

APPRAISAL REPORT

A Summary Appraisal Report

Property Type:

Concrete Block Commercial Retail Building and storage

Commonly Known As:

2 E Main St
Avon Park, FL 33825

Prepared For:

City of Avon Park
110 E Main St
Avon Park, FL 33825

Effective Date of Appraisal:

August 25, 2014

Prepared By:

Robert M. Alexander
State Certified General Appraiser
License No.: RZ 1500

PRITCHETT REAL ESTATE GROUP, INC.
2904 ½ US HWY 27 SOUTH
SEBRING, FLORIDA 33870
FILE NO.: T-125

THE USE OF THIS APPRAISAL BY ANYONE OTHER THAN CITY OF AVON PARK AND FOR ANY OTHER USE AS DESCRIBED WITHIN THIS REPORT IS STRICTLY PROHIBITED AS PER USPAP STANDARD RULES 1-2(A) AND 1-2(B). BY ACCEPTANCE OF THIS REPORT, CITY OF AVON PARK AGREES THAT THIS APPRAISAL WILL ONLY BE USED BY THE INTENDED USER AND FOR THE DISCLOSED INTENDED USES.

Use of this report constitutes acceptance of the General Assumptions and Limiting Conditions listed within the addenda of this report and the additional following assumptions as listed below:

- 1.) I assume the information obtained from the appropriate regulatory office concerning the zoning of the subject property is correct. This appraisal is dependent upon written verification of said zoning classification. My appraised value is contingent to the subject property complying with all regulations.
- 2.) No determination is made for soil condition. The value outlined within this report assumes that the subject is a normal buildable site and no corrective measures are necessary. A Geotechnical Exploration by a qualified engineer is required to determine the suitability of the subject site for structures.
- 3.) The value estimated in this report assumes the property is not negatively affected by the existence of hazardous substances or detrimental environmental conditions.
- 4.) I assume all mechanical items (i.e.: appliances, air conditioner, heat units, electrical service, plumbing, and fixtures) are working.
- 5.) The Americans with Disabilities Act ("ADA") became effective January 26, 1992. I have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since I have no direct evidence relating to this issue, I did not consider possible noncompliance with the requirements of ADA in estimating the value of the property.

This Letter of Transmittal is part of the full narrative appraisal report that follows, setting forth the most pertinent data and reasoning used to conclude the final value.

I appreciate the opportunity of being of service to you.

Respectfully Submitted,

PRITCHETT REAL ESTATE GROUP, INC.

Robert M. Alexander
State Certified General Appraiser
License No.: RZ 1500

CERTIFICATE OF APPRAISAL:

I HEREBY CERTIFY THAT UPON APPLICATION FOR VALUATION BY:

City of Avon Park

I have personally examined the subject property, commonly known as:

2 E Main St
Avon Park, FL 33825

Based on market analysis, inspection and research, it is my opinion that the Market Value of the Fee Simple Interest of the subject property, subject to definitions, assumptions and limiting conditions, as of August 25, 2014 is:

\$410,000

FOUR HUNDRED TEN THOUSAND DOLLARS

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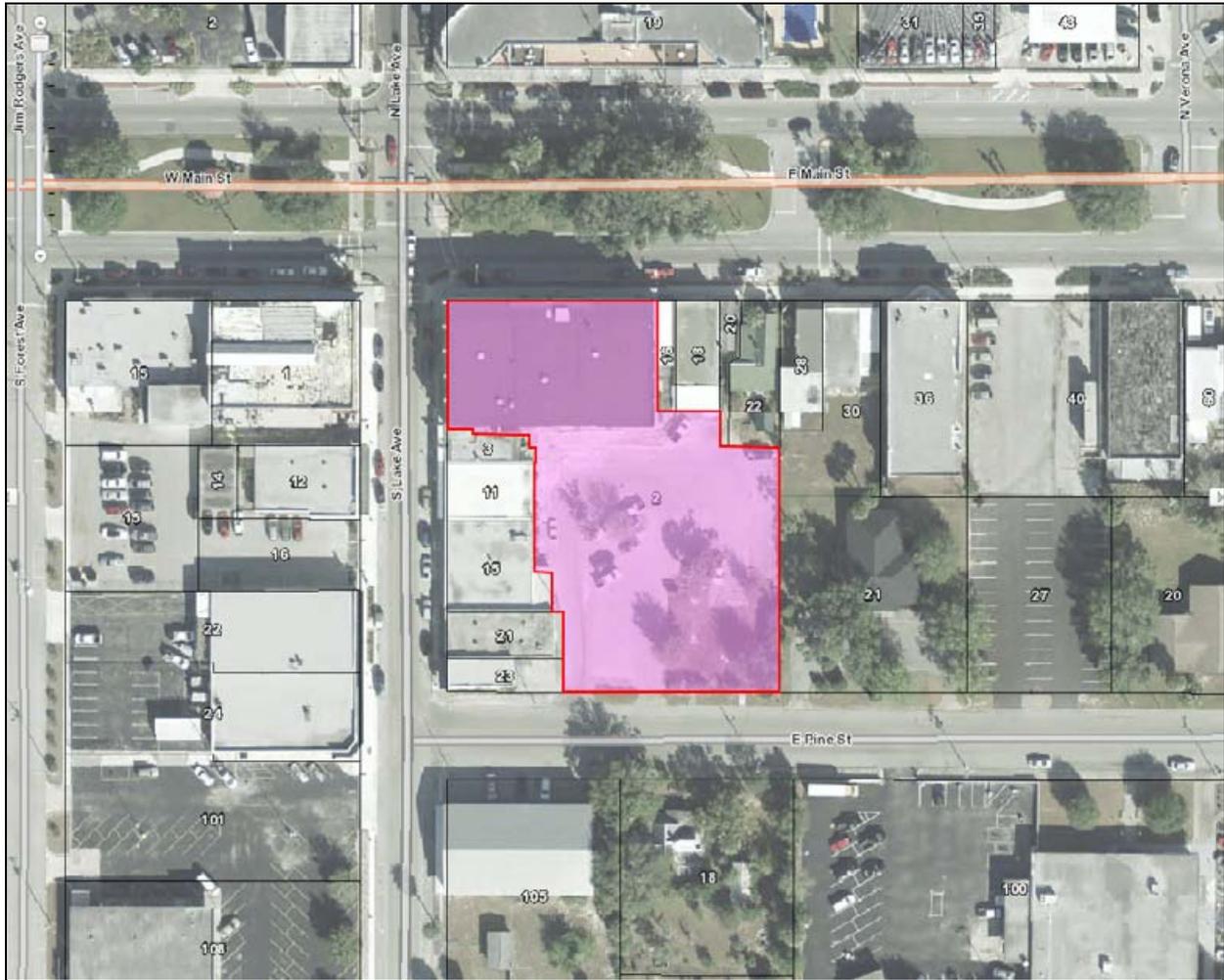
I ADDITIONALLY CERTIFY that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported Assumptions and Limiting Conditions, and are my personal, unbiased professional analyses, opinions and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- This appraisal assignment was not made, nor was the appraisal rendered on the basis of a requested minimum valuation, specific valuation, or an amount which would result in approval of a loan.
- My analyses, opinions, and conclusions were developed and this report has been prepared, in conformity with: the requirements of the State of Florida for state certified appraisers; the requirements of the Uniform Standards of Professional Appraisal Practices; and the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute of Real Estate Appraisers.
- The use of this report is subject to the requirements of the State of Florida relating to review by the Real Estate Appraisers Subcommittee of the Florida Real Estate Commission and to the requirements of the American Institute of Real Estate Appraisers relating to review by its duly authorized representatives.
- The qualifications attached briefly describe my educational background and experience. I believe that this background is sufficient to complete this appraisal assignment; therefore, no additional steps were taken to comply with the Competency provision of the USPAP.
- On August 25, 2014 I made a personal inspection of the subject property.
- No person provided significant professional assistance to the person(s) signing this report.

PRITCHETT REAL ESTATE GROUP, INC.

Robert M. Alexander
State Certified General Appraiser
License No.: RZ 1500

PLAT MAP



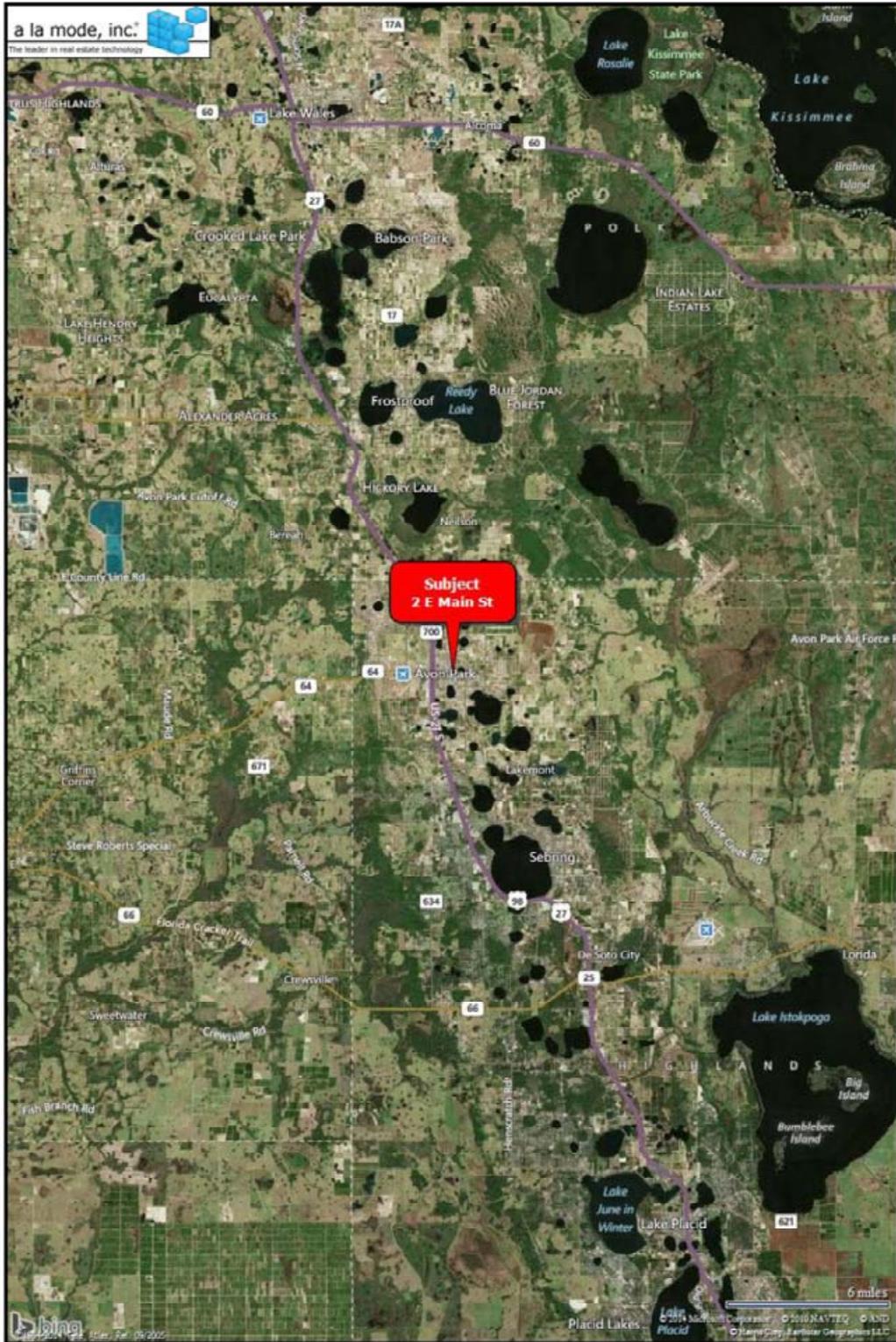
2 E Main St
Avon Park, FL 33825
A-22-33-28-010-0420-0040

LEGAL DESCRIPTION:

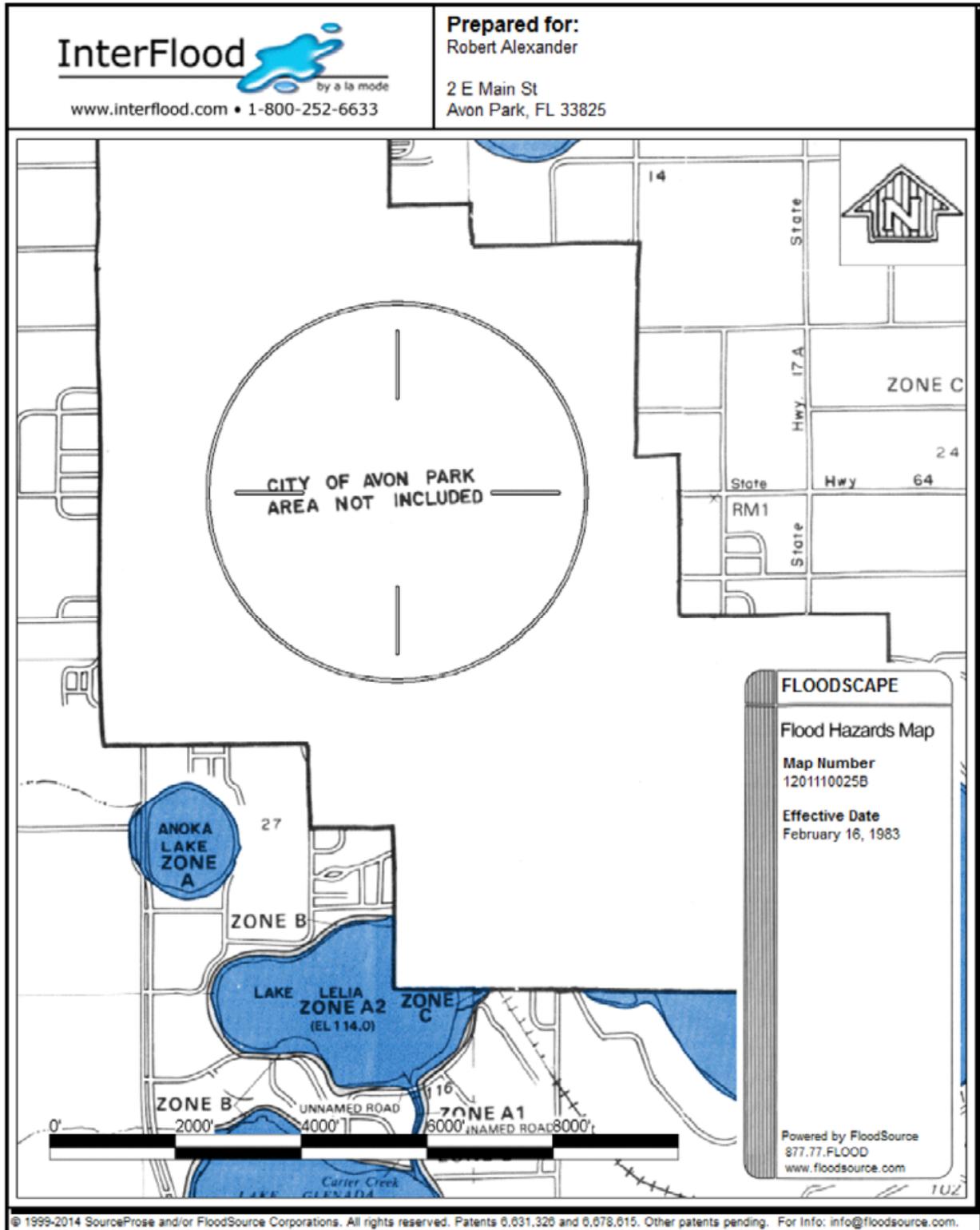
The following legal description was scanned from the Certificate of Title recorded at OR Book 1312 Pg 1303 of the Highlands County Records. It is the most recent and most credible information available:

