flood Zone Map Date:</b>	02/04/2009
<b>FEMA Flood Zone:</b>	Zone X

**Note:** Due to the fact the flood zone maps lack detail, we recommend that a licensed surveyor or engineer be consulted to certify the Flood Zone Status of the site.

**Definitions:**

**Zones B, C and X** are the flood insurance rate zones that correspond to areas outside the 100-year floodplains, No BFEs or depths are shown within this zone.

**Zone A** corresponds to areas within the 100-year floodplains; Base Flood Elevations or depths are shown.

**Zones AE and A1-A30** correspond to the 100-year floodplains with Base Flood Elevations determined.

**Zone AH** corresponds to the areas of 100-year shallow flooding (usually areas of ponding) where average depths are between 1 and 3 feet. The BFEs have been determined within this zone.

**Zone AO** corresponds to the areas of 100-year shallow flooding (usually sheet flow on sloping terrain) where average depths are between 1 and 3 feet. Average flood depths have been determined.

**Zone A99** identifies areas inundated by the 100-year floodplains that will be protected by a Federal flood protection system where construction has reached specified statutory milestones. No BFEs or depths are shown within this zone.

**Zone D** designation is used for areas where there are possible but undetermined flood hazards.

**Zone V** identifies areas inundated by the 100-year coastal floodplains that have additional hazards associated with storm waves with no BFEs determined.

**Zone VE** locates areas inundated by 100-year coastal floodplains that have additional hazards associated with storm waves. BFEs have been determined.

<b>Easements and Encroachments:</b>	No apparent negative easements for encroachments were found per our research of public records and per our inspection of the property. It should be noted that a title policy for the property has not been provided for the preparation of this appraisal. Based on our visual inspection and review of the plat and survey map, the property does not appear to be adversely affect by any other easements or encroachments. It is recommended the client/reader obtain a current title policy outlining all easements and encroachments on the property, if any, prior to making a business decision. <i>If such encumbrances exist, this report is subject to revision.</i>
<b>Covenants, Conditions and Restrictions:</b>	There are no known covenants, conditions and restrictions impacting the site that are considered to affect the marketability or highest and best use, other than zoning restrictions.
<b>Utilities and Services:</b>	The subject property is located inside the Havana city limits, is within the Urban Services Area and is afforded public utilities (water, sewer and electric). Overall, the present utilities and services provide adequate quality and quantity to service the highest and best use "as if vacant" and "as improved".
<b>Zoning Overview:</b>	<p>According to the City of Havana Planning and Zoning Department, the subject property is currently zoned <i>Development District</i>. Allowable uses include office, commercial, institutional and residential. The following is description of Development District, per the City of Havana Code Book:</p> <p><i>This district is intended to accommodate most of the growth expected in the Town of Havana. It is to be provided with all public facilities (schools, sewers, water, highways) and will allow most uses by right. It is intended to provide the zoning and capital improvements which attract development. It consists of the areas where development should logically locate as a consequence of existing and planned public facilities and associated capital expenditures. This district provides regulations which permit development of a generally suburban character. It provides for moderate density residential development and for necessary commercial, institutional and light industrial uses. Excluded are uses of higher density or intensity or of major industrial importance.</i></p> <p>Note: The existing use as a retail commercial property appears to be a legal and conforming use. Please refer to the appendix of this report for an overview of the Development District zoning overview.</p>
<b>Surrounding Land Uses:</b>	The immediate area is comprised of mostly highway-oriented commercial uses along North Main Street. Other prevailing uses are mostly residential (single-family and multi-family residential), light industrial, institutional and office uses.
<b>Overall Site Analysis Conclusion:</b>	The site is well located and afforded good access from two road frontages and good visibility from roadway frontage. The size of the site is smaller than typical for the area and use and there are no known detrimental uses in the immediate vicinity. Overall, there are no known factors considered to prevent the site from development to its highest and best use.

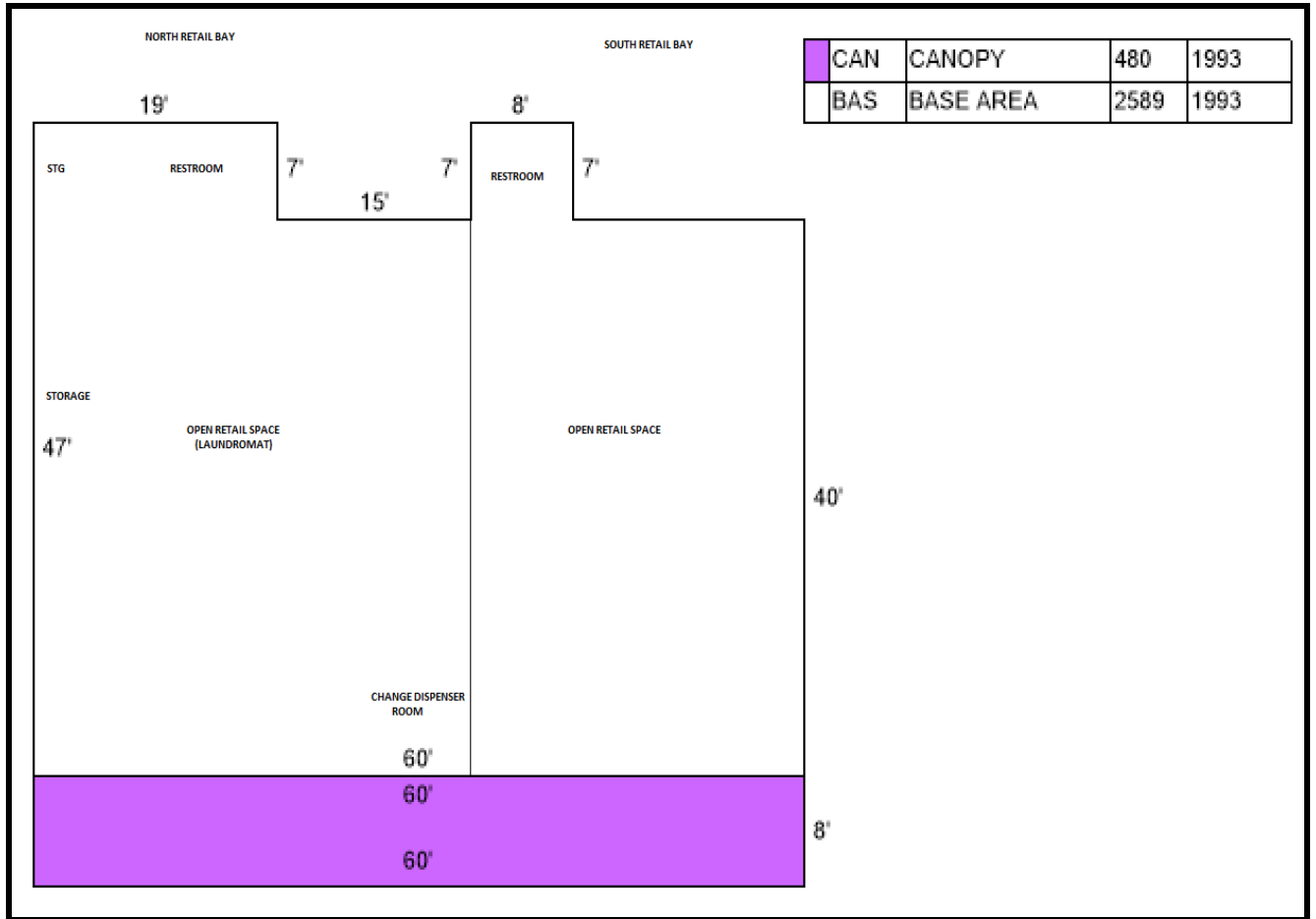
**IMPROVEMENT DESCRIPTION**

<b>Overall Improvement Data:</b>	<b>Number of Units/Bays:</b>	2 Bays (Laundromat & General Retail)
	<b>Number of Stories:</b>	1-Story
	<b>Type:</b>	Commercial (Retail Use)
	<b>Construction Type:</b>	Concrete Block
	<b>Construction Class:</b>	Class "C", Average Cost (Per Marshall & Swift Cost Service)
	<b>General Description:</b>	The subject improvements are comprised of a one-story, two-tenant commercial-retail center. The building is currently built-out as laundromat and retail space. The structure was built in 1960, but well maintained and in above-average condition. The building contains 2,589 square feet of net leasable/gross building area. Site improvements include: the said building, landscaping, asphalt-paved parking and drives, concrete curb & gutter and signage.

<b>Overall Building Area:</b>	<b>Building Area</b>	<b>Size (SF)</b>	<b>Percent of NLA</b>
	North Bay (Laundromat - Retail)	1,493 ± SF	57.67%
	South Bay (General - Retail)	1,096 ± SF	42.33%
	<b>Gross Building/Net Leasable Area</b>	<b>2,589 ± SF</b>	<b>100.00%</b>

<b>Age and Condition of Improvements:</b>	<b>Year Built:</b>	1960
	<b>Actual Age:</b>	58 Years
	<b>Effective Age:</b>	15 Years
	<b>Economic/Physical Life:</b>	50 Years
	<b>Remaining Economic Life:</b>	35 Years
	<b>Physical Depreciation:</b>	30.00%
	<b>Physical Condition:</b>	<p>Overall, the subject improvements are somewhat dated, but well maintained and in good overall physical condition. Per confirmation with the owner, the building has not undergone substantial updates within the past few years, but has been updated in recent past. The subject has recent interior/exterior paint and some recent fixtures and appointments.</p> <p>We assume all systems are in good working order and assume that no structural issues existing, as we are not qualified to assess the condition of the: structural elements or the working systems (plumbing, electrical, etc.). We assume the roof is in good condition and is not in need of any immediate repairs.</p>

<b>Construction Elements</b>  <b>Subject Building:</b>	<b>Exterior Wall:</b>	<b>Roof Type/Cover:</b>	<b>Roof Frame:</b>	<b>Wall/Ceiling Height:</b>
	Stucco and Paint over Concrete Block Construction	Single-Ply Membrane (Bitumen) Flat Roof	Concrete T-Beam (Bar Joist) Framing	11-12' Eave Height 9-10' Interior Ceiling Height
	<b>Foundation:</b>	<b>Exterior</b>	<b>Exterior Doors:</b>	<b>Restrooms:</b>
	Concrete Slab at Road-Grade Level, Reinforced Concrete	Fixed-Glass Store Front, Metal (Insulated)	Metal Rear/Steel Pedestrian Doors  Front Metal & Glass Entry Door	Each bay has one unisex (two-fixture) restroom facility. Considered adequate.
	<b>Heating/Cooling:</b>	<b>Interior Floor</b>	<b>Interior Walls/</b>	<b>Interior Doors:</b>
	Central HVAC - Heat Pump Units  (Entire Building H& C)	VCT Tile, Ceramic Tile & Some Exposed Concrete	HC Drywall, Exposed Block and Exposed Wood-Frame Walls  Acoustic-Tile Drop Ceilings	Solid Core and Molded Panel and Steel
<b>General Description:</b>	<p>The subject is an older block center, configured with two bays. The building was originally constructed as a convenience store.</p> <p>The north bay is configured as a laundromat, with an open retail area, a rear unisex (two-fixture) restroom, a storage room and a side mechanical/storage room behind the washer/dryer built-ins.</p> <p>The south bay is configured as open retail space and includes on open bay, a small storage room and a unisex restroom.</p>			
<b>Quality and Structural Condition:</b>	<p>The overall quality of the subject building is considered to be typical for the neighborhood, while generally consistent in quality with buildings of similar age in the region. Cureton Johnson &amp; Associates is not qualified to determine structural integrity and it is recommended that the client/reader retain the services of a qualified, independent engineer or contractor to determine the structural integrity of the improvements prior to making any business decisions.</p>			
<b>Functional Utility:</b>	<p>The overall layout of the improvements is considered functional for it's intended commercial or open-retail (or general commercial) use. As noted previously, the site has onsite parking.</p>			
<b>Site Improvements:</b>	<p>Asphalt-Paved Parking &amp; Drives Overhang Sidewalk &amp; Curb/Gutter Street Signage</p>			
<b>Pertinent Ratios:</b>	<b>Parking Information:</b>	14 Parking Spaces		
	<b>Land Size:</b>	13,286± SF		
	<b>Building Size:</b>	2,589± SF		
	<b>Land-to-Building Ratio:</b>	5.13 to 1		
	<b>Site Coverage Ratio:</b>	19.49%		
<b>Fixtures, Furniture and Equipment:</b>	<p>The subject value stated herein does not include any trade fixtures or personal property. The final estimated value of the subject pertains to the real property components only.</p>			



Subject Building Sketch Map

**TAX ANALYSIS**

**Tax Assessment Analysis:** Real estate taxes for properties located in Gadsden County are based on the assessed value of real property, hence the term ad valorem (which means according to value) taxes. The assessed value is typically based on, but not necessarily equivalent to, its market value. Florida law mandates that all property be assessed by the county at full market value. The full market value, however, is generally not assessed and Florida's property taxes are considered low in relation to the rest of the nation. The Cost Approach to Value is the main valuation approach used by the assessor to determine the market value. The millage rates for Gadsden County tend to fluctuate from year to year. The millage rate is adjusted each year in relation to the total assessed value of all properties located in Gadsden County. *If the total taxable value is higher than the previous year, the millage rate will typically be equal or lower; the opposite is true as well. Therefore, it is difficult to determine whether the millage rate will increase since we do not know what the total taxable value will be for the future. The following is a brief description of the tax information found concerning the subject property.*

