

Effective Date
March 08, 2021

Prepared For
[Redacted]

Client File Number
17159

Date of the Report
March 17, 2021

Internal File Number
A21-12

Report Type
Appraisal

PREPARED BY:

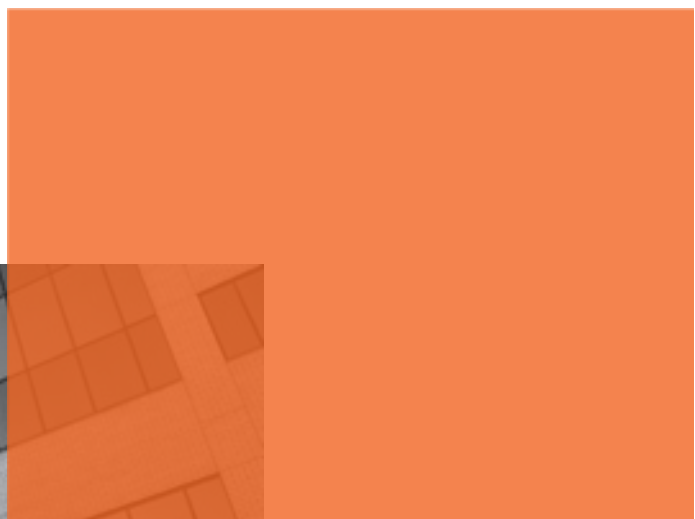


Table of Contents

Table of Contents	2
Transmittal Letter	3
Executive Summary	4
Introduction	5
Assumptions and Conditions	8
Area and Neighborhood	11
Market Overview	14
Site Description	22
Improvement Description	24
Ratios	25
Real Estate Taxes	26
Subject Photos	29
Highest and Best Use	32
Land Valuation	33
Cost Approach	49
Sales Comparison Approach	53
Income Approach	73
Reconciliation	83
Addenda	85
Certification	85
Legal Description	86
Aerial/Tax Map	87
Survey	88
Site Plan	89
Western Building Elevation Drawing	90
Northern Building Elevation Drawing	91
Contractor's Quote	92
Insurable Value	94
Comparable Rentals Map	95
Comparable Rentals Photographs	96
Appraiser Qualifications	97
Appraiser License(s)	98
Appraisal Standards Checklist	99
Appraiser Independence Checklist	101
Client's Letter of Engagement	102

Transmittal Letter



204 S. Dillard Street
Winter Garden, FL 34787

P: 407-877-0200

March 17, 2021

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

RE: Appraisal for the property located at [REDACTED]

Dear [REDACTED]

In accordance with your authorization, we have conducted the investigation necessary to form an opinion of value in the above captioned subject property. The appraisal report that follows sets forth the identification of the property, the assumptions and limiting conditions, pertinent facts about the area and the subject property, comparable market data, the results of the investigation, and the reasoning leading to the conclusions set forth. The report that follows is considered to be a summary of our analysis and conclusions. Supporting documentation concerning the data, reasoning, and analyses 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 the report. We are not responsible for unauthorized use of this report.

Per conversations with the client and the intended use of the report, the scope of work in this report is intended to be consistent with industry standards and has been performed so as to develop a credible report. This letter is invalid as an opinion of value if detached from the report, which contains the text, exhibits and Addenda.

Value Conclusions						
Description	Perspective	Type of Value	Premise	Property Interest	Effective Date	Indicated Value
N/A	Current	Market Value	As Is	Fee Simple	2021-03-08	\$150,000
N/A	Prospective	Market Value	Upon Completion	Fee Simple	2021-10-01	\$1,250,000

Sincerely,
Property Valuation & Consulting, Inc.

Blair Beasley
State-Certified General Real Estate Appraiser, FL No. RZ3871
blair@propertyvalue.com

Executive Summary

Property Information

Property Name	[REDACTED]
Street Address	[REDACTED]
[REDACTED]	[REDACTED]
State	FL
Zip Code	[REDACTED]
Property Class	Industrial
Property Type	Warehouse

Site Characteristics

Land SF	48,462
Land Acres	1.11

Zoning Characteristics

Zoning Codes	B-4
--------------	-----

Improvements Characteristics

Gross Building Area (SF)	16,100
Rentable Area (SF)	16,100
# of Units	0
Year Built (Weighted Average)	2021

Indicated Values

Land Value	\$150,000
Cost Approach	\$1,350,000
Sales Comparison Approach	\$1,260,000
Income Approach	\$1,080,000

Value Conclusions

Description	Perspective	Type of Value	Premise	Property Interest	Effective Date	Indicated Value
N/A	Current	Market Value	As Is	Fee Simple	2021-03-08	\$150,000
N/A	Prospective	Market Value	Upon Completion	Fee Simple	2021-10-01	\$1,250,000

Introduction

Current Owner

The property is currently under the ownership of [REDACTED]

Sales History

The subject property was acquired by the current owner in April 2017 for a recorded sale price of \$170,000 [REDACTED] [REDACTED] and was representative of the purchase of the site as vacant. The subject property will be owner-occupied upon completion of the construction of the improvements, there have been no sales in the past three years, the subject is not currently listed nor under contract for sale.

Purpose of the Appraisal

We have been requested by the client [REDACTED] to estimate *theas is* and *as proposed* market values of the subject property. The fee simple estate has been appraised as of March 12, 2021 as is and October 1, 2021 as proposed. The estimated marketing and exposure period for the subject is 12 months or less.

Intended Use and User of the Report

In accordance with the client's request, the intended use of this appraisal report is for updated collateral analysis and/or as a basis for updating a value for the property for construction. [REDACTED] its employees, agent, successors and/or assigns is the sole intended user for this appraisal. This appraisal report was prepared for the sole use and benefit of [REDACTED] It is entirely inappropriate to use this report for any purpose other than the one stated.

Furthermore, our appraisal services and related appraisal report have been prepared in accordance with the Interagency Appraisal and Evaluation Guidelines as adopted by Title XI of the Federal Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA); which is addressed in USPAP Advisory Opinion 30 and in accordance to USPAP with respect to real estate related financial transactions, as we understand these requirements.

No additional Intended Users or Uses are identified or intended by the appraisers. Due to the relationship between the client and the appraiser, reliance of this report by any other parties for any use whatsoever, is prohibited.

Property Inspection

Appraiser	Extent of Inspection	Date Inspected
Blair Beasley	Interior and Exterior	March 12, 2021

Scope of Work

This appraisal report complies with the reporting requirements as set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice ("USPAP") with adherence to the Competency Provision for an Appraisal Report for the property being appraised. As such, it presents discussions of the data, reasoning and analyses that were used in the appraisal process to develop the appraisers' opinion of value. Supporting documentation concerning the data, reasoning and analyses is retained in the appraisers' file. The depth of discussion contained in this report is specific to the client's needs and for the intended use as stated. The appraisers are not responsible for any unauthorized use of this report.

To develop the "as proposed upon completion" opinion of value for the subject property, the appraisers considered and applied all three approaches to value: the sales comparison, income capitalization and cost approaches, with the result indicating the most credible value estimate for the subject as proposed. In the valuation of the subject property "as is" only the sales comparison approach was applied as the subject consists of vacant land which is not typically leased in the subject market.

The sales comparison approach is considered an appropriate method in the valuation of the subject if available for sale on the open market. The sales comparison approach analyzes recent sales, contracts and/or listings of similar properties as a basis for comparison with the subject property in order to determine an appropriate unit of comparison for estimating the subject's market value.

In the cost approach to valuation, an estimate is made of the current replacement cost new of the proposed or existing improvements. This amount is then adjusted to reflect depreciation (if any) resulting from physical deterioration, wear and tear, and utility, on the basis of a personal inspection and comparison with component parts of similar new buildings. This analysis also recognizes factors of functional and external obsolescence, if applicable. The current land value is then added to the depreciated cost in order to determine the value of the improved property via the cost approach.

The income approach determines the property's value by estimating market rents, additional income sources and operating expenses, then capitalizing the net operating income by an appropriate overall capitalization rate.

Comparable data were researched by investigations of public records and discussions with local brokers and real estate professionals. The data were verified, in most cases, with other real estate professionals and/or property owners and/or their property managers. The research tasks performed to estimate the value, as defined herein, involved a thorough analysis of sales and rentals of improved industrial buildings and vacant commercial land in the subject's market area of the [REDACTED]

The research tasks performed to estimate the value, as defined herein, involved the following:

1. The appraisers personally inspected the subject property on March 12, 2021, walked the perimeter of the site, took photos of the subject property; reviewed the land data, survey, building plans and cost information, legal description, zoning, land use, tax and flood information provided by the client and borrower and of [REDACTED] pertaining to the subject property.
2. The appraisers researched and analyzed economic data for Florida and [REDACTED]. Major data sources include real estate service providers like CoStar and TotalCommercial, as well as investor surveys with information pertaining to the industrial property type in the [REDACTED] market area.
3. The appraisers researched comparable improved sales, contracts, rentals and listings in the subject's market area and similar market areas when data was limited in the subject's area. The data was gathered in the field and during the appraisal process, and also obtained from public records, market participants, CoStar, MLS Advantage and Matrix, Total Commercial and Loopnet real estate service providers. The research included comparables with sale/lease dates between March 2019 and March 2021, ranging from 5,000 SF to 35,000 SF of enclosed/rentable area.
4. The appraisers researched commercial/industrial land sales in the [REDACTED] market area available for development similar to the subject property. The data was gathered in the field and during the appraisal process and also obtained from public records, market participants CoStar, MLS Matrix, and Total Commercial real estate providers. The research included comparables with sale dates between March 2019 and March 2021 ranging from 0.5 to 5 net upland acres.
5. Reviewing the building plans and survey/site plan from the client and borrower for the subject, review the costs provided and utilizing *Marshall Valuation Service* to complete a thorough analysis of cost new data and applying depreciation (if necessary) to conclude an indication of value via the cost approach.
6. The appraisers analyzed the market data in relation to the subject property to derive the indications of value presented in the report, which are then reconciled to the indicated *as is* and *as proposed* market values of the fee simple estate in the subject property.

This appraisal report is a recapitulation of the appraisers' data, analyses and conclusions. Supporting documentation is retained in the office file.

Definition of Value and Property Interest Appraised

The value result reported herein reflects the *as is* and the *as proposed upon completion* market values of the fee simple estate in the subject property.

Market Value can be defined as the most probable price a property should bring in a competitive and open market under all conditions requisite to a 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:

- (1) Buyer and seller are typically motivated;
- (2) Both parties are well informed or well advised, and acting in what they consider their best interests;
- (3) A reasonable time is allowed for exposure in the open market;
- (4) Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
- (5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. *

* 12 CFR 34 42 (a) *Financial Institutions Reform, Recovery, and Enforcement Act of 1989 ("FIRREA")*

The land and any improvements were valued as if offered in the open market for a reasonable period of time in which to find a buyer. The fee simple estate in the property has been appraised. It is assumed the property is available for development to its highest and best use, free and clear of all liens and encumbrances.

Fee simple estate is defined as the 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.

Assumptions and Conditions

Assumptions and Limiting Conditions

No responsibility is assumed for matters legal in nature. No investigation has been made of the title to or any liabilities against the property appraised. In this appraisal, it is presumed that, unless otherwise noted, the owner's claim is valid, the property rights are good and marketable, and there are no encumbrances that cannot be cleared through normal processes.

We have provided an Appraisal Report, intended to comply with the reporting requirements set forth by the Uniform Standards of Professional Appraisal Practice (USPAP) for an Appraisal Report. As such, the report presents only summary discussions of the data, reasoning, and analyses used in the appraisal process to develop Property Valuation & Consulting's opinion of value. Supporting documentation concerning the data, reasoning, and analyses has been retained as a part of our work papers. The depth of discussion contained in the report is specific to your needs as the client and for the intended use as stated. Property Valuation & Consulting, Inc., is not responsible for the unauthorized use of this report.

Furthermore, our appraisal services and related appraisal report have been prepared in accordance with the requirements of Title XI of the Financial Institution's Reform, Recovery and Enforcement Act of 1989 (FIRREA) with respect to real estate related financial transactions, as we understand these requirements.

To the best of our knowledge, all data set forth in this report are true and accurate. Although gathered from reliable sources, no guarantee is made nor liability assumed for the accuracy of any data, opinions, or estimates identified as being furnished by others that have been used in formulating this analysis.

The market value estimate contained within this report specifically excludes the impact of structural damage or environmental contamination resulting from earthquakes or other causes. It is recommended that the reader of this report consult a qualified structural engineer and/or industrial hygienist for the evaluation of possible structural/environmental defects, the existence of which could have a material impact on market value.

Land areas and descriptions used in this appraisal were provided by the owner and/or obtained from surveys or public records and have not been verified by legal counsel or a licensed surveyor. (The land description is included for identification purposes only and should not be used in a conveyance or other legal document without proper verification by an attorney.)

No soil analysis or geological studies were ordered or made in conjunction with this report, nor were any water, oil, gas, or other subsurface mineral and use rights or conditions investigated.

Substances such as asbestos, urea-formaldehyde foam insulation, other chemicals, toxic wastes, or other potentially hazardous materials could, if present, adversely affect the value of the property. Unless otherwise stated in this report, the existence of hazardous substance, which may or may not be present on or in the property, was not considered by the appraisers in the development of the conclusion of value. The stated value estimate is predicated on the assumption that there is no material on or in the property that would cause such a loss in value. No responsibility is assumed for any such conditions, and the client has been advised that the appraiser is not qualified to detect such substances, quantify the impact on values, or develop the remedial cost.

No environmental impact study has been ordered or made. Full compliance with applicable federal, state, and local environmental regulations and laws is assumed unless otherwise stated, defined, and considered in the report. It is also assumed that all required licenses, consents, or other legislative or administrative authority from any local, state, or national government or private entity organization either have been or can be obtained or renewed for any use that the report covers.

Plats are presented only as aids in visualizing the property and its environment. Although the material was prepared using the best available data, it should not be considered as a survey or scaled for size.

It is assumed that all applicable zoning and use regulations and restrictions have been complied with unless a non-conformity has been stated, defined, and considered in the appraisal report. Further, it is assumed that the utilization of the land and improvements is within the boundaries of the property described and that no encroachment or trespass exists unless noted in the report.

The Americans 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 various 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 effect on the value of the property. Since we have no direct evidence relating to this issue, we did not consider the possible noncompliance with the requirements of ADA in estimating the value of the property.

Blair Beasley has made a physical inspection of the property and noted visible physical defects, if any, in this report. This inspection was made by individuals generally familiar with real estate and building construction. However, these individuals are not architectural or structural engineers who would have detailed knowledge of building design and structural integrity. Accordingly, we do not opine on, nor are we responsible for, the structural integrity of the property including its conformity to specific governmental code requirements, such as fire, building and safety, earthquake, and occupancy, or any physical defects that were not readily apparent to the appraisers during their inspection.

The value or values presented in this report are based upon the premises outlined herein and are valid only for the purpose or purposes stated.

The date of value to which the conclusions and opinions expressed apply is set forth in this report. Unless otherwise noted, this date represents the last date of our physical inspection of the property. The value opinion herein rendered is based on the status of the national business economy and the purchasing power of the U.S. dollar as of that date. Testimony or attendance in court or at any other hearing is not required by reason of this appraisal unless arrangements are previously made within a reasonable time in advance therefore.

One or more of the signatories of this appraisal report is a member or associate/affiliate member of the Appraisal Institute. The Bylaws and Regulations of the Institute require each member and associate/affiliate member to control the use and distribution of each appraisal report signed by them.

Possession of this report or any copy thereof does not carry with it the right of publication. No portion of this report (especially any conclusion to use, the identity of the appraiser or the firm with which the appraiser is connected, or any reference to the Appraisal Institute or the designation awarded by this organization) shall be disseminated to the public through prospectus, advertising, public relations, news, or any other means of communication without the written consent and approval of Property Valuation & Consulting, Inc.

Extraordinary Assumptions:

1. The subject improvements are proposed, a contractor's cost quote and building plans were provided for the 14,100 SF warehouse portion of the building; no plans for the office/showroom portion of the building were available. It was reported by the borrower that the office/showroom will be constructed of concrete block, contain 2,000 SF, and will have marble on the exterior walls and that the costs will increase \$50,000 to \$100,000 because of changes made to the initial plans for the office. This appraisal report and the value indication provided herein are based on the extraordinary assumption that the details regarding the construction of the office/showroom portion of the building are as reported. Use of this extraordinary assumption may affect assignment results.
2. It was reported by the borrower that the proposed improvements will be completed by October 1, 2021. The "as proposed" value provided within this report is predicated on the extraordinary assumption that the reported estimated completion date is correct. We reserve the right to alter our appraisal report should more reliable information become available. Use of this extraordinary assumption may affect assignment results.

Hypothetical Conditions: None

General Service Conditions

The service(s) provided by Property Valuation & Consulting, Inc. have been performed in accordance with professional appraisal standards. Our compensation was not contingent in any way upon our conclusions of value. We assumed, without independent verification, the accuracy of all data provided to us. We have acted as an independent contractor and reserved the right to use subcontractors. All files, work papers or documents developed by us during the course of the engagement are our property. We will retain this data for at least five years.

Our report is to be used only for the specific purposes stated herein and any other use is invalid. No reliance may be made by any third party without our prior written consent. You may show our report in its entirety to those third parties who need to review the information contained herein. No one should rely on our report as a substitute for their own due diligence. No reference to our name or our report, in whole or in part, in any document you prepare and/or distribute to third parties may be made without our prior written consent.

You will not be liable for our negligence. Your obligation for indemnification and reimbursement shall extend to any controlling person of Property Valuation & Consulting, Inc., including any director, officer, employee, subcontractors, subsidiary, affiliate, or agent.

We reserve the right to include your company/firm name in our client list, but we will maintain the confidentiality of all conversations, documents provided to us, and the contents of our reports, subject to legal or administrative process or proceedings. These conditions can only be modified by written documents executed by both parties.

Property Valuation & Consulting, Inc., is an equal opportunity employer.

Area and Neighborhood

Location Description

The subject property is located within the City of [REDACTED] specifically along the [REDACTED] [REDACTED] [REDACTED] [REDACTED] is a two-lane asphalt-paved road improved with street-lighting and concrete sidewalks to the north of the subject. [REDACTED] a two-lane asphalt-paved road running in a north-south direction from a mobile-home park just south of the subject extending just north of the subject beyond [REDACTED] and terminating at [REDACTED] of the subject and is improved primarily with industrial uses running along the west side of [REDACTED]. The subject neighborhood is located in the southwest quadrant of the intersection of [REDACTED]. This is an older, developed area with other commercial uses with some sites being redeveloped. The area is influenced by the [REDACTED] and includes vehicular travel-related uses including gas/service stations, motels/hotels, and fast-food establishments. Specific uses in the area of the subject include a Burger King adjacent to the north, a Shell Gas Station to the [REDACTED] a vacant lot immediately to the east and a Super 8 Motel beyond that, [REDACTED] the subject is a two-tenant big-box retail property with a [REDACTED] and a former [REDACTED] currently vacant and available for lease (approx. 65,000 SF). Other nearby uses include industrial, heavy commercial and general commercial uses with residential areas primarily located outside of the subject neighborhood. The [REDACTED] is located west of the subject at the [REDACTED].

The subject's neighborhood boundaries are [REDACTED] [REDACTED] [REDACTED]. The subject is considered to be convenient to all parts of central Florida [REDACTED].

The economic outlook for both the immediate and long-term future of the [REDACTED] is continued growth.

Refer to the following demographic and labor force data.

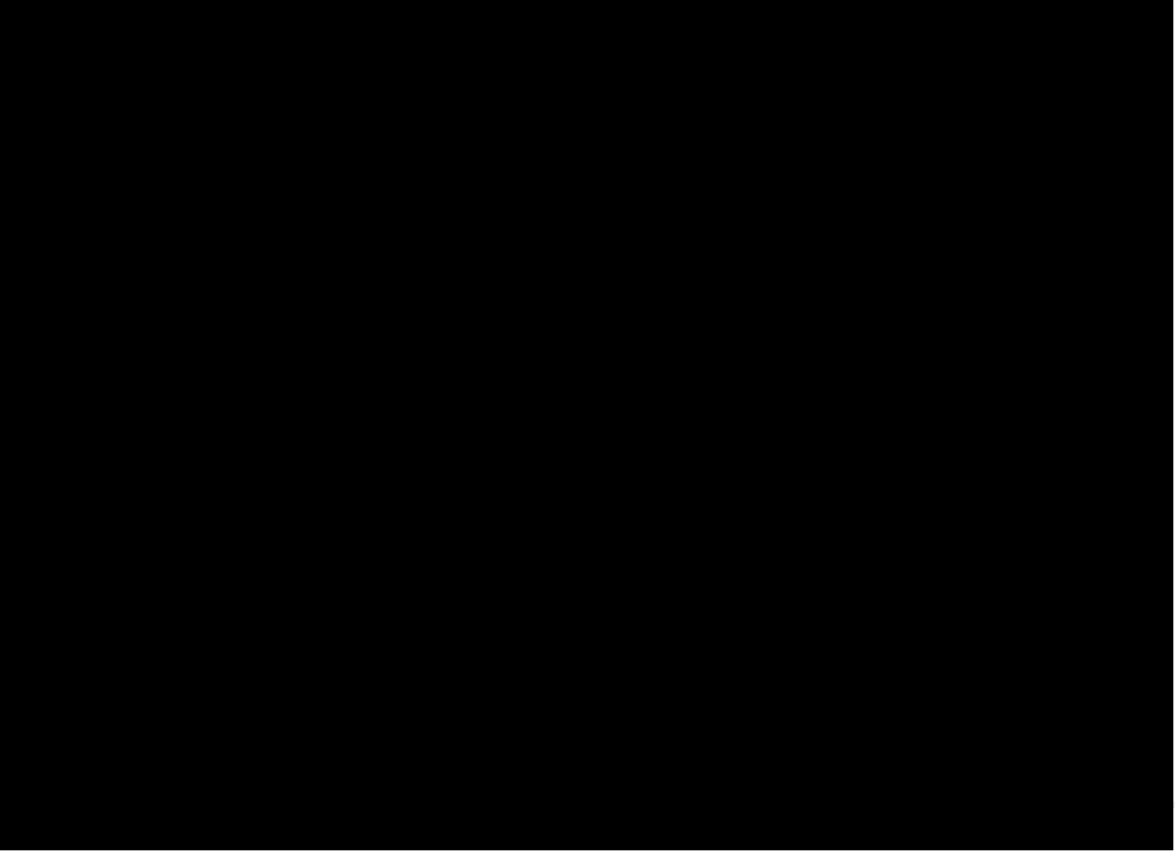


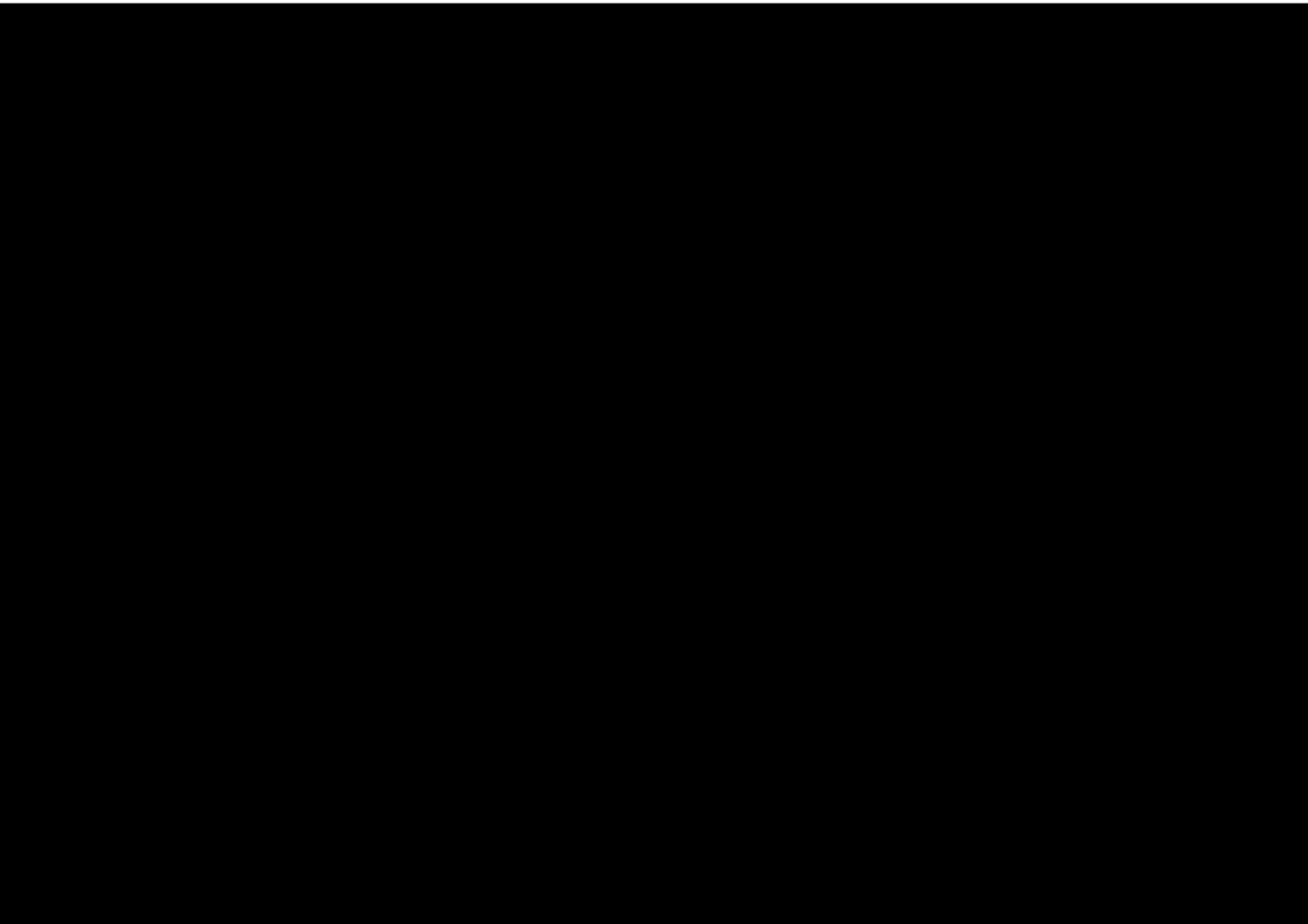
Population 2021

61,810

POPULATION

20





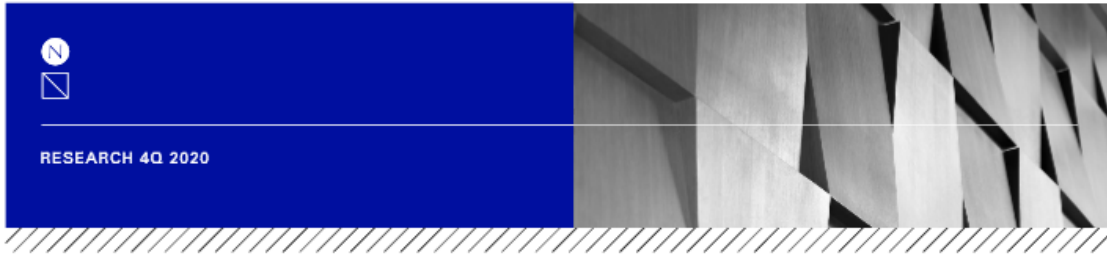
(1) Number of persons, in thousands, not seasonally adjusted.
(2) In percent, not seasonally adjusted.
(3) Number of jobs, in thousands, not seasonally adjusted. See [About the data](#).
(P) Preliminary

Market Overview

The marketing and exposure period for the subject property is estimated to be 12 months or less based on market supply/demand for industrial properties in the market area.

