

**BOARD OF SUPERVISORS FOR THE
UNIVERSITY OF LOUISIANA SYSTEM**

January 13, 2022

Item G. **Nicholls State University's** request for approval to negotiate and purchase a commercial building located at 203 West Second Street, Thibodaux, Louisiana, formerly occupied by Capital One Bank.

EXECUTIVE SUMMARY

Nicholls State University was awarded a Community Development Block Grant (CDBG) through the Division of Administration, Office of Community Development on July 14, 2021. This grant award provides funding to the University of up to \$3,500,000 for the construction and operating expenses of the Bayou Region Incubator (BRI). The construction budget may be used to build a new building or purchase an existing building and renovate it to meet the operating needs of the BRI. This funding is available through September 2023.

The University previously received approval from the Board of Supervisors for the University of Louisiana System (August 26, 2021), the Board of Regents (August 25, 2021), Facility Planning and Control (September 27, 2021), and the Joint Legislative Committee on Budget (October 20, 2021) to manage the construction of a new building. Construction costs have risen dramatically due to supply chain constraints brought about as a result of COVID and due to the increased demand for construction materials as South Louisiana rebuilds from the devastation of Hurricane IDA in 2021, and other hurricanes along the Gulf Coast in 2020.

The University is currently working with the architect assigned to the project to design a new building and has modified construction expectations due to these increased costs. These modifications include a decrease in the operating space for the building from the original 8,000-square-foot design to a much lower space of approximately 5,000 to 6,000 square feet. However, the University has recently become aware that the former Capital One Bank building may be purchased and renovated for a total cost within the capital outlay budget provisions of the grant.

The acquisition of this existing building would provide many benefits to the University and the BRI including but not limited to: (a) access to an operating space of approximately 10,500 square feet rather than the current contemplated space of approximately 5-6,000 square feet; (b) the construction timeline decreases by approximately 3 to 6 months by renovating an existing building rather than building a new building thereby allowing the BRI to become operational in late 2022 rather than mid-2023; (c) position the BRI near resources such as governmental and permit offices, legal and financial service providers, and community business support – all essential elements critical to young entrepreneurs seeking to develop businesses; and, (d) establish a physical presence for the University near the center of downtown Thibodaux amplifying the partnership between the University and the City of Thibodaux, Parish of Lafourche, and the downtown business and professional community.

The University intends to engage with a professional real estate advisor and negotiate a purchase price with the owner/seller of the building. The purchase price shall not exceed the appraised value of the building that will be determined by an appraisal to be performed as part of this process. An appraisal was last performed on the property in 2018 noting an appraised value of \$925,000 (see attached for reference).

The University shall work with all required parties to complete this purchase if an agreeable purchase price can be set. Additionally, the University will ensure that all legal requirements of the State relating to the purchase of buildings shall be followed. Lastly, the proceeds to purchase the building shall be secured through the CDBG grant awarded to the University for the BRI. Timing of this approval is critical due as the limited availability of funding under the CDBG grant is set to expire in September 2023.

RECOMMENDATION

It is recommended that the following resolution be adopted:

NOW, THEREFORE, BE IT RESOLVED, that the Board of Supervisors for the University of Louisiana System hereby approves Nicholls State University's request for approval to negotiate and purchase a commercial building located at 203 West Second Street, Thibodaux, Louisiana, formerly occupied by Capital One Bank.

BE IT FURTHER RESOLVED, that prior to execution of final documents Nicholls State University shall: (a) provide evidence to the System office and legal counsel from agencies/parties with transaction process oversight that all transactional and administrative requirements have been satisfied; (b) obtain final review and approval from System staff; and (c) obtain approval from legal counsel that all necessary actions and approvals have been obtained and that documents are in appropriate order for execution.

BE IT FURTHER RESOLVED, that the President of Nicholls State University and his or her designee is hereby designated and authorized to execute any and all documents necessary to execute the purchase of the property.

AND FURTHER, that Nicholls State University will provide the System office with copies of all final executed documents for Board files.



Nicholls State University

G.

Office of the President

P.O. Box 2001 | Thibodaux, LA 70310 | 985.448.4003 | 985.448.4920 [F]

January 3, 2022

Via Electronic Submission Only

Dr. Jim Henderson
University of Louisiana System President
1201 North Third Street, Suite 7-300
Baton Rouge, LA 70802

Dear Dr. Henderson:

Nicholls State University requests consideration and approval of the following item to be placed on the agenda for the January 13, 2022 meeting of the Board of Supervisors for the University of Louisiana System:

- 1. Negotiate & purchase a commercial building located at 203 West Second Street, Thibodaux, LA 70301.*

Thank you for your assistance in this matter.

Sincerely,

Jay Clune
President

JC/apf

Enclosures

- c: Dr. Sue Westbrook, Provost/Vice President for Academic Affairs
Mr. Terry Braud, Vice President for Finance & Administration
Mr. Jonathan Terrell, Athletic Director
Dr. Michele Caruso, Vice President for Student Affairs
Dr. Todd Keller, Vice Provost
Mr. Steven Kenney, Assistant Vice President for Human Resources, CDIO & Title IX Coordinator
Ms. Paulette Mayon, Internal Auditor
Ms. Claire Bourgeois, Faculty Senate President
Ms. Renee Hicks, Assistant Vice President of Institutional Effectiveness Access & Success
Ms. Monique Crochet, Executive Director of External Affairs

AN APPRAISAL REPORT OF

A Bank

LOCATED AT

203 West Second Street
Thibodaux, Louisiana 70301

RIMS Project #: 18-000376-01-1

FOR

Mr. Benton Gay, MAI, SRA
Capital One Bank
3840 Highway 22, Room 203
Mandeville, LA 70471

BY

Richard L. Murphy, MAI, SRA
Neal S. Meyer
Murphy Appraisal Services, LLC
1054 Canal Boulevard, Suite 1
Thibodaux, Louisiana 70301
Phone: 985-492-7370
Fax: 985-626-4116
Website: www.murphyappraisal.com

MURPHY
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Baton Rouge 225-412-7906
Thibodaux 985-492-7370

April 13, 2018

Mr. Benton Gay, MAI, SRA
Capital One Bank
3840 Highway 22, Room 203
Mandeville, LA 70471

Our File No.: 59939

Re.: 203 West Second Street, Thibodaux, Louisiana 70301

Dear Mr. Gay, MAI, SRA,

Per your request, Murphy Appraisal Services has prepared an appraisal report on the market value of the property located at 203 West Second Street, Thibodaux, Louisiana 70301. This report contains a total of 44 numbered pages and provides the essential data and reasoning employed in reaching the overall value conclusion.

The subject property is an 11,574 square foot two-story atrium-style bank branch. The subject site is a rectangular shaped tract that has a total site area of 22,152 square feet, or 0.51 acres. Based on the analysis contained herein, the market value of the subject property is determined as follows:

Market Value Conclusion			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
As Is	Fee Simple	April 4, 2018	\$925,000*

**This value is subject to the Extraordinary Assumption(s) and/or Hypothetical condition(s) as stated in this report.*

Respectfully submitted,



Richard L. Murphy, MAI, SRA
Louisiana State Certified
General Real Estate Appraiser #G-0318



Neal S. Meyer
Louisiana State Certified
General Real Estate Appraiser #G-1589

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

PROPERTY NAME:	A Bank
PROPERTY ADDRESS:	203 West Second Street, Thibodaux, Louisiana 70301
LEGAL DESCRIPTION:	Lot 19, Section 24, City of Thibodaux, Lafourche Parish, State of Louisiana
CLIENT:	Capital One Bank, as represented by Mr. Benton Gay, MAI, SRA
OWNERSHIP:	Capital One Bank
BORROWER:	Not Applicable
PURCHASER NAME	Not Applicable
TYPE OF PROPERTY:	A Bank
DESCRIPTION OF IMPROVEMENTS:	The subject property is an 11,574 square foot two-story atrium-style bank branch.
DESCRIPTION OF SITE	The subject site is a rectangular shaped tract that has a total site area of 22,152 square feet, or 0.51 acres.
BUILDING AREA (SF):	11,574
SITE AREA (SF):	22,152
LAND TO BUILDING RATIO:	1.91 to 1
ZONING:	CBD, Downtown Business District
FLOOD ZONE:	Zone X
HIGHEST & BEST USE AS VACANT:	Small scale office, retail, or mixed-use development.
HIGHEST & BEST USE AS IMPROVED:	Bank, retail, or office use.
ESTIMATED MARKETING TIME:	12 months
ESTIMATED EXPOSURE TIME:	12 months
ESTIMATES OF VALUE:	
SALES COMPARISON APPROACH:	\$925,000*
INCOME APPROACH:	\$890,000 *

Market Value Conclusion

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
As Is	Fee Simple	April 4, 2018	\$925,000*

**This value is subject to the Extraordinary Assumption(s) and/or Hypothetical condition(s) as stated in this report.*

Aerial View of Subject Property



Front View of Subject Property



Certification

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, 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 no personal interest with respect to the parties involved.
- We have previously appraised the subject property, but have performed no other services in any other capacity regarding the subject of this report, within the three year period immediately preceding the acceptance of this assignment.
- 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 in 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 this appraisal.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- Richard L. Murphy, MAI, SRA and Katherine Harang-Bourgeois made a personal inspection of the property that is the subject of this report.
- Katherine Harang-Bourgeois provided significant real property appraisal assistance to the persons signing this certification.
- The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, I, Richard L. Murphy, MAI, SRA, have completed the continuing education program for Designated Members of the Appraisal Institute.
- As of the date of this report, I, Neal S. Meyer, have completed the Standards and Ethics Education Requirements for Practicing Affiliate of the Appraisal Institute.
- As of the date of this report, I, Neal S. Meyer, have completed the continuing education program for Practicing Affiliates of the Appraisal Institute.

Date Signed: April 13, 2018



Richard L. Murphy, MAI, SRA
Louisiana State Certified
General Real Estate Appraiser #G-0318



Neal S. Meyer
Louisiana State Certified
General Real Estate Appraiser #G-1589

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PART I - INTRODUCTION

Property Description

The subject property is an 11,574 square foot two-story atrium-style bank branch. The subject site is a rectangular shaped tract that has a total site area of 22,152 square feet, or 0.51 acres. The subject property is more fully described, both legally and physically, within this report.

Current Listing/Contract(s)

The following summarizes the current listing and/or contracts on the subject property:

CURRENT LISTING / CONTRACT SUMMARY	
List Date:	January 1, 2018
List Price:	\$1,500,000
Listing Comments:	The subject is currently listed at \$1,500,000, or \$129.60 per square foot. The property has been on the market for approximately 15 months. According to the listing agents, they have not seen serious interest in the property by potential buyers. The current listing price is determined to be above market.

Property History

The subject has not sold in the last three years, according to public records.

Identification of the Real Estate

IDENTIFICATION OF THE REAL ESTATE	
Owner:	Capital One Bank
Legal Description:	Lot 19, Section 24, City of Thibodaux, Lafourche Parish, State of Louisiana
Address:	203 West Second Street Thibodaux, Louisiana 70301

Premise of the Appraisal and Relevant Dates

The following table summarizes the various dates associated with the appraisal of the subject property and the valuation premise:

IMPORTANT DATES OF THE APPRAISAL	
Date of Report:	April 13, 2018
Date of Inspection:	April 4, 2018
Dates of Value:	
As Is	April 4, 2018

Scope of Work

According to the Uniform Standards of Professional Appraisal Practice, it is the appraiser's responsibility to develop and report a scope of work that results in credible results that are appropriate for the appraisal problem and intended user(s). Therefore, the appraiser must identify and consider:

- the client and intended users;
- the intended use of the report;
- the type and definition of value;
- the effective date of value;
- assignment conditions;
- typical client expectations; and
- typical appraisal work by peers for similar assignments.

Scope of Work	
Client:	Capital One Bank, as represented by Mr. Benton Gay, MAI, SRA
Problem to be Solved:	Determine market value
Intended Use:	The intended use of this appraisal is for loan underwriting and-or credit decisions by Capital One Bank and-or participants.
Intended User:	The intended users of this report is Capital One Bank and-or affiliates.
Report Option:	This is an Appraisal Report as defined by Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2(a). This format provides a summary or description of the appraisal process, subject and market data and valuation analyses.
Property Identification:	The property was identified by the legal description, survey, property address, and tax parcel number
Inspection:	A complete interior and exterior inspection was performed and the improvements were not measured
Market Analysis:	A complete analysis of market conditions has been performed including a review of comparable sales, leases, and listings relevant to the subject property
Highest & Best Use Analysis:	A complete analysis of the subject property's highest and best use was performed

Type of Value:	Market Value
Interest Appraised:	The subject property is not encumbered by any long term leases. As such, the interest appraised is the fee simple interest.
Information Not Available:	None
Significant Real Property Appraisal Assistance Description:	<i>Katherine Harang-Bourgeois assisted in preparing this appraisal report, selecting comparable sales and rentals, analyzing the data collected, concluding values in all approaches applied, and reconciling to an overall value for the subject. In addition, she assisted in physically inspecting the property and determining the highest and best use and marketability analyses of the subject.</i>

At the request of the client, the subject will be valued based on the improvements being used as an alternate use excluding bank use where all bank fixtures will be removed, except for the value. Based on the subject's location and improvements, we have determined that the most likely use of the subject in an alternative use scenario is use as an owner occupied single-tenant office.

Valuation Analyses	
Cost Approach:	The Cost Approach was considered and is not developed because the effective age of and the level of depreciation in the improvements makes this approach generally unreliable, and it is considered unnecessary to develop a reliable opinion of value
Sales Comparison Approach:	The Sales Comparison Approach was considered and is developed because there is adequate data to develop a value estimate and this approach reflects market behavior for this property type
Income Approach:	The Income Approach was considered and is not developed because there is an active rental market for this property type

Assignment Conditions	
Hypothetical Conditions:	None
Extraordinary Assumptions:	An Extraordinary Assumption of this appraisal is that the improvements have a gross building area of 11,574 square feet, as indicated by the client.

Terms and Definitions

The Glossary of Terms included within the addenda provides definitions for all other terms used in this appraisal.

Marketing and Exposure Time

The Marketing Time for the subject property is estimated to be 12 months while the Exposure Time for the subject property is estimated to be 12 months assuming that the property would be reasonably priced and aggressively marketed.

Definition of Market Value:

"Market Value" is defined by the United States Treasury Department, Comptroller of the Currency 12 CFR part 34.43 (f) 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 own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U. S. 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.

Inspection Disclaimer

This appraisal/inspection is not a home inspection, building inspection, environmental inspection, structural inspection, or pest inspection. In the process of appraising this property and by preparing this appraisal report, the appraiser is not acting as a home inspector, building inspector, environmental inspector, structural engineer, or pest inspector.

In performing the limited inspection of this property, areas that were readily accessible were visually observed and the appraisers' review is superficial only. The appraisers' inspection is not technically exhaustive and does not offer warranties or guarantees of any kind. It is advised any interested parties have the appropriate inspections performed by licensed and or certified inspectors with attendant warranties and or guarantees.

It is further advised any adverse or negative conditions that may exist be inspected by the appropriate and or licensed individuals.

In accepting this appraisal report, the intended users or third party recipients of this report accept this disclaimer as a condition of the appraisal process and appraisal report, and release the appraisers from any obligations regarding the certification or warranty associated with the appraisers' inspection of the appraised property.

PART II - DESCRIPTION OF APPRAISED PROPERTY & SURROUNDINGS

NEIGHBORHOOD DESCRIPTION

The term “neighborhood” is defined as “a group of complementary land uses; a congruous grouping of inhabitants, buildings, or business enterprises.” The four forces which create, modify, and destroy the value of real estate are: social trends, economic circumstances, government controls and regulations, and environmental conditions. The boundaries of a neighborhood can be identified by determining the area within which the four forces affect all properties in the same manner. A clear distinction can be drawn between a neighborhood and a district. A district is a type of neighborhood that is characterized by homogeneous land use. A residential neighborhood, for example, may contain single-family homes and commercial properties that provide services for local residents. Districts are commonly composed of apartments, commercial, or industrial properties.

Location and Boundaries:

The subject property is located within the city limits of Thibodaux, Louisiana, on the block bound by West 2nd Street, Maronge Street, West 3rd Street, and Patriot Street.

Accessibility:

Highway 1 and Highway 308 are the major thoroughfares of the region. Highway 1 parallels Bayou Lafourche to the south while Highway 308 follows the waterway immediately to the north. Each follows along the snaking waterway for miles to the north and south connecting Donaldsonville at the Mississippi River to Golden Meadow to the south. Highway 1 continues further in each direction connecting West Baton Rouge to Grand Isle. Highway 20 is the primary north-south corridor connecting Thibodaux to points north including Interstate 10 and points south including Highway 90 and the City of Houma.

The fact that Bayou Lafourche cuts through the middle of the neighborhood somewhat limits ease of access and precludes the neighborhood streets from having a typical grid like system. That being said, bridge crossings are frequent keeping this from being much of a problem. Essentially, if one knows where one is going, access is considered to be good. The neighborhood is accessed by the Greater New Orleans area by the Westbank Expressway and the Interstate 310 Spur which both hit Highway 90.

Demographic Data:

On the following pages is a demographic report from the *Site to do Business* (www.stdb.com). The study area used for this report is the subject’s zip code of 70301. This data indicates a 6.36% increase in population from 2010-2017. Furthermore, the data suggests that the population is expected to increase another 3.93% by 2022.



Demographic and Income Profile

70301 (Thibodaux) 2
70301 (Thibodaux)
Geography: ZIP Code

Prepared by Esri

Summary	Census 2010	2017	2022				
Population	43,222	45,972	47,777				
Households	16,321	17,563	18,357				
Families	11,233	11,878	12,319				
Average Household Size	2.57	2.55	2.53				
Owner Occupied Housing Units	11,448	11,651	12,181				
Renter Occupied Housing Units	4,873	5,912	6,176				
Median Age	35.4	36.8	38.0				
Trends: 2017 - 2022 Annual Rate	Area	State	National				
Population	0.77%	0.71%	0.83%				
Households	0.89%	0.75%	0.79%				
Families	0.73%	0.58%	0.71%				
Owner HHs	0.89%	0.76%	0.72%				
Median Household Income	2.30%	2.15%	2.12%				
Households by Income	2017		2022				
	Number	Percent	Number	Percent			
	<\$15,000	2,265	12.9%	2,358	12.8%		
	\$15,000 - \$24,999	2,032	11.6%	2,002	10.9%		
	\$25,000 - \$34,999	1,676	9.5%	1,591	8.7%		
	\$35,000 - \$49,999	2,289	13.0%	1,888	10.3%		
	\$50,000 - \$74,999	3,143	17.9%	2,916	15.9%		
	\$75,000 - \$99,999	2,155	12.3%	2,561	14.0%		
	\$100,000 - \$149,999	2,341	13.3%	2,958	16.1%		
	\$150,000 - \$199,999	936	5.3%	1,165	6.3%		
\$200,000+	726	4.1%	918	5.0%			
Median Household Income	\$52,907		\$59,272				
Average Household Income	\$72,322		\$82,723				
Per Capita Income	\$28,574		\$32,692				
Population by Age	Census 2010		2017		2022		
	Number	Percent	Number	Percent	Number	Percent	
	0 - 4	2,935	6.8%	2,882	6.3%	2,925	6.1%
	5 - 9	2,750	6.4%	2,902	6.3%	2,933	6.1%
	10 - 14	2,808	6.5%	2,833	6.2%	3,090	6.5%
	15 - 19	3,506	8.1%	3,107	6.8%	3,335	7.0%
	20 - 24	3,735	8.6%	3,241	7.0%	2,917	6.1%
	25 - 34	5,672	13.1%	7,021	15.3%	6,684	14.0%
	35 - 44	5,393	12.5%	5,472	11.9%	6,232	13.0%
	45 - 54	6,268	14.5%	5,887	12.8%	5,491	11.5%
	55 - 64	4,779	11.1%	5,784	12.6%	6,113	12.8%
	65 - 74	2,992	6.9%	4,025	8.8%	4,686	9.8%
	75 - 84	1,722	4.0%	2,017	4.4%	2,497	5.2%
	85+	663	1.5%	801	1.7%	874	1.8%
Race and Ethnicity	Census 2010		2017		2022		
	Number	Percent	Number	Percent	Number	Percent	
	White Alone	31,985	74.0%	33,083	72.0%	33,704	70.5%
	Black Alone	9,694	22.4%	10,863	23.6%	11,619	24.3%
	American Indian Alone	311	0.7%	310	0.7%	319	0.7%
	Asian Alone	314	0.7%	447	1.0%	547	1.1%
	Pacific Islander Alone	8	0.0%	12	0.0%	16	0.0%
	Some Other Race Alone	359	0.8%	524	1.1%	674	1.4%
	Two or More Races	551	1.3%	733	1.6%	898	1.9%
	Hispanic Origin (Any Race)	902	2.1%	1,323	2.9%	1,721	3.6%

Data Note: Income is expressed in current dollars.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2017 and 2022.

