



AN APPRAISAL REPORT OF

A 0.549± ACRE VACANT COMMERCIAL SITE KNOWN AS LOT 4 WITHIN THE CLERMONT OAKS OFFICE PARK

LOCATED AT THE NORTHWEST CORNER OF BROGDEN DR AND CLUSTEROAK DR
WITHIN THE INCORPORATED AREA OF THE CITY OF CLERMONT,
LAKE COUNTY, FLORIDA, 34711
CENSUS TRACT 313.07

FOR

CENTENNIAL BANK

MR. PHILIP LABANCA
CENTENNIAL BANK
25 NABCO DR,
CONWAY, AR. 72032

DATE OF INSPECTION: APRIL 25, 2020
DATE OF VALUATION: APRIL 25, 2020, AS IS
DATE OF REPORT: MAY 6, 2020

CENTENNIAL BANK PROJECT NUMBER: 20-001038-02-01
TR NO: 787-20

PREPARED BY:
TIMOTHY RADABAUGH MAI
STATE - CERTIFIED GENERAL APPRAISER
LICENSE NUMBER RZ 2362



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TIMOTHY RADABAUGH, MAI
State-Certified General Appraiser RZ 2362
Real Estate Appraiser*Consultant since 1987

*Providing
Critical Real Estate
Answers*

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May 6, 2020

Mr. Philip LaBanca
Centennial Bank
25 Nabco Dr.,
Conway, AR. 72032.

RE: A 0.549± acre vacant commercial site known as Lot 4 within the Clermont Oaks Office Park at the Corner of Brogden Dr and Cluster Oak Dr, within an incorporated area of the City of Clermont, Lake County, Florida, 34711.

Dear Mr. LaBanca,

As you requested, I have made the inspections, investigations, and analyses necessary to appraise the above referenced property. The legal description is contained within the following appraisal report.

The site is classified as a vacant business park lot within the Clermont Oaks Office Park which is shadow anchored with Clermont Landing Mall. The subject site appears to have rights to a master retention pond known as Tract A within the park and owned by the POA. The cross site elevation drop is significant and will likely require a retaining wall to maximize the building pad and parking areas.

The Coronavirus National Emergency COVID-19 has undoubtedly been daunting for all of us; however, it is critical to remember that the U.S. economy and particularly the banking system were in the best condition since WWII leading up to this unexpected shock. An important part of any appraisal assignment is analysis of market conditions. The corona virus threat is likely impacting market conditions. However, in most markets, it is not yet clear to what extent market conditions are affected. Complicating factors include fluctuations in the stock market and changes in mortgage interest rates. Market analysis includes observing market reactions. This analysis becomes more complicated when market participants themselves are facing uncertainty. The full economic impact of reduced personal consumption and commerce is unknown at this point in time and this appraisal report makes no attempt to speculate on the outcome beyond what appears reasonably probable. In that regard, the outbreak is expected to cause significant economic disruption in the Orlando MSA. The trajectory of Orlando's economy will depend on how widely the virus spreads, and how long containment policies like physical distancing need to be maintained. Today the situation is dynamic and unprecedented. Prior to the COVID-19 outbreak, Orlando had very strong economic momentum and the comparable data in this appraisal report largely reflects the environment before the pandemic. However, in recognition of this circumstance all time adjustments for sale comparables in my analysis have been reduced to zero percent. Further, a likely recession is acknowledged in the highest and best use.

TIMOTHY RADABAUGH, MAI

This report is intended to comply with the reporting requirements set forth under 2020-2021 Uniform Standards of Professional Appraisal Practice (USPAP) for an Appraisal Report, the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, and applicable state appraisal regulations. The appraisal is also prepared in accordance with the appraisal regulations issued in connection with the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA).

Some site specific information was made available to the appraiser by the owner; however, it has been necessary to make several Extraordinary Assumptions concerning the factual information about the subject property. The value opinions contained in the report are subject to the Extraordinary Assumptions as outlined within the text of this appraisal. **(See Extraordinary Assumptions).**

The purpose of this appraisal is to provide a market value opinion of the Fee Simple interest in the subject property for the "As Is" condition. The estimate of value is made under market conditions prevailing as of April 25, 2020, which was the dated of my most recent inspection. Market value, fee simple interest and other appraisal terms are defined within the text of the following appraisal report. Based upon my investigation into those matters that affect market value and by virtue of my experience and training, it is my opinion that the market value of the **Fee Simple Interest**, "As Is", April 25, 2020 was: (See Extraordinary Assumptions)

As Is

Fee Simple Interest at Inspection
TWO HUNDRED SEVENTY FIVE THOUSAND DOLLARS
(\$275,000)

Furthermore, I have considered an appropriate marketing period and exposure period for the subject property at the market value estimates reported above. My estimates are based upon interviews with active market participants within the subject's marketing area. Assuming the utilization of an organized and coordinated marketing effort, I have estimated a reasonable marketing period for the subject property of approximately 12 months. In addition, I have estimated a reasonable exposure period of 12 months.