A PORTION OF LOT 5 AND A PORTION OF THE WEST 110.00 FEET OF LOT 4, BLOCK 42, TOWN OF AVON PARK IN SECTION 22, TOWNSHIP 33 SOUTH, RANGE 28 EAST, AS RECORDED IN PLAT BOOK 1, PAGE 58, OF THE PUBLIC RECORDS OF DESOTO COUNTY, FLORIDA, OF WHICH HIGHLANDS COUNTY WAS FORMERLY A PART; MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCE AT THE SOUTHWEST CORNER OF SAID LOT 5; THENCE RUN SOUTH 89 DEGREES 19 MINUTES 17 SECONDS EAST ALONG THE SOUTH LINE OF SAID LOT 5 FOR 80.00 FEET TO THE POINT OF BEGINNING; THENCE NORTH 00 DEGREES 05 MINUTES 41 SECONDS EAST FOR 55.76 FEET; THENCE NORTH 89 DEGREES 45 MINUTES 03 SECONDS WEST FOR 7.80 FEET; THENCE NORTH 00 DEGREES 05 MINUTES 41 SECONDS WEST FOR 27.62 FEET; THENCE NORTH 89 DEGREES 41 MINUTES 28 SECONDS WEST FOR 12.00 FEET; THENCE NORTH 00 DEGREES 05 MINUTES 41 SECONDS EAST FOR 74.84 FEET; THENCE SOUTH 89 DEGREES 35 MINUTES 12 SECONDS EAST FOR 1.10 FEET; THENCE NORTH 00 DEGREES 05 MINUTES 41 SECONDS EAST FOR 11.35 FEET; THENCE NORTH 89 DEGREES 54 MINUTES 19 SECONDS WEST FOR 4.90 FEET; THENCE NORTH 00 DEGREES 05 MINUTES 41 SECONDS EAST FOR 8.80 FEET; THENCE NORTH 89 DEGREES 54 MINUTES 19 SECONDS WEST FOR 38.70 FEET; THENCE NORTH 00 DEGREES 05 MINUTES 41 SECONDS EAST FOR 4.10 FEET; THENCE NORTH 89 DEGREES 54 MINUTES 19 SECONDS WEST FOR 17.70 FEET TO THE WEST LINE OF SAID LOT 5; THENCE NORTH 00 DEGREES 05 MINUTES 41 SECONDS EAST, ALONG SAID WEST LINE, FOR 88.06 FEET TO THE NORTHWEST CORNER OF SAID LOT 5; THENCE SOUTH 89 DEGREES 43 MINUTES 01 SECONDS EAST ALONG THE NORTH LINE OF SAID LOT 5 AND A PORTION OF LOT FOR 145.23 FEET; THENCE SOUTH 00 DEGREES 16 MINUTES 59 SECONDS WEST ALONG A COMMON LINE BETWEEN A TWO STORY AND ONE STORY BUILDING FOR 75.57 FEET; THENCE SOUTH 89 DEGREES 43 MINUTES 01 SECONDS EAST FOR 43.42 FEET; THENCE SOUTH 00 DEGREES 05 MINUTES 01 SECONDS WEST FOR 25.56 FEET; THENCE SOUTH 89 DEGREES 43 MINUTES 01 SECONDS EAST FOR 41.85 FEET TO A POINT 10.00 FEET WEST OF THE EAST LINE OF SAID LOT 4; THENCE SOUTH 00 DEGREES 05 MINUTES 18 SECONDS WEST AND PARALLEL TO SAID EAST LINE OF LOT 4 FOR 170.24 FEET TO THE SOUTH LINE OF SAID LOT 4; THENCE NORTH 89 DEGREES 19 MINUTES 17 SECONDS WEST ALONG THE SOUTH LINE OF SAID LOTS 4 AND 5 FOR 150.29 FEET TO THE POINT OF BEGINNING. THE GRANTORS RESERVE A NON-EXCLUSIVE EASEMENT FOR INGRESS AND EGRESS DESCRIBED AS FOLLOWS: COMMENCE AT THE SOUTHWEST CORNER OF LOT 4, COMMON WITH THE SOUTHEAST CORNER OF LOT 5, OF BLOCK 42, TOWN OF AVON PARK, IN SECTION 22, TOWNSHIP 33 SOUTH, RANGE 28 EAST, AS RECORDED IN PLAT BOOK 1, PAGE 58, OF THE PUBLIC RECORDS OF DESOTO COUNTY, FLORIDA, OF WHICH HIGHLANDS COUNTY WAS FORMERLY A PART; THENCE RUN SOUTH 89 DEGREES 19 MINUTES 17 SECONDS EAST ALONG THE SOUTH LINE OF SAID LOT 4 FOR 12.00 FEET TO THE POINT OF BEGINNING; THENCE NORTH 00 DEGREES 05 MINUTES 18 SECONDS EAST FOR 110.38 FEET; THENCE NORTH 45 DEGREES 00 MINUTES 00 SECONDS EAST FOR 36.44 FEET; THENCE NORTH 00 DEGREES 05 MINUTES 01 SECONDS EAST FOR 58.85 FEET; THENCE SOUTH 89 DEGREES 43 MINUTES 01 SECONDS EAST FOR 30.42 FEET; THENCE SOUTH 00 DEGREES 05 MINUTES 01 SECONDS WEST FOR 25.56 FEET; THENCE SOUTH 89 DEGREES 43 MINUTES 01 SECONDS EAST FOR 41.85 FEET; THENCE SOUTH 00 DEGREES 05 MINUTES 18 SECONDS WEST FOR 54.00 FEET; THENCE SOUTH 89 DEGREES 43 MINUTES 01 SECONDS WEST FOR 64.70 FEET; THENCE SOUTH 45 DEGREES 00 MINUTES 00 SECONDS WEST FOR 18.83 FEET; THENCE SOUTH 00 DEGREES 05 MINUTES 18 SECONDS WEST FOR 102.32 FEET TO THE SOUTH LINE OF SAID LOT 4; THENCE NORTH 89 DEGREES 19 MINUTES 17 SECONDS WEST ALONG SAID SOUTH LINE OF LOT 4 FOR 20.00 FEET TO THE POINT OF BEGINNING.

LOCATION MAP



FLOOD MAP



© 1999-2014 SourceProse and/or FloodSource Corporations. All rights reserved. Patents 6,631,326 and 6,678,615. Other patents pending. For Info: info@floodsource.com.

SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS:

Property Type:	Concrete Block Commercial Retail Building, two story partially renovated
Location:	Downtown Avon Park direct center of town
Site:	Irregular shape, 42,253 sq.ft.
Zoning:	C4 Commercial
Existing Improvements:	Brick/CB/CBS commercial/retail building originally constructed in 1919
Date of Value Estimate:	August 25, 2014
Final Value Conclusion:	\$410,000
Previous Sale:	Certificate of title issued 1/18/2012 no consideration OR 2312-1313
Current Listing	Listed by Coldwell Banker Commercial NRT, list price noted to be \$599,000 from advertisement, unable to obtain the actual listing.
Conditions:	This appraisal is subject to the General Assumptions and Limiting Conditions listed in the transmittal letter and within the addenda of this report. Your attention is directed to these conditions.
Statement of Prior Service:	To the best of my knowledge and belief, I have not provided any type of service on the subject property within the last three years.
Marketing Time:	12 months or less
Exposure Time:	12 months or less

OWNER OF RECORD:

Citizens Bank + Trust
222 State Rd 60
Lake Wales, FL 33853

CLIENT:

This appraisal is for the exclusive use of the client named in the transmittal letter of the appraisal report. Its use by others is strictly prohibited without the written consent by the appraiser. This appraisal is subject to the Assumptions and Limiting Conditions as outlined in the transmittal letter and listed in the addenda of this report. Your attention is directed to these conditions.

PURPOSE OF APPRAISAL:

The purpose of this appraisal is to estimate the Market Value of the Fee Simple Interest of the real property and existing improvements located at 2 E Main Street, Avon Park. Fee Simple Interest is regarded as an estate without limitations or restrictions. The Dictionary of Real Estate Appraisals, published by the American Institute of Real Estate Appraisers, 430 North Michigan Avenue, Chicago, Illinois, defines Fee Simple Estate:

"Absolute ownership unencumbered by any other interest or estate; subject only to the limitations of eminent domain, escheat, police power and taxation."

EFFECTIVE DATE OF VALUE ESTIMATE:

The effective date of appraisal is August 25, 2014.

DEFINITION OF MARKET VALUE:

Market value is the major focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined. A current economic definition agreed upon by federal financial institutions in the United States of America is:

"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 knowledgeable, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

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

"The estimated market value of the subject is expressed in terms of cash."¹

SCOPE OF APPRAISAL:

The Scope of Appraisal is the extent of the process of collecting, confirming, and reporting data in the appraisal of the subject property. The scope of work performed in this appraisal assignment includes the preliminary analysis of the appraisal problem; inspection of the property being appraised; consideration of the highest and best use of the land and property as improved; collection, verification, and analysis of data that would lead to completion of the three approaches to value as of the effective date of the appraisal; reconciliation of the value indicators from these approaches; arriving at a final conclusion as to the value of the property; and the preparation of a report that will present the significant data gathered in the investigation for this assignment, plus the analytical and conclusion procedures followed.

In developing the Estimate of Value, consideration has been given to the property's zoning and surrounding improvements. This narrative report describes the property, its neighborhood environment, the method of approach to the valuation problem, and contains data gathered and verified in the investigation for this appraisal assignment.

In the performance of this appraisal, sales of comparable property throughout the general area were researched. This research encompassed an analysis of recently recorded transactions in the Highlands County Courthouse, also conversations with area brokers and appraisers. These sales were verified and analyzed to decide their true comparability with the subject property. The sales discussed were selected as most comparable and were used in this analysis. Finally, the value conclusions by the Direct Sales Comparison Approach; Cost Approach; and the Income Capitalization Approach were reconciled and a final value estimate given.

The appraiser(s) made a field inspection of the subject property, reviewed published maps (plats, aerials, soil maps, flood plain maps, etc.), and reviewed and analyzed public records information (property appraiser files, compilation of warranty deeds, etc.) Comparable sales have been confirmed and inspected (except in limited occasions, as noted), and an adequate and sufficient search made for information used in applying the applicable approaches to value. Further detail and explanation is in the body of the report.

The appraiser(s) are not qualified soils, building, or environmental engineers, or architects, and accept no responsibility for those matters. Anything of significance that was noted or found during the assignment is mentioned in the report.

¹Definition from UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE, as promulgated by the Appraisal Standards Board of The Appraisal Foundation, pages 7-8 and CHAPTER 12, CODE OF FEDERAL REGULATION, PART 34.42 (F).

TAX ASSESSMENT DATA:

Owner of Record:	Citizens Bank + Trust
Tax I.D. Number:	A-22-33-28-010-0420-0040
Certified Assessed Value (2013):	\$420,221
Taxes (2013):	\$8,983.99
TOTAL:	

Note: the tax bill may also include non-advalorem taxes for fire protection and garbage collection.

SALES AND LISTING HISTORY OF SUBJECT:

According to the Highlands County Property Appraiser's Office, there have been no prior arm's length transactions during the past five years. There was a certificate of title issued 1/18/2012 OR 2312-1313. There was an arm's length transaction 3/15/2008 (outside reporting requirements) for \$400,000 OR 2132-0003.

CONTRACT PRICE:

Subject is under contract for \$370,000. Subject is currently listed for \$599,000.

BORROWER:

None

SIZE AND SHAPE:

According to the tax plat map, the subject property is very irregular in shape, and has about 42,253 sq.ft. of area. There is corner frontage on Main St and Lake Avenue. Access is from Main Street East from US Hwy 27.

ZONING:

According to City of Avon Park and Highlands County planning and zoning, the subject parcel is zoned C4 commercial. The regulations are enforced by Highlands County. According to the Zoning Department, a written request with survey showing all improvements would be required to determine if the subject complies with zoning setback regulations.

The appraiser(s) assume the information obtained from the appropriate regulatory office concerning the zoning of the subject is correct. This appraisal is dependent upon written verification of said zoning classification. The appraised value is subject to the subject property complying with all regulations.

ZONING CODE (C4 Commercial) . . .

2.04.02.09 C-4 Mixed-Use Commercial

- (A) FLUM Designation: Downtown Commercial
- (B) Purpose: To permit residential, office and low-intensity commercial uses in a downtown mixed-use environment in accordance with the goals, objectives and policies of the Comprehensive Plan, the Main Street Program, and the Community Redevelopment Agency .This district is intended to define the central business district and the downtown area for the City of Avon Park. It is intended to protect the character of existing historic structures and features of Avon Park's downtown. It is meant to encourage any development that will enhance the economic and social viability of the downtown area, encourage pedestrian access, and better define the community of Avon Park.
- (C) Permitted Principal Uses & Structures:
Uses permitted in this district are detailed in the Table of Land Uses in Section 2.04.01 (A). The letter "P" designates permitted uses. Uses designated by the letter "D" are also permitted, but require the submission and approval of a Site Development Plan prior to application for a Development Permit. Article 7 governs review of an application for approval of a Site Development Plan.
- (1) Any number of permitted uses may be conducted at the same time in the principal structure; such as, a building with a combination of offices and restaurants, and living units above.
 - (2) All businesses must adhere to the CRA' s established Minimum Maintenance Standards.
 - (3) Permitted uses must be compatible with the existing character of the central business district.
 - (4) Structures, including signs, must be compatible in design with the historic character of the existing buildings and any adopted community programs for downtown.
 - (5) Dwelling units that are a part of a non-residential use, such as residential units above commercial units, shall be a minimum of 800 square feet in living area.
 - (6) All development proposals shall be referred to the City Manager for coordination with the Main Street Program and the Community Redevelopment Agency.
- (D) Accessory Uses:
Accessory uses and structures customarily incidental and subordinate to permitted principal uses and structures; provided, however, that no accessory structures shall be located on property other than that on which the principal structure is located. Section 2.05 contains detailed guidance and regulations for permitted accessory uses.
- (I) Where commercial and residential uses share a development site, no residential accessory uses shall be permitted.

ZONING CODE (C4 Commercial) cont . . .

- (E) Special Exception Uses:
Uses permitted as Special Exceptions in this district are detailed in the Table of Land Uses in Section 2.04.01 (A). The letter "S" designates such uses. Special Exception uses require the submission of an application and approval by the Board of Adjustment prior to application for a Development Permit. Article 7 governs review of an application for approval of a Special Exception.

- (F) Development Standards:
Development standards for uses in this district are detailed in the Table of Development Standards in Section 2.04.01(B). Specifically, standards are established for Maximum Density; Minimum Lot Size; Minimum Lot Width; Minimum Lot Depth; Minimum Floor Area; Floor Area Ratio (as applicable); Setbacks; Maximum Lot Coverage; and Maximum Building Height.

2.04.01 Zoning District Summary Tables

The tables on the following pages present, in a quick-reference form, information regarding permitted and special exception land uses, and development standards for all zoning districts. These tables must be read in conjunction with the regulations for specific zoning districts in Section 2.04.02. The key to the table is as follows:

- P = Permitted Use
- D = Site Development Plan required, use is permitted upon approval of a site development plan
- S = Special Exception Use, Board action required
- C = Conditional Use, Board action required, City Council action required

Table 2.04.01(A), Table of Land Uses

Category/Use	R-1AA	R-1A	R-1	R-2	R-3	C-1	C-2	C-3	C-4	I-1	I-2	PI	PR	PC	PUD
Single Family Dwelling Units															
Single family detached, std. construction and Modular construction (Factory Built Building Meeting DCA, Not Mobile Home)	P	P	P	P											P
Single family detached, in a minimum 5-acre subdivision							P								
Single family, attached, each w/ a ground floor entry, such as Patio home, Townhouse, Condominium				P	P	P		P	P						P
Single family detached manufactured home (aka mobile home), allowed in parks only					D		D								P
Manufactured (Mobile) Home Park					D		D								P
RV park							D						D		
Residential units above businesses						P	P	P	P			D			P
Agricultural uses w/ or without home	C	C	C	C	C	C	C		C	C	C	C	C	C	C
Duplex, each with a ground floor entry				P	P	P									P
Guesthouse/ Garage Apartment	P	P	P	P	P				D						P
Multi Family Dwelling Units															
Apartment building 1-4 units				P	P	P	P	P	P						P
Apartment building 5 or more units					P		P	P							P
Boarding house				P	P	P		P	P						
Condominiums					P	P	P	P							P
Cottages, tourist use					P	P	P								
Group Care Facilities															
Adult Family Care Home, Family Day Care Home, Family Foster Care	P	P	P	P	P										P
Special Needs Facilities: Child Care Facility, Adult Day Care Center, Assisted Living Facility, Foster Care Facility, Group Home Facility, Hospice Residential Unit	S	S	S	S	S	P	P	P	P						P
Nursing home					D	D	P	D	D			P			P
Retail Commercial, NO outdoor storage or activities															
Adult Entertainment Establishment										D					
Antique shop						P	P		P						P
Appliance repair							P		P	P	P				P
Bed & Breakfast Inns			D	D	D	P	P	P	P						P
Convenience Store, no gas						P	P	P	P	P	P				P

Category/Use	R-1AA	R-1A	R-1	R-2	R-3	C-1	C-2	C-3	C-4	I-1	I-2	PI	PR	PC	PUD
Drinking establishment						P	P	P	P	P	P				P
Funeral home						P	P		P						P
General retail, indoor & less than 5,000 s.f.						P	P		P						P
General retail, indoor and including used machinery and equipment							P								P
Hardware Store, small scale						P	P		P						P
Hotel/motel						D	D	D	D						P
Laundromat						P	P		P						P
Mini warehouse							D			P	P	P			
Recreation, indoor, commercial						D	D		D	D	D				P
Restaurant, non drive thru						P	P	P	P	P	P				P
Restaurant, with drive thru or drive thru only							P	P		P	P				P
Restaurant w outdoor setting permitted						P	P	P	P						
Shopping center or stand-alone store of less than 150,000 s.f.						D	D		D						P
Shopping center or BIG BOX of more than 150,000 s.f.							C								P
Veterinary clinic, indoor kennel only						P	P		P	P	P				P
Automotive/Vehicle Sales, Parts, Repairs															
Auto parts, retail sales							P		P	P					P
Auto/Vehicle sales, new or used (auto, truck, boat, RVs), dealerships w/ sales & service							P								P
Filling station (convenience store w/gas)						P	P	P	D	P	P				P
Service station (minor repairs indoors)							P	P	P	P	P				P
Automotive repair							P			P	P				P
Auto/Vehicle salvage yard											D				
Vehicle Repair (other than automotive, such as boat, RVs & manufactured homes)											P				
Junkyard											C				
Retail Commercial, Outdoor Storage and Display Permitted															
Antique shop							P		P						P
Appliance repair							P			P	P				P
BIG BOX retailer w/ outdoor storage							C								P
Boat ramps , docks & marinas, commercial						D	D		D	P	P		P	P	P
Commercial parking lot							D								P
Day Care Center, commercial							D	D	D						