October 13, 2017

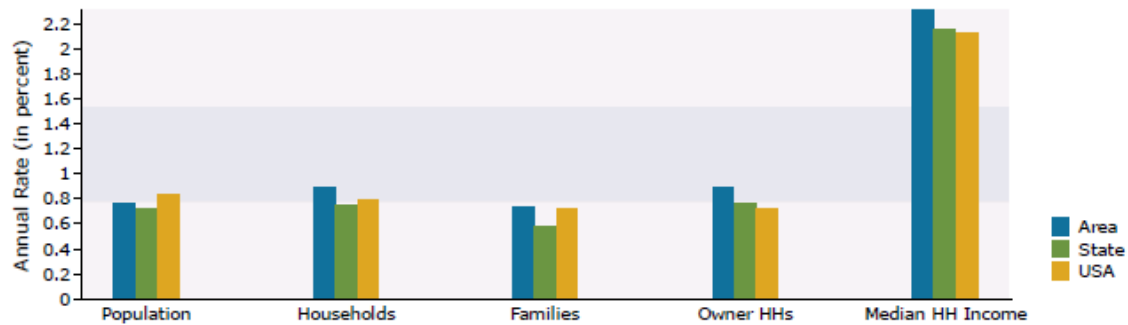


Demographic and Income Profile

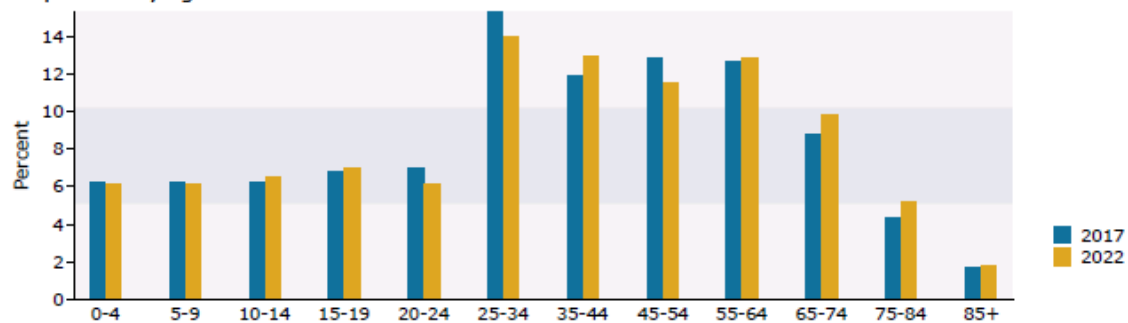
70301 (Thibodaux) 2
70301 (Thibodaux)
Geography: ZIP Code

Prepared by Esri

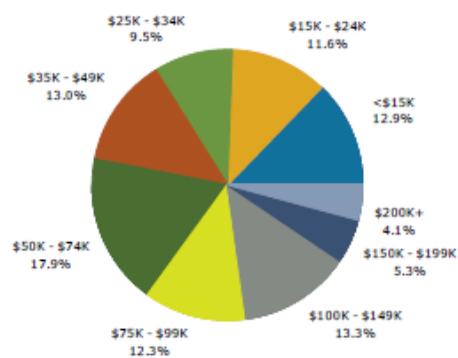
Trends 2017-2022



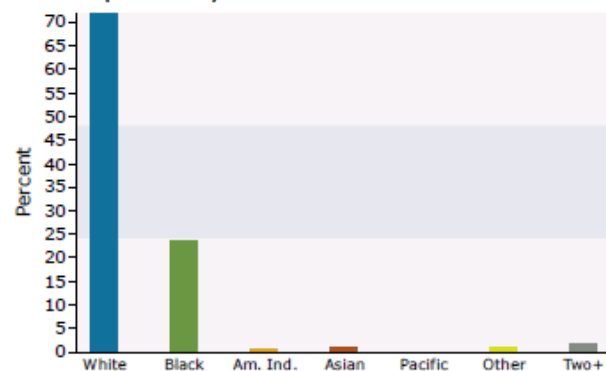
Population by Age



2017 Household Income



2017 Population by Race



2017 Percent Hispanic Origin: 2.9%

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2017 and 2022.

October 13, 2017

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Page 2 of 2

Neighborhood Land Uses:

Land uses in the subject property neighborhood include primarily commercial oriented real estate along the major corridors with residential subdivisions situated throughout the neighborhood. There remains an abundance of undeveloped land throughout the area. The immediate subject neighborhood is comprised of a mixture of commercial, institution, and residential uses, with the majority of commercial uses situated upon North and South Acadia Roads.

Distance to Employment Centers:

The subject property neighborhood is approximately a one-and-a-half-hour drive from both downtown New Orleans and downtown Baton Rouge. Nicholls State University is located in Thibodaux and considered to be a major employer of the local population. Lastly, the oil and gas industry is a major employer of the local population and a portion of the population works offshore on oil rigs or at refineries and processing plants in the region. Other than various service-oriented businesses accommodating Thibodaux's population, the immediate local economy is largely based upon commercial fishing, recreational hunting and fishing, and the oil industry. As a result, the proximity to the Gulf of Mexico is the greatest factors positively affecting the marketability of the property and its neighborhood.

Conclusion and Future Outlook of the Neighborhood:

The subject neighborhood was relatively unscathed by Hurricane Katrina as well as other more recent hurricanes relative to other areas of southeast Louisiana. Demographic data shows a general, albeit small, growth in the population over the last decade which is forecasted to continue into the future. The local economy is driven primarily by the oil and gas industry.

Towards the end of 2014, the price of oil began to plummet, which has slowed the growth in the region. The low oil price over the last two plus years has caused an excess of job losses; the unemployment rate in the Houma – Thibodaux – Bayou Cane has gone from one of the lowest in the country to one of the highest during this short period. Job losses were at their highest in 2015 before slowing some in 2016 due small price increases in oil. That said, the market only appears to be stabilizing at this time with the prospects for a turnaround being dependent on the price of oil rebounding. While some local and regional experts project a two to five year period for such a turnaround, some national experts project the region to never regain the jobs lost during this downturn.

SITE ANALYSIS

The subject site is a rectangular shaped tract that has a total site area of 22,152 square feet, or 0.51 acres.

Summary of Site Characteristics	
Current Use	A Bank
Proposed Use	Not Applicable
Site Size (sf)	22,152
Site Size (acres)	0.51
Site Shape	Rectangular
Frontage	142' of frontage along the south side of West Second Street, 142' along the north side of West Third street, 156' along the east side of Maronge Street and 156' along the west side of Patriot Street
Depth	156'
Topography	Level
Site Utilities	Typical utilities
Easements	There are no known adverse encumbrances or easements
Encroachments	There are no known encroachments
Servitudes	There are no known servitudes
Environmental	There are no known adverse environmental conditions on the subject site (please reference Assumptions and Limiting Conditions)
Flood Zone	Zone X (2201110005C December 15, 1989)
Census Area	201
Ingress/Egress	Adequate
Access	Good
Visibility	Excellent
Land to Building Ratio	1.91 to 1
Zoning	CBD, Downtown Business District
Comments	The subject site is functionally adequate and meets market standards in all respects.

ANALYSIS OF IMPROVEMENTS

The subject property is an 11,574 square foot two-story atrium-style bank branch.

Summary of Improvements	
Primary	
Building Description	The subject is a two-story, atrium style 11,574 square foot commercial building that was previously used as a bank branch. The property has four drive-thru lanes covered by a canopy structure. The improvements were in overall average to good condition at the time of inspection.
Foundation	Poured concrete slab
Structure / Frame	Masonry construction
Exterior Walls	Brick
Roof	Flat composite
Flooring	Tile and carpet
Interior Walls	Painted sheetrock
Ceiling Finish	Drop tile and finished sheetrock
Lighting	Mix of fluorescent and incandescent lighting
Yards	Concrete paved parking with ±11 lined spaces and four drive-thru lanes
Rest Rooms	Four
Electrical	Assumed to be adequate and as per code
Plumbing	Assumed to be adequate and as per code
Heat	Central heating systems
Cooling	Central AC systems
Parking	Concrete paved parking with ±11 lined spaces
Number of Stories	Two-story atrium style building
Appeal and Appearance	Good
Overall Condition	Average-Good
Operations	
Interior Equipment	Bank vault
Exterior Equipment	None associated with the real estate

The actual age of the improvements is estimated to be 45 years. The effective age of the improvements is estimated to be 20 years. The remaining economic life of the improvements is estimated to be 30 years indicating a current level of depreciation of 40.00%.

PROPERTY TAXES

The current assessment data for the subject property is as follows:

Assessor Opinion of Market Value			
Tax ID	Implied Land Value	Implied Building Value	Implied Overall Value
0020405700; 37091	\$120,000	\$762,667	\$882,667

Notes: The subject is currently assessed at \$882,667, which is determined to be slightly below market.

Assessed Values and Taxes					
Tax ID	Land Assessment	Improvement Assessment	Total Assessment	Tax Rate	Taxes
0020405700;	\$12,000	\$114,400	\$126,400	108.77	\$13,749

Notes: According to the Lafourche Parish Sheriff's Office, property taxes were paid on 12/28/2017 in the amount of \$11,956.17.

We have also projected taxes for the subject property, based on the values concluded within the Sales Comparison Approach, should it be reassessed based at market value. Utilizing the values concluded within this appraisal, we have projected future taxes as follows:

Market Value Based Tax Projection			
Component	Market Value	Ratio	Assessed Value
Land	\$200,000	10.0%	\$20,000
Building	\$725,000	15.0%	\$108,750
Total	\$925,000		\$128,750
Millage			108.77
Projected Taxes			\$14,004

ZONING

Summary of Zoning Information	
Zoning Authority	City of Thibodaux Planning and Zoning Department
Zoning Code	CBD, Downtown Business District
Zoning Description	The CBD downtown business district is representative of the core central business and retail area. The intent of the district is to recognize the unique and historic character of downtown and the pedestrian orientation of the neighborhood by combining residential uses with commercial, service and office establishments. Lot sizes, setbacks, parking and landscaping requirements shall be more flexible to address the characteristics of an area substantially developed as a commercial district with smaller lots and greater development densities than newer areas of the city.
Current Use Legally Conforming	Yes
Zoning Change Requested	No
Zoning Change Description	Not applicable
Zoning Change Likely	A zoning change is unlikely.
Front Yard Set Back	None
Side Yard Set Back	None
Allowable Building Height	85' maximum
Zoning Comments	This zoning district allows for a variety of uses, such as single and multi-family dwellings, day care facilities, bars, restaurants, banks, hotels, medical clinics, general offices, retail stores, libraries, religious and institutional facilities, and museums.

PART III - ANALYSIS AND CONCLUSIONS

MARKET AND MARKETABILITY ANALYSIS

Market Analysis in real estate appraisal is the process for examining the supply and demand of a given property type within its competitive market area. It analyzes the competitive characteristics of the subject property as well as key factors which drive value within the competitive market area. The Market Analysis contained within this appraisal is a Level A – Inferred Analysis and follows the Six-Step Process defined in the Thirteenth Edition of the Appraisal of Real Estate.

Step 1 – Productivity Analysis

Productivity analysis studies the physical, legal, and locational characteristics and attributes of a given property to determine its overall appeal as perceived by the market – both buyers and users. The following productivity ranking table has been developed to demonstrate the marketability and productivity of the subject property relative to competing properties within its competitive market area. The site and improvements have each been ranked on a scale of 1-10 (1 being poor and 10 being excellent). These rankings are relative to competitive product in the market.

Subject Property Productivity Analysis		
Site	Ranking	Comments
Size	7	22,152 SF; 0.51 acres
Shape	6	Rectangular in shape
Topography	6	Typical and functional for the market
Utilities	6	Typical and functional for the market
Accessibility	7	Good accessibility from within the Thibodaux market
Visibility	7	Good visibility with frontage on four streets
Zoning	6	CBD, Downtown Business District; typical for the market
Overall	6	Good site for the market
Improvements	Ranking	Comments
Age	5	±45 years old
Condition	6	Average to good condition
Size	5	11,574 SF
Functionality	5	Typical and functional for the market
LTB Ratio	5	1.91 to 1
Parking	5	±11 lined spaces with additional drive-thru lanes
Physical Appeal	5	Typical and functional for the market
Overall	5	Typical larger scale office building for the market

The subject enjoys an excellent location in downtown Thibodaux. The immediate market includes various governmental offices, the city court house, various office and retail establishments, and residential developments. The improvements are of high quality construction as they were originally constructed as a bank branch, which is typically high quality with unique build characteristics and design, such as a vault and open common area to accommodate various aspects of banking services. Although the improvements could be considered somewhat unique, they are also functional for a variety of alternate uses, such as single-tenant office occupancy. Based on the data contained within our files, it is not uncommon for properties such as the subject to be purchased for alternate uses once a facility is vacated by a bank user.

Step 2 – Market Delineation

The market area is the geographic area from which the majority of demand for the subject property will be drawn and the area which contains the other supply against which the subject must compete for users. The competitive market area is typically a subset of the larger market area.

The subject property is located within the city limits of Thibodaux, Louisiana, on the block bound by West 2nd Street, Maronge Street, West 3rd Street, and Patriot Street.

Step 3 – Demand Analysis

Real estate demand is the quantity of a particular type of real estate product or service that will be purchased and/or leased in a given market. It is best reflected through pricing trends indicated by sale and lease comparables as well as occupancy rates and absorption of product.

Comparable improved properties range from \$55.00 to \$150.00 per square foot.

Rental rates of comparable improved properties range from \$11.00 to \$16.00 per square foot.

Step 4 – Supply Analysis

Supply analysis studies the various aspects of the subject's competition and includes a survey of the competitive product as well as a discussion of new product to come online and vacancy rates.

Active listings of comparable improved properties range from \$45.00 to \$130.00 per square foot.

Active listings of comparable rental properties range from \$8.00 to \$19.00 per square foot based on various terms.

Step 5 – Marginal Demand Analysis

Marginal demand analysis is an analytical technique in which the market demand is compared with market supply in the present and future to determine if there is excess demand, excess supply, or balance in the market.

Overall, the market is considered to be stable. The market has experienced growth over the past several years; however, the growth has been halted given the downturn in oil prices, which makes for a somewhat unstable market in the foreseeable future.

Step 6 – Subject Capture

This step applies the previous analyses to the subject to determine its place in the market through comparison to the product with which it competes. It is ultimately concerned with the expected performance of the subject property within its market.

The subject is a commercial building that was previously used as a bank branch. Given the location, high quality of construction, and adaptive use potential, we consider the subject property to be marketable if priced appropriately and marketed properly.

HIGHEST AND BEST USE ANALYSIS

Highest and Best Use Analysis is defined by The Appraisal of Real Estate, Thirteenth Edition as “the reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, and financially feasible and that results in the highest value.” Essentially, this analysis is intended to determine and identify the most profitable use to which the subject property can be utilized. It is driven by the basic market forces which create value.

The initial focus of any highest and best use analysis is of the potential uses of the land when vacant. This analysis determines what should be developed on a subject site if it were vacant and ready to be developed. Subsequently, the highest and best use of the property as improved is considered. This analysis examines whether there is value added by the existing improvements and whether or not the subject could be more profitable if expanded, renovated, etc.

When determining the highest and best use of the subject property, four factors must be tested, they are as follows:

- *Legal Permissibility*: the first consideration relative to determination of the highest and best use "as vacant" is to determine whether or not a proposed use would be allowed under the zoning designation in which the subject property is situated.
- *Physical Possibility*: the next consideration relative to determination of the highest and best use "as vacant" is determine whether or not a proposed use would be physically possible relative to the shape and size of the subject site.
- *Financial Feasibility*: this consideration is integral in determining the proposed use of a vacant site. This test determines whether or not construction costs and land acquisition are justified by the anticipated cash flows associated with a proposed subject property.
- *Maximum Productivity*: this test determines the land use that would attribute the highest value to the land.

The level of analysis under the Highest and Best Use for the subject site is a Level "A" Inferred Analysis.

As Vacant

Given the size, shape, and zoning of the site along with the surrounding land uses, the 'as vacant' highest and best use is determined to be a small scale office, retail, or mixed-use development.

As Improved

The subject is improved with an 11,574 square foot commercial building that was constructed and previously used as a bank branch. As discussed within the Marketability Analysis, the building is also functional for alternate uses, such as an office or retail establishment. Therefore, the 'as vacant' highest and best use is determined to be a bank, retail, or office use.

Conclusion

Based on the above considerations, we have concluded the following as it pertains to the highest and best use of the subject property:

Summary of Highest and Best Use Conclusions	
Highest and Best Use as Vacant	Small scale office, retail, or mixed-use development.
Highest and Best Use as Improved	Bank, retail, or office use.
Highest and Best Use Conclusion	Bank, retail, or office use.
Most Likely Purchasers	Owner occupants
Most Likely Users	Local business owners
Timing of Highest and Best Use Conclusion	Foreseeable future

INSURED REPLACEMENT COST ESTIMATE

The cost estimates relied upon herein reflect the construction cost new of the subject improvements or a similar, substitute facility. This cost is based upon local cost of labor and materials at the subject site and was estimated by the segregated or calculator methods thorough application of cost reported in the *Marshall and Swift Valuation Service*, a national service, conversations with contractors, developers and the appraisers work files and personal experience and knowledge.

Replacement Cost per *The Appraisal of Real Estate, 13th Edition*, is “the estimated cost to construct, at current prices as of the effective appraisal date, a building with utility equivalent to the building being appraised, using modern materials and current standards, design, and layout”. Capital One’s definition of what should be included is as follows:

Insurable Replacement Cost Estimate: Replacement cost new (GBA x base cost x multipliers) of the primary improvements (vertical construction including parking structures) exclusive of site improvements, landscaping, indirect costs, entrepreneurial profit, less exclusions (i.e., foundations, piping below grade, architect's fees) without consideration of debris removal.

The grid below shows the insurable replacement cost estimate for the subject with a 10% negative adjustment for the exclusions noted in the client’s definition.

Insurable Replacement Cost						
Property Type	Rank	Class	Height	Eff Age	Economic Life	
Bank	2	D	9	20	50	
Improvements Cost for Retail Warehouse						
Base Cost	11,574	@	\$109.04	per SF		\$1,262,029
Exterior Walls	11,574	@	\$17.16	per SF		\$198,610
HVAC	11,574	@	\$5.46	per SF		\$63,194
Total Improvement Cost	11,574	@	\$131.66	per SF		\$1,523,833
Less Exclusions	@	10.00%				(\$152,383)
Indicated Replacement Cost for Retail Warehouse						\$1,371,450
INDICATED REPLACEMENT COST						\$1,371,450
		Rounded				\$1,370,000

INSURED REPLACEMENT COST: \$1,370,000


SALES COMPARISON APPROACH


The Sales Comparison Approach involves a comparison of the subject property to similar properties which have sold in the same or in similar markets to derive a market value indication. Carefully verified and analyzed market data is good evidence of value when it represents typical actions and reactions of buyers, sellers, users, and investors. The Sales Comparison Approach, like the Cost Approach, is based on the principle of substitution. In this approach, it is implied that a prudent person will not pay more to buy a property than it will cost to buy a comparable substitute property.

