COMPLETE SUMMARY APPRAISAL REPORT



Prepared by:

HOME APPRAISAL, Inc.

COMPLETE SUMMARY APPRAISAL REPORT OF A CHURCH FACILITY LOCATED AT: FOR: Center State Bank of Florida, N.A. PREPARED BY:

Center State Bank of Florida

Reference: A Complete-Summary Appraisal Report of a Free Standing Church building

Located at:

Pursuant to your request, we have prepared a Complete-Summary appraisal report on the above referenced property for the purpose of estimating its fee simple market value

According to client request, this is to estimate the Fee Simple Market Value.

The Public records is not showing the Gross building area information, this was computed based on measures taken by the appraiser on site, arriving to 10,500 Sq. Ft., which will be used for all the purposes in the present report, this also is well known as leasable area, the building structure is level to grade; public utilities are typical including electrical, water, and sewer.

The Complete-Summary appraisal report that follows sets forth the identification of the property, the assumptions and limiting conditions, pertaining facts about the area and the subject property comparable sales data. The results of the investigation, analyses, and the reasoning leading to the conclusions set forth.

This appraisal is prepared in accordance with the Uniform Standards of Appraisal Practice (USPAP) published by the Appraisal Institute and the Office of the Comptroller of the Currency. In addition, this report conforms to the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA) of 1989. Neither this assignment nor the concluded value has been based on a requested minimum valuation, a specific valuation, or the approval of a loan.

The property is appraised on the basis of a fee simple estate.

We have made an inspection of the subject property, the immediate area, all the comparable sales, and properly analyzed the market data on the following pages, and concluded that the market value of the subject property as of

NINE HUNDRED THOUSAND dollars

\$900,000

State Certified General Appraiser

CERTIFICATE:

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

- -the statements of fact contained in this report are true and correct
- -we have no present or contemplated future interest in the property appraised, and neither the employment to make the appraisal nor the compensation for it is contingent upon the appraised value of the property.
- -we have no personal interest in or bias with respect to the subject matter of the appraisal report on the participants to the sale. The "Estimate of Market Value" in the appraisal report is not based in whole or in part upon the race, color, or national origin of the prospective owners or occupants of the property appraised, or upon the race, color, or national origin of the present owners or the occupants of the properties in the vicinity of the property appraised.
- -we have personally inspected the property. To the best of the Appraiser's knowledge and belief, all statements and information in this report are true and correct, and the Appraiser has not knowingly withheld any significant information.
- -this appraisal report has been made in conformity with and is subject to the requirements of the Code of Professional Ethics and Standards of Professional Conduct of the appraisal organizations with which the Appraiser is affiliated.
- -all conclusions and opinions concerning the real estate that are set forth in the appraisal report were prepared by the Appraiser whose signature appears in the appraisal report, unless indicated as "Review Appraiser." No changes of any item in the appraisal report shall be made by anyone other than the Appraiser, and the Appraiser shall have no responsibility for any such unauthorized changes.
- -the neither all nor any part of the contents of this report shall be disseminated to the public through the advertising media, news media, sales media or any other public means of communication without prior written consent and approval of the appraiser.
- -our reports are of original context and do not authorize the out-of-context quoting from or partial reprinting of this appraisal report

FIRREA / USPAP ADDENDUM

Intended Use:

This appraisal is to estimate the Fee Simple Market Value.

Intended User

The intended user of this report is identified in the Lender/Client section.

Purpose of the appraisal

According to Lender request the purpose of this appraisal is to estimate the "as is" Fee Simple Market Value of the subject property described by the county Legal Description, as of the effective date, typically when the physical inspection is made.

Scope of Work:

The scope of this appraisal report is the formation of the most current applicable data in relation to the property and the development of the market value. The appraiser has inspected the subject from inside and outside, comparables were inspected from outside. The verified data is processed through Sales comparison approach, Cost approach and Income Approach. The selected comparable properties are adjusted to the subject property where market indicated differences exist, using accepted appraisal techniques.

Personal property:

Items of personal property are not considered in the valuation of the subject property

CERTIFICATION STANDARD OF THE APPRAISAL INSTITUTE

In addition to the Statements required by USPAP as a member of the Appraisal Institute.

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

Date of Value:	July 28,
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Location of Property:

Size of Land 4.90 Acre

Type of Structure: The subject is comprised by two buildings, built with

Brick exterior walls which the roof is covered by Shingle; according with owner information one of the building was built in 1986 and the other in 1994. The total building area (leasable area) is 10,500 Sq Ft. The Economic Remaining Life is estimated 55 years.

Zoning: When consulted the City of Davenport map zoning this

is not showing subject's information; however

according with Polk County Property Appraiser Card

the zoning is Commercial.

According "Municode" the zoning is consistent with

C-1 (refer Appendix enclosed)

Flood Zone: "X" FEMA Map #121025C0225F - 12/20/2000

Census Tract: 0125.01

Highest and Best Use: Religious facility as improved current use according to

current zoning regulations. (see appendix Zoning)

As Vacant: Religious facility as vacant according to current zoning

regulations. (see appendix Zoning).

Estimating Marketing Time: More than 6 months at or near the appraised market

value.

Estimated Exposure Time: More than 6 months at or near the appraised market

value.

Current Real Estate Taxes: Assessed Taxes: \$14,091.98

Exemption : \$14,091.98

Total Taxes : \$0.00 (because of Tax exemption

for religious)

Value Indications Via:

Cost Approach: \$1,100,000

Sales Comparison Approach: \$900,000

Income Approach: \$1,300,000

Appraised Market Value of the Fee Simple Title as of July 28,

NINE HUNDRED THOUSAND dollars

\$900,000

State Certified General Appraiser

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SUBJECT PHOTO PAGE



Subject Front



Other view



Subject rear view

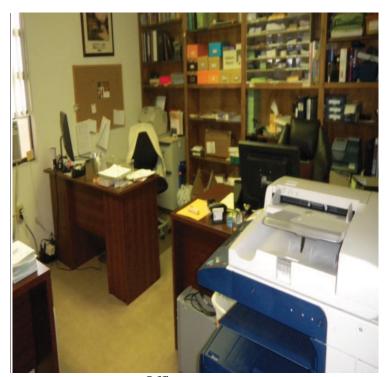


Street scene

$\underline{\textbf{SUBJECT INTERIOR PHOTO PAGE}} \hspace{0.1cm} \textbf{(First building)}$