Category/Use	R-1AA	R-1A	R-1	R-2	R-3	C-1	C-2	C-3	C-4	I-1	I-2	PI	PR	PC	FUD
Flea market											D				
General retail							P								P
Home Improvement Center, Building supply, with outdoor storage and displays							P			P	P				P
Manufactured (mobile) home sales										P	P				
Plant nursery							P			P	P	P			P
Recreation, outdoor, commercial								D					D		P
Recycling center (outdoor)											P	P			
Repair shops, no vehicles										P	P				
RV campground								D					D		P
Shopping center or stand-alone store of less than 150,000 s.f.						D	D		D						P
Shopping center or BIG BOX of more than 150,000 s.f.							C								P
Truck stop								D		D	D				P
Used Equipment sales								P		P	P				
Veterinary clinic w/kennel, or kennel								P		P	P				P
Office/Financial/Medical Facilities/Clubs															
ATM Walk up or Drive up Unit						P	P	P	P						P
Bank/financial institution, no drive thru						D	P	P	D						P
Bank/financial institution, with drive thru							P	P							P
Business & Office Park								P		P					
Clinic, medical or dental								P	P	P					P
Hospital						D	P	D	D						P
Medical laboratory						D	P	P	D	P	P				P
Private club						P	P	P	D			P	P		P
Professional office						P	P	P	P						P
Real estate/business office						P	P	P	P						P
Light Industrial															
Equipment, Sales/repair of										P	P				
General non-retail and service commercial										P	P				
Manufacture of finished products										P	P				
Mini-warehouse										D	D				
Printing/publishing										D	D				
Propane gas, Sales/minor storage of								P		P	P				
Recycling center (indoor)										D	D	D			

Category/Use	R-1AA	R-1A	R-1	R-2	R-3	C-1	C-2	C-3	C-4	I-1	I-2	PI	PR	PC	PUD
Recycled materials processing										P	P				
Warehousing										P	P	P			
Welding and fabrication										P	P				
Heavy Industrial – Outdoor Storage Permitted															
Airports/aviation uses										D	D	P			
Building supply, wholesale											P				
Citrus processing plant											P				
Equipment, Sales/repair of										P	P				
Freight/trucking terminal								D		D	P				
Storage of sand/gravel/blocks											D	D			
Warehousing											P				
Wholesale distribution											P				
Public Service Facilities															
Auto license/tag facility						P	P	P	P	P	P	P			
City hall/municipal building								P	P			P			
Communications tower, commercial											D				
Communications tower, governmental												D			
Electric power plant/Co-generation plant											P	D			
Fire station						D	D	P	P	P	P	P			
Police station						P	P	P	P	P	P	P			
Post office							P	P	P	P	P	P			
Power substation	D	D	D	D	D	D	D	D	D	D	D	D			P
Public wellfield w/o treatment												P			
Sewage disposal facility (municipal)								D	D	D		P			
Sewer lift station	P	P	P	P	P	P	P	P	P	P	P	P	P		P
Telephone switching station	P	P	P	P	P	P	P	P	P	P	P	P	P		P
Water plant (on-site, municipal)												P	P		
Water tower								D	D		P	P	P		
Education/Cultural Facilities															
Cemetery												P			P
Church	D	D	D	D	D										
Civic center/auditorium								P	P	P		P			
College/university								P	P	P		P			
Community center						P	P	P	P			P			P
Museum						D	P	P	P			P			P
Public library						D	P	P	P			P			P

Regulations for Specific Districts 5-09-05

Category/Use	R-1AA	R-1A	R-1	R-2	R-3	C-1	C-2	C-3	C-4	I-1	I-2	PI	PR	PC	PUD
School (grades K-12)	P	P	P	P	P	P	P	P	P			P			P
School, private (K-12)	D	D	D	D	D	D	D	D	D			D			P
Vocational/Technical school							P	P	P	P	P	P			P
Recreation/Conservation Uses															
Golf course	D	D	D	D	D	P	P	P	P	P	P	D	D	G	P
Park	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Recreation, indoor, PUBLIC					P	P	P	P	P			P	P	P	P
Recreation, outdoor, PUBLIC	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P

District	Maximum Density (units/ac)	Minimum Lot Size (square feet)	Minimum Lot Width (feet)	Minimum Floor Area	Setbacks (in feet)			Maximum Lot Coverage	Maximum Bldg. Height (feet)
C-3 MF	4	20,000 s.f.	70	800 s.f./unit	0	20	0	35%	35
C-4	--	7,000 s.f.	70	300 s.f.	0	0	0	50%	35
C-4 SF	6	7,000 s.f.	50	1,100 s.f.	25	20	7.5	35%	35
C-4 MF	4	20,000 s.f.	70	800 s.f./unit	0	20	0	35%	35
I-1	--	20,000 s.f.	100	300 s.f.	50	25	25	50%	45
I-2	--	1 acre	150	300 s.f.	50	50	50	75%	45
PI	16	10,000 s.f.	85	300 s.f.	25	20	10	30%	45
PR	--	7,000 s.f.	70	300 s.f.	25	20	10	N/A	35
PC	--	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
*PUD	16	*	*	*	*	*	*	*	*

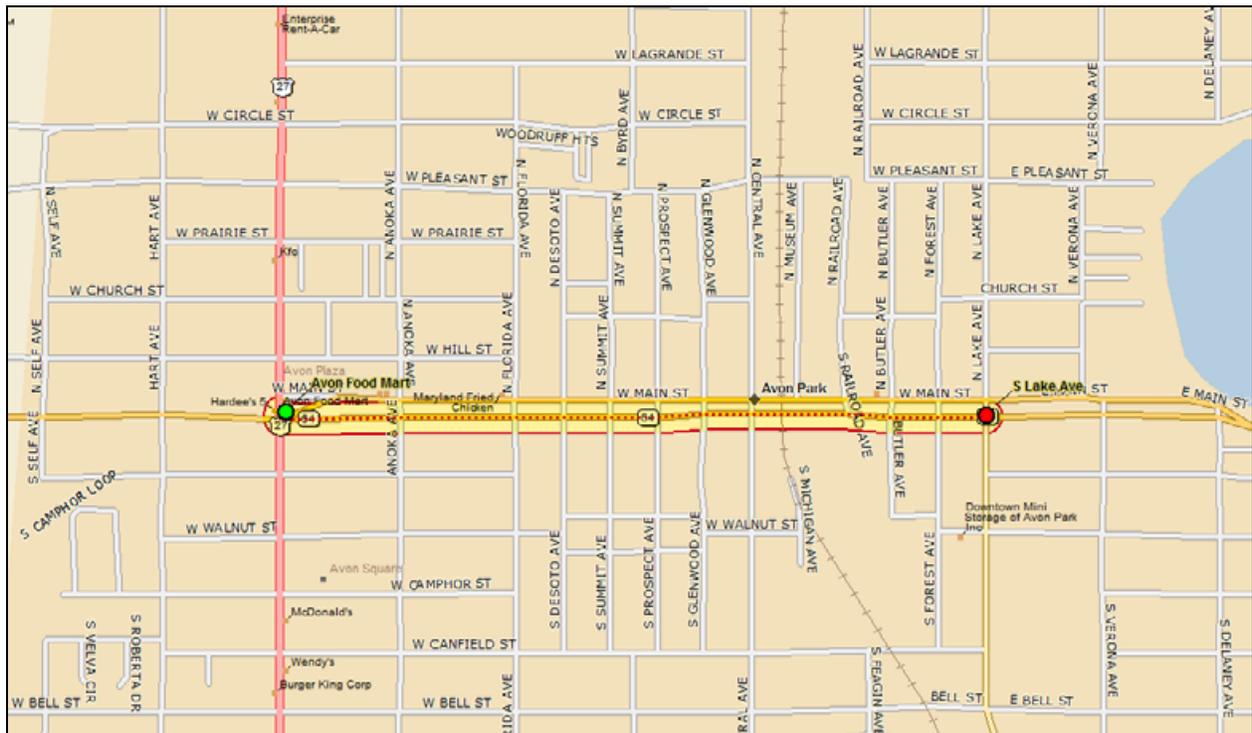
SF = Single family dwelling MF = Multi family dwelling s.f. = square feet NA = Not Applicable
 SW = Single wide DW = Double Wide MH = manufactured home RV = recreational vehicle
 *PUD: See text for regulations, Article 7, Section 7.04.00.

CONCURRENCY AND COMPREHENSIVE PLAN:

The 1985 amendments to FLORIDA STATUTES Chapter 163, Part II "County and Municipal Planning and Land Development Regulation" require local governments to adopt comprehensive land use plans that must include state mandated levels of service for seven types of public services and facilities: roads, mass transit, sanitary sewer, storm water, potable water, solid waste, and parks and recreation. This chapter prohibits local governments from issuing development permits if the development's impact would cause levels of service to fall below the adopted levels. The comprehensive plan is an extremely complicated issue that can severely restrict the use of land. Due to the difficulty in determining if the property meets the comprehensive plan, this appraisal assumes the subject property meets the requirements of the concurrency standards.

ACCESS:

The subject parcel has frontage on Main Street and S Lake Avenue all of which are publicly maintained roadways.



From the intersection of US Highway 27 and Main Street, proceed East on Main Street to the first traffic light which is about 3/4 mile, intersection of Lake Avenue. Property is on the right.

Photographs of Subject – Access



Main Street East



Main Street West



Lake Avenue North



Lake Avenue South



E Pine Street East



E Pine Street West

FLOOD HAZARD INFORMATION:

The subject property does not appear to be located in a Special Flood Hazard Area as identified by the Federal Emergency Management Agency. However, an elevation certificate would be required to verify this assumption.

Community Number: 120111 0025 B
Effective Date: February 16, 1983
Flood Zone: Not rated, city limits are not included

UTILITIES:

Based upon evidence from nearby properties and from utilities authorities, the subject property is appraised as if utilities are available to the site sufficient in capacity to support the existing use at costs that are typical to competing properties. There are no unusual costs known to us in providing utilities to the site. Due to typical uncertainties of engineering and supplying entities, this report is subject to confirmation of this assumption in writing from supplying agencies and by a registered engineer.

For appraisal purposes, the appraiser(s) assume the existing water supply and sewage disposal system are located on the subject site and are adequate to serve the subject property and that no corrective measures will be required to provide potable water and sewage disposal. To the best of my knowledge and belief, water and sewer is by central city systems.

EASEMENTS, ENCROACHMENTS AND DEED RESTRICTIONS:

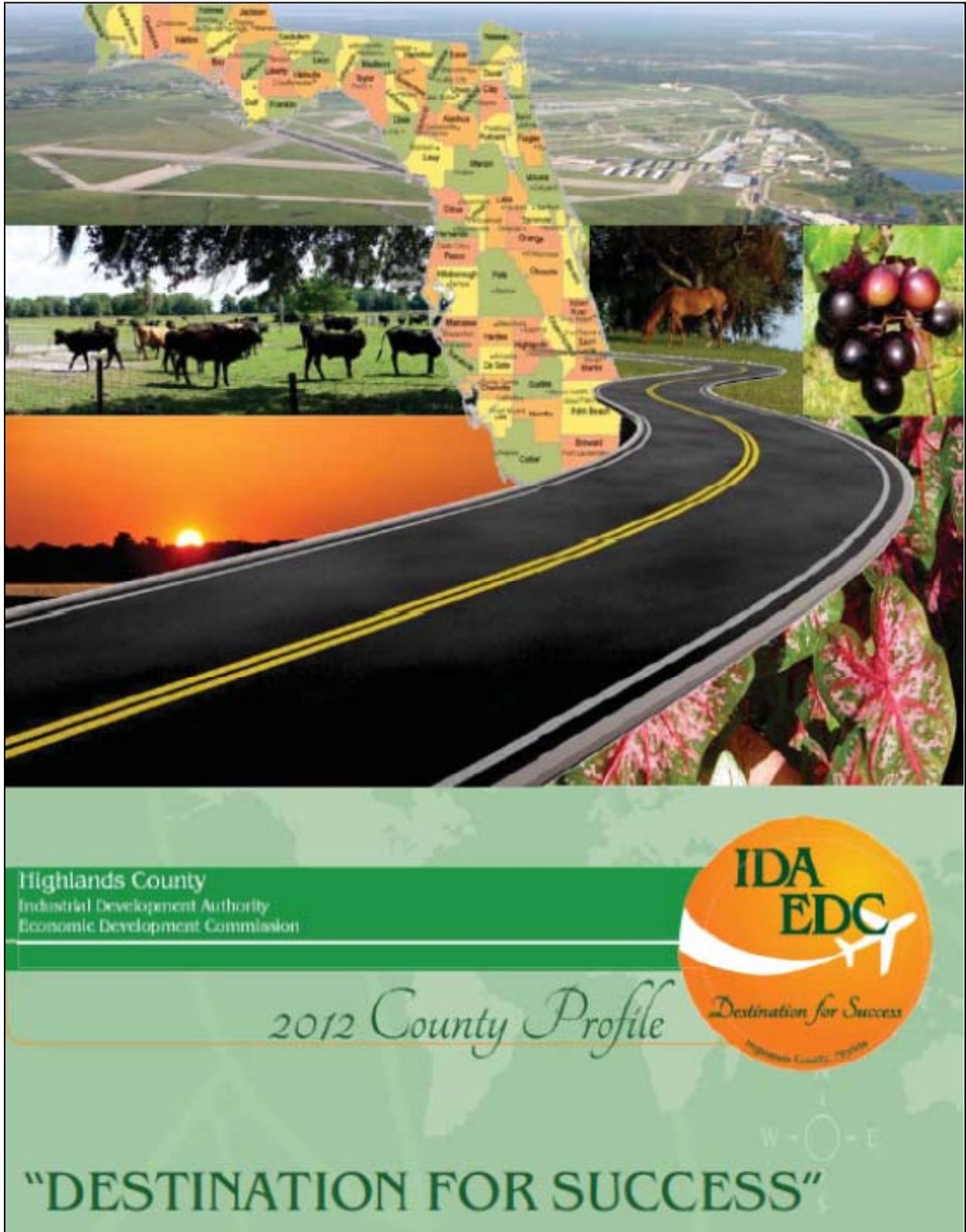
Easements may or may not be recorded or may exist by customary use or other legal means. The appraiser(s) are not qualified to search legal records about easements. A current title search and survey would be required to find any easements, restrictions, reservations or encroachments. Because rights of others can have influence on real estate values, the value reported is predicated on a qualified legal opinion that the assumption above regarding easements and the rights of others represents actual conditions.

Upon a physical inspection, no encroachments were noted. A survey of the property was not made available. A title report was not made available.

CENSUS TRACT:

The subject property is located within Census Tract No. 9603.00 according to the Federal Financial Institutions Examination Council's web site.