Current Assessment & Tax Information	Tax I.D. #:	Land Value	Improvement Value	Total Assessed Value
	2-27-3N-2W-0220-00003-0010	\$52,900	\$16,518	\$69,418
	<b>Total Assessed Value</b>			<b>\$69,418</b>
	<b>Millage Rate</b>			<b>17.3564000</b>
	<b>Gross Tax Liability (Before 4% Discount for Early Payment)</b>			<b>\$1,205</b>
	<b>Discounted Tax Liability</b>			<b>\$1,157</b>

Account Number	Tax Type	Tax Year			
2273N2W0220000030010	REAL ESTATE	2017			
<b>Mailing Address</b> GOLD 4 PROPERTIES LLC 4205 CAMDEN RD TALLAHASSEE FL 32303		<b>Property Address</b> 709 MAIN ST N HAVANA  <b>Folio Number</b> 103954			
Exempt Amount	Taxable Value				
See Below	See Below				
<b>Exemption Detail</b> NO EXEMPTIONS <b>Legal Description</b> 709 MAIN ST N HAVANA 27-3N-2W 1100/ .31 Acres OR 594 P 1704; OR 594 P 1700 OR 295 P 251 BEGIN AT NEC OF BLK 3, NORTHERN EXTENSION TOWN OF HAVANA, RUN N. 00 DEG /08 MIN 51 SEC EAST 300 FT NORTH 89 DEG 49 MIN 09 SEC WEST 225.72 FT, SOUTH 18 DEG See Tax Roll For Extra Legal	<b>Millage Code</b> 004	<b>Escrow Code</b>			
Ad Valorem Taxes					
Taxing Authority	Rate	Assessed Value	Exemption Amount	Taxable Value	Taxes Levied
GADSDEN CO BOARD OF CO COMM	8.9064	69,418	0	\$69,418	\$618.26
SCHOOL-REQUIRED LOCAL EFFORT	4.2890	69,418	0	\$69,418	\$297.73
SCHOOL-DISCRETIONARY	2.2480	69,418	0	\$69,418	\$156.05
TOWN OF HAVANA	1.8777	69,418	0	\$69,418	\$130.35
NW FLORIDA WATER MGT DIST	0.0352	69,418	0	\$69,418	\$2.45
<b>Total Millage</b>	<b>17.3564</b>		<b>Total Taxes</b>		<b>\$1,204.84</b>

**Conclusion:** Per the Property Appraiser's office, the assessment for the subject should remain stable unless the property is expanded or market conditions change. The current assessment appears reasonable and reflective of comparable commercial properties in the subject market area.

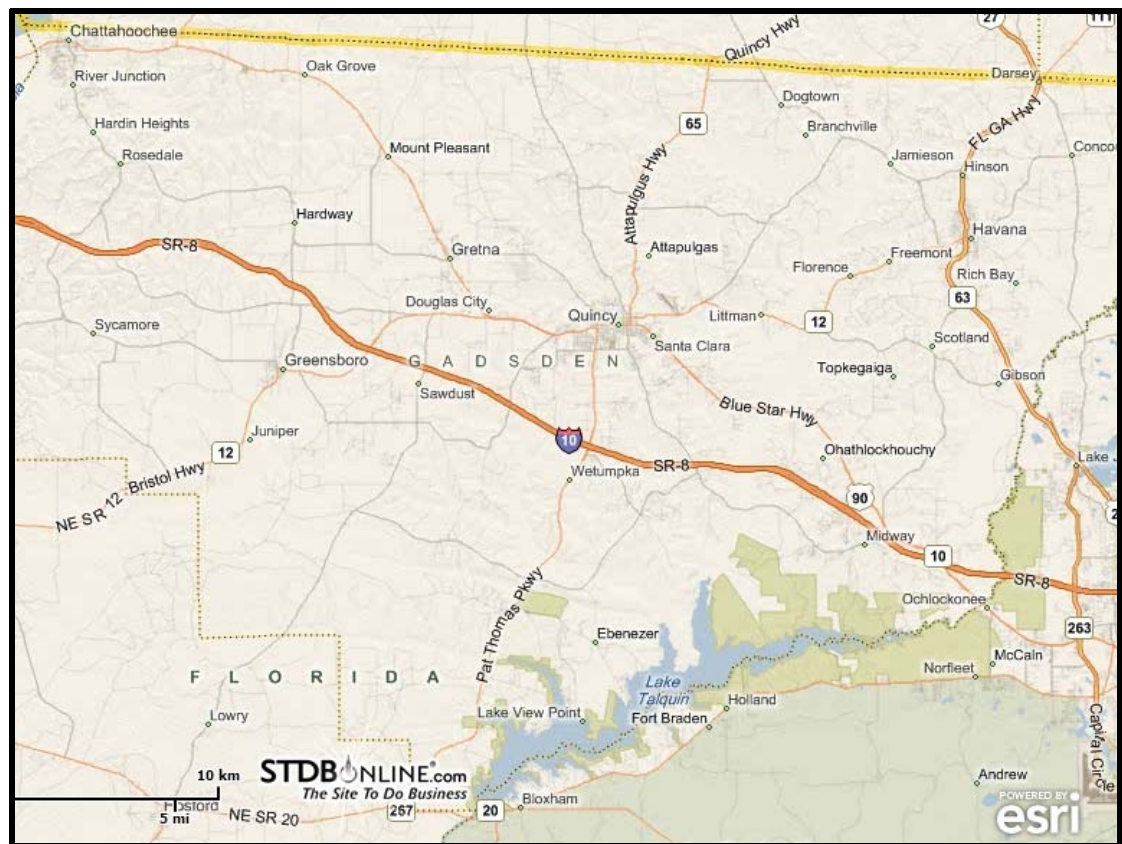
## NEIGHBORHOOD ANALYSIS

**Definition:** Although physical characteristics of real estate are important elements in determining value, external influences on a real property must be considered as well. These forces (economic, social, physical and governmental) play a major role in determining the trends in real estate. The neighborhood, although not easily defined, can best be described as:

*A group of complementary land uses; a congruous grouping of inhabitants, buildings, or business enterprises.<sup>4</sup>*

Based on the above definition, a neighborhood can be considered as a grouping of complementary land uses that are similarly affected by the various physical, economic, social and governmental forces. Additionally, the neighborhood overview assists in the determination of future land uses and value trends within the defined boundaries.

**Boundaries:** The subject neighborhood boundaries are best defined as the surrounding area of Gadsden County and the city of Havana, Florida including its outlying areas in throughout the county. The map below gives a visual summary of the subject neighborhood boundaries.



**Subject Neighborhood Boundary Map**



**Predominant Land Uses:** The main commercial corridor in Havana is Main Street (U.S. Highway 27). Most land uses along Main Street are highway-oriented uses, such as retail, gas stations, fast-food restaurants. Additionally, uses such as office and light industrial are prevalent as well. Vehicular access in and around the neighborhood is considered to be good, as Main Street provides the primary north-south access from southern to northern sections of Havana. In addition, Main Street (U.S. Highway 27) provides north-south access across the panhandle of Florida as well. Based on our observations, we estimate that the subject neighborhood (Havana and surrounding area) is approximately 80% built-up within the city and vacant rural residential /limited local commercial/agricultural property located outside the city.

Based on our observations, we estimate that the subject neighborhood is approximately 80% built-up, with most of the vacant property located in the western portions of this corridor.

The subject neighborhood and Havana, FL are a rural community, located in the northwest panhandle of Florida. This neighborhood is strategically situated to the northwest of Tallahassee, along U.S. Highway 27 and situated off the Interstate 10 corridor across north Florida. The neighborhood's close proximity to the metro-Tallahassee area and easy access to the aforementioned roadways, makes this a desirable commercial/residential community.

Typical highway-commercial parcels range from \$3.00 to \$8.00 per square foot, relative to: location, zoning, size and shape. Typical light industrial parcels generally range from \$35,000 to \$70,000 per acre, or \$0.80 to \$1.60 per square foot. Typical residential acreage prices range from \$3,000 to \$10,000 per acre, relative to land size and surrounding properties. Typical agricultural and recreational tracts (over 100 acres) range in value from \$2,500 to \$5,000 per acre; relative to size, location and physical characteristics. Typical residential lots in the neighborhood range from \$10,000 to \$30,000, as well.

*Based on an analysis of improved/unimproved sales within the 5-10 years, annual appreciation was 5-10%+ from 2000-2005, but since 2007, actually experienced proportionate declines. Most value decreases were associated with residential housing. Given existing economic conditions, we foresee this trend to continue for the next few years, as residential building activity (a stable base of Leon and Gadsden County) has seen a tremendous slowdown and "trickle-down" economics of such fallout are still taking place throughout the area. Moreover, the sluggish economy has resulted in a decrease in consumer spending, a contraction of most businesses and a demand slowdown in the residential housing. As of this valuation date, signs of a turnaround were noted. Moreover, the past 12-18 months have demonstrated a leveling-off of values (with some isolated areas of price appreciation), as the bottom appears to have already occurred. We would speculate that it may be late 2018 before the economy resurges and substantial demand reenters the marketplace.*

**Conclusion:** The subject neighborhood is an attractive area for both residential and commercial (including office and light industrial). Given the neighborhood's close proximity to nearby cities, excellent access to I-10 and U.S. 27 and in light of the fact that the permitting process is less stringent than in nearby communities, we feel that the neighborhood is well positioned to attract a variety of land users. With undeveloped interchange land becoming more and more scarce along I-10 and with the aforementioned factors in place, we foresee the potential for value increases in the neighborhood to be good for the long-term perspective (especially as more and more commercial & residential land users move to the community).

With respect to the current economy, Havana is not immune to the pressures of the current economic climate (local, statewide, national). Although current employment rates are better than typical (relative to rest of state), new construction has slowed significantly and this has put strains on the local economy. This is due in part to an overall lack of wage and population growth which has continued to temper any major real estate value increases. However, as the economy improves in 2018, we foresee Havana/Gadsden County to be well positioned for long-term growth, given the existing and proposed initiatives.

## HIGHEST AND BEST USE ANALYSIS

**Introduction:** The basic economic forces of supply and demand are basic tools for analyzing the relationships between economic behavior and the appraisal process. The interdependent factors that influence value are also economic in origin because modern value and appraisal theory have evolved from neoclassical economic thought. The relationship between economic behavior and appraisal are clearly evident in real estate markets. An understanding of market behavior is essential to the concept of highest and best use. The forces of supply and demand create market value, so the interaction between market forces and highest and best use is of crucial importance. When the purpose of an appraisal is to estimate market value, highest and best use analysis identifies the most profitable, competitive use to which the property can be put. Therefore, highest and best use is a market-driven concept and is the foundation on which market value rests. Generally, the price a buyer is willing to pay for real estate is directly related to the most profitable use of the site or property.

**Definition:** A property's highest and best use is defined as:

*"The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility and maximum productivity.."<sup>5</sup>*

The existing use of the site may or may not coincide with the determined highest and best use of the property. In order for the property to achieve its highest and best use it must meet the following four criteria and be: *legally permissible, physically possible, financially feasible and maximally productive.*

If a proposed use fails to meet any of the criteria, it is discarded and another use is reviewed. In the following section of this valuation report, the highest and best use is determined first for the site as though vacant and available to be put to its highest and best use. No considerations are given to any of the existing improvements. A second analysis considers the site as improved, taking into account the present improvements and their effect on market value. The highest and best use of both land as though vacant and property as improved must meet these criteria.

### HIGHEST AND BEST USE AS THOUGH VACANT

**Legally Permissible:** Both public and private legal restrictions must be observed in determining the whether the use is legally permissible. Private legal restrictions are limitations that run with the land and are passed from owner to owner (primarily concerned with developments). With regards to private restrictions, we found none which would affect the available uses as stated herein.

According to the City of Havana Planning and Zoning Department, the subject property is currently zoned *Development District*. Allowable uses include office, commercial, institutional and residential. This district is intended to accommodate most of the growth expected in the Town of Havana. It is to be provided with all public facilities (schools, sewers, water, highways) and will allow most uses by right. It is intended to provide the zoning and capital improvements which attract development. It consists of the areas where development should logically locate as a consequence of existing and planned public facilities and associated capital expenditures. This district provides regulations which permit development of a generally suburban character. It provides for moderate density residential development and for necessary commercial, institutional and light industrial uses. Excluded are uses of higher density or intensity or of major industrial importance.

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<sup>5</sup>[Source: The Dictionary of Real Estate Appraisal, 4<sup>th</sup> Edition (Chicago, Illinois: The Appraisal Institute, 2001)].

Any use, however, is subject to the development standards and development guidelines, as set forth by the City of Havana Planning & Zoning Department. It should be noted that we were not provided an abstract of title and therefore assume that no land-use or deed restrictions exist on the subject property (other than stated above), that would limit the available uses allowed under zoning. We would recommend a title search be done to determine if any such restrictions exist.