Note regarding COVID-19: Due to the ongoing COVID-19 virus, designated as a pandemic as of March 11, 2020, by the World Health Organization, there has been much speculation and discussion within the appraisal community regarding impacts to real estate values and marketing/exposure time. The continuing spread of the virus and recent spikes in infections is continuing to impact hotels/motels (limited leisure and business travel), retail including sales of non-essential items, restaurants (being limited to reduced capacity and pick-up or delivery), and offices due to many employees working remotely. Based on discussions with real estate professionals in the market area, as well as a review of recent national survey projections, at this point, any impact on financing and buyer and seller actions in general, are varied and may depend on the specific market as well as property types, but caution should be used on a case-by-case basis. However, enough evidence is available to definitively project marketing and exposure times to be extended with modifications/reductions to recent (prior to the announcement of this pandemic) trends of improving market conditions accordingly, based on information obtained from reliable sources. Several of the comparables analyzed in the sales comparison approaches to value (land valuation and improved sales analysis) transacted subsequent to the onset of the pandemic; therefore most sales are reflective of current market conditions. National reports on the industrial property type indicate the sector's strength among the pandemic, due in part to the rise in online shopping increasing demand for warehouse space and "last mile" distribution facilities. Furthermore, discussions with brokers specializing in the industrial market within the Central Florida area indicate the temporary COVID-related shutdown of industrial transactions subsided by May 2020 and since then the industrial market has been very active. This includes reports of shorter marketing and exposure times.

Refer to the following industrial market information from Newmark related to the Central Florida industrial market and Costar information specific to the [REDACTED] industrial market:



Central Florida Industrial Market Report

Growth Surged To Close Out 2020

After its slowdown in the previous quarter, Central Florida's industrial market rebounded during the fourth quarter of 2020, with positive net absorption of more than 2.3 million square feet, the highest quarterly performance in four years. Demand once again outstripped supply, bringing positive net absorption for all of 2020 to 5.4 million square feet. This was more than double the 2.3 million square feet absorbed one year ago and the highest annual absorption since the close of 2018, an indication that market fundamentals improved despite the economic uncertainty resulting from the pandemic. Overall vacancy rose by 60 basis points from one year ago, largely because of the 45 buildings totaling 8.3 million square feet of new inventory delivered throughout the year. Developers remained bullish on the industrial segment, as this is the highest recorded completions ever recorded in the region's history. Construction starts did slow, with 14 buildings totaling more than 3.5 million square feet at the close of the year. Developers may begin to pump the brakes on groundbreakings for speculative projects during 2021. Asking rents pushed upward slightly, consistent with previous gains and can be attributed to the increase of new high-end industrial availability. The overall average asking rental rate increased by a modest \$0.37/SF to \$6.45/SF from last year at this time, with warehouse/distribution space increasing by \$0.22/SF from \$5.61/SF. Landlords may hold asking rents level through 2021. As tenants relocate to newer Class A distribution space, second-tier available space may have an impact on future average rates by moving the needle down.

Leasing Demand

There were 298 lease deals totaling approximately 5.6 million square feet signed in fourth-quarter 2020, up slightly from the previous quarter. Overall transaction activity totaled 21.1 million square feet for the year, a significant increase from the 14.6 million square feet leased during 2019. Warehouse/distribution space dominated the market, with 18.6 million square feet, followed by general industrial, with 1.7 million square feet of leasing activity. More than 789,000 square feet of R&D/flex deals were signed during the year. Retail and wholesale companies held onto the lead, accounting for more than 5.3 million square feet of the tracked mid-to-large-sized lease deals for the year, while food and beverage moved into second place, with 2.2 million square feet. The home and building sector moved a notch down to the number-three spot, with 1.2 million square feet.

Investment Sales

Surprisingly, sales activity ticked upward from 2019 as 45 transactions totaling 7.6 million square feet sold for a combined total of \$731.0 million. This was just over the 7.2 million square feet sold from one year ago, while the average price increased to \$96/SF from \$76/SF one year ago. This can be attributed to an increase in sales of R&D/flex investment sales, coupled with an increase of high-end industrial properties trading hands as the average price for distribution space closed at \$95/SF.

NEWMARK

Current Conditions

Demand growth rebounded to its highest quarterly performance since fourth-quarter 2016.

Completions of new industrial inventory shattered previous records with the largest amount of new high-end inventory brought to the market.

Landlords held asking rates level, with increased available space from new industrial inventory pushing the average rate to new heights.

Ecommerce and the retail/wholesale industries were the contributing factors to the robust demand as Amazon gobbled up space throughout Florida, as online shopping skyrocketed as a result from the national shutdown during second-quarter 2020.

Market Analysis

ASKING RENT AND VACANCY RATE



NET ABSORPTION (SF, Millions)



Market Summary

	Current Quarter	Prior Quarter	Year Ago Period	12-Month Forecast
Total Inventory (SF)	461.00M	459.1M	452.5M	↑
Vacancy Rate	5.8%	5.8%	5.2%	↑
Quarterly Net Absorption (SF)	2.3M	544,824	1.2M	↓
Average Asking Rent/SF	\$6.45	\$6.32	\$6.08	↓
Under Construction (SF)	3.5M	4.5M	6.4M	↓
Deliveries	2.2M	2.3M	2.8M	↓

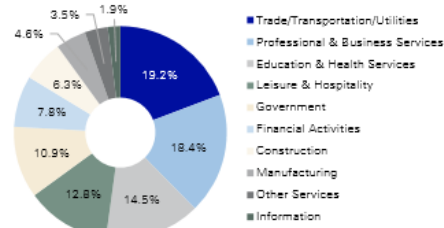
Economic Conditions

Central Florida's unemployment dropped to 6.7%, after peaking during second-quarter 2020 at 16.7% during the height of the national shutdown from the Covid-19 pandemic. 181,400 jobs remained lost throughout the region from one year ago but a strong recovery from the highest recorded unemployment rate the region posted dating back to 1990 and 500 basis points below the 11.7% peak rate recorded from the financial crisis in 2010. The Orlando region continued to feel the strongest impacts with the highest unemployment in Central Florida at 7.7%. This is a 310 basis point increase from the 10.8% rate recorded at the close of the previous quarter. Tampa's rate of 5.7% was an increase of 290 basis points from 2.8% recorded one year ago.

Central Florida's strong ties to tourism and theme park visits during Florida's strong travel season continued to be impacted as the leisure and hospitality industry saw more than 112,000 jobs lost from one year ago. Orlando's tourism industry made up the majority with over 84,700 of these losses. All other sectors trailed far behind with the professional and business services segment coming in second, totaling over 16,400 losses from this time last year. The education and health sector moved into the third spot with 14,600 less jobs from one year ago. No sectors have recorded year-over-year net gains as of yet with manufacturing seeing the least with 700 jobs lost.

Employment By Industry

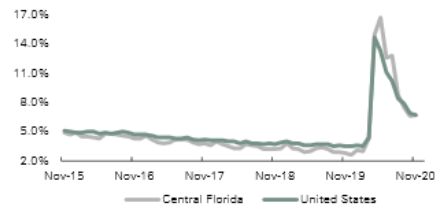
Central Florida MSA, Aug 2020 | Not seasonally Adjusted



Source: U.S. Bureau of Labor Statistics

Unemployment Rate

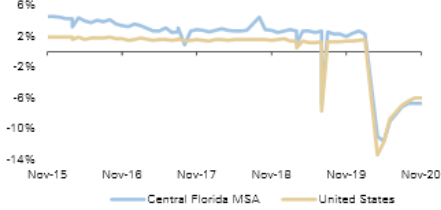
Central Florida, Not Seasonally Adjusted



Source: U.S. Bureau of Labor Statistics

Payroll Employment

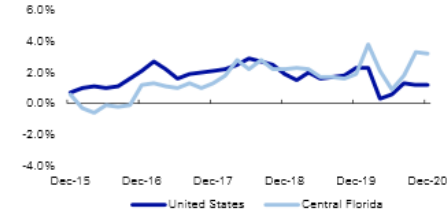
Total Nonfarm, 12-Month % Change, Not Seasonally Adjusted



Source: U.S. Bureau of Labor Statistics

Consumer Price Index (CPI)

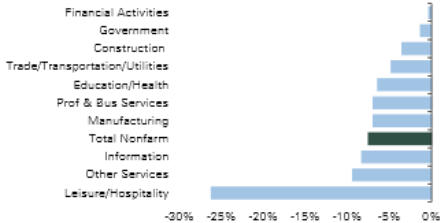
All Items, 12-Month % Change, Not Seasonally Adjusted



Source: U.S. Bureau of Labor Statistics

Employment Growth By Industry

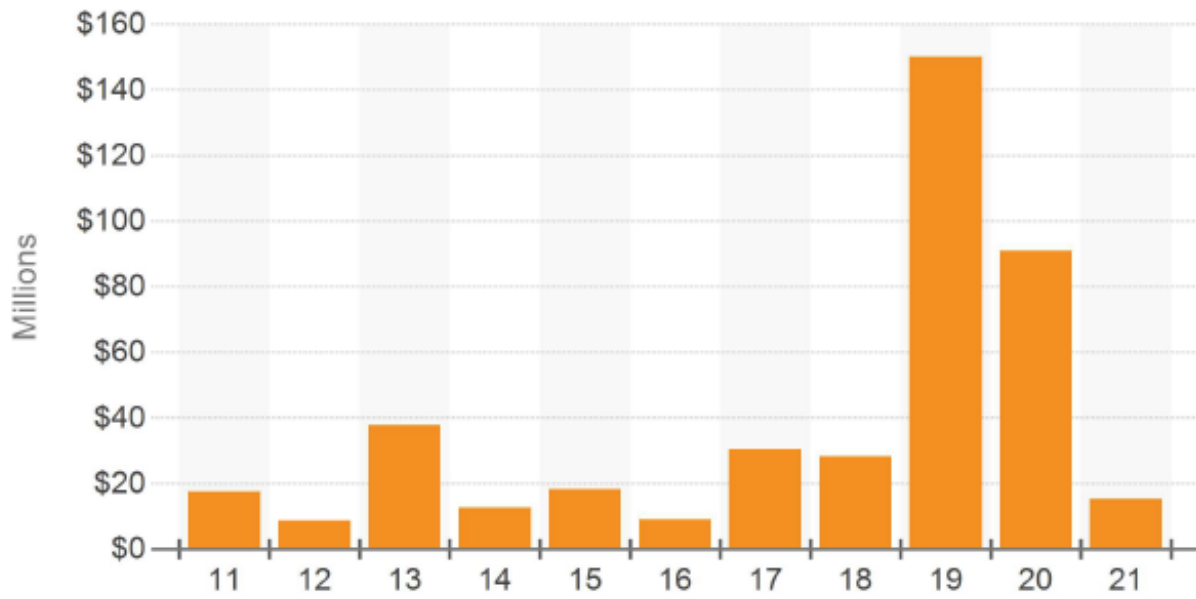
Central Florida, Aug 2020, MSA, 12-Month % Change



Source: U.S. Bureau of Labor Statistics | Not Seasonally Adjusted



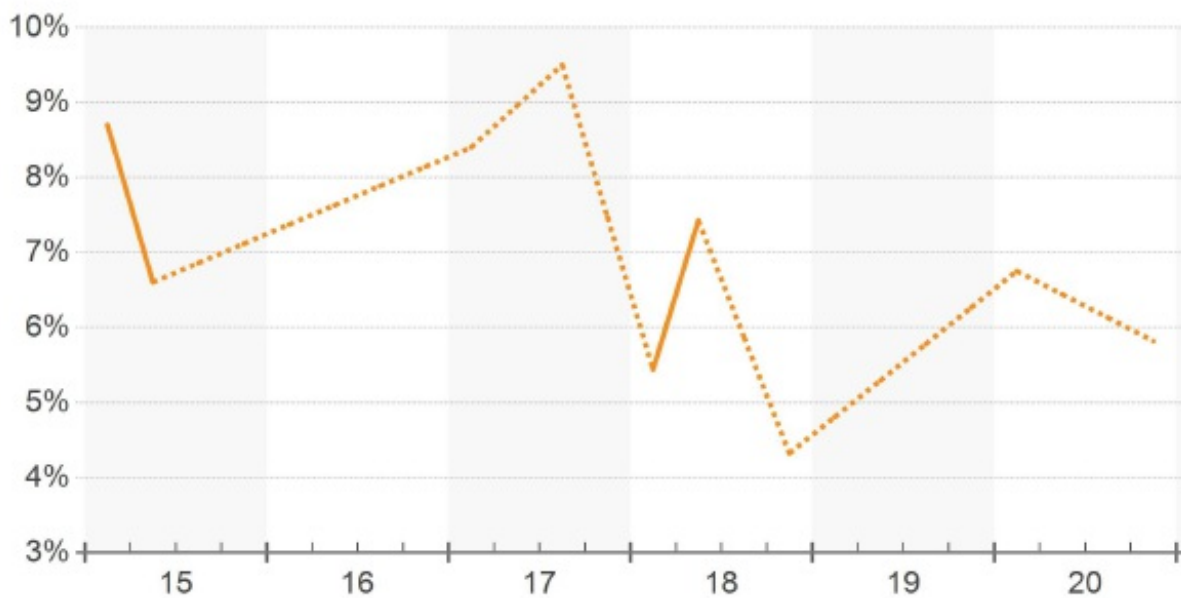
SALES VOLUME



AVERAGE SALE PRICE PER SF



CAP RATE



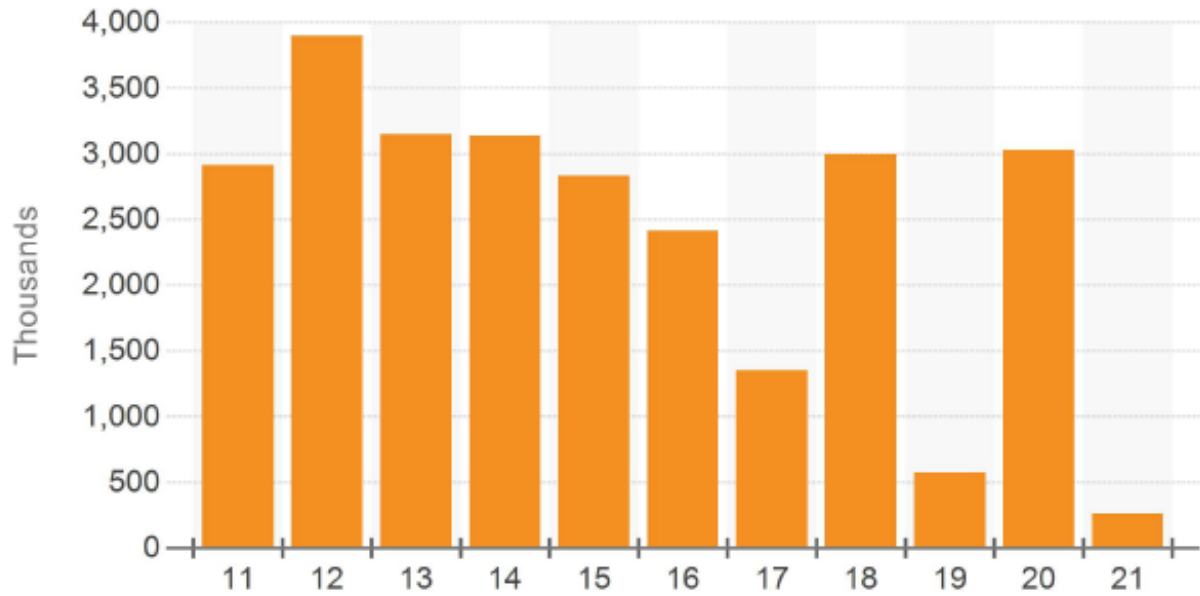
ASKING PRICE PER SF



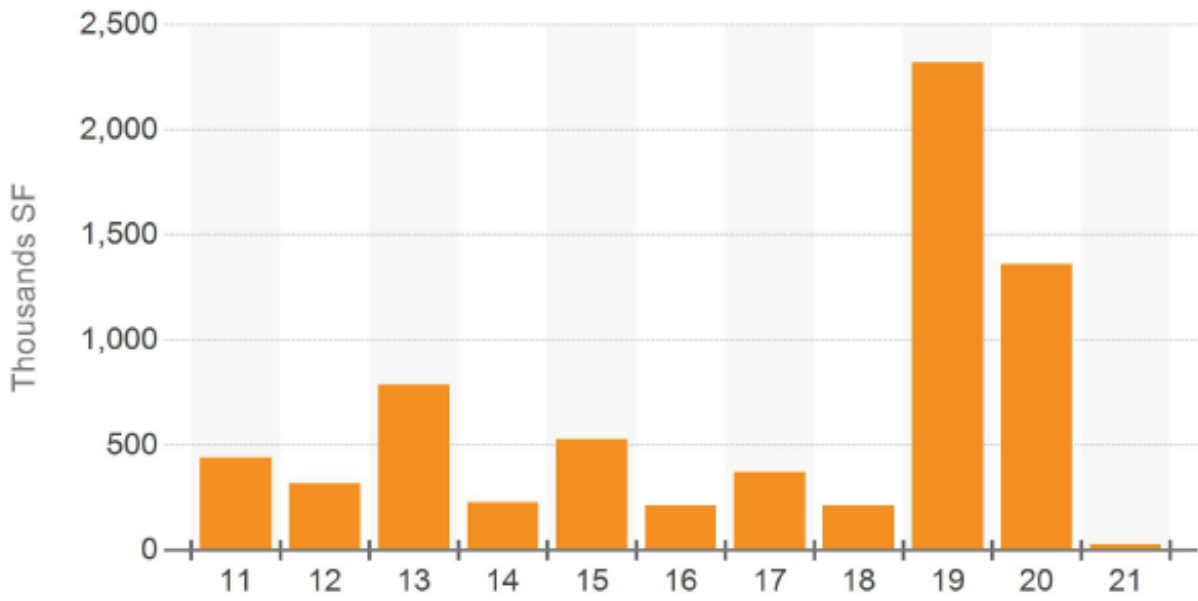
VACANCY & RENTAL RATES



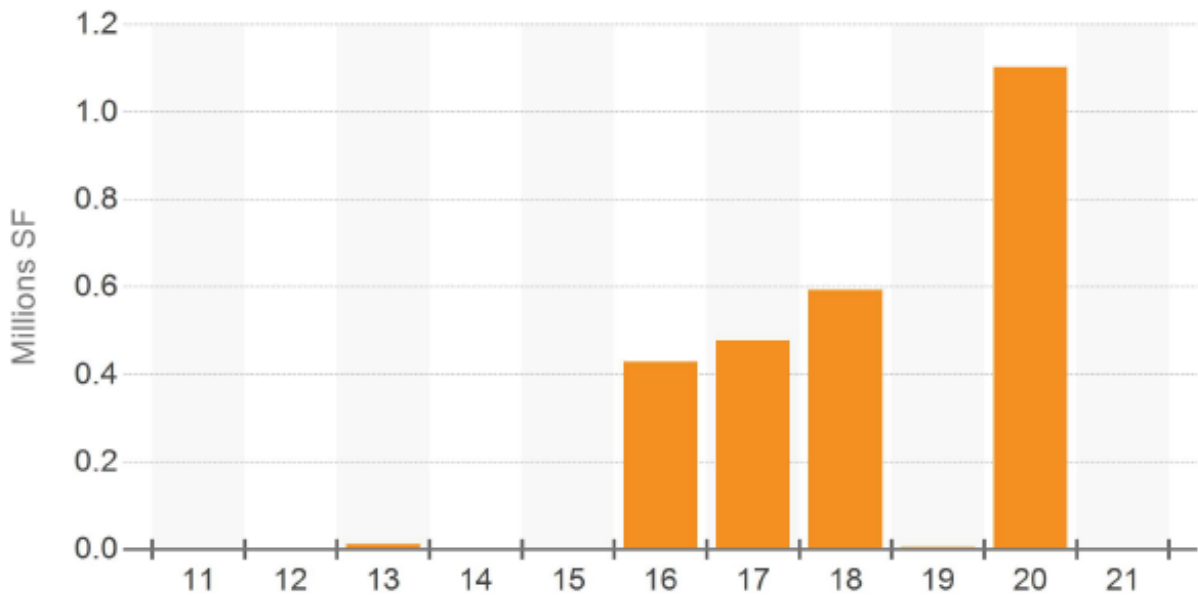
AVAILABLE SF



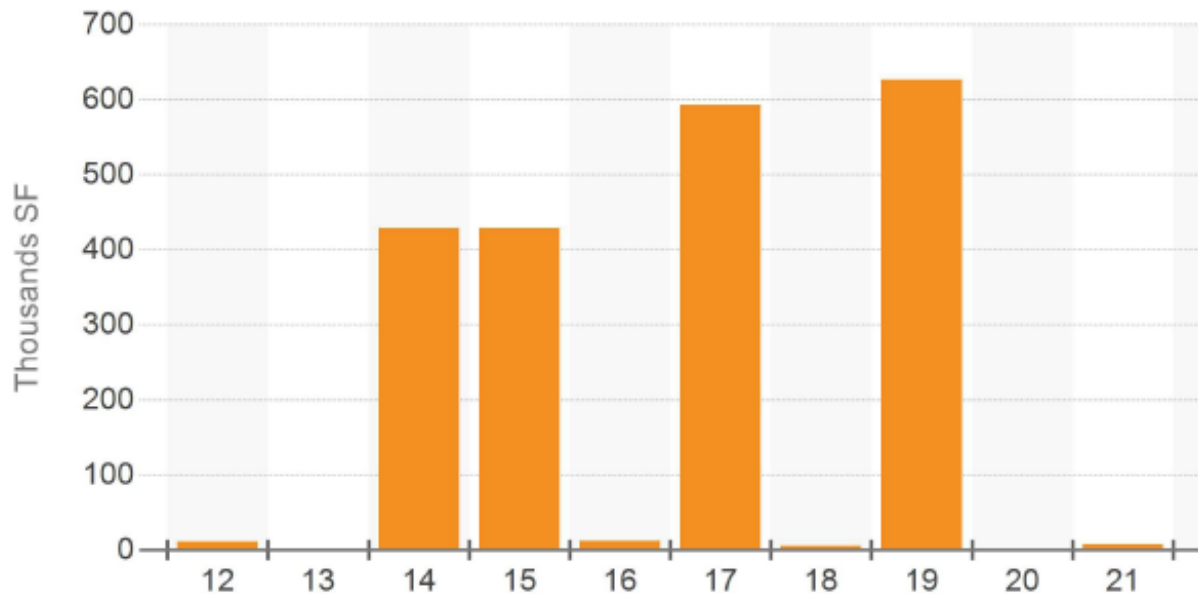
LEASING ACTIVITY



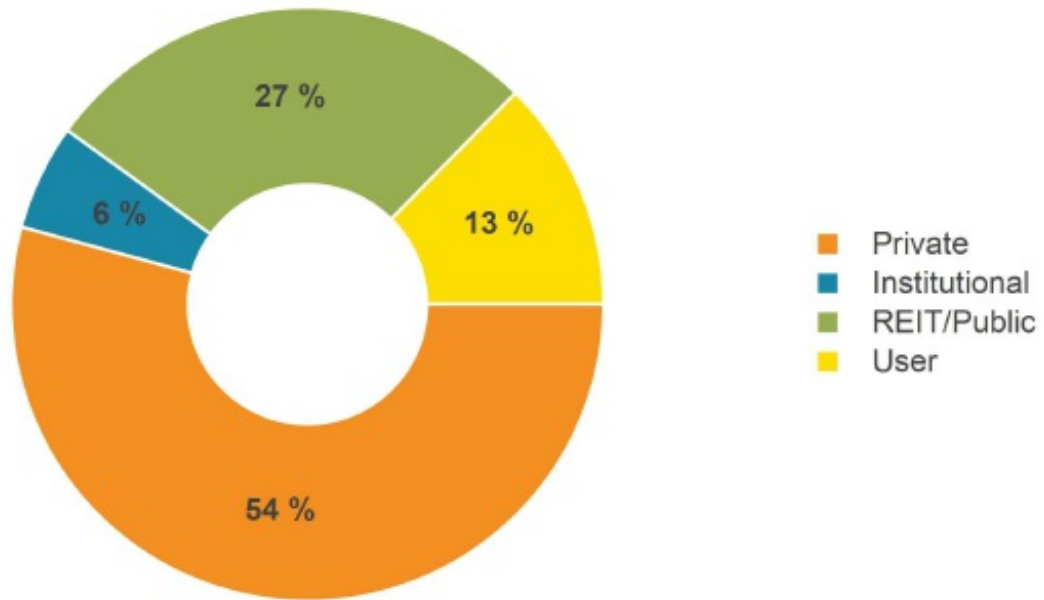
CONSTRUCTION DELIVERIES



UNDER CONSTRUCTION



SALES VOLUME BY BUYER TYPE



Site Description

Location	
MSA	[REDACTED]
Market Type	Small
Legal Description	Lengthy - see addenda
Location Classification	Good
Location Description	[REDACTED]
[REDACTED]	[REDACTED]
Location of Parcel	Corner
Size	
Land Acres	1.11
Land SF	48,462
Usable Land Acres	0.96
Usable Land SF	41,862
Usable Land Description	Net of easement area
Access	
Traffic Count	5,900
Traffic Counter Description	FDOT 2019
Primary Frontage (Feet)	400
Primary Frontage Type	Local
Secondary Frontage (Feet)	200
Frontage Description	Two-lane, asphalt-paved road and two-lane, asphalt-paved easement (part of site)
Access Classification	Average
Access Description	No barriers to access
Encumbrances	
Flood Zone	Zone X
Flood Map Number	[REDACTED]
Flood Map Effective Date	2008-08-28
Flood Plain Description	An area of minimal flood hazard
Environmental Description	No issues known or observed
Encumbrances / Easements Description	The survey provided indicates there is a cross-access easement across the northern portion of the site [REDACTED] measures 200'x30' (6,600 SF). No other adverse easements, encroachments or restrictions were noted known or observed.
Zoning	
Current Use	Vacant land
Zoning Jurisdiction	[REDACTED]
Zoning Code	B-4
Zoning Description	General Business
General Plan Designation	Low Intensity
Permitted Uses	Include a variety of retail, service, public, institutional/recreational and healthcare uses.
Zoning Comments	The proposed use of the subject property falls under the allowable retail uses as building material sales.
Conformity Conclusion	Conforming
Site Characteristics	
Shape	Triangular
Topography	Basically Level
Grade	At Grade
Drainage	On-site retention
Land Cover	Cleared

View / Appeal	Average
Available Utilities	Electricity, Water, Sewer, and Telephone
Site Utility	Average

Currently, site improvements situated on the subject property include a 6' chain-link fence securing the perimeter of the site, a small concrete pad near the northern boundary of the site and the developed vehicular easement area along the northern boundary of the site.