To the best of the appraisers' ability, the analysis, opinions, and conclusions were developed and the report was prepared in accordance with the standards and reporting requirements of Centennial Bank, Interagency Appraisal and Evaluation Guidelines published by the five federal financial institutions regulatory agencies, 12 CFR 34, Real Estate Lending and Appraisals, including Section 560, Lending and Investment, Office of the Comptroller of the Currency, United States Department of the Treasury. The appraisal analyses, opinions, and conclusions were developed and this appraisal report has been prepared in conformance with (and use of this report is subject to) all regulations issued by the Office of the Comptroller of the Currency (OCC) regarding the enactment of Title XI of the Financial Institution Reform, Recovery, and Enforcement Act of 1989 (FIRREA).

The analyses, opinions, and conclusions were developed and this report has been prepared in conformity with the requirements of the Standards of Professional Appraisal Practice of the Appraisal Institute, the Uniform Standards of Professional Appraisal Practice (USPAP) as adopted by The Appraisal Foundation, and with the requirements of the State of Florida for State Certified Appraisers. This appraisal conforms to the Federal Deposit Insurance Corporation final

TIMOTHY RADABAUGH, MAI

rule on appraisals published in the Federal Register, effective September 19, 1990, under "12 CFR part 323." The undersigned appraisers possess the knowledge and experience of the type of property and geographic area of the property being appraised to meet the USPAP competency requirements and 12 CFR appraisal requirements.

This letter of transmittal precedes and is hereby made a part of the appraisal report which follows, setting forth the most pertinent data and reasoning which was used in order to reach the final value estimate. The appraisal is subject to the *Assumptions and Limiting Conditions*, which have been included within the text of this report. The assumptions and conditions are considered usual for this type of assignment. In keeping with my agreement with Centennial Bank, only Centennial Bank has the right or use of this appraisal report. This appraisal report may not be used for any purpose by any person other than an officer of Centennial Bank, without the prior written consent of Timothy Radabaugh, MAI. Possession of the report, or a copy thereof, does not carry with it the right of publication. No other party is entitled to rely on the information, conclusions, or opinions contained herein.

The Appraisal Institute maintains a voluntary continuing education program for its members. As of the date of this report, the undersigned MAI has completed the requirements of the continuing education program of the Appraisal Institute. I do not authorize the out of context quoting from or partial reprinting of this appraisal report. Further, neither all nor any part of this appraisal shall be disseminated to the general public by the use of media for public communication without the prior written consent of the appraisers signing this appraisal report.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives and to the requirements of the State of Florida relating to review by its Real Estate Appraisal Board. This is a certified appraisal as defined in the provisions of Part II, Chapter 475.501, Florida Statutes. This transmittal letter must remain attached to the complete report in order for the value opinion(s) to be considered valid..

Respectfully submitted,

TIMOTHY RADABAUGH, MAI

Timothy Radabaugh, MAI
State-Certified General Appraiser
License Number: RZ 2362

TIMOTHY RADABAUGH, MAI

CERTIFICATION

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. I have not performed real estate valuation services as an appraiser regarding the property that is the subject of this report.
5. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
9. I, Timothy Radabaugh have made a personal inspection of the property that is the subject of this report.
10. No one provided significant real property appraisal assistance to the person signing this certification.
11. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
13. As of the date of this report, I Timothy Radabaugh have completed the continuing education program for Designated Members of the Appraisal Institute.



Timothy Radabaugh, MAI
State-Certified General Appraiser
License Number: RZ 2362.
Expiration Date: November 30, 2020