REGIONAL AND LOCAL DATA:



REGIONAL AND LOCAL DATA (cont):

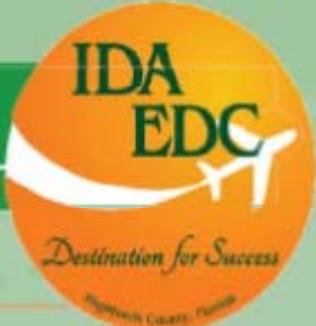


TRANSPORTATION		UTILITIES	
Interstates I-4 Florida Turnpike I-75 Major Highways U.S. Highway 27 U.S. Highway 98 Railroads CSX Amtrak Major Commercial Airport Serving County Orlando International Distance from County Seat 80 miles Average # daily flights 790 Airlines serving airport 50 Length of longest runway 12,000 Airport Services Offered Charter Yes Private Aircraft Maintenance Yes Customs Port of Entry Yes Immigration Yes Air Cargo Yes International Air Yes	Local Commercial/Executive Airports 1. Sebring Regional Runway Length 5,250' Runway Surface Asphalt Lighted Runway Yes Aircraft Tie down Yes 2. Avon Park Executive Runway Length 5,364' Runway Surface Asphalt Lighted Runway Yes Aircraft Tie down Yes 3. Plaoid Lakes Airport Runway Length 5,000' Runway Surface Asphalt Lighted Runway Yes Aircraft Tiedown Yes Nearest Port with Docking Facilities 1. Port of Tampa Distance 70 miles Depth 34' Warehousing Yes Stevedoring Yes 2. Port of Palm Beach Distance 100 miles Depth 12' Warehousing Yes Stevedoring Yes	Electricity Progress Energy Glades Electric Cooperative FL&P Water Suppliers: Municipalities Water Management District: South Florida Southwest Florida Major water source Water ava. for new industry Sanitation Storm Sewer Yes Sanitary sewer Yes Sewage treatment type Sewage Available for New Industry Yes	Natural Gas Distributor Coker Fuel TECO Peoples Gas Co. Sebring Gas Systems Gas available for new industry Yes Other Fuel Sources Number of Distributors Serving County: Fuel Oil 5 Coal 0 LP Gas 7 Industrial Support Services Computer Services Yes Engineering Yes Plating Yes Machine Shop Yes Car and Truck Rental Yes Security Services Yes Job Printing Yes Bonded Warehousing Yes Freight Forwarder Yes INDUSTRIAL PARKS Number of Industrial Parks Developed 8 Developed acreage 266 Acreage zoned for manufacturing 2,070 County Economic Development Foreign Trade Zone No Hub zone Yes Champion Community Enterprise Zone Yes
MAJOR PRIVATE SECTOR EMPLOYERS 10 Largest Employers			
1. Florida Hospital Health Care Employees 1,500 2. Walmart Department Store Employees 796 3. Agero Roadside Assistance Employees 600 4. Highlands Reg. Med. Cntr. Health Care Employees 413 6. Delray Plants Ornamental Plants Employees 350	8. Palms of Sebring Assisted Living Facility Employees 257 7. Alan Jay Auto Network Automotive Dealerships Employees 250 8. Lake Plaoid Health Care Assisted Living Facility Employees 210 8. E-Stone USA Corporation Manufacturing Employees 81 10. Genpak LLC Manufacturing Employees 74		

REGIONAL AND LOCAL DATA (cont):

Highlands County
Industrial Development Authority
Economic Development Commission

One East Main Street - Avon Park, FL 32825
Office: 863.453.2818 · Toll Free: 888.388.4233 · Fax: 863.453.2822
Email: edc@highlandsdc.com · Web: www.highlandsdc.com



MEDICAL	K-12 EDUCATION	POST SECONDARY EDUCATION	FACILITIES
Hospitals	3	Colleges/Universities	Motels
Number of Beds	33E	Serving the County	Total Rooms Available
Nursing Homes	5	12	Hotels
Number of Beds	598	160	Total Rooms Available
Assisted Living Facilities	11	South Florida State College	Food Service Establishments
Number of Beds	644	University of South Florida	Seating
Physicians	163	Warner University	
Dentists	31	Webber International University	Civic Auditoriums
Optometrists	10		Total Seating Capacity
Physical therapists	65	Technical Programs Offered	Regional Malls
Chiropractors	21	AI SFSC	Shopping Centers
Nurses - RN	946	Accounting	Libraries
LPN	408	Agriculture	
		Air Conditioning-Commer/Resid	CHURCHES
		Apprenticeships	Catholic
		Automotive	Jewish
		Bioenergy	Protestant
		Business	Other
		Commercial Truck Driving	
		Computer Info Systems	RECREATION
		Community Education Offerings	BMX Track
		Construction	County Parks
		Corrections	Golf Courses
		Cosmetology	Highlands Hammock State Park
		Criminal Justice	Lake June Scrub State Park
		Culinary and Hospitality	Lakes w/Public Access
		Dental Ass/Dental Hygiene	Total Lakes in County
		Electrical Lineman	Tennis Courts
		Electronic Technology	
		Emergency Medical Services	POINTS OF INTEREST
		English as Second Language	Aian Allvater Cultural Center
		GED	Archbold Biological Center
		Industrial Manufacturing	Avon Park Depot Museum
		Nursing (LPN, RN)	Civilian Conservation Corps Museum
		Office Administration	Lake Placid Historical Museum
		Paramedic	Lake Placid Murals
		Plumbing	Military Sea Services Museum
		Radiography	Sebring Historical Museum
			Sebring International Raceway
			SFDC - Museum of FL Arts and Culture
			SFDC - Performing Artist Series



2012 County Statistics Pg. 3

Information Sources: Bureau of Business & Economic Research, University of Florida; Enterprise Florida; US Dept. of Labor; US Census Bureau of Economic Analysis, Florida Agency for Workforce Innovation, Labor Market Statistics

DESCRIPTION OF NEIGHBORHOOD:

A "neighborhood"² is defined as:

"A portion of a larger community, or an entire community, in which there is a homogeneous grouping of inhabitants, buildings, or business enterprises. Inhabitants of a neighborhood usually have a more than casual community of interest. Neighborhoods may consist of well-defined natural or man-made barriers or they may be more or less well-defined by a distinct change in land use or in the character of the inhabitants."

The subject property is located on the Southwest intersection corner of Main Street and Lake Avenue in downtown Avon Park. Major Shopping, schools, and medical facilities are within adjacent to four miles. Most of the properties in the immediate neighborhood are consistent with the subject, i.e., retail and office.

The neighborhood is considered a historic downtown area, primary commercial activity has moved out to US Highway 27. As is common in this situation, the downtown community has struggled to maintain its commercial base.

DESCRIPTION OF IMPROVMENTS:

The subject property contains a two story concrete block commercial building which has been partially renovated. It was originally constructed in 1919 on a footprint of about 12,702 sq.ft. Total area is 25,404 sq.ft. more or less, usage breakdown on grid following.

Effective area is based on primary use of retail.

The renovation began on or about 2008 when the building was purchased by American Heritage Properties of Polk. It is assumed that everything was properly permitted at the time. Interior demolition, framing, rough plumbing and electrical, and most drywall has been installed on the lower floor. On the upper floor it has been entirely gutted, rough framing for partitions has been installed but little else. It appears but is not confirmed that the upper floor was to be used for some type of residential use, but it could be offices.

I was unable to verify current building permits. In all likelihood, permitting had been in place but is archived due to being inactive. The permitting process would have to be restarted and the improvement would have to meet current standards. The original plans and specifications could in all likelihood be obtained from the county, but this could be a lengthy process.

² Definition from **REAL ESTATE APPRAISAL TERMINOLOGY**, published jointly by the American Institute of Real Estate Appraisers and the Society of Real Estate Appraisers.

DESCRIPTION OF IMPROVMENTS (cont.):

It appears that the ground floor was divided into 10 individual store or office fronts, with two large restrooms and a fairly large common area, see sketch. They are in varying stages of completion from basic prelat to finished walls and floors. The status of climate control systems is unknown, and is assumed to be incomplete at best.

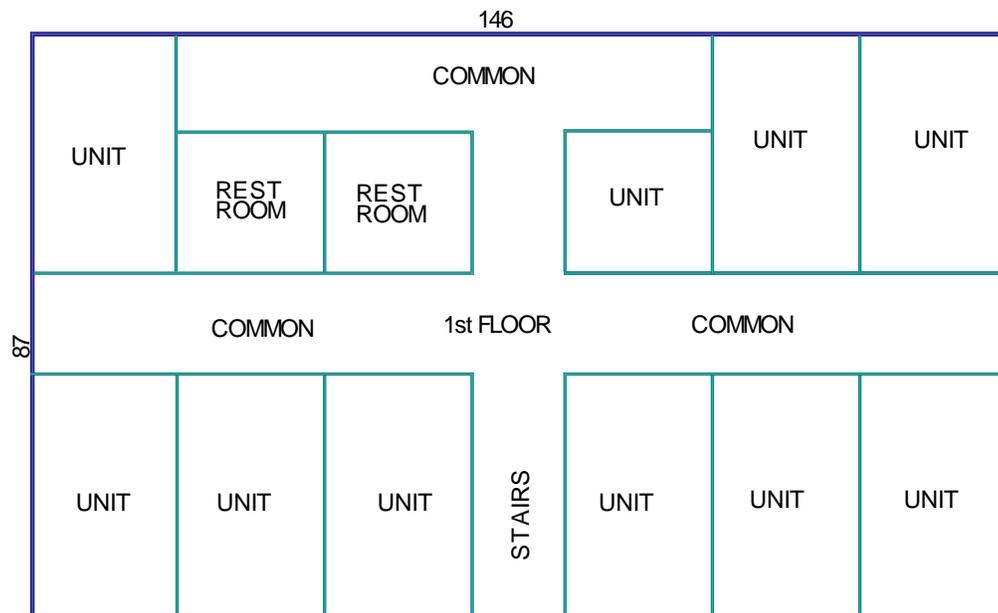
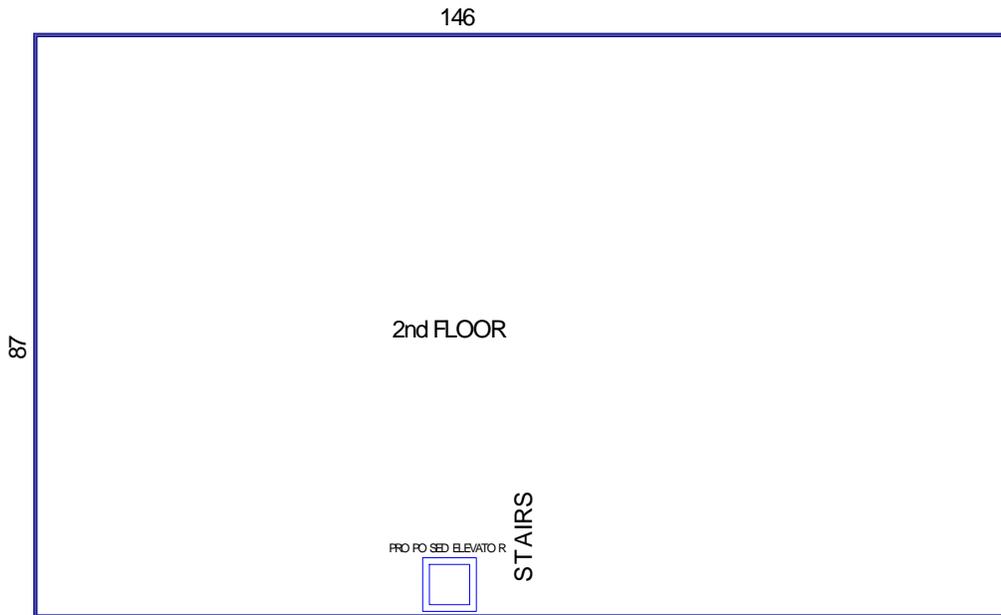
No plans or cost estimates were provided nor were permit status provided for the completion of any of the space on the ground floor and on the second floor.

There is an elevator shaft installed, but no elevator equipment.

The upstairs has a lot of wood studs installed in no discernable pattern. It is my understanding that this area was to be used to house college students. I am not aware of any feasibility for this use in the current market. What I *am* certain of is that very little has been done toward finishing this project, so the area upstairs can be used for little other than storage with some vague future use for some type of office or residential use. One point positive, should it be decided that there is feasibility for some type of residential use upstairs, there is plenty of room for parking in the rear, this is not common in many of the buildings along Main Street.

<u>TYPE IMPROVEMENT:</u>	Two story brick and block commercial/retail building		
<u>QUALITY:</u>	Average		
<u>EXTERIOR CONDITION:</u>	Above average		
<u>AGE:</u>	Built in 1919, was undergoing renovation which appears to have been interrupted, effective age about 40 years		
<u>1st FL BASE AREA:</u>	Retail/office	12,702 @ 100%	=12,702
<u>OTHER AREA:</u>	2 nd FL Storage	<u>12,702</u> @ 60%	= <u>7,621</u>
<u>TRUE GROSS BLDG AREA:</u>		25,404	
<u>EFFECTIVE AREA:</u>			= 20,323
<u>FOUNDATION:</u>	Concrete slab on grade		
<u>WALLS:</u>	Concrete and drywall		
<u>WINDOWS:</u>	Commercial		
<u>ROOF:</u>	Flat or slightly sloping		
<u>DOORS:</u>	Commercial entrance doors		
<u>INTERIOR WALLS:</u>	Drywall partitions		
<u>LIGHTING:</u>	Adequate fluorescent and incandescent		
<u>HEAT/AIR:</u>	Air conditioning in retail area, does not appear complete.		
<u>FIXTURES:</u>	Typical		
<u>PLUMBING:</u>	Two large restrooms downstairs, none completed upstairs		

FLOOR PLAN



Note a large portion of the first floor is common area and while it supports the rental of the other units, cannot actually be rented in itself. It would be paid for with some kind of common area maintenance arrangement. The common halls comprise about 4,000 sq.ft. and the rest rooms another 1,000 sq.ft. leaving approximately 7,700 sq.ft. available for actual lease. In my opinion the upstairs has no utility by itself other than as possible storage, more than likely in conjunction with some or all of the downstairs units.

Photographs of Subject



Front



Front



Side



Rear



Partially finished unit



Mostly finished common area

Photographs of Subject



Partially finished unit



substantially completed rest rooms



substantially completed common area



equipment room



Substantially completed common area



Substantially completed unit

Photographs of Subject



Partially completed unit



Partially completed unit



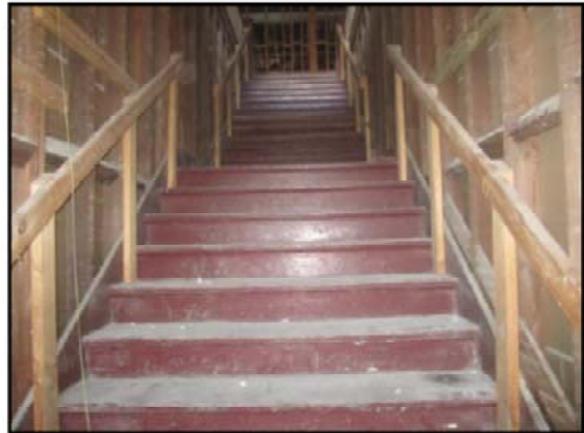
Partially completed unit



Partially completed unit



Partially completed unit



Stairway to second floor

Photographs of Subject



Second floor - note studs but no finish



Second floor - note studs but no finish



Second floor - note studs but no finish



Staircase looking down from second floor

SUMMARY- AREAS:

TYPE	AREA	STATUS	%BASE
1 st FL Commercial Retail	12,702	Eff 40	100%
2 nd FL Storage	12,702	Eff 40	60%

EFFECTIVE AREA CALCULATION:

TYPE	AREA	%Base	Eff. Area
1 st FL Commercial Retail	12,702	100%	12,702
2 ND FL Storage	12,702	60%	7,621
TOTALS	25,404		20,323

Tax cards show gross area to be 25,452 and effective area to be 16,458. The difference is the common area is rated at 60% of base, it is finished at least as completely as the units.

AMERICANS WITH DISABILITIES ACT:

The Americans with Disabilities Act ("ADA") became effective January 26, 1992. The appraisers have not made a specific survey or analysis of the subject property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since the appraisers have no direct evidence relating to this issue, a possible noncompliance with the requirements of the ADA in estimating the value of the subject property has not been considered.

TREND ANALYSIS:

The market in our area has cooled significantly in the past several years, but is showing signs of stabilization in the last two years. Residential sales are back up to around 100 a month from a low of about 60 in the middle of the declining period. The biggest effect seems to be an increase of marketing time. Prices for improved property are stable or declining very slightly. In my opinion it is unlikely that this trend will change in the near future. No adjustment for time is required since February or March 2012.

DEPRECIATION:

All types of accrued depreciation affecting the subject improvements were considered. Accrued depreciation is:

"the difference between replacement cost new as of the date of the appraisal and the present contributory value of the improvements."

Accrued depreciation is divided into three basic categories:

1. Physical Deterioration (Curable and Incurable)
2. Functional Obsolescence (Curable and Incurable)
3. External Obsolescence (Always Incurable)

The following is a discussion of each type of deterioration and the observed depreciation applicable to the subject property:

Physical Deterioration - Curable: This type of deterioration is:

"that loss in value from costs new which can be recovered or offset through correction, repair or replacement of the affected items causing a loss, providing the resultant value increase approximates the cost of the work."

The subject property is in typical physical condition for its effective age with some typical signs of deferred maintenance. No curable physical depreciation was noted.

Physical Deterioration - Incurable: This type of deterioration is:

"that loss from cost new which is impossible to offset, or which would involve an expenditure substantially in excess of the value increase resulting there from."

Incurable physical deterioration includes normal wear and tear on the basic building components such as roof, air conditioning, electrical, and plumbing. These items are usually not replaced until the end of their useful life.

Functional Obsolescence: Functional Obsolescence is:

"that loss from cost new as of the date of the appraisal, which is caused by super - adequacy, inadequacy, unattractive style, poor or inefficient layout or design."

Items causing functional obsolescence are contained within the property boundaries. Functional obsolescence can be either curable or incurable; it is curable only when it is profitable to cure the item. The existing floor plan indicates adequate functional utility. The subject is consistent with other retail/office buildings in design and appeal for the subject's neighborhood and that no inadequacies or super adequacies are noted.

External Obsolescence: External Obsolescence is:

"that loss from cost new as of the date of the appraisal due to causes external to the property boundaries."

There are no influences indicated within the immediate neighborhood of the subject that would adversely affect the value. It is my opinion that the subject does not suffer from any measurable external obsolescence.

Accrued Depreciation: According to the Highlands County Property Appraiser's Property Card, the subject improvement was originally constructed in 1919. Level of maintenance is not discernable because the property is undergoing renovation. The effective age of the subject is estimated at about 40 years. The typical economic life of an average quality Brick/CBS building is 60 years.

