

APPRAISAL REVIEW REPORT COVER PAGE

Retail Commercial

SUBJECT PROPERTY EXHIBITS



Front View of Subject Looking North

APPRAISAL REVIEW REPORT

APPRAISER / ENGAGEMENT INFORMATION

QUALITY REVIEW

FIRM NAME

1. TIMELINESS 5

APPRAISERS' NAMES:

LICENSE OR CERT. No.

2. QUANTITY OF DATA 5

ADDRESS:

WEBSITE:

3. QUALITY OF DATA 5

TELEPHONE:

FAX:

4. COST 5

5. OVERALL RATING 5

Engagement Specifics: 2006 USPAP; Full Appraisal, Self-contained Report. Fee Simple Interest, All approaches must be considered

Values requested:

SECTION 1 - Identification Data (USPAP SR 3-1)

Name of Borrower/Ownership:

Address: N/A

Telephone:

Fax:

Email:

Property Name Commercial / Retail

Land Size: 1.16 ac.

Building Size: 8,015± Sq Ft.

Property Location:

Street Address

City

County

FL
State

Zip

The subject consists of: an improved retail commercial property.

Location Code: 03

Commercial or Residential: Commercial

Census Tract:

Type of Property Retail Commercial

Property Code:

Tenants/Types:

Zoning: CG-PSL

Property Subtype: Vehicle-related repair

234

N/A

Status of Property: Vacant Land ☐

Existing Improv. ☒

Proposed Improv. ☐

Year Built: 2006

Tax Folio:

Flood Zone:

Community Panel Zone Map:

Zone: X

FIRM:

Land Area Gross:

Net:

Bldg. Area - Gross:

Bldg. Area - Net:

50,663± Sq Ft

50,663± Sq. Ft

8,015± Sq. Ft

8,015± Sq. Ft

Surplus Land: None ☒ Yes ☐ The subject is an: ☒ existing ☐ proposed development

Is this a 'Bank Ordered Report'? Yes

Appraiser Hired by: Yes ☒ No ☐ Appraisal Order #: .01 Other Financial Institution: Yes ☐ No ☒

Type of Appraisal Report:

☒ Full Appraisal Self Contained Report ☐ Full Appraisal Summary Report ☐ Restricted Use Report

Appraisal Report Issue Date: Dec. 21, 2007

Appraisal Effective Date: Dec. 17, 2007

Appraisal Inspection Date: Dec. 17, 2007

Appraisal Review Effective Date: Feb. 8, 2008

Taxes: Tax Year: 2007

Assessed Value: \$ 633,300

Total Gross Taxes: \$ 15,709 (\$1.96.SF)

EFFECTIVE DATES AND VALUE CONCLUSIONS

Interest Appraised	Type of Value	Effective Date	Appraiser's Conclusion	Reviewer's Conclusion
Fee Simple <input checked="" type="checkbox"/> Leased Fee <input type="checkbox"/>	"As-is" market value	Dec. 17, 2007		

*NOTE: All data must correspond with that requested in the engagement letter.*Extraordinary Assumption ☐Hypothetical Condition ☐Is the report addressed ☐ Bank? ☒ Yes ☐ NoIdentify the extent of the review process conducted: Technical Review Reviewer Inspected ☐ Yes ☒ No**SECTION 2 – Property Identification/Date of Appraisal/History/Scope of Work****Definition of Market and/or Fair Value**

Yes	No	N/A	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	A. Does the appraisal satisfy the requirements of the Engagement Letter?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	B. Is a legal description included in the report? Does it correspond with the warranty deed (DOT)? (Fee Simple, Leased Fee, Leasehold).
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	C. Do the property rights appraised correspond with those in the engagement letter?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	D. Is the property identified in such a manner and proficiency that a reasonable person will have no difficulty in comprehending location, type of property, land size, building size?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	E. Is the date of valuation identified? Is the date current? Does the appraiser present the date consistently throughout the report?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	F. Are intended use and intended user identified? (SR 1-2(a-b); SR 2-2(a))
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	G. Scope of Work: {SR 1-2(a-d), and SR 1-2(e-h)}; Have the proper steps been taken to develop the Scope of Work? Is the extent of the process of collecting, confirming, and reporting data discussed? Does it satisfy USPAP and MUNB requirements?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	H. Is the definition of market value (or fair value) the same as the engagement letter?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	I. Is the value estimate subject to reasonable presumptions or conditions? Would a reasonable person agree that the valuation(s) under conditions as stated is(are) probable?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	J. Is the Property History recorded, including current contracts/ pending sales (USPAP 1-5)?

Comment:**SECTION 3 - Market Data and Property Data**

Yes	No	N/A	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	A. Does the appraiser adequately present economics, demographics, and growth history data so that one can make a reasonable judgment regarding the desirability of the area for this property?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	B. Does the appraisal present the appraiser's conclusions? Are the conclusions reasonable (based on the data presented or knowledge of the area)?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	C. Is the subject property adequately described in accordance with USPAP guidelines, Site Analysis, Size, Shape, Dimensions, Topography, Access, Utilities, and Hazardous Waste Problems?