TIMOTHY RADABAUGH, MAI

DEFINITIONS

MARKET VALUE¹

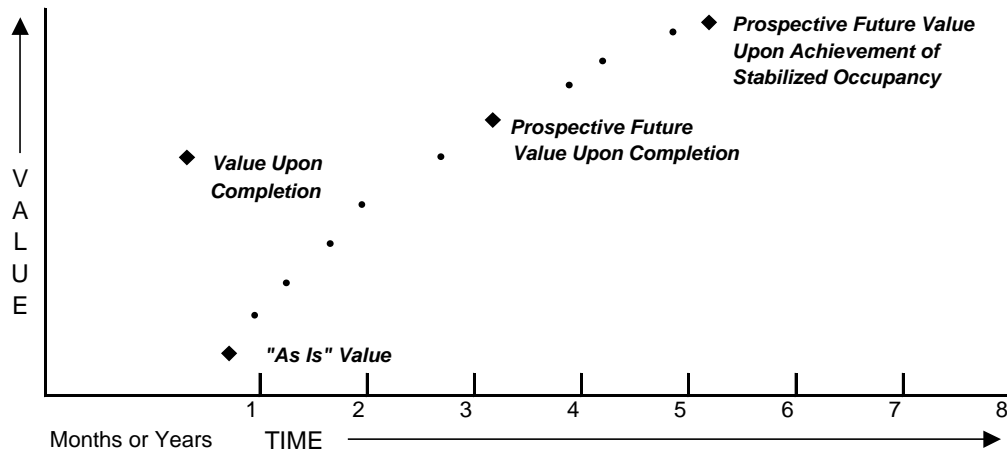
The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently and knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and passing of title from seller to buyer under conditions whereby:

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

¹ Title XI, Financial Institutions Reform, Recovery, and Enforcement Act of 1989 ("FIRREA"), [Pub. L. No. 101-73, 103 Stat. 183 (1989)], 12 U.S.C. 3310, 3331-3351, and section 5(b) of the Bank Holding Company Act, 12 U.S.C. 1844(b); Part 225, Subpart G: Appraisals; Paragraph 225.62 (f).

Uniform Standards of Professional Appraisal Practice, 2001 Edition
Federal Reserve System, 12 CFR Parts 208 and 225, Sec. 225.62
Office of the Comptroller of the Currency, 12 CFR part 34, Sec. 34.42
FDIC, 12 CFR Part 323, Sec. .323.2
Office of Thrift Supervision, 12 CFR Part 564, Sec. 564.2
NCUA, 12 CFR Part 722, Sec. 722.2

VALUE CREATION CONTINUUM²



The preceding exhibit graphically displays the creation of value in a real estate development projection over time, assuming a zero inflation environment for clarity of presentation.

The four time differential values on the graph that may be considered in the appraisal of proposed developments are defined as follows:

1. ***As Is*** means an estimate of the market value of a property in the condition observed upon inspection and as it physically and legally exists without hypothetical conditions, assumptions, or qualifications as of the date of appraisal is prepared.
2. ***Value Upon Completion*** means the market value of a property with all proposed construction, conversion, or rehabilitation hypothetically completed, or under other specified hypothetical conditions as of the date of appraisal. With regard to properties wherein anticipated market conditions indicate that stabilized occupancy is not likely as of the date of completion, this estimate of value shall reflect the market value of the property as if complete and prepared for occupancy by tenants.
3. ***Prospective Future Value Upon Completion*** means the prospective future value of a property on the date that construction is completed, based upon market conditions forecast to exist as of that completion date.
4. ***Prospective Future Value Upon Achievement of Stabilized Occupancy*** means the prospective future value of a property at a point in time when all improvements have been physically constructed and the property has been leased to its optimum level of long-term occupancy.

² Code of Federal Regulations, Title 12, as amended by the Federal Home Loan Bank Board.

FEE SIMPLE ESTATE³

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

LEASED FEE ESTATE³

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

LEASEHOLD ESTATE³

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

CONDOMINIUM ESTATE

Is the form of housing tenure and other real property where a specified part of a piece of real estate (usually of an apartment house) is individually owned. Use of and access to common facilities in the piece such as hallways, heating system, elevators, and exterior areas are executed under legal rights associated with the individual ownership. These rights are controlled by the association of owners that jointly represent ownership of the whole piece.

HIGHEST AND BEST USE³

The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility and maximum probability.

³ The Dictionary of Real Estate Appraisal, 5th Edition (Chicago: Appraisal Institute, 2010).

GENERAL ASSUMPTIONS

1. The legal description used in this report is assumed to be correct.
2. No survey of the property has been made by the appraiser and no responsibility is assumed in connection with such matters. Sketches in this report are included only to assist the reader in visualizing the property.
3. 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.
4. 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 appraisal, a reasonable effort has been made to verify all such information; however, no responsibility for its accuracy is assumed by the appraiser.
5. All mortgages, liens, encumbrances, leases and servitudes have been disregarded unless so specified within the report. The property is appraised as though under responsible ownership and competent management.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil or structures which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover them.
7. 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 the appraisal report.
8. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless nonconformity has been stated, defined and considered in the appraisal report.
9. 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.
10. 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.