The primary method of valuation in this approach is through a direct comparison of the comparable sales on a price per unit basis – typically price per square foot. After identifying the price per unit values indicated by the comparable sales, adjustments can be made to these unit values which account for differences between the subject and the comparables. Such adjustments can include, but are not limited to, land to building ratio, location, size (economies of scale), and condition. These are simplistic comparisons which can be affected by numerous conditions within each property. The primary sales analyzed in this analysis are summarized below:


Comp	Address	City	Date	GBA	Price	Price Per SF
Subject	203 West Second Street	Thibodaux	N/A	11,574	--	--
1	3017 Kingman Street	Metairie	1/24/18	13,300	\$1,165,000	\$87.59
2	1620 Polk Street	Houma	12/15/17	4,320	\$577,500	\$133.68
3	206 Mystic Boulevard	Houma	10/10/17	3,038	\$450,000	\$148.12
4	10455 Jefferson Highway	Baton Rouge	1/11/17	13,000	\$1,250,500	\$96.19
5	5630 Bankers Avenue	Baton Rouge	9/25/15	13,990	\$1,660,000	\$118.66
6	1200 St. Mary Street	Thibodaux	6/19/15	6,140	\$350,000	\$57.00

IMPROVED COMPARABLE SALE 1


Property and Sale Data		
Address	3017 Kingman Street, Metairie, LA	
Sale Price	\$1,165,000	
GBA	13,300 sf	
Unit Price	\$87.59	
Date	January 24, 2018	
Vendor	3017 N. Kingman, LLC	
Vendee	Louisiana Motor Vehicle Commision	
Recordation	#11803722	
Terms	Cash	
Verification	Jefferson Parish Clerk of Court	
Confirmation	Previously Appraised	
Highest & Best Use	Office building	
Legal Description	Lots 25 thru 31, Square 15, Suburban Villas Subdivision, Jefferson Parish, State of Louisiana	
Site Data		Description of Improvements
Site Size	16,800 sf / 0.386 acres	This property is a two-story, 13,300-square foot office building. The building is brick construction, with brick exterior walls, a flat composition roof, and is situated on a concrete slab foundation. The interior of the building is built out and configured for general office use. Access between the ground floor and second floor is provided by way of interior stairwells and passenger elevator. The ground floor is considered to be in below average condition, while the second floor is in good condition. Additional site improvements include paved parking for 31 vehicles, limited landscaping, and exterior signage. The property is considered to be in overall average condition.
Zoning	GO-1, General Office District	
Site Dimensions	Site is a rectangular shaped tract fronting 140' along east side of Kingman Street by a depth of 120'	
Flood Zone	AE	
Comments		
The property was placed on the market in April of 2015 at a list price of \$1,850,000, and was reduced to the current list price of \$1,780,000 in October of 2015. Based on the final sales price, the list price for this property is substantially above its market value. It should be noted that this property was being marketed subject to two ground leases for adjacent sites to the north and south of the property that are not owned by the fee simple title owner. Confusion associated with these two ground leases had additional negative effects on the marketability of the subject property. The purchaser entered into a separate agreement with the owner of the two leased sites to create new ground lease agreements. However, the two ground leases have no connection to the property rights of the property and are not included or in any way part of this sale.		


IMPROVED COMPARABLE SALE 2		
Property and Sale Data		
Address	1620 Polk Street, Houma, LA	
Sale Price	\$577,500	
GBA	4,320 sf	
Unit Price	\$133.68	
Date	December 15, 2017	
Vendor	BSR Properties, LLC	
Vendee	BCE Properties, LLC	
Recordation	#1548703	
Terms	Cash	
Verification	Terrebonne Parish Clerk of Court	
Confirmation	Previously Appraised	
Highest & Best Use	As improved	
Legal Description	Lot 3, Block 1, Oil & Investment Center Subdivision, Section 102, Township 17 South, Range 17 East, Terrebonne Parish, State of Louisiana	
Site Data		Description of Improvements
Site Size	30,104 sf / 0.691 acres	This property is improved with a single-tenant, 4,320 square foot office building. The improvements, situated upon a concrete slab, are of wood frame construction with a brick and stucco exterior and pitched, shingled roof. The interior of the improvements are comprised of tile, carpet, and laminate wood flooring along with sheetrock walls and ceilings. Additional site improvements include concrete paved parking with 25 lined spaces. The improvements are 20 years old and have been adequately maintained; they were in overall good condition at the time of inspection.
Zoning	C-6, Light Commercial District and C-3, Neighborhood Commercial District	
Site Dimensions	Site is a trapezoidal shaped tract with 178.49' of frontage along the northwest side of Polk Street, and 179.83' of frontage along the northeast side of Museum Drive and a depth of ±181.29'	
Flood Zone	C	
Comments		
The property was purchased for owner occupancy.		

IMPROVED COMPARABLE SALE 3


Property and Sale Data		
Address	206 Mystic Boulevard, Houma, LA	
Sale Price	\$450,000	
GBA	3,038 sf	
Unit Price	\$148.12	
Date	October 10, 2017	
Vendor	MGE of Houma, LLC	
Vendee	NTK Orthodontics, LLC	
Recordation	#1544334	
Terms	Cash	
Verification	Terrebonne Parish Clerk of Court	
Confirmation	Previously Appraised	
Highest & Best Use	As improved	
Legal Description	Lot 8, Block 1 of Mystic Subdivision, Section 102, Township 17 South, Range 17 East, Terrebonne Parish, State of Louisiana	
Site Data		Description of Improvements
Site Size	21,803 sf / 0.501 acres	This property is a 3,038 square foot, single-tenant office building that is currently used as an orthodontic office. The improvements, situated upon a concrete slab, are of wood frame construction with a brick and vinyl exterior and a pitched, metal roof. The interior is comprised of sheetrock walls and ceilings along with carpet and tile flooring. Additional site improvements include concrete paved parking with 16 lined spaces. The improvements were in overall good condition at the time of sale.
Zoning	C-2, General Commercial Districts	
Site Dimensions	Site is generally rectangular with 100' of frontage along the southwest side of Mystic Boulevard by a depth of 200'	
Flood Zone	C	
Comments		
The purchaser had been leasing the property from the seller since 2014. It was purchased for owner occupancy.		

IMPROVED COMPARABLE SALE 4

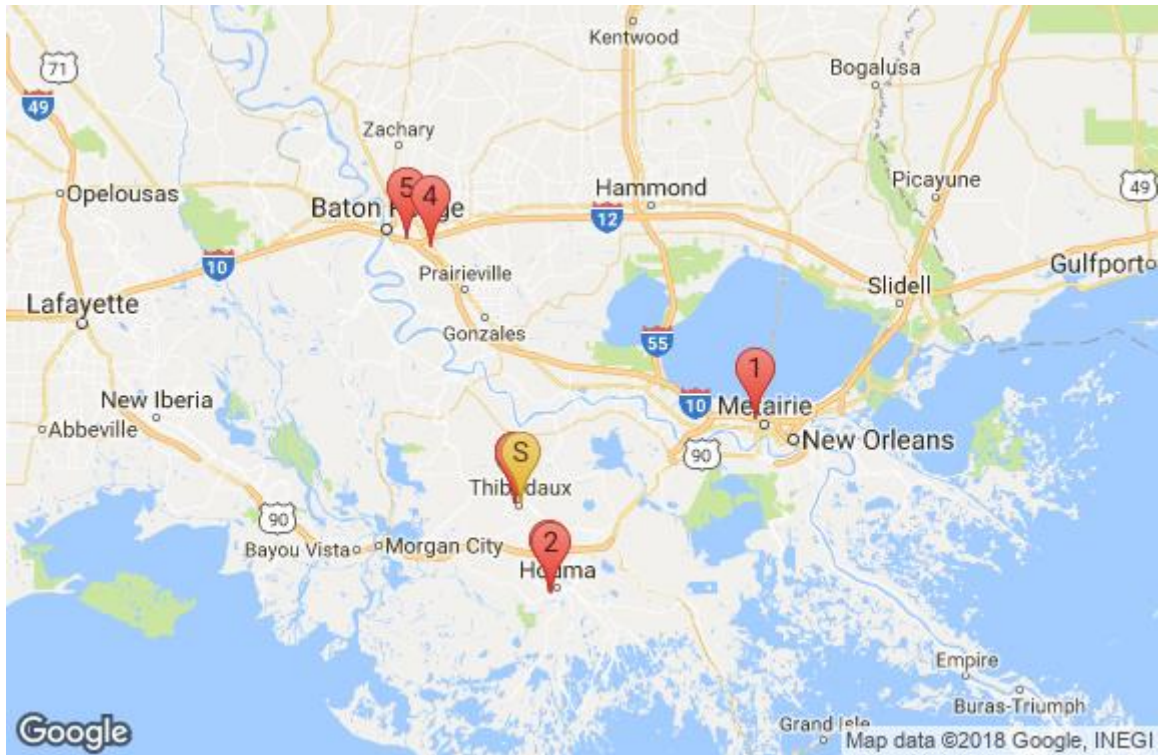
Property and Sale Data		
Address	10455 Jefferson Highway, Baton Rouge, LA	
Sale Price	\$1,250,500	
GBA	13,000 sf	
Unit Price	\$96.19	
Date	January 11, 2017	
Vendor	Beebop, Partners, LLC	
Vendee	Jefferson Bil, LLC	
Recordation	831/12785	
Terms	Cash	
Verification	East Baton Rouge Parish Clerk of Court	
Confirmation	Listing Agent	
Highest & Best Use	As improved	
Legal Description	Lot 3, Section 70, Township 7 South, Range 1 East, Greensburg Land District, East Baton Rouge Parish, State of Louisiana	
Site Data		Description of Improvements
Site Size	47,022 sf / 1.079 acres	This is the sale of a two-story, 13,000 square foot, multi-tenant class B office building. The improvements, situated upon a concrete slab, are of wood frame construction with a brick exterior and a pitched, shingled roof. The interior is comprised of tile and carpet flooring, sheetrock walls, and drop tile ceilings. Additional site improvements include concrete paved parking. The property was fully renovated in 2004 and appeared to be well-maintained and in overall average to average condition at the time of sale.
Zoning	C2, Heavy Commercial	
Site Dimensions	Site is a generally rectangular shaped tract fronting 175' on the North side of Jefferson Highway, same width in rear, by a depth of 270' along east boundary and 267.4' along west boundary	
Flood Zone	X	
Comments		
The property was on the market for a little over six months. Following the acquisition, the vacant space was marketed at \$14-\$15 psf on full-service gross terms.		

IMPROVED COMPARABLE SALE 5		
Property and Sale Data		
Address	5630 Bankers Avenue, Baton Rouge, LA	
Sale Price	\$1,660,000	
GBA	13,990 sf	
Unit Price	\$118.66	
Date	September 25, 2015	
Vendor	Lawyers 5630, LLC	
Vendee	PBG Investment Partnership, LLC	
Recordation	681/12684	
Terms	Cash	
Verification	East Baton Rouge Parish Clerk of Court	
Confirmation	Brent Struthers, Listing Agent	
Highest & Best Use	Office use	
Legal Description	Lot 2-A-1A, Corporate Square Subdivision, Second Filing, East Baton Rouge Parish, State of Louisiana	
Site Data		Description of Improvements
Site Size	58,786 sf / 1.350 acres	This is the sale of a 13,990 SF, two-story office building located on the corner of Bankers Avenue and Energy Drive. The building, situated upon a concrete slab, is of steel frame construction with plate glass and stucco exterior wall finishes with a built-up, flat roof. The interior of the building is comprised of tile and tile flooring, sheetrock walls, and sheetrock and acoustic tile ceilings. Additional site improvements include concrete paved parking with 60 +/- lined spaces. The property was in overall average to good condition at the time of sale as the interior was in need of updated painting and carpet.
Zoning	C2, Heavy Commercial District	
Site Dimensions	Site is a rectangular shaped tract fronting 246.70' on Bankers Avenue, a width if rear of 258.88' by a depth of 224.78' along Security Drive and 239.95' along opposite sideline	
Flood Zone	X500	
Comments		
A local jewelry store purchased the property to house their corporate headquarters and back office. It was purchased for owner occupancy.		

IMPROVED COMPARABLE SALE 6

Property and Sale Data		
Address	1200 St. Mary Street, Thibodaux, LA	
Sale Price	\$350,000	
GBA	6,140 sf	
Unit Price	\$57.00	
Date	June 19, 2015	
Vendor	Houng Thi My Tran and My's Day Spa, LLC	
Vendee	Inail Bar Spa, LLC	
Recordation	1200051	
Terms	Cash	
Verification	Lafourche Parish Clerk of Court	
Confirmation	Purchaser	
Highest & Best Use	Retail Use	
Legal Description	Lot 7, James B. Norgress Subdivision, Lafourche Parish, State of Louisiana	
Site Data		Description of Improvements
Site Size	15,200 sf / 0.350 acres	The subject of this comparable is a 6,140 square foot commercial building that was historically used as a restaurant but most recently utilized as a spa. The building, situated upon a concrete slab, is of steel frame construction with a stucco exterior, and a built-up, flat roof. he property also has a paved parking lot with approximately 20 parking spaces. The improvements were considered to be in average condition at the time of sale.
Zoning	C-2, Commercial	
Site Dimensions	Site is a rectangular shaped tract fronting 100' on Mary Street by a depth of 152'	
Flood Zone	X	
Comments		
The actual recorded purchase price was \$500,000; FF&E was included in the sale, which had a value of \$150,000, making the purchase price of the real estate \$350,000.		

Comparable Sales Map



**Sale 3 is behind Sale 2 and Sale 6 is behind the subject in the map above.*

Comparable Sales Analysis Grid

Sale #	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	Sale 6
Date		1/24/2018	12/15/2017	10/10/2017	1/11/2017	9/25/2015	6/19/2015
Address	203 West Second Street	3017 Kingman Street	1620 Polk Street	206 Mystic Boulevard	10455 Jefferson	5630 Bankers	1200 St. Mary Street
Sale Price		\$1,165,000	\$577,500	\$450,000	\$1,250,500	\$1,660,000	\$350,000
GBA	11,574	13,300	4,320	3,038	13,000	13,990	6,140
Site Area	22,152	16,800	30,104	21,803	47,022	58,786	15,200
Condition	Average-Good	Average	Good	Good	Average	Avg-Good	Average
LTB Ratio	1.91	1.26	6.97	7.18	3.62	4.20	2.48
Unit Price-GBA		\$87.59	\$133.68	\$148.12	\$96.19	\$118.66	\$57.00
Conditions of Sale		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Adjusted Unit Price		\$87.59	\$133.68	\$148.12	\$96.19	\$118.66	\$57.00
Market Conditions		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Adjusted Unit Price		\$87.59	\$133.68	\$148.12	\$96.19	\$118.66	\$57.00
Size		0.00%	-20.00%	-20.00%	0.00%	0.00%	-10.00%
Location		-20.00%	0.00%	0.00%	-20.00%	-20.00%	35.00%
Condition		5.00%	-5.00%	-5.00%	5.00%	0.00%	5.00%
LTB Ratio		5.00%	-15.00%	-15.00%	0.00%	-10.00%	-5.00%
Composite Adjustment		-10.00%	-40.00%	-40.00%	-15.00%	-30.00%	25.00%
Adjusted Unit Price		\$78.83	\$80.21	\$88.87	\$81.76	\$83.06	\$71.25
		<u>Unit Price-GBA</u>	<u>Unadjusted</u>	<u>Adjusted</u>			
		Low	\$57.00	\$71.25			
		High	\$148.12	\$88.87			
		Mean	\$106.88	\$80.67			
		Median	\$107.42	\$80.99			
		StDev	\$33.26	\$5.77			
		Coeff Var	31.12%	7.15%			

Discussion of the Comparable Data and Adjustments:

The comparable sales included above represent the most recent sales of similar properties as compared to the subject property. They indicated an unadjusted range from \$57.00 per square foot to \$148.12 per square foot, with a mean of \$106.88 per square foot, a median of \$107.42 per square foot, and a standard deviation of \$33.26 per square foot.

Typically, adjustments can be made to compensate for conditions of sale, market conditions, size and location or any key considerations of differences that may be applicable. Below is an explanation of the adjustments applied in the above grid. In this case, adjustments have been made for disparities in size, location, condition, and land to building ratio.

Conditions of Sale - All sales were purchased within arm's length and no adjustments are necessary for conditions of sale.

Market Conditions – Market condition adjustments were considered but determined to be unnecessary.

Size – Considerations for disparity in size have been accounted for based on the concept of *economies of scale*, which suggests that the smaller buildings hold a higher unit value, and the larger sites hold a smaller unit value. The sales have been adjusted accordingly.

Location – Adjustments were applied to account for relative differences in location between the subject and the comparables. These adjustments take into account visibility, accessibility, traffic, and surrounding land uses.

Condition – Adjustments were applied to account for the relative differences in condition between the subject and the comparables. These adjustments take into account the overall condition, age, appeal, and quality of the improvements and are based on the appraisers' estimate of relative condition of each comparable as it relates to the subject property.

Land to Building Ratio – Adjustments were applied to account for relative differences in land to building ratio between the subject and the comparables. These adjustments take into account such factors as parking, yard space, courtyard area, and potential surplus land.

Following the application of these adjustments, the adjusted unit indicators present a range from \$71.25 per square foot to \$88.87 per square foot, with a mean of \$80.67 per square foot, a median of \$80.99 per square foot, and a standard deviation of \$5.77 per square foot.

Reconciliation of Sales Comparison Approach

Sales 1 and 4 are determined to be the best indications of value as they are the most comparable in size to the subject and are of comparable construction quality. These two sales have adjusted unit prices of \$78.83 per square foot and \$81.76 per square foot, respectively, with an average of \$80.30 per square foot.

Based on the data utilized within this analysis, this Sales Comparison Approach indicates a unit value for the subject property of \$80.00 per square foot. When this unit value is applied to the 11,574 square feet of the subject property, this analysis indicates an overall value of \$925,920 – rounded to \$925,000.

VALUE INDICATED BY SALES COMPARISON APPROACH - \$925,000*

*This value is subject to the Extraordinary Assumption(s) and/or Hypothetical condition(s) as stated in this report.

INCOME APPROACH

The Income Approach to Value is a set of procedures in which the expected future benefits of a property are converted into a present value. This type of analysis is based upon the Principle of Anticipation, which states that value is created by anticipated benefits to be derived in the future. The basic steps of the income approach are as follows:

1. Estimate the potential gross income of the subject property
2. Estimate vacancy for the subject property
3. Estimate operating expenses for the subject property
4. Translate the resulting net income into a value via capitalization through
 - a. Overall capitalization via the application of a market derived overall rate
 - b. Yield capitalization in which future income and expenses are projected over a holding period and discounted to a present value

Potential Gross Income

The beginning point of the Income Approach is establishing the potential gross income for the appraised property.

Comparable Rental Data

In addition, a market survey has been performed in which competing properties have been surveyed to determine the income producing potential of the market place. The following pages summarize the results of this survey.

LEASE COMPARABLE 1

Property and Lease Data

Address	1222 Tiger Drive, Thibodaux, LA
Lessee	Dept. of Health & Hospitals
Size	11,820
Monthly Base Rent	\$11,525
Annual Base Rent	\$138,294
Rent Per SF	\$11.70
Expense Terms	Gross



Description of Leased Space

This is the lease of an 11,820 SF office building. The improvements are in overall good condition.

LEASE COMPARABLE 2

Property and Lease Data

Address	1434 Tiger Drive, Thibodaux, LA
Lessee	Dept. of Health & Hospitals
Size	11,409
Monthly Base Rent	\$11,457
Annual Base Rent	\$137,478
Rent Per SF	\$12.05
Expense Terms	Gross



Description of Leased Space

This is the lease of an 11,409 SF office building. The improvements are in good condition.

LEASE COMPARABLE 3

Property and Lease Data

Address	406 West Third Street, Thibodaux, LA
Lessee	Casa of Lafourche, Inc
Size	2,623
Monthly Base Rent	\$3,556
Annual Base Rent	\$42,676
Rent Per SF	\$16.27
Expense Terms	Gross



Description of Leased Space

This is a 5,573 square foot, two-tenant commercial building located in downtown Thibodaux. The improvements are in overall good condition.