Upon completion of construction, the site improvements will include a retention area, concrete-paved ingress/egress points, concrete and/or asphalt-paved parking/driveway areas with concrete curbing. Typical property signage and landscaped areas are assumed.

Improvement Description

CLASS: Industrial PUCS TYPE: Warehouse	
Size	
Gross Building Area	16,100
GBA Source	Drawings provided
Rentable Area	16,100
Rentable Area Source	Drawings provided
Building Footprint Area SF	16,100
Efficiency	100.00
# of Buildings	1
# of Stories	1
% Office	12.42%
Office Area SF	2,000
General	
Year Built	2021
Tenancy Type	Single
Occupancy Type	Local
Utility	Average
Year Built Details (2021)	SF Built: 16,100, Comments: Proposed for completion 10/2021
Year Built Details (Totals)	Year Built: 2021, SF Built: 16,100
Structural	
Construction Quality	Average
Building Condition	Excellent
Construction Class	S
Exterior Walls	Metal
Building Frame	Steel
Foundation Type	Poured Concrete
Roof Type	Gable
Roof Material	Standing Seam Metal
Floor Structure	Concrete
Interior	
Ceiling Height	28 - 32'
M.E.P.	
Heating Type	Heat Pump
Cooling Type	Central
HVAC Comments	Office only
Site Improvements	
Type of Parking	Surface
# of Surface Parking Spaces	11
Total Parking Spaces	11
Landscaping Description	Assumed typical
Drainage and Retention	On-site
Industrial	
# of Drive-In Doors	2
Door Dimensions	20' x 20'
Warehouse Area SF	14,100
% Air Conditioned	12.42%
Air Conditioned SF	2,000
Clear Height Average (Feet)	30

Clear Height Min (Feet)	28
Clear Height Max (Feet)	32

Ratios

Improvements Ratios

Land to Bldg Ratio (x:1)	3.01
Floor to Area Ratio (x:1)	0.33
Parking Ratio GBA	0.68
Parking Ratio NRA	0.68

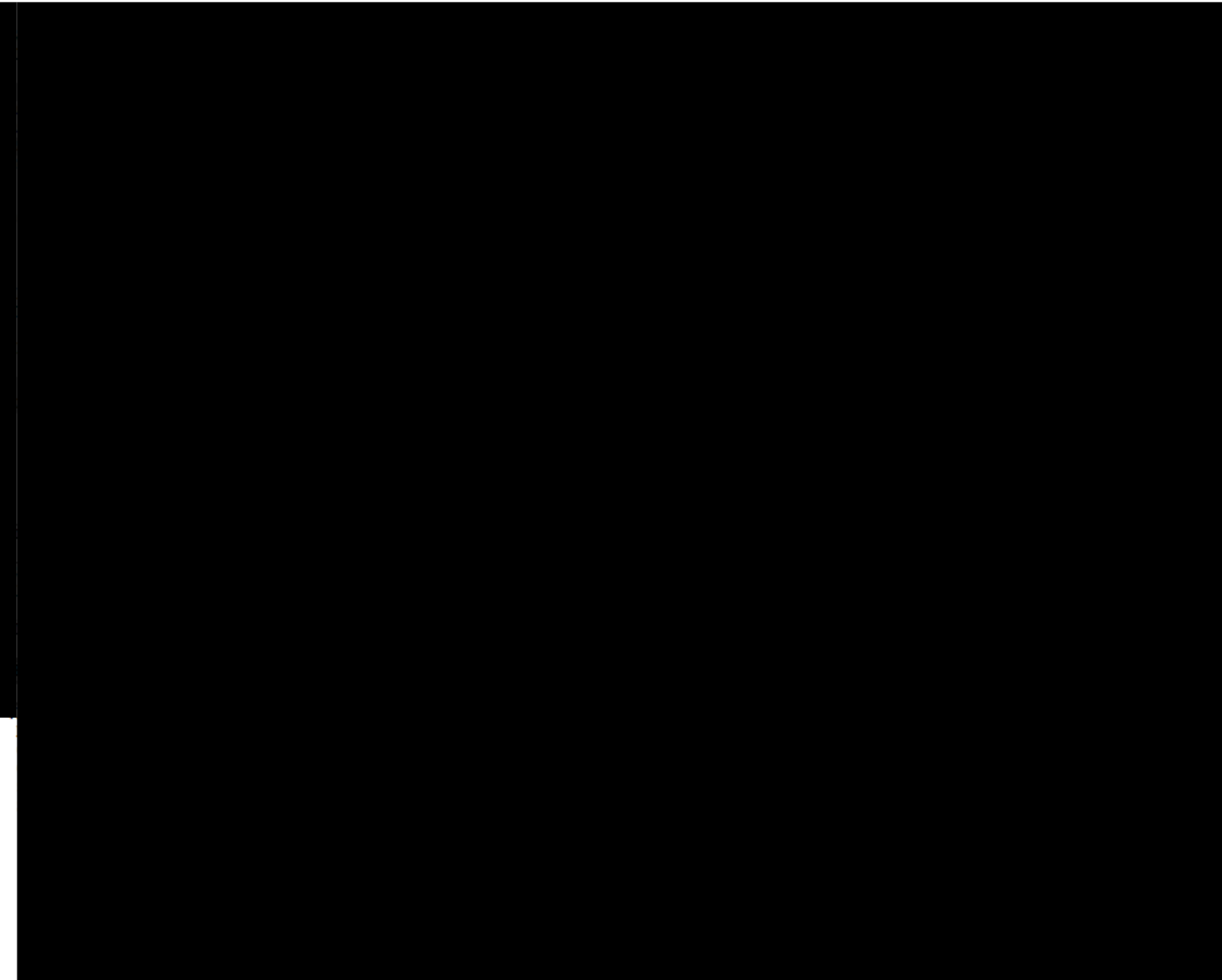
The estimated completion date of the proposed improvements was reported to be October 1, 2021. The warehouse building will be constructed of steel-frame with metal exterior and the office/showroom portion will be built of block and the borrower has reported the exterior of the office/showroom will be marble (refer to extraordinary assumption).

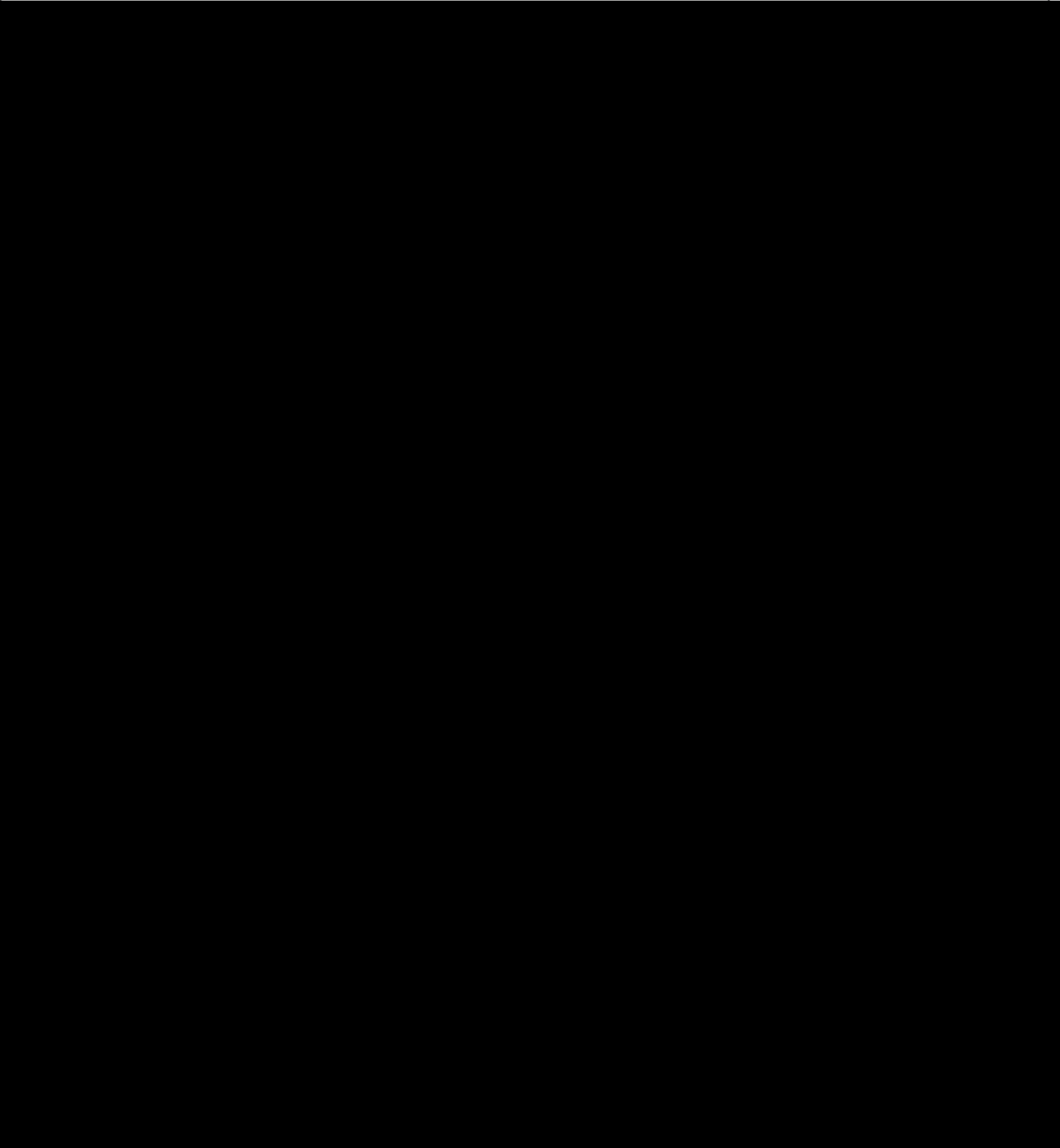
Real Estate Taxes

2020 Real Estate Taxes

Tax Appraised Value	\$0
Assessment Ratio	0.00%
Tax Assessed Value	\$162,753
Mill Levy	18.323
Real Estate Taxes	\$3,132
Special Assessments	\$0
Total Taxes	\$3,132
Due	\$3,132
Taxes per SF GBA	\$0.19

The subject tax identification number is [REDACTED] tax roll. The 2020 certified market value for the subject is \$184,104, with a land value of \$181,318 (or \$3.75/SF based on the [REDACTED] tax roll site size of 48,351.6 SF), and a miscellaneous feature's value of \$2,786. The certified 2020 assessed/taxable value was \$162,753 reflecting a 10% increase over the 2019 assessed value. The taxes for 2020 were \$3,131.90, prior to any discounts for early payment, based on a millage rate of 0.01832260. There are no non-ad valorem taxes. Pertinent tax data is displayed following. The 2020 taxes have not yet been paid and are due by March 31, 2021, no prior year's taxes are delinquent. The tax responsibility is expected to increase substantially upon completion of the proposed improvements.



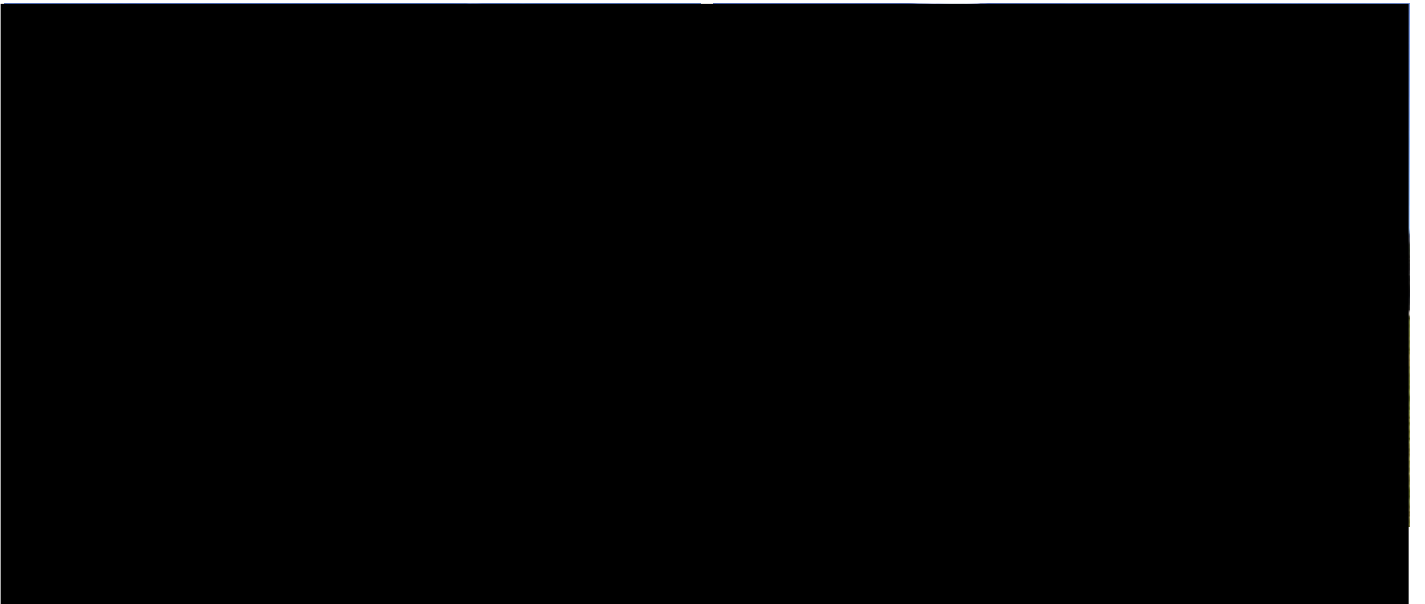
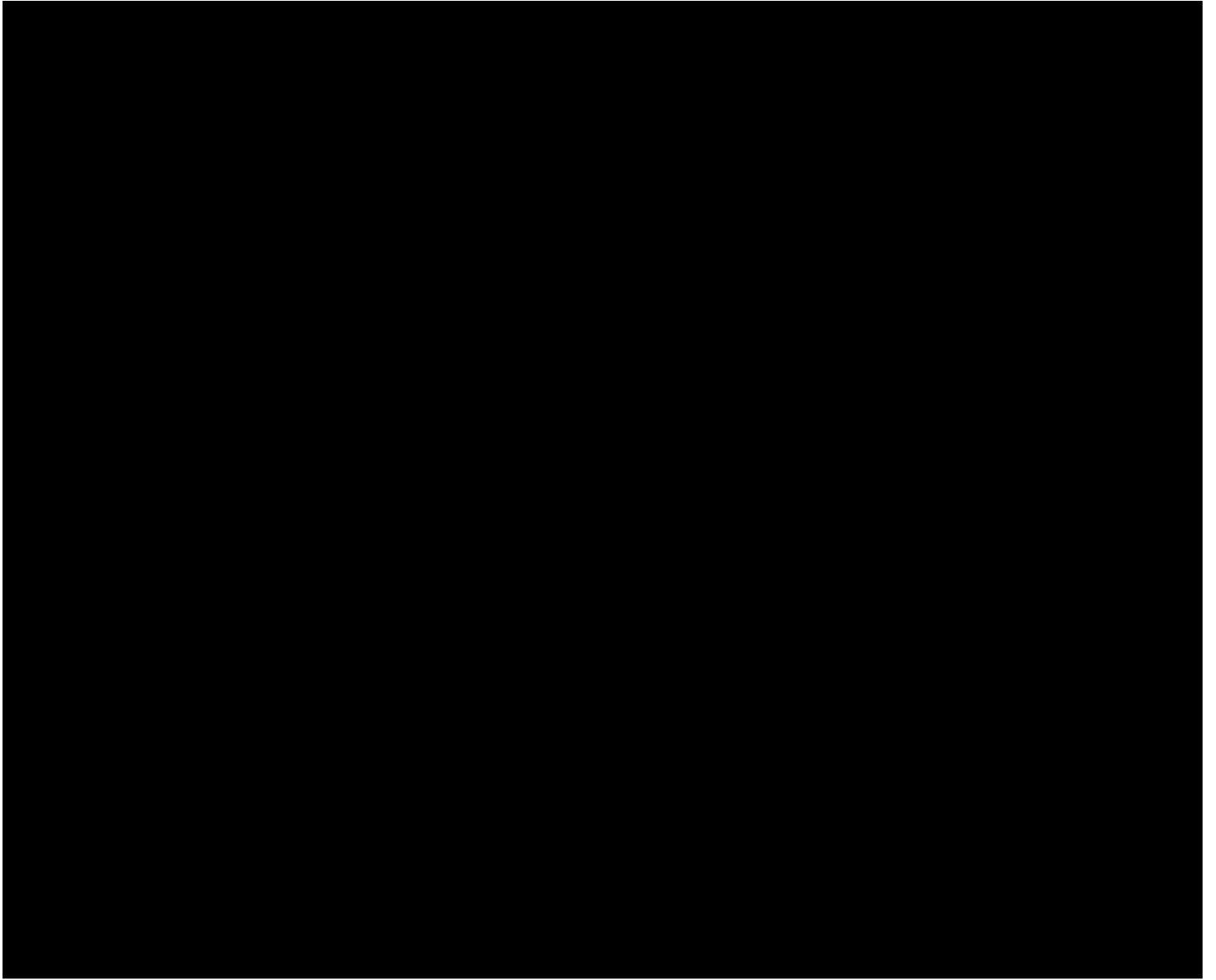


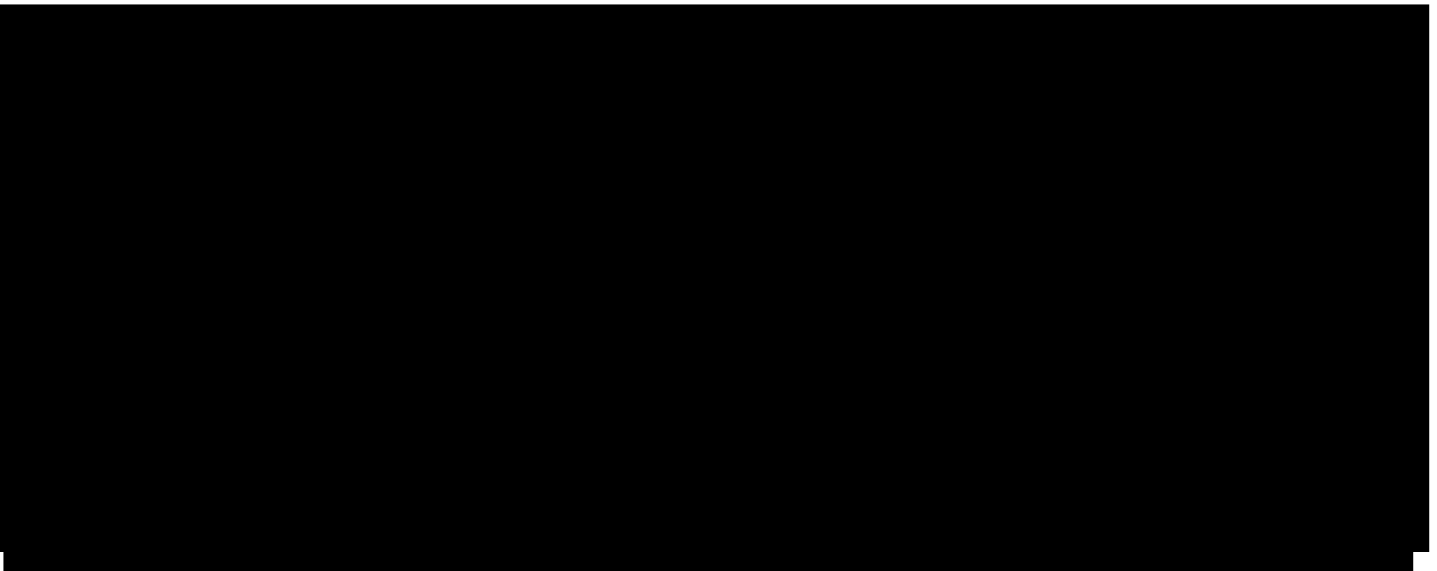
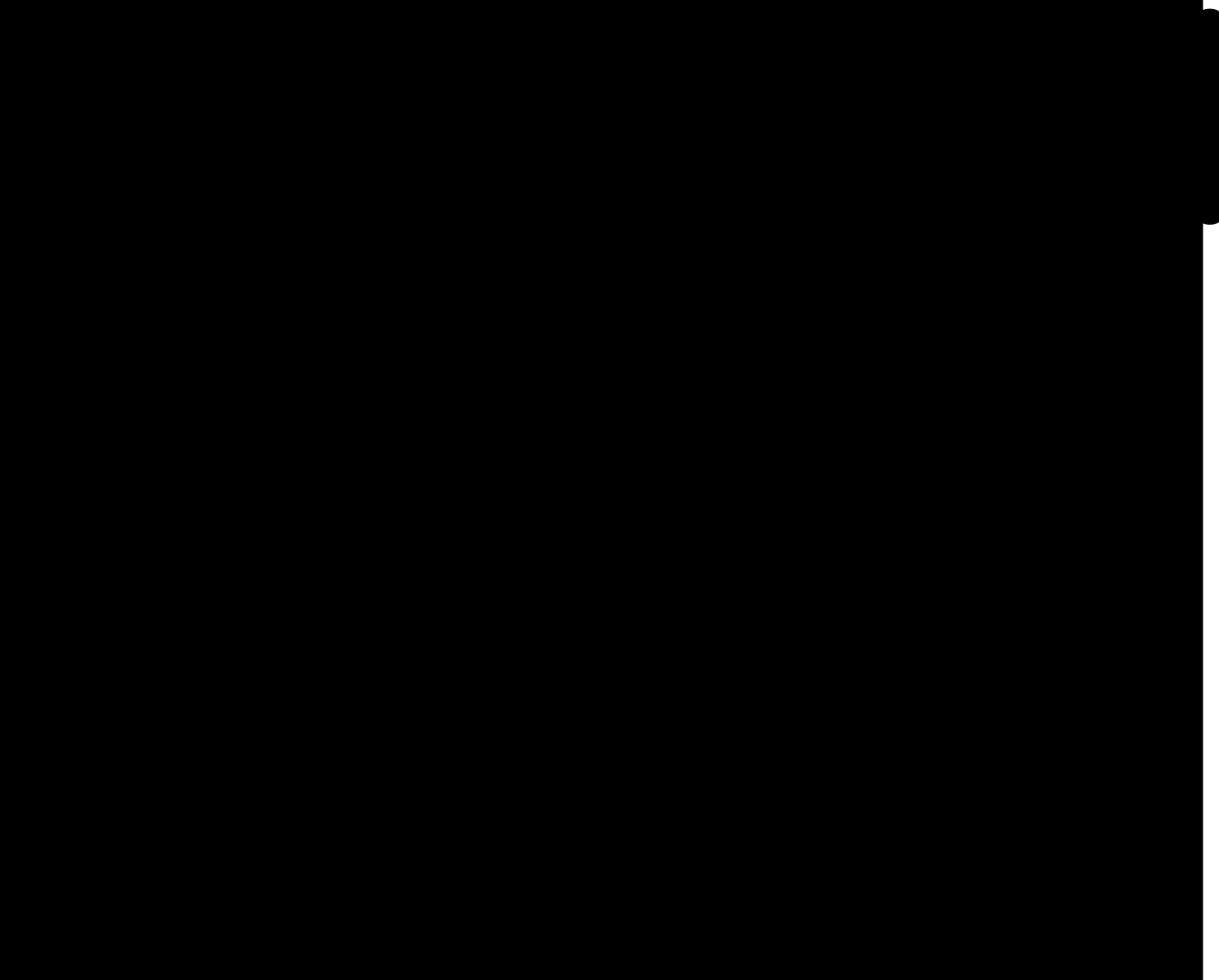
Property Description