Based upon the straight line method the percentage of depreciation is calculated as follows:

EFFECTIVE AGE	/	TYPICAL ECONOMIC LIFE	=	ACCRUED DEPRECIATION
40	/	60	=	67%

Tax appraiser uses 54% physical and 10% functional for 64% total accrued depreciation. The functional obsolescence is for room layout. I do not see room layout as a significant problem especially considering the partially completed status of the subject. Many changes can be made at this stage of construction and alleviate much of the functional concerns. For the purpose of this appraisal assignment, only the physical depreciation of 67% is considered credible.

ENVIRONMENTAL CONDITIONS:

The value estimated in this report assumes the property is not negatively affected by the existence of hazardous substances or detrimental environmental conditions.

APPARENT³ Hazardous Substances/Detrimental Environmental Conditions:

The appraiser(s), are not expert environmental inspectors and therefore might be unaware of existing hazardous substances and detrimental environmental conditions that may have a negative effect on the safety and value of the property. It is possible that tests and inspections made by a qualified environmental inspector would reveal the existence of hazardous materials or detrimental environmental conditions on or around the property that would negatively affect its safety and value. Lead based paint is common in buildings built before 1978. The client is urged to retain an expert in this field.

HIGHEST AND BEST USE:

The American Institute of Real Estate Appraisers defines Highest and Best Use as follows:

"that reasonable and probable use that supports the highest present value, as defined, as of the effective date of the appraisal."

In estimating the highest and best use, there are essentially four items that are analyzed:

1. **Physically Possible:** What uses of the site in question are physically and reasonably possible?
2. **Legally Permissible:** What uses are permitted by zoning or deed restrictions on the subject being appraised?
3. **Financially Feasible:** Which possible and permissible uses will produce a net return to the owner of the subject site?
4. **Maximally Productive:** Of the feasible uses, which use will produce the highest net return or the highest present worth?

The highest and best use of the land, if vacant and available for use, may be different from the highest and best use of the improved property. This is true when the improvement is not an appropriate use, but it makes a contribution to the total property value more than the value of the site.

The following tests must be met in estimating the highest and best use:

1. The use must be legal.
2. The use must be probable, not speculative or conjectural.
3. There must be a profitable demand for such use and it must return to the land the highest net return for the longest period.

³Apparent is defined as that which is obvious, evident or manifest to the appraiser.

These tests have been applied to the vacant subject property. In arriving at the estimated highest and best use, the subject was analyzed as follows:

HIGHEST AND BEST USE "AS IF VACANT":

Physically Possible: The first constraint imposed on the possible use of the property is dictated by the physical aspects of the site itself. No known physical aspects would impose constraints upon development of the subject site to its highest and best use.

Legally Permissible: Legal restrictions, as they apply to the subject property, are private restrictions, public restrictions of zoning, building codes, historic district controls, and environmental regulations. As noted earlier, the subject is zoned C4. This zoning classification is consistent with other zoning classifications within the immediate neighborhood of the subject. There are no known private restrictions. The only legal restrictions that prohibit the highest and best use of the subject site are the regulations outlined under the C4 zoning classification.

Financially Feasible: In determining if a use is financially feasible, a study is made to analyze possible uses to decide if they are likely to produce income sufficient to satisfy operating expenses, financial expenses, and capital amortization. Uses that are expected to produce a positive return are considered financially feasible. Effective rental rates, occupancy levels, operating expenses, debt service, and equity capital requirements are such that current construction of most types of commercial developments are financially feasible. It is the appraiser's opinion that the highest and best use of the subject site would be some commercial use complying with current zoning regulations.

Maximally Productive: Finally, a determination must be made on which feasible use is the highest and best use. Considering the physical, legal and neighborhood characteristics, and current economic conditions, it is the appraiser's opinion that the highest and best use for the subject parcel is some commercial office or retail use complying with current zoning regulations. I am not sure if residential use on the second floor is feasible, however the construction is not very far advanced toward this, I suspect the highest and best use is storage with a potential future use of residential.

HIGHEST AND BEST USE "AS IS":

There are no alternative uses (physically, legally, or feasible) that would economically justify removal of the existing improvements. The current development of the subject site represents the highest and best use of the subject.

THE APPRAISAL PROCESS:

The appraisal is an unbiased supportable opinion of value. The appraisal process is a systematic analysis of the factors that bear upon the value of real estate. It can also be described as an orderly program by which the problem is defined, the work necessary to solve the problem is planned and the data involved is acquired, classified, analyzed, and interpreted into an estimate of value. There are three approaches to value typically used by the appraisers in estimating market value. These are the Cost Approach, Direct Sales Comparison Approach, and Income Capitalization Approach. Each approach draws upon market data for its support and yet each approach provides a separate and distinct method by which to estimate value.

The Cost Approach represents a more theoretical alternative to the prospective purchaser. The premise is that the buyer will not be willing to spend more for the subject property than the cost of constructing one of equal utility. The actual process involves a separate valuation of the site, an estimate as to the replacement cost new of the subject improvements and an estimate of diminished utility or depreciation accrued to the subject improvements. The depreciated cost of the subject improvements and contributory worth of the subject's site improvements are added to the land value as established in the Site Valuation section concluding a total cost for the subject property. To this total cost must be added a reasonable estimate for entrepreneurial profit. The total cost plus entrepreneurial profit equates to a value estimate by the Cost Approach.

The Direct Sales Comparison Approach involves the comparison of the subject property with the sale of other properties, properties that are similar and compete with it on the open market. The premise is that the informed investor will pay no more for the subject property than for one of equal utility. The application of this approach requires an active market in which comparable properties are being traded.

The Income Capitalization Approach requires an analysis of the direct income a property will produce and how the quality and quantity are evaluated by the market. Anticipated future benefits are converted to an estimate of present worth through a process known as capitalization. A market derived capitalization rate using data commensurate with the risk and life expectancy associated with the subject property yields an estimate of market value. Comparable market rentals are surveyed and compared to the subject property forming a rental estimate for the subject's individual units. From gross income, an allowance for vacancy and collection loss and projected fixed and operating expenses have been subtracted. The residual is classified as Net Operating Income. Net Operating Income is converted to a market value estimate by a process known as capitalization. Net Operation Income is divided by the projected overall rate equating to a market value estimate for the subject.

Correlation

After applying the three approaches, the appraiser will have obtained three separate indications of value. The indicated values obtained from each approach must be correlated into one final conclusion of value. Usually one approach will be considered more significant than the rest, either because of the reliability of the data, or because of the type of property involved. Correlation is the process by which the appraisers objectively weigh each approach according to its importance.

BASIS FOR SITE VALUE:

The site value estimated in the valuation process is a separate step. Site value must always be considered in terms of the Highest and Best Use. Even if the site has improvements, the value of the site is based on its Highest and Best Use "as though vacant" and available for development to its maximally productive use.

The six procedures used to value land are:

1. Direct Sales Comparison Procedure is the most common procedure for valuing land and it is the preferred method when comparable sales are available. Sales of similar parcels of land are analyzed, compared and adjusted to provide a value indication for the land being appraised.
2. The Allocation Procedure is based on the principle of balance and the related concept of contribution, which affirms that there is a normal or typical ratio of land value to property value for specific categories of real estate. Sales of improved properties are analyzed and the prices paid are allocated between land and improvements. The allocation method does not produce conclusive value indications, but it can be used to establish land value when the number of vacant land sales is inadequate.
3. The Extraction Procedure is a variant of the Allocation Procedure in which land value is extracted from the sale price of an improved property by deducting the contribution of the improvements, which is estimated from their depreciated costs. The remaining value represents the value of the land. This procedure works best when the contribution of the improvements to the total sale price is minimal.
4. The Subdivision Development Procedure is used to value land as if it were subdivided, developed and sold. An analysis is made to decide the number of developable sites, hard and soft costs to develop, probable retail price per site and market absorption. All costs are subtracted from the estimated proceeds of the sale and the net income projection is discounted over the estimated period required for market absorption of the developed sites. The net result is an indication of the value of the raw land.
5. The Land Residual Procedure is based on the principle of balance and the related concept of contribution, which are concerned with equilibrium among the agents of production such as labor, capital, coordination and land. The land is assumed to be improved to its Highest and Best Use, and the net income imputable to the site after all expenses of operation and return attributable to the other agents in production is capitalized to derive an estimate of land value.
6. The Ground Rent Capitalization Procedure is used to value land based upon the ground rent, which is capitalized.

The Direct Sales Comparison Procedure has been used to estimate the market value of the subject site. The **Direct Sales Comparison Procedure** is the preferred method to estimate the value of land. The Principle of Substitution affirms an informed buyer should pay no more for a given property than an amount for which a substitute property with equal similar amenities could be obtained. By gathering and analyzing land sales of similar properties, a confirmed record of prices paid by informed buyers is obtained. From this record, adjustments can be made for differences in property characteristics that would have an effect on value, and an indication of the value of the subject by common units of measurement can be made (i.e., price per square foot or price per unit).

BASIS FOR SITE VALUE (cont):

The valuation analysis for this property requires the consideration and analysis of sales of other vacant land parcels and relating that data to the subject site. All properties have their own features that relate to location, size, shape, zoning, available amenities, date of sale, deed restrictions, financing, etc. In order to accurately isolate most of these differences to determine their relative importance in a sale would require the use of what is known as a "paired sale" technique. In that process, two properties that are identical except for one feature (say time, for example) are compared. The difference in unit value of comparison selected for analysis would then indicate if a property's value had increased or decreased over the time period between the sales. It is obvious that as two, three, four, or more different features are added, the ability to accurately isolate differences and compare sales is diminished. The appraiser is required, in those instances, to use the training and experience that has been acquired to input subjective analysis to relate the sale property to the property being appraised. This overall process is known as **The Direct Sales Comparison Procedure**.

In arriving at an estimated Market Value for the subject site in this valuation method, consideration was given to recent comparable land sales that have occurred in the subject property's market area for commercial usage. These data are considered adequate for an analysis of land values and represent pertinent information currently available in the area of the subject property. In analyzing the sales, percentage adjustments based on paired sales were not found provable in the local market place.

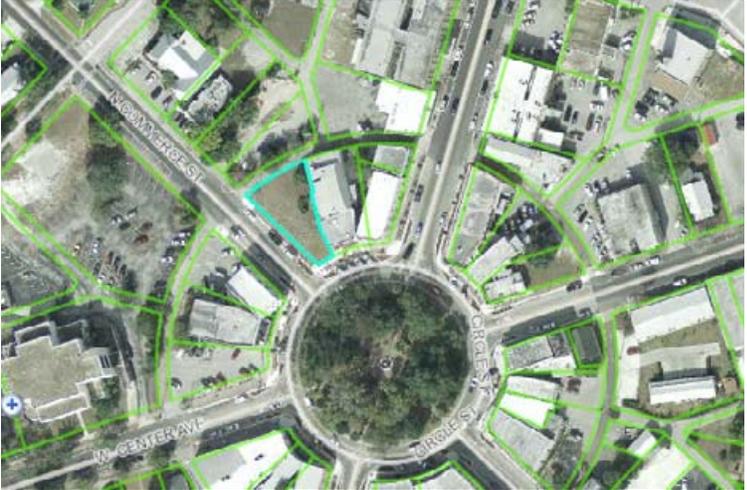
Due to the difficulty in finding sufficient data to provide paired sales value differences, logical adjustments for individual characteristics are made based on my experience and knowledge in the local market.

The sale properties will be described in detail on the following pages and will be located on a land sales map. The final analysis of these sales and the indication of the estimated value of the subject site is then presented.

Land Sales Comparable #1

<u>LOCATION:</u>	17 E Walnut St, Avon Park, FL 33825
<u>LEGAL:</u>	Burleighs Sub of Lot 6 Blk 42 per TB Pg 30 Lots 4 + 5
<u>DESCRIPTION:</u>	
<u>STRAP ID:</u>	A-22-33-28-032-0000-0040
<u>SALES PRICE:</u>	\$11,000
<u>DATE:</u>	11/9/2012
<u>SITE SIZE</u>	108 x 120 12,960 sq.ft
<u>IMPROVEMENT:</u>	Vacant
<u>DECLINE:</u>	Net
<u>ADJUSTED for TIME SALE PRICE:</u>	\$11,000
<u>PRICE PER UNIT:</u>	\$0.85 per sq. ft.
<u>ZONING:</u>	C4 commercial
<u>GRANTEE:</u>	Todd to Fern + Fern
<u>RECORDED:</u>	OR 2352-701/property records
<u>FINANCING:</u>	Owner finance, DOM unk
<u>PREVIOUS SALE:</u>	None
<u>SITE VIEW:</u>	
<u>COMMENTS:</u>	This sale is located about 1/10 mile South from the subject. Even though the proximity is similar, the market desirability is inferior being off main street. Zoning and road access would be similar. This sale is considered inferior overall.

Land Sales Comparable #2

<u>LOCATION:</u>	100 N Commerce Ave, Sebring, FL 33870
<u>LEGAL:</u>	TOWN OF SEBRING TB PG 6 LOT 1-LESS TRI TR IN SE COR
<u>DESCRIPTION:</u>	+ A TRI TR IN NW COR OF LOT 2 BLK 48
<u>STRAP ID:</u>	S-29-34-29-070-0480-0010
<u>SALES PRICE:</u>	\$30,000
<u>DATE:</u>	3/5/2014
<u>SITE SIZE</u>	54 x 125 6,750 sq.ft.
<u>IMPROVEMENT:</u>	Vacant
<u>DECLINE:</u>	Net
<u>ADJUSTED for TIME SALE PRICE:</u>	\$30,000
<u>PRICE PER UNIT:</u>	\$4.44 per SF
<u>ZONING:</u>	C1 commercial
<u>GRANTEE:</u>	Weber to Champion for Children Foundation of Highlands County
<u>RECORDED:</u>	OR 2419-558/property records
<u>FINANCING:</u>	Cash sale DOM unk
<u>PREVIOUS SALE:</u>	None
<u>SITE VIEW:</u>	
<u>COMMENTS:</u>	This sale is located about 8 miles SE in Sebring which is a different market, however the location is the geographical equivalent of the subject site in Avon Park. Both are right in the middle of their respective downtown development areas, both on corner locations. Zoning is similar but size is smaller. Locational amenity and road access are very similar. This sale is considered superior.

Land Sales Comparable #3

<u>LOCATION:</u>	2631 Alt US 27 S, Sebring, FL 33870
<u>LEGAL:</u>	Sunset Beach Sub PB 1 Pgs 20-21 Lot 20-less Rd R/W Blk 3
<u>DESCRIPTION:</u>	
<u>STRAP ID:</u>	S-32-34-29-070-0030-0200
<u>SALES PRICE:</u>	\$60,000
<u>DATE:</u>	12/13/2013
<u>SITE SIZE</u>	105 x 213 (eff) 22,420 sq.ft.
<u>IMPROVEMENT:</u>	Vacant
<u>DECLINE:</u>	Net
<u>ADJUSTED for TIME SALE PRICE:</u>	\$60,000
<u>PRICE PER UNIT:</u>	\$2.68 per sq. ft.
<u>ZONING:</u>	C1 commercial
<u>GRANTEE:</u>	Grubb to Heartland Christian Church
<u>RECORDED:</u>	OR 2408-1959/property records
<u>FINANCING:</u>	Owner finance \$20,000
<u>PREVIOUS SALE:</u>	Trust transfer 2408-306 no consideration, not a sale
<u>SITE VIEW:</u>	
<u>COMMENTS:</u>	This sale is located in Sebring, which is about 9 miles South from the subject in a slightly inferior market area. Locational amenity is inferior. Zoning and road access would be similar. This sale is considered slightly inferior overall.

Land Sales Comparable #4

<u>LOCATION:</u>	1104 Bradbury St, Avon Park, FL 33825
<u>LEGAL:</u>	Town of Avon Park 21-33-28 Lots 6-7 + W 19 ft of Lot 8 Blk 20
<u>DESCRIPTION:</u>	
<u>STRAP ID:</u>	A-21-33-28-010-0200-0060
<u>SALES PRICE:</u>	\$75,000
<u>DATE:</u>	8/16/2013
<u>SITE SIZE</u>	254 x 270 (68,580 sq.ft.)
<u>IMPROVEMENT:</u>	Vacant
<u>DECLINE:</u>	Net
<u>ADJUSTED for TIME SALE PRICE:</u>	\$75,000
<u>PRICE PER UNIT:</u>	\$1.10 per sq. ft.
<u>ZONING:</u>	C2 commercial
<u>GRANTEE:</u>	Greenfelder to Arreguin
<u>RECORDED:</u>	OR 2395-1344/MLS 216427
<u>FINANCING:</u>	Owner finance, 912 DOM
<u>PREVIOUS SALE:</u>	None
<u>SITE VIEW:</u>	
<u>COMMENTS:</u>	This sale is located about 1 mile West from the subject in the Avon Park market area, same as the subject. Zoning and road access would be similar but amenity is significantly inferior. It is much larger than the subject which would tend to generate a lower price per unit. This sale is considered inferior overall.

COMMENTS ON MARKET DATA, LAND AS IF VACANT:

The range of indicated values is fairly wide, ranging from \$0.85 to \$4.44 per SF.