**Physical Possibility:** The size, shape, area and terrain of the parcel affect the available uses as well. Physical limitations must be observed since construction may be either unfeasible or physically impossible. The subject parcel is 0.305 acre +/- in size, has a generally level topography and has a generally rectangular shape. The subject site area is of sufficient size to allow a number of uses as permitted under zoning. Access and visibility are considered good for most legally permissible uses as well. No adverse site conditions are known nor were any observed that would tend to preclude or severely limit utilization according to the subject's highest and best use as determined herein. Utilities, drainage and other physical characteristics appear to be positive relative to the development. No known soil conditions exist which would prohibit development of the site with any of the legally permitted uses. It should be mentioned that no environmental study for the subject was provided and we assume that no current soil contamination exists.

**Financial Feasibility:** The financial feasibility of a specific use for the subject property is a function of the conformity of uses within the neighborhood and the strength of the specific market. Financially feasible uses yield a positive return to the land. Presently, the immediate subject area (along North Main Street) is occupied by a diversity of uses, including: commercial (restaurant/retail), convenience store, residential (of varying densities), light industrial and office uses. More particularly, the most prevalent uses are highway-oriented commercial uses (especially given the surrounding population density and the existence of other commercial properties along this corridor).

In light of the fact that the subject offers close proximity to support facilities (schools, shopping, businesses, etc.) and given the subject's good access and exposure and in light of the fact that the income generated under highway-commercial use, we have concluded that highway-oriented commercial use produces a positive return to the land. Office use would not be financially feasible (unless utilized with a light industrial use), as the subject is not yet regarded as a destination office location. Residential use is existent in the area, but not feasible at this time (given the high traffic counts and high traffic exposure).

**Maximum Productivity:** Our analysis indicates that commercial use would be maximally productive, given the site's good road frontage and shape. Moreover, highway-oriented commercial use would yield the highest return to the land (for the subject site). More specifically (for commercial use), a steel or block building with adequate ceiling height (10'+) and adequate parking and loading areas would be maximally productive as well. Given the stable demand for commercial space in this area (given the close proximity of and the close proximity of Tallahassee) and the good traffic flow, we feel that development of the site to the maximum intensity allowed for commercial use would represent the ideal improvement.

#### HIGHEST AND BEST USE AS IMPROVED

There are two primary reasons to analyze the highest and best use of the subject property as improved. The first reason is to identify the use of the property that can be expected to produce the highest overall return on investment. The second is to assist in identifying comparable properties, which will be explored later in the direct sales comparison approach. A property's highest and best use as improved must meet the same four criteria as for its highest and best use as if vacant.

This analysis determines whether it is feasible to: 1) remove or demolish the existing improvements, 2) alter or reconfigure the improvements, or 3) leave the improvements and make no changes to them. In our analysis of each scenario and given the fact that the improvements, are consistent with the highest and best use as though vacant; we feel that the highest and best use as improved is for the existing retail-commercial (highway-oriented) use.

## COST APPROACH

**Methodology:** When applicable, the Cost Approach represents the current market by acknowledging that the market participants relate value to cost. Hence, buyers typically adjust the price they are willing to pay by estimating the costs to bring an existing dwelling up to the level of utility they wish. The Cost Approach is a particularly effective approach when the property to be valued possesses a low effective age. Moreover, the Cost Approach attempts to estimate value by combining the estimated land value as if vacant with the estimated contributory value of the improvements. The two most widely used methods are the Reproduction Cost Method and the Replacement Cost Method. For the purpose of this valuation, we have chosen the Replacement Cost Method, which is defined as follows:

“Replacement cost is the estimated cost to construct, as of the effective appraisal date, a building with utility equivalent to the building being appraised, using contemporary materials, standards, design and layout. When this cost basis is used some existing obsolescence in the property is assumed to be cured”

[Source: The Appraisal of Real Estate, 12<sup>th</sup> Edition (Chicago: The Appraisal Institute, 2001), page 357].

The Marshall Valuation Service Cost Estimating Guide was used in establishing the value estimate of the subject site and building improvements.

**Direct Costs:** The subject improvements are comprised of a one-story, two-tenant commercial-retail center. The building is currently built-out as a laundromat for the north bay and open retail for the south bay. The building is a concrete-block structure, originally constructed in 1960 (per public records), is well maintained and in above-average physical condition. The building contains 2,589 SF of gross building/net leasable area and the property includes onsite (asphalt-paved) parking, concrete curb/gutter, street signage and landscaping.

Estimated construction costs were adjusted for time, location and physical characteristics using the comparable cost multipliers from the Marshall Valuation Service Cost Guide. The following table exhibits the estimated building costs of the subject:

<b>COST NEW OF IMPROVEMENTS</b>	
Building Type	Retail Store
Section & Page Number	13/26
Building Class	Class C
Building Quality	Average
Base Cost Per Square Foot	\$80.34
Area Multiplier	1.10
Wall Height Multiplier	1.00
<b>Subtotal</b>	<b>\$88.37</b>
Adjustment for Sprinkler System	\$0.00
Adjustment for Elevator	\$0.00
Adjustment for Canopies, Porches (Incl)	\$1.00
<b>Adjusted Base Cost</b>	<b>\$89.37</b>
Current Cost Multiplier	1.0800
Local Multiplier - Tallahassee, FL	0.9200
Quality Multiplier	1.0000
<b>Final Per Square Foot Cost</b>	<b>\$88.80</b>
Subject Building Area	2,589
<b>Total Building Cost</b>	<b>\$229,903</b>

**Development Costs:** Site development costs for asphalt and concrete paving, sidewalks, landscaping, site lighting, signage and permitting fees are not typically included in the overall building (improvement) costs (per Marshall Valuation Service). Site costs are broken down in the following summary table.

DIRECT COST FOR BUILDING AND SITE IMPROVEMENTS (USING MARSHALL & SWIFT)	
ITEM	REP. COST NEW
Total Building Cost	\$229,903
Site Development/Paving/Curbing (\$5.00/SF x 10,000 SF)	\$50,000
Signage & Lighting	\$10,000
Landscaping	\$5,000
<b>Total Building &amp; Site Costs</b>	<b>\$294,903</b>

**Direct Cost Summary:** The total direct (building and site) costs of for the subject equated to \$294,309.

**Indirect (Soft) Costs:** Typical soft costs (i.e. engineering/architect fees, permits, surveys, loan interest, taxes, labor costs, insurance, contractor's overhead, security, interim costs, etc.) are included in the Marshall Valuation per square foot cost estimates. Since no major soft costs appear to be existent, (other than those included in the site costs section), we have not included a line-item for soft costs.

**Entrepreneurial Profit:** It should be noted that the total development costs do not account for entrepreneurial incentive, which essentially is the fee paid for coordinating and taking on the risk of developing the project. Speculative, multi-tenant buildings typically have a higher degree of risk and entrepreneurial profit margins can be as high as 30%. Single-tenant, build to suit developments, generally have lower margins due to reduced risk. A typical range of rates is from a low of 5% to a high of 30%. Additionally, the current economy warrants a lower return, due to the fact that developers are willing to take a lower level of profit in this climate. Thus, we have estimated this figure to be 10% of Construction/Development Costs.

DIRECT & INDIRECT COSTS	
ITEM	REP. COST NEW
Direct Costs	\$294,903
Indirect Costs	\$0
<b>Total Direct and Indirect Costs</b>	<b>\$294,903</b>
Entrepreneurial Profit (10.00%)	\$29,490
<b>Total Costs</b>	<b>\$324,393</b>

**Depreciation:** The next step in the cost approach involves deducting from the replacement cost new all accrued depreciation. Depreciation is defined as a loss in value from the replacement cost new of the improvements from any cause as of the date of this appraisal. Depreciation may be caused by physical deterioration, functional obsolescence, or external obsolescence. The most common method of estimating accrued depreciation is the economic age/life method, which assumes straight-line depreciation over the economic life of the improvements. This method provides an indication of depreciation as the ratio between the effective age of the property and the estimated economic life of the improvements.

**Physical curable depreciation** includes items of deferred maintenance that should be accomplished as of the date of this appraisal to maximize profit or minimize loss that would result if the property were sold. The measure of physical curable depreciation is the cost to cure these items. It should be noted that our firm was not provided and engineering or environmental report of the subject property. We are not qualified to determine the structural integrity the improvements or to make any kind of environmental assessment. It is our belief the subject contains no curable physical deterioration as the improvements were observed to be well maintained and in good condition.

**Physical incurable depreciation** is estimated by applying the age/life ratio to the replacement cost new. It represents an estimate of deterioration that is not practical, or not currently feasible, to correct. It pertains to all structural elements not listed in the physical curable category. Additionally, it applies to the current replacement cost of all the improvements.

The subject building was constructed in 1960 and although renovated over time (and well maintained) contains substantial physical depreciation. Applying the effective age of 15 years and based on a 50 year economic/physical life, results in a depreciation figure of 30.00%.

Summary of Incurable Physical Depreciation		
<b>Year Constructed:</b>	1960	
<b>Actual Age:</b>	58	Years
<b>Effective Age:</b>	15	Years
<b>Economic/Physical Life:</b>	50	Years
<b>Remaining Life</b>	35	Years
<b><i>Physical Depreciation:</i></b>	30.00%	

**Functional Obsolescence:** This is the adverse effect on value resulting from defects in design. Over time, it can be caused by changes that have made some aspect of the structure, material, or design obsolete by current standards. The defect may be curable or incurable. The layout of the subject building is considered to be functional and thus acceptable in the market. Thus, it does not exhibit any functional obsolescence.

**External (Economic) Obsolescence:** This is the final form of depreciation deducted in the cost approach, typically resulting from soft market conditions caused by a variety of factors. It is caused by influences external to the subject improvements and is often referred as economic or locational obsolescence. The cost of curing external obsolescence is always greater than the offsetting increase in value, therefore, external obsolescence is always incurable. The subject does not appear to be suffering from any form of external obsolescence.

**Final Value Indication Via Marshall & Swift:** The final value of the subject property can be achieved by adding the depreciated value of improvements to the raw land value. The following table summarizes this calculation.

COST APPROACH SUMMARY		
ITEM	DOLLARS	PER SQ. FT.
Direct Costs	\$ 294,903	\$ 113.91
Indirect Costs	\$ -	\$ -
Entrepreneurial Profit	\$ 29,490	\$ 11.39
<b>Total Cost New</b>	<b>\$ 324,393</b>	<b>\$ 125.30</b>
Less Physical Deterioration Curable	\$ -	\$ -
Less Physical Deterioration Incurable - Bldg & Site Imp's (30% of RCN)	\$ (97,318)	\$ (50.11)
Less Functional Obsolescence	\$ -	\$ -
Less External Obsolescence	\$ -	\$ -
<b>Depreciated Value of the Improvements</b>	<b>\$ 227,075</b>	<b>\$ 75.18</b>
Plus Land Value As Though Vacant (13,286 SF x \$8.00/SF)	\$ 106,000	\$ 40.94
<b>Total Indicated Value of Property</b>	<b>\$ 333,075</b>	<b>\$ 128.65</b>
<b>Indicated Total Value Via the Cost Approach (Rounded)</b>	<b>\$ 330,000</b>	<b>\$ 127.46</b>

VALUE USING COST APPROACH (Rounded) ..... \$330,000

**DIRECT SALES COMPARISON APPROACH  
(Fee Simple Estate)**

**Methodology:** Market value is achieved through this approach by direct comparisons of the property being appraised to similar properties that have sold in the same or in a similar market. The price that a typical buyer pays is often a result of a "shopping process", in which an informed buyer compares available alternatives. This approach is based on the principle of substitution, which implies that a prudent person will not pay more to buy a property than it will cost to buy a comparable substitute property.

One of the most significant factors in price determination is the current sales market. In order to estimate the value of the property using this approach, it was necessary for this appraisal group to search the subject market area (Gadsden County, FL and surrounding counties) public records to locate the most comparable sales transactions to the subject (Only arms-length transactions were used in this valuation). In addition, real estate professionals were interviewed to determine market conditions and to observe the available competing properties.

Once market data is compiled and verified, comparisons are made between the subject and the recent comparable sales to determine the similarities and dissimilarities. When necessary, adjustments are made to each comparable so that each comparable becomes as close to identical to the subject as possible. These adjusted comparable sales are consequently reconciled to form a value estimate using the Direct Sales Comparison Approach. The following pages describe pertinent aspects of each comparable property, the necessary adjustments made to them and the reconciliation of their adjusted values. Proximity of these properties to the subject can be found in the addenda of this report.