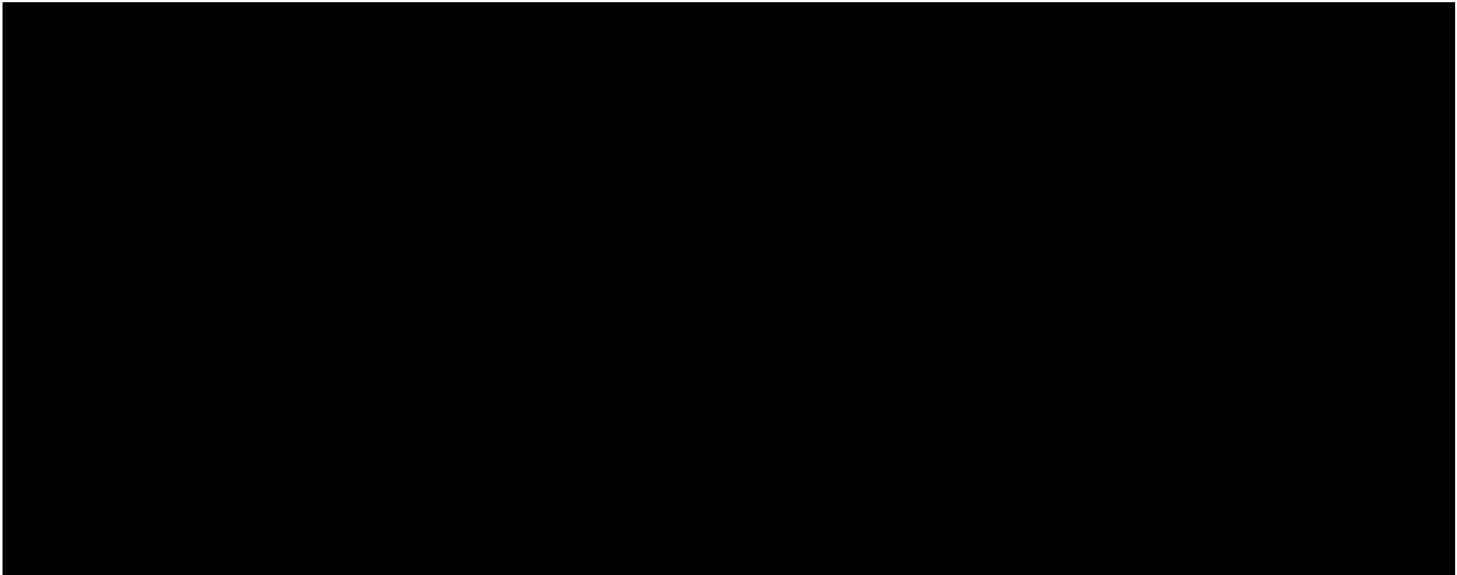
Owner Information



Subject Photos







right)

Highest and Best Use

Process – The highest and best use of the property must be determined for both the subject site as though vacant and for the property as currently improved (if applicable). The highest and best use is:

1. Physically possible for the site.
2. Permitted or reasonably probable under the zoning laws and deed restrictions that apply to the site.
3. Economically feasible.
4. The use which will produce the highest net return on investment (i.e. highest value) from among the possible, permissible, and economically feasible uses.

Highest and Best Use (Site as if Currently Vacant)

The highest and best use of the subject site as if vacant considers uses that are physically possible, legally permissible, financially feasible, and maximally productive.

The subject site is physically capable of supporting development with adequate size and shape as evidenced by the existing and surrounding improvements.

Legally permitted uses include a variety of commercial uses including many industrial uses.

The use that would be feasible and result in the highest return to the land would be for commercial development due to the current zoning/Future Land Use and compatibility with nearby uses, however, limited exposure of the property (located off the primary roadway) makes the site better suited for a destination location or another use for which drive-by traffic and walk-in customers are not the primary customer base. Therefore, the highest and best use of the subject site, as if vacant, is for commercial use, likely industrial or heavy retail/wholesale.

Highest and Best Use (Site as Proposed Upon Completion)

In determining the highest and best use as improved, it was concluded that the proposed improvements are physically and functionally adequate to accommodate industrial (office/showroom/warehouse) use. Moreover, the proposed use is legally allowed. Therefore, the highest and best use of the subject property as proposed/improved is for use as an office/showroom/warehouse building. The most likely buyer of the subject property is an owner-user.

Valuation Process

In the appraisal of the subject property, all of the three commonly accepted approaches to value were considered and applied. The income approach determines the property's value by estimating market rents, additional income sources and operating expenses, then capitalizing the net operating income by an appropriate overall capitalization rate. The sales comparison approach is the process of comparing prices paid for properties having a satisfactory degree of similarity to the subject. This approach was applied in valuing the subject improvements as well as the underlying land for the cost approach. The cost approach considers what it would cost to buy the land and build improvements accounting for any depreciation of those improvements.

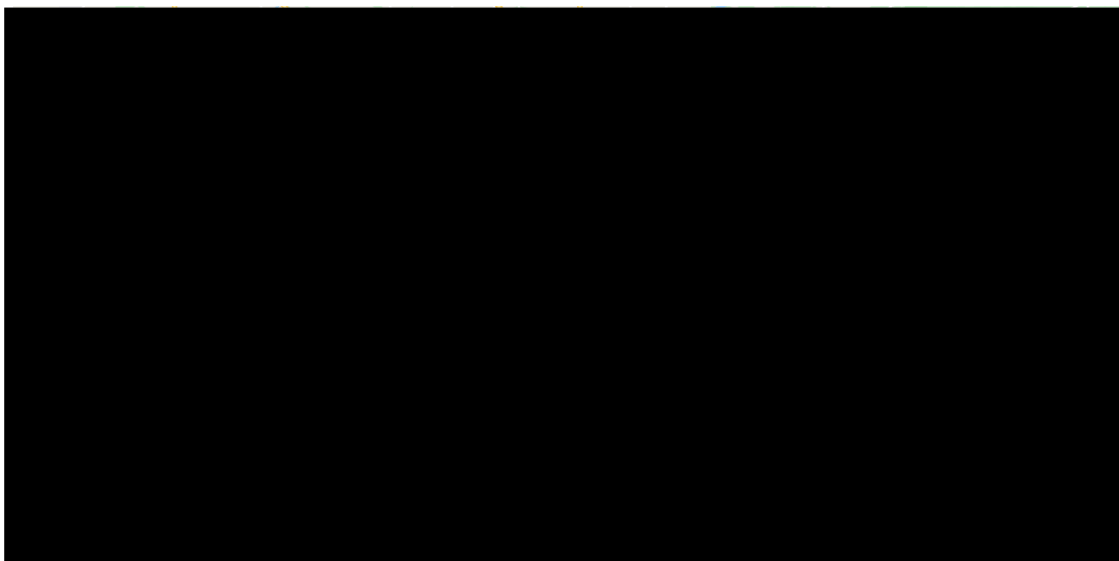
Land Valuation

The sales comparison approach was used to estimate the land value of the subject property as vacant in determining the as is value of the property and to apply in the cost approach. Commercial and/or industrial lots in locations similar to the subject were researched. This process is a method of comparison of the subject with recent sales, contracts, and/or listings of similar tracts in the market area suitable for development of a commercial/industrial building. Three land sales and one current listing were chosen which were the most comparable to the subject property features including location, access, configuration, size, zoning and site utility. All of the sales are located within the [REDACTED]. Adjustments are made for any major differences between the subject and the market comparables. The indications of value for the various market sales are then correlated into a final land/site value estimate for the subject property.

Land Sales

The primary sales search was targeted for recent land sales between 0.5 and 5 acres within or near the subject neighborhood allowing similar uses to the subject. The comparables range in size from 0.5 to 4.18 net upland acres (21,780 to 182,081 SF). The sales occurred between December 2019 and July 2020 and include a listing current as of the date of value. Unadjusted prices per unit range from \$2.40 to \$3.90 per square foot (net upland). Per net upland square feet was the source of measurement used.

The location map of the sales in relation to the subject, as well as a brief summary of the comparables follows. Detailed descriptions and tax map/aerial photographs of each comparable are located on the following pages.



#	Property Name	Sale Date	Land SF	Land Acres	Unadj SP	Unadj SP / Land SF	Unadj SP / Acre	Adj SP	Adj SP / Land SF	Adj SP / Acre
1	[REDACTED]	[REDACTED]	21,780	0.50	\$85,000	\$3.90	\$170,000	\$85,000	\$3.90	\$170,000
2	[REDACTED]	[REDACTED]	182,081	4.18	\$437,500	\$2.40	\$104,665	\$437,500	\$2.40	\$104,665
3	[REDACTED]	[REDACTED]	100,624	2.31	\$250,000	\$2.48	\$108,225	\$250,000	\$2.48	\$108,225
4	[REDACTED]	[REDACTED]	63,162	1.45	\$195,000	\$3.09	\$134,483	\$195,000	\$3.09	\$134,483

Site Information - [REDACTED]	
MSA	[REDACTED]
Market Type	Small
Location Classification	Good
Location Description	[REDACTED] access only)
Parcel Identifier	[REDACTED]
Location of Parcel	Corner
Land Acres	0.50
Land SF	21,780
Usable Land Acres	0.50
Usable Land SF	21,780
Traffic Count	22,500
Traffic Counter Description	FDOT 2019
Primary Frontage (Feet)	215
Primary Frontage Type	Minor Arterial
Frontage Description	Four-lane, asphalt-paved road
Access Classification	Fair
Access Description	Median cut at side street providing rear access
Zoning Jurisdiction	[REDACTED]
Zoning Code	B5
Zoning Description	Wholesale Business
General Plan Designation	Employment Center
Shape	Triangular
Topography	Basically Level
Grade	At Grade
Land Cover	Paving
View / Appeal	Average
Available Utilities	Electricity, Water, Sewer, and Telephone
Site Improvements	Concrete and asphalt paving
Site Utility	Fair

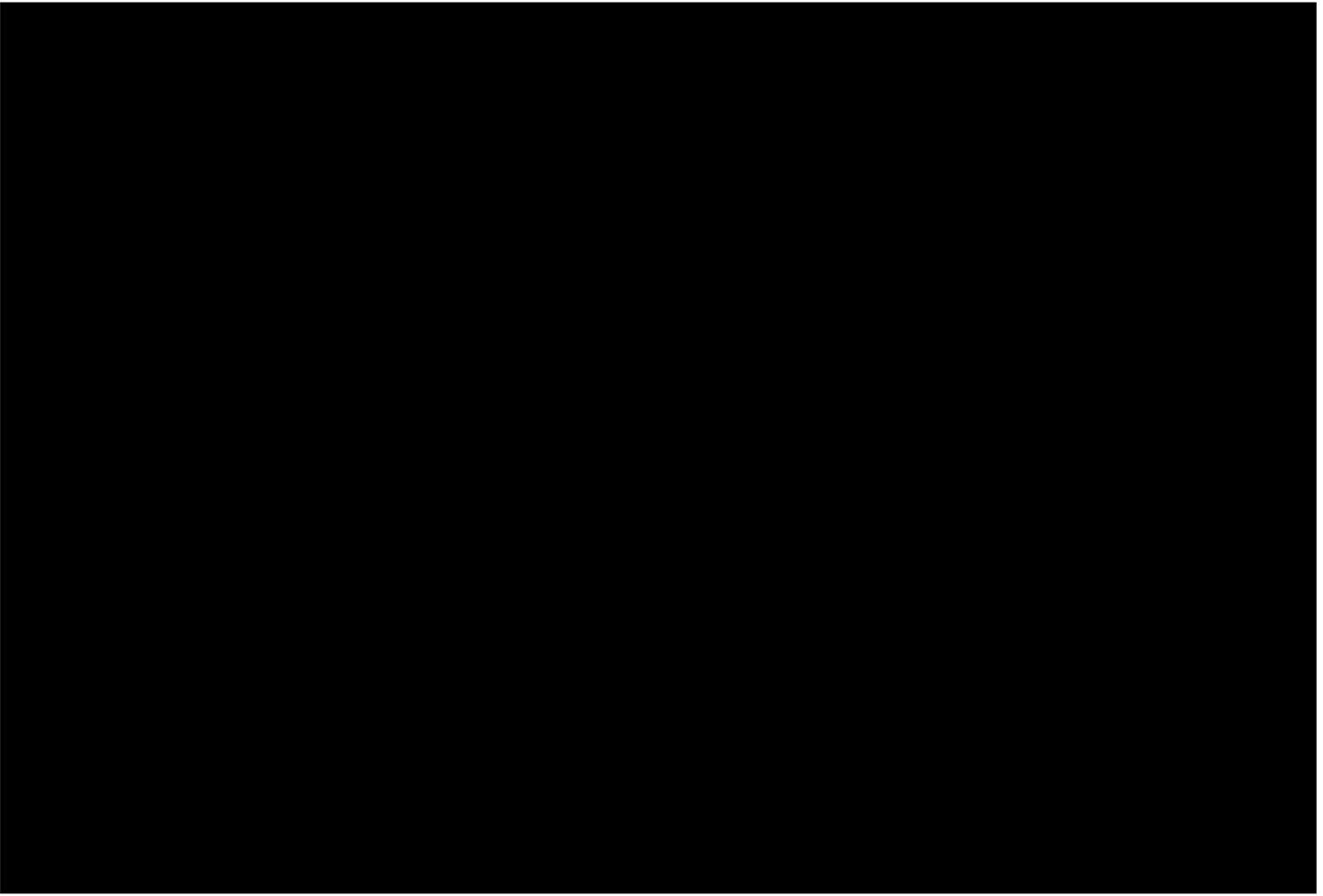
Transaction Information	
Sale Date	[REDACTED]
Unadjusted Sale Price	\$85,000
Sale Status	Listing
Property Rights Convey Method	Fee Simple
Seller	[REDACTED]
Buyer	Current Listing
Sale ID	[REDACTED]
Adjusted Sale Price	\$85,000
Unadjusted Price per Acre	\$170,000
Unadjusted Price per SF Land	\$3.90
Unadjusted Price per Usable Acre	\$170,000
Unadjusted Price per Usable Land SF	\$3.90
Unadjusted Price per Front Foot	\$395
Adjusted Sale Price per Acre	\$170,000
Adjusted Sale Price per SF Land	\$3.90
Adjusted Price per Usable Acre	\$170,000
Adjusted Price per Usable Land SF	\$3.90
Adjusted Price per Front Foot	\$395

Site Information -

Market Type	Small
Location Classification	Good
Parcel Identifier	
Location of Parcel	Mid-Block
Land Acres	4.18
Land SF	182,081
Usable Land Acres	4.18
Usable Land SF	182,081
Traffic Count	21,000
Traffic Counter Description	FDOT 2019
Primary Frontage (Feet)	170
Primary Frontage Type	Minor Arterial
Frontage Description	Four-lane, asphalt-paved with center turn lane
Access Classification	Average
Access Description	No barriers to access
Zoning Jurisdiction	
Zoning Code	B-4
General Plan Designation	Low Intensity
Shape	Rectangular
Topography	Basically Level
Grade	At Grade
Land Cover	Paving
View / Appeal	Average
Available Utilities	Electricity, Water, Sewer, and Telephone
Site Utility	Average

Transaction Information

Sale Date	2020-07-01
Unadjusted Sale Price	\$437,500
Sale Status	Closed
Property Rights Convey Method	Fee Simple
Seller	
Buyer	
Book Page	7233/92
Sale Document Type	Warranty Deed
Listing Price	\$550,000
Sale Price To List Price Ratio	79.55%
Time on Market	96
Time on Market Period Type	Days
Sale ID	
Adjusted Sale Price	\$437,500
Unadjusted Price per Acre	\$104,665
Unadjusted Price per SF Land	\$2.40
Unadjusted Price per Usable Acre	\$104,665
Unadjusted Price per Usable Land SF	\$2.40
Unadjusted Price per Front Foot	\$2,574
Adjusted Sale Price per Acre	\$104,665
Adjusted Sale Price per SF Land	\$2.40
Adjusted Price per Usable Acre	\$104,665
Adjusted Price per Usable Land SF	\$2.40
Adjusted Price per Front Foot	\$2,574



Site Information - [REDACTED]	
MSA	[REDACTED]
Market Type	Small
Location Classification	Average
Location Description	[REDACTED]
Parcel Identifier	[REDACTED]
Location of Parcel	Double Corner
Land Acres	2.31
Land SF	100,624
Usable Land Acres	2.31
Usable Land SF	100,624
Traffic Counter Description	No data
Primary Frontage (Feet)	390
Primary Frontage Type	Local
Secondary Frontage (Feet)	300
Secondary Frontage Type	Local
Frontage Description	Three, two-lane, asphalt-paved roads
Access Classification	Average
Access Description	No barriers to access
Zoning Jurisdiction	[REDACTED]a
Zoning Code	M1
Zoning Description	Light Industrial
General Plan Designation	Low Intensity
Shape	Rectangular
Topography	Basically Level
Grade	At Grade
Land Cover	Paving
View / Appeal	Average
Available Utilities	Electricity, Water, Sewer, and Telephone
Site Improvements	Fenced and paved
Site Utility	Average

Transaction Information

Sale Date	2020-03-01
Unadjusted Sale Price	\$250,000
Sale Status	Closed
Property Rights Convey Method	Fee Simple
Seller	[REDACTED]
Buyer	[REDACTED]
Book Page	[REDACTED]
Sale Document Type	Warranty Deed
Listing Price	\$300,000
Sale Price To List Price Ratio	83.33%
Time on Market	332
Time on Market Period Type	Days
Sale Remarks	The site was previously used for outdoor storage and was paved and fenced with a 120 SF office/utility building with restroom on site at the time of sale.
Sale ID	[REDACTED]
Adjusted Sale Price	\$250,000
Unadjusted Price per Acre	\$108,225
Unadjusted Price per SF Land	\$2.48
Unadjusted Price per Usable Acre	\$108,225
Unadjusted Price per Usable Land SF	\$2.48
Unadjusted Price per Front Foot	\$641
Adjusted Sale Price per Acre	\$108,225
Adjusted Sale Price per SF Land	\$2.48
Adjusted Price per Usable Acre	\$108,225
Adjusted Price per Usable Land SF	\$2.48
Adjusted Price per Front Foot	\$641



Property Information

Property Name	[REDACTED]
Property Class	Land
Address	[REDACTED]
Property Type & Sub-Type	Commercial / ---

Site Information - [REDACTED]

MSA	[REDACTED]
Market Type	Small
Location Classification	Average
Location Description	[REDACTED]
Parcel Identifier	[REDACTED]
Location of Parcel	Mid-Block
Land Acres	1.45
Land SF	63,162
Usable Land Acres	1.45
Usable Land SF	63,162
Traffic Count	9,500
Traffic Counter Description	FDOT 2019
Primary Frontage (Feet)	111
Primary Frontage Type	Local
Frontage Description	Two-lane, asphalt-paved road with visibility from Interstate [REDACTED]
Access Classification	Average
Access Description	No barriers to access
Zoning Jurisdiction	[REDACTED]
Zoning Code	B2
Zoning Description	Community Business
General Plan Designation	Employment Center
Shape	Irregular
Topography	Basically Level
Grade	At Grade
Land Cover	Wooded
View / Appeal	Average
Available Utilities	Electricity, Water, Sewer, and Telephone
Site Utility	Average

Transaction Information

Sale Date	[REDACTED]
Unadjusted Sale Price	\$195,000
Sale Status	Closed
Property Rights Convey Method	Fee Simple
Seller	[REDACTED]
Buyer	[REDACTED]
Book Page	[REDACTED]
Sale Document Type	Warranty Deed
Listing Price	\$399,000
Sale Price To List Price Ratio	48.87%
Time on Market	36
Time on Market Period Type	Days
Sale ID	[REDACTED]
Adjusted Sale Price	\$195,000
Unadjusted Price per Acre	\$134,483
Unadjusted Price per SF Land	\$3.09
Unadjusted Price per Usable Acre	\$134,483
Unadjusted Price per Usable Land SF	\$3.09
Unadjusted Price per Front Foot	\$1,757
Adjusted Sale Price per Acre	\$134,483
Adjusted Sale Price per SF Land	\$3.09
Adjusted Price per Usable Acre	\$134,483
Adjusted Price per Usable Land SF	\$3.09
Adjusted Price per Front Foot	\$1,757

The adjustments to the sales were made on a quantitative basis, reflecting the inferior or superior characteristics of a comparable sale compared to the subject. The following is a brief synopsis of the adjustments applied to the individual sales.

None of the sales required any adjustments for property rights, as each transaction involved the fee simple estate. No sales required financing adjustments as each was in cash terms, or cash equivalent to the seller. Sale 1 was adjusted downward 10% for conditions of sale due to its active listing status and the fact that the asking price will likely be negotiated downward in order to consummate a sale. No other conditions of sale adjustments were necessary as each sale was a normal, arms-length transaction with no unusual conditions or motivations on behalf of either party. Over the past approximately two years there has been a trend of increasing prices for industrial/commercial land, however, a 0% (flat) market conditions adjustment was applied to the sales due to the on-going COVID-19 pandemic and its effects on real estate markets.

The property characteristics that influence value include location, access, traffic counts, utilities, configuration, topography, size, zoning and site utility. The sales were analyzed and compared to the subject relative to these features and appropriate adjustments were made. Adjustments were made on a percentage basis (inferior/superior).