Sanctuary







Men's & Women's room

$\underline{SUBJECT\ INTERIOR\ PHOTO\ PAGE\ }\ (Second\ building)$



Fellowship Hall







Men's & Women's room

$\underline{SUBJECT\ INTERIOR\ PHOTO\ PAGE}\ (Offices\ and\ other\ spaces)$





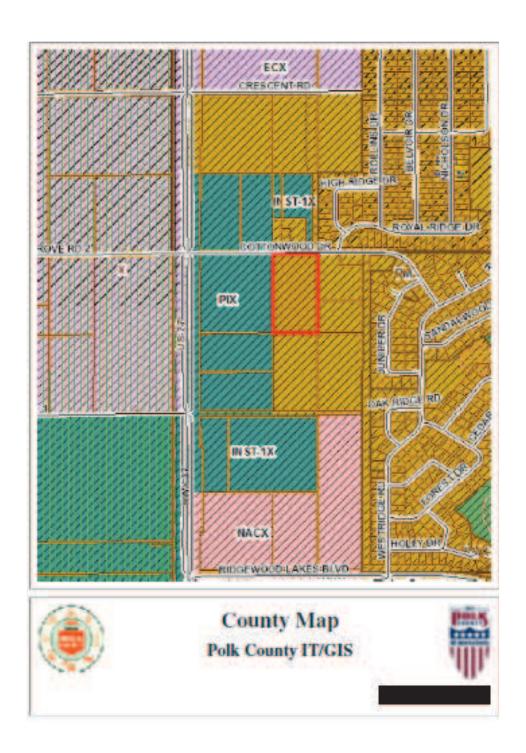








SUBJECT'S AERIAL MAP



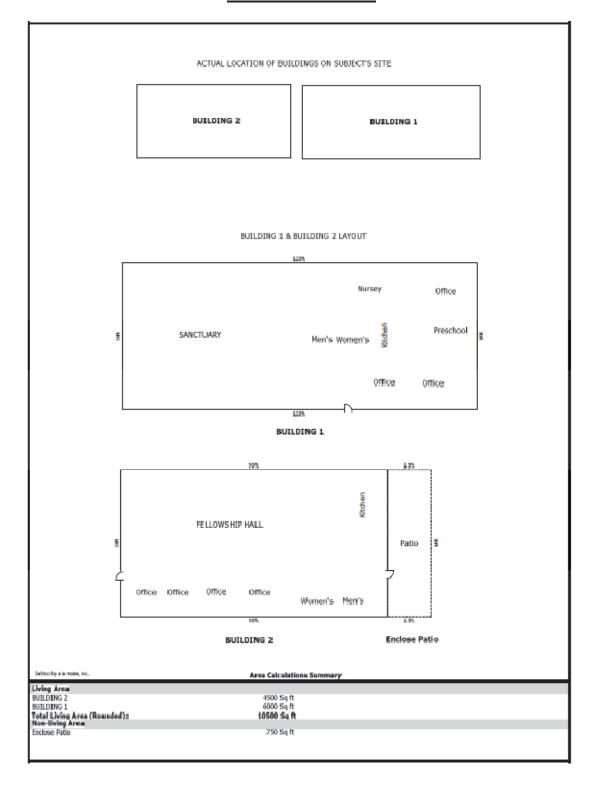
SUBJECT BUILDING DESCRIPTION

The subject is comprised by two detach One story buildings; the structure is masonry with brick exterior walls sit on a concrete Slab, the roof is covered with Shingle. The interior buildings flooring is Carpet, C-Tile and Vinyl.

The interior layout is considered adequate for the facility, main areas are comprised by The Sanctuary, offices, nursery, bathrooms, and storage area; the interior is separate by drywalls; parking facilities are adequate for the use of building.

Building's interior is conditioned by the respective Central Air Condition units, which appears to be in good working, electrical and mechanical were working at the time of the inspection; condition of the improvements is considered to be Average.

BUILDING SKETCH



EFFECTIVE DATE OF APPRAISAL

The subject property is appraised as of July 28, which is the date of inspection, effective date of value and the date of the report.

IDENTIFICATION OF THE PROPERTY

The properties appraised are described as follows:

According to Public records the legal description of the subject property is: Short Legal: FLA DEVELOPMENT CO SUB PB 3 PG 60 TO 63 TRACT 3 IN NW 1/4

Subject prior transfers:

OR Book/Page	Date	Type Inst	Vacant/ Improved	Reason	Grantee	Sales Price
5615/2209	12/2003	W	I	01	FOUR CORNERS BAPTIST CHURCH INC	\$325,000
3253/1380	05/1993	<u>C</u>	I	03		\$1 00
3243/2019	05/1993	W	I	03		\$65,400

PRESENT USE OF THE PROPERTY

The subject property is currently as Religious Facility with accessory rooms, facilities include, Kitchen, offices, and nursery.

Data Research

PROPERTY RIGHTS APPRAISED

Fee Simple Estate

The subject property is appraised on the basis of a Fee Simple Estate. A fee simple estate can be defined as the largest possible estate in real property, the owner of which has absolute use and the right to dispose of it at will.

Private ownership of real property rights is never complete or unrestricted. There are always public or governmental limitations as well as private limitations.

The most basic public limitation is property taxation. Other examples of governmental limitations include eminent domain (the acquisition of all or part of a private real estate for a public use or purpose) and through police power (for interest of public health, public safety and/or the general welfare).

The exercise of private rights in realty can also be limited privately, either voluntarily or involuntarily. Voluntary limitations are contractual and include leases, mortgage, easements, and deed restrictions. They all come about through voluntary acceptance by the owner of the fee simple estate of the property. Involuntarily limitations are placed against the property by others, usually because liens, encroachments, and prescriptive easements.

SCOPE OF WORK

The scope of this appraisal report is the formation of the most current applicable data in relation to the property and the development of the market value. The appraiser has inspected the subject from inside and outside, comparables were inspected from outside when available. The verified data is processed through Sales comparison approach analysis which is considered the most reliable for this type of assignments, although the subject is not income producing the Income approach was developed, also the Cost approach was developed. The selected comparable properties are adjusted to the subject property where market indicated differences exist, using market extraction technique.

The appraiser has verified gathered information trough Agents, Tenants and-or Owners who are considered good sources for primary data.

APPRAISAL REPORTING GUIDELINES

This appraisal is presented in a narrative format, however, it is intended to comply with U.S.P.A.P. Standard Rule 2-2(b)© guidelines for a *Summary Appraisal Report*. All data considered and summarized, and conclusions rendered but not specifically addressed or detailed in this appraisal report has been retained in the appraiser's office file. The client is familiar with the subject property, the appraisal process and the nomenclature of the profession.

MARKET VALUE DEFINED

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 specific date and the passing of title from seller to buyer under condition whereby:

- 1) Buyer and seller are typically motivated;
- 2) Both parties are well informed or well advised, and each, acting in what they consider their own best interest;
- 3) A reasonable time allowed for exposure in the open market;
- 4) Payment is made in terms of cash in U.S. dollars or terms of financial arrangements comparable thereto.
- 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 sale.