LEASE COMPARABLE 4

Property and Lease Data

Address	1054 Canal Boulevard, Thibodaux, LA
Lessee	Sensory Solutions
Size	1,550
Monthly Base Rent	\$1,550
Annual Base Rent	\$18,600
Rent Per SF	\$12.00
Expense Terms	Gross




Description of Leased Space

The is a 1,550 SF ground floor, office/retail unit located in a multi-tenant office/retail building. It is currently utilized as a pediatric occupational therapy clinic. The space is considered to be in overall good condition.

LEASE COMPARABLE 5

Property and Lease Data


Address	1440 Tiger Drive, Thibodaux, LA	
Lessee	Coastal Restoration	
Size	7,400	
Monthly Base Rent	\$9,953	
Annual Base Rent	\$119,436	
Rent Per SF	\$16.14	
Expense Terms	Gross	

Description of Leased Space

This is a 7,400 SF single-tenant office building. The building is configured with 15 offices, 2 conference rooms, 6 restrooms, kitchen, and reception/lobby areas; the site has 33 parking spaces. The property is considered to be in overall good condition.

LEASE COMPARABLE 6

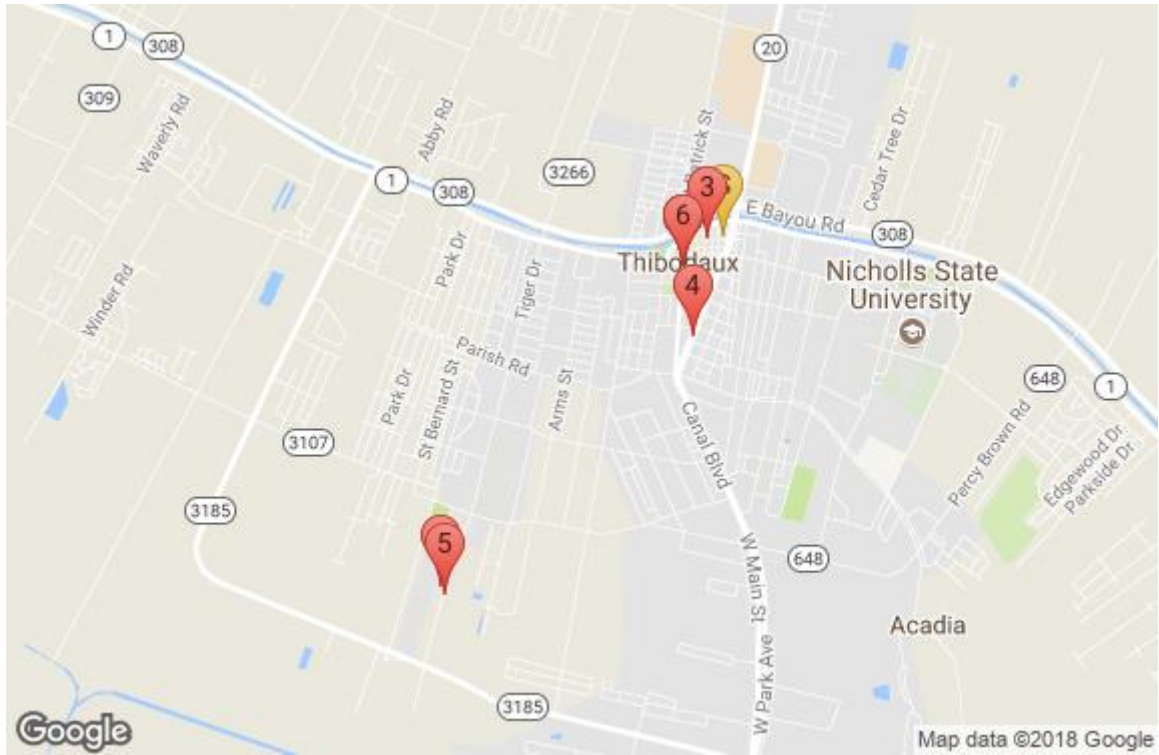
Property and Lease Data

Address	1077 Highway 3185, Thibodaux, LA	
Lessee	Dept. of Public Safety and Cor	
Size	9,972	
Monthly Base Rent	\$10,595	
Annual Base Rent	\$127,143	
Rent Per SF	\$12.75	
Expense Terms	Gross	

Description of Leased Space

The property is a single-tenant office building with 9,972 square feet of gross building area. The improvements are of frame construction with a brick and vinyl siding exterior, and pitched, shingled roof. Additional site improvements include concrete paved parking with ±40 parking spaces. The improvements are considered to be in overall good condition.

Comparable Rental Map



**Rentals 1 and 2 are located behind Rental 5 in the map above.*

Comparable Rental Analysis Grid							
Rental #	Subject	Rental #1	Rental #2	Rental #3	Rental #4	Rental #5	Rental #6
Address	203 West Second Street	1222 Tiger Drive	1434 Tiger Drive	406 West Third Street	1054 Canal Boulevard	1440 Tiger Drive	1077 Highway
City	Thibodaux	Thibodaux	Thibodaux	Thibodaux	Thibodaux	Thibodaux	Thibodaux
State	LA	LA	LA	LA	LA	LA	LA
Terms		Gross	Gross	Gross	Gross	Gross	Gross
Size		11,820	11,409	2,623	1,550	7,400	9,972
Monthly Rent		\$11,525	\$11,457	\$3,556	\$1,550	\$9,953	\$10,595
Annual Rent		\$138,294	\$137,478	\$42,676	\$18,600	\$119,436	\$127,143
Rent per SF		\$11.70	\$12.05	\$16.27	\$12.00	\$16.14	\$12.75
Terms Adj		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Adj Rent per SF		\$11.70	\$12.05	\$16.27	\$12.00	\$16.14	\$12.75
<u>Rent/SF</u>							
Low				\$11.70			
High				\$16.27			
Mean				\$13.49			
Median				\$12.40			
St. Dev.				\$2.14			

Reconciliation of Potential Gross Income

The given data is reflective of comparable rental properties located within the subject's competitive market area of Thibodaux. The rental rates range from \$11.70 per square foot to \$16.27 per square foot with a mean of \$13.49 per square foot, a median of \$12.40 per square foot, and a standard deviation of \$2.14 per square foot. All of the comparable rentals are based on gross terms.

Given the subject's size, condition, and location, we have determined a market rental rate of \$12.00 per square foot based on gross terms to be reasonable for the subject. Utilizing the market data contained in this analysis, we project the following rent roll for the subject property:

Projected Rent Roll					
Size (sf)	% GBA	Monthly	Annual	Rent/SF	Terms
11,574	100.00%	\$11,574	\$138,888	\$12.00	Gross
11,574	100.00%	\$11,574	\$138,888	\$12.00	N/A

Vacancy Loss

Competing properties in the market indicate vacancy ranging from 0% to 20%. Stabilized vacancy loss for the subject property is projected to be 10%.

Stabilized Operating Expenses

Some limited expense information for the subject property was provided. This information is not complete or audited and therefore, must be used with caution. The appraisers have also reviewed the recent operating expense statements from several comparable properties located within the subject's market area. Under confidentiality requirements, the names and locations of these comparables have been withheld; however, all are retained within the appraisers' files.

Real Estate Taxes

The current property taxes are \$13,749 based on an assessed value of \$126,400 and the assessor's opinion of market value of \$882,667. Within the Property Tax section of this appraisal, we have projected taxes to be \$14,004, or \$1.21 per square foot. This figure will be utilized in this analysis.

Property Insurance

The appraisers have reviewed several insurance premiums for competing properties in the market, which indicate a range from \$0.50 to \$1.50 per square foot. The appraisers project an annual insurance premium of \$1.00 per square foot, or \$11,574 per year.

Management

Interviews with local investors, owners, and property managers in the market indicate that a management fee of 3% to 10% of effective gross income is typical for a property like the subject. For the purposes of this analysis, management fees are projected to be 4%, or \$5,000.

Maintenance and Repairs

Typical building maintenance and repairs expenses for this property type range from \$0.50 to \$1.50 per square foot. For the purposes of this analysis, maintenance and repairs expenses are projected to be \$1.00 per square foot, or \$11,574 per year.

Reserves

A prudent investor would likely keep a reserves fund for the long-lived structural components of the subject property. This is projected to be \$0.25 per square foot, or \$2,894 per year.

Estimate of Net Operating Income

Based on the revenues and expenses estimated above, we have constructed the following stabilized pro forma operating statement for the subject property.

Pro Forma Operating Statement			
Revenues			
Rental Income	@	\$12.00 psf	\$138,888
Expense Reimbursements	@	0.00% psf	\$0
Potential Gross Income	@	\$12.00 psf	\$138,888
Vacancy Loss	@	10% of PGI	\$13,889
Effective Gross Income	@	\$10.80 psf	\$124,999
Operating Expenses			
Property Taxes	@	\$1.21 psf	\$14,004
Insurance	@	\$1.00 psf	\$11,574
CAM	@	\$1.00 psf	\$11,574
Management	@	4% of EGI	\$5,000
Reserves	@	\$0.25 psf	\$2,894
Total Operating Expenses	@	\$3.89 psf	\$45,046
Net Operating Income	@	\$6.91 psf	\$79,954

Direct Capitalization of Net Income

Capitalization

Capitalization is the process, which translates an income projection into an indication of value for the appraised property. The connecting link is a rate that reflects the required return to attract investment capital. Hence, the selection of an appropriate rate represents a critical factor in the appraisal process.

Capitalization Rate Derived from National Surveys

Current indications based on data obtained from the most recently published *PwC Real Estate Investor Survey* suggests overall rates from national investors in institutional grade properties ranging from 4.20% to 10.00% with an average of 6.72%. Rates for properties like the subject in this market are typically higher than those indicated by this survey as these are for institutional grade investment properties. Worth noting is that after remaining generally level over the prior twelve-month period, the fourth quarter of 2017 saw overall rates increase slightly in several market sectors.

Table 5

NATIONAL SUBURBAN OFFICE MARKET
 Fourth Quarter 2017

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
OVERALL CAP RATE (OAR)^a					
Range	4.20% – 10.00%	5.00% – 10.00%	5.00% – 9.50%	5.00% – 9.00%	5.00% – 10.50%
Average	6.72%	6.69%	6.63%	6.66%	7.42%
Change (Basis Points)		+ 3	+ 9	+ 6	- 70

In addition, we have considered the following survey of the regional market area provided by the Real Estate Research Corporation:

NEW ORLEANS/BATON ROUGE

3Q 2017

New Orleans/Baton Rouge Investment Criteria | First-Tier¹ Investment Properties

	Pre-Tax Yield (IRR) (%)			Going-In Cap Rate (%)			Terminal Cap Rate (%)			Anticipated 1-Year Growth Rates			
	Situs RERC Est	South Region	U.S.	Situs RERC Est	South Region	U.S.	Situs RERC Est	South Region	U.S.	National Value	South Value	National Rent	South Rent
Office - CBD	9.3	8.4	8.3	6.6	6.7	6.5	7.2	7.4	7.3	2.1	2.5	2.0	2.1
Office - Suburban	8.8	8.7	8.7	7.1	7.3	7.1	7.5	7.8	7.8	1.9	2.3	1.9	1.9
Ind. - Warehouse	8.6	8.1	8.2	6.7	6.7	6.6	7.1	7.3	7.3	2.7	2.5	2.4	2.3
Ind. - R&D	8.9	8.7	8.7	7.1	7.3	7.2	7.6	7.9	7.8	2.1	1.9	1.9	1.7
Ind. - Flex	9.0	8.7	8.7	7.2	7.3	7.2	7.7	7.8	7.8	2.4	2.1	2.1	1.9
Ret. - Reg. Mall	9.1	8.5	8.6	6.8	6.8	7.0	7.3	7.5	7.7	0.8	0.8	1.0	1.3
Ret. - Pwr. Center	8.8	8.5	8.6	7.0	6.9	7.0	7.4	7.4	7.7	1.2	1.5	1.2	1.5
Ret. - Neigh/Comm.	8.5	8.5	8.4	6.7	6.8	6.9	7.2	7.5	7.6	1.6	1.9	1.9	2.2
Apartment	7.6	7.3	7.5	5.8	5.8	5.7	6.4	6.5	6.4	2.6	2.4	2.5	2.3
Hotel	9.9	9.0	9.4	7.6	7.5	7.6	8.4	8.0	8.2	1.9	1.9	1.9	1.7
Average	8.9	8.4	8.5	6.9	6.9	6.9	7.4	7.5					

¹ First-tier investment properties are defined as new or newer quality construction in prime to good locations.

Source: Situs RERC Investment Survey.

Capitalization Rate Derived from Market Sales Indicators

We have also considered the following rates from similar commercial sales. While single-tenant office buildings within the subject's competitive market are typically purchased for owner occupancy instead of as an investment, the following capitalization rates are from within the subject's regional market area:

- 7020 Highway 190 in Covington is an older construction, 10,000 square-foot, multi-tenant office building that sold for a 9.27% overall rate.
- 631 Main Street in Baton Rouge is a single-tenant office building that sold for a 9.21% overall rate.
- 19550 North 10th Street in Covington is an office building that sold in 2011 for an 8.50% rate.

The regional rates analyzed above range from 8.50% to 9.27% with a mean of 8.99%.

Mortgage/Equity Band of Investments Analysis

Financing properties like the subject in the local market has been a fairly simple process and this market has shown strength and growth for an extended period of time. The most probable source of financing for the subject would be a local bank. From recent discussions with local bank officials at Investar, First Bank & Trust, Hancock, Chase, Resource Bank, Home Bank, Capital One, and Iberia Bank, it was found that prevalent fixed-rate loan terms being quoted at the present time are a rate in the range of 4.00% to 6.00%, 3-5 year call or balloon, 15-20 year amortization and a 60%-80% loan-to-value ratio. These parameters depend heavily on the specific borrower's financial strength and his/her business relationship with the bank. Several lenders indicated that a typical loan would be made at 100 to 150 basis points above the federal prime rate currently at 4.25% suggesting an interest rate of 5.25 to 5.75%.

Utilizing this data, the appraisers conclude a 5.25% rate, 20 year amortization, and 75% loan-value-ratio are likely terms for the subject property. The mortgage constant of this loan is 0.080861.

The remaining question is that of the equity dividend rate, or the rate required to attract capital. There is positive absorption going on in the subject's market. There is positive absorption going on within the subject's market. The long-term outlook within this area is cautiously optimistic given the recent downturn in oil prices. The subject's improvements are considered to be in overall average to good condition, and the subject enjoys an excellent location in downtown Thibodaux.

As a result, we will utilize an equity dividend rate of 11%. It must be remembered that this is only one part of an investor return. Capital is also returned in the form of mortgage amortization.

Band of Investments Analysis				
Mortgage Constant	75% x	0.080861 =	0.0606460	
Equity Dividend Rate	25% x	0.110000 =	0.0275000	
Overall Rate		=	0.088146	

This method is generally supportive of an overall rate of around 8.90% to 9.00%

Reconciliation of Direct Capitalization

When the built up or synthesized rate is compared to the national rate data and local inferred data, the appraisers select a rate of 9.00%, which is generally consistent with similar properties in similar neighborhoods and falls well within the suggested range of rates.

The stabilized value of the property via direct capitalization is therefore calculated as:

$$\$79,954 / 9.00\% = \$888,373 \text{ rounded to } \$890,000$$

Reconciliation of Income Approach

In addition to direct capitalization of the stabilized net operating income, a discounted cash flow analysis has also been considered. However, the appraisers have concluded that with a stable relationship between income and expenses over a short term (five years or less), a DCF will be generally consistent with the value conclusion reached via direct capitalization.

VALUE INDICATED BY INCOME APPROACH - \$890,000*

**This value is subject to the Extraordinary Assumption(s) and/or Hypothetical condition(s) as stated in this report.*

CONCLUSION AND FINAL VALUE ESTIMATE

The process of reconciliation involves the analysis of each approach to value. The quality of applied data, the significance of each approach as it relates to market behavior, and the reliability of each approach is considered and weighed. Each approach has been considered separately and comparatively with each other. In this appraisal, the following approaches were developed resulting in the following value indications:

SALES COMPARISON APPROACH:	\$925,000*
INCOME APPROACH:	\$890,000*

The Sales Comparison Approach is based on the analysis of several sales of properties considered comparable to the subject property. Adjustments were made to account for differences between the subject and each comparable and the resulting indicators were reconciled to a value indication well supported by the data set.

The Income Approach is based upon a traditional investment analysis in which income and expense forecasts result in a forecasted NOI, which was subsequently capitalized into a value indication for the subject property. Given the localized nature of the data included, this is considered a reasonable indicator of value for the subject.

Given the strong likelihood that the subject would be purchased for owner occupancy, full weight has been given to the Sales Comparison Approach. Based on the data and analyses developed in this appraisal, the appraisers reconcile to the value conclusion(s):

Market Value Conclusion			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
As Is	Fee Simple	April 4, 2018	\$925,000*

**This value is subject to the Extraordinary Assumption(s) and/or Hypothetical condition(s) as stated in this report.*

PART IV - QUALIFICATIONS OF THE APPRAISERS

**QUALIFICATIONS OF
RICHARD L. MURPHY, MAI, SRA**

REAL ESTATE EXPERIENCE

Murphy Appraisal Services - Appraiser/Realtor providing residential and commercial property valuation (Sept., 1991 to present)
A. B. Miles & Associates - Appraiser/Realtor providing commercial and residential property valuation. (Sept., 1989 to Sept., 1991)
Delery Appraisal Inc. - Appraiser/Realtor providing residential and small residential income producing property valuation. (Sept., 1985 to August, 1989)
Coldwell Banker Co. - Agent specializing in residential sales. (Sept., 1984 to Sept., 1985)

PROFESSIONAL MEMBERSHIPS

Member of the Appraisal Institute, **MAI Designation, SRA Designation**
Louisiana State Certified General Real Estate Appraiser #0318
Mississippi State Certified General Real Estate Appraiser #GA-666
Alabama State Certified General Real Estate Appraiser #G00953
National Association of Realtors
Licensed Real Estate Broker (State of Louisiana)
New Orleans Metropolitan Association of Realtors
Tangipahoa Board of Realtors
Baton Rouge Board of Realtors

TRAINING

Online 2016-17 15 Hour Equivalent USPAP Course – OnCourseLearning (July 2016)
Defensible Workfile – Mbond Continuing Education Provider (March 2016)
Online 7-Hour Equivalent USPAP Update Course - Appraisal Institute (May 2016)
Supervisor-Trainee Course for Mississippi – McKissock (December 2015)
Homeowners Flood Insurance: Gulf of Mexico Region Specific – McKissock (December 2015)
Supervisor-Trainee Course for Louisiana – McKissock (June 2015)
Online You Say Fracking, I say Frac'ing Lets talk Valuation – Appraisal Institute (June 2015)
Online Data Verification Method – Appraisal Institute (November 2014)
2014 -15 USPAP Update Course – Appraisal Institute (January 2014)
Online Subdivision Valuation – Appraisal Institute (November 2014)
Marketability Studies: Advanced Considerations & Applications – Appraisal Institute (April 2013)
Business Practices and Ethics – Appraisal Institute (November 2012)
Uniform Standards of Professional Appraisal Practice – Appraisal Institute (May 2012)
Fundamentals of Separating Real Property, Personal Property and Intangible Business Assets - Appraisal Institute (March 2012)
Profiting from the New Estate Tax Law – Appraisal Institute (May 2011)
Understanding the New Interagency Appraisal and Evaluation G (February 2011)
Site Use and Valuation Analysis – Appraisal Institute (December 2010)
Professional's Guide to the Fannie Mae 2-4 Unit – Appraisal Institute (December 2010)
Valuation of Green Residential Properties – Appraisal Institute (December 2010)
Uniform Standards of Professional Appraisal Practice – Appraisal Institute (September, 2010)
JVI Appraising Residential REO Properties – (April 2009)
Uniform Standards of Professional Appraisal Practice – Appraisal Institute (December, 2008)
Quadrennial Ethics – (November 2008)
General Demo Appraisal Report Workshop – Appraisal Institute (April, 2008)
Business Practices and Ethics – Appraisal Institute (March, 2008)
Advanced Income – Appraisal Institute – Columbus, OH – (July 2005)
Advanced Sales and Cost Approach – Appraisal Institute – Cleveland, OH (June 2004)
Appraisal Procedures – Appraisal Institute – Austin TX - (January, 2004)
Uniform Standards of Professional Appraisal Practice – Dallas TX – (December, 2003)
Highest and Best Use and Market Analysis - Appraisal Institute - Houston, TX. (August, 1999)
Report Writing and Valuation Analysis - Appraisal Institute – Houston, TX. (August, 1998)
Standards of Professional Practice - Appraisal Institute - Baton Rouge, LA. (August, 1996)
Standards of Professional Practice - Appraisal Institute - Metairie, LA. (August, 1993)
Case Studies in Real Estate Valuation - Appraisal Institute - Tallahassee, Florida. (August, 1992)