Land Adjustments							
	Subject	Sale #1		Sale #2		Sale #3	
Name							
Street Address							
City							
Unadj Sale Price		\$85,000		\$437,500		\$250,000	
Unit of Comparison (UoC)	Usable Land SF	Usable Land SF		Usable Land SF		Usable Land SF	
UoC Value	41,862 sf	21,780 sf		182,081 sf		100,624 sf	
Unadj Sale Price / UoC		\$3.90		\$2.40		\$2.48	
Transactional Adjustments (calculated cumulatively)							
Property Rights	N/A	Fee Simple		Fee Simple		Fee Simple	
		Similar		Similar		Similar	
Terms / Financing	N/A	\$0.00		\$0.00		\$0.00	
		Similar		Similar		Similar	
Conditions of Sale	N/A	\$0.00		\$0.00		\$0.00	
Adjustment		-10.00%	-\$0.39	0.00%	\$0.00	0.00%	\$0.00
Expenditures After Sale	N/A	\$0.00		\$0.00		\$0.00	
		Similar		Similar		Similar	
Excess Land Value	N/A	\$0.00		\$0.00		\$0.00	
		Similar		Similar		Similar	
Market Conditions	N/A	2021-03-01		2020-07-01		2020-03-01	
		Similar		Similar		Similar	
Adj Price / UoC after Transactional Adj's	N/A	\$3.51		\$2.40		\$2.48	
Property Adjustments - Quantitative (not cumulative)							
Location	Good	Good		Good		Average	
Adjustment		0.00%	\$0.00	0.00%	\$0.00	5.00%	\$0.12
Access	Average	Fair		Average		Average	
Adjustment		5.00%	\$0.18	0.00%	\$0.00	0.00%	\$0.00
Frontage	400	215		170		390	
Adjustment		5.00%	\$0.18	5.00%	\$0.12	0.00%	\$0.00
Traffic Count	5,900	22,500		21,000		0	
Adjustment		-5.00%	-\$0.18	-5.00%	-\$0.12	5.00%	\$0.12
Utilities	Electricity, Sewer, Telephone, and Water	Electricity, Sewer, Telephone, and Water		Electricity, Sewer, Telephone, and Water		Electricity, Sewer, Telephone, and Water	
		Similar		Similar		Similar	
Configuration	Triangular	Triangular		Rectangular		Rectangular	
Adjustment		0.00%	\$0.00	-5.00%	-\$0.12	-5.00%	-\$0.12
Topography	Basically Level	Basically Level		Basically Level		Basically Level	
		Similar		Similar		Similar	
Size	41,862 sf	21,780 sf		182,081 sf		100,624 sf	
Adjustment		-5.00%	-\$0.18	20.00%	\$0.48	10.00%	\$0.25
Zoning	B-4	B5		B-4		M1	
		Similar		Similar		Similar	
Site Utility	Average	Fair		Average		Average	
Adjustment		10.00%	\$0.35	0.00%	\$0.00	0.00%	\$0.00
Total Adjustments							
Gross % Adj's	N/A	37.44%		35.00%		24.60%	
Gross \$ Adj's	N/A	\$1.46		\$0.84		\$0.61	
Net % Adj's	N/A	-1.03%		15.00%		14.92%	
Net \$ Adj's	N/A	-\$0.04		\$0.36		\$0.37	
Net Adj Price / UoC	N/A	\$3.86		\$2.76		\$2.85	



Land Adjustments		
	Subject	Sale #4
Name	[REDACTED]	[REDACTED]
Street Address	[REDACTED]	[REDACTED]
City	[REDACTED]	[REDACTED]
Unadj Sale Price		\$195,000
Unit of Comparison (UoC)	Usable Land SF	Usable Land SF
UoC Value	41,862 sf	63,162 sf
Unadj Sale Price / UoC		\$3.09

Transactional Adjustments (calculated cumulatively)		
Property Rights	<i>N/A</i>	<i>Fee Simple</i>
		Similar
Terms / Financing	<i>N/A</i>	\$0.00
		Similar
Conditions of Sale	<i>N/A</i>	\$0.00
Adjustment		0.00% \$0.00
Expenditures After Sale	<i>N/A</i>	\$0.00
		Similar
Excess Land Value	<i>N/A</i>	\$0.00
		Similar
Market Conditions	<i>N/A</i>	2019-12-01
		Similar
Adj Price / UoC after Transactional Adjs	<i>N/A</i>	\$3.09

Property Adjustments - Quantitative (not cumulative)		
Location	<i>Good</i>	<i>Average</i>
Adjustment		10.00% \$0.31
Access	<i>Average</i>	<i>Average</i>
Adjustment		0.00% \$0.00
Frontage	400	111
Adjustment		5.00% \$0.15
Traffic Count	5,900	9,500
Adjustment		0.00% \$0.00
Utilities	<i>Electricity, Sewer, Telephone, and Water</i>	<i>Electricity, Sewer, Telephone, and Water</i>
		Similar
Configuration	<i>Triangular</i>	<i>Irregular</i>
Adjustment		0.00% \$0.00
Topography	<i>Basically Level</i>	<i>Basically Level</i>
		Similar
Size	41,862 sf	63,162 sf
Adjustment		5.00% \$0.15
Zoning	B-4	B2
		Similar
Site Utility	<i>Average</i>	<i>Average</i>
Adjustment		0.00% \$0.00

Total Adjustments

Gross % Adj's	N/A	19.74%
Gross \$ Adj's	N/A	\$0.61
Net % Adj's	N/A	19.74%
Net \$ Adj's	N/A	\$0.61
Net Adj Price / UoC	N/A	\$3.70

Adjusted Price Indications

Minimum	\$2.76
Maximum	\$3.86
Average	\$3.29
Median	\$3.28
Standard Deviation	0.49

After adjustments, the range of indicated values for the subject was \$2.85 to \$3.86 per net upland SF, averaging \$3.29 per net upland SF. The appraisers applied a rate of \$3.50/SF to the subject property after weighting the adjusted comparables based on total net adjustment coupled with overall similarity to the subject property. Multiplying the subject's 41,862 SF by \$3.50 results in a value indication of \$146,517 rounded to \$150,000, for the subject underlying land.

Indicated Values

Unit of Comparison	Usable Land SF
Indicated Value / Unit of Comparison	\$3.50
Land Indicated Value	\$146,517
Rounded	\$150,000

Cost Approach

The cost estimate for the subject improvements is derived by an analysis of construction cost estimate provided by the client as well as data obtained from the Marshall Valuation Service, a reliable national cost service. This cost service contains actual costs to the owner including architect's and engineer's fees, plan check, building permits, survey, normal interest during the construction period, processing fee, sales tax on materials, normal site preparation including finish grading, excavation for foundation and backfill, utilities from structure to lot line, contractor's overhead and profit including job supervision, workman's compensation, fire and liability insurance, unemployment insurance, equipment, temporary facilities and security.

The Marshall Valuation Service does not include cost of buying or assembling the land, legal fees, property taxes, demolition costs, storm drains, rough grading, hillside foundations, soil compaction, appraisal, consulting fees, signs, landscaping, paving, walls, yard lighting, jurisdictional hook-up, tap-in, impact fees, advertising expenses, leasing fees, broker's commissions and other marketing costs. The cost of these items will need to be added to the base cost estimate if required.

Replacement Cost New

The proposed office/showroom and warehouse building was classified as a Class C/S Average quality Industrials, Light Manufacturing building. Because the proposed improvement will have split construction (Class C - block office/showroom and Class S - steel frame warehouse) the appraiser pro-rated the base cost based on the size of the respective portions of the building and construction class.

Base cost calculations are summarized in the following table. The costs of the site improvements were also estimated by reviewing Marshall Valuation Service.

The direct building costs estimates calculated from Marshall Valuation Service totaled \$1,062,278 and site improvements estimated to be \$14,064. The total direct building costs were estimated to be \$1,076,342. Indirect costs included permanent financing/legal fees and impact fees and were estimated to be approximately 5% of direct costs or \$53,817.

Applying the appropriate amount of entrepreneurial profit is the next step, and is a legitimate fee due to the developer for the risk involved in assembling the land, capital and overseeing the development. A survey of developers of similar projects indicates that this item can be anywhere from 5% up to 20% depending on the perceived risk involved and the investment requirements of equity investors. Ultimately, the level of profit actually received by the developer/entrepreneur is based on his/her ability to purchase land at a reasonable price and keep development costs within reason until the project is ready to be marketed, or generate income. For the purpose of this analysis, a minimal 5% profit rate is applied since the property is considered a somewhat specialized purpose and entrepreneurial effort would be limited for customized uses. Entrepreneurial profit of 5%, or \$56,508 was added to the estimated building cost for a total cost of the improvements of \$1,186,667 (\$73.71/SF).

The actual contractor's quote provided indicated a total cost of \$1,140,678.50, reflecting \$70.85/SF, however, it was reported by the borrower that some changes made to the plans for the office/showroom portion of the building would increase the overall costs by approximately \$50,000 to \$100,000. Resulting in a revised cost of \$1,215,678.50 (applying an additional \$75,000 to the quote provided) or \$75.51/SF. Based on the analysis of the Marshall Valuation Service the contractor's quote provided appears reasonable.

Building Costs								
Building	Unit Cost	Adjustments	Adjusted Cost	Local	Current	Perimeter	Ceiling Height	Subtotal
Office/Showroom/Warehouse Building	\$49.03	\$0.00	\$49.03	93%	107%	98%	138%	\$66
Subtotal								\$66

Building Name	Subtotal	Size	Unit	Total	Source	Page
Office/Showroom/ Warehouse Building	\$66	16,100	SF	\$1,062,278	Marshall & Swift	Sec. 14, Page 14
Subtotal	\$66	16,100		\$1,062,278		

Site Improvement Costs

Site Improvement	Unit Cost	Adjustments	Adjusted Cost	Size	Unit	Total
Parking Lot	\$1,278.55	\$0.00	\$1,278.55	11	Spaces	\$14,064
Subtotal						\$14,064

Summary

Total Direct Costs						\$1,076,342
Indirect Costs			5% of Direct Costs			\$53,817
Replacement Cost New Before Entrepreneurial Incentive						\$1,130,159
Entrepreneurial Incentive			5% (% of Repl Cost of All Improv's Before Entrepreneurial Incentive)			\$56,508
Total Replacement Cost New						\$1,186,667

Depreciation

The estimate of physical and functional accrued depreciation can be considered curable or incurable. Physical deterioration can be measured by the effective age/economic life method. This is a simple technique that applies the ratio of effective age to expected economic life. This ratio/percentage is then applied to the total cost new of the improvements, after deducting for any curable depreciation or deferred maintenance. This methodology was applied because of its simplicity.

No physical curable depreciation/deferred maintenance exists as the improvements are proposed.

Functional obsolescence is the result of design defects, or changes over the years, which have made some aspects of the structure, materials or design obsolete by current standards. Similar to physical deterioration, functional obsolescence may be curable or incurable. No functional/design obsolescence was observed in the review of the subject plans.

External obsolescence is the diminished utility of a structure due to negative influences from outside the property itself. External obsolescence may be caused by environmental, political, social or economic factors or conditions external to the property that adversely impact the value of the property. Since forces outside the property cause external obsolescence, it is incurable by the owner. The subject property does not appear to suffer from any form of external obsolescence.

Weighted Average Age-Life Method				
Item	RCN	Effective Age (Years)	Economic Life (Years)	Percent Depreciation
Weighted Average				0.00%

Incurable Physical Deterioration	
Replacement Cost New	\$1,186,667
Less Curable Physical Deterioration (Deferred Maintenance)	\$0
Replacement Cost Less Curable Physical Deterioration	\$1,186,667
Age Life Ratio	0.00%
Total Incurable Physical Deterioration	\$0

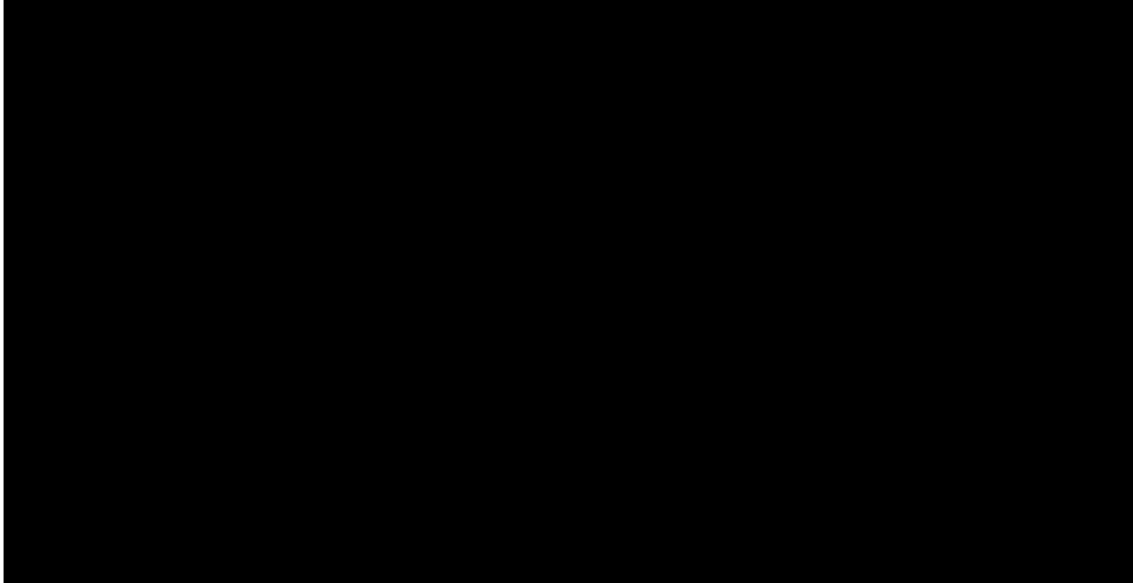
Cost Approach Conclusion

The Marshall Valuation Service indication was reconciled with the contractor's cost quote provided, applying 50% weight to each of the indications, this reconciliation was applied as an adjustment to the Marshall Service indication (see below). The final step in the Cost Approach is to add the land value, which was determined to be \$150,000 by the analysis of comparable land sales, as discussed previously. Adding the land value and the \$14,506 adjustment to reflect the reconciliation of the quote provided results in an indicated as-proposed value via the cost approach of \$1,351,173, **rounded to \$1,350,000**, (for the real estate only, not including any FF&E) as summarized in the following table.

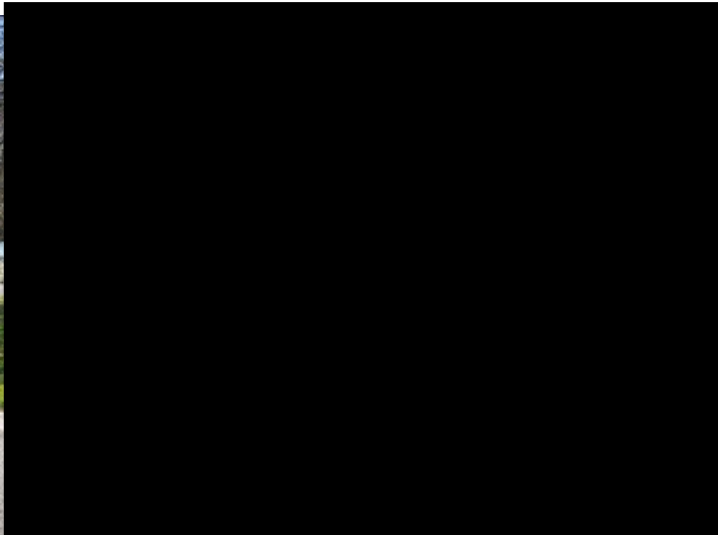
Cost Approach Summary		
	Total	Per SF GBA
Replacement Cost New		
Building Costs	\$1,062,278	\$65.98
Site Improvements	\$14,064	\$0.87
Other Costs	\$0	\$0.00
Total Direct Costs	\$1,076,342	\$66.85
Indirect Costs	\$53,817	\$3.34
Replacement Cost New Before Entrepreneurial Incentive	\$1,130,159	\$70.20
Entrepreneurial Incentive	\$56,508	\$3.51
Total Replacement Cost New	\$1,186,667	\$73.71
Less Accrued Depreciation		
Curable Physical Deterioration (Deferred Maintenance)	- \$0	- \$0.00
Incurable Physical Deterioration Short-Lived	- \$0	- \$0.00
Incurable Physical Deterioration Long-Lived	- \$0	- \$0.00
Total Incurable Physical Deterioration	- \$0	- \$0.00
Functional Obsolescence	- \$0	- \$0.00
External Obsolescence	- \$0	- \$0.00
Total Accrued Depreciation by All Causes	- \$0	- \$0.00
Depreciated Cost of Building and Site Improvements	\$1,186,667	\$73.71
Add Site Value (Rounded)	\$150,000	\$9.32
Adjustments to Cost Approach		
Adjustment Description	Amount	Per SF GBA
Reconciled with Cost Estimate Provided	\$14,506	
Total Adjustments	\$14,506	
Cost Indicated Value	\$1,351,173	\$83.92
Rounded	\$1,350,000	\$83.85

Sales Comparison Approach

Four comparable improved sales and one current listing were analyzed to indicate a value for the subject. We have valued the subject according to its highest and best use, as improved. In evaluating the comparable sales, we selected sales price per square foot of rentable building area as the primary unit of comparison. This is the unit of comparison most commonly quoted by brokers, sellers, and purchasers when discussing sales transactions and is considered the most relevant for the subject. A location map and brief summary are shown below with detailed descriptions with photographs can be found in the following pages.



#	Property Name	Sale Date	Year Built	GBA SF	RA SF	Units	Unadj SP	Unadj SP / SF	Adj SP	Adj SP / SF
1			2002	8,882	7,680	1	\$625,000	\$70.37	\$625,000	\$70.37
2			2007	30,270	29,975	0	\$1,750,000	\$57.81	\$1,750,000	\$57.81
3			1973	15,210	14,950	1	\$912,500	\$59.99	\$912,500	\$59.99
4			2007	17,784	13,260	1	\$725,000	\$40.77	\$725,000	\$40.77
5			2021	7,500	7,500	1	\$695,000	\$92.67	\$695,000	\$92.67



Property Information

Property Name	[REDACTED]
Property Class	Industrial
Address	[REDACTED]
Property Type & Sub-Type	Warehouse / ---

Site Information - 2520 NW 6th Street

MSA	[REDACTED]
Market Type	Small
Location Classification	Average
Parcel Identifier	[REDACTED]
Location of Parcel	Mid-Block
Land Acres	0.90
Land SF	39,204
Usable Land Acres	0.90
Usable Land SF	39,204
Density	1.11
Traffic Counter Description	No data - low traffic
Primary Frontage Type	Local
Frontage Description	Two-lane, asphalt-paved road
Access Classification	Average
Access Description	No barriers to access
Zoning Jurisdiction	[REDACTED]
Zoning Code	M1
Zoning Description	Light Industrial
General Plan Designation	Employment Center
Shape	Rectangular
Topography	Basically Level
Grade	At Grade
View / Appeal	Average
Site Utility	Average

Improvement Information - [REDACTED]	
Gross Building Area	8,882
GBA Source	Tax Roll
Rentable Area	7,680
Rentable Area Source	Tax Roll
Ancillary Area SF	1,202
Ancillary Area Description	Covered loading/Entry
Building Footprint Area SF	8,882
Efficiency	86.47
# of Units	1
% Office	19.53%
Office Area SF	1,500
Year Built	2002
Tenancy Type	Single
Utility	Average
Year Built Details (2002)	SF Built: 8882
Year Built Details (Totals)	Year Built: 2002, SF Built: 8,882
Construction Quality	Average
Building Condition	Average
Construction Class	S
Exterior Walls	Split Face: Block/Metal
Building Frame	Steel
Foundation Type	Concrete Slab
Roof Type	Gable
Roof Material	Standing Seam Metal
Heating Type	Heat Pump
Cooling Type	Package Units
HVAC Comments	Office only
Type of Parking	Surface
# of Surface Parking Spaces	17
Total Parking Spaces	17
Drainage and Retention	Master/Off-Site
Other Site Improvements	Fenced
# of Drive-In Doors	8
Door Dimensions	12'x12'
% Air Conditioned	19.53%
Air Conditioned SF	1,500
Clear Height Average (Feet)	16
Mezzanine Area SF	1,920
Mezzanine Description	Storage/Unfinished - Low Ceiling (not included in gross SF)
Improvements Ratios	
Land to Bldg Ratio (x:1)	4.41
Floor to Area Ratio (x:1)	0.23
Parking Ratio GBA	1.91
Parking Ratio NRA	2.21
Parking Ratio (Spaces/Unit)	17.00

Transaction Information

Sale Date	[REDACTED]
Unadjusted Sale Price	\$625,000
Sale Status	Closed
Property Rights Convey Method	Fee Simple
Seller	[REDACTED]
Buyer	[REDACTED]
Book Page	[REDACTED]
Sale Document Type	Warranty Deed
Listing Price	\$750,000
Sale Price To List Price Ratio	83.33%
Time on Market	105
Time on Market Period Type	Days
Sale ID	[REDACTED]
Adjusted Sale Price	\$625,000
Unadjusted Price per Acre	\$694,444
Unadjusted Price per SF Land	\$15.94
Unadjusted Price per Usable Acre	\$694,444
Unadjusted Price per Usable Land SF	\$15.94
Unadjusted Price per SF GBA	\$70.37
Unadjusted Price per SF RA	\$81.38
Unadjusted Price per Unit	\$625,000
Adjusted Sale Price per Acre	\$694,444
Adjusted Sale Price per SF Land	\$15.94
Adjusted Price per Usable Acre	\$694,444
Adjusted Price per Usable Land SF	\$15.94
Adjusted Sale Price per SF GBA	\$70.37
Adjusted Sale Price per SF RA	\$81.38
Adjusted Sale Price per Unit	\$625,000



Property Information

Property Name	[REDACTED]
Property Class	Industrial
Address	[REDACTED]
Property Type & Sub-Type	Manufacturing / Light

Site Information - [REDACTED]

MSA	[REDACTED]
Market Type	Small
Location Classification	Average
Parcel Identifier	[REDACTED]
Location of Parcel	Corner
Land Acres	2.01
Land SF	87,399
Usable Land Acres	2.01
Usable Land SF	87,399
Traffic Counter Description	No data - low traffic
Primary Frontage Curb Cuts	1
Secondary Street Curb Cuts	1
Frontage Description	Two, two-lane, asphalt-paved roads
Access Classification	Average
Access Description	No barriers to access
Zoning Jurisdiction	[REDACTED]
Zoning Code	M1
Zoning Description	Light Industrial
General Plan Designation	Employment Center
Shape	Rectangular
Topography	Basically Level
Grade	At Grade
View / Appeal	Average
Site Utility	Average

Improvement Information - [REDACTED]	
Gross Building Area	30,270
GBA Source	Tax Roll
Rentable Area	29,975
Rentable Area Source	Tax Roll
Ancillary Area SF	295
Ancillary Area Description	Covered Entry
Efficiency	99.03
% Office	9.00%
Office Area SF	2,698
Year Built	2007
Tenancy Type	Single
Utility	Average
Year Built Details (2007)	SF Built: 30270
Year Built Details (Totals)	Year Built: 2007, SF Built: 30,270
Construction Quality	Average
Building Condition	Average
Construction Class	S
Exterior Walls	Split Face: Block/Metal
Building Frame	Steel
Foundation Type	Concrete Slab
Roof Type	Gable
Roof Material	Standing Seam Metal
Heating Type	Heat Pump
Cooling Type	Central
HVAC Comments	100% Climate Controlled
Type of Parking	Surface
# of Surface Parking Spaces	30
Total Parking Spaces	30
Drainage and Retention	On-Site
# of Dock High Doors	1
# of Drive-In Doors	1
Clear Height Min (Feet)	16
Clear Height Max (Feet)	22
Improvements Ratios	
Land to Bldg Ratio (x:1)	2.89
Floor to Area Ratio (x:1)	0.35
Parking Ratio GBA	0.99
Parking Ratio NRA	1.00

Transaction Information

Sale Date	[REDACTED]
Unadjusted Sale Price	\$1,750,000
Sale Status	Closed
Property Rights Convey Method	Fee Simple
Seller	[REDACTED]
Buyer	[REDACTED]
Book Page	[REDACTED]
Sale Document Type	Warranty Deed
Listing Price	\$2,200,000
Sale Price To List Price Ratio	79.55%
Time on Market	53
Time on Market Period Type	Days
Sale ID	[REDACTED]
Adjusted Sale Price	\$1,750,000
Unadjusted Price per Acre	\$870,647
Unadjusted Price per SF Land	\$20.02
Unadjusted Price per Usable Acre	\$870,647
Unadjusted Price per Usable Land SF	\$20.02
Unadjusted Price per SF GBA	\$57.81
Unadjusted Price per SF RA	\$58.38
Adjusted Sale Price per Acre	\$870,647
Adjusted Sale Price per SF Land	\$20.02
Adjusted Price per Usable Acre	\$870,647
Adjusted Price per Usable Land SF	\$20.02
Adjusted Sale Price per SF GBA	\$57.81
Adjusted Sale Price per SF RA	\$58.38



Property Information

Property Name	[REDACTED]
Property Class	Industrial
Address	[REDACTED]
Property Type & Sub-Type	Warehouse / ---

Site Information - [REDACTED]

MSA	[REDACTED]
Market Type	Small
Location Classification	Good
Parcel Identifier	[REDACTED]
Location of Parcel	Mid-Block
Land Acres	1.16
Land SF	50,530
Usable Land Acres	1.16
Usable Land SF	50,530
Density	0.86
Traffic Count	35,500
Traffic Counter Description	FDOT 2019
Primary Frontage Curb Cuts	1
Frontage Description	Four-lane, asphalt-paved road
Access Classification	Average
Access Description	No median barriers
Zoning Jurisdiction	[REDACTED]
Zoning Code	M1
Zoning Description	Light Industrial
General Plan Designation	Employment Center
Shape	Rectangular
Topography	Basically Level
Grade	At Grade
View / Appeal	Average
Site Utility	Average

Improvement Information - [REDACTED]

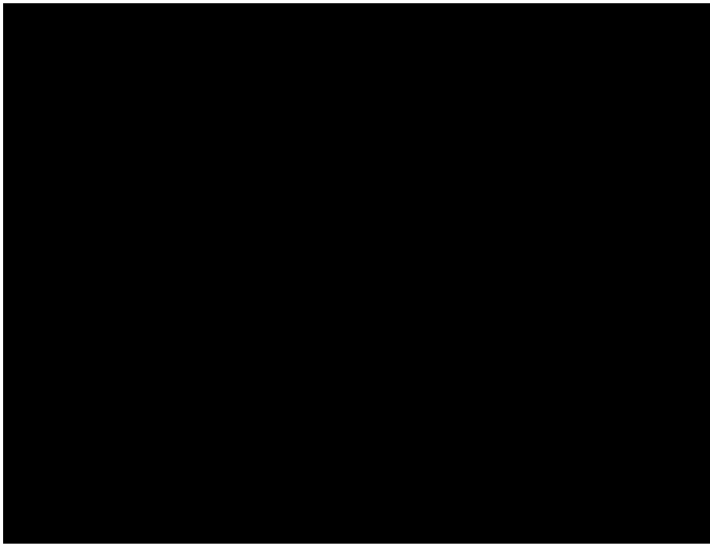
Gross Building Area	15,210
GBA Source	Tax Roll
Rentable Area	14,950
Rentable Area Source	Tax Roll
Ancillary Area SF	260
Ancillary Area Description	Covered Entry
Efficiency	98.29
# of Units	1
% Office	41.00%
Office Area SF	6,130
Year Built	1973
Tenancy Type	Single
Utility	Average
Renovations	Yes
Year Built Details (1973)	SF Built: 15210. Comments: Updates completed in 2006
Year Built Details (Totals)	Year Built: 1973, SF Built: 15,210
Construction Quality	Average
Building Condition	Average
Construction Class	S
Exterior Walls	Split Face: Block/Metal
Building Frame	Steel
Foundation Type	Concrete Slab
Roof Type	Gable
Roof Material	Standing Seam Metal
Heating Type	Heat Pump
Cooling Type	Package Units
HVAC Comments	Office and Showroom Areas
Type of Parking	Surface
Drainage and Retention	Off-Site
# of Drive-In Doors	3
Door Dimensions	10'x12', 12'x20', 16'x16'
% Air Conditioned	41.00%
Air Conditioned SF	6,130
Clear Height Min (Feet)	17
Clear Height Max (Feet)	24