In essence, this appraisal report's market value estimate is based on cash or its equivalent as of a specified date, or specific financing based on rate and terms delineated hereunder, if applicable.

STATE OF FLORIDA & COUNTY MAP



County, Florida

People QuickFacts	County	Florida
Population, 2010	602,095	18,801,310
Population, percent change, 2000 to 2010	21.1%	17.6%
Population, 2000	483,924	15,982,839
Persons under 5 years old, percent, 2009	7.0%	6.3%
Persons under 18 years old, percent, 2009	24.1%	21.9%
Persons 65 years old and over, percent, 2009	17.8%	17.2%
Female persons, percent, 2009	50.6%	50.8%
White persons, percent, 2010 (a)	75.2%	75.0%
Black persons, percent, 2010 (a)	14.8%	16.0%
American Indian and Alaska Native persons, percent, 2010 (a)	0.4%	0.4%
Asian persons, percent, 2010 (a)	1.6%	2.4%
Native Hawaiian and Other Pacific Islander, percent, 2010 (a)	0.1%	0.1%
Persons reporting two or more races, percent, 2010	2.4%	2.5%
Persons of Hispanic or Latino origin, percent, 2010 (b)	17.7%	22.5%
White persons not Hispanic, persons, 2010	64.6%	57.9%
Living in same house 1 year ago, pct 1 yr old & over, 2005-2009	80.4%	82.5%
Foreign born persons, percent, 2005-2009	10.1%	18.7%
Language other than English spoken at home, pot age 5+, 2005-2009	17.0%	25.8%
High school graduates, percent of persons age 25+, 2005-2009	82.0%	84.9%
Bachelor's degree or higher, pct of persons age 25+, 2005-2009	19.0%	25.6%
Voterans, 2005 2000	54,500	1,085,421
Mean travel time to work (minutes), workers age 16+, 2005-2009	25.4	25.8
Housing units, 2009	284,447	8,852,754
Homeownership rate, 2005-2009	71.7%	69.7%
Housing units in multi-unit structures, percent, 2005-2009	14.5%	30.0%
Median value of owner-occupied housing units, 2005-2009	\$139,800	\$211,300
Households, 2005-2009	224,299	7,076,539
Persons per household, 2005-2009	2.47	2.52
Per capita money income in past 12 months (2009 dollars) 2005-2009	\$22,283	\$26,503
Median household income, 2009	\$41,913	\$44,755
Persons below poverty level, percent, 2009	16.8%	15.0%
Business QuickFacts	Polk County	Florida
Private nonfarm establishments, 2008	11,404	507,027
Private nonfarm employment, 2008	174,218	7,300,571
Private nonfarm employment, percent change 2000-2008	7.9%	18.5%
Nonemployer establishments, 2008	33,955	1,608,887

Black-owned firms, percent, 2007	7.1%	9.0%
American Indian and Alaska Native owned firms, percent, 2007	S	0.5%
Asian-owned firms, percent, 2002	2.7%	2.7%
Native Hawaiian and Other Pacific Islander owned firms, percent, 2007	F	0.1%
Hispanic-owned firms, percent, 2007	12.8%	22.4%
Women-owned firms, percent, 2007	25.4%	28.9%
Manufacturers shipments, 2007 (\$1000)	7,178,034	104,832,907
Merchant wholesaler sales, 2007 (\$1000)	13,241,719	221,641,518
Retail sales, 2007 (\$1000)	6,420,144	262,341,127
Retail sales per capita, 2007	\$11,195	\$14,353
Accommodation and food services sales, 2007 (\$1000)	699,617	41,922,059
Building permits, 2009	1,135	35,329
Federal spending, 2008	3,291,726	149,872,178 ¹
Geography QuickFacts	Polk County	Florida
Land area, 2000 (square miles)	1,874.38	53,926.82
Persons per square mile, 2010	321.2	348.6
FIPS Code	105	12
Metropolitan or Micropolitan Statistical Area	Lakeland, FL Metro Area	

1: Includes data not distributed by county.

- (a) Includes persons reporting only one race.
- (b) Hispanics may be of any race, so also are included in applicable race categories.
- D: Suppressed to avoid disclosure of confidential information F: Fewer than 100 firms FN: Footnote on this item for this area in place of data

- NA: Not available
- S: Suppressed; does not meet publication standards X: Not applicable
- Z: Value greater than zero but less than half unit of measure shown

Source U.S. Census Bureau: State and County QuickFacts. Data derived from Population Estimates, Census of Population and Housing, Small Area Income and Poverty Estimates, State and County Housing Unit Estimates, County Business Patterns, Nonemployer Statistics, Economic Census, Survey of Business Owners, Building Permits, Consolidated Federal Funds Report Last Revised: Friday, 03-Jun 15:25:42 EDT

HIGHEST AND BEST USE

The reasonable and probable use that will support the highest present value, as defined, as of the effective date of the appraisal.

Alternatively, that use, from among reasonable, probable and legal alternative uses, found to be physically possible, legally permitted market supported and financially feasible, and maximally productive.

In order to prove the highest and best use of improved property, the appraiser has to select the list of possible uses for the property. Generally this is small and includes the current use plus several closely related alternatives

The financial analysis of highest and best use of the improvements may become very complex. Financial scenarios for each possible legal and appropriate supported is sometimes need. The highest and best use of the property as improved is the use that results in the highest present property value. The present value is that present worth of all forecast future net cash flows discounted at a typical market rate of return.

Implied within these definitions is recognition of the contribution of that specific use to community environment of to community development goals in addition to wealth maximization of the individual property owner.

Also implied is that the determination of Highest and Best Use results from the appraiser's judgment and analytical skills, i.e., that the use determined from analysis represents an opinion, not a fact to be found. In appraisal practice, the concepts of Highest and Best Use represent the premise upon which value is based. In the context of most probable selling price (market value) another appropriate term to reflect Highest and Best Use would be most probable use. In the context of Investment value, and alternative term would be most profitable use.

Subject's zoning:

When consulted the City of Davenport map zoning is not showing information, according with Polk County Property Appraiser Card the zoning is Commercial, according "Municode" the zoning is consistent with C-1 (refer Appendix enclosed)

Possible Use.

The possible physical uses of the subject site would be a Religious facility. This is based upon analysis of the site characteristics at the subject in terms of size, shape, and utility.

Permissible Use.

Analysis of the permissible uses at the subject site take into account those uses which would be permitted relative to existing zoning and/or deed restrictions which are imposed on the site. Although a formal title search has not been made and submitted to the Appraiser, it is my assumption that no deed restrictions are in effect at the subject site, which would be considered restrictive to the usage of said site.

After analysis of the physically possible and legally permissible uses to which the subject site could conceivably be put, a study of that use which would be considered economically and financially feasible is required. My analysis of the alternative usages at the subject site indicates Religious facility would be considered to represent the Highest and Best Use of the site.