**SALES COMPARISON APPROACH SUMMARY TABLE FOR  
709 NORTH MAIN STREET - HAVANA, FL**

	Subject	Sale #1	Sale #2	Sale #3	Sale #4	Sale #5
<b>Address:</b>	709 N. Main Street	42 W. Washington Street	3763 FL/GA Highway	314 E. Jefferson Street	3618 Apalachee Parkway	2256 W. Pensacola Street
<b>City/State:</b>	Tallahassee, FL (Leon Co.)	Chattahoochee, FL (Gadsden Co.)	Havana, FL (Gadsden Co.)	Quincy, FL (Gadsden Co.)	Tallahassee, FL (Leon Co.)	Tallahassee, FL (Leon Co.)
<b>Tax ID Number:</b>	2-27-3N-2W-0220-0003-0010	1-33-4N-6W-0060-00000-0060	3-03-2N-4W-0000-00424-0200 Etal	3-07-2N-3W-0000-00132-1300	31-03-20-066-000, Etal	21-34-20-616-0000
<b>Use Type:</b>	Retail/Commercial	Retail/Commercial Convenience Store	Retail/Commercial Package Store	Office/Medical Commercial	Retail/Commercial Laundromat	Retail/Commercial Laundromat
<b>Sales Price:</b>	N/A	\$275,000	\$260,000	\$164,000	\$500,000	\$1,085,000
<b>Less FF&amp;E/License:</b>	N/A	-0-	(\$50,000)	-0-	-0-	-0-
<b>Equals Net Price:</b>	N/A	\$275,000	\$210,000	\$164,000	\$500,000	\$1,085,000
<b>Date of Sale:</b>	03/2018 (DOV)	02/2016	07/2016	08/2016	12/2014	01/2018
<b>Property Rights:</b>	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
<b>Building Size:</b>	2,589± SF	2,852± SF	2,086± SF	1,400± SF	2,592± SF	7,750± SF
<b>Land Size:</b>	13,286± SF 0.305± Acre	29,000± SF 0.67± Acre	118,919± SF 2.73± Acre	4,500± SF 0.10± Acre	84,506± SF 1.94± Acre	40,075± SF 0.92± Acre
<b>Year Built:</b>	1960	1988	1950	1979	1977	1995
<b>Condition:</b>	Average/ Above Average	Average	Average	Average/ Above Average	Average/ Above Average	Average/ Above Average
<b>Quality:</b>	Good/Retail-Commercial	Good/Retail-Commercial	Good/Retail-Commercial	Good/Office-Commercial	Good/Retail-Commercial	Good/Retail-Commercial
<b>Access/Visibility:</b>	Good	Good	Good	Good	Good	Good
<b>Parking:</b>	Inadequate	Adequate	Adequate	Adequate	Adequate	Adequate
<b>Land-to-Bldg Ratio:</b>	5.13	10.17	57.01	3.21	32.60	5.17
<b>Price Per SF:</b>	N/A	\$96.42	\$100.67	\$117.14	\$192.90	\$140.00
<b>Primary Adjustments</b>						
<b>Property Rights</b>		0.00%	0.00%	0.00%	0.00%	0.00%
<b>Financing</b>		0.00%	0.00%	0.00%	0.00%	0.00%
<b>Conditions of Sale</b>		0.00%	0.00%	0.00%	0.00%	0.00%
<b>Market Conditions (No Change)</b>		0.00%	0.00%	0.00%	0.00%	0.00%
<b>Net % Amount of Primary Adjustments</b>		0.00%	0.00%	0.00%	0.00%	0.00%
<b>Primary Adjusted Value Per SF</b>		\$96.42	\$100.67	\$117.14	\$192.90	\$140.00
<b>Property Characteristic Adjustments</b>						
<b>Location:</b>		10.00%	10.00%	0.00%	-15.00%	-15.00%
<b>Building Size:</b>		0.00%	0.00%	0.00%	0.00%	0.00%
<b>Age/Condition:</b>		10.00%	10.00%	0.00%	0.00%	0.00%
<b>Quality:</b>		0.00%	0.00%	0.00%	0.00%	0.00%
<b>Parking/L-B Ratio:</b>		-5.00%	-10.00%	0.00%	-25.00%	0.00%
<b>Net % Amount of Property Adjustments</b>		15.00%	10.00%	5.00%	-40.00%	-15.00%
<b>Final Adjusted Price Per Square Foot</b>		<b>\$110.89</b>	<b>\$110.74</b>	<b>\$123.00</b>	<b>\$115.74</b>	<b>\$119.00</b>
<b>Mean Adjusted Price Per Square Foot</b>		<b>\$115.87</b>				
<b>Median Adjusted Price Per Square Foot</b>		<b>\$115.74</b>				



**IMPROVED COMPARABLE SALE #1**  
42 West Washington Street  
Chattahoochee, FL



**IMPROVED COMPARABLE SALE #2**  
3763 Florida – Georgia Highway (27)  
Havana, FL



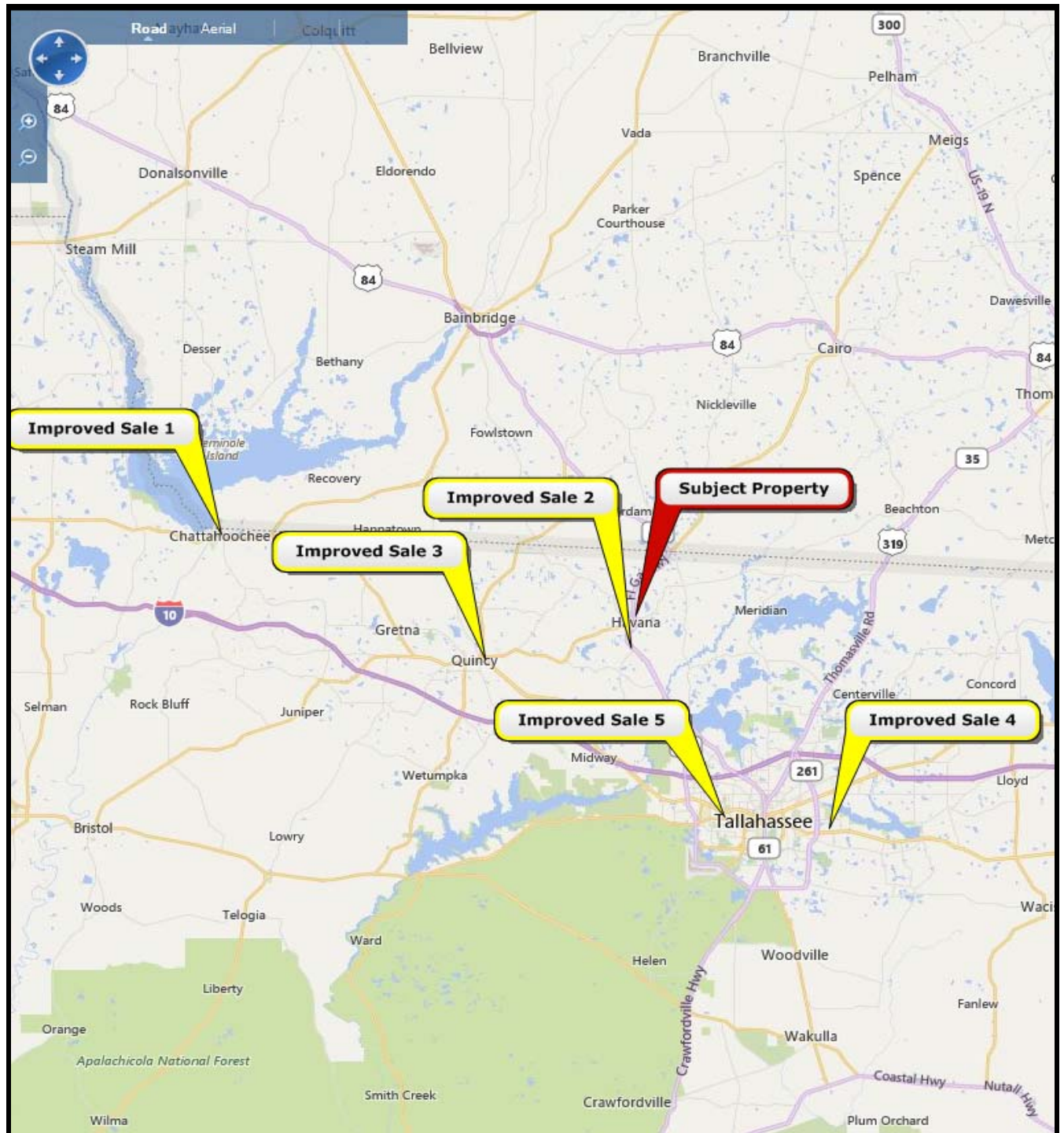
**IMPROVED COMPARABLE SALE #3**  
314 East Jefferson Street  
Quincy, FL



**IMPROVED COMPARABLE SALE #4**  
3618 Apalachee Parkway  
Tallahassee, FL



**IMPROVED COMPARABLE SALE #5**  
2256 West Pensacola Street  
Tallahassee, FL



Comparable Sales Location Map

**Explanation of Adjustments:** All of the comparables contained similar quality of construction and location with respect to the subject property. The following is a brief explanation of the adjustments made to the comparables for the pertinent elements of comparison.

### **Primary/Transaction Adjustments**

**FF&E/License:** Since Sale 2 sold with approximately \$50,000 attributed to a liquor license and existing inventory, this figure was deducted from the overall sales price to arrive at a price paid for the real estate only.

**Market Conditions:** This adjustment is based on differences in market conditions from the time of sale up to the date of value. The percentage adjustment is based on annual appreciation or depreciation found as extracted from the market. Based on recent sales and a leveling off of prices, no adjustment could be extracted or applied to any of the sales.

### **Property Characteristic Adjustments**

**Location:** Since Sales 1 & 2 were located in inferior areas to the subject (inferior surrounding land values and inferior demographics), these sales were given an upward adjustment for location. Since Sales 4 & 5 are both located in Tallahassee (superior demographics and surrounding land values), these sales required downward adjustments.

**Age/Condition:** Since Sales 1 & 2 were in inferior condition relative to the subject (relative to age and/or year built), these sales required an upward age/condition adjustment.

**Parking:** This adjustment is based on the overall land-to-building (L/B) ratio for the subject, relative to the comparables. The subject's lower than typical L/B ratio is offset by its offsite parking status. However, since Sales 1, 2 & 4 had much higher L/B ratio's than the subject, these sales required downward adjustments. Sale 4 adjustment was more pronounced since this property had superior location and visibility to the subject, especially given this sales' surplus highway-oriented land premium.

No other adjustments were considered necessary (no other differences warranted adjusting for).

**Sale Price Per Square Foot Conclusion:** After market and physical characteristic adjustments, the range of gross adjustments varied from 5.00% to 50.00%. The range of adjusted sale prices varied from \$110.74/SF to \$123.00/SF.

Since adjustments for the comparables were deemed by the appraiser to be reasonable, all five sales were given relatively equal consideration in the final value estimate. In addition, two measures of central tendency were also utilized in this valuation, the mean and median. The following are the figures yielded for each measure, followed by the range of sales:

<b>PRICE PER SQUARE FOOT</b>	
<i>Mean of Sales:</i>	<i>\$115.87</i>
<i>Median of Sales:</i>	<i>\$115.74</i>
<i>Range of Sales:</i>	<i>\$110.74-\$123.00</i>
<b><i>Reconciled Value:</i></b>	<b><i>\$116.00</i></b>

In light of the aforementioned criteria, we have estimated that the final value of the subject property, subject to the limiting conditions found in this report, as of the stated valuation date is:

**CONCLUSION OF VALUE - SALES COMPARISON APPROACH**

<b>Estimated Value Per Unit</b>	<b>Unit Size</b>	<b>Value</b>	<b>Value (Rounded)</b>
\$116.00/SF X	2,589± SF =	\$300,324	<b>\$300,000</b>

VALUE USING SALES COMPARISON APPROACH (ROUNDED) ..... **\$300,000**

### INCOME CAPITALIZATION APPROACH (Fee Simple Estate)

**Introduction:** When property is typically purchased for its income-producing capabilities, The Income Capitalization Approach becomes a basic tool for the valuation of such real estate. It is based on the principle of anticipation, which states that the value of a property is defined in terms of future benefits accruing to ownership. These future benefits are described in terms of monetary value, or annual net income. This approach to value, essentially converts these benefits into an indication of current market value.

We interviewed owners of income-producing properties, property managers and real estate professionals. We have determined that the subject property would typically be purchased for its income-producing potential. Therefore, the Income Capitalization Approach is applicable in this present case.

To determine the value using this approach, it was necessary to first determine the potential gross income capabilities of the subject property. By locating comparable office properties to the subject that are currently leased and by interviewing parties affiliated with those properties, we were able to determine the potential gross income of the subject. Additionally, it was necessary to determine the approximate percentage of vacancy and credit loss per these interviews. With vacancy and credit loss deducted from potential gross income, effective gross income is determined.

To form the net operating income of the subject property it is necessary to deduct operating expenses from effective gross income. These expenses consist of: real estate taxes, management fees (when applicable), general maintenance, building insurance and miscellaneous expense. General maintenance is considered in this report instead of replacement reserves, since income-producing property owners typically do not account for these expenses until the property needs repair or replacements.

Once Net Operating Income has been achieved, the final step in this approach is to convert the net operating income of the subject property to value. This is done by determining a relationship, in the current comparable market, between value and income. This relationship is expressed in terms of a capitalization rate. By locating recent comparable sales of income-producing properties and observing their sales price in relation to net operating income, we can reconcile various comparable properties to establish a capitalization rate based on the current market. The determination of the capitalization rate is very important in determining value. This method, however, is less reliable if audited financial statements are not available for the appraiser to use in properly analyzing the sale. This approach is termed the direct-capitalization approach.

We begin the justification of the Income Capitalization Approach by determining the estimated gross monthly rent of the subject property. This is accomplished by exploring the comparable rental market. The following pages present a map and a brief summary of the comparable rentals used in this report.

**Existing Subject Lease(s):** The subject is currently 100% vacant and has no leased areas. Therefore, the market will solely be used in estimating the market rent of the subject property. Thus, no leased-fee estate is analyzed and only the fee simple interest is applicable.