Improvements Ratios

Land to Bldg Ratio (x:1)	3.32
Floor to Area Ratio (x:1)	0.30

Transaction Information

Sale Date	[REDACTED]
Unadjusted Sale Price	\$912,500
Sale Status	Closed
Property Rights Convey Method	Fee Simple
Seller	[REDACTED]
Buyer	[REDACTED]
Book Page	[REDACTED]
Sale Document Type	Warranty Deed
Sale ID	[REDACTED]
Adjusted Sale Price	\$912,500
Unadjusted Price per Acre	\$786,638
Unadjusted Price per SF Land	\$18.06
Unadjusted Price per Usable Acre	\$786,638
Unadjusted Price per Usable Land SF	\$18.06
Unadjusted Price per SF GBA	\$59.99
Unadjusted Price per SF RA	\$61.04
Unadjusted Price per Unit	\$912,500
Adjusted Sale Price per Acre	\$786,638
Adjusted Sale Price per SF Land	\$18.06
Adjusted Price per Usable Acre	\$786,638
Adjusted Price per Usable Land SF	\$18.06
Adjusted Sale Price per SF GBA	\$59.99
Adjusted Sale Price per SF RA	\$61.04
Adjusted Sale Price per Unit	\$912,500



Property Information

Property Name	[REDACTED]
Property Class	Industrial
Address	[REDACTED]
Property Type & Sub-Type	Warehouse / ---

Site Information - [REDACTED]

MSA	[REDACTED]
Market Type	Small
Location Classification	Average
Parcel Identifier	[REDACTED]
Location of Parcel	Mid-Block
Land Acres	2.89
Land SF	125,888
Usable Land Acres	2.89
Usable Land SF	125,888
Density	0.35
Traffic Counter Description	No data - low traffic
Primary Frontage Type	Local
Primary Frontage Curb Cuts	1
Frontage Description	Two-lane, asphalt-paved road
Access Classification	Average
Access Description	No barriers to access
Zoning Jurisdiction	[REDACTED]
Zoning Code	M1
Zoning Description	Light Industrial
General Plan Designation	Employment Center
Shape	Rectangular
Topography	Basically Level
Grade	Below Grade
View / Appeal	Average
Site Utility	Average

Improvement Information -

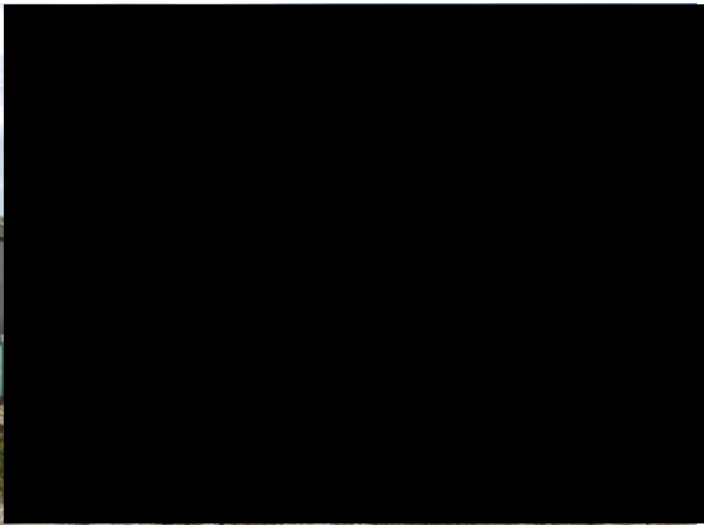
Gross Building Area	17,784
GBA Source	Tax Roll
Rentable Area	13,260
Rentable Area Source	Tax Roll
Ancillary Area SF	4,524
Ancillary Area Description	Canopy
Building Footprint Area SF	17,784
Efficiency	74.56
# of Units	1
% Office	20.00%
Office Area SF	2,650
Year Built	2007
Tenancy Type	Single
Utility	Average
Year Built Details (2007)	SF Built: 17784
Year Built Details (Totals)	Year Built: 2007, SF Built: 17,784
Construction Quality	Average
Building Condition	Average
Construction Class	S
Exterior Walls	Split Face: Block/Metal
Building Frame	Steel
Foundation Type	Concrete Slab
Roof Type	Gable
Roof Material	Standing Seam Metal
Heating Type	Heat Pump
Cooling Type	Central
HVAC Comments	Office and Showroom Areas
Type of Parking	Surface
Drainage and Retention	On-Site
Other Site Improvements	Fenced
# of Drive-In Doors	2
% Air Conditioned	20.00%
Air Conditioned SF	2,650
Clear Height Average (Feet)	16

Improvements Ratios

Land to Bldg Ratio (x:1)	7.08
Floor to Area Ratio (x:1)	0.14

Transaction Information

Sale Date	[REDACTED]
Unadjusted Sale Price	\$725,000
Sale Status	Closed
Property Rights Convey Method	Fee Simple
Seller	[REDACTED]
Buyer	[REDACTED]
Book Page	[REDACTED]
Sale Document Type	Warranty Deed
Listing Price	\$765,000
Sale Price To List Price Ratio	94.77%
Time on Market	69
Time on Market Period Type	Days
Sale ID	[REDACTED]
Adjusted Sale Price	\$725,000
Unadjusted Price per Acre	\$250,865
Unadjusted Price per SF Land	\$5.76
Unadjusted Price per Usable Acre	\$250,865
Unadjusted Price per Usable Land SF	\$5.76
Unadjusted Price per SF GBA	\$40.77
Unadjusted Price per SF RA	\$54.68
Unadjusted Price per Unit	\$725,000
Adjusted Sale Price per Acre	\$250,865
Adjusted Sale Price per SF Land	\$5.76
Adjusted Price per Usable Acre	\$250,865
Adjusted Price per Usable Land SF	\$5.76
Adjusted Sale Price per SF GBA	\$40.77
Adjusted Sale Price per SF RA	\$54.68
Adjusted Sale Price per Unit	\$725,000



Property Information

Property Name	[REDACTED]
Property Class	Industrial
Address	[REDACTED]
Property Type & Sub-Type	Warehouse / ---

Site Information - 1428 NE 32nd Avenue

MSA	[REDACTED]
Market Type	Small
Location Classification	Average
Parcel Identifier	[REDACTED]
Location of Parcel	Mid-Block
Land Acres	0.97
Land SF	42,253
Usable Land Acres	0.97
Usable Land SF	42,253
Density	1.03
Traffic Counter Description	No data - low traffic
Primary Frontage Type	Local
Frontage Description	Two-lane, asphalt-paved road
Access Classification	Average
Access Description	No barriers to access
Zoning Jurisdiction	[REDACTED]
Zoning Code	M1
Zoning Description	Light Industrial
General Plan Designation	Low Intensity
Shape	Rectangular
Topography	Basically Level
Grade	At Grade
View / Appeal	Average
Site Utility	Average

Improvement Information - [REDACTED]

Gross Building Area	7,500
GBA Source	Listing (under construction)
Rentable Area	7,500
Rentable Area Source	Listing (under construction)
Building Footprint Area SF	7,500
Efficiency	100.00
# of Units	1
% Office	13.33%
Office Area SF	1,000
Year Built	2021
Tenancy Type	Single
Utility	Average
Year Built Details (2021)	SF Built: 7500. Comments: Slated for completion April 2021
Year Built Details (Totals)	Year Built: 2021, SF Built: 7,500
Construction Quality	Average
Building Condition	Excellent
Construction Class	C
Exterior Walls	Block
Building Frame	Masonry
Foundation Type	Concrete Slab
Roof Type	Gable
Roof Material	Composition Shingle
Heating Type	Heat Pump
Cooling Type	Central
HVAC Comments	Office only
Type of Parking	Surface
# of Drive-In Doors	6
% Air Conditioned	13.33%
Air Conditioned SF	1,000

Improvements Ratios

Land to Bldg Ratio (x:1)	5.63
Floor to Area Ratio (x:1)	0.18

Transaction Information

Sale Date	[REDACTED]
Unadjusted Sale Price	\$695,000
Sale Status	Listing
Property Rights Convey Method	Fee Simple
Seller	[REDACTED]
Buyer	N/A; Current listing
Time on Market	46
Time on Market Period Type	Days
Sale Remarks	This building is currently under construction and is slated for completion in April 2021. The initial plans indicate divisibility into 3 units, however, the asking price does not include fire walls or office buildout in suites 2 and 3, therefore the asking price is reflective of the property as builtout as a single tenant building.

Sale ID	[REDACTED]
Adjusted Sale Price	\$695,000
Unadjusted Price per Acre	\$716,495
Unadjusted Price per SF Land	\$16.45
Unadjusted Price per Usable Acre	\$716,495
Unadjusted Price per Usable Land SF	\$16.45
Unadjusted Price per SF GBA	\$92.67
Unadjusted Price per SF RA	\$92.67
Unadjusted Price per Unit	\$695,000
Adjusted Sale Price per Acre	\$716,495
Adjusted Sale Price per SF Land	\$16.45
Adjusted Price per Usable Acre	\$716,495
Adjusted Price per Usable Land SF	\$16.45
Adjusted Sale Price per SF GBA	\$92.67
Adjusted Sale Price per SF RA	\$92.67
Adjusted Sale Price per Unit	\$695,000

The five improved comparable properties chosen for the analysis were office/warehouse properties, which ranged in size from 7,500 to 29,975 SF of rentable area. The sizes compared favorably to the subject's 16,100 rentable SF and provide reliable indicators of value for the subject. The comparables' sale dates range from June 2019 to February 2021 with the listing current as of the date of value. Unadjusted sale/asking prices range from \$54.68 to \$92.67 per rentable SF.

No adjustments for financing were necessary because all of the sales involved cash or cash equivalent transactions. All of the comparable properties were reflective of the fee simple interest and did not require adjustment. Listing 5 was adjusted downward 10% for superior conditions of sale as the asking price will likely be negotiated downward in order to consummate a sale. No other conditions of sale adjustments were required.

While there has been a recent trend of increasing prices for industrial properties over the past couple of years as 0% market conditions was applied to the sales due to the ongoing COVID-19 pandemic and its effects on real estate markets.

The physical adjustments applied included location, access, quality, percent finish, age, condition, land-to-building ratio, and size.

Sale Adjustments							
	Subject	Sale # 1		Sale # 2		Sale # 3	
Name							
Street Address							
City							
Unadj Sale Price		\$625,000.00		\$1,750,000.00		\$912,500.00	
Unit of Comparison (UoC)	Rentable Area	Rentable Area		Rentable Area		Rentable Area	
UoC Value	16,100 sf	7,680 sf		29,975 sf		14,950 sf	
Unadj Sale Price / UoC		\$81.38		\$58.38		\$61.04	
Transactional Adjustments (calculated cumulatively)							
Property Rights	<i>N/A</i>	<i>Fee Simple</i>		<i>Fee Simple</i>		<i>Fee Simple</i>	
		Similar		Similar		Similar	
Terms / Financing	<i>N/A</i>	\$0.00		\$0.00		\$0.00	
		Similar		Similar		Similar	
Conditions of Sale	<i>N/A</i>	\$0.00		\$0.00		\$0.00	
Adjustment		0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00
Expenditures After Sale	<i>N/A</i>	\$0.00		\$0.00		\$0.00	
		Similar		Similar		Similar	
Excess Land Value	<i>N/A</i>	\$0.00		\$0.00		\$0.00	
		Similar		Similar		Similar	
Market Conditions	<i>N/A</i>	2021-02-01		2020-09-01		2019-08-01	
		Similar		Similar		Similar	
Adj Price / UoC after Transactional Adj's	<i>N/A</i>	\$81.38		\$58.38		\$61.04	
Property Adjustments - Quantitative (not cumulative)							
Location	<i>Good</i>	<i>Average</i>		<i>Average</i>		<i>Good</i>	
Adjustment		5.00%	\$4.07	5.00%	\$2.92	0.00%	\$0.00
Access	<i>Average</i>	<i>Average</i>		<i>Average</i>		<i>Average</i>	
		Similar		Similar		Similar	
Quality	<i>Average</i>	<i>Average</i>		<i>Average</i>		<i>Average</i>	
		Similar		Similar		Similar	
Percent Finish	12.42	19.53		9.00		41.00	
Adjustment		0.00%	\$0.00	0.00%	\$0.00	-10.00%	-\$6.10
Age	0	19		13		46	
Adjustment		0.00%	\$0.00	0.00%	\$0.00	5.00%	\$3.05
Condition	<i>Excellent</i>	<i>Average</i>		<i>Average</i>		<i>Average</i>	
Adjustment		10.00%	\$8.14	10.00%	\$5.84	10.00%	\$6.10
Land to Building Ratio	3.01	4.41		2.89		3.32	
		Similar		Similar		Similar	
Size	16,100 sf	7,680 sf		29,975 sf		14,950 sf	
Adjustment		-5.00%	-\$4.07	10.00%	\$5.84	0.00%	\$0.00
Total Adjustments							
Gross % Adj's	<i>N/A</i>	20.00%		25.01%		24.98%	
Gross \$ Adj's	<i>N/A</i>	\$16.28		\$14.60		\$15.25	
Net % Adj's	<i>N/A</i>	10.00%		25.01%		5.00%	
Net \$ Adj's	<i>N/A</i>	\$8.14		\$14.60		\$3.05	
Net Adj Price / UoC	<i>N/A</i>	\$89.52		\$72.98		\$64.09	

Sale Adjustments					
	Subject	Sale # 4		Sale # 5	
Name					
Street Address					
City					
Unadj Sale Price		\$725,000.00		\$695,000.00	
Unit of Comparison (UoC)	Rentable Area	Rentable Area		Rentable Area	
UoC Value	16,100 sf	13,260 sf		7,500 sf	
Unadj Sale Price / UoC		\$54.68		\$92.67	
Transactional Adjustments (calculated cumulatively)					
Property Rights	<i>N/A</i>	<i>Fee Simple</i>		<i>Fee Simple</i>	
		Similar		Similar	
Terms / Financing	<i>N/A</i>	\$0.00		\$0.00	
		Similar		Similar	
Conditions of Sale	<i>N/A</i>	\$0.00		\$0.00	
Adjustment		0.00%	\$0.00	-10.00%	-\$9.27
Expenditures After Sale	<i>N/A</i>	\$0.00		\$0.00	
		Similar		Similar	
Excess Land Value	<i>N/A</i>	\$0.00		\$0.00	
		Similar		Similar	
Market Conditions	<i>N/A</i>	2019-06-01		2021-03-01	
		Similar		Similar	
Adj Price / UoC after Transactional Adj's	<i>N/A</i>	\$54.68		\$83.40	
Property Adjustments - Quantitative (not cumulative)					
Location	<i>Good</i>	<i>Average</i>		<i>Average</i>	
Adjustment		5.00%	\$2.73	5.00%	\$4.17
Access	<i>Average</i>	<i>Average</i>		<i>Average</i>	
		Similar		Similar	
Quality	<i>Average</i>	<i>Average</i>		<i>Average</i>	
		Similar		Similar	
Percent Finish	12.42	20.00		13.33	
Adjustment		0.00%	\$0.00	0.00%	\$0.00
Age	0	12		0	
Adjustment		0.00%	\$0.00	0.00%	\$0.00
Condition	<i>Excellent</i>	<i>Average</i>		<i>Excellent</i>	
Adjustment		10.00%	\$5.47	0.00%	\$0.00
Land to Building Ratio	3.01	7.08		5.63	
		Similar		Similar	
Size	16,100 sf	13,260 sf		7,500 sf	
Adjustment		0.00%	\$0.00	-5.00%	-\$4.17
Total Adjustments					
Gross % Adj's	<i>N/A</i>	15.00%		19.00%	
Gross \$ Adj's	<i>N/A</i>	\$8.20		\$17.61	
Net % Adj's	<i>N/A</i>	15.00%		-10.00%	
Net \$ Adj's	<i>N/A</i>	\$8.20		-\$9.27	
Net Adj Price / UoC	<i>N/A</i>	\$62.88		\$83.40	

Adjusted Price Indications

Minimum	\$62.88
Maximum	\$89.52
Average	\$74.57
Median	\$72.98
Standard Deviation	10.49

After applying all meaningful physical adjustments the indicated adjusted sale prices range from \$62.88 to \$89.52/SF averaging \$74.57/SF. Primary reliance was placed on Sales 1 and 2 with supporting weight on Sale 3 and Listing 5 and least reliance on Sale 4 as it was the oldest sale. This weighting results in an indicated unit value of \$78.00/SF. Applying the indicated unit value of \$78.00/SF results in a concluded value for the subject of \$1,255,800, rounded to \$1,260,000 as the "as proposed" value of the subject property via the sales comparison approach as of October 1, 2021, the estimated date of completion.

Sales Comparison Value

Unit of Comparison (UoC)	Rentable Area
Sales Comparison Value / UoC	\$78.00
Sales Comparison Value	\$1,255,800
Rounded	\$1,260,000

Income Approach

Income Capitalization Approach

In the income capitalization approach, estimates are made of the gross income that might be expected from rental of the real estate and of the expenses that might be incurred by the owner/lessor. Resulting net income is then capitalized at an appropriate rate to indicate the value of the property as an investment. This capitalization rate represents the relationship between net annual income and value and is a composite of the cost of debt service and the net cash flow requirements of the typical equity investor; the rate considers risk, availability of financing, and current market conditions. The proposed appraised property will contain 16,100 enclosed/rentable square feet (as complete) of office/warehouse space and is designed for occupancy by a single tenant. The subject will be owner-occupied upon completion, therefore, market rent has been applied.

Market Rent Survey

A survey of market rent for industrial/office/warehouse buildings in and around the subject's market area indicates that rental rates in the area range from \$6.00 to \$10.50 per square foot with Gross lease structures common for the market. The rental comparables are the best available and the rental rates indicated are believed to bracket the subject's most likely market rental rate. After considerations for differences between the subject and comparables, the rent comparables indicate market rental rates for the subject between \$6.60 and \$9.45 per square foot triple net, averaging \$7.38 per square foot. A rental rate of \$7.25 per square foot Gross is considered most appropriate for the subject and was used in the income approach to estimate potential gross income. The comparable rentals grid follows, indicating a rental rate of \$7.25/SF for the subject property.

COMPARABLES	SUBJECT	Rental 1	Rental 2	Rental 3	Rental 4
ADDRESS					
CITY, STATE					
PROPERTY TYPE	Single-Tenant Office/Showroom Warehouse	Single-Tenant Office Warehouse	Single-Tenant Office Warehouse	Multi-Tenant Office Warehouse Condo	Multi-Tenant Office Warehouse
AVAILABLE/LEASED SF (Rentable Area)	16,100 SF	5,000 SF	12,000 SF	9,900 SF out of 19,800 SF Total	4,900 SF out of 22,500 SF Total
YEAR BUILT	2021	1988	1974	1986	1990
CONSTRUCTION	Block Office/Showroom, Steel-Frame Warehouse with Grade Level Loading	Steel-Frame with Grade Level Loading	Block with Dock High and Grade Level Loading	Split-Face Block and Metal with Grade Level Loading	Tilt-Wall with Grade Level Loading
BUILD OUT	Office/Warehouse	Office/Warehouse	Office/Warehouse	Office/Warehouse	Office/Warehouse
PERCENT OFFICE	12.42%	25.00%	6.00%	10.10%	93.00%
PERCENT A/C'D	12.42%	25.00%	6.00%	10.10%	93.00%
OCCUPANCY	To be Owner Occupied	100%	100%	100%	Vacant
RENT PER SF	N/A	\$6.24	\$5.00	\$6.00	\$10.50
RENT PER SF (Adjusted for Free Rent/ Concessions)	N/A	\$6.24	\$5.00	\$6.00	\$10.50
RENT PER SF (Adjusted for Expense)	N/A	\$6.24	\$6.00	\$6.00	\$10.50
RENT ESCALATIONS	N/A	Negotiable	Negotiable	Negotiable	Negotiable
LEASE STATUS	N/A	Actual	Actual	Actual	Asking
LEASE STRUCTURE	N/A	Gross	NNN (Operating Expenses of \$1.00/SF/yr)	Gross	Gross
LEASE TERM	N/A	3-5 years	3-5 years	2 years	3 year minimum
OVERALL COMPARISON TO SUBJECT	Subject	Inferior year built and location	Superior construction, Inferior year built, location and access	Inferior year built and location	Superior construction, buildout and asking rent, Inferior year built and location
ADJUSTMENT:		10%	10%	10%	-10%
ADJUSTED RENT/SF:	N/A	\$ 6.86	\$ 6.60	\$ 6.60	\$ 9.45
CONCLUSION:	\$7.25				

Income Approach - Direct Capitalization

Potential Gross Income: Based on the comparable rental properties, the subject rental rate is estimated at \$7.25 per square foot on a Gross lease basis. Based on this rental rate, the potential gross income estimate is \$116,725 for the subject proposed 16,100 SF building.

Vacancy and Collection Loss is a reduction of a property's potential gross income due to vacancy, late payment, or nonpayment from existing tenants. Vacancy and collection loss is estimated at 5% (or \$5,836) for the subject, based on occupancy rates of similar industrial/office/warehouse facilities in the market area and given the property is currently configured for single-tenant occupancy. This results in an Effective Gross Income of \$110,889.

Operating Expenses were projected based on an analysis of the subject as if rented with a gross lease, with the landlord responsible for most operating expenses with the exception of utilities (landlord responsible for utilities only in times of vacancy). The projected operating expenses were based on operating statements of similar industrial/office/warehouse properties appraised and from data obtained from local and national expense surveys, as expense data from the subject was not available due to the proposed nature of the improvements. Operating expenses were projected to be \$2.02 per square foot, for which the owner would be responsible, reflecting is 29.30% of the estimated effective gross income.

Real estate taxes for next year are estimated at \$16,490 based on an approximate 75% assessment ratio of the reconciled "as proposed" value and the certified 2020 millage rate, we also applied the 4% early payment discount, which prudent management would likely take advantage of. In a gross lease, which is typical for this market area, the landlord would be responsible for this expense in its entirety. The tax estimate reflects \$1.02/SF and 14.87% of EGI. In estimating the real estate taxes for the proposed property we also considered tax comparables (shown in the following grid) the subject real estate tax estimate is at the upper end of the range due to the new construction nature of the subject.

TAX COMPARABLES							
	<u>2020 Certified</u>						
	<u>Assessment</u>	<u>Taxes</u>	<u>Millage</u>	<u>SF</u>	<u>Taxes/SF</u>	<u>Assessment/SF</u>	<u>Year Built</u>
	\$386,782	\$7,001	0.0182844	7,680	\$0.91	\$50.36	2002
	\$1,330,109	\$24,371	0.0183226	29,975	\$0.81	\$44.37	2007
	\$608,387	\$10,679	0.0182844	13,260	\$0.81	\$45.88	2007
			Averages:		\$0.84 per SF	\$46.87 per SF	
Subject				16,100			2021

Insurance for the year ahead was estimated to be \$0.40/SF, \$6,440 annually and 5.81% of EGI. As with the real estate tax expense, the landlord would be responsible for this expense.

Utilities for common areas/exterior lighting, irrigation, etc. were estimated to be \$0.25 per square foot, with only the amount equal to vacancy and collection loss (\$201 annually) paid by the landlord, as tenants typically pay their own utilities, especially in single-tenant properties.

Lawn Maintenance is estimated to be \$1,200 annually (based on an estimate of \$100 monthly) and is a landlord expense.

Repairs and maintenance were estimated to be \$0.20 per square foot for the subject, or \$3,220 per year. These expenses are typically the responsibility of the owner/landlord.

Management Fee: In the valuation of income-producing facilities, prudent management is critical to the profitability of the property. Management's responsibilities include leasing space, collecting rents, providing for maintenance and repairs, and ensuring overall tenant satisfaction. Management fees for improved office/warehouse properties commonly range from 3% to 5% of the effective gross income and are typically payable by the owner. A management expense at the lower end of this range, or 3% (\$3,327 annually), is estimated for the subject industrial building given it would likely be occupied by a single-tenant.

Miscellaneous/Reserves for Replacement expenses are typically paid by the owner and were estimated to be \$0.10 per square foot, 1.45% of the effective gross income, or \$1,610 annually.

Net operating income: Total expenses paid by the owner are estimated to be \$32,488, or 29.3% of the effective gross income which, when subtracted from the effective gross income of \$110,889, results in a net operating income of \$78,401 (summarized in the following Income Approach Summary).