Comment:

Property Data

- | Yes | No | N/A | |
|-------------------------------------|--------------------------|--------------------------|--|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | A. Is there a clear identification of flood plain or wetlands? Are flood plain maps included or referred to? |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | B. Are the sources and actual location of utilities provided (Water, gas, electricity, telephone)? |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | C. Do you believe the land, shape, size, contour, and soil conditions are adequately described? |

Comment:

Description of Site / Building Improvements

- | Yes | No | N/A | |
|-------------------------------------|--------------------------|--------------------------|---|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Is the source of the information stated (appraiser's measurements, tax records, architectural plans)? Is it adequate? |

Comment:

Tax Assessment

- | Yes | No | N/A | |
|-------------------------------------|--------------------------|--------------------------|--|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Does the appraiser address the taxing authorities, the current tax rate, last year's tax rate, and the reasonableness of existing taxable value, or probable taxable value? What is the ratio of the taxable (assessed) value to the concluded prospective leased fee value? 21.5% Is it reasonable. Yes. |

Comment: RE taxes are based on initial year value. Tenants pay RE taxes, so as-improved, there is no affect on the income approach.

Zoning

- | Yes | No | N/A | |
|-------------------------------------|--------------------------|--------------------------|---|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | If improved, do the existing/proposed improvements conform to zoning? |

Comment:

SECTION 4 - Highest and Best Use/Marketability/Feasibility

- | Yes | No | N/A | |
|-------------------------------------|--------------------------|--------------------------|--|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | A. Has the land been analyzed to reflect the most probable use, permissible use, feasible use, and maximally productive use? |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | B. If improved, is the highest and best use analyzed as if improved <u>and</u> as if vacant? If marketability is included, are the appraiser's conclusions supported and reasonable? |

Comment:

SECTION 5 - Valuation Procedures

- | Yes | No | N/A | |
|-------------------------------------|--------------------------|--------------------------|---|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Have all three approaches to value been applied (income, sales comparison, and cost approach)? If no, has the elimination of one or more approaches to value been satisfactorily discussed/explained? |

Comment:

Cost Approach/Land Valuation

- | Yes | No | N/A | |
|-------------------------------------|--------------------------|--------------------------|---|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | A. Are the land sales adequately described (size, frontage, topography, zoning, utilities, usable area)? Are they suitable comparisons to the subject or are large adjustments necessary? |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | B. Is the unit of comparison used consistent and proportionate? Do you agree with the valuation? |

Comment:

Cost Approach/Improvements

Yes	No	N/A
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- A. If proposed, do the actual contract costs agree with the appraisal? (Do the actual costs and the costs stated in the appraisal include unusual allowances regarding profits, interest cost, fees, etc.?)
- B. Does the depreciation allowance coincide with the described condition of the improvements?
- C. If you have inspected the property, do you agree with the depreciation allowance and description of the improvements presented in the report?
- D. Is the math correct?
- E. Do you agree with the valuation?

Comment:

Income Approach

Yes	No	N/A
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- A. Is market rent adequately justified by comparables? Is net or gross rent identified, and are the comparables using the same unit?
- B. If contract is higher/lower than market, is it explained?
- C. Does the vacancy allowance relate to market rent and is it reasonable?
- D. Are expenses (i.e., management, taxes, insurance, and utilities) documented and justified by market evidence?
- E. Has the appraiser presented adequate proof for the basis of selection of the capitalization process (rate) (comparable market data, band of investment)?
- F. Is the math correct?
- G. Do you agree with the reasoning/valuation?

Comment:

Sales Comparison Approach

Yes	No	N/A
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- A. Market data should include property description, date of sale, date of contract, sales price, grantor, grantee, deed/book/page, financing terms, zoning, land area, frontage, topography, utilities, gross/net rentable area, gross income, expenses, net operating income, verification source, and discussion of vacancy at sale, appropriate units of comparison, marketing period, etc.
- B. Does each sale adequately address all the above data?
- C. Is rental data supplied? Is it actual or estimated? ☐ (actual) ☐ estimated
- D. Is it reasonable if compared to the data in the Income Approach?
- E. Is the unit of comparison used consistent and proportionate (i.e., 14-foot ceiling height vs 24-foot ceiling height, etc.)?
- F. If applicable, has the sales price been adjusted to reflect cash equivalency?
- G. Is the math correct?
- H. Do you agree with the reasoning/valuation?

Comment:

Summary/Valuation Procedures

Yes	No	N/A
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

- A. Has a reasonable exposure time been stated and is it supported? (9 to 12 months).
- B. Has a reasonable marketing time been stated and is it supported? (9 to 12 months)
- C. If information pertinent to the valuation was not available, was that fact disclosed?
- D. If applicable, is personal property, fixtures, or intangible items separated from real estate?