**Comparable Rent Analysis:** The foregoing rate comparables are a representative sample of competitive rental properties found in the subject market area (Gadsden County, FL). The following presents a brief description of the comparable rentals used in this report.

Comp. #	Address	Leasable Area	Condition	Terms	Lease Rate
1	Dollar General 11137 FL GA Highway Havana, FL	7,500± SF	New	15 Years	\$11.37/SF (Triple Net)
2	Family Dollar 104 East 1 <sup>st</sup> Avenue Havana, FL	8,622± SF	Average	5 Years	\$5.00/SF (Single Net of Taxes Only)
3	Pizza Hut 710 U.S. Highway 27 Havana, FL	1,200± SF	Good	7 Years	\$11.00/SF (Double Net) \$1.50/SF CAM
4	For Lease 710 U.S. Highway 27 Havana, FL	1,200± SF	New	For Lease	\$9.00/SF (Double Net) \$1.50/SF CAM
5	U.S. Postal Service 9080 SR 12 Havana, FL	8,255± SF	Good	2 Years	\$12.22/SF (Gross)
6	213 NW 1 <sup>st</sup> Street Havana, FL	2,175± SF	Average	1 Year	\$6.62/SF (Gross)
7	McLendon Center 8 Adams Street Quincy, FL	2,434± SF 3 Bays	Average	Month-to-Month	\$4.93/SF (Gross Terms) Average of 3 Tenants \$3.97/SF to \$7.54/SF-Range
8	Full Time Fitness 7 Jefferson Street West Quincy, FL	2,076± SF	Average	Month-to-Month	\$3.72/SF (Gross Terms) No Escalations
9	House of Music 20 S. Monroe Street Quincy, FL	3,000± SF	Average	4 Years	\$11.00/SF (Full Service)
10	Jefferson Pointe Complex-FSU EHS 385-C E. Jefferson Street Quincy, FL	4,269± SF	Average	1 Years	\$9.75/SF (Gross Terms) \$12.75/SF (FS Adjusted)
11	Shaw Building 1209 W. Crawford Street Quincy, FL	1,739± SF	Average	1 Year	\$3.79/SF (Triple Net)
12	Family Dollar Shopping Center 1105-1125 W. Jefferson Street Quincy, FL	6,000± SF	Average	3 Years	\$8.00/SF (Modified Gross)
13	Dollar Tree - Freestanding 1520 W. Jefferson Street Quincy, FL	10,302± SF	New	10 Years	\$10.00/SF (Triple Net) Fixed Rent for Lease Term

The above rate rental comparables represent comparable retail and commercial leases, all located either on well-traveled roadways or in areas with similar demographics to the subject.

The unadjusted per square foot rates for the leases (average rates) in our study ranged from \$3.72/SF to \$11.37/SF, with CAM typically ranging from \$0.50 to \$3.00/SF. Typical (predominant) lease rates within this study are \$8.00 to \$11.00/SF. Whether the lease is gross or triple net (or net of some additional expense) is typically relative to the level of buildout and/or whether the tenant is a credit-rated tenant. Thus, most local tenants with minimal or modest buildout are negotiated on gross-lease terms.

The lease rates are generally relative to the following criteria: location, visibility, condition/quality of space, parking and lease terms. In addition, the lease rate is also relative to the degree of CAM charged as well.

The lower end of the range is occupied by older or inferior space, located in less desirable areas (and less traffic exposure). The upper end is occupied by high quality/good condition space, located in the areas with superior demographics. Smaller spaces typically yield higher (per SF) rates as well.

Overall, we feel that the subject is best represented towards the upper-middle range given its location (high traffic/visibility), but slightly higher effective age, average quality construction and demographics.

In light of the aforementioned circumstances, we have concluded that the market rental (lease) rate for the subject space is best represented at a rate of **\$11.00/SF, Gross Terms**.

SUBJECT MARKET RATE & TERMS
<b>\$11.00 PER SQUARE FOOT (ROUNDED)</b> <b>(LANDLORD PAYS: TAXES, INSURANCE, STRUCTURAL MAINTENANCE)</b> <b>(TENANT PAYS: MINOR MAINTENANCE AND UTILITIES)</b>

**Potential Gross Income (PGI) Estimate:** Since the market rental rate has been established for the subject, the estimate for potential gross income can be calculated as follows:

MARKET RATE	LEASABLE AREA	POTENTIAL GROSS INCOME
\$11.00	2,589 SF	\$28,479

**Market Vacancy Levels:** Based on our analysis and research of the current retail/commercial market in the subject market area, we have determined that typical vacancy rates in the subject market area range from 2% to 15%. Given the subject's location and condition, but smaller than typical sized space and the fact that current vacancy rates for commercial property in the immediate subject area generally ranges from 3-10%, we feel that the subject is well justified middle portion of the range at **7% annually**.

**Operating Expenses:** The market operating expenses and reserves reflect typical figures that the subject property should experience if the property were available on the open market for rent under competent management. The figures used in the operating income statement are estimated utilizing information from our appraisal files and conversations with various property managers of similar properties.



**Net Operating Income Statement:** The following table shows the net operating statement for the subject property.

**PROJECTED OPERATING INCOME STATEMENT  
709 N. MAIN STREET - TALLAHASSEE, FL**

<b>Potential Gross Income (\$11.00/SF x 2,589 SF)</b>	\$28,479
Less Vacancy and Collection Loss @ 7.0%	(\$1,994)
<b>Equals Effective Gross Income</b>	<b>\$26,485</b>
<b>Operating Expenses</b>	
Taxes (@\$0.47/SF of GBA)	(\$1,205)
Property Insurance (@ \$0.40/SF of GBA)	(\$1,036)
Management @ 5.0% of EGI	(\$1,324)
Maintenance/Repairs (Structural @ \$0.30/SF of GBA)	(\$777)
Utilities (Tenant Pays)	-0-
Legal, Audit, Miscellaneous	(\$500)
Replacement Reserves (@ \$0.15/SF Of GBA)	(\$388)
<b>Total Operating Expenses:</b>	<b>15.25% of EGI (\$4,038)</b>
<b>NET OPERATING INCOME:</b>	<b>\$22,447</b>

**Direct Capitalization:** Several capitalization techniques are available in the appraisal of real estate. Direct capitalization is a method used in the income capitalization approach to convert a single year's income estimate into a value indication. This conversion is accomplished in one step, either by dividing the income estimate by an appropriate income rate or by multiplying it by an appropriate income factor. Direct capitalization is simple and easily explained, making it a widely utilized method in the market.

The most appropriate method of capitalization is through comparable sales. It is important for the appraiser to consider whether the comparable's net income estimate is based on income before or after an allowance for reserves for replacement. Other methods of forming a credible capitalization rate include financially abstracted methods such as: the Band of Investment method and the Debt Coverage Ratio (Mortgage Underwriters) method. For the purpose of this valuation, the market oriented method and the Band of Investment methods will be utilized.

Direct Capitalization converts a single year's income into a value estimate. To derive an overall Rate (Ro) from sales, the net operating income (NOI) is divided by the sales price.

$$\frac{\text{NOI}}{\text{Price}} = \text{Ro}$$

Next, the subject's NOI is divided by the overall rate selected to give a value indication. In selecting a capitalization rate, it is important to consider the quality and quantity of the income stream. The appraiser must also exercise professional judgement in the selection process. The sales were considered reasonably comparable to the subject and exhibited similar income characteristics.

**Market Extracted Rates:** This method essentially analyzes the relationship between the sales NOI at the time of sale and the sale price. The following table summarizes the market-extracted capitalization rates. Please note, due to the lack of recent comparable retail sales in the immediate subject market area, we chose to utilize sales from throughout north Florida as well.

The following table contains a summary of the overall rates yielded by retail properties:

Retail Capitalization Comparables - Florida					
Capitalization Rate Comparables					
Property Name	City/State	Sale Date	Sale Price	NOI	Cap Rate
Sale #1 - Verizon Wireless	Tallahassee, FL	10/2015	\$ 1,425,000	\$ 96,188	6.75%
Sale #2- Kerry Forest Center	Tallahassee, FL	04/2016	\$ 950,000	\$ 79,325	8.35%
Sale #3 - Rack Room/West Marine	Tallahassee, FL	07/2014	\$ 3,550,000	\$ 272,064	7.66%
Sale #4 - Kaufmann Tire	Tallahassee, FL	05/2017	\$ 2,831,000	\$ 188,262	6.65%
Sale #5 - Walmart Center	Tallahassee, FL	05/2013	\$ 1,200,000	\$ 102,120	8.51%
Sale #6 - Bradfordville Center	Tallahassee, FL	10/2015	\$ 2,000,000	\$ 185,000	9.25%
Sale #7 - Dollar General	Tallahassee, FL	02/2014	\$ 1,591,700	\$ 99,481	6.25%
Sale #8 - Mattress Firm	Tallahassee, FL	01/2017	\$ 2,225,000	\$ 139,953	6.29%
Sale #9 - Verizon	Palm Bay, FL	06/2015	\$ 1,860,000	\$ 124,022	6.65%
Sale #10 - Oxford Commons	Tallahassee, FL	12/2017	\$ 3,845,000	\$ 251,135	6.53%
Sale #11 - O'Reilly's Auto Parts	Tallahassee, FL	03/2017	\$ 2,026,000	\$ 118,521	5.85%
Sale #12 - Verizon	Orange Park, FL	03/2015	\$ 1,576,800	\$ 118,260	7.50%
Sale #13 - Dunkin Donuts/At&T	Panama City, FL	01/2015	\$ 1,299,000	\$ 88,300	6.80%
Sale #14 - Mattress Firm	Ft. Walton Beach, FL	11/2013	\$ 3,900,000	\$ 300,300	7.70%
Sale #15-Dollar General	Crawfordville, FL	07/2013	\$ 1,375,000	\$ 112,675	8.19%
Sale #16-Dairy Queen	Tallahassee, FL	02/2017	\$ 1,825,000	\$ 113,150	6.20%
				<b>Average</b>	<b>7.20%</b>

**Reconciliation of Rate:** The sales used display a rate range of between 5.85% and 9.25%, with a mean of 7.20% and a median of 7.25%. It should be noted that these sales represent sales of a mix of retail oriented properties at stabilized occupancy. The low end of the range is occupied by low-risk (credit/municipal-tenant) properties in locations with strong demographics, with long remaining lease terms. Conversely, the upper represents sales in riskier locations (inferior demographics), with short-term leases in place and typically minimal or no credit tenancy.

In this case, the subject has average location, has good traffic exposure and is ground floor space. While the subject does not have a premier anchor tenant, it would typically be leased to a local tenant and the demographics of Havana are inferior to most comparables used in the above table.

Based on the foregoing factors as well as the subject's location, size, age/condition, length of lease terms and quality of tenants, it would be perceived to yield a higher level risk. Thus, a capitalization rate of **8.50%** is well justified.

**Cost of Capital Derived Rates/Band of Investment Method:** The remaining component of the band of investment technique is the equity dividend rate or the cash on cash return for a particular property. Equity dividend rates typically range from 8.00% to 12.00% for facilities such as the subject. We believe a 10.00% equity dividend rate is adequate for the subject, given current financial scenarios and current economic conditions. Utilizing estimated loan terms of 5.00%, 20 year amortization and 75% loan-to-value, we have constructed the following band of investment calculations:

<b>Band of Investment Method</b>			
<b>Criteria:</b>			
<i>Loan to Value Ratio:</i>			75%
<i>Interest Rate on Loan:</i>			5.00%
<i>Amortization on Loan:</i>			20 Years
<i>Mortgage Loan Constant:</i>			7.919%
<i>Equity Ratio:</i>			25%
<i>Equity Dividend Rate:</i>			10.00%
<b>Weighted Average of Mortgage/Equity Requirements</b>			
Mortgage Component	75.00%	X	7.92%
Equity Component	25.00%	X	10.00%
<b>Financially Abstracted Capitalization Rate</b>			<b>8.44%</b>

**Debt Coverage Ratio Method:** When there is lack of recent comparable sales of currently leased properties, the financially abstracted capitalization rate provides a reliable source of value conversion. This method is primarily influenced by current market financing rates and terms. The financially abstracted rate is derived from the following formula:

$$\begin{aligned}
 & \text{Appropriate } R_o = \\
 & \text{DCR (Debt Coverage Ratio) X LTVR (Loan to Value Ratio) X MLC (Mortgage Loan Constant)} \\
 & 1.25 \qquad \qquad \qquad \text{X} \qquad 75\% \qquad \text{X} \qquad 0.07919 \qquad = \qquad 7.42\%
 \end{aligned}$$

**Reconciliation of Capitalization Rate:** The following are the rates calculated by the methods for estimating the capitalization rate.

CAPITALIZATION RATE METHOD	RATE YIELDED
Comparable Sales (Market)	8.50%
Band of Investment (Financial)	8.44%
DCR Method (Financial)	7.42%

All three methods are valid forms of estimating a capitalization rate. The market approach is market driven and is most supportive since the purpose of this report is to estimate market value. The Band of Investment is particularly useful since it represents the most recent data (as of date of survey) and is most representative of current market rates, as is the DCR Method. In light of the foregoing, most weight has been given to the market approach with the other approaches used for supportive purposes. Thus, a reasonable overall capitalization rate is determined to be **8.50% (Rounded)**.