Capitalization Theories and Techniques (Part B) - Appraisal Institute - Tuscaloosa, Alabama.
(July, 1991)

Capitalization Theories and Techniques (Part A) - Appraisal Institute - Athens, Georgia.
(March, 1991)

Residential Valuation - American Institute of Real Estate Appraisers - Orlando, Florida.
(October, 1989)

Real Estate Appraisal Principles - American Institute of Real Estate Appraisers - Houston, Texas. (April, 1989)

Standards of Professional Practice - American Institute of Real Estate Appraisers - Austin, Texas. (October, 1988)

Fannie Mae Guidelines for UAR Report Writing, Independent Fee Appraisers, Orleans Chapter – 1988

Principles of Real Estate Appraising - National Association of Independent Fee Appraisers - 1986 Real Estate Agent's Course, Uptown Professional Real Estate School – 1983

COMMITTEES

Appraisal Institute -

President – New Orleans Chapter – (2005- 2013)

Regional Ethics and Counseling Panel - Louisiana Chapter - (September 1993 - 1998)

Residential Review Committee Admissions Chairman - Louisiana Chapter - (July 1998 – Present) Board of Directors - Louisiana Chapter - (January 1998)

SEMINARS

Supervisor-Trainee Course for Louisiana (June 2015)

Property Measuring and Pricing (October 2015)

Economic & Real Estate Forecast (October 2014)

Anatomy of a Public-Private Real Estate Deal (October 2014)

State of Housing Market Seminar (October 2014)

2013 Economic Outlook & Real Estate Forecast Seminar for the Northshore (March 2013)

Valuation of Green Residential Properties – Appraisal Institute (December, 2008)

USPAP – Appraisal Institute – Covington, Louisiana (July, 2006)

Appraising plans and specifications - Appraisal Institute – Metairie, Louisiana. (January, 2004)

Understanding & Using DCF Software - Appraisal Institute - New Orleans, La. (January, 1998)

Experience Review - Appraisal Institute - New Orleans, Louisiana (January, 1998)

Environment Energy - Appraisal Institute - New Orleans, Louisiana (March 1996)

Appraising and the Internet - Appraisal Institute - New Orleans, Louisiana (January 1996)

The Appraiser as Expert Witness - Appraisal Institute - New Orleans, Louisiana. (January, 1995)

Wetlands Seminar - Appraisal Institute - Baton Rouge, Louisiana. (June, 1991)

Review for Louisiana General Certification Examination - Appraisal Institute - New Orleans, Louisiana. (November, 1990)

EDUCATION

Louisiana State University - Baton Rouge, Louisiana 1979-1984

Archbishop Moeller High School - Cincinnati, Ohio 1975-1979

QUALIFIED AS AN EXPERT WITNESS

Civil District Court, City of New Orleans (Judge Reese) – 2012

Condemnation case involving State of Louisiana acquiring and demolishing property for construction of the LSU/VA hospital

22nd Judicial District, St. Tammany Parish (Judge Childress) – 2011

Expert Witness for litigation associated with servitude acquisition

24th Judicial District (Judge Regan) – 2008

ROW State Project #064-01-0040 Parcel 2-1/dispute in Grand Isle, LA

24th Judicial District, Jefferson Parish (Judge McCabe) – 2006

Contractual dispute over the value of a proposed commercial trailer park.

Civil District Court, Jefferson Parish (Judge Zeno) – 2002

Divorce proceedings – property dispute (multiple properties)

Civil District Court, St. Tammany Parish (Judge Hedges) – 2001

Contractual dispute over an undeveloped vacant residential subdivision

22nd Judicial District, St. Tammany Parish (Judge James) - 2000 Divorce proceedings – property dispute

Federal Bankruptcy Court, Eastern District (Judge Brahney's Court ad-hoc judge) -1999

Bankruptcy hearing involving residential and commercial property

Civil District Court, City of New Orleans (Judge Johnson) - 1998

Condemnation case involving City of New Orleans acquiring and demolishing property due to neglect
Federal Bankruptcy Court, Eastern District (Judge Brahney) - 1994 Bankruptcy hearing involving residential and commercial property

SELECTED LIST OF CLIENTS:

FHA Approved Appraiser	Hancock Bank
Capital One Bank	Citizens Bank
Resource Bank	Louisiana Dept. of Transportation
Whitney Bank	Citizens Savings Bank
Regions Bank	Resource Bank
Chase Bank	Gulf Coast Bank & Trust
First Guaranty Bank	State Bank and Trust
Fidelity Homestead	First Bank and Trust
Home Bank	BBVA Compass Bank
Iberville Bank	Teche Federal Bank
U.S. Army Corps of Engineers	Florida Parishes Bank
U.S. Department of the Interior	Metairie Bank
First Community Bank	

Email address: rickm@murphyappraisal.com



CURRICULUM VITAE

NEAL SCOTT MEYER, R/W-AC

Primary Real Estate Business Experience:

- Partner, Murphy Appraisal Services, LLC, New Orleans, Louisiana, (April 2010 – Present)
- Staff Appraiser, Murphy Appraisal Services, LLC, New Orleans, Louisiana. (June 2003-Present)
- Partner, 10/12 Properties, (April 2010 – Present)

Practical Real Estate Experience:

- Condemnation/Expropriation Appraisal:
 - DOTD Consultant
 - Partial list of notable projects:
 - LA State Project # 014-04-0028 – Highway 165 Oberlin to Oakdale North
 - LA State Project # 014-04-0033 – Highway 165 Oberlin to Oakdale South
 - LA State Project # 014-03-0022 – Highway 165 Kinder to Oberlin
 - LA State Project # 023-06-0044 – Highway 171 Quitman to Lincoln
 - LA State Project # 014-04-0032 – Highway 165 Oakdale to Glenmora
 - LA State Project # 014-02-0020 – Highway 165 Interstate 10 to Fenton
 - LA State Project # 014-02-0023 – Highway 165 Fenton
 - LA State Project # 025-02-0030 – Highway 171 Florien to Many
 - LA State Project # 006-01-0021 – Huey P. Long Bridge
 - LA State Project # 064-01-0040 – Highway 1, Caminada Bay Bridge
 - LA State Project # 852-26-0021 – Military @ Cleo Road
 - LA State Project # 018-30-0025 – LA 433/Albert Street/Voters Road
 - LA State Project # 742-52-0012 – SW Frontage Road
 - St. Tammany Parish Airport Road Acquisition Project
 - LA State Project # 19-610-06B-04, Part 1 & 2 - Louisiana State University and Veterans Affairs Academic Medical Center Development, New Orleans, Louisiana
 - St. Tammany Parish Wide Drainage Improvement Projects
 - St. Tammany Parish I-10 Fishing Pier Project
 - Entergy Project # 21041.0 - Ironman – Tezcuco
 - Washington – St. Tammany Electric Project Lacombe to Hickory
 - OCPR Conservation Projects: Blind River and Bayou Sale'
 - LA State Project # 260-01-0028 – Highway 42, Ascension Parish
 - LA State Project # H.001340 - LA 21 Widening (Bootlegger – 11th Street), Covington
 - LA State Project # H.003790 – HWY 930, Ascension Parish
 - Plaquemines Parish Wide Drainage Projects
 - Club Deluxe Road Widening, Hammond, Louisiana
 - Reach B-2 Federal Levee Expansion Project, Plaquemines Parish
 - St. Tammany Parish Highway 1085/1077 Roundabout Project
- Institutional Lending/Private Client Appraisal:
 - Shopping and Retail Centers, Medical and Office Buildings
 - Industrial Warehouses, Office Warehouses, Warehouse Condominiums
 - Land-Bulk Acreage and Subdivision Analyses
 - Special Purpose Properties: Churches, Restaurants, Banquet Halls
 - Condominium conversions and developments
 - Multi-family Properties ranging from 4 units to 200 + units

-
- Qualified as expert witness:
 - 22nd Judicial Court, St. Tammany Parish, Judge William J. Crain, Inverse Condemnation
 - 40th Judicial Court, St. John the Baptist Parish, Judge J. Sterling Swody, Entergy Compensation Trial

Memberships, Licenses, Etcetera:

- State of Louisiana Certified General Real Estate Appraiser #G-1589
- State of Mississippi Certified General Real Estate Appraiser #GA-961
- State of Alabama Certified General Real Estate Appraiser #G-00954
- R/W-AC Designation by the International Right of Way Association
- General Associate Membership in the Appraisal Institute #452159
- Associate Membership in the International Right of Way Association #7889787
- Board Member of Chapter 43, International Right of Way Association
- Treasurer, Chapter 43, Bayou Chapter, International Right of Way Association
- General Member and candidate, Certified Commercial Investment Member
- General Membership in NOMAR, New Orleans Metro Association of Realtors
- Approved on the DOTD Consultant Appraisal Panel

Primary Education:

Rhodes College – Memphis, Tennessee

- College of Arts and Sciences, Bachelor of Arts Degree (August 1998 – May 2002)
- Major: International Studies
- Real Estate Related Courses: Economics 101 – 204

Real Estate Related Education:

Appraisal Institute

- MAI Candidate
- Course 110: Appraisal Principles
- Course 120: Appraisal Procedures
- Course 310: Income Capitalization
- Course 405G: General Appraiser Report Writing
- Course 410: National USPAP Course
- Course 510: Advanced Income Capitalization
- Course 520: Highest and Best Use and Market Analysis
- National USPAP Update Course
- Business Practice and Ethics
- Scope of Work:

International Right of Way Association

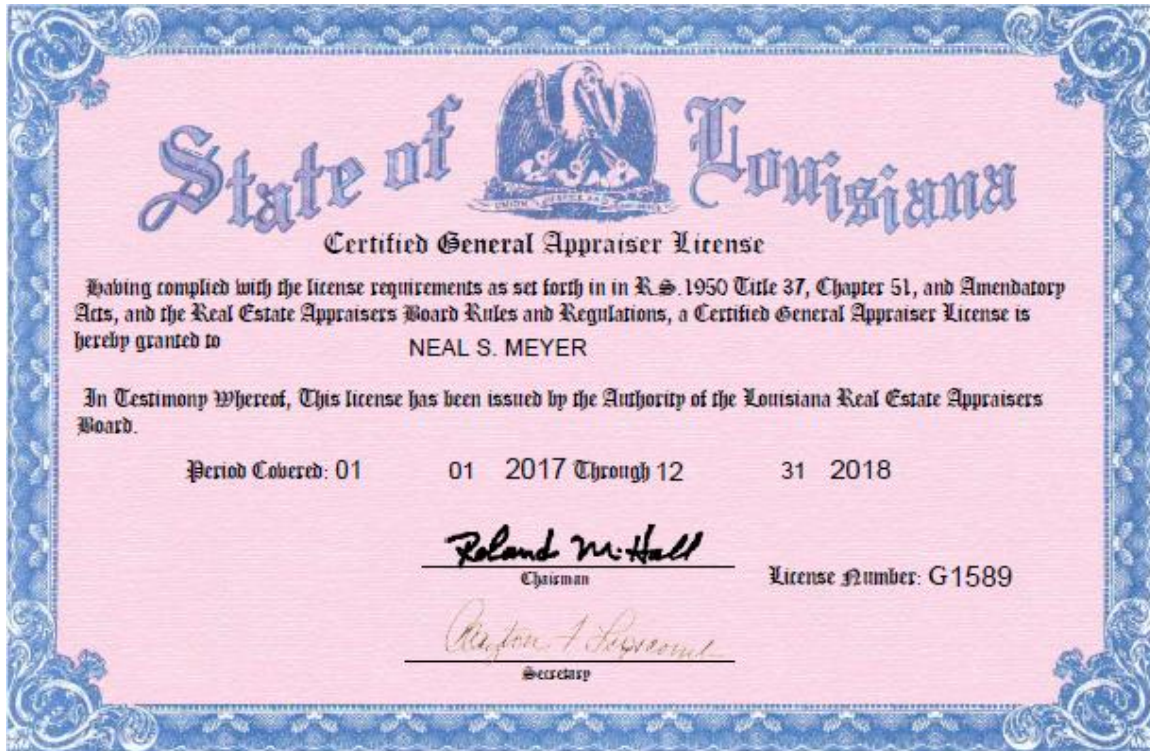
- R/W-AC Designated
- Course 400: Principles and Procedures
- Course 401: Appraisal of Partial Acquisitions
- Course 421: Valuation of Partial Acquisitions
- Course 409: Integrating Appraisal Standards
- Course 421: Partial Acquisitions - Advanced
- Course 501: Residential Relocation Assistance
- Course 502: Business Relocation
- Course 505: Advanced Relocation Assistance (Residential)
- Course 804: Skills of Expert Testimony

NBI - National Business Institute

-
- Property Taking Through Eminent Domain in Louisiana (Seminar)

Donaldson School of Real Estate

- 90 Hour Salesperson licensing course



CURRICULUM VITAE
KATHERINE HARANG-BOURGEOIS

Primary Real Estate Business Experience

Murphy Appraisal Services, LLC – New Orleans, Louisiana

- General Appraiser Trainee – T3706 (June 2012-Present)
- General Appraisal Practice Areas
 - Multi-family buildings
 - National credit tenant developments
 - Hotels
 - Retail strip centers
 - Stand-alone and multi-tenant retail buildings
 - Office warehouses
 - Medical and professional office buildings
 - Office condominiums
 - Special use facilities such as churches, schools, and daycares
 - Restaurants
 - Land-bulk acreage includes sugarcane, timberland, marsh/swamp, land, and rural acreage
 - Leasehold properties

10/12 Properties, LLC

- Realtor (June 2012-Present)

Other Professional Experience

Cystic Fibrosis Foundation, Louisiana Chapter (October 2010-June 2011)

- Intern for the Special Events Manager
 - Assisted in planning two fold tournament fundraisers
 - Worked with vendors to get donated and logistical items
 - Implemented campaign to attract new sponsorships
 - Performed any aspects of event coordination including ensuring that all details were complete, all donated items were received, and conform event day logistical planning
 - Volunteer manager during tournaments

Leadership Lafourche

- Leadership Lafourche Class of 2014

Appraisal Education

Appraisal Institute Courses

- Course 110: Appraisal Principles (Houston, TX, April 2012)
- Course 120: Appraisal Procedures (Houston, TX, April 2012)
- Course 410: National USPAP Course (April 2012)
- General Appraiser Income Approach/Part 1 (Houston, TX, October 2012)
- General Appraiser Income Approach/Part 2 (Houston, TX, October 2012)
- General Appraiser Sales Comparison Approach (Atlanta, GA, May 2014)
- General Appraiser Market Analysis & Highest & Best Use (Chicago, IL, January 2015)
- General Appraiser Cost Approach & Site Analysis (Nashville, TN, August 2015)
- General Appraiser Report Writing & Case Studies (Atlanta, GA, October 2015)

Real Estate Education

Donaldson Educational Services

- Real Estate Course 101 – Salesperson, 90 Hours

Primary Education

Louisiana State University – Baton Rouge, Louisiana

- E.J. Ourso College of Business – August 2009-May 2011
- Bachelor of Science in Finance
- Real Estate Related Courses: Finance 3351 – Principles of Real Estate; Economics 2000 – Microeconomics; Economics 2010 – Macroeconomics; Finance 3016 – Business Finance; ISDS 2000 – Introduction to Business Statistics; ISDS 2001 – Statistical Methods and Models; ISDS 3115 – Intro to Operations Management

Edward Douglas White Catholic High School – Thibodaux, LA

- High School Diploma – 2007



PART V - ADDENDA

Letter of Engagement



Date: 3-29-2018

Project Number: 18-000376-01-01

Dear Richard Murphy

This letter will serve as Capital One's engagement of your services with regard to the following property. The specifics of the engagement including the agreed upon fee and delivery date are listed below. The reports must be addressed to the Capital One Job Manager and an electronic copy of the report and invoice MUST be uploaded to the Award record on RIMSCentral (<http://www.rimscentral.com>). Please reference on the invoice an invoice number, invoice date, your Tax ID #, the Capital One Order #, and a Property Reference. Any questions pertaining to this assignment should be addressed with the Capital One contact in RETECHS.

Fee: PER BID AWARD

Due Date: April 13, 2018

Property Location: 203 West Second Street, Thibodaux, LA 70301
Property Type: Retail-Commercial - Free Standing Building-Bank Branch
Report Type: Appraisal Report
Report Format: Narrative

Property Contact(s): Eileen Gruber, Account Officer
Phone: 516-462-2775
Eileen.Gruber@capitalone.com

Capital One Job Manager: Benton Gay
Phone and Email: 985-674-8110, benton.gay@capitalone.com
Report Addressee(s): Benton Gay, MAI
Capital One
3840 Highway 22
Mandeville, LA 70471

Award Comments: None

Additional Scope of Work: The appraisal must be signed by the person to whom this RFP is addressed or someone else on the Capital One Bank approved appraiser list identified during the RFP process. The Signatory should be the primary or one of the primary appraisers responsible for directly developing and writing the appraisal report. If this directive is not followed the report will be returned.

The property must be inspected (interior and exterior) by a certified general appraiser licensed in the state where the subject property is located.

You must identify and estimate the Insurable Replacement Cost of every building on the appraised site. The FEMA definition of a building is a structure with two or more outside rigid walls and a fully secured roof that is permanently affixed, or a manufactured home (mobile home) that is affixed to a permanent foundation. It is permissible to conclude that a building has no contributory value but that structure still must be identified and a statement as to the non-contributory value made. When a portion of the subject improvements are located in the flood plain, insurable replacement cost must be provided individually for each building in the flood plain. When none of the improvements are in the flood plain, a single collective insurable replacement cost estimate is acceptable.

Other Requirements: You must make contact with the property contact within 2 business days of bid award. Please notify the Capital One Bank Job Manager immediately of any potential delays, and be clear in your communication with the Job Manager if the delivery date is in jeopardy due to a lack of response from the property contact. If the Job Manager is not able to secure the required information in a reasonable timeframe, then a delivery date extension may be granted. Capital One reserves the right to pay a reduced fee in the event of an unexcused delay in report



delivery.

While your appraisal report is needed on time, it may not be reviewed by RETECHS immediately. Please notify the job manager if you expect to be out of the office for any period soon after delivering your appraisal so that the reviewer can plan accordingly.

Intended Use: The intended use of this appraisal is for loan underwriting and-or credit decisions by Capital One Bank and-or participants

Intended User: The intended users of this report is Capital One Bank and-or affiliates

Approaches to Value: All applicable approaches

<u>Premise</u>	<u>Qualifier</u>	<u>Interest</u>	<u>Comment</u>
Market Value	As-Is	Fee Simple	need non-bank use
Insurable Replacement Cost Estimate	Insurable Cost	-----	

An appraisal service must comply with the Comptroller of Currency appraisal standards as delineated by ruling 12 U.S.C. 93 a and Title XI of FIRREA dated 1989. Failure to comply with any of the above requirements may result in rejection of the appraisal. In addition, payment of the fee is subject to a review of the appraisal for compliance with the above mentioned requirements. Should you experience any delays in the performance of this appraisal, please notify us in writing via email no less than seven days prior to the due date.