HIGHEST AND BEST USE AS IMPROVED

In that the existing improvements are already constructed at the site, the overall subject property becomes an integral part of both land and building. This integration of land and improvements relates to the economic concept of the marginal dollar. This theory applies that the existing land and improvements will remain in their existing usages as long as the property, as improved, has a Market Value which is higher than that of the land as if vacant and available for a higher usage. In this study of Highest and Best Use is the principle of contribution, which states that the value of a component part of an overall property is dependent upon how much it contributes to the value as a whole.

Therefore, based on my analysis, it is my estimate that the Highest and Best Use of the subject property, as improved, would be for a Religious facility.

Real Property Rights Conveyed

The sale property may require adjustment to the sale price if the property rights conveyed are reflective of a leased fee estate when contract rents are not at the market level. Also, a leasehold estate may require adjustment if, for example, a property is sold separately from its site. In such cases, the value of the fee simple estate would have to be estimated by adding the leased fee estate to the leasehold estate.

Financing Terms and Condition of Sale

The sale property's price can differ drastically from that of a property considered highly physically competitive because financing arrangements or terms of sale can vary. The financing of each competitive property should be considered and the necessary adjustments should be made to reflect variations in rates, term, and other factors for proper comparison with the subject. The financing is compared as of the date of sale and adjusted for then market rate.

Market Conditions

The condition of the market can change between the time of sale and the date of the appraisal. Therefore, adjustments might need to be reflected. Such changes often result from various factors such as inflation, deflation, demand and supply. Typically, the trend in well-located real estate is for property value to appreciate over time. This is especially pertinent in the area exhibiting natural growth, not speculative growth, due to desirability of the area, new site improvements, and/or population change.

Physical Characteristics

Physical characteristics can differ between a competitive property and the subject. Appraisers might be required to judge the amount of value that is added or lost by physical difference. Variations in site size, zoning, shape, and exposure for improved properties age, condition, architectural style, and quality of construction are just a few of influencing factors. The appraiser must also recognize in the adjustment process that some transactions are subject to a theory known as economies of scale.

This theory dictates that smaller vacant properties will usually sell at a higher unit price than larger properties with similar physical characteristics. A similar highest and best use between the subject and competitive property is also essential and diminishes the judgmental process and minimize error.

Economic Characteristics

This comparison element usually applies to income producing properties and includes items such as operating expenses, management quality, tenant quality, lease terms and conditions, expense passtroughs, etceteras.

<u>Use</u>

The adjustment process must include an analysis of and address, any difference in highest and best use between the comparable sales and the subject. This includes verifying the ultimate use of the sales property.

Non-Realty Components of Value

These items include personal property and business value or goodwill value. Personal property may include furniture, fixtures, and equipment. Some property types inherently include a non-realty component must be addressed. No non-realty components were addressed. This approach is most relevant and relied upon heavily by market participants.

The Cost Approach

THE COST APPROACH

The cost approach is primarily based on the principal of substitution. The principle of substitution states that a person is not justified in paying more for a property than the total cost of acquiring the land, and construction of a building of equal utility, without undue delay.

The appraisers may use either reproduction cost or replacement cost. Reproduction cost is the cost to create an exacted duplicate of the property being appraised using the same materials, design and workmanship. This would include any existing deficiencies, super adequacies, and/or functional obsolescence. Replacement cost is the estimated cost to construct a building with equivalent utility using modern materials and current standards of design and floor plan.

Cost is divided into direct or hard cost, and indirect or soft cost. Direct cost is the expenditures for labor and materials used in constructing the improvements. This cost includes contractor's overhead and profit, but not entrepreneurial profit. Direct cost includes building permits, materials, equipment, labor, utilities during construction, and performance bonds.

Indirect cost is those cost that are not typically included in the construction contract. Those may include architectural and engineering fees, appraisal, legal, accounting, and consulting fees; financing cost during construction, risk insurance and ad valorem taxes during construction, marketing costs, tenant improvement expenses, and administrative expenses as the developer.

Entrepreneurial profit recognizes the motivation and contribution of the developer. Entrepreneurial profit is market derived and is the difference between the cost to build the improvements and the market value. Entrepreneurial profit may or may not exist. There is no guarantee that the expenditures to build an improvement will guarantee a profit to the developer.

Cost figures may be obtained from a professional cost estimator or from construction contracts. Cost figures may also come from files on actual costs of buildings maintained by the appraiser. Other sources of cost figures are cost estimating services such as Marshall and Swift and Boeckh Publications.

The three traditional cost estimating methods are the comparative unit method, the unit-in-place method and the quantity survey method. The difference in these methods is the level of detail of materials, equipment, and labor used in the improvements. The comparative unit and units-in-place methods are most often used by appraisers.

When the subject property represents a proper improvement, meeting the definition of highest and best use, this approach when properly applied will correlate well with the other two approaches,(the sales comparison approach and the income approach) when applicable.

The cost approach consists of five distinct steps:

- 1) Valuation of the land as if vacant and put to its Highest and Best Use.
- 2) Estimation of reproduction cost or replacement cost of the existing structure and/or improvements.
- 3) Estimate of accrued depreciation (curable and incurable).
 - a) Physical deterioration
 - b) Functional obsolescence
 - c) External obsolescence (generally incurable)
- 4) The addition of the land value and other improvements, as well as the entrepreneurial profit if applicable to arrive at a value indication via cost approach.
- 5) Deduction of accrued depreciation from the cost new to arrive at a present depreciated cost of improvement.

LAND VALUE

There were found a scarcity of similar land sales in Polk county, there were selected two closed sales and one Listing for sale which is considered to provide the market trend. These sales are considered to provide good support for the subject land value. Equal weight was given to comp#1 & #3 when arriving to the market value, also supported for Comp#2 which being a listing for sale is considered to be the high end for the subject value.