Pro Forma			
	Total	Per SF	% of EGI
Income			
Rental Income	\$116,725	\$7.25	105.26%
Potential Gross Income (PGI)	\$116,725	\$7.25	105.26%
Less Vacancy & Credit Loss (% of PGI : 5.00%)	\$5,836	\$0.36	5.26%
Effective Gross Income (EGI)	\$110,889	\$6.89	100.00%
Fixed Expenses			
Real Estate Taxes	\$16,490	\$1.02	14.87%
Insurance	\$6,440	\$0.40	5.81%
Variable Expenses			
Management Fees	\$3,327	\$0.21	3.00%
Utilities	\$201	\$0.01	0.18%
Repairs & Maintenance	\$3,220	\$0.20	2.90%
Roads & Grounds	\$1,200	\$0.07	1.08%
Total Operating Expenses	\$30,878	\$1.92	27.85%
Net Operating Income	\$80,011	\$4.97	72.15%
Replacement Reserves	\$1,610	\$0.10	1.45%
Net Operating Income After Reserves	\$78,401	\$4.87	70.70%

Capitalization Rate

In selecting an overall capitalization rate ("OAR"), consideration was given to age and condition of the property, market conditions, and the overall rate as shown in the general real estate market. We also considered rates shown in investor surveys.

Several brokers familiar with industrial properties in this market were interviewed. Based on the current interest rate climate, coupled with market conditions, commercial brokers indicate that an appropriate range of capitalization rates is from 6.5% to 10% for industrial facilities with long-term, stable or credit tenants representing the lower end of that range.

Overall Capitalization Rate - Market-Derived: The CoStar [REDACTED] industrial market report shows an average cap rate for the past year of 6.3% and 7.3% over the past five years.

SUMMARY STATISTICS

Availability	Survey	5-Year Avg
Rent Per SF	\$4.48	\$3.93
Vacancy Rate	0.8%	4.6%
Vacant SF	213,519	1,092,005
Availability Rate	1.0%	8.4%
Available SF	260,725	2,052,846
Sublet SF	0	16,926
Months on Market	6.6	11.0

Demand	Survey	5-Year Avg
12 Mo. Absorption SF	404,630	645,511
12 Mo. Leasing SF	1,358,024	899,272

Inventory	Survey	5-Year Avg
Existing Buildings	924	914
Existing SF	25,582,046	23,908,009
12 Mo. Const. Starts	475,000	511,972
Under Construction	7,500	479,392
12 Mo. Deliveries	1,100,982	500,961

Sales	Past Year	5-Year Avg
Sale Price Per SF	\$49	\$40
Asking Price Per SF	\$74	\$55
Sales Volume (Mil.)	\$103	\$65
Cap Rate	6.3%	7.3%

We developed a capitalization rate via a simple band of investment. This methodology indicated an overall rate of 8%, based on an interest rate of 4.5% for a 20-year term (indicating a mortgage constant of 7.59%), a 9.0% equity dividend (cash-on-cash) return and a 70% loan-to-value ratio. These figures are provided as follows:

Band of Investment

	Ratio		Rate	
Cost of Borrowing	70%	x	7.59%	5.314%
				+
Cost of Equity Borrowing	30%	x	9.0%	2.700%
				=
Indicated Overall Rate				8.01%
Rounded:				8.00%

Also, we developed a capitalization rate via a mortgage-equity technique known as the *Ellwood Premise*. The mortgage equity technique indicates a 7.62% overall capitalization rate. However, this method is more theoretical and corresponds more closely with interest rates and anticipated appreciation/depreciation. For this reason, this methodology is given secondary emphasis to the market-derived overall rates when adequate market evidence is available.

We also considered the debt coverage ratio (DCR) method in order to develop an indication of the overall capitalization rate applicable to the subject. An overall rate of 6.80% was indicated using this method.

Averaging these two methods indicates an Average Capitalization Rate (ACR) of 7.21%. Details of the *Ellwood Premise* (Mortgage Equity Technique) and Debt Coverage Ratio methods follow:

Capitalization Rate Worksheet	
Variables	
Loan to Value Ratio (LTVR)	70.00%
Equity Requirement (ER)	30.00%
Interest Rate (IR)	4.50%
Term (T)	20 years
Expected Yield Rate (EYR)	18.00%
Holding Period (HP)	5 years
Appreciation (AP)	10.00%
Sinking Fund Factor (SFF)	0.139778
Debt Coverage Ratio (DCR min)	1.25
Debt Coverage Ratio (DCR max)	1.30
Mortgage Constant (MC)	0.075918
Percent Paid off @ 5 yr. (PPO)	0.173000
Calculations	
Mortgage Equity Method: (LTVR x MC)+(ER x EYR) =	0.107143
Equity Build Up: -(LTVR x PPO x SFF) =	(0.016927)
Appreciation: -(AP x SFF) =	(0.013978)
Calculated Overall Cap Rate	0.076238
Rounded to	7.62%
Debt Coverage Ratio (DCR) Indication of Cap Rate	
Using 1.25 DCR: (DCR min x MC x LVTR) =	0.066428
Using 1.3 DCR: (DCR max x MC x LVTR) =	0.069085
Indicated Average Cap Rate	0.067757
Rounded to	6.80%
Average Cap Rate (ACR) - Mortgage Equity and DCR	7.21%

We also consulted investor surveys such as:

RealtyRates.com Investor Survey 1st Quarter 2021

RealtyRates.com INVESTOR SURVEY - 1st Quarter 2021*																								
CURRENT & HISTORICAL CAP RATE INDICES																								
Method-Weighted* Property Category Indices																								
Year	Apts		Golf		Healthcare Senior Housing		Industrial		Lodging		MHRV Park		Office		Retail		Restaurant		Self Storage		Special Purpose		Weighted* Composite Indices	
	Rate	BP	Rate	BP	Rate	BP	Rate	BP	Rate	BP	Rate	BP	Rate	BP	Rate	BP	Rate	BP	Rate	BP	Rate	BP	Rate	BP
2020	7.50	-43	11.08	-48	8.10	-48	8.32	-40	9.40	-47	8.63	-46	8.16	-38	8.58	-35	10.81	-39	8.91	-49	10.91	-29	8.75	-41
4th Qtr	7.43	6	10.98	16	7.92	8	8.20	9	9.34	12	8.49	12	8.14	14	8.50	11	10.75	12	8.80	10	10.94	14	8.67	11
3rd Qtr	7.37	13	10.82	3	7.84	-2	8.11	-4	9.23	12	8.38	-2	8.00	19	8.39	7	10.63	8	8.70	-1	10.81	19	8.56	8
2nd Qtr	7.24	-33	10.79	-39	7.86	-42	8.15	-29	9.11	-34	8.39	-37	7.81	-37	8.32	-35	10.55	-33	8.71	-31	10.61	-26	8.48	-34
1st Qtr	7.57	-10	11.18	-14	8.28	-10	8.44	-6	9.45	-10	8.76	-8	8.18	-12	8.67	-4	10.87	-16	9.02	-17	10.88	-9	8.82	-10

IRR Viewpoint 2021

REGIONAL RATES COMPARISON - INDUSTRIAL					
	CAP RATE	DISCOUNT RATE	MARKET RENT (\$/SF)	VACANCY RATE	4Q '19 - 4Q '20 CAP RATE D
SOUTH REGION					
Flex Industrial	7.51%	8.51%	\$8.80	9.04%	▼ -14 bps
Industrial	6.76%	7.90%	\$5.17	11.30%	▼ -13 bps
EAST REGION					
Flex Industrial	6.94%	7.99%	\$9.84	12.42%	▼ -29 bps
Industrial	6.21%	7.38%	\$6.99	8.56%	▼ -37 bps
CENTRAL REGION					
Flex Industrial	7.79%	8.75%	\$7.50	13.36%	▼ -7 bps
Industrial	7.08%	8.27%	\$4.34	11.02%	▼ -3 bps
WEST REGION					
Flex Industrial	6.20%	7.68%	\$12.63	9.50%	▼ -18 bps
Industrial	5.64%	7.18%	\$7.27	8.44%	▼ -5 bps
NATIONAL AVERAGES/ SPREADS					
Flex Industrial	7.17%	8.28%	\$9.67	10.52%	▼ -15 bps
Industrial	6.48%	7.72%	\$5.80	10.12%	▼ -13 bps

and

Price Waterhouse Cooper's Real Estate Investor Survey

Economic Indicators | PwC Real Estate Investor Survey, Q3 2020

	Regional Mall		CBD Office		Warehouse		Apartment	
	Q3 2020	Q2 2020	Q3 2020	Q2 2020	Q3 2020	Q2 2020	Q3 2020	Q2 2020
Discount Rate (IRR)^a								
Range (%)	5.75 – 15.00	5.75 – 15.00	5.50 – 12.00	5.50 – 12.00	5.25 – 7.50	5.25 – 7.50	5.00 – 10.00	5.00 – 10.50
Average (%)	7.75	7.75	7.38	7.16	6.13	6.14	6.83	6.89
Change (bps)		0		+22		-1		-6
Overall Cap Rate (OAR)^a								
Range (%)	4.50 – 15.00	4.50 – 15.00	3.75 – 7.50	3.75 – 7.50	3.40 – 7.00	3.40 – 7.00	3.50 – 8.00	3.50 – 8.00
Average (%)	6.93	6.95	5.59	5.55	4.84	4.84	5.22	5.19
Change (bps)		-2		+4		0		+3
Residual Cap Rate								
Range (%)	4.20 – 15.00	4.50 – 15.00	5.00 – 7.50	5.00 – 7.50	4.50 – 7.00	4.50 – 7.00	4.00 – 8.00	4.00 – 8.50
Average (%)	7.25	7.68	5.88	5.91	5.48	5.49	5.61	5.64
Change (bps)		-43		-3		-1		-3

The average of the surveys indicates a 6.64% capitalization rate. However, it is important to note that the surveys are national surveys and do not necessarily represent capitalization rates for the local market; however, IRR data is specific to the Southeast industrial market.

The indicators of overall rates previously discussed are: 1) cap rate based on sales (provided via summarized data from CoStar) indicating 6.3%; 2) average of Mortgage Equity Method and DCR at 7.21%; 3) Band of Investment at 8.00%; and 4) investors surveys average of 6.64%. The average of these methodologies indicates a capitalization rate of 7.04%. We have estimated an appropriate capitalization rate for the subject at 7.25%.

Capitalization Rate Worksheet	
Variables	
Loan to Value Ratio (LTVR)	70.00%
Equity Requirement (ER)	30.00%
Interest Rate (IR)	4.50%
Term (T)	20 years
Expected Yield Rate (EYR)	18.00%
Holding Period (HP)	5 years
Appreciation (AP)	10.00%
Sinking Fund Factor (SFF)	0.139778
Debt Coverage Ratio (DCR min)	1.25
Debt Coverage Ratio (DCR max)	1.30
Mortgage Constant (MC)	0.075918
Percent Paid off @ 5 yr. (PPO)	0.173000
Calculations	
Mortgage Equity Method: (LTVR x MC)+(ER x EYR) =	0.107143
Equity Build Up: -(LTVR x PPO x SFF) =	(0.016927)
Appreciation: -(AP x SFF) =	(0.013978)
Calculated Overall Cap Rate	0.076238
Rounded to	7.62%
Debt Coverage Ratio (DCR) Indication of Cap Rate	
Using 1.25 DCR: (DCR min x MC x LVTR) =	0.066428
Using 1.3 DCR: (DCR max x MC x LVTR) =	0.069085
Indicated Average Cap Rate	0.067757
Rounded to	6.80%
Average Cap Rate (ACR) - Mortgage Equity and DCR	7.21%
Avg. Cap Rate Based on Cap Rate Sales	6.30%
Avg. Cap Rate Based on Investor's Surveys	6.64%
Band of Investment	8.00%
Indicated Cap Rate	7.25%

Value Indication Via the Income Approach Finally, the net operating income estimate of \$78,401 was divided by the overall capitalization rate of 7.25%, to indicate a value of \$1,081,394, rounded to **\$1,080,000**, which is the "as proposed" estimated market value of the fee simple estate in the subject industrial facility via direct capitalization, as summarized in the following table.

Direct Capitalization	
Net Operating Income After Reserves	\$78,401
Overall Capitalization Rate (OAR)	7.25%
Capitalized Value	\$1,081,394

Discounted Cash Flow Analysis

Discounted cash flow analysis is a second method of income capitalization often used for income producing properties. It is most commonly used for multi-tenant properties, where both existing leases and market lease terms must be considered or in properties where income is projected to be variable. However, our research indicates that few market participants apply this technique to properties similar to the subject. For this reason, we have not used discounted cash flow analysis in this appraisal report.

Income Approach Conclusions

Direct Capitalization	\$1,080,000
Discounted Cash Flow	N/A
Income Approach	\$1,080,000

Reconciliation

Indicated Values	
Land Value	\$150,000
Cost Approach	\$1,350,000
Sales Comparison Approach	\$1,260,000
Income Approach	\$1,080,000

Reconciliation of the “As Is” Value of the Vacant Land

In the final determination of the “as is” market value, all consideration is given to the sales comparison approach. It is considered to be a reliable approach because nearby and recent commercial land sales were found in the market area. Based upon the investigation summarized and the premise defined herein, the “As Is” Market Value of the Fee Simple Estate in the property as vacant land appraised as of March 12, 2021 is estimated to be:

ONE HUNDRED FIFTY THOUSAND DOLLARS

(\$150,000).

Reconciliation of the Prospective “Upon Completion” Value

The sales comparison, income and cost approaches were applied in estimating the subject’s prospective market value upon completion. The proposed improved property will be owner-occupied when completed.

In the final determination of the prospective “Upon Completion” market value of the subject, primary weight (50%) was applied to the sales comparison approach as good sales data was available. Secondary weight (30%) was applied to the cost approach given the subject’s new/proposed construction and good comparable land sales, with the least weight (20%) applied to the income approach, due to the lack of actual market rental rates for truly similar properties. A summary of the value indications from these approaches to value follows:

Fee Simple Value Opinion - As-Complete		Weighting
Cost Approach	\$1,350,000	30%
Sales Comparison Approach	\$1,260,000	50%
Income Capitalization Approach	\$1,080,000	20%
Fee Simple "As Complete" Value Opinion	\$1,250,000	

Based upon the investigation summarized and the premise defined herein, the prospective “upon completion” Market Value of the Fee Simple Estate in the proposed, improved subject property, estimated to be completed October 1, 2021, and based on market conditions prevailing as of March 12, 2021, the date of inspection, is estimated to be:

ONE MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS

(\$1,250,000).

Our appraisal services and related appraisal report have been prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP), as adopted by the Appraisal Standards Board under the direction of the Appraisal Foundation, as well as with the Code of Professional Ethics of the Appraisal Institute, as read and interpreted within this office. This report was prepared in accordance with, and is subject to, our Assumptions and Limiting Conditions and General Service Conditions, which are attached to and form an integral part of this report.

No investigation was made of the title to or any liabilities against the property appraised.

Value Conclusions						
Description	Perspective	Type of Value	Premise	Property Interest	Effective Date	Indicated Value
N/A	Current	Market Value	As Is	Fee Simple	2021-03-08	\$150,000
N/A	Prospective	Market Value	Upon Completion	Fee Simple	2021-10-01	\$1,250,000

Certification

We certify that, to the best of our knowledge and belief:

The statements of fact contained in this appraisal 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, impartial, and unbiased professional analyses, opinions and conclusions.

We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest or bias with respect to the parties involved.

We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

Our engagement in this assignment was not contingent upon developing or reporting predetermined results

Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction of value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of the appraisal.

The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice and the regulating agencies governed under FIRREA.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

Blair Beasley has made an inspection of the property that is the subject of this report.

No one provided significant real property appraisal assistance to the person(s) signing this certification.

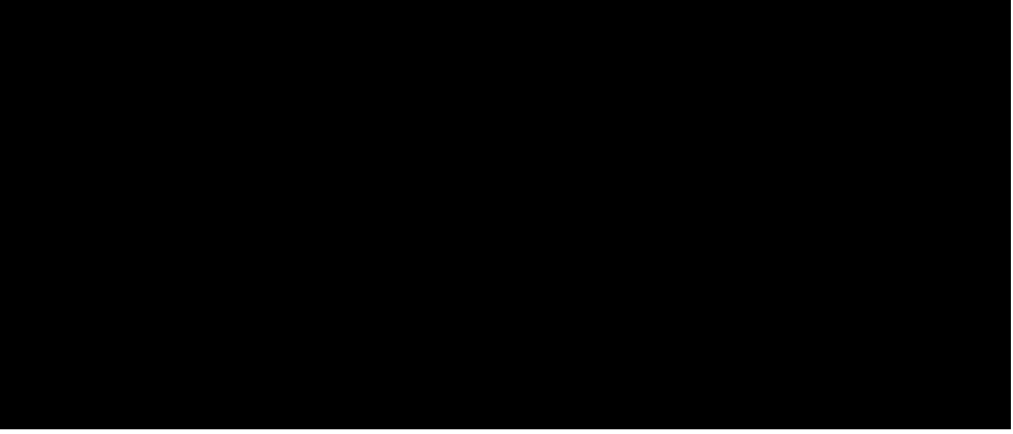
As of the date of this report, Blair Beasley has completed the Standards and Ethics Education Requirements and the requirements of the continuing education program for Practicing Affiliates of the Appraisal Institute.

We have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report, within the 3-year period immediately preceding acceptance of this assignment.