As confirmation of your acceptance of this assignment under the terms specified in this letter, please include a signed copy of this engagement letter in the addenda to the report. Signing of this engagement letter indicates that an appraisal report will comply with the most current USPAP and all guidelines specified. Evaluations must comply with the OCC's requirements for same. Also, by signing this letter you understand that Capital One is the client and that you are prohibited from appraising or performing an evaluation relative to this property for the next six months without the express written permission of the undersigned. Such permission will not be unreasonably withheld.

By signing the engagement letter, you also attest that you have read the Capital One Third Party Vendor Insurance Requirements stored under the Reference Documents for Capital One in RIMS Central.

Capital One Bank will not honor limiting conditions which attempt to restrict potential damages to the fee collected for an assignment or suggest that the Bank should indemnify the vendor for a loss or claim stemming from their assignment.

If upon review, the appraisal report or evaluation is deemed unacceptable by Capital One for non-compliance issues, and requested changes and/or additions are not properly made, Capital One may elect to refuse payment of the appraiser's invoice.

Capital One Appraisal Requirements

1. If a direct sales comparison approach is utilized for land and improved valuation, the subject and comparables should be arranged on an adjustment grid. A matched paired analysis is the preferred method to estimate the amount of adjustments in the sales comparison approach. If a matched paired analysis is not applicable, provide explanation and support for all adjustments.
2. For all significant multi-tenant income producing property appraisals, a discounted cash flow analysis should be prepared. Any elimination of this technique should be fully supported.
3. If applicable, perform a direct capitalization analysis using a capitalization rate that is adequately supported by market evidence. If Ellwood or Akerson techniques are used, clear market support must be provided for the projected change in property value and for the applicability of the technique.

Insurable Replacement Cost Estimate Requirements

Replacement cost new (GBA x base cost x multipliers) of the primary improvements (vertical construction including parking structures) exclusive of site improvements, landscaping, indirect costs, entrepreneurial profit, less exclusions (i.e., foundations, piping below grade, architect's fees) without consideration of debris removal.



Market Value Definition

"Market Value" is defined by the United States Treasury Department, Comptroller of the Currency 12 CFR part 34, 34.42 (f) as,

"The most probable price which 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 own best interests;
- (3) A reasonable time is allowed for exposure in the open market;
- (4) Payment is made in terms of cash in U.S. 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."

FIRREA Appraisal Standards

MINIMUM STANDARDS. For federally related transactions, all appraisals shall, at a minimum:

- (1) Comply with the Uniform Standards of Professional Appraisal Practice ("USPAP");
- (2) Be sufficiently informative to support the institution's lending decision;
- (3) Analyze and report deductions and discounts, when appropriate;
- (4) State a Market Value estimate, as defined by this appraisal regulation;
- (5) Be performed by State licensed or certified appraiser.

The following items should be included in the addenda of every report:

- Signed copy of engagement letter
- Copy of appropriate state certifications

A properly completed invoice should be uploaded separately to RIMSCentral.

Sincerely,

Benton Gay

Accepted: _____

Dated: 3/29/2018

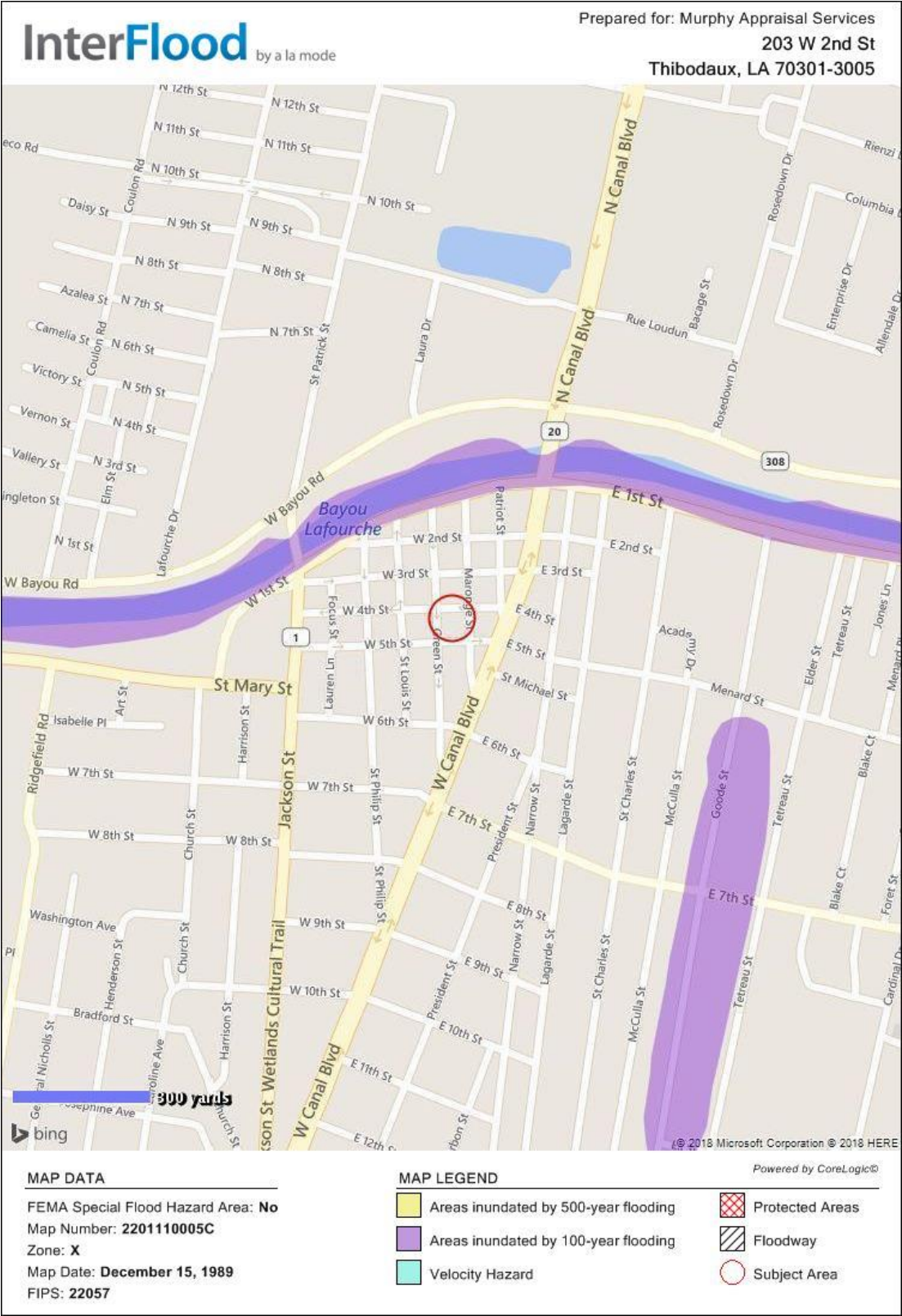
Legal Description

A certain lot of ground or town lot situated in the Town of Thibodaux, Parish of Lafourche, State of Louisiana, bounded on the North by West 2nd Street, formerly Market Street, on the East by Patriot Street, on the South by West 3rd Street, formerly Main Street, and on the West or in front by Maronge Street, being Lot Nineteen (19) on a plan of the said Town of Thibodaux, together with all rights, ways, privileges and servitudes thereto belonging or in anywise appertaining.

Plat Map



Flood Map



BIGGERT-WATERS FLOOD ACT

The Biggert-Waters Flood Insurance Reform Act of 2012 reauthorized the National Flood Insurance Program for an additional 5 years. The Act also implemented changes to the federal subsidy of flood insurance which may result in increases to the premiums charged for flood insurance coverage as determined by FEMA. Because those rate increases may be significant for some properties, banks and other intended users have expressed concern about their exposure to potential changes in property values.

Purchasers who acquire property before such increases take effect and are later subject to substantial increases in their flood insurance premiums may be more at risk to default on their loan obligations. Values of properties that are located in a flood hazard area and subject to higher rates could see significant value declines both short and long term depending on the situation.

This would especially be true for income producing properties where the increased premiums would lower the net operating income thus adversely impacting value. However, changes could also impact annual cost of ownership and lower the potential buying power for owner occupied commercial properties as well as single family homes thus applying downward pressure on values for these property types as well.

There have been a number of recent bills introduced at the Federal level which would delay the implementation of the rate increases. As of March 21, 2014, both houses of Congress passed the Homeowner Flood Insurance Affordability Act which was then signed into law by the President. This is anticipated to address some of the unintended consequences of Biggert Waters including huge premium spikes and impacts on the sale, construction and remodeling of affected homes. This law will provide a more affordable rate structure for policyholders; repeals the requirement that flood insurance premiums increase immediately to full actuarial rates for sold homes; and restores "grandfathering" for properties that were paying premiums applicable to their initial flood risk rating allowing owners to pay premiums based on the original risk zone rather than updated flood risk zones.

The bill also requires the Federal Emergency Management Agency's remapping process to take into account local flood control structures and provides reimbursement for successful consumer map appeals. Further, it restores the "substantial improvement threshold" that triggers a higher flood insurance rate to the historic 50 percent level of a structure's fair market value, which is important for many remodelers across the nation.

At the same time, FEMA has been in the process of updating their Flood Insurance Rate Maps (FIRM) throughout Louisiana and other flood prone regions. Most of the Parishes in the state adopted their updated maps in October 2008 with the exception of 10 Parishes in Southeast Louisiana - Orleans, Jefferson, St. Tammany, St. Charles, St. Bernard, Plaquemine, Lafourche, Terrebonne, St. Mary, and Assumption. With the regional expansion of the hurricane protection levees following Hurricane Katrina, the base flood elevations listed on many of the proposed maps currently awaiting adoption are much lower than the maps currently utilized.

As such, some purchasers within the levee protection system will pay a much higher flood premium over the short term until the new maps are implemented or the law is amended and the rate changes are delayed. While there will be some exceptions, for the most part, flood insurance premiums for properties within the levee system are not expected to increase drastically; furthermore, premiums for many properties may actually decrease when the new maps are finally implemented. Properties outside the levee protection system are likely to see the most significant rate increases.

As a result of the complexity of the situation and the simultaneously moving pieces, historic flood insurance premiums cannot be relied on as an indication of future premiums subsequent to a purchase. Furthermore, any permanent impacts on value cannot be estimated until local jurisdictions adopt the new FIRMs.

We recommend that you consult with flood insurance carriers for a better understanding of flood insurance coverage, the premiums that are likely to be required, and any available information about how those premiums may increase in the future. This may also require obtaining a flood elevation certificate from a surveyor.

For those who seek more information about the NFIP, flood insurance coverage, or the proposed FIRMs, the following sources are recommended.

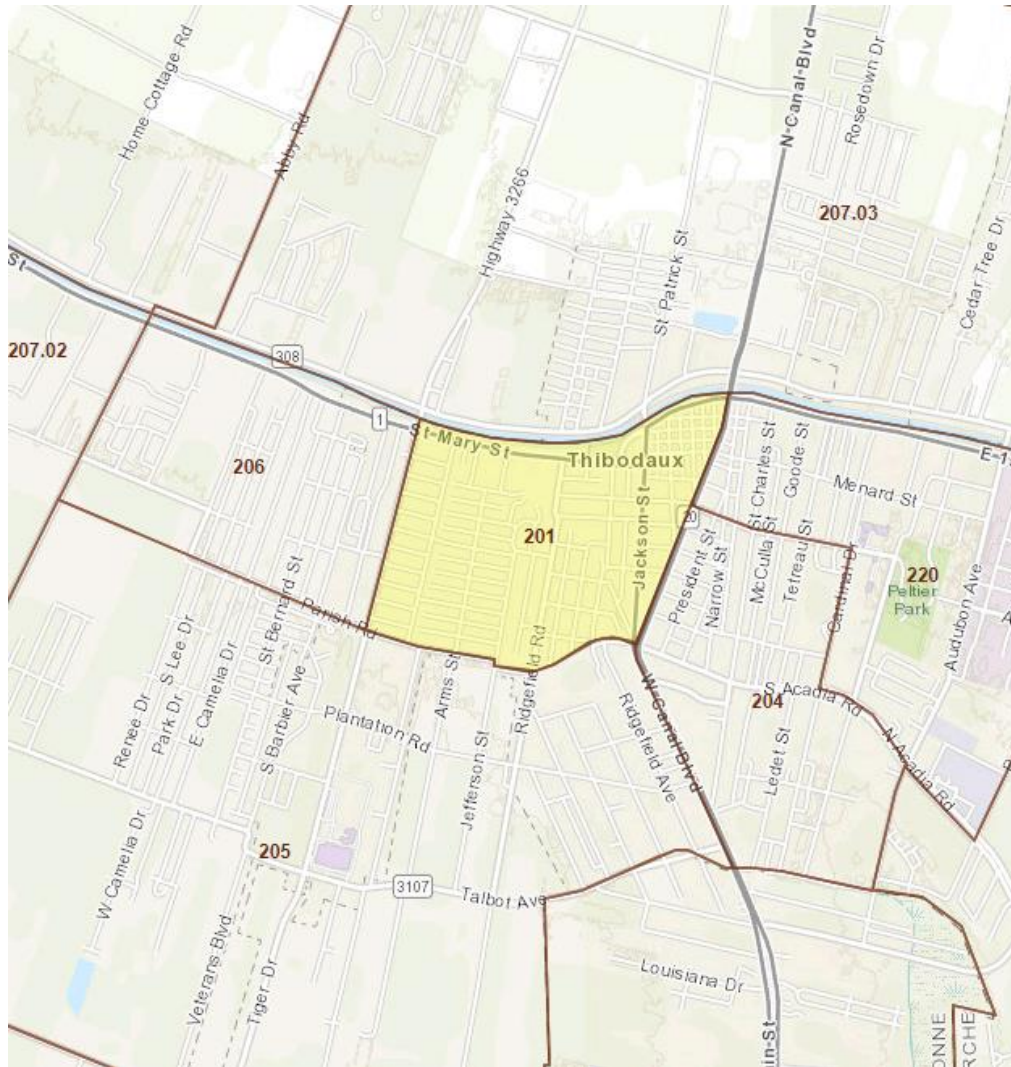
<http://www.fema.gov/national-flood-insurance-program/flood-insurance-reform-act-2012>

<http://www.fema.gov/national-flood-insurance-program>

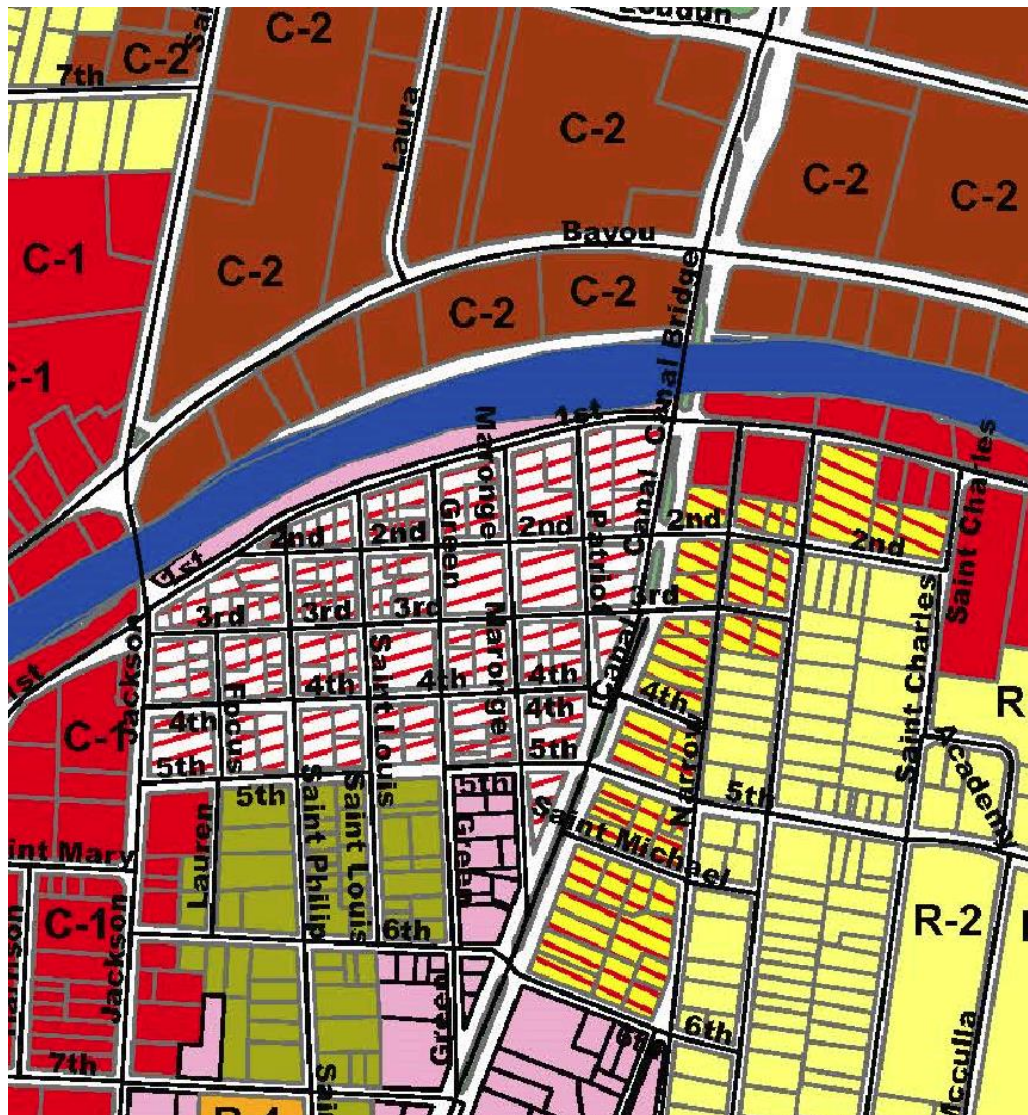
<http://www.fema.gov/floodplain-management/flood-insurance-rate-map-firm>

http://maps.lsuagcenter.com/la_floodmaps/

Census Tract Map



Zoning Map



Zoning Ordinance

ZONING ORDINANCE NOVEMBER 2014

SECTION 506. COMMERCIAL USE DISTRICTS

A. B-1 NEIGHBORHOOD BUSINESS

The B-1 neighborhood business district is intended for limited-sized professional and business offices in close proximity to purely residential uses. Moderate density multiple-family residential is permitted. The district is not commercial in character; however, certain limited commercial uses are permitted. Normal working hours are restricted to 6 a.m. to 6 p.m.

B. C-1 GENERAL COMMERCIAL

The C-1 general commercial district is intended to provide sufficient space in appropriate locations for a wide variety of commercial and miscellaneous service activities, generally serving a wide area and located along major arterials.

C. C-2 HEAVY COMMERCIAL

The C-2 heavy commercial district is intended to accommodate a wide variety of commercial and retail uses, as well as offices, businesses and personal services that serve the needs of the community and the region. The intent is to provide for large-scale commercial uses that are typically land intensive and are not well suited to being located in neighborhoods or the central business district. These districts are best located along major arterial streets.

D. CBD DOWNTOWN BUSINESS DISTRICT

The CBD downtown business district is representative of the core central business and retail area. The intent of the district is to recognize the unique and historic character of downtown and the pedestrian orientation of the neighborhood by combining residential uses with commercial, service and office establishments. Lot sizes, setbacks, parking and landscaping requirements shall be more flexible to address the characteristics of an area substantially developed as a commercial district with smaller lots and greater development densities than newer areas of the city.