	Subject	Comparable #1	Comparable #2	Comparable #3
Address		7514 US Hwy 98	2717 Holly Hill	1624 Horseshoe
		_	_	_
TAX ID				
Zoning	Religious	Commercial	Commercial	Commercial
Sale price		\$391,100	\$495,000	\$76,200
Date of sale		6/16/20	List for sale	5/26/20
Site size (Acre)	4.90	11.20	4.88	2.50
Adjust. Sale status		0%	-25%	0%
Location	Average	Average	Average	Average
		\$0	\$0	\$0
Adj. Price/Acre		\$34,920	\$76,076	\$30,480

Estimated Site/size	\$40,000	/ Acre
Subject's size	4.90	Acre
Subject Value	\$196,000	

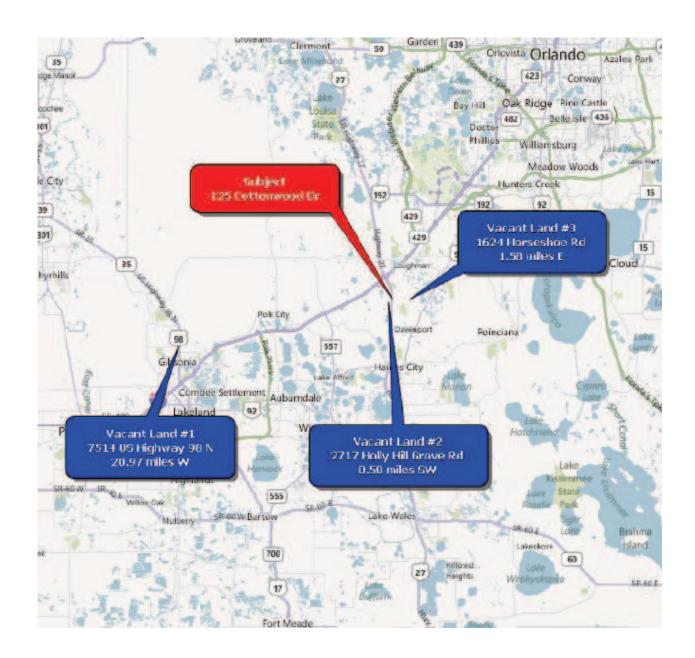
The address is provided for location purposes, lands are identified by Tax ID#
Comp#2 Public records is showing Residential, the listing is showing zoning changed to light Commercial
Comp#3 Public records is showing Residential, the Loonet listing is showing sold as Commercial

Comments: Due to the lack of closed Religious land sales it was necessary to select Commercial lands also there was provided a Listing for sale in the surrounding area which is considered to be the high end for the subject value

The estimated market value of the Land as vacant is:

\$200,000

VACANT LAND LOCATION MAP



Preface to Cost Breakdown

The appraiser will use the comparative square foot method in estimating the reproduction cost of the subject's structures. This method estimates the total cost by comparison with similar buildings; the cost of which are known and have been reduced to units per square foot of the building's content.

Under this method, the actual costs of similar buildings are divided by the number of square feet of floor or ground area resulting in a cost per square foot.

The square foot figure is reflective of both direct and indirect cost of construction. The direct cost cover construction and labor cost. Indirect costs cover variables such as the following: engineering and architectural fees, legal fees, financing and mortgage fees, taxes during construction, leasing costs during construction, interest reserves and administrative expenses.

Accrued depreciation was considered in our analysis. In appraisal terminology, it is the difference between the reproduction cost and the property's market value, as of the date of appraisal.

Depreciation is a loss in property value from deterioration and/or obsolescence. Deterioration in a structure is evidenced by wear and tear, decay, dry rot, cracks, encrustation, or structural defects. Obsolescence is divided into two parts, functional and external.

Functional obsolescence occurs due to poor floor plan, inadequacy or super adequacy due to size, style, age, mechanicals, etceteras. It is evidenced by conditions within the property.

External obsolescence is caused by factors outside the property such as changes in the property uses or demand, legislation, etceteras.

Deterioration and obsolescence can be further classified as curable or incurable. Curable refers to those items of physical deterioration, which are immediately repaired or replaced by a prudent property owner. Incurable refers to those elements of physical deterioration and functional obsolescence, which cannot be corrected; or if possible to correct, the resultant incremental increase in value would not warrant the expenditure necessary to cure the defect. It is noted that external obsolescence is almost always incurable.

The appraiser utilized the Marshall and Swift valuation grid to estimate the reproduction cost new of the subject property. *SEE THE FOLLOWING PAGE*. The improvements square footage unit costs were weighted based on physical inspection.

	000E 100010"
	COST APPROACH
Property Owner	Four Corners Baptist Church
Address:	
Surveyed by:	
Effective Date:	July 28,
Occupancy:	Owner
Condition of Improvements:	Average
Building area 10,500 Sq. Ft.	Number of buildings: 2
Class: Average CBS	Effective Age: 5 years
Cost Rank: Average	Average
Cost as of: July 20	
Reproduction or Replacement Cost	
Direct Cost	\$95.25 10,500 \$1,000,12
Indirect Cost	\$0.0
Site	\$200,000
TOTAL COST NEW	\$1,200,12
Depreciation	
Curable Physical Depreciation	8.2% \$83,010
Incurable Physical Depreciation	
Short	
Lived	0
Long Lived	0
TOTAL PHYSICAL	
TOTALTITISICAL	
Functional Obsolescence	\$0.0
External Obsolescence	\$0.0
External Gosdescence	Ψ0.0
TOTAL DEPRECIATION	\$83,010
TOTAL DEI RECEITTON	Ψ03,01
TOTAL DEPRECIATED VALUE OF BUILDING	\$917,11:
SITE VALUE	\$200,00
VALUE INDICATION BY THE COST APPROACH	\$1,117,11:
ROUNDED	\$1,100,000

ONE MILLION ONE HUNDRED THOUSAND dollars

\$1,100,000

The Sales Comparison Approach

THE SALES COMPARISON APPROACH

In the sales comparison approach, value is estimated by comparing the property being appraised with similar properties, which have sold. This method of estimating value is applicable when there are a sufficient number of real sales of similar properties. The methodology is based on the premises that market value is directly related to the availability of substitute properties with a similar utility and desirability. If there are not enough sales of comparable properties, the sales comparison approach may be less useful.

In applying the sales comparison approach, the appraisers researched the market for sales, contracts, offers, and listings of competitive properties. These sales are examined and verified with knowledgeable parties with regard to price; property rights conveyed financing terms and conditions, transaction dates, physical condition, and buyer and seller motivation. The sale data is then compared to the subject and a value estimate is concluded.

Units of comparison are the components into which the property is divided for comparison purposes. These may include price per square foot, price per front foot, price per room, etceteras.

Elements of comparison are individual characteristics of sales which cause price to vary. These elements include property rights conveyed, financing terms, condition of sale, market conditions, location, physical characteristics, economic characteristics, use and non-realty items.

The adjustment process for the elements of comparison follows a specific order beginning with property rights conveyed followed by financing items, and so on.

The analysis and adjustment process involves both quantitative and qualitative techniques. Quantitative techniques include paired sales analysis, statistical analysis, trend analysis, and other techniques.

Qualitative techniques include Relative Comparison Analysis, ranking analysis, and personal interviews. Relative comparison analysis involves studying the relationship of sale data without making quantitative adjustments. For example, a sale property may be considered superior, inferior, or equal to the property being appraised. Ranking analysis puts the sale data in order of comparability to the subject property. Personal interviews can be very insightful in making qualitative adjustments.

The sales comparison approach derives income multipliers and income rates, which are used as units of comparison. The appraiser does not adjust these units but rather explains the difference in reconciling value conclusions.