- | | | | | |
|-------------------------------------|--------------------------|--------------------------|----|--|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | E. | Does the appraisal include the Mellon United National Bank Compliance Index? |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | F. | Do you concur with the reasoning / final value estimate? |

Comment: Pending receipt of [REDACTED] Compliance Index per Reviewer's request.

SECTION 6 - Certification/Qualification/Limiting Conditions

Yes No N/A

- | | | | | |
|-------------------------------------|-------------------------------------|--------------------------|----|---|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | A. | Does the certification included in the report comply with USPAP and contain the statement that the appraisal was not based on a requested minimum valuation, a specific valuation, or the approval of a loan. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | B. | Are the appraiser's qualifications sufficient for the assignment? |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | C. | Have conditions and assumptions, which may limit or qualify the value estimate(s) been disclosed? |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | D. | Are there any extraordinary assumptions / hypothetical conditions? |

Significant Observations

- **Accepted for Bank use**-. See Review Conclusions Section.

Purpose / Intended Use / Intended User Review

- The purpose of the review assignment is to **render an opinion as to** the completeness, adequacy, relevance, appropriateness, and reasonableness of the work under review relative to USPAP requirements, referenced appraisal requirements, and applicable federal regulations.
- The intended use of the review is for use in connection with the acquisition, disposition, and financing of the property, and the review is not intended for any other use.
- The intended user of the review is only the client and Bank, its subsidiaries and / or its affiliates.

Review Conclusion

In the reviewer's opinion, given the scope of the work under review:

- The work under review **is** appropriate and **is** reasonable given the data, analyses and opinions presented.
- The subject appraisal meets the reporting requirements for a **Full appraisal in a Self Contained report**.
- The data **appears** to be adequate and relevant and the adjustments made to the data **appears** to be proper.
- The appraisal methods and techniques used **appear** to be appropriate.
- The analyses, opinions and conclusions encompassed within the scope of work under review **are** appropriate and reliable.
- The work under review from the appraisal report **is** approved for use by the client and intended users of this review report.

Scope of Review (USPAP: SR 3-2c)

The scope of the review included a reading of the following components from the appraisal and the additional due diligence noted. The contents from the appraisal work file were not reviewed.

- Letter of transmittal
- Identity of the client and intended users
- Intended use of the appraisal
- Physical and economic characteristics of the real estate
- Real property interest appraised and related sections that set forth known encumbrances
- Purpose of the appraisal
- Definition(s) of value and their source(s)
- Effective date(s) of the appraisal
- Date of the report
- Intended User, Intended Use, and Scope of Work used to develop the appraisal
- General, specific, extraordinary assumptions & limiting conditions, hypothetical conditions
- Market overview
- The following approaches to value were utilized: The Sales Comparison ☒, Income ☒, and Cost ☒ Approach(es) was/were utilized to develop the final value estimate for the subject.
- Ownership/sales/ listing/option history of the real estate
- Existing and appraised use
- Highest and best use
- Reasons for excluding any of the usual valuation approaches
- Reconciliation
- Certification of the appraiser

SECTION 7 – Reviewer's Conclusions/Recommendations/Comments

A. The subject Appraisal is in conformance with USPAP requirements of the Appraisal Foundation, referenced appraisal requirements, and it is in compliance with FIRREA guidelines and applicable Federal regulations. The valuation is supported and found reasonable therefore, the subject Appraisal Report is accepted for Bank Use.

I have read and reviewed the Appraisal Report:



Date: Feb. 8, 2008

Reviewer: Michael Sprouse, MSA

State Certified General Real Estate Appraiser No. RZ1005

AQB Certified USPAP Instructor

REVIEWERS COMMENTS:

The Following action has been taken: **The Appraisal Report has been accepted for Bank Use.**

Review Appraiser's Certification (USPAP: SR 3-3)

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

- the facts and data reported by the review appraiser and used in the review process are true and correct.
- the analyses, opinions, and conclusions in this review report are limited only by the assumptions and limiting conditions stated in this review report, and are my personal, impartial, and 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 engagement in this assignment was not contingent upon developing or reporting predetermined results.
- my compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this review report.
- my analyses, opinions, and conclusions were developed, and this review report was prepared, in conformity with the Uniform Standards of Professional Appraisal Practice of The Appraisal Foundation and the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- I did not personally inspect the subject property of the report under review.
- no one provided significant professional assistance to the person signing this review report.
- the use of this review report is subject to the requirements of the Appraisal Institute and the State of Florida relating to review by its duly authorized representatives.
- this review was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
- as of the date of this review report, Michael Sprouse, MSA has completed the appraisal continuing education requirements of the States of Florida, Illinois, New York, and Missouri for state certified general real estate appraisers, and the Appraisal Foundation (Washington, DC) for AQB Certified USPAP Instructors.



Reviewed By: _____

Michael Sprouse, MSA

State Certified General Real Estate Appraiser No. RZ1005

AQB Certified USPAP Instructor

Date: Feb. 8, 2008

APPRAISAL REVIEW ADDENDA

.01

ADDITIONAL SUBJECT PROPERTY EXHIBITS

None.