TABLE 5.3: COMMERCIAL DISTRICT PERMITTED USES AND SPECIAL EXCEPTIONS					
USES	DISTRICTS				USE STANDARDS
	B-1 ¹	C-1	C-2	CBD	
RESIDENTIAL					
BUNK HOUSE			P		
DWELLING, SINGLE-FAMILY	P	P	P	P	
DWELLING TWO-FAMILY	P	P	P	P	
DWELLING, TOWNHOUSE	P	P	P	P	SECTION 803.K
DWELLING THREE-FAMILY		P	P	P	
DWELLING FOUR-FAMILY		P	P	P	
DWELLING MULTI-FAMILY		P	P	P	
FRATERNITY/SORORITY HOUSE					
MODULAR HOUSING	P				
MANUFACTURED HOME PARK			P		
MANUFACTURED HOUSING		P	P		SECTION 803.H
COMMERCIAL					
ADULT/CHILD DAY CARE, HOME	P				SECTION 803.D
ADULT/CHILD DAY CARE, SMALL	P	P	P	P	SECTION 803.C
ADULT/CHILD DAY CARE, LARGE		P	P	P	SECTION 803.C
AGRICULTURE	P	P	P	P	
ART GALLERY	P	P	P	P	
ARTS STUDIO	P	P	P	P	
AUTOMOBILE/VEHICLE DEALERSHIP		P	P		
AUTOMOBILE RENTAL		P	P		
AUTOMOTIVE REPAIR, MAJOR		P	P		
AUTOMOTIVE REPAIR, MINOR		P	P		
BAR		P	P	P	
BED AND BREAKFAST	P				SECTION 803.B
CAR WASH		P	P		

¹Normal working hours for uses in Table 5.3 in the RB and B-1 district are restricted to 6 a.m. to 6 p.m.

¹Normal working hours for uses in Table 5.3 in the RB and B-1 district are restricted to 6 a.m. to 6 p.m.

Key: P = Permitted Use; SE = Special Exception; (blank) = Not Permitted

ZONING ORDINANCE NOVEMBER 2014

TABLE 5.3: COMMERCIAL DISTRICT PERMITTED USES AND SPECIAL EXCEPTIONS					
USES	DISTRICTS				USE STANDARDS
	B-1 ¹	C-1	C-2	CBD	
COMMERCIAL					
ELDERLY HOUSING, RETIREMENT HOUSING		P	P	P	
ELDERLY HOUSING, NURSING HOME		P	P		
ELDERLY HOUSING, ASSISTED LIVING		P	P		
FARM EQUIPMENT/SUPPLIES, SALES AND SERVICE		P	P		
FINANCIAL INSTITUTION	SE	P	P	P	
GAS STATION		P	P	P	
FUNERAL HOME/MORTUARY	P	P	P		
HALFWAY HOUSE			SE		
HOSPITAL		P	P	P	
HOTEL/MOTEL		P	P	P	
LABORATORY		P	P	P	
LUMBERYARD		P	P		
MAINTENANCE/REPAIR SERVICES		P	P		
MEDICAL/DENTAL CLINIC	P	P	P	P	
MICROBREWERY/ MICRODISTILLERY			P	P	
MINI-WAREHOUSE		SE*	P		
OFFICE	P	P	P	P	
OFF-PREMISE ADVERTISING SIGN					SECTION 907
OFF-TRACK BETTING FACILITY			P	P	SECTION 803.I
PARKING LOT, COMMERCIAL			P	P	
PERSONAL SERVICES ESTABLISHMENT	P	P	P	P	
PET DAY CARE	P	P	P		
PET GROOMING	P	P	P		
RECREATIONAL VEHICLE PARK		SE	P		
REHABILITATIVE CARE CENTER		SE	SE	SE	
RESIDENTIAL CARE CENTER			P	P	
RESTAURANT, FAST FOOD		P	P	P	Section 803.J
RESTAURANT, FULL-SERVICE		P	P	P	Section 803.J
RESTAURANT, SPECIALTY	SE	P	P	P	Section 803.J

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Key: P = Permitted Use; SE = Special Exception; (blank) = Not Permitted

*Ord. No. 2772, 3-17-15

ZONING ORDINANCE NOVEMBER 2014

TABLE 5.3: COMMERCIAL DISTRICT PERMITTED USES AND SPECIAL EXCEPTIONS					
USES	DISTRICTS				USE STANDARDS
	B-1 ¹	C-1	C-2	CBD	
COMMERCIAL					
RETAIL GOODS ESTABLISHMENT	SE	P	P	P	
SOCIAL CLUB/LODGE	SE	P	P	P	
TATTOO PARLOR			SE		
TAXIDERMY		P	P		
VETERINARY HOSPITAL		P	P	P	
CIVIC					
CEMETERY	P	P	P	P	
COMMUNITY CENTER		P	P	P	
COMMUNITY GARDEN	P	P	P	P	
EMERGENCY SERVICES		P	P	P	
EDUCATIONAL FACILITY		P	P	P	
FARMERS MARKET	P	P	P	P	
GOVERNMENT FACILITY	P	P	P	P	
GOLF COURSE	P				
HOUSE OF WORSHIP, SMALL	P	P	P	P	
HOUSE OF WORSHIP, LARGE		P	P		
LIBRARY		P	P	P	
MUSEUM		P	P	P	
PARK or PLAYGROUND	P	P	P	P	
RADIO/TELEVISION ANTENNAE/TOWERS					
RECREATIONAL FACILITY, INDOOR		P	P	P	
RECREATIONAL FACILITY, OUTDOOR		P	P	P	
UTILITIES		P	P	P	
ACCESSORY					
ALCOHOL BEVERAGE SALES, OFF-PREMISE					
ALCOHOL BEVERAGE SALES, ON-PREMISE					
COLUMBARIUM	P	P	P		
CREMATORIUM		SE	SE		
DRIVE-THROUGH		P	P	P	
LIVE ENTERTAINMENT		P	P	P	
PARKING GARAGE			P	P	
PLANNED DEVELOPMENTS					
TRADITIONAL NEIGHBORHOOD DEVELOPMENT (TND)	P	P	P	P	SECTION 509
NON-RESIDENTIAL PLANNED DEVELOPMENT (NPUD)		SE	P	SE	SECTION 509
¹ Normal working hours for uses in Table 5.3 in the RB and B-1 district are restricted to 6 a.m. to 6 p.m.					

¹Normal working hours for uses in Table 5.3 in the RB and B-1 district are restricted to 6 a.m. to 6 p.m.

Key: P = Permitted Use; SE = Special Exception; (blank) = Not Permitted

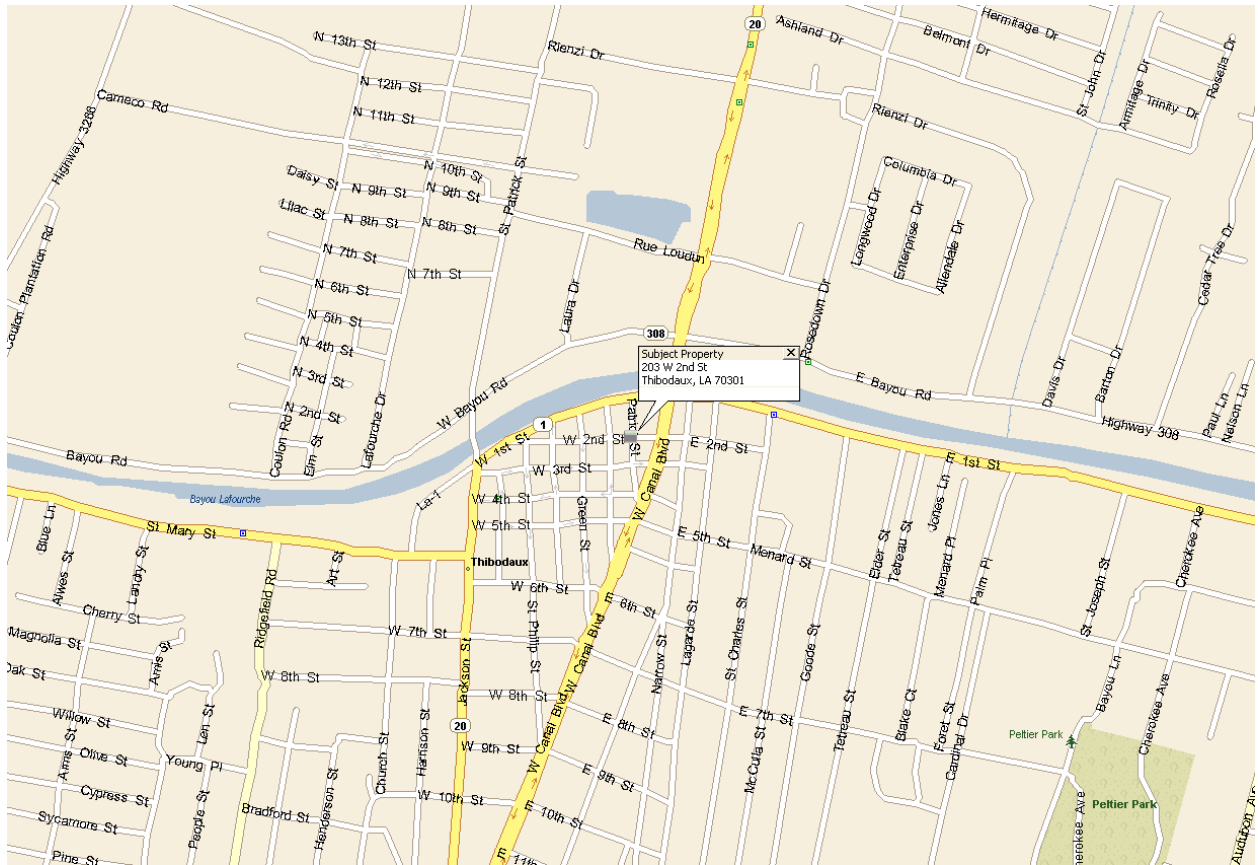
TABLE 5.4: COMMERCIAL USE BULK AND YARD REGULATIONS				
BULK AND YARD REGULATIONS	DISTRICTS			
	B-1	C-1	C-2	CBD
BULK REGULATIONS				
MINIMUM LOT AREA	SF: 5,000 sf 2F: 6,500 sf 3F: 8,000 sf 4F: 9,500 sf Each additional MF unit: +1,500 sf Townhouse: 1,500 sf ^d Other: 5,000 sf	5,000 sf	5,000 sf	n/a
MAXIMUM BUILDING HEIGHT	35 ft	85 ft	85 ft	85 ft
MAXIMUM LOT COVERAGE ^c	60%	n/a	n/a	n/a
MINIMUM YARD REQUIREMENTS				
LOT WIDTH	50 ft Townhouse: 20 ft	50 ft	50 ft	n/a
FRONT YARD	15 ft	n/a	n/a	n/a
INTERIOR SIDE YARD	5 ft ^b	n/a ^a	n/a ^a	n/a ^a
CORNER SIDE YARD	15 ft	n/a ^a	n/a ^a	n/a ^a
REAR YARD	5 ft ^b	n/a ^a	n/a ^a	n/a ^a
^a No rear or side yard is required except where there is a separation between buildings. In this case the minimum yard requirement is five (5) feet.				
^b A five (5) foot rear or side yard is required except where a nonresidential use abuts a residential use. In this case the minimum yard requirement is ten (10) feet.				
^c Applicable to residential lots six thousand (6,000) square feet or greater.				