The last step in the sales comparison approach is to reconcile the sale data into a value estimate. It may also be necessary to reconcile different conclusions reached using varying techniques within the sales comparison approach.

In the Direct Sales Comparison Approach, the principle of substitution is a critical factor. Through this approach, the Appraiser can determine, by direct comparison of competitive properties, a value estimate of the subject property. Through supportable adjustments, value tends to form a pattern for which the Appraiser can determine a value estimate of the property on the date of the appraisal, the physical characteristics and economic forces become criteria in evaluating the sales when analyzed in conjunction with the subject property. The Direct Sales Comparison Approach is very indicative of the behavior patterns of the typical purchaser The subject is adaptable to an investor seeking a return or equity or to an owner occupant seeking an entire building for partial or full use. Therefore, this approach allows the property to be evaluated as if it were on the general market.

COMPARABLE SALES PHOTO PAGE









Comparable photo: the appraiser has provided an aerial photo from Google.com since the property can be reach only by a private road being invisible from the any main road. (Please refer attachment for Public records card with Aerial Map)

COMPARABLE ADJUSTMENT GRID

	Subject	Comp #1	Comp #2	Comp #3	Comp #4
Address		290 Competition	125 Carter Bl.	1125 N New York	2110 Highway
Usage	Religious	Religious	Religious	Religious	Retail
Sales Price		\$964,417	\$650,000	\$695,000	\$745,000
Sale Date		1/28/20	List for sale	List for sale	Jun
Adj. for sale		0%	-15% (-\$97,500)	-15% (-\$104,250)	0%
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Actual Age	25 / 7 years	26 / 9 years \$0.00	11 years \$0.00	35 / 5 years \$0.00	9 years \$0.00
Condition	Average	Average \$0.00	Average \$0.00	Average \$0.00	Average \$0.00
Gross build. Area (Sq. Ft.)	10,500	12,886	7,079	8,252	7,645
Adj. Price/Sq. Ft.		\$74.84	\$78.05	\$71.58	\$85.76
Site (Acre) Excess Land (Acre)	2 2.9	2.00 10.00	2.00 4.20	0.50 None	1.00 None
Location Access / Exposure	Average	Average	Average	Average	Average
Usage	Non profit	Non profit \$0.00	Non profit \$0.00	Non profit \$0.00	Income (\$150,000)
Parking	Parking lot	Parking lot	Parking lot	Parking lot	Parking lot
Adjusted Sales					
Price/Sq.Ft.		\$74.84	\$78.05	\$71.58	\$77.83

Adjusted dollars per square feet		\$75.00
Gross Building Area	10,500	
ESTIMATED VALUE		\$787,500
EXCESS LAND (Rd.)		\$116,000
TOTAL ESTIMATED VALUE		\$903,500

 No adjustment for difference in land with the comparables, since the Excess land is added to the subject in the feasibility to be sold by separate.

SUMMARY OF SALES COMPARISON APPROACH

When the market was researched it arrived to a low amount of closed sales in the past 12 months, the research was extended to other cities and surrounding counties, however some closed sales found were considered not competitive to the subject due to the inferior condition and or design. There was selected comp#1 which is a closed sale Religious facility, comp#2 and comp#3 which are List for sale Religious facility, and comp#4 which is Retail space.

Being the subject a Religious facility it falls in the commercial property category, however at the time the subject is not an income producing property since 100% owner occupied having not rented space. It is considered that the site to accommodate the subject building with an adequate parking lot should be 2 Acre, however having the subject 4.9 Acre it is considered that 2.9 Acre is an Excess Land which add value to the property, this value was added to the "Estimated Value" arriving to "Total Estimated Value". No adjustment for difference in land with the comparables, since the Excess land is added to the subject in the feasibility to be sold by separate.

Comp#2 & #3 List for sales adjusted @ 15% from the asking price which is the expected reduction for the property to be sold; Comp#4 was adjusted for income producing @ \$150,000.

After analyzing researched data the appraiser arrived to the conclusion that comparables selected are providing good support for the subject value.

All sales were either all cash to the seller, or financing was typical / standard and required no financing adjustment. Each sale was considered to be cash equivalent

	Price Per Sq Ft
Comparable #1	\$74.84
Comparable #2	\$78.05
Comparable #3	\$71.58
Comparable #4	\$77.83

The appraiser analyzed the adjusted Price per square feet of comparables after adjustments, which were adequately weighted when arriving to the estimate value.

Therefore,

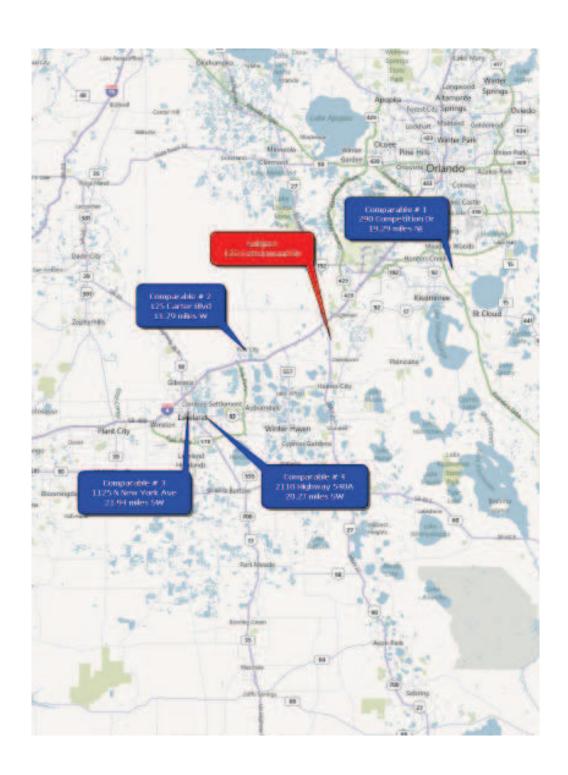
Church Gross building area: 10,500 Sq. Ft. x \$75.00 Sq. Ft. = \$903,500

Therefore, the market value of the subject property via the Sales Comparison Approach fee simple title as of February 28, 20 ::

NINE HUNDRED THOUSAND dollars

\$900,000

SUBJECT AND COMPARABLES LOCATION MAP



The Income Approach

INCOME APPROACH

The Income Approach is a technique for estimating the market value of the subject property, which requires the capitalization of net income to value. Value, from a broad appraisal viewpoint, is most practically defined as the present worth of future benefits. This definition is derived from the basic economic principle of anticipation, which asserts that value lies in futures. In addition, value may be described as the relationship between the thing described and a potential purchaser. This latter definition is clearly related to the former; that is, the quality of the relationship must be strongly influence by the purchaser's estimate of future benefits.