Comparable sale	Price per sq.ft.	Property Rating
17 E Walnut St. Avon Park	\$0.85	Inferior
100 N Commerce Ave. Sebring	\$4.44	Superior
2631 Alt US 27 S. Sebring	\$2.68	Similar or slightly inferior
1104 Bradbury St. Avon Park	\$1.10	Inferior

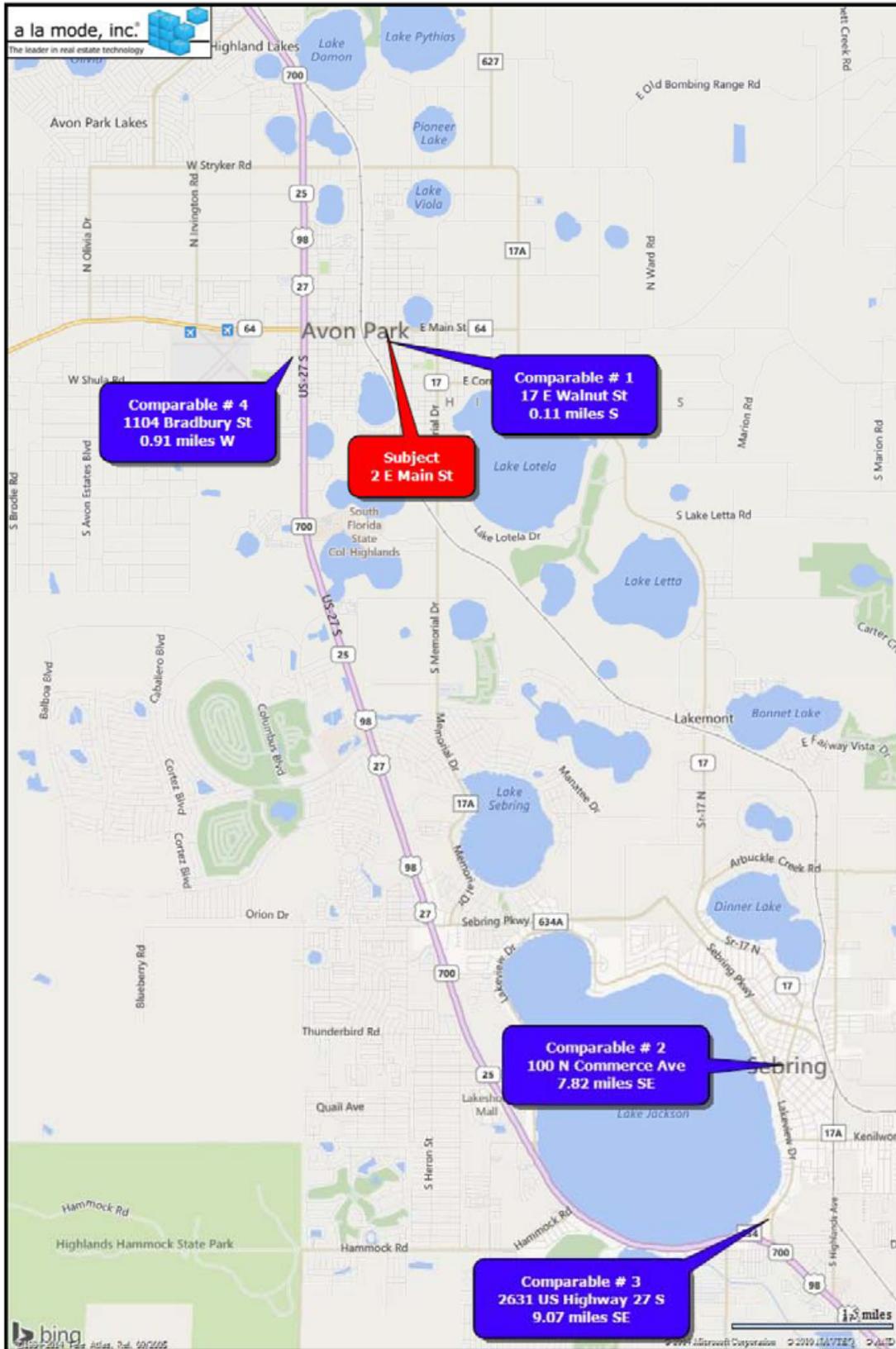
Comps 1 and 4 are commercial lots located in Avon Park, but both are inferior. Comps 2 and 3 are located in Sebring and are more similar in locational amenity. Comp 2 is superior, comp 3 is most similar but slightly inferior. I was not able to find any listings of similar commercial property in Avon Park. Value is clearly higher than comps 1 and 4, less than comp 2, and near comp 3.

Most likely selling price of the subject site as if vacant appears to be about \$2.50 per sq.ft.
42,253 sq.ft. @ \$2.50 = \$105,632 (Round to \$105,000)

SUBJECT SITE AS IF VACANT
\$105,000

Property record card site value as if vacant is \$73,943.

Location Map – Vacant Sales



COST APPROACH:

The Principle of Substitution is basic to the Cost Approach, in that no informed investor would be warranted to pay more for a given property than an amount for which a site could be purchased with equal amenities and a contractor hired to build thereon replacement structures and improvements equal to those of the subject property. When value is added to the Real Estate (land and physical improvements) by the intangible value of rights to receive income from favorable leases or other sources, it is appropriate to add that intangible value to the total cost as a return to the entrepreneur in the form of an Entrepreneur's Overhead and Profit Allowance to arrive at the total Real Property benefits.

In the subject analysis, the age of the improvements and the accrued depreciation that is inherent in all properties complicates the effectiveness of this value approach and limits its use as an indication of economic viability. Its use in this analysis is primarily as a check against the other value approaches.

The preceding analyses have considered the estimated costs of the various improvements and land that comprise the subject property. These costs and values would be combined to arrive at the Developer's total cost for the project. To that total investment cost should be added a profit margin, or allowance, to the Developer. Without that profit incentive, there is no reason to continue with a particular development project. This allowance is generally referred to as the Entrepreneurial Profit.

The calculation of an Entrepreneurial Profit to the Developer would be based on the various risk factors involved for any particular venture (as perceived by the potential Developer) and could range from a low of ten percent to over twenty-five percent. This range of acceptable yield would generally reflect the current workload of the particular investor, the past experience, and expertise with retail developments and the economic conditions in the market. An Entrepreneurial Profit is not, however, an inherent addition to every project. In the case of a property with existing improvements, economic conditions, or other factors could indicate there is no justification for an entrepreneurial profit, or that the amount of profit that is justified should be reduced.

Using these criteria, the Estimated Value in the Cost Approach is shown on the following page. In estimating the replacement cost new of the subject improvements, I have relied primarily upon the Marshall Valuation Service compiled by Marshall and Swift Company, 1617 Beverly Boulevard, Los Angeles, California. This is a national cost manual that is updated quarterly with local and current cost multipliers and is relied upon by many appraisers throughout the United States. These figures have been modified with input from local contractors and actual construction contracts.

MARSHALL VALUATION CALCULATOR COST FORM

CALCULATOR COST FORM
 For subscribers using the MARSHALL VALUATION SERVICE Calculator Cost Method
 SQUARE FOOT COSTS

1. Subscriber making survey _____ Date of Survey _____
 2. Name of Building Brickell Building Owner _____
 3. Located at _____

	SECTION I	SECTION II	SECTION III	SECTION IV
4. Occupancy	Retail/Office	Storage		
5a. Building class	Class D	Class D		
5b. Building quality	average	average		
6. Exterior wall	brick/block	brick/block		
7a. No. of stories	1	1		
7b. Height per story	ave	ave		
8. Average floor area	12,702	12,702		
9. Average perimeter	466	466		
10a. Age	eff 40	eff 40		
10b. Condition	average	average		

11. Region: (Western/Central/Eastern) Eastern
 12. Climate: (Mild/Moderate/Extreme) Mild

SECTION I	SECTION II	SECTION III	SECTION IV
74.41	44.65		

13. Base Square Foot Cost _____

SQUARE FOOT REFINEMENTS

14. Heating, cooling, ventilation	1.000	1.000	1.000	1.000
15. Elevator Deduction	1.000	1.000	1.000	1.000
16. Miscellaneous	1.000	1.000	1.000	1.000
17. Total lines 13 through 16	\$74.41	\$44.65	\$0.00	\$0.00

HEIGHT AND SIZE REFINEMENTS

18. Number of stories-multiplier	1.000	1.000	0.000	0.000
19. Height per story-multiplier (see line 7)	1.000	1.000	1.000	1.000
20. Floor area-perimeter multiplier (see lines 8 and 9)	0.812	0.813	1.000	1.000
21. Combined height and size multiplier (lines 18 x 19 x 20)	0.812	0.813	0.000	0.000

FINAL CALCULATIONS

	SECTION I	SECTION II	SECTION III	SECTION IV
22. Refined square foot cost (line 17 x 21)	\$60.42	\$36.30	\$0.00	\$0.00
23. Current cost multiplier (Sect. 99 p. 3)	1.02	1.02	0.00	
24. Local multiplier (Sect. 99 p. 5 thru 10)	0.98	0.98	0.00	
25. Final sq.ft. cost (Line 22 x 23 x 24)	\$60.40	\$36.29	\$0.00	\$0.00
26. Area	12,702	12,702	0	0
27. Line 25 x Line 26	\$767,160	\$460,904	\$0	\$0
28. Lump sums				
29. Replacement Cost (Line 27 + Line 28)	\$767,160	\$460,904	\$0	\$0
30. Depreciation % (Sect. 97)	67%	67%		
31. Depreciation amount (Line 29 x Line 30)	\$513,997	\$308,806	\$0	\$0
32. Depreciated Cost (Line 29 - Line 31)	\$253,163	\$152,098	\$0	\$0

TOTAL OF ALL SECTIONS

33. Replacement Cost	\$1,228,063	Depreciation	\$822,802	Depreciated Cost	\$405,261
Rounded \$1,000	<u>\$1,228,000</u>	(All Calculations Carried Out Three Decimal Places)		<u>\$405,000</u>	

Depreciated Cost Building	\$405,000
Site improvements, asphalt, utility hookups, sign, awning	15,000
Site Value	105,000
Total Indicated Value by Cost Approach	\$525,000

DIRECT SALES COMPARISON APPROACH:

The Principle of Substitution affirms an informed buyer should pay no more for a given property than an amount for which a substitute property with equal for similar amenities could be obtained. By gathering and analyzing sales of similar properties, a confirmed record of prices paid by informed buyers is obtained. From this record, adjustments can be made for differences in property characteristics that would have an effect on value, and an indication of the value of the subject by common units of measurement can be made (i.e., price per square foot or price per unit).

The valuation analysis for this property requires the consideration and analysis of sales of other similar properties and relating that data to the subject. All properties have their own features that relate to location, site size and shape, zoning, available amenities, date of sale, deed restrictions, financing, building size and design, age, etc. In order to accurately isolate most of these differences to determine their relative importance in a sale would require the use of what is known as a "paired sale" technique. In that process, two properties that are identical except for one feature (say time, for example) are compared. The difference in unit value of comparison selected for analysis would then indicate if a property's value had increased or decreased over the time period between the sales. It is obvious that as two, three, four, or more different features are added, the ability to accurately isolate differences and compare sales is diminished. The appraiser is required, in those instances, to use the training and experience that has been acquired to input subjective analysis to relate the sale property to the property being appraised. This overall process is known as **The Direct Sales Comparison Approach**.

SALE ONE	
ADDRESS:	101 W Main St, Avon Park, FL 33825
LOCATION:	Downtown Avon Park
LEGAL DESCR:	Town of Avon Park in 22-33-28 Lots 1 + 4 Blk 70
STRAP ID:	A-22-33-28-010-0700-0010
SALES PRICE:	\$60,000
DATE:	2/25/2014
PREVIOUS SALE:	8/15/2013 tax deed
ZONING:	C4 Commercial
GRANTEE:	Catalina Tax Co to Enigbonjaye
RECORDED:	OR 2422-298/MLS 229488
FINANCING:	Cash sale 4 DOM
SITE/VIEW:	10,200 sq.ft.
IMPROVEMENT:	Office/Retail
QUALITY:	Average
AGE:	1921 (Effective Age 50 years)
CONDITION:	Average
GROSS AREA:	1,400 SF BAS + 11,780 storage = 13,180
EFFECTIVE AREA:	7,290
UNIT OF COMPARISON:	\$8.23 per SF
SITE MAP:	
COMMENTS:	This comp is located about 1/10 mile West of the subject in Avon Park. It is smaller in size and similar in effective age. Overall this sale is considered inferior to the subject.

Photographs – Comparable #1



Front



Front

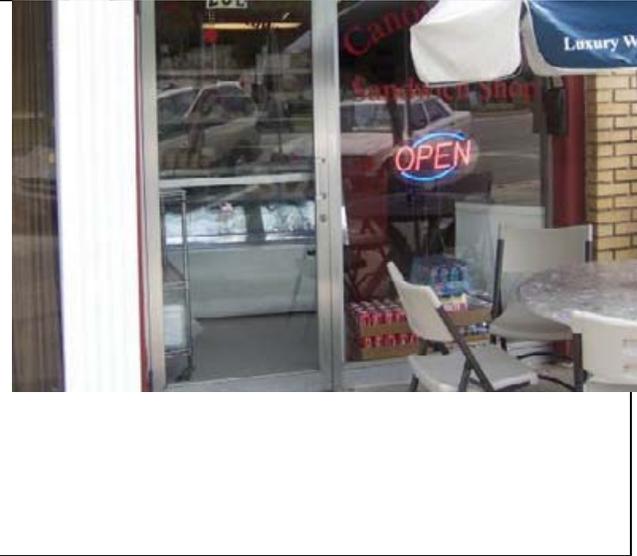
	AVM, allocation
effective area	7,290
sale price	\$60,000
total assessment	\$220,629
land assessment	\$26,622
percent to land	12%
percent to buildings	88%
sale price to land	\$7,240
sale price/buildings	\$52,760
price per sq.ft. bldgs	\$7.24
land and buildings	\$8.23

SALE TWO	
ADDRESS:	202 N Circle Drive, Sebring 33870
LOCATION:	Downtown Sebring
LEGAL DESCR:	Town of Sebring TB Pg 6 Lot –less Tri Tr in NW cor + a tr in SE cor of Lot 1 Blk 48
STRAP ID:	S-29-34-29-070-0480-0020
SALES PRICE:	\$75,000
DATE:	4/11/2011
DECLINE:	8%
ADJUSTED PRICE:	\$69,000
PREVIOUS SALE:	None
ZONING:	C1 commercial
GRANTEE:	Bayview Loan to Champion for Children
RECORDED:	OR 2279-1520/MLS 217327
FINANCING:	Cash to seller, 88 DOM
SITE/VIEW:	6,875 sq.ft.
IMPROVEMENT:	CB store
QUALITY:	Average
AGE:	1923 effective about 60 years
CONDITION:	Below average
BASE AREA:	5,900 on first floor, 981 on second floor, plus storage 748 and canopy 64
EFFECTIVE AREA:	7,124
UNIT OF COMPARISON:	\$9.69 per sq. ft.
SITE MAP:	
COMMENTS:	This comp is located on a smaller, heavily utilized lot on the circle in Sebring, about 8 miles Southeast of the subject. The improvement itself is nearing the end of its economic life. Overall this sale is inferior due to effective age and condition.

Photographs - Comparable #2

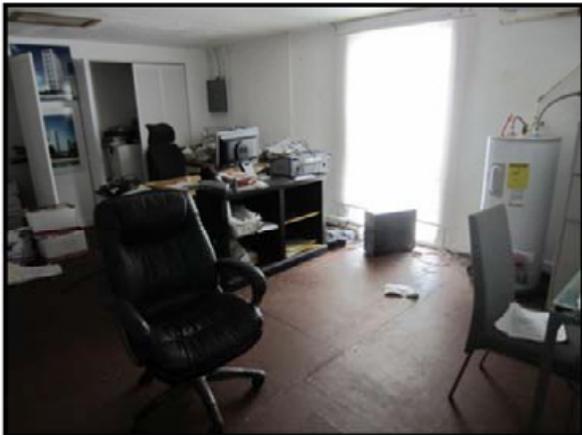


	AVM, allocation
effective area	7,124
sale price	\$69,000
total assessment	\$199,484
land assessment	\$31,020
percent to land	16%
percent to buildings	84%
sale price to land	\$10,730
sale price/buildings	\$58,270
price per sq.ft. bldgs	\$8.18
land and buildings	\$9.69



SALE THREE	
ADDRESS:	47 W Wall St., Frostproof, FL 33843
LOCATION:	Downtown Frostproof
LEGAL DESCR:	FROSTPROOF IN U S LOT 1 PB 1 PG 41 BLK 11 LOT 2 N 80 FT OF W 46 FT
STRAP ID:	28-31-32-968200-011010
SALES PRICE:	\$102,000
DATE:	12/7/2012
DECLINE:	Net
ADJUSTED FOR TIME PRICE:	\$102,000
PREVIOUS SALE:	Certificate of title February 2012 8576-1032 no consideration
ZONING:	CBD Central Business District
GRANTEE:	Bayview Loan to Zelma
RECORDED:	OR 8824-976/ML # P4621894
FINANCING:	Cash to seller, sale was an REO sale
SITE/VIEW:	8,708 sq.ft.
IMPROVEMENT:	Retail store and upstairs residential
QUALITY:	Average
AGE:	1909 eff 48-50
CONDITION:	Average
GROSS AREA:	6,660
EFFECTIVE AREA:	6,219
UNIT OF COMPARISON:	\$16.40
SITE MAP:	
COMMENTS:	This comp is located on a smaller but similarly priced lot. It is similar in quality and construction and is similar in effective age. It is located in Frostproof, about 10 miles North of the subject. Although the market area is different it is very similar in quality and amenity. It used to be the city hall, was converted to commercial downstairs and residential upstairs, virtually identical to the subject. Overall it is similar to the subject.