KEY: SF = SINGLE-FAMILY; 2F = TWO-FAMILY; 3F = THREE-FAMILY; 4F = FOUR-FAMILY; MF = MULTI-FAMILY

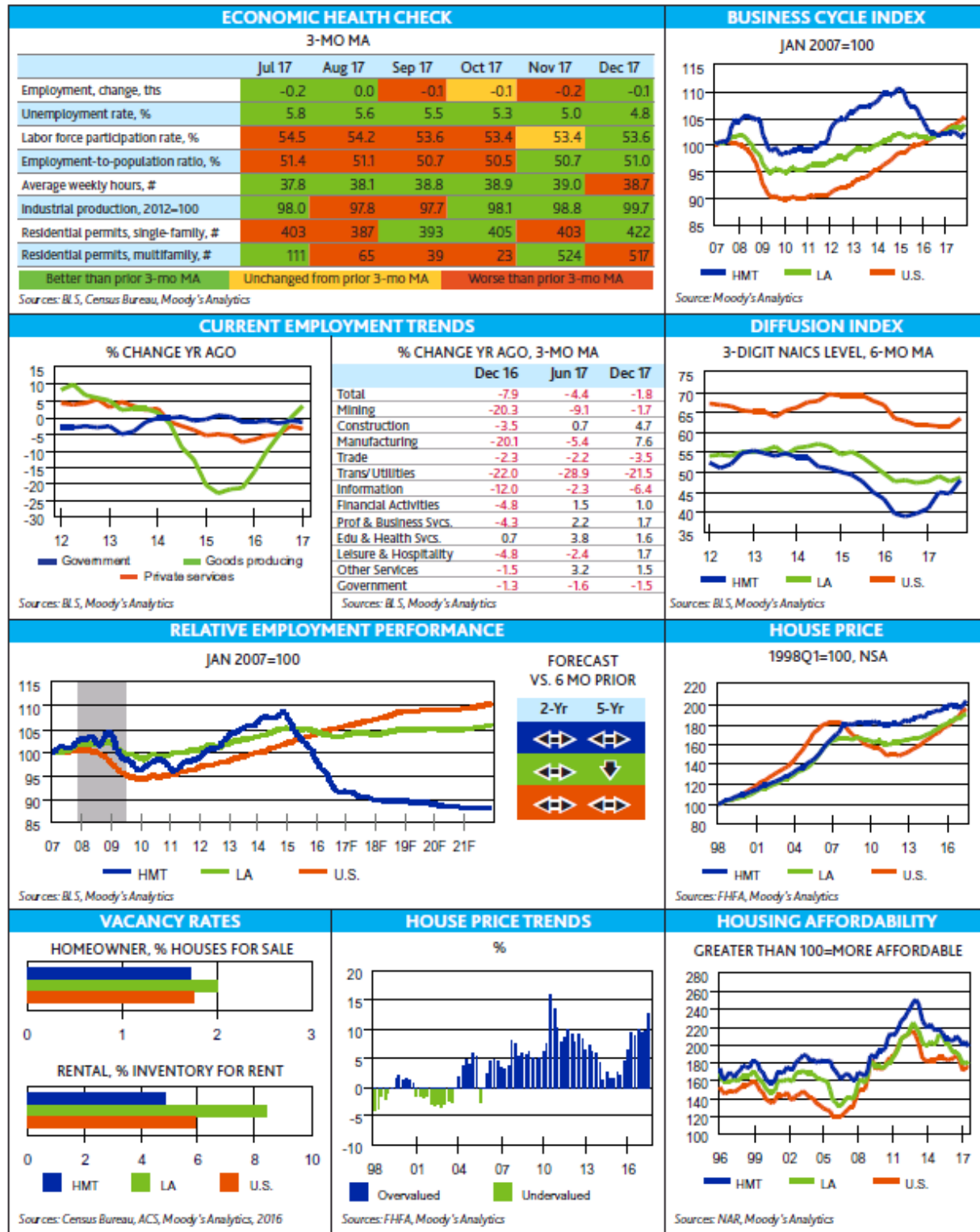
Regional Map

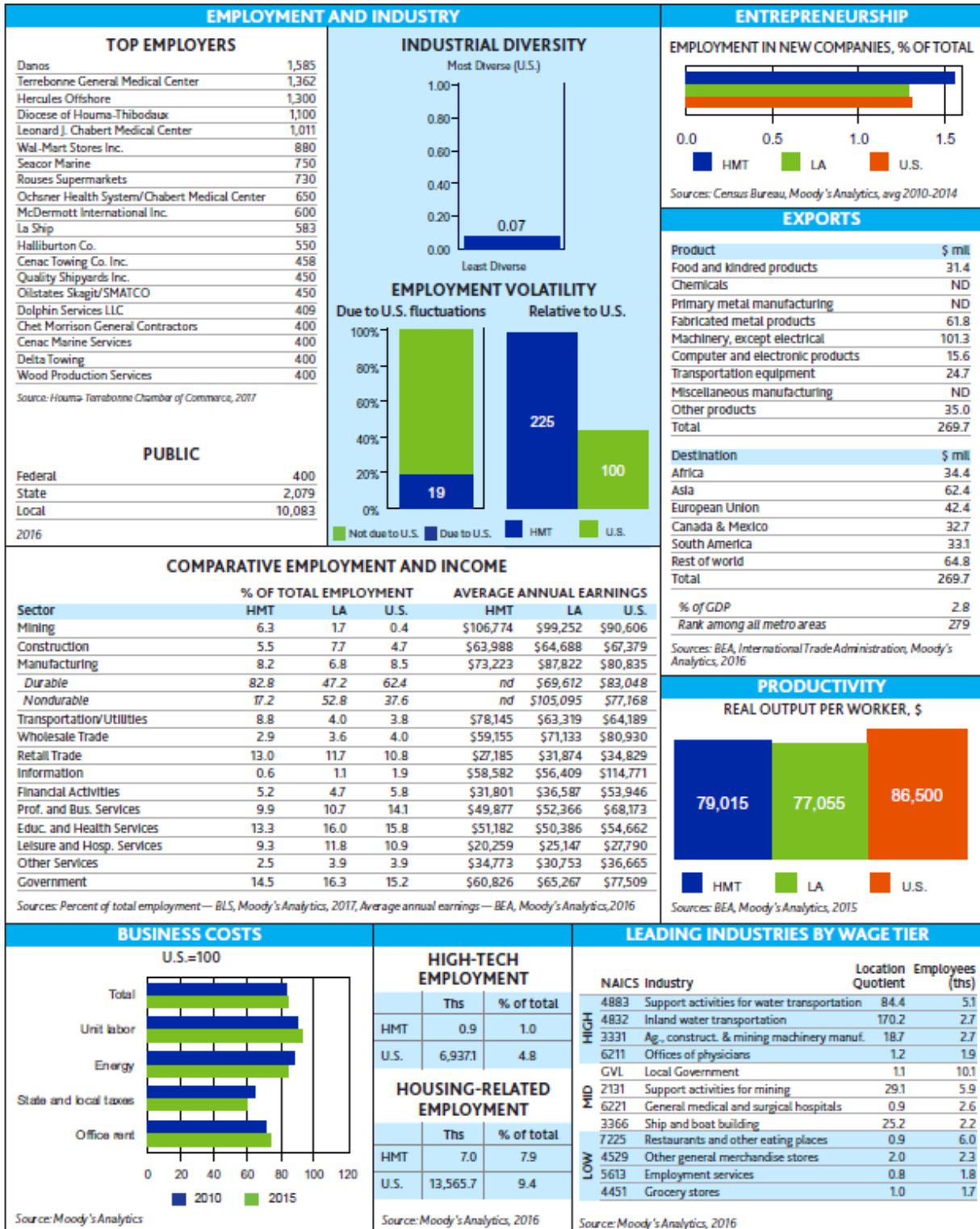


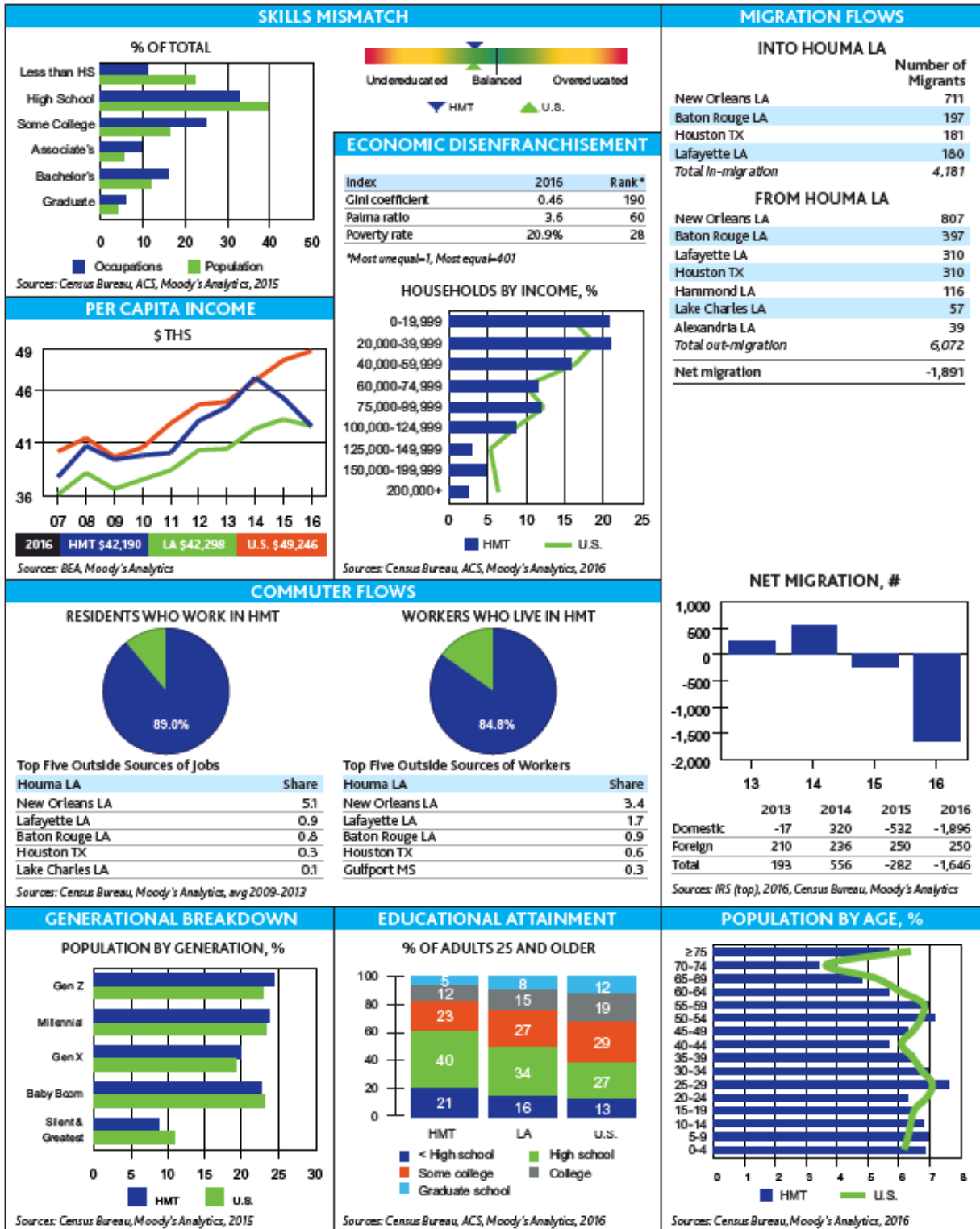
Neighborhood Map

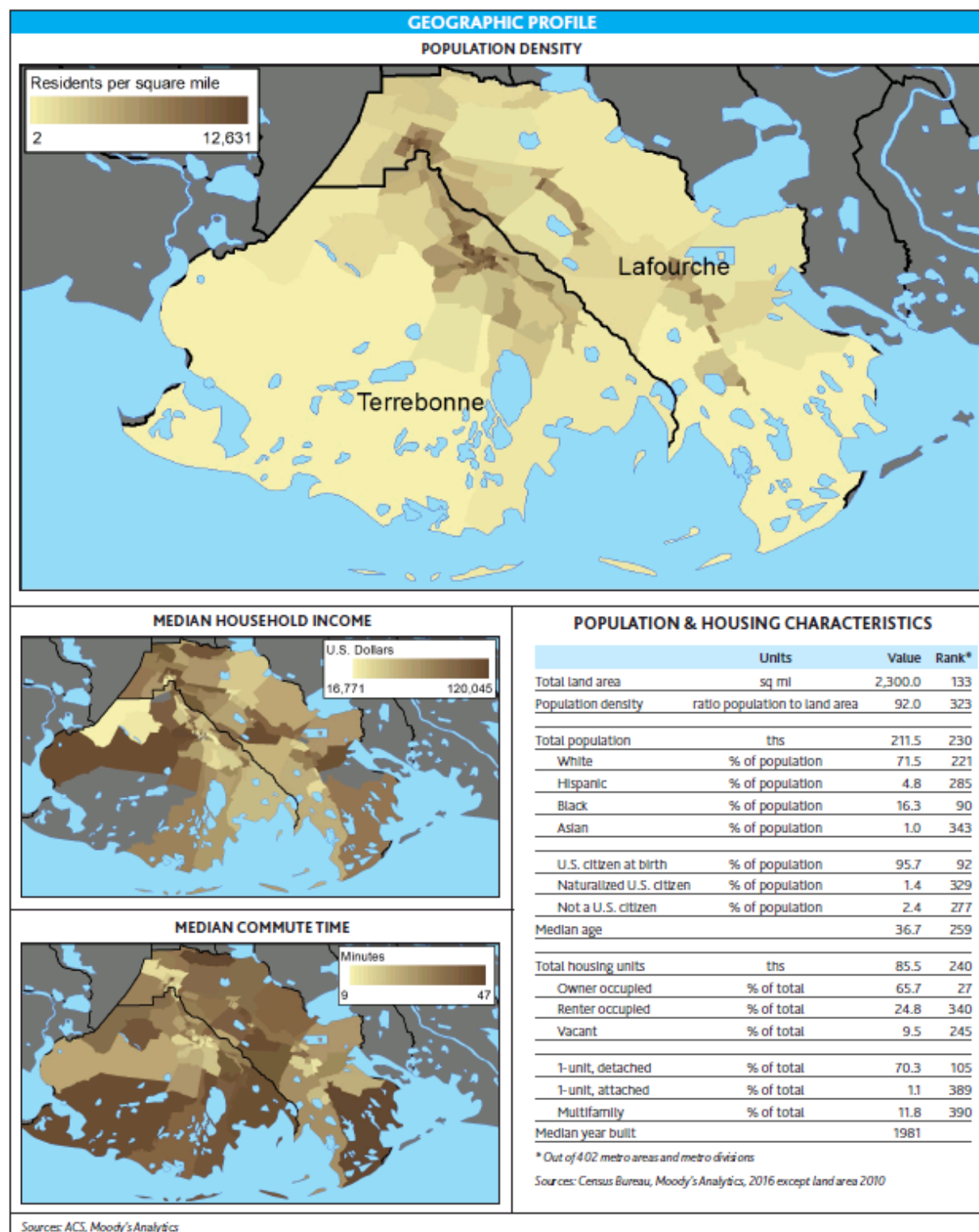












Subject Photos



Front view of subject property

Subject Photos



Additional front view of subject property

Subject Photos



Side view of subject property

Subject Photos



Side view of subject property

Subject Photos



Rear view of subject property

Subject Photos



Interior view of subject property

Subject Photos



Additional interior view of subject property

Subject Photos



Additional interior view of subject property

Subject Photos



Additional interior view of subject property

Subject Photos



Additional interior view of subject property

Subject Photos



Additional interior view of subject property

Subject Photos



Additional interior view of subject property

Subject Photos



Additional interior view of subject property

Subject Photos



Street scene of subject property looking west onto West 2nd Street

Subject Photos



Street scene of subject property looking east onto West 2nd Street

Subject Photos



Street scene of subject property looking south onto Maronge Street

Subject Photos



Street scene of subject property looking north onto Maronge Street

Subject Photos



Street scene of subject property looking east onto West 3rd Street

Subject Photos



Street scene of subject property looking west onto West 3rd Street

Subject Photos



Street scene of subject property looking north onto Patriot Street

Subject Photos



Street scene of subject property looking south onto Patriot Street

Glossary of Terms

assessed value Assessed value applies in ad valorem taxation and refers to the value of a property according to the tax rolls. Assessed value may not conform to market value, but it is usually calculated in relation to a market value base.

assignment conditions Assumptions, extraordinary assumptions, hypothetical conditions, laws and regulations, jurisdictional exceptions, and other conditions that affect the scope of work

cash equivalency The procedure in which the sale prices of comparable properties sold with atypical financing are adjusted to reflect typical market terms.

contract rent The actual rental income specified in a lease.

effective rent The rental rate net of financial concessions such as periods of no rent during the lease term; may be calculated on a discounted basis, reflecting the time value of money, or on a simple, straight-line basis.

excess land In regard to an improved site, the land not needed to serve or support the existing improvement. In regard to a vacant site or a site considered as though vacant, the land no needed to accommodate the site's primary highest and best use. Such land may be separated from the larger site and have its own highest and best use, or it may allow for future expansion of the existing or anticipated improvement. *See also* surplus land.

extraordinary assumption An assignment-specific assumption, as of the effective date regarding uncertain information used in an analysis, which, if found to be false, could alter the appraiser's opinions of conclusions. Uncertain information might include physical, legal, or economic characteristics of the subject property or conditions external to the property such as market conditions or trends; or the integrity of data used in an analysis.

fee simple estate 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.

floor area ratio (FAR) The relationship between the above-ground floor area of a building, as described by the building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area; also called *building-to-land ratio*.

full service lease A lease in which rent covers all operating expenses. Typically, full service leases are combined with an *expense stop*, the expense level covered by the contract lease payment. Increases in expenses above the expense stop level are passed through to the tenant and are known as *expense passthroughs*.

going concern value Going concern value is the value of a proven property operation. It includes the incremental value associated with the business concern, which is distinct from the value of the real estate only. Going concern value includes an intangible enhancement of the value of an operating business enterprise which is produced by the assemblage of the land, building, labor, equipment, and marketing operation. This process creates an economically viable business that is expected to continue. Going concern value refers to the total value of a property, including both real property and intangible personal property attributed to the business value.

gross building area (GBA) The total floor area of a building, including below-grade space but excluding unenclosed areas, measured from the exterior of the walls. Gross building area for office buildings is computed by measuring to the outside finished surface of permanent outer building walls without any deductions. All enclosed floors of the building including basements, mechanical equipment floors, penthouses, and the like are included in the measurement. Parking spaces and parking garages are excluded.

hypothetical condition That which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic

characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. *See also* extraordinary assumption.

insurable value Insurable Value is based on the replacement and/or reproduction cost of physical items that are subject to loss from hazards. Insurable value is that portion of the value of an asset or asset group that is acknowledged or recognized under the provisions of an applicable loss insurance policy. This value is often controlled by state law and varies from state to state.

investment value Investment value is the value of an investment to a particular investor based on his or her investment requirements. In contrast to market value, investment value is value to an individual, not value in the marketplace. Investment value reflects the subjective relationship between a particular investor and a given investment. When measured in dollars, investment value is the price an investor would pay for an investment in light of its perceived capacity to satisfy his or her desires, needs, or investment goals. To estimate investment value, specific investment criteria must be known. Criteria to evaluate a real estate investment are not necessarily set down by the individual investor; they may be established by an expert on real estate and its value, that is, an appraiser.

leased fee *See* leased fee estate

leased fee estate An ownership interest held by a landlord with the right of use and occupancy conveyed by lease to others. The rights of the lessor (the leased fee owner) and the leased fee are specified by contract terms contained within the lease.

leasehold *See* leasehold estate

leasehold estate The interest held by the lessee (the tenant or renter) through a lease conveying the rights of use and occupancy for a stated term under certain conditions.

market rent The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the specified lease agreement including term, rental adjustment and revaluation, permitted uses, use restrictions, and expense obligations.

market value Market value is one of the central concepts of the appraisal practice. Market value is differentiated from other types of value in that it is created by the collective patterns of the market. Market value means the most probable price which 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) A reasonable time is allowed for exposure in the open market; 2) Both parties are well informed or well advised, and acting in what they consider their own best interests; 3) Buyer and seller are typically motivated; 4) Payment is made in terms of cash in U.S. 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.

marketing period The time it takes an interest in real property to sell on the market subsequent to the date of an appraisal.

net lease Lease in which all or some of the operating expenses are paid directly by the tenant. The landlord never takes possession of the expense payment. In a *Triple Net Lease* all operating expenses are the responsibility of the tenant, including property taxes, insurance, interior maintenance, and other miscellaneous expenses. However, management fees and exterior maintenance are often the responsibility of the lessor in a triple net lease. A *modified net lease* is one in which some expenses are paid separately by the tenant and some are included in the rent.

net rentable area (NRA) 1) The area on which rent is computed. 2) The Rentable Area of a floor shall be computed by measuring to the inside finished surface of the dominant portion of the permanent outer building walls, excluding any major vertical penetrations of the floor. No deductions shall be made for columns and projections necessary to the building. Include space such as mechanical room, janitorial room, restrooms, and lobby of the floor.

occupancy rate The relationship or ratio between the income received from the rented units in a property and the income that would be received if all the units were occupied.

prospective value opinion A forecast of the value expected at a specified future date. A prospective value opinion is most frequently sought in connection with real estate projects that are proposed, under construction, or under conversion to a new use, or those that have not achieved sellout or a stabilized level of long-term occupancy at the time the appraisal report is written.

reasonable exposure time The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective opinion based upon an analysis of past events assuming a competitive and open market.

rent See full service lease, net lease, market rent contract, coupon, face, or nominal rent, effective rent

shell rent The typical rent paid for retail, office, or industrial tenant space based on minimal “shell” interior finishes (called plain vanilla finish in some areas). Usually the landlord delivers the main building shell space or some minimum level of interior buildout, and the tenant completes the interior finish, which can include wall, ceiling, and floor finishes; mechanical systems, interior electric, and plumbing. Typically these are long-term leases with tenants paying all or most property expenses.

surplus land Land not necessary to support the highest and best use of the existing improvement but, because of physical limitations, building placement, or neighborhood norms, cannot be sold off separately. Such land may or may not contribute positively to value and may or may not accommodate future expansion of an existing or anticipated improvement. See also excess land.

usable area 1) The area actually used by individual tenants. 2) The Usable Area of an office building is computed by measuring to the finished surface of the office side of corridor and other permanent walls, to the center of partitions that separate the office from adjoining usable areas, and to the inside finished surface of the dominant portion of the permanent outer building walls. Excludes areas such as mechanical rooms, janitorial room, restrooms, lobby, and any major vertical penetrations of a multi-tenant floor.

use value Use value is a concept based on the productivity of an economic good. Use value is the value a specific property has for a specific use. Use value focuses on the value the real estate contributes to the enterprise of which it is a part, without regard to the property’s highest and best use or the monetary amount that might be realized upon its sale.

value indication An opinion of value derived through application of the appraisal process.

Assumptions and Limiting Conditions

This report is subject to the following conditions and to such specifications and limiting conditions that also might be set forth in this report. These conditions affect the analyses; opinions, and value conclusions contained in this report.

1. Unless otherwise specifically noted in the body of the report, it is assumed that title to the property or properties appraised is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. We have not examined title and makes no representations relative to the condition thereof. Data on ownership and legal descriptions were obtained from sources generally considered reliable. Documents dealing with liens, encumbrances, easements, deed restrictions, clouds and other conditions that may affect the quality of title have not been reviewed. Insurance against financial loss resulting in claims that may arise out of defects in the subject's title should be sought from a qualified title company that issues or insures title to real property
2. The property is appraised assuming that the subject will be under prudent and competent management and ownership; neither inefficient or super-efficient.
3. Any survey contained in this report is assumed to be true and correct, and it is also assumed that there are no hidden encroachments upon the property appraised except as noted. Any sketch prepared by the appraiser and included in this report may show approximate dimensions and is included to assist the reader in visualizing the property only. The appraiser has not made a survey of the property and does not warrant any surveys or other presented plans or sketches.
4. The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or other structures, which would render it more or less valuable. The appraiser assumes no responsibility for such conditions or for engineering which might be required to discover these factors. This includes the presence of unusual/extraordinary mineral deposits or subsurface rights not typically transferred with normal comparable data (i.e. valuable mineral rights associated with oil/gas production, etc., are not part of this assignment).
5. Any distributions of the valuation of the report between land and improvements apply only under the existing program of utilization. The separate valuation for land and building must not be used in conjunction with any other appraisal and are invalid if used in conjunction with any other appraisal.
6. No responsibility is assumed for changes in matters that are legal, political, social, or economic which could affect real estate values that take place after the effective date of this valuation. The date of value to which any of the conclusions and opinions expressed in this report apply is set forth in the Report. The estimate of Market Value is subject to change with market fluctuations over time. Further, the dollar amount of any value opinion rendered is based upon the purchasing power of the American Dollar on that date. This appraisal is based on market conditions existing as of the date of this appraisal. Under the terms of the engagement, we will have no obligation to revise this report to reflect events or conditions which occur subsequent to the date of the appraisal.
7. Information, estimates, and opinions furnished to the appraiser, and contained in the report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for the accuracy of such information furnished to the appraiser during the appraisal process is warranted by the appraiser. Information and data referred to in this paragraph include (without being limited to) surveys, measurements, title information, comparable sales data, courthouse records and information obtained from Realtors and other parties. Any material error in any of the above data could have a substantial impact on the conclusions reported.
8. This report is predicated upon the assumption that the property has reached a stabilized occupancy as of the date of valuation, unless otherwise noted.
9. On all appraisals, subject to satisfactory completion, repairs, or alterations, the appraisal report and value conclusion are contingent upon completion of the improvements in a workmanlike manner and in accord with the

referred to plans and specifications. This report may be subject to amendment upon re-inspection of the subject subsequent to repairs, modifications, alterations and completed new construction.

10. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless required to do so by a court.

11. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials or gases may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired. This report further assumes that there are no under/above ground storage tanks of any kind on the property (unless otherwise noted). Possible leakage problems have not been addressed. The site history of the subject property has not been explored, nor have the historical land use patterns of surrounding properties been investigated. Again, the appraiser has not addressed any environmental issues that might affect value. This report assumes that no such issues of any kind are present or affecting the Fee Simple Value in any manner (unless otherwise noted). The appraiser urges the client to retain a qualified environmental professional to determine the environmental condition of the subject property.

12. We take no responsibility for unapparent or hidden defects. No responsibility for conformity to specific governmental requirements (such as fire, building and safety, earthquake, or occupancy codes) can be assumed without provisions of specific professional or governmental inspections. No termite inspection report was made available to the appraiser unless otherwise noted. The appraiser is not responsible for damages resulting from any type of insect infestation whatsoever. This is beyond the scope of the appraisal assignment.

13. Any cash flows included in the analysis are forecasts or estimated future operating characteristics are predicated on the information and assumptions contained within the report. Any projections of income, expenses and economic conditions utilized in this report are not predictions of the future. Rather, they are estimates of current market expectations of future income and expenses. The achievement of the financial projections will be affected by fluctuating economic conditions and is dependent upon other future occurrences that cannot be assured. Actual results may vary from the projections considered herein. We do not warrant these forecasts will occur. Projections may be affected by circumstances beyond the current realm of knowledge or our control.

14. Acceptance and/or use of this report constitutes full acceptance of the Contingent and Limiting Conditions and special assumptions set forth in this report. It is the responsibility of the Client, or client's designees, to read in full and comprehend the contingencies and limiting conditions. We do not assume responsibility for any situation arising out of the Client's failure to become familiar with and understand the same. The Client is advised to retain experts in areas that fall outside the scope of the real estate appraisal/consulting profession if so desired.

15. If, as part of the client's requested scope of work, an estimate of insurable value is provided herein, we have followed traditional appraisal standards to develop a reasonable calculation based upon industry practices and industry accepted publications such as the Marshall Valuation Service handbook. The methodology employed is a derivation of the cost approach which is primarily used as an academic exercise to help support the market value estimate and therefore is not reliable for Insurable Value estimates. Actual construction costs and related estimates can vary greatly from this estimate. This analysis should not be relied upon to determine proper insurance coverage which can only be properly estimated by consultants considered experts in cost estimation and insurance underwriting. It is provided to aid the client/reader/user as part of their overall decision making process and no representations or warranties are made regarding the accuracy of this estimate. It is strongly recommended that other sources be utilized to develop any estimate of insurable value.

16. The Americans with Disabilities Act (ADA) became effective January 26, 1992. Notwithstanding any discussion of possible readily achievable barrier removal construction items in this report, Murphy Appraisal Services has not made a specific compliance survey and analysis of this property to determine whether it is in conformance 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 ADA. If so, this fact could have a negative effect on the value estimated herein. Since Murphy Appraisal Services has no specific information relating to this issue, nor is Murphy Appraisal Services qualified to make such an assessment, the effect of any possible non-compliance with the requirements of the ADA was not considered in estimating the value of the subject.

17. The appraisal report is prepared for the exclusive benefit of the Client. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk. A party receiving a copy of this report from the client does not, as a consequence, become a party to the appraiser-client relationship. Any person who receives a copy of this appraisal report as a consequence of disclosure requirements that apply to an appraiser's client, does not become an intended user of this report unless the client specifically identified them at the time of the assignment.

ACCEPTANCE OF AND USE OF THIS APPRAISAL REPORT CONSTITUTES
ACCEPTANCE OF ABOVE