When estimating value by the Income Approach, the appraiser must:

- 1. Forecasts the property's gross earnings potential
- 2. Estimate net income by deducting an appropriate vacancy allowance and operating expenses. This figure represents the net monetary benefits of ownership.

The final step, appropriately discounting anticipated future earnings to judge their present worth, is termed capitalization. The most important consideration in the capitalization process is selecting the proper capitalization method for property under appraisal. The method of deriving a capitalization rate should be that method most often used in the market place for similar properties.

There are several methods or techniques for estimating the value of the subject property by the Income Approach. The methods are the following:

- **Direct Capitalization:** in the direct capitalization an overall rate derived from the market sales is applied to a net income estimate to derive an indication of Market Value.
- Straight Capitalization: in the straight capitalization the capital structure of property value consist of land plus improvements. Thus, the overall rate is a weighted average of the risk rate, which is applicable to land, and the building capitalization rate, which is applicable to the improvements.
- Mortgage Equity Analysis: in the mortgage equity analysis, the *Band of Investment* technique is the weighted average of the mortgage constant (applied to the loan to value percent –i.e., 70% to 75%) and the equity dividend rate (applied to the amount of equity i.e., 25% to 30%). This is the most often used commercial income valuation method.

The subject property is not leased at present and the rental is calculated and based on similar rented properties in the area or for rent at the time of the appraisal report.

In order to develop the Income approach, there were selected the most competitive properties which are Retail space, all of them were considered to be good market indicator and located Polk county. In the selection process there was also considered the total leasable area for each property. Information was obtained from Loopnet from active leases which are showing the actual market trend and willingness of landlords and tenants in the prospective market.

Address	SF. Available	Rent/SF.	Terms
	11,000	\$15.00	3 – 5 years
43344 US Highway 27	14,000	\$14.50	3 – 5 years
37			
5999 Dundee Rd.	18,000	\$12.00	3 – 5 years
			-

The subject is owner occupied.

Based on market rentals in the surrounding area, it is in the appraiser's opinion that average market rent for the area is \$13.00 per Sq. Ft. in a Net lease.

STABILIZED OPERATING INCOME STATEMENT

Gross Potential Income:	10,500	@	\$13.00	136,500
Vacancy and/or Collection Loss (10%)				13,650
Effective Gross Income				122,850
Less: Expenses (Lessor)				
Repairs and replacements (estimate) Insurance (estimated): Maintenance: (by Tenant)				2,000 10,000
Net Operating Income:				110,850

DIRECT CAPITALIZATION METHOD

Is a used to convert an estimate of a single year's income into an indication of value. It involves either dividing the income estimate by an appropriate capitalization rate, usually called an income rate, or multiplying the income estimate by an appropriate factor, usually called an income multiplier. The income estimate is usually the expected income for the first year of the investment holding period. The rate is based on an analysis of comparables sales.

Value of a Fee simple interest, is when estimating the value of the fee simple interest by the income approach, the annual operating income is forecast assuming market levels.

Value of lease fee interest, is the value of a property based on the cash flow used are those forecast after considering the impact of all existing leases.

According to gathered information in the market area the overall rate was found in a typical range within 7% to 10%. The appraiser consider appropriate for the present appraisal rate @ 8%

An estimate of value may be derived by applying the estimated Net Operating Income and the Overall Rate utilizing the formula V=NOI/R, whereby V= Market Value, NOI= Net Operating Income, and R= Overall Rate.

Thus:
$$\frac{NOI}{R} = \frac{\$110,850}{0.08} = \$1,304,118$$

Therefore, the market value of the subject property via the Income Comparison Approach fee simple title as of July 28, 20 :

ONE MILLION THREE HUNDRED THOUSAND dollars

\$1,300,000

Reconciliation of value

RECONCILIATION VALUE ("AS-IS")

The appraiser has utilized all applicable approaches in the market value estimate of the subject property.

In the sales comparison approach, the appraiser searched the subject submarket and utilized three improved sales in to calculate the market value of the subject property via this approach. Adjustments were made to the sale properties and a market value via this approach was ascertained, it is well accepted give more emphasis to this approach while comparables are available.

In the income approach, there were selected which is considered competitive rental space, the appraiser analyzed the rental market and established a market value using the Capitalization Method.

The three approaches produced the following market value:

Cost Approach	\$1,100,000
Sales Comparison Approach	\$900,000
Income Approach	\$1,300,000

Although the income approach is applicable for income producing properties, this based in a future revenue; the Sales comparison approach reflects the actual actions of sellers and buyer at the effective date of the appraisal.

Therefore, the market value of the subject fee simple title as of July 28, 20

NINE HUNDRED THOUSAND dollars

\$900,000

The appraised value is premised on the marketing and exposure times indicated in this appraisal report.

STATEMENT OF BASIC ASSUMPTIONS AND LIMITING CONDITIONS

The certification of the Appraiser appearing in the appraisal report is subject to the following conditions and to such other specific and limiting conditions as are set forth by the Appraiser in the report.

- 1. The Appraiser assumes no responsibility for matters of a legal nature affecting the property appraised of the title thereto, nor does the Appraiser render any opinion as to the title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership.
- 2. Any sketch in the report was based on measures taken on site, the approximate dimensions help in visualizing the property shape. The appraiser has made no survey of the property.
- 3. The Appraiser is not required to give testimony or appear in court because of having made the appraisal with reference to the property in question unless arrangements have been previously made therefore.
- 4. Any distribution of the valuation in the report between land and improvements applies 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 so used.
- 5. The Appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. The Appraiser assumes no responsibility for such conditions of for engineering which might be required to discover such factors.
- 6. 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.
- 7. Disclosure of the contents of the appraisal report is governed by the By-laws and Regulations of the professional appraisal organizations with which the Appraiser is affiliated.
- 8. Neither all, nor any part of the content of the report, or copy thereof (including conclusions as to the property value, the identity of the Appraiser, professional designations, reference to any professional appraisal organization, or the firm with which the Appraiser is connected) shall be used for any purposed by anyone but the client specified in the report, the borrower if appraisal fee paid by same, the lender or its successors and assigns, mortgage insurers, consultants, professional appraisal organization, any state of federally approved financial institution, any department, agency, or instrumentality of the United State or any state or the District of Columbia without the previous written consent of the Appraiser; nor shall it be conveyed by anyone to the public through advertising, public relation, news, or other media without the written concept and approval of the Appraiser.