Photographs - Comparable #3



	AVM, allocation
effective area	6,219
sale price	\$102,000
total assessment	\$104,520
land assessment	\$39,939
percent to land	38%
percent to buildings	62%
sale price to land	\$38,976
sale price/buildings	\$63,024
price per sq.ft. bldgs	\$10.13
land and buildings	\$16.40



SALE FOUR	
ADDRESS:	102 S Evers St., Plant City, FL 33563
LOCATION:	Downtown Plant City
LEGAL DESCR:	Revised Map of Plant City Lot 3 and W 32 ¾ ft of Lot 4 Wedge Block
STRAP ID:	P-29-28-22-5DA-000000-00003.0
SALES PRICE:	\$350,000
DATE:	10/29/2012
DECLINE:	Net
ADJUSTED FOR TIME PRICE:	\$350,000
PREVIOUS SALE:	Certificate of title January 2012 20926-891 no consideration
ZONING:	COB 3 commercial
GRANTEE:	Platinum Bank to Helton Property Holdings
RECORDED:	OR 21632-1022/ML # T2542148
FINANCING:	Owner (Selling Bank) finance \$315,000, sale was an REO sale
SITE/VIEW:	33,105 sq.ft.
IMPROVEMENT:	Retail store and upstairs residential
QUALITY:	Average
AGE:	1909 eff 38-40
CONDITION:	Average
GROSS AREA:	12,480
EFFECTIVE AREA:	12,407
UNIT OF COMPARISON:	\$28.21
SITE MAP:	
COMMENTS:	This comp is located on a larger but similarly priced lot. It is similar in quality and construction and is similar in effective age. It is located in Plant City which is about 48 miles Northwest of the subject. It has commercial on the first floor and residential on the second floor the same as the subject. Overall it is similar or superior to the subject, varying mostly in proximity.

Photograph - Comparable #4

	AVM, allocation
effective area	12,407
sale price	\$350,000
total assessment	\$349,173
land assessment	\$23,947
percent to land	7%
percent to buildings	93%
sale price to land	\$24,004
sale price/buildings	\$325,996
price per sq.ft. bldgs	\$26.28
land and buildings	\$28.21



SALE FIVE	
ADDRESS:	381 E Interlake Blvd, Lake Placid, FL 33852
LOCATION:	Downtown Lake Placid
LEGAL DESCR:	Driggers Grove Resub PB 2 Pg 29 Lots 11-12-13 + 14 Blk 4
STRAP ID:	P-31-36-30-030-0040-0110
SALES PRICE:	\$190,000
DATE:	5/31/2012
DECLINE:	Net
PRICE ADJ. FOR TIME:	\$190,000
PREVIOUS SALE:	1/5/2012 PR no consideration, OR 2310-1032
ZONING:	C2 commercial
GRANTEE:	Booth to Koornneef
RECORDED:	OR 2329-1157/MLS 221918
FINANCING:	Cash to seller, 26 DOM
SITE/VIEW:	100 x 120 12,000 sq.ft.
IMPROVEMENT:	Former Badcock Furniture building
QUALITY:	Average retail
AGE:	1972, effective 38-40
CONDITION:	Average
GROSS AREA:	10,298, includes 1,666 storage, 400 canopy, rest retail.
EFFECTIVE AREA:	9,268
UNIT OF COMPARISON:	\$20.50 per sq.ft.
SITE MAP:	
COMMENTS:	This comp is located on a similar lot in the Downtown Lake Placid area, about 22 miles Southeast of the subject. This sale is inferior in quality but similar in condition as well as effective age.

Photographs - Comparable #5



Front



Rear

	AVM, allocation
effective area	9,268
sale price	\$190,000
total assessment	\$276,745
land assessment	\$30,000
percent to land	11%
percent to buildings	89%
sale price to land	\$20,597
sale price/buildings	\$169,403
price per sq ft. bldgs	\$18.28
land and buildings	\$20.50



Street

COMPETITIVE LISTING #1

		21 N LAKE AVE	
List Price: 199,900		MIs#: 217278 Active Commercial	
Zone: Avon Park		Avon Park / Highlands 33825	
Bus Name: VACANT			
Gross Income:	Down Pymnt:	#Bldgs: 1 #ParkSp:	Ceiling Height: Total SqFt: 16,628
Opr. Expense:	Equity:	Vacancy Rate%:	Community:
Debt Service:	Loans:	Cap Rate%:	Neighbhd code: 5011.1 Yr Built: 1955
Net Income:	Taxes: \$1,404 Yr: 2013	Cash on Cash:	Acreage: (+/-) 0.334
Overage Paid:	Stair(s):	Map ID: 23D	Lot Size: (+/-) 100X108+49X91
Cash Flow/An:	Pool:	POA: No Fee: 0	Condition: Good
Info Exp: Parking: Paved Heating: Central Electric Cooling: Central Electric Const: Concrete Block, See Remarks Access: County/City Road Busin: Will Sell: SpecInf: Floors: Carpet, Vinyl/Linoleum, Concrete Sale Inc: Land & Building		Water: Central Sewer: Yes Windows: Display, Single Hung Road: Paved, Govt. Maintained Roof: Closing: Possession At Closing, Title Insurance Design: Two Story Location: Inside, Free Standing Electricity: 3 Phase, 400 Amps or more, Duke Energy Finaning: Cash, Owner Finance Sp Cond: None	
Interior: Garage Door(s), Clear Span, Security System, Public Restrooms, Private Restrooms, Telephone, Cable TV Avail Exterior: Trash Collection, Fenced Appliance:			
\$12.02 PER SQ. FT. TO BUY!!! NOT LEASE!!! LOCATED 1/2 BLOCK FROM CENTER OF TOWN. APPROX. 7,200' OFFICE SPACE INCLUDING LARGE SHOW ROOM + 9080' WAREHOUSE . NEW GARAGE DOOR. NEW BITUMINOUS ROOF & PAINTED INTERIOR & EXTER IN 2010. 1600 AMP 3 PHASE ELEC. FIRE ANNUNCIATOR SYSTEM THROUGHOUT. ALARM SYS. NUMEROUS REST ROOMS. 17' ALLEY-WAY (PART OF THIS PARCEL) JOINS DISTRICT CENTURYLINK TELEPHONE BUILDING FOR LOW COST MULTI COMMUNICATION ACCESS. DECORATIVE BRICK ON FRONT IS STONE VENEER. BEING SOLD AS-IS WITH TIME TO INSPECT.			
US 27 & AVON PARK MAIN ST., TO E. ON MAIN , TO N. ON LAKE AVE. 1/2 BLOCK BUILDING ON LEFT..			
Owner: CDC FINANCIAL CORP Show: List Agent Accompanies Legal: TOWN OF AVON PARK IN 22-33-28 LOTS 9 + 10-LESS N 1 FT THERE OF + E 9 FT OF LOT 11 +		Strap: A-22-33-28-010-0580-0090 DOR: 11-STORES, 1 STORY List Date: 7/24/2013	
List Agent: Bud Worden List Office: WORDEN REALTY List Agent Email: bud4realestate@gmail.com FSRC: Yes Buyer Broker: 5		Ph: 863-453-5678 Co Lister: Ph: 863-453-5678 Agency: Exclusive Right of Sale Transaction: 5 Non Rep: 5 Office Fax #: 863-453-0065	



This is an office building located across the street to the North of the subject. Effective area is 12,994 sq. ft. List price per sq.ft. is \$15.38. Effective age is similar. This building would be considered similar to the subject in many respects.

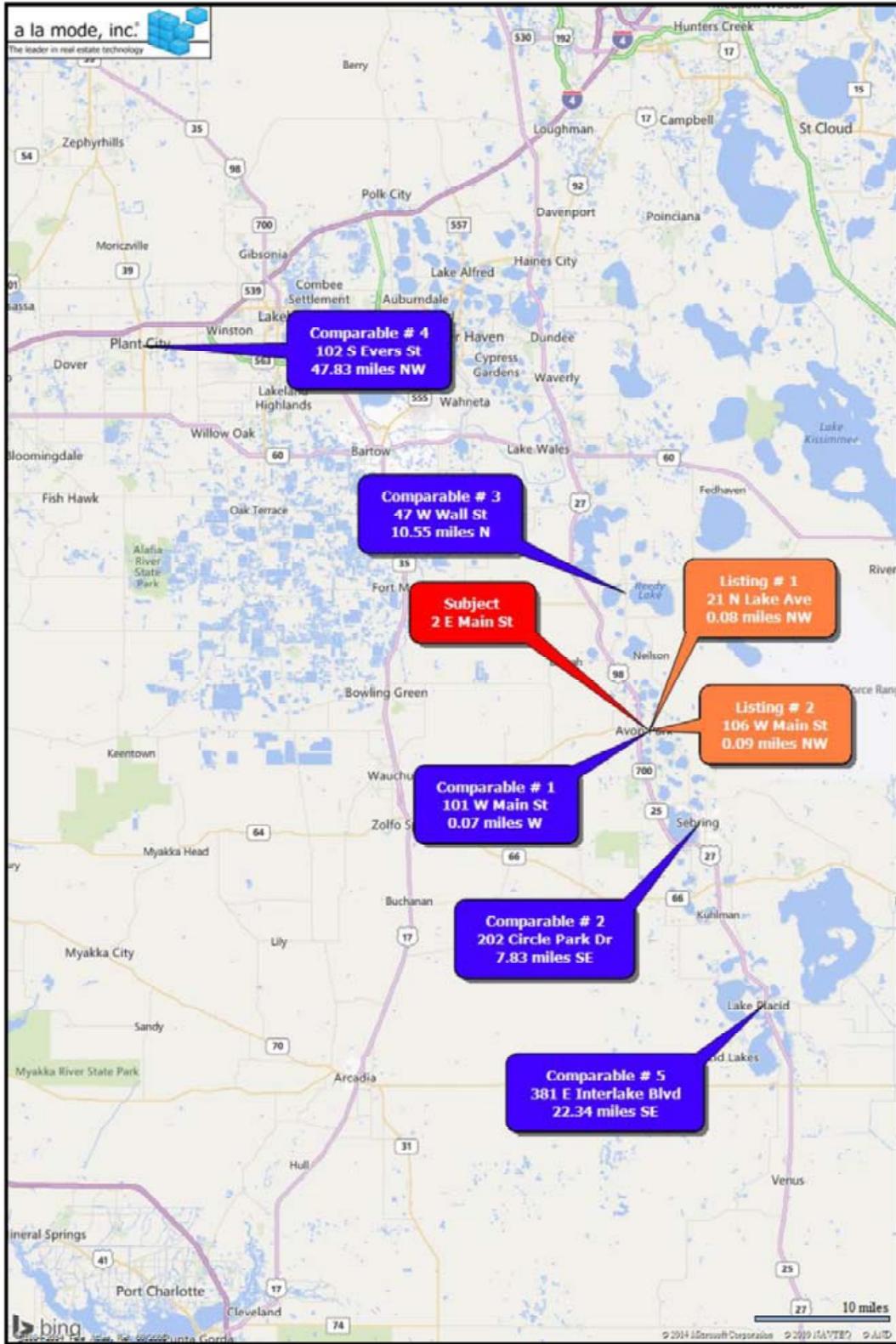
COMPETITIVE LISTING #2

		106 W MAIN ST	
		List Price: 399,900 MIs#: 227579 Active Commercial Zone: Avon Park Avon Park / Highlands 33825 Bus Name:	
Gross Income: Opr. Expense: Debt Service: Net Income: Overage Paid Cash Flow/An:	Down Pymnt: Equity: Loans: Taxes: \$4,444 Yr: 2013 Stair(s): Pool:	#Bldgs: 1 #ParkSp: Vacancy Rate%: Cap Rate%: Cash on Cash: Map ID: 23D POA: No Fee: 0	Ceiling Height: Total SqFt: 14,900 Community: Neighbhd code: 5011 Yr Built: 1940 Acreage: (+/-) 0.351 Lot Size: (+/-) 102 X 150 Condition: Good
Info Exp: Parking: Large Area Heating: Central Electric Cooling: Central Electric Const: Concrete Block, Metal Frame Access: See Remarks Busin: Retail, Wholesale, Professional Service, Automotive Will Sell: SpecInf: Floors: Tile Sale Inc: Land & Building		Water: Central Sewer: No Windows: Display Road: Paved Roof: Metal Closing: Possession At Closing, Possession Subject To Lea Design: Single Story Location: Free Standing Electricity: Duke Energy Financing: Cash Sp Cond: None	
Interior: Handicap Facilities, Garage Door(s), Security System, Public Restrooms, Private Restrooms, Telephone Exterior: Sign(s) Appliance:			
LOCATION LOCATION! Terrific business location on the corner of Main St and N Forest Ave in Avon Park, FL. Beautiful well maintained building with lots of parking space. Lots of potential. Currently used as a successful auto accessory and electronic business for the past 18 years, previously was a sign business and originally was a car dealership. Will also lease for \$3,500 per month for 16,000 total square feet.			
Intersection of Hammock Rd and US 27 S to north on US 27 to right on Main St in Avon Park to property on left			
Owner: TOMS AUTO OPTIONS INC Show: Call Listing Office, Appointment Only Legal: TOWN OF AVON PARK IN 22 LOTS 11-14-15 BLK 57		Strap: A-22-33-28-010-0570-0110 DOR: 27-VEH SALE/REPAIR Occupied: Owner Condition Report: No List Date: 10/8/2013	
List Agent: Gregory Karlson List Office: ADVANTAGE REALTY 1 List Agent Email: greg@advantagehighlands.com FSRC: Yes		Ph: 381-81-493-2 Co Lister: Ph: 863-386-0303 Agency: Exclusive Right of Sale Buyer Broker: 3 Transaction: 3 Non Rep: 3 Office Fax #: 863-386-1112	



This is an office/retail building located in the downtown area of Avon Park a couple of blocks west of the subject. It contains 14,900 gross area and an effective area of 10,077. It is on a much larger lot. List price per sq.ft. Effective area is \$39.68. This building is also offered for rent at \$3,500 per month or \$42,000 per year. This is \$4.17 per sq.ft. based on effective area.

Location Map – Improved Sales



These data are considered about average for an analysis of improved values but represent pertinent information currently available for properties similar to the subject property. The range of unadjusted values is fairly narrow, ranging from \$7.24 to \$26.28 per sq. ft. Listings are equal to or higher than the sale prices thereby providing little or no limiting effect on estimate of value.

Comparable Sales	Price per sq. ft.	Property Rating
101 W Main St, Avon Park	\$7.24	Inferior
202 N Circle Dr, Sebring	\$8.18	Inferior
47 W Wall St, Frostproof	\$10.13	Similar
102 S Evers St, Plant City	\$26.28	Similar or slightly superior
381 E Interlake Blvd, Lake Placid	\$18.28	similar

Adjustment Grid:

ITEM	SUBJECT	COMPARABLE #1		COMPARABLE #2		COMPARABLE #3		COMPARABLE #4		COMPARABLE #5	
Address	2 E Main St Avon Park, F. 338	101 W Main St Avon Park, FL 33825		202 N Circle Dr Sebring, FL 33870		47 W Wall St Frostproof, FL 33843		102 Evers St Plant City, FL 33563		381 E Interlake Blvd Lake Placid, FL 33852	
Proximity to Subject		0.07 miles W		7.83 miles SE		10.55 miles N		47.83 miles NW		22.34 miles SE	
Sale Price			7.24		8.18		10.13		26.28		18.28
Data Source		OR 2422-298/MLS 229488		OR 2279-1520/MLS 217327		OR 8824-976/MLS P4621894		OR 21632-1022/MLS T25		OR 2329-1157/MLS 2219	
VALUE ADJ.	DESCRIPTION	DESCRIPTION	ADJ. +/- \$	DESCRIPTION	ADJ. +/- \$						
Sale/ Finance Concession		cash to seller 4 DOM		cash to seller 88 DOM		cash to seller DOM, REO sale		owner bank fin REO sale		cash to seller 26 DOM	
Date/ Sale		2/25/2014		4/11/2011		12/7/2012		10/29/2012		5/31/2012	
Location	downtown	downtown		downtown		downtown		downtown		downtown	
Site/ View	average	average		average		average		average		average	
Quality	average	average		average		average		average		average	
Age	eff 40	eff 50	5.00	eff 60	10.00	eff 50	5.00	eff 40		eff 40	
Condition	average	average		average		average		average		average	
gross bldg area	25,404	13,180	-1.22	7,693	-1.78	6,660	-1.87	12,480	-1.29	10,298	-1.50
effective area	20,323	7,290	-1.30	7,124	-1.32	6,219	-1.41	12,407	-0.80	9,268	-1.10
other area	none	none		none		none		none		none	
Amenity	none	none		none		none		none		none	
Amenity	none	none		none		none		none		none	
Net Adjustment			2.48		6.90		1.72		-2.09		-2.60
INDICATED VALUE OF SUBJECT			9.72		15.08		11.85		24.19		15.68

Using the available data such as it exists (weighting each sale according to similarity) would provide an indicated value of \$15.00 per sq. ft. for the effective area.