Conclusion - Income Capitalization Approach - (Direct Capitalization):

INCOME ÷ RATE	EQUALS VALUE
------------------	--------------

Value Using Income Approach	
\$22,447	=
0.0850	\$264,082
Rounded	\$260,000

VALUE USING INCOME CAPITALIZATION APPROACH ®:..... \$260,000

### FINAL VALUE RECONCILIATION

**Reconciliation of Value:** In this last phase of the appraisal process, the appraiser considers the appropriateness of each value approach to the subject, the quality of available data and the amount of judgmental adjustments required to reach each estimate. Following this review, the appraiser settles on an estimate of value. In the process of reconciliation, each of the indicated values must be weighed in light of its dependability as a reflection of the probable actions of users and investors in the market. The final estimate of value may coincide with one of the indicated values from the approaches or it may reflect a weighting of the relative merits of each approach and a final estimate at some adjusted amount. There may be situations where the property has unique or unusual features that require a reconciliation of differing indicated values into one estimate of value. The reconciliation procedure brings together the facts and fits them into a cause-and-effect relationship, which culminates in a final estimate of defined value. The following is the value conclusion using each approach.

FINAL VALUATION INDICATORS	TOTAL	PER SF
<b>COST APPROACH TO VALUE</b> Replacement Cost Less Depreciation (Plus Land Value)	\$330,000	\$127.46
<b>MARKET APPROACH TO VALUE</b> Sales Comparison Approach	\$300,000	\$115.87
<b>INCOME APPROACH TO VALUE</b> Direct Capitalization Approach Yield Capitalization Approach	\$260,000 N/A	\$100.42 N/A
<b>FINAL VALUE OF SUBJECT PROPERTY</b> Fee Simple Estate	<b>\$300,000</b>	<b>\$115.87</b>

As noted previously, the **Cost Approach** is most applicable when land value is well justified and when the property has minimal or no depreciation. In this case, the subject has substantial physical depreciation. In addition, some functional obsolescence most probably exists with the property, given that depreciated cost and value are not typically congruent in rural-oriented commercial markets. Since no functional obsolescence is accounted for, this obsolescence is justified in the value reconciliation process. For this reason, this approach was given weight, but not to the extent of the Sales Comparison Approach.

The **Direct Sales Comparison Approach** is considered to be a very reliable indication of market value when recent comparable sales are available. In this case, we were able to locate many comparable sales of retail/commercial buildings, with the most similar properties being used in this valuation. All of the comparable sales used represent properties with similar locational and building characteristics to the subject buildings. As a result of the strength and abundance of market data for this approach, the value indication derived by the Sales Comparison Approach is considered to be the most relevant in the final valuation of the subject (especially since most small commercial properties in this market are purchased by owner-occupants).

The **Income-Capitalization Approach** was utilized in this valuation since we were able to find an abundance of retail/commercial lease comparables. In addition, we were also able to obtain vacancy and expense data for such properties and were also able to formulate a credible, market-extracted capitalization rate. Given these circumstances, this approach is also given consideration. However, since most commercial properties are owner-occupied in this market, this approach is given subordinate consideration to the Sales Comparison Approach.

By placing primary consideration on the Sales Comparison Approach and secondary consideration on the other two approaches to value, we have determined the market value of the subject property, subject to the assumptions and limiting conditions set forth in this report and of the stated valuation date, is: **\$300,000 (rounded)**.

## APPENDIX

## **RESUME OF APPRAISER**

## **QUALIFICATIONS OF W.R. "CHIP" JOHNSON, MAI**

### **EXPERIENCE:**

- October 1993 - April 1994: Associate Appraiser with Shadden & Associates, Inc., Tallahassee, FL  
(Vaden Shadden, Jr., MAI)
- April 1994 - August 2002: Associate Appraiser with Cureton and Associates, Inc., Tallahassee, FL  
(Paul T. Cureton)
- August 2002- Present: Cureton - Johnson & Associates, Inc. Tallahassee, FL

### **EDUCATION:**

Associates of Arts Degree, Manatee Community College, Bradenton, FL, 1990.

Bachelor of Science Degree-Business/Real Estate, Minor-Economics, Florida State University,  
Tallahassee, FL, December 1992.

### **PROFESSIONAL EDUCATION:**

Successful completion of:

#### **General Continuing Education:**

Uniform Standards of Professional Appraisal Practice - July 1994, (Lee & Grant - Tallahassee)

Appraising 1-4 Family Residential Properties - July 1994, (Lee and Grant - Tallahassee)  
From the Appraiser to the Underwriter - July 1994, (Lee and Grant - Tallahassee)

USPAP/LAW Update - May 1996 [REES] (Steve Williamson), Tallahassee, FL.  
Appraisal Methods and Applications - May 1996 [REES] (Steve Williamson), Tallahassee, FL.

USPAP/LAW Update - March 2000 [REES] (Steve Williamson), Tallahassee, FL.

USPAP/LAW Update - November 2002 [NW FL Chapter of the Appraisal Institute] (Steve Griffith, MAI), Tallahassee, FL

Feasibility, Market Value, Investment Timing - October 2004: Option Value [Appraisal Institute], Chicago, IL

Analyzing Operating Expenses - October 2004; [Appraisal Institute], Chicago, IL

Eminent Domain and Condemnation - October 2004; [Appraisal Institute], Chicago, IL

National USPAP Update and Florida Laws & Regulation - October 2004; [McKissock Schools], Online Education.

Small Hotel/Motel Valuation, November 2004; [Appraisal Institute], Chicago, IL



**(Johnson Page 2) - Continued**

Appraising Blueprints & Specifications, November 2006; [Appraisal Institute], Chicago, IL

Appraisal of Nursing Facilities, November 2006; [Appraisal Institute], Chicago, IL

Using Your HP 12C Financial Calculator, November 2006; [Appraisal Institute], Chicago

National USPAP Update and Florida Laws & Regulation - October 2006; [Appraisal Institute]; Tallahassee, FL.

USPAP 7-Hour National Update Course - August 2012; McKissock Education

Florida Appraisal Laws & Regulations - August 2012; McKissock Education

USPAP 7-Hour National Update Course - October 2014; McKissock Education

**Certification Preparatory Courses:**

Florida State Certification for General Appraiser Status - Exam Preparatory Course - October 1998 (Steve Williamson)

**Appraisal Institute Courses:**

Course 410: Standards of Professional Appraisal Practice- Part A, February 2000, Atlanta, GA.

Course 420: Standards of Professional Appraisal Practice - Part B, December 2000, Chicago (On-line).

Course 510: Advanced Income Capitalization, July 2001, Tallahassee (Challenge)

Course 520: Highest and Best Use Analysis, October 2000, Tampa, FL.

Course 530: Advanced Sales Comparison and Cost Approaches, May 2000, Tampa, FL.

Course 540: Report Writing and Valuation Analysis, July 2000, Tampa, FL.

Course 550: Advances Applications, April 2001, Tampa/Tallahassee, FL.

Comprehensive Appraisal Workshop (Ted Whitmer, MAI), July 2001, Tampa, FL.

General Demonstration Report Workshop (Rick Borges, MAI), April 2003, Atlanta, GA.

Florida Law Update and National USPAP (Don Emerson), August 2006, Tallahassee, FL

Appraisal of Nursing Facilities, October 2006, Chicago, IL

Using Your HP12C Financial Calculator, November 2006, Chicago, IL

Appraising From Blueprints and Specifications, November 2006, Chicago, IL

Supervisor Trainee Roles and Rules, September 2008, Tallahassee, FL

**(Johnson Page 3) - Continued**

Florida Law Update - September 2008, Tallahassee, FL

USPAP: Hypothetical Conditions and Extraordinary Assumptions, September 2008, FL

National USPAP Update - September 2008, Tallahassee, FL

Introduction to GIS Applications for Real Estate Appraisal, October 2008, Chicago, IL

Business Practices and Ethics, October 2008, Tampa, FL

Residential Design & Functional Utility, October 2008, Tampa, FL

Small Hotel/Motel Valuation - October 2009, Chicago, IL

National USPAP Update - October 2009, Chicago, IL

Condominiums, Co-ops, and PUD's - October 2009, Chicago, IL

Online Analyzing Distressed Real Estate - October 2010, Chicago, IL

Online Business Practices and Ethics - April 2011, Chicago, IL

15 Hour National USPAP Equivalent Course - April 2011, Chicago, IL

Feasibility, Market Value & Investment Timing: Option Value - August 2012, Chicago, IL

Analyzing Operating Expenses - October 2012, Chicago, IL

FHA and The Appraisal Process - October 2012, Chicago, IL

Real Estate Finance Statistics & Valuation Modeling - October 2013, Chicago, IL

Analyzing Operating Expenses - October 2014, Chicago, IL

FHA and The Appraisal Process - November 2014, Chicago, IL

Using Your HP12C Financial Calculator - November 2014, Chicago, IL

Florida Appraisal Laws and Regulations - November 2014, Online

National USPAP Update - October 2014, Online

Appraisal of Self-Storage Facilities - October 2016, Appraisal Institute Online

National USPAP Update - October 2016, McKissock Online

Florida Appraisal Laws & Regulations - October 2016, McKissock Online

Appraisal of Convenience Stores - October 2017, Appraisal Institute

National USPAP Update - October 2017, Appraisal Institute

**(Johnson Page 4) - Continued**

**Primary Course Work:**

FLORIDA STATE UNIVERSITY (1992) - Department of Real Estate

REE 3043 Real Estate Principles  
REE 4204 Real Estate Finance  
REE 4103 Real Estate Appraisal  
REE 4143 Real Estate Market Analysis  
REE 4313 Real Estate Feasibility Analysis  
REE 4433 Legal Environment of Real Estate

**PRACTICAL EXPERIENCE:**

Appraisal experience in the following types of residential property:

Single-Family Residential	Condominium
2-4 Family Dwellings	Eminent Domain
Vacant Land	Subdivision Analysis
Relocation Appraisals	Partial Interest Valuations
Construction Litigation Support	Condo/Townhouse Project Analysis
Temporary Construction Easements	Permanent Drainage Easements

Appraisal experience in the following types of other property:

Vacant Land (Various)	Daycare Facilities
Office	Motel/Hotel
Retail	Restaurant
Warehouse	Industrial
Mini-Storage Warehouse	Ground-Rent Analysis
Retail/Office	Seafood Processing Facilities
Carwash Facilities	Church
Partial Interest Valuations	Leased-Fee/Leasehold Interest Valuations
Full-Service Marina Facilities	Grocery Store Facilities
Special-Purpose Properties	Automotive Sales/Service
Temporary Construction Easements	Permanent Drainage Easements
Submerged Land Leases	Submerged Dredging Easements
Gas-Line Easement	Schools (Vocational & Charter)
Borrow Pits	Recreational/Shooting Plantations
Various Agricultural Property Types	Various Mineral/Water Rights Valuations
Hydroponic Farms	Blueberry & Chestnut Orchard Farms
Nursery Operations & Facilities	Airport Facilities (Market Value & Ground Rent)
Conservation Easements	Assisted Living & Memory Care Facilities
Hospital/Healthcare Uses	RV Parks
Parking Garage Facilities	Cemetery Facilities
Nightclub Facilities	Automobile Dealerships (Local & Regional)
Poultry Farms (Breeder/Broiler)	Utility Companies/Utility System Uses
Asphalt/Concrete Plants	

**CIVIC AFFILIATIONS:**

**Member of:**

The Appraisal Institute (Member)  
Northwest Florida Chapter of The Appraisal Institute (Board of Directors, 2002-2008)  
Coastal Conservation Association (Board of Directors/Big Bend Chapter, 1998-2007)  
Florida State University/ Real Estate Networking Association  
Tallahassee Coalition for Positive Growth Management (2000-2010)  
Florida State University - Varsity Club  
Holy Cross Anglican Church (Vestry Member, Senior Warden & Capital Campaign, 2007-2012)

**(Johnson Page 5) - Continued**

**PROFESSIONAL LICENSES:**

Florida State Certified General Real Estate Appraiser #2407

Georgia State Certified General Real Estate Appraiser #297403

**PROFESSIONAL AFFILIATIONS:**

Member of the Appraisal Institute, Designated Member #406283

Approved Appraiser - City of Tallahassee/Real Estate Division

Approved Appraiser- Federal Housing Administration/U.S. Department of Housing and Urban Development

**EXPERT WITNESS:**

Qualified as an Expert Witness (for eminent domain, divorce and/or construction litigation proceedings) in the following Circuit Courts:

- Leon County, FL (Judges: Dekker, Clark, Smith, Gary, Sjostrom, Shelfer, Lewis)
- Wakulla County, FL (Judges: Sauls & Dodson)
- Gadsden County, FL (Judges: Reynolds, Shelfer)
- Franklin County, FL (Judge Hankinson)
- Jefferson County, FL (Judge Geivers)
- Bay County, FL
- Gulf County, FL
- Madison County, FL (Judge Dekker)
- Washington County, FL
- Walton County, FL
- Santa Rosa County, FL
- Tift County, GA

Qualified as Expert Witness in Federal Bankruptcy Court (Judge Killian, retired and Judge Specie: Tallahassee, FL)