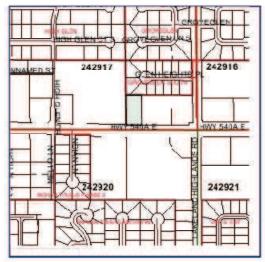
- 9. On all appraisals, subject to satisfactory completion, repairs, or alterations, the appraisal report and value conclusion are contingent upon completion of the improvements in a workmanlike manner.
- 10. Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyl, petroleum leakage, or agricultural chemicals, which might or might not be present on the property, or other environmental conditions, were not called to the attention of nor did the appraisers become aware of such during the appraiser's inspection. The appraisers have no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraisers, however, are not qualified to detector test such substances or conditions. This appraisal has been prepared as delineated in the Function of the Appraisal and does not constitute an expert inspection of the property. If the presence of substances or environmental materials might affect the value of the property, the value estimate is predicted on the assumption that there is no such material or condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such condition, or for any expertise or engineering knowledge required to discover them. If desired, the client or lender should retain an expert on this field. The only way to be certain as to condition of the property with respect to "environmental hazards" is to have an expert in the field inspect the property. The appraisal should not be relied on as to whether or not environmental hazards actually exist on the property.

APENDIX

COMPARABLE SALE#4 TAX CARD

County Property Appraiser

Internet Mapping



DISCLAIMER: All maps are worksheets used for illustrative purposes only. They are not surveys. The information is provided "as is."

Parcel Info

Parcel ID:	
Owner 1:	MCDONALDS USA LLC
Address:	2110 HIGHWAY 540A
Legal Desc;	W F HALLAM & CO'S CLUB COLONY THACT PB 1 PG 102A LOT 64 S1/2 W 150 FT LESS S 40 FT FOR RD R/W
Property (DOR) Use Code:	1180 (Laundromat)
Acreage:	0.9971 Acres
Taxing District:	90000 (UNINCORP/SWFWMD)

Sales Information

Date of Sale	Q/U	Sales Price
6/22/2011	Q	\$745,000.00
1/3/2008	U	\$100.00
9/1/1991	Q	\$119,700.00
4/1/1991	Q	\$119,700.00

All above in	formation is current (as of 8/3	2:56:35
AM).	All below information is 20	Final.

Value Summary

Value Name	Price
Building Value	\$136,640
Extra Feature Value	\$7,413
Land Value (Market)	\$445,178
Just Market Value	\$589,231
Assessed Value	\$589,231
Exempt Value	so
Taxable Value	\$589,231

Sec. 19-84. - C-1 Highway commercial district.

(a)

Scope. The purpose of the C-1 Highway Commercial District is to provide for commercial uses of land and buildings along highway frontage in a manner that will:

(1)

Recognize its economic utility in servicing the motoring public;

(2)

Establish certain criteria to promote traffic safety in such service; and

(3)

Minimize any adverse effect of such commercial uses on adjoining residential or agricultural districts.

(b)

Principal uses permitted. The following principal uses shall be permitted in the C-1 district:

(1)

Multi-family dwellings, or combination residence/limited commercial uses.

(2)

All other principal uses permitted in R-2 districts except single-family uses.

(3)

Highway-oriented businesses such as service stations; motels or hotels; restaurants; automotive, farm machinery and equipment rental, sales and services; recreational vehicle, or travel trailer or mobile home sales and service.

(4)

Any legal use of land or buildings which offers goods or services for retail sale or rental to the public or any sector of the public.

(5)

Commercial and personal services, such as barber and beauty shops, shoe repair, book and record sales, laundry pickup and delivery, antique shops, camera and photographic supplies and sales, pharmaceutical sales, custodial care centers for preschoolers or elderly persons, educational facilities public or private.

(6)

Professional offices, such as dental, medical, legal, real estate, insurance, accounting, finance, trade organizations, cooperatives, government; where the principal use is that of providing goods and services at retail. Medical or dental clinics or hospitals for human care. Warehousing or wholesaling as a principal use when totally enclosed in a building providing visual obstruction from off-site. Accessory uses permitted. Any use normally deemed to be clearly incidental and secondary to a permitted use shall be permitted in the C-1 district. Special exception uses. Uses which may be permitted or excluded in the C-1 district by the board of zoning adjustment after a public hearing: Churches and church uses. Mobile home structures for temporary offices, not to exceed six (6) months in any eighteen-month period. Tents and temporary buildings, not to exceed six (6) months in any eighteen-month period. Any free standing advertising sign or advertising device. Funeral parlors, homes or mortuaries. Flea markets. Prohibited uses. The following listed or implied uses are prohibited in any C-1 district. Single-family residence use.

Any use not permitted by subsections (b), (c) or (d) above or reasonably

(7)

(8)

(1)

(2)

(3)

(4)

(5)

(6)

(1)

(2)

implied therein.

(e)

(c)

(d)

(3)

Warehousing or wholesaling as a principal use when not enclosed within a building which provides visual obstruction from off-site.

(f)

Lot and living area minimum requirements. The following shall be the minimum requirements for lot and living areas in the C-1 district:

	Use	Minimum Lot Area	Minimum Living Area	
(1)	Duplex, multi-family town house, boarding house, convalescent home, clinic	Same as R-2 districts		
(2)	Motel or hotel	21,000 square feet plus three square feet of land area for each one square foot of floor area above 21,000		
(3)	Professional offices, commercial and personal services, highway-oriented businesses, retail sales, clinics, hospitals	No minimum, except to meet parking and building use requirements		
(4)	Churches and church use	Same as R-2 districts		
(5)	Special exception uses	As otherwise provided in this chapter, and as required by the board of zoning adjustment to be reasonable		

(g)

Yard and building requirements. The following are the yard and building requirements in the C-1 district:

(1)

Residential uses. See R-2 regulations.

(2)

Churches. Same as for R-2 districts.

(3)

Professional offices or personal services. No side or rear yard shall be required at locations where property abutting that proposed to be used for this purpose is in a commercial or industrial zoning classification; however, where adjoining property is in any residential zoning classification, there shall be not less than ten (10) feet distance between the structure and the residentially zoned property line. There shall be a minimum of twenty (20) feet between the front or side building line and any right-of-way on any front or side street or alley.

(h)

Height limitations. No building or structure in the C-1 district shall exceed two (2) stories, or thirty-five (35) feet in height. Any structure proposed to exceed thirty-five

(35) feet in height shall be considered by the board of zoning adjustment as a special exception and may thereby be permitted provided fire protection provisions meet all county and state requirements, and the board of zoning adjustment authority is not exceeded.

(i)

Lot coverage. Lot coverage for all buildings on any lot or parcel in the C-1 district shall be as follows:

(1)

Permitted residential uses. Same as for R-2 districts.

(2)

Churches and church uses. Same as R-2 districts.

(3)

Other uses. No minimum, except that needed to provide side, rear and front yards where required.

(j)

Lot widths. Lot widths in the C-1 district at the building line shall be as follows:

(1)

Permitted residential and church uses. Same as R-2 districts.

(2)

Other uses. No minimum, except the width necessary to meet yard and building area.

(Code 1972, § 28-21)