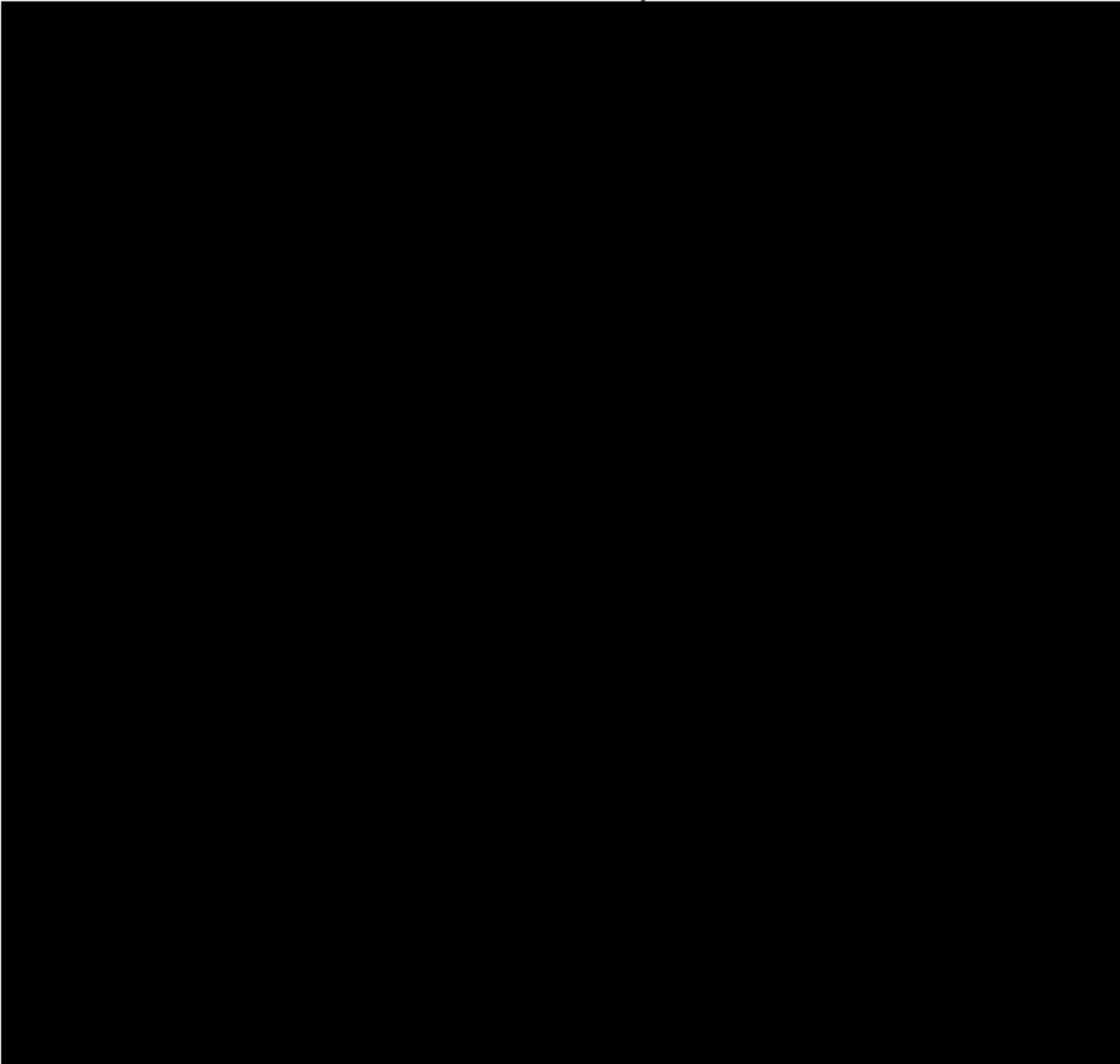


Blair Beasley, State-Certified General Real Estate Appraiser, License #RZ3871

March 17, 2021



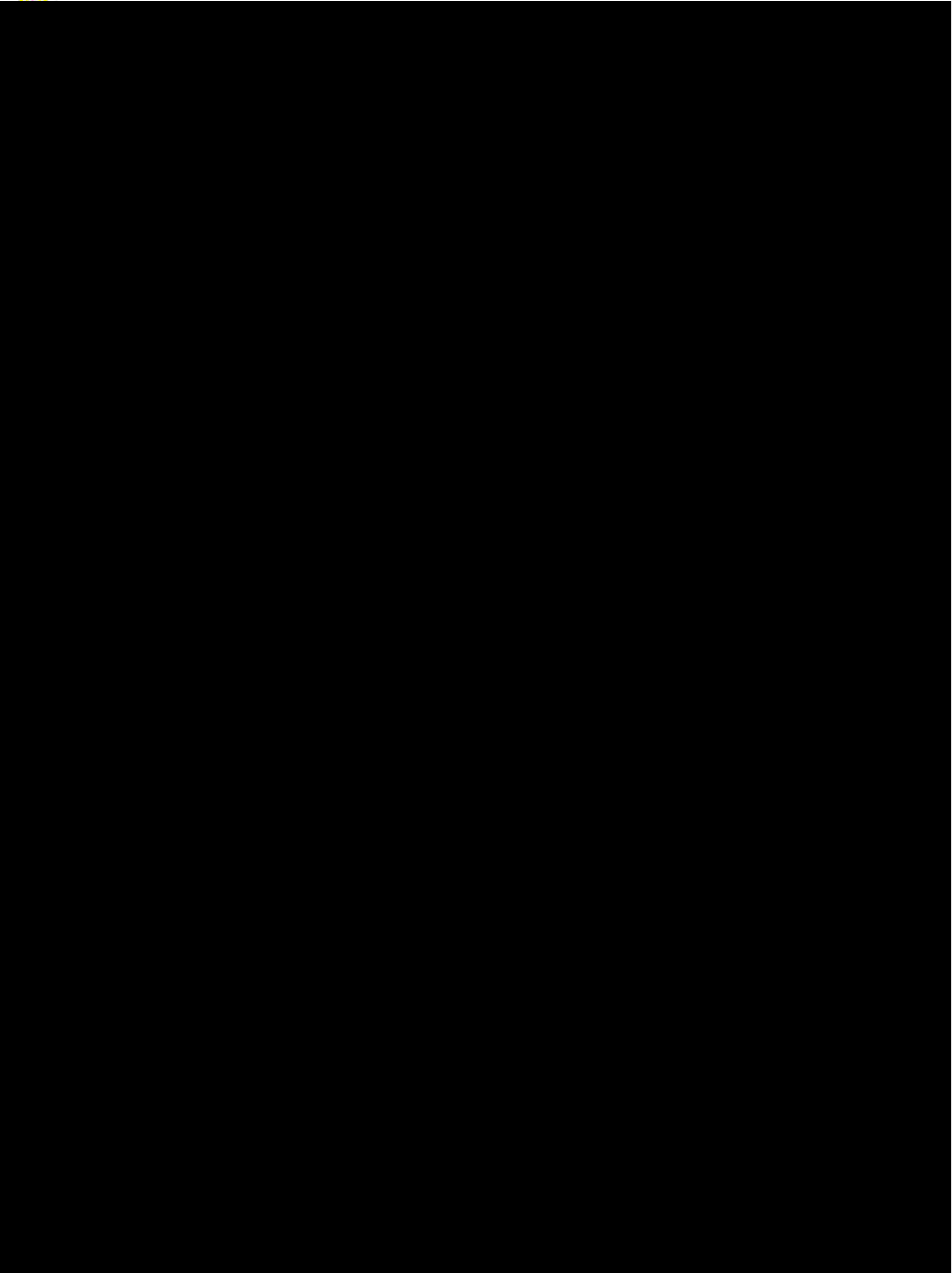
Aerial/Tax Map



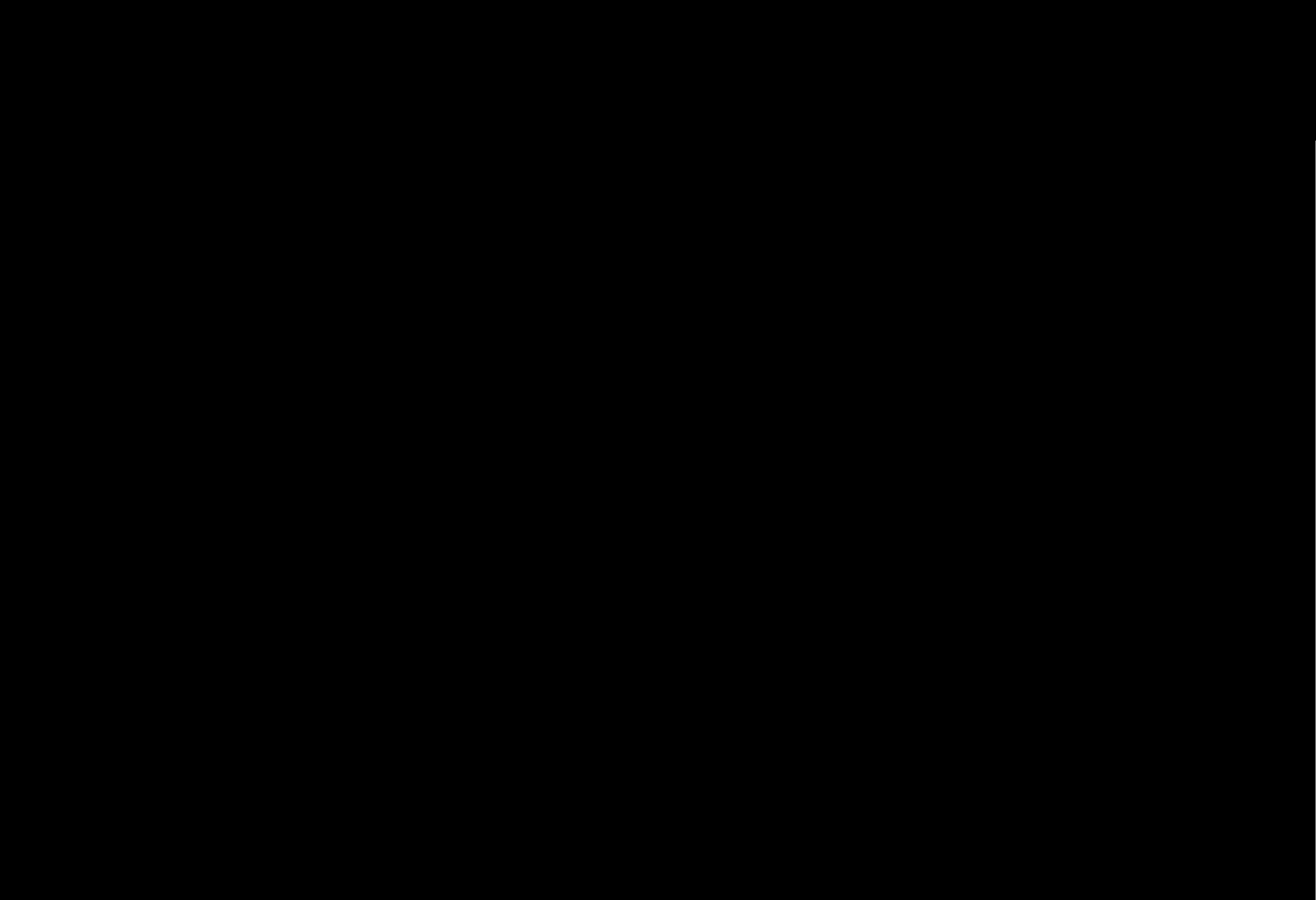
Survey



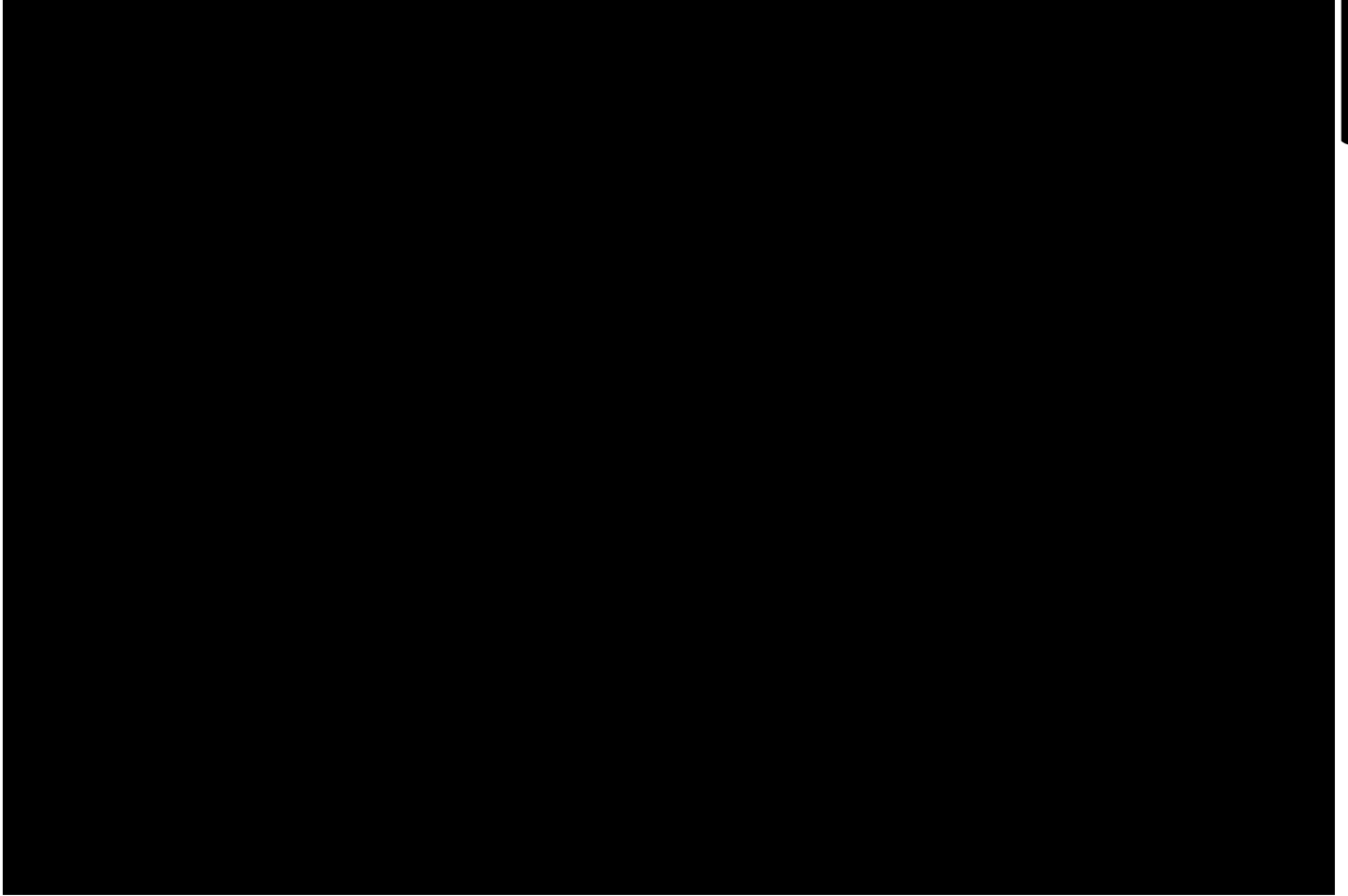
Site Plan



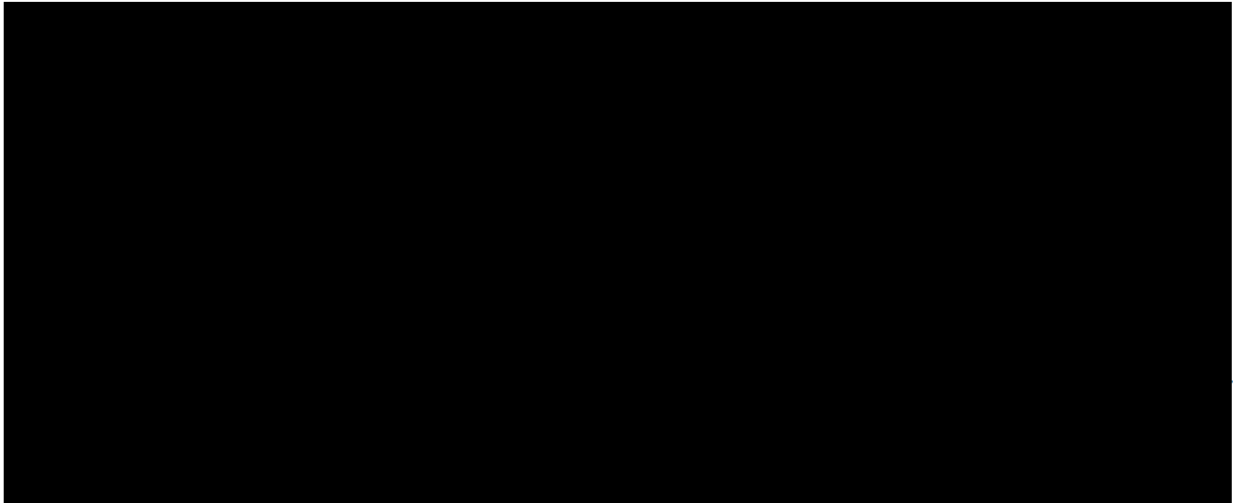
Western Building Elevation Drawing



Northern Building Elevation Drawing

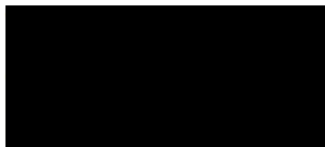


Contractor's Quote



ACTIVITY	QTY	RATE	AMOUNT
SITE			
Services Civil Plans Paulo Mastresario	1	25,000.00	25,000.00
Services Build Pad	1	25,000.00	25,000.00
Services Asphalt 20000 sqft	1	50,000.00	50,000.00
Services Landscaping budget Optional	0	0.00	0.00
Services Hydrant and Backflow	1	5,000.00	5,000.00
Services Fee's: Transportation Fire Water and sewer Building	1	12,026.00	12,026.00
Services Sign	1	6,000.00	6,000.00
Services Two gates- one chain link and one sliding Pre engineered Steel Building 32' eave height	1	4,500.00	4,500.00
Services Architectural fees	1	22,544.00	22,544.00
Services Slab	1	118,500.00	118,500.00
Services Pre Treat	1	6,570.00	6,570.00
Services Steel Building package	1	253,555.00	253,555.00
Services Contingency for 10% steel pricing increase	1	25,355.50	25,355.50
Services	1	95,000.00	95,000.00

ACTIVITY	QTY	RATE	AMOUNT
Erection of steel building			
Services	1	2,700.00	2,700.00
Anchor bolts			
Services	0	0.00	0.00
Crane by FHS : Optional			
Services	1	18,650.00	18,650.00
Insulation			
SHOWROOM			
Services	1	16,800.00	16,800.00
Slab and footings			
Services	1	38,280.00	38,280.00
Block walls			
Services	1	138,500.00	138,500.00
Metal Truss's and Dry in			
Load bearing wall with hold downs			
Fire treated sheathing and subfacia			
Netting and R 38 at bottom cord.			
1- 1/2" rigid R-7.5 at CMU walls			
Sound insulation at interior walls			
Interior framing and drywall			
Upper grade ceiling tile at office area's only			
Standard tile at restrooms and break area			
Gypsum wall board ceiling with integrated tray ceiling at main area.			
Services	1	20,000.00	20,000.00
Metal roof			
Services	1	87,000.00	87,000.00
Electrical FOR ALL OF BUILDING. WAREHOUSE AND SHOWROOM			
Services	1	13,000.00	13,000.00
Plumbing			
Services	1	16,500.00	16,500.00
Paint			
Services	1	6,500.00	6,500.00
Doors			
Services	1	10,000.00	10,000.00
HVAC			
Services	1	20,000.00	20,000.00
Dumpsters			
Porta lets			
Miscellaneous labor for construction clean up			
final clean			
Services	0.10	1,036,980.00	103,698.00
Builder fees			



TOTAL

\$1,140,678.50

Insurable Value

INSURABLE VALUE

REPLACEMENT COST NEW

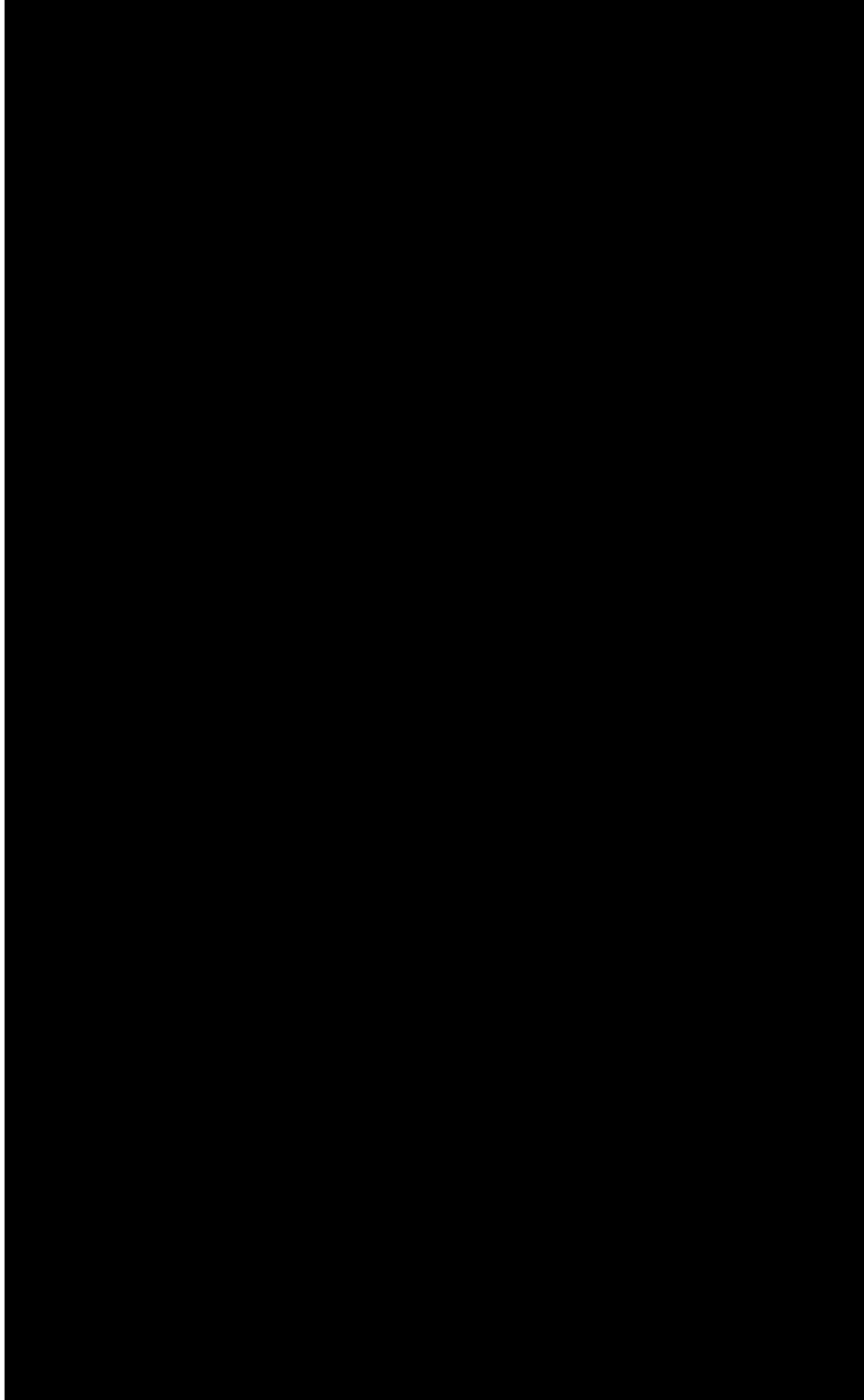
The following replacement cost new estimate was based on the Marshall Valuation Service, using the following building

	Office/Warehouse	
	Class C/S Average Cost	
	Industrial: Light Manufacturing	
	<u>Section 14 Page 14</u>	
Base Cost	\$49.03	
Sprinkler Adjustment	\$0.00	
Base Cost Adjusted for Sprinkler	\$49.03	
Story Height Multiplier	<u>1.380</u>	
Base Cost Adjusted for Story Height	\$67.66	
Floor Area Multiplier	<u>0.980</u>	
Base Cost Adjusted for Configuration	\$66.31	
Current Cost Multiplier	1.07	
Base Cost Adjusted for Current Market	\$70.95	
Local Cost Multiplier	<u>0.93</u>	
Adjusted Base Cost	\$65.98	
Total Enclosed Building Area	16,100 SF	
Class S Average to Good Research & Development Building	16,100 SF @	\$65.98 /SF
		\$1,062,331
SUBTOTAL: DIRECT COSTS (MARSHALL VALUATION SERVICE)		\$1,062,331
Less: Non-Perishable Items		
Demolition	4.50%	
Foundation	4.50%	
Architect's Fees	5.60%	
	14.60%	(\$155,100)
Estimated Insurable Replacement Cost		<u>\$907,230</u>
	Rounded to:	\$910,000

Comparable Rentals Map



Comparable Rentals Photographs



Appraiser Qualifications

QUALIFICATIONS OF BLAIR BEASLEY State-Certified General Real Estate Appraiser #RZ3871

Business Address

Property Valuation & Consulting, Inc.
204 South Dillard Street
Winter Garden, FL 34787
(407) 877-0200, Fax: (407) 877-8222

Education

Florida State University Tallahassee, FL
Bachelor of Science in Real Estate and Marketing, April 2011

Appraisal & Real Estate Courses

Introduction to Real Estate: Florida State University	Tallahassee, FL	December 2009
Real Estate Valuation: Florida State University	Tallahassee, FL	December 2010
Real Estate Finance: Florida State University	Tallahassee, FL	December 2010
Real Estate Market Analysis: Florida State University	Tallahassee, FL	April 2011
Real Estate Investment: Florida State University	Tallahassee, FL	April 2011
Legal Environment of Real Estate: Florida State University	Tallahassee, FL	April 2011
National USPAP 15 Hour Course, Steve Williamson Real Estate Education Specialists	Orlando, FL	April 2012
General Appraiser Market Analysis and Highest & Best Use	Maitland, FL	April 2013
Business Practices and Ethics	Online	February 2014
7-Hour National USPAP Update Course	Orlando, FL	November 2014
Florida Law	Orlando, FL	November 2014
7-Hour National USPAP Update Course	Orlando, FL	May 2016
7-Hour National USPAP Update Course	Orlando, FL	April 2018
Florida Law	Orlando, FL	April 2018
Appraising Small Apartment Properties	Online	November 2018
Basic Hotel Appraising – Limited Service Hotels	Online	November 2018
Appraisal of Land Subject to Ground Leases	Online	November 2018
Supervisor Appraiser/Trainee Appraiser Course	Online	August 2019
7-Hour National USPAP Update Course	Orlando, FL	February 2020
Three Hour Florida Law	Virtual Classroom	September 2020
The Cost Approach: Unnecessary or Vital to a Healthy Practice	Virtual Classroom	October 2020
Uniform Appraisal Standards for Federal Land Acquisitions	Online	November 2020

Appraisal seminars sponsored by The Appraisal Institute

Critical Thinking in Appraisals, January 2014

Real Estate Experience

September 2011 - Present - Associate, Property Valuation & Consulting, Inc., Winter Garden, FL

Appraisal experience includes narrative and form report writing of commercial and residential vacant land, agricultural land, proposed residential subdivision properties, recreational facilities, retail buildings, industrial buildings, office buildings, day care facilities, greenhouse/nursery, commercial condominium properties, religious facilities/houses of worship, and other special purpose properties. This includes research, data collection, verification and analysis.

References

Available upon request.

Appraiser License(s)



Ron DeSantis, Governor

Halsey Beshears, Secretary



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

FLORIDA REAL ESTATE APPRAISAL BD

THE CERTIFIED GENERAL APPRAISER HEREIN IS CERTIFIED UNDER THE
PROVISIONS OF CHAPTER 475, FLORIDA STATUTES



BEASLEY, BLAIR

204 S DILLARD STREET
WINTER GARDEN FL 34787

LICENSE NUMBER: RZ3871

EXPIRATION DATE: NOVEMBER 30, 2022

Always verify licenses online at MyFloridaLicense.com



Do not alter this document in any form.

This is your license. It is unlawful for anyone other than the licensee to use this document.

Appraisal Standards Checklist

Appraisal Standards Checklist 12 CFR 34.44 – FIRREA

Yes / No	Page #		
Yes	All	1.	Does The appraisal conform to the Uniform Standards of Professional Appraisal Practice?
		2.	Is the Appraisal written and presented in a narrative format and does the report:
Yes	5-83	a.	Contain sufficient information and analysis to support the institution's decision to engage the transaction, and
Yes	5-83	b.	Provide detail and depth of analysis that reflects the complexity of the real estate appraised.
		3.	Does the report analyze and report discounts / deductions for:
		a.	Proposed constructions,
N/A		b.	Completed projects partially leased,
N/A		c.	Projects leased at other than market rents, or
N/A		d.	Tract developments with unsold units,
Yes	83	e.	Was the property valued in its "as is" condition?
Yes	7	4.	Is the reported value based on the definition of market value as defined in 12 CFR34.42- (Same as FIRREA definition)
Yes	85, 95	5.	Is the appraisal performed by a State Certified appraiser in accordance with FIRREA requirements?
Yes	95	6.	Does the appraiser have the appropriate knowledge and experience required to complete an appraisal completely. If no, was this fact disclosed as well as steps taken to comply with the competency provision of USPAP?
Yes	5	7.	Does the appraiser analyze and report (with reasonable detail) prior sales of the property
N/A		a.	For 1-4 family residential properties-sales occurring within the past twelve (12) months preceding the valuation date.
Yes	5	b.	For all other properties- sales occurring within the past three (3) years preceding the valuation date.
		8.	For income producing property, does the appraiser analyze and report data on the property's current:
Yes	73	a.	Revenues,
Yes	75	b.	Expenses,
Yes	73	c.	Vacancies, and
Yes	73	d.	State if the property will continue to be income producing.
Yes	14	9.	Does the appraiser analyze and report a reasonable marketing and exposure period. Were the underlying assumptions for the basis of the marketing and exposure periods disclosed?
Yes	11-21	10.	Does the appraisal analyze and report on market conditions / trends that will effect projected income or absorption period for the subject property, regardless whether the trends report rising or declining values?
		11.	Does the appraiser include a certification that the appraisal was not based on a requested:
Yes	Add.	a.	Minimum valuation,
Yes	Add.	b.	A specific valuation, or value within a given range, or
Yes	Add.	c.	The approval of a loan.
		12.	Does the report contain sufficient documentation to assess the appraiser's logic, reasoning, judgement and analysis, i.e.:
Yes	49-52	a.	Does the appraisal refer to supporting documents (i.e. engineering reports-environmental studies)?
Yes	Add.	b.	Are supporting documents contained or summarized sufficiently in the report, or

			readily available to the reader?
Yes / No	Page #		
Yes		13.	Is an adequate legal description of the property included?
		a.	A legal description found in a deed (i.e. metes and bounds description), or
Yes	Add.	b.	A filed survey map or recorded plat
N/A		14.	Does the appraisal identify and value separately any :
		a.	Personal property,
		b.	Fixtures,
		c.	Intangible items,
		d.	The impact of their inclusion /exclusion on the estimate of market value discussed?
		15.	Does the report include reasonable valuation methods:
Yes	53	a.	Direct sales comparison
Yes	73	b.	Income capitalization
Yes	49	c.	Cost approach, and
Yes	83	d.	Reconcile the approaches used and /or explain the elimination of each approach not used.
Yes	5	16.	Is the type of the reporting option is clearly stated (Narrative, or Restricted Report) within the appraisal?
Yes	9	17.	If information was unavailable, was that fact disclosed and explained in the appraisal?

Appraiser Independence Checklist



I do hereby certify; I have followed the appraiser independence safeguards in compliance with Appraisal Independence and any applicable state laws I may be required to comply with. This includes but is not limited to the following:

- I am currently licensed and/or certified by the state in which the property to be appraised is located. My license is the appropriate license for the appraisal assignment(s) and is reflected on the appraisal report.
- I certify that there have been no sanctions against me for any reason that would impair my ability to perform appraisals pursuant to the required guidelines.

I assert that no employee, director, officer, or agent of the Lender/Client, or any other third party acting as joint venture partner, independent contractor, appraisal company, appraisal management company, or partner on behalf of the Lender/Client, influenced or attempted to influence the development, reporting, result, or review of the appraisal through coercion, extortion, collusion, compensation, inducement, intimidation, bribery, or in any other manner.

I further assert that the Lender/Client has never participated in any of the following prohibited behavior in our business relationship:

1. Withholding or threatening to withhold timely payment or partial payment for the appraisal report;
2. Withholding or threatening to withhold future business, or demoting or terminating, or threatening to demote or terminate my services;
3. Expressly or implicitly promising future business, promotions, or increased compensation for my services;
4. Conditioning the ordering of the appraisal report or the payment of the appraisal fee or salary or bonus on my opinion, conclusion, or valuation reached, or on a preliminary value estimate requested;
5. Requesting an estimated, predetermined, or desired valuation in the appraisal report, prior to the completion of the appraisal report or requesting estimated values or comparable sales at any time prior to the completion of the appraisal report;
6. Providing an anticipated, estimated, encouraged or desired value for the subject property, or a proposed or target amount to be loaned to the Borrower, except that a copy of the sales contract may have been provided if the assignment was for a purchase transaction;
7. Providing stock or other financial or non-financial benefits to me or any entity or person related to me, my appraisal or appraisal management company, if applicable;
8. Any other act or practice that that impairs or attempts to impair my independence, objectivity or impartiality, or violates law or regulation including but not limited to, the Truth in Lending Act (TILA) and Regulation Z, or the Uniform Standards of Professional Appraisal Practice (USPAP).

Signed: 

Name: Blair Beasley

Client's Letter of Engagement