Qualified as Expert Witness in U.S. Federal District Court (Judge Smoak, Panama City, FL)



**STATE OF FLORIDA  
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION**

FLORIDA REAL ESTATE APPRAISAL BD  
2601 BLAIR STONE ROAD  
TALLAHASSEE FL 32399-0783

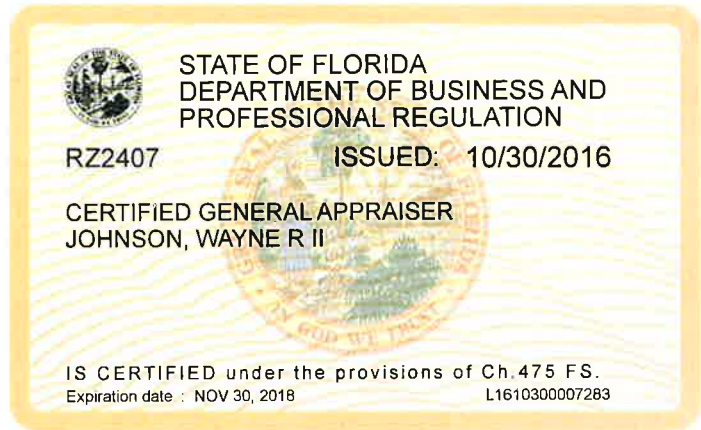
850-487-1395

JOHNSON, WAYNE R II  
2792 MILLSTONE PLANTATION ROAD  
TALLAHASSEE FL 32312

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DETACH HERE

RICK SCOTT, GOVERNOR

KEN LAWSON, SECRETARY

**STATE OF FLORIDA  
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION  
FLORIDA REAL ESTATE APPRAISAL BD**

LICENSE NUMBER
RZ2407

The CERTIFIED GENERAL APPRAISER  
Named below IS CERTIFIED  
Under the provisions of Chapter 475 FS.  
Expiration date: NOV 30, 2018



JOHNSON, WAYNE R II  
1358 THOMASWOOD DRIVE  
TALLAHASSEE FL 32308



**Report Description 709 Main Street North, Havana, FL 32333**

<b>ASSIGNMENT INFORMATION</b>	Client	Dean Chabaan		
	Lender			
	Appraiser	Wayne (Chip) R. Johnson, MAI		
	Supervisor			
	Order Date	3/26/2018	Due Date	
	Priority		Loan Amount	
	Job Type	Narrative	Sale Price	
	Property Type	Service Shop	Sale Date	
	Loan Type		Refinance	
	Form Type		Owner Est. Val.	
Property Rights Appraised <input type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Other (Describe) _____				

FILE NUMBERING	
Internal Order Number	180169
Lender Case Number	
Client File Number	
FHA / VA Case Number	
Main File Number on Form	180169
Other File Number on Form	

BILLING & DELIVERY SUMMARY	
Invoice Number	180169
Invoice Date	
Ordered By	
Bill To	Dean Chabaan
Preferred Payment Method	
Base Fee	\$ _____
Ship To	

<b>PROPERTY</b>	Property Address	709 N Main St		
	City	Havana	State	FL Zip Code 32333
	County	Gadsden	APN	2-27-3N-2W-0220-00003-0010
	Legal Description	Lengthy Metes & Bounds in S27 T3N R2W - 0.305 Acre		
	Map Ref.	45220	Tax Yr.	Taxes Special
	Year Blt.	Tot. Rms.	Tot. Bdms.	Tot. Baths. Sq. Ft.
	Neighborhood			

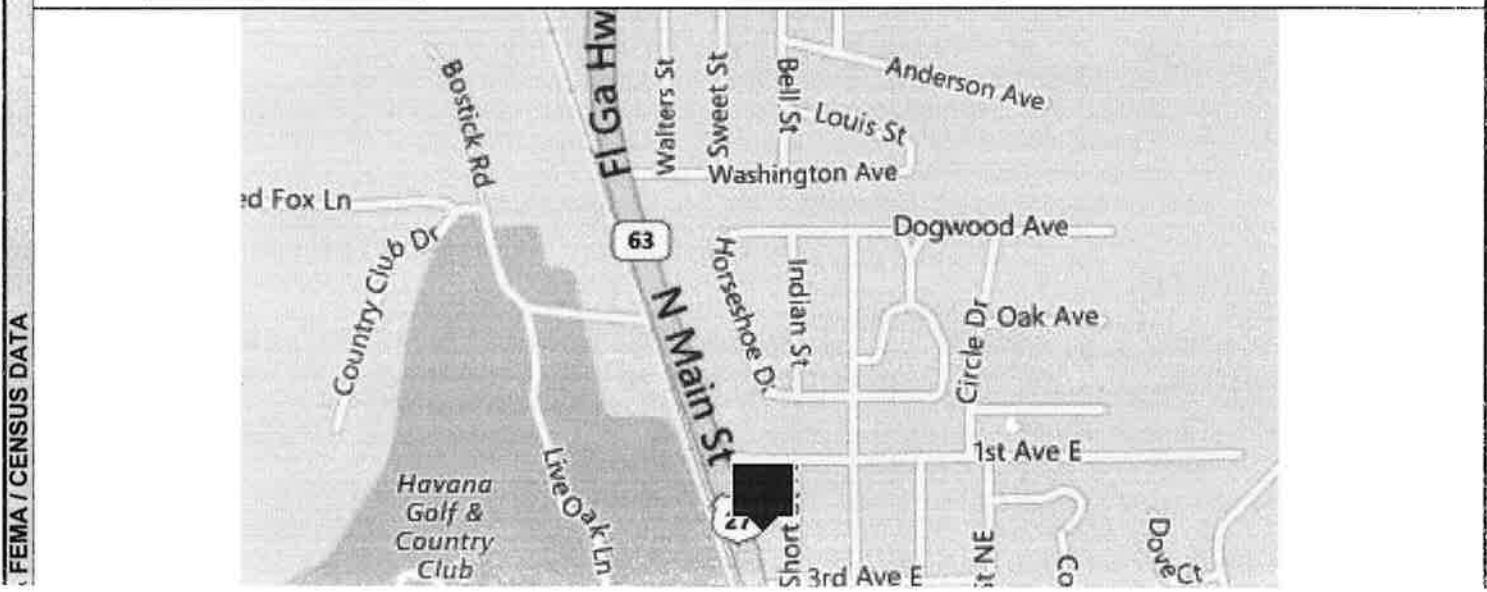
<b>Instructions from Client</b>	<b>Exceptions, Releases, Etc.</b>

Name	Work Phone	Home Phone	Mobile Phone
Borrower			
Co-Borrower			
Owner	Gold 4 Properties LLC		
Occupant			
Agent			

Appointment Date _____ Time _____	<input type="checkbox"/> Owner Occupied	<input type="checkbox"/> Pets on Property	<input type="checkbox"/> Call Occupant First
Duration _____ Appointment Notes _____	<input type="checkbox"/> Tenant Occupied	<input type="checkbox"/> Lock Box	<input type="checkbox"/> Hostile Occupant
	<input type="checkbox"/> Vacant	<input type="checkbox"/> Appointment Required	
	<input type="checkbox"/> New Construction	<input type="checkbox"/> Key with Agent	
Scheduled by _____ # of Attempts _____	<b>Access Notes</b>		
Appointment Contact <u>Dean Chabaan: 850-567-9191</u>			

<b>Directions to Property</b>			

FEMA Special Flood Hazard Area <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unk.	FEMA Zone <u>X</u>	FEMA Map # <u>12039C0118C</u>
Map Date <u>02/04/2009</u>	Census Tract <u>0201.02</u>	



# CURETON JOHNSON & ASSOCIATES, LLC

REAL ESTATE SERVICES

1358 Thomaswood Drive, Tallahassee, Florida 32308

Phone: 850-386-3720 Fax: 850-385-7626

PAUL T. CURETON, CREA  
STATE-CERTIFIED  
GENERAL APPRAISER  
LICENSE NO. RZ1827

WAYNE R. (CHIP) JOHNSON, MAI  
STATE-CERTIFIED  
GENERAL APPRAISER  
FL LICENSE NO. RZ2407  
GA LICENSE NO. GA297403

JASON HART  
STATE-CERTIFIED  
RESIDENTIAL APPRAISER  
LICENSE NO. RD7028

CHAD TAYLOR  
STATE-CERTIFIED  
RESIDENTIAL APPRAISER  
LICENSE NO. RD7284

March 26, 2018

Mr. Dean Chabaan  
4205 Camden Road  
Tallahassee, FL 32303  
Phone: 850.567.9191

← Gold 4 Properties LLC - (P)

Re: Engagement for an **Appraisal Report** of the improved commercial property located at 709 Main Street North in Havana, Gadsden County, Florida. The appraisal is to encompass the market value of the fee simple interest of said property.

Dear Mr. Chabaan:

This letter serves as a formal engagement for our firm to provide an appraisal of the property identified above. All applicable approaches to value will be employed.

The scope of the appraisal assignment will include the following:

1. An investigation of the subject neighborhood to determine trends, values, etc., which are pertinent to the valuation of the property.
2. A complete analysis of the subject in order to determine physical characteristics of the property with respect to value.
3. Complete analysis of zoning and legal aspects which affect the value and marketability of the property. Within this scope, a highest and best use of the property will be determined.
4. An analysis as to the market value of the property, based on all applicable approaches to value (i.e. Sales Comparison Approach, Cost Approach and Income Capitalization Approach) will be performed.
5. We will provide an electronic version and, if needed, two bound copies of the appraisal.

This assignment can be completed within 7-10 business days from the date of engagement. The fee for this appraisal will not exceed \$1,200, which is due upon completion of the appraisal assignment. *By signing this letter, you have formally engaged our firm to provide the above services.*

If we can be of service to you or if you have any questions or need further information, please do not hesitate to contact us.

Thank you for this opportunity to submit a proposal to you.



Wayne R. "Chip" Johnson, MAI  
State Certified General REA #2407



Mr. Dean Chabaan  
Date: 3/26/2018.

CJ:lah

*Dean Choban*

*-567-9191*

## Gadsden County Property Appraiser

# Reginald A. Cunningham

## County Appraiser

16 S. Calhoun St.  
Quincy, FL 32351  
PH: (850) 627-7168  
FAX: (850) 627-0396

<a href="#">Sales In Area</a>	<a href="#">Previous Parcel</a>	<a href="#">Next Parcel</a>	<a href="#">Field Definitions</a>	<a href="#">Return to Main Search</a>	<a href="#">Gadsden Home</a>
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Owner and Parcel Information			
Owner Name	GOLD 4 PROPERTIES LLC	Today's Date	March 26, 2018
Mailing Address	4205 CAMDEN RD	Parcel Number	2-27-3N-2W-0220-00003-0010
	TALLAHSSSEE, FL 32303	Tax District	HAVANA (District 4)
Location Address	709 MAIN ST N	2016 Millage Rates	17.5997
Property Usage	STORES, 1 (001100)	Acreage	0.305
Section Township Range	27-3N-2W	Homestead	N

[Show Parcel Maps](#) | [Generate Owner List By Radius](#)

Value Information			Legal Information
	2015 Certified Values	2016 Certified Values	
Building Value	\$15,183	\$15,066	OR 594 P 1704; OR 594 P 1700 OR 295 P 251 BEGIN AT NEC OF BLK 3, NORTHERN EXTENSION TOWN OF HAVANA, RUN N. 00 DEG /08 MIN 51 SEC EAST 300 FT NORTH 89 DEG 49 MIN 09 SEC WEST 225.72 FT, SOUTH 18 DEG 38 MIN 05 SEC EAST 31.69 FT N 89 DEG 49 MIN 09 SEC WEST 10.56 FT SOUTH 18 DEG 38 MIN 05 SEC EAST 47.44 FT, THENCE ALONG CURVE FOR AN ARC DIST OF 232.63 FT, CORD OF SAID ARC, BEING SOUTH 14 DEG 13 MIN 07 SEC EAST 232.4 FT SOUTH 89 DEG 49 MIN 09 SEC EAST 153.14 FT TO P.O.B. OR 356 P 88. LESS AND EXCEPT OR 621 P 1571; OR 620 P 1377; A PARCEL OF LAND LYING AND BEING IN THE NE QUARTER OF THE SEQUARTER OF SECT 27 3N 2W HAVANA GADSDEN COUNTY BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS; BEGIN MARKING THE SE CORNER OF FRACTIONAL BLK 3 OF THE NORTHERN EXTENSION OF THE ORIGINAL TOWN OF HAVANA, ALSO SAID POINT BEING OF INTERSECTION OF THE WESTERLY ROW BOUNDARY OF SHORT ST AND THE NORTHERLY ROW BOUNDARY OF 3RD AVE EAST AND RUN; THENCE N 00°08'51" EAST ALONG SAID WESTERLY ROW BOUNDARY A DISTANCE OF 300 FT MARKING THE SE CORNER OF A STRIP OF LAND DEEDED FROM S LANIER LAING AND WIFE TO THE TOWN OF HAVANA IN OR 180 PG 428; THENCE N 89°49'09" WEST ALONG THE SOUTHERLY BOUNDARY OF SAID LANDS A DISTANCE OF 93.85 FT; THENCE S12°51'14" EAST 110.33 FT; THENCE S 79°01'42" WEST 126.02 FT ON THE EASTERLY ROW BOUNDARY OF NORTH MAIN ST, SAID POINT ALSO LYING ON A CURVE CONCAVE TO THE SOUTHWEST; THENCE SOUTHERLY ALONG SAID EASTERLY ROW BOUNDARY AND SAID CURVE WITH RADIUS OF 1509.12 FT THROUGH A CENTRAL ANGLE OF 06°33'44" FOR AN ARC DISTANCE OF 172.84 FT ON SAID NORTHERLY ROW BOUNDARY THENCE LEAVING SAID EASTERLY ROW BOUNDARY AND RUN S 89°49'09" EAST ALONG SAID NORTHERLY ROW BOUNDARY A DISTANCE OF 153.14 FT TO POB, CONTAINING 0.94 ACRES MORE OR LESS.
Extra Feature Value	\$1,570	\$1,570	
Land Value	\$52,900	\$52,900	
Land Agricultural Value	\$0	\$0	
Agricultural (Market) Value	\$0	\$0	
Just (Market) Value*	\$69,653	\$69,536	
Assessed Value	\$69,653	\$69,536	
Exempt Value	\$0	\$0	
Taxable Value	\$69,653	\$69,536	
Maximum Save Our Homes Portability	\$0	\$0	
AGL Amount			
"Just (Market) Value" description - This is the value established by the Property Appraiser for ad valorem purposes. This value does not represent anticipated selling price.			
<a href="#">Tax Collector Information</a>			