20,323 sq.ft. @ \$15.00 per sq.ft. = \$304,845
 Round to = \$305,000
 Add back value of land = \$105,000
 Total = \$410,000

INDICATED VALUE BY SALES COMPARISON APPROACH (Rounded):

\$410,000

FOUR HUNDRED TEN THOUSAND DOLLARS

INCOME CAPITALIZATION APPROACH:

The Income Capitalization Approach reflects the theory that a property's value is the present worth of its anticipated economic benefits - the net operating income, plus any gains or losses - that accrue during the time the purchaser intends to hold the property. These economic benefits are discounted under the time value of money concept at the rate of return that the market requires to attract capital to the specific class of investment. That rate of return is known as the Overall Capitalization Rate.

The Gross Potential Income for the property is estimated by analysis of typical market rents of competitive properties within the market area and the past rental experience of the subject property. From this most probable gross rental income, deductions are made for probable vacancy and collection loss, appropriate expenses and reserves for replacement of items that will be replaced during the remaining economic life of the property. This Net Operating Income (NOI) is then capitalized by an Overall Rate into an indication of value.

Whenever possible, the preferred method to develop an Overall Rate is by analysis of market transactions, where data on Net Operating Income from sold properties can be ascertained. When such data is not available, it is possible to use other methods to develop an Overall Rate. The most common method involves an analysis of the property's probable financing vehicle in a sale and the use of a weighted average of the various forms of capital, i.e., equity and one or more mortgages.

In prior years, the holding period for real estate investments had typically been seven to ten years. That time period considered the declining tax benefits in investor ownership. However, the change in Federal tax legislation in 1986 significantly changed the allowable depreciation schedules for investment real estate and the treatment of capital gains income. These changes will continue to impact real estate values, holding periods and Overall Capitalization Rates for the foreseeable future. Other tax law changes that have limited the amount of passive income from real estate investments and how it can offset other income sources has also adversely affected investment values. This analysis has considered all available data concerning this segment of the real estate market. However, it should be recognized there is still limited information concerning unforced sales of this type property on which Overall Capitalization Rates and other market indicators can be based.

At the present, the subject property is vacant and has been for a very long period of time. Due to its partially renovated condition, significant work needs to be done in order to make the building suitable to produce an income.

For these reasons, the income approach is NOT deemed applicable, and while considered, it was determined to be of no value whatsoever in establishing the market value of the subject.

ESTIMATED MARKETING PERIOD FOR THE SUBJECT PROPERTY:

Normal Marketing Period is defined as:

"The most probable amount of time necessary to expose a property, in its entirety, to the open market in order to achieve a sale. Implicit in this definition are the following characteristics:

- The property will be actively exposed and aggressively marketed to potential purchasers through marketing channels commonly used by sellers of similar type properties.
- The property will be offered at a price reflecting the most probable markup over market value used by sellers of similar type properties.
- A sale will be consummated under the terms and conditions of the definition of market value set forth in this appraisal report.
- The elapsed time period needed to expose a property on the open market to achieve a specific market value estimate occurred prior to the date of the value estimate.
- The most probable amount of time is the average time period needed to expose a property on the open market to consummate a transaction on a specific date.

Normal marketing period refers to the time period during which the property is aggressively marketed in order to bring about a sale of the entire property to a single third party purchaser. Exposure time is defined as the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market. Exposure time is always presumed to precede the effective date of the appraisal. Considering the subject neighborhood, the site improvements, and current local and national economic condition, I estimate the marketing time for the subject property at 12 months. I estimate the exposure time for the subject property at 12 months. This estimate is based on overall sales volume of real properties in the area, conversation with local real estate brokers, and past experience.

FINAL SUMMATION AND RECONCILIATION
OF ESTIMATED MARKET VALUE:

In my opinion, the highest and best use of the subject would be its existing use.
The indications of value contained in this report are:

Cost Approach	\$ 525,000
Direct Sales Comparison Approach	\$ 410,000
Income Approach	\$ not applicable
Subject, Land as if Vacant	\$ 105,000

The process of reconciliation weighs the strengths and weaknesses identified in each approach in relation to the quantity and quality of data available and to the applicability of that information to the class of property being appraised.

The Cost Approach is usually most significant when the improvements are new or effectively new. Its weakness in older improvements is reliability of estimating accrued depreciation. The Cost Approach generally indicates the upper end of the value range due to the appraisal principle of substitution. The principle of substitution states that no rational individual will pay more for a property than that amount by which he/she could secure a similar site, and build a similar improvement without undue delay, less an amount for depreciation from all sources. In the case of the subject, the building is too old to be rebuilt in its present condition. For this reason, very little or no weight was placed on the cost approach.

The Direct Sales Comparison Approach had sales information available from five sales transactions and two active listings. This approach is generally considered to be the most reliable indicator of value when the data available closely corresponds to the location, age, size, and quality of the subject, since it reflects the interaction of buyers and sellers in the market place. The comparability of the data for this approach, as a whole, is considered to be about average.

The Income Approach is usually relied on by the knowledgeable investor when purchasing an income producing property for investment purposes. An investor in a property with many variables that influence the ultimate "bottom line", i.e., Net Operating Income, will rely more on the analysis that fully explores the items that affect the NOI. The income approach is not applicable due to the unoccupied under renovation status of the subject, and the fact that it is not and cannot produce an income in its "as is" condition. The income approach is not considered applicable and while it was considered, it was not completed.

The cost approach generally represents the UPPER range of value for a property due to substitution. All emphasis is placed on the Market Data approach. After analysis of the data contained in this report and based upon my education and general experience in the real estate field, it is my opinion that the **Estimated Market Value (Appraiser's opinion of value) of the Fee Simple Interest of the subject property, subject to definitions, assumptions and limiting conditions, as of August 25, 2014 is:**

\$410,000

FOUR HUNDRED TEN THOUSAND DOLLARS

****ADDENDA****

GENERAL ASSUMPTIONS AND LIMITING CONDITIONS:

Please see Certificate of Appraisal for additional assumptions, which apply directly to the subject property.

1. Acceptance of and/or use of this report constitutes acceptance of the foregoing General Assumptions and General Limiting Conditions.
2. The appraiser will not be required to give deposition, testimony or appear in court because of having made this analysis, with reference to the property in question, unless arrangements have been previously made thereof. Appraiser will charge an hourly rate for these services plus usual and customary expenses.
3. Possession of the report, or copy thereof, does not carry within the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event only with proper written qualifications and only in its entirety. Neither all nor any part of the contents of this report, or copy thereof, shall be conveyed to the public through advertising, public relations, news, sales or any other media without written consent and approval of the consultant. Nor shall the appraiser, firm or professional organization of which the appraiser is a member be identified without written consent of the appraiser.
4. The distribution of the total valuation in this report between land and improvements, if any applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.
5. No environmental impact studies were either requested or made in conjunction with this analysis, and the consultant hereby reserves the right to alter, amend, revise or rescind any of the value opinions based upon any subsequent environmental impact studies, research or investigation.
6. The Estimated Market Value is based upon no changes in the existing Federal Tax Laws that are in effect on the date of the appraisal.
7. The value in this report is based upon the subject property being free of termites, any other type of vermin, and any damage resulting from same. A licensed exterminator should make an inspection to determine this matter, and in the event that such presence of damage is found, this report would be subject to review and change.
8. It is assumed that the legal descriptions as given are correct, that the improvements are entirely and correctly located on the property described and that there are no encroachments or overlapping boundaries.

GENERAL ASSUMPTIONS AND LIMITING CONDITIONS (continued)

9. I have not made a survey of the property and no responsibility is assumed in connection with such matters. Should a current survey indicate a discrepancy in the subject site size, this report would be subject to review and change. Sketches in this report are not to scale and are included only to assist the reader in visualizing the property.
10. No responsibility is assumed for matters of legal nature affecting title to the property nor is an opinion of title rendered. The title is assumed to be good and merchantable.
11. Information and data furnished by others is usually assumed to be true, correct and reliable. When such information and data appears to be dubious and when it is critical to the analysis, a reasonable effort has been made to verify all such information; however, no responsibility for its accuracy is assumed by the appraiser.
12. All mortgages, liens, encumbrances, leases, and servitudes have been disregarded unless so specified within the report. The property is analyzed as though under responsible ownership and competent management.
13. It is assumed that there are no hidden or unapparent conditions of the property or structures which would render it more or less valuable. It is also assumed that a roofing inspection has been made by a licensed roofing contractor and that unless otherwise noted in this report, the roof is in average condition and is water tight. No responsibility is assumed for such conditions or for engineering which may be required to discover them.
14. It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws unless noncompliance is stated, defined and considered in this report.
15. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a non-conformity has been stated, defined and considered in this report. This appraisal is dependent upon written verification of said zoning classification.
16. It is assumed that all required licenses, consents or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
17. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted within the report.
18. It is assumed that the subject property conforms with the 1985 Growth Management Act's "concurrency" requirements.
19. Improvements proposed, if any, on or off-site, as well as any repairs required, are considered, for the purpose of this appraisal, to be completed in a good and workmanlike

- manner according to information submitted and/or considered by us. In cases of proposed construction, the report is subject to change upon inspection of the property after construction is complete. This estimate of value is as of the date shown, as proposed, as if completed and operating at levels shown and projected.
20. The estimated value is subject to change with market changes over time. Value is highly related to interest rates, exposure, time, promotional effort, supply and demand, terms of sale, motivation, and conditions surrounding the offering. The value estimate considers the productivity and relative attractiveness of the property physically and economically in the market place. The estimate of value in the report is not based in whole or in part upon race, color, or national origin of the present owners or occupants of the properties in the vicinity of the property appraised.
 21. In the event this appraisal includes the capitalization of income, the estimate of value is a reflection of such benefits and my interpretations of income and yields and other factors which were derived from general and specific market information. Such estimates are made, as of the date of the estimate of value. As a result, they are thus subject to change over time. The date as of which the value estimate applies is only as of the date of valuation as stated in the letter of transmittal. I assumed no responsibility for economic or physical factors occurring at some later date which may affect the opinion stated herein.
 22. An appraisal is the product of a professionally trained person but nevertheless is an opinion only, and not a provable fact. As a personal opinion, a valuation may vary between appraisers based upon the same facts. Thus, I warrant only that the value conclusions are my best estimate as of the date of value. There are no guarantees, either written or implied, that the property would sell for the expressed estimate of value.
 23. I have not reviewed an abstract of title relating to the subject property unless otherwise stated. No title search has been made and the reader should consult an attorney or title company for information and data relative to the property ownership and legal description. It is assumed that the subject title is marketable but the title should be reviewed by legal counsel. Any sales history information given has been researched and to the best of my knowledge is accurate, but not warranted.
 24. It is assumed that the property, which is the subject of this report, will be under prudent and competent ownership and management over the entire life of the property. If prudent and competent management and ownership are not provided, this would have an adverse effect upon the value of the property appraised.
 25. Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may 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 appraisers' inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test such substances or conditions. If the presence of such substances, such as asbestos, urea formaldehyde foam insulation, or other hazardous substances or

environmental conditions, may affect the value of the property, the value estimated is predicated on the assumption that there is no such 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 conditions, nor for any expertise or engineering knowledge required to discover them.

26. Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from the county public health unit.
27. The appraised value is subject to documentation being provided that there are no in-ground or above ground fuel/storage tanks existing on the subject site. In the event that such fuel/storage tanks are found, it is assumed that they comply with all local, state and federal regulations regarding fuel or storage tanks. If they are not in compliance, this report would be subject to review and change.
28. As appraisers, I am not licensed exterminators, licensed roofers, hazardous substance and environmental experts or structural engineers. Inspections by qualified experts in these fields would be required to determine any adverse conditions. If any adverse conditions are found, this report would be subject to review and changes.
29. This appraisal assignment was not made, nor was the appraisal rendered on the basis of a requested minimum valuation, specific valuation, or an amount which would result in approval of a loan.

PROFESSIONAL QUALIFICATIONS

TRAINING AND EXPERIENCE

OF

ROBERT M. ALEXANDER

STATE CERTIFIED GENERAL APPRAISER #RZ 0001500

My family has owned and operated a real estate and construction business in Highlands County continuously since 1956. I have been personally involved with this Real Estate and construction business full time since 1973. This involvement has provided me with hands on training in such areas as marketing, land development, and property management as well as an extensive background in construction, both residential and commercial.

This actual building experience is supplemented by the Florida and National building costs furnished by Marshall and Swift Company who has been compiling and furnishing this information since 1932. Marshall is recognized as competent authority by appraisers and financial interests throughout the country.

Licenses:

First state registered as salesman in 1973
 DPR "Broker" #0131497
 State Certified General Contractor #GCG005430 (inactive)
 State Certified Residential Appraiser #RD 0000110 in March, 1990 (upgraded 10/92)
 State Certified General Appraiser #RZ 0001500 in October, 1992

Special Education:

1. AIREA "Real Estate Principles" 06/24/81
2. AIREA "Residential Valuation" 07/03/81
3. AIREA "Standards of Professional Practice and Ethics" 09/26/86
4. Bert Rodgers "CA1" preparation course 1/19/90
5. Bert Rodgers "CA2" 60 hour course, June, 1992
6. Bert Rodgers "USPAP" 15 hour course, July, 1992
7. Bert Rodgers "CA2" preparation course, 9/19/92
8. AIREA "The Appraiser as an Expert Witness, 5/6/94
9. Hondros Career Centers "Appraisal Continuing Education" 6/9/94
10. AIREA "Understanding Limited Appraisals" 8/26/94
11. AIREA Fair Lending and the Appraiser 9/28/95
12. AIREA Alternative Residential Reporting Forms 7/19/96
13. Continuing Education Course "Specialty", "USPAP/Law Update", "Case Studies in Uniform Standards" 07/26/98
14. FHA Appraisal Guidelines & Exam Preparation 11/16/99
15. FHA Appraisal Examination 12/09/99
16. Building Codes & Plan Interpretation 4/7/01
17. Continuing Education USPAP/Law Update 09/27/02
18. Continuing Education Art of the Review 09/27/02
19. Continuing Education Case Studies 09/27/02
20. Continuing Education Land Valuation course 11/04
21. Continuing Education Law/Standards update 11/04
22. Continuing Education National USPAP Course 11/04
23. Continuing Education USPAP, Law/Standards update, FNMA update, and Fraud Awareness 30 hours 9/06
24. Continuing Education USPAP, Law/Standards update, Land Valuation course 7/08
25. FNMA Form 1004MC HVCC and more 1/13/2010
26. Florida Supervisor/Trainee Roles and Relationships 1/13/2010
27. Florida Appraisal Laws and Regulations 1/13/2010
28. Disclosures and Disclaimers 1/14/2010
29. Appraising FHA today 1/24/2010
30. 2010-2011 National USPAP Update 3/15/2010
31. Florida Appraisal Laws and Regularions 5/20/2012
32. REO and Foreclosures 6/17/2012
33. Private Appraisal Assignments 7/4/2012
34. The Dirty Dozen 7/4/2012
35. 2012-2013 7 hour National USPAP Update Course 7/7/2012
36. Risky Business: Ways to Minimize your Liability 7/8/2012

Appraisals made for:

Highlands County	Federal Agencies
City of Sebring	Attorneys
City of Avon Park	Sellers
Federal Aviation Administration	Buyers
ERC Relocation Companies	Owners
Commercial Lenders	Developers
Private Lenders	Holding Companies
HUD/FHA Panel Fee Appraiser	Mortgage Companies

I have served as expert witness in Court several times.

Affiliations and Memberships:

State Certified General Appraiser #RZ 0001500
 1990 First Vice President, Sebring Board of Realtors
 1990 Multiple Listing Committee Chairman
 Florida Association of Realtors
 National Association of Realtors
 Marshall Valuation Service

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AC#6289523 STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
FLORIDA REAL ESTATE APPRAISAL BD SEQ# L12082104349

DATE	BATCH NUMBER	LICENSE NBR
08/21/2012	128047614	RZ1500

The CERTIFIED GENERAL APPRAISER
Named below IS CERTIFIED
Under the provisions of Chapter 475 FS.
Expiration date: NOV 30, 2014

ALEXANDER, ROBERT M
29041/2 SOUTHGATE SHOPPING CEN
SEBRING FL 33870

RICK SCOTT GOVERNOR
KEN LAWSON SECRETARY

DISPLAY AS REQUIRED BY LAW