Building Information						
Type	Total Area	Heated Area	Exterior Wall	Roof Cover	Interior Wall	Flooring
SERV SHOP	3,069	2,589	CONC BLOCK	BUILT-UP	MINIMUM	ASPH TILE
Heating Type	A/C Type	Baths	Bedrooms	Stories	Actual Year Built	Effective Year Built
AIR DUCTED	CENTRAL	0	0	1	1960	1960

[Show Building Sketch](#)

Extra Features Data				
Description	Number of Items	Unit Length x Width x Height	Units	Effective Year Built
BLACK TOP	1	0 x 0 x 0	1 UT	1988
DRV, CONCR. \$3 SF	1	0 x 0 x 0	1 UT	2008
CURBING	1	0 x 0 x 0	1 UT	2008
BLOCKS, PARKING	1	0 x 0 x 0	5 UT	2008

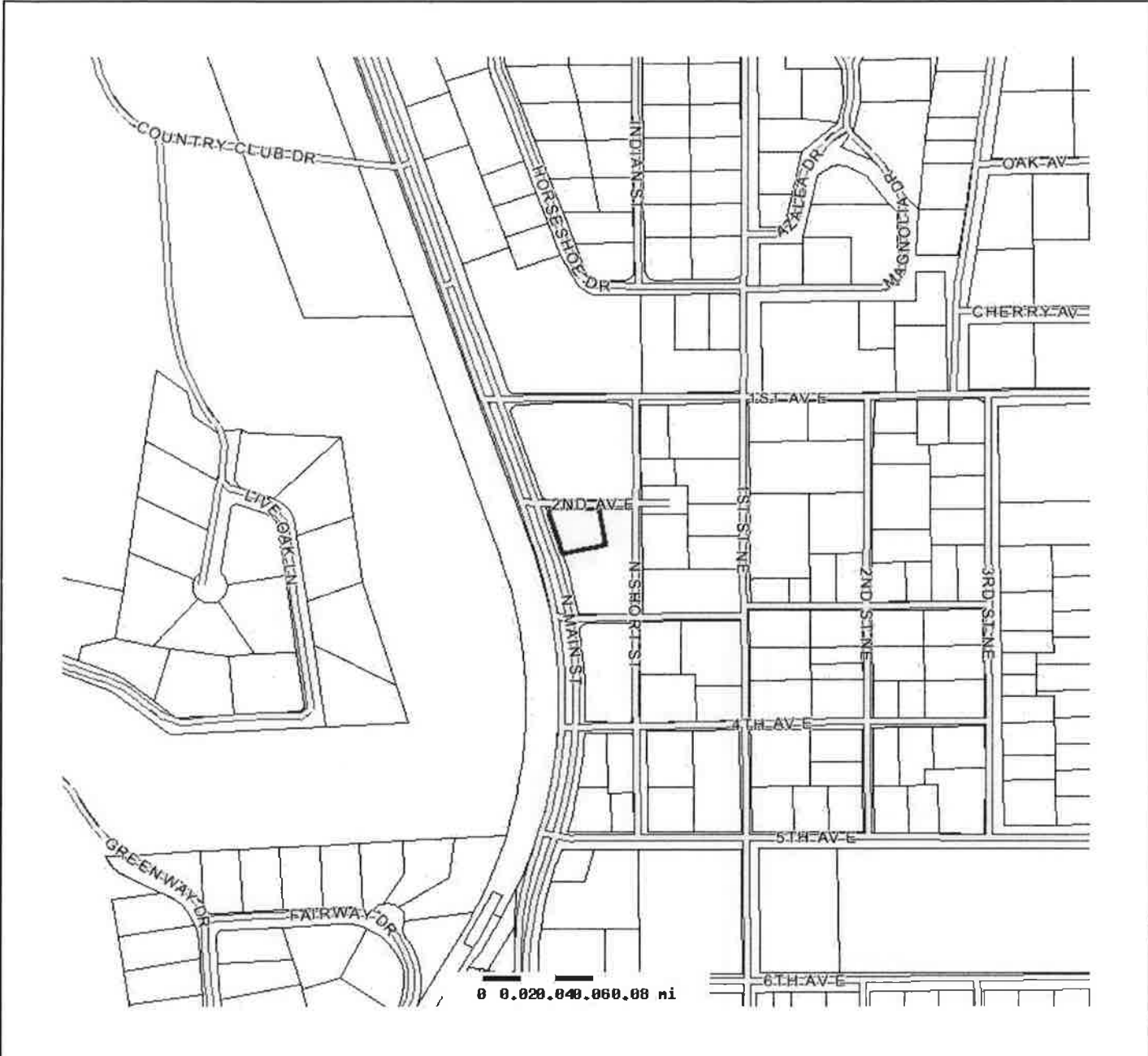
Land Information				
LAND USE	NUMBER OF UNITS	UNIT TYPE	Frontage	Depth
CONV STORE	13305	SF	78	0

Sale Information									
Multi-Parcel Sale	Sale Date	Sale Price	Instrument	Deed Book	Deed Page	Sale Qualification	Vacant or Improved	Grantor	Grantee
Yes	08-11-2004	\$ 300,000	Warranty Deed	594	1704	Unqualified	Improved	JAMES W WEAVER JR	GOLD 4 PROPERTIES LLC
Yes	08-11-2004	\$ 100	PERSONAL REP	594	1700	Unqualified	Improved	ESTATE OF JAMES W WEAVER SR	JAMES W WEAVER JR
No	03-06-1989	\$ 50,200	Warranty Deed	356	88	Unqualified	Improved	BRUCE SHELFER	WEAVER, JAMES W.
No	07-01-1982	\$ 100,000	Warranty Deed	295	251	Qualified	Improved		

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The Gadsden County Property Appraiser's Office makes every effort to produce the most accurate information possible. No warranties, expressed or implied, are provided for the data herein, its use or interpretation. The Senior Exemption Does Not Apply to All Taxing Authorities. Just (Market) Value is established by the Property Appraiser for ad valorem tax purposes. It does not represent anticipated selling price. Working values are subject to change. Website Updated: August 6, 2017





Gadsden County Property Appraiser			
Parcel: 2-27-3N-2W-0220-00003-0010 Acres: 0.305			
Name:	GOLD 4 PROPERTIES LLC	Land Value	52,900
Site:	709 MAIN ST N	Building Value	15,066
Sale:	100 on 08-2004 Reason=U Qual=N	Misc Value	1,570
Mail:	4205 CAMDEN RD TALLAHSSSEE, FL 32303	Just Value	69,536
		Assessed Value	69,536
		Exempt Value	0
		Taxable Value	69,536



The Gadsden County Property Appraiser's Office makes every effort to produce the most accurate information possible. No warranties, expressed or implied, are provided for the data herein, its use or interpretation. The assessment information is from the last certified taxroll. All data is subject to change before the next certified taxroll. PLEASE NOTE THAT THE PROPERTY APPRAISER MAPS ARE FOR ASSESSMENT PURPOSES ONLY NEITHER GADSDEN COUNTY NOR ITS EMPLOYEES ASSUME RESPONSIBILITY FOR ERRORS OR OMISSIONS —THIS IS NOT A SURVEY—  
Date printed: 03/26/18 : 12:58:48

# Gadsden County Property Appraisers Office

Parcel Number: 2-27-3N-2W-0220-00003-0010

Building Number: 1

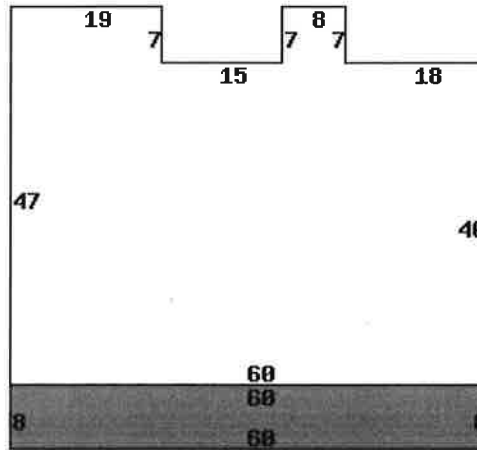
**Traversal Information:**

BAS1993=W18N7W8S7W15N7W19S47CAN1993=S8E6  
0N8W60SE60N40S.

Color	Area Type	Area Type Description
	BAS	HEATED BASE AREA
	CAN	CANOPY

Close Window

**Enlarge**



as schools to church sites has great potential to introduce unwanted impacts such as traffic and noise into the neighborhood and would not be appropriate within the Neighborhood Conservation District. Minor additions to a church such as a kitchen, mothers room, church office, etc. would be unlikely to create any significant impact and are therefore permitted as long as adequate bufferyards, stormwater management and parking can be maintained.

### **Section 3302. Development District.**

This district is intended to accommodate most of the growth expected in the Town of Havana. It is to be provided with all public facilities (schools, sewers, water, highways) and will allow most uses by right. It is intended to provide the zoning and capital improvements which attract development. It consists of the areas where development should logically locate as a consequence of existing and planned public facilities and associated capital expenditures. This district provides regulations which permit development of a generally suburban character. It provides for moderate density residential development and for necessary commercial, institutional, and light industrial uses. Excluded are uses of higher density or intensity or of major industrial importance.

*Commentary:* The development district allows many and varied uses while placing the emphasis on minimizing or buffering any nuisances between uses. Segregation of uses has never provided adequate protection, especially at the boundaries of use districts. This ordinance anticipates the likelihood — and desirability — or considerable mixing of land uses and imposes standards to resolve any possible problems and eliminate the negative impacts of juxtaposing unlike land uses. Redevelopment of commercial lots that had previously shared zero lot line setbacks with adjoining neighbors may be redeveloped as zero setback structures on approval by the Town Council. Based on evaluation of surrounding commercially or institutionally developed properties and the availability of on-street parking or other public parking, on-site parking requirements as required by this code may be reduced per the findings of the Parking Standards Committee.

### **Section 3303. Urban Core District.**

This district is intended to serve as a community focal point as a business and focal center.

In general, the district provides for centers and uses of regional importance. It is intended to be an area of high intensity use on which a full range of public facilities (including water, sewer, schools, police, fire protection) will generally be focused. The standards and high densities prescribed for the district are designed to optimize utilization of in-place facilities, and thus, to reduce the fiscal burden of new infrastructure construction on all citizens of the Town of Havana.

*Commentary:* The urban core district is intended to be the center of commercial activity in the Town. It is characterized by higher density development than allowed elsewhere in the Town. The higher densities allowed in this District will facilitate pedestrian access to and between commercial establishments in the area. Redevelopment of commercial lots that had previously

**Section 4203. Table of District Performance Standards.**

Zoning District and Use	Open Space Ratio (OSR) Minimum (See Section 4500)	Density Factor (DF) Maximum (See Article VIII)	Floor Area Factor (FAF) Maximum	Impervious Surface Ratio	Min. Site Area (*)	Min. Lot Area (*)
<b>Neighborhood Conservation</b>						
Conventional subdivision	-	(See Section 5300)	-	-	(See Section 5300)	-
Other	-	-	.12	.20	-	-
<b>Development District</b>						
Conventional subdivision	-	4.0	-	.35	40,000	8,500
Performance subdivision	.30	22	-	.50	-	-
Other uses	-	-	1.2	1.0	-	-
Conditional uses	-	-	.63	.60	30 Ac	-
<b>Urban Core District</b>						
Conventional subdivision	-	4.1	-	.36	10,000	8,500
Performance subdivision	.20	27	-	.50	-	-
Other permitted uses	-	-	1.2	1.00	-	-
<b>Heavy Industry</b>						
All uses	-	-	.94	.80	-	-

\* The figures specified in this column are minimum square feet unless otherwise specifically expressed in terms of minimum acreage.

\*\* The minimum lot area will be 21,780 square feet with on-site water supply and septic tanks; and 10,890 square feet with public water supply and septic tanks. See Section 4409.