GENERAL LIMITING CONDITIONS

1. The appraiser will not be required to give testimony or appear in court because of having made this appraisal, with reference to the property in question, unless arrangements have been previously made thereof.
2. Possession of the report, or copy thereof, does not carry with it 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.
3. The distribution of the total valuation in this report between land and improvements 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.
4. No environmental impact studies were either requested or made in conjunction with this appraisal, and the appraiser 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.
5. 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 appraiser. Nor shall the appraiser, firm or professional organization of which the appraiser is a member be identified without written consent of the appraiser.
6. Acceptance of and/or use of this appraisal report constitutes acceptance of the foregoing General Assumptions and General Limiting Conditions.
7. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible non-compliance with the requirements of ADA in estimating the value of the property.
8. The value estimated is based on the assumption that the property is not negatively affected by the existence of hazardous substances or detrimental environmental conditions unless otherwise stated in this report. The appraiser is not an expert in the identification of hazardous substances or detrimental environmental conditions. The appraiser's routine inspection of and inquiries about the subject property did not develop any information that indicated any apparent significant hazardous substances or detrimental environmental conditions which would affect the property negatively unless otherwise stated in this report. It is possible that tests and inspections made by a qualified

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hazardous substance and environmental expert would reveal the existence of hazardous substances or detrimental environmental conditions on or around the property that would negatively affect its value.

HYPOTHETICAL CONDITIONS

Hypothetical Condition Definition

That which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. A hypothetical condition may be used in an assignment only if:

- Use of the hypothetical condition is clearly required for legal purposes, for purposes of reasonable analysis, or for purposes of comparison;
- Use of the hypothetical condition results in a credible analysis; and
- The appraiser complies with the disclosure requirements set forth in 2020-2021 USPAP ed. for hypothetical conditions.

Hypothetical Conditions in this Appraisal

This appraisal employs the following hypothetical condition(s):

1. **None**

EXTRAORDINARY ASSUMPTIONS

Extraordinary Assumption Definition

An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis. An extraordinary assumption may be used in an assignment only if:

- It is required to properly develop credible opinions and conclusions;
- The appraiser has a reasonable basis for the extraordinary assumption;
- Use of the extraordinary assumption results in a credible analysis; and
- The appraiser complies with the disclosure requirements set forth in USPAP for extraordinary assumptions. (USPAP, 2020-2021 ed.)

Extraordinary Assumptions used in this Appraisal

This appraisal employs the following Extraordinary Assumption(s):

1. **Boundary Survey:** A current boundary survey with a legal description was not provided for this assignment. I have relied upon the Lake County Property Appraiser Property Record Card to be correct with respect to the subject site size of **0.549± acres** as well as the configuration shown in the Site Description section of this report. I have assumed this **0.549± acre** quantification, configuration and boundary delineation as shown on the tax map to be accurate.
2. **Off Site Master Retention:** The subject is within a platted business park known as Clermont Oaks Office Park with Tract "A" labeled as retention and owned by the POA. No civil plans or other documentation were provided for this assignment showing rights to the master retention pond adjacent to the subject. I have assumed Tract "A" Retention Pond will provide adequate capacity for future vertical improvements to the subject site.
3. **Building Pad Elevation:** No civil plans were provided. I have assumed the existing site is physically balanced and will not require import or export of fill material.

The appraiser recommends Centennial Bank obtain professional operating financial statements, expense pass through verification and reconciliation, boundary survey, Flood Plain delineation and status, abstract of title and title insurance policy prior to sale or mortgage investment in the subject property. I strongly recommend Centennial Bank review this issue with legal counsel. I have assumed the above information to be accurate. I **have estimated a value for the subject property assuming the above condition exists. If these conditions do not exist, then I reserve the right to change my value opinion of the subject property.**

SUMMARY OF SALIENT FACTS

<u>TYPE OF APPRAISAL</u>	Appraisal Report																												
<u>OWNER OF RECORD</u>	Jericko Properties LLC																												
<u>LOCATION</u>	The property is located at the Northwest Corner of Brogden Dr and Cluster Oak Dr, within an incorporated area of the City of Clermont, Lake County, Florida, 34711.																												
<u>PROPERTY TYPE</u>	Vacant Business Park Lot																												
<u>SITE SIZE</u>	The site is a 0.549± acre irregular site with frontage of 274± feet on Cluster Oak Drive and 260± feet on Brogden Drive																												
<u>ZONING</u>	C-2 (General Commercial District Commercial), by the City of Clermont, FL																												
<u>FUTURE LAND USE</u>	Commercial (up to 0.25 FAR), by the City of Clermont																												
<u>HIGHEST & BEST USE</u>	Commercial Development																												
<u>PROFESSIONAL ASSISTANCE</u>	None																												
<u>INSPECTION DATE</u>	April 25, 2020																												
<u>VALUATION DATE AS IS</u>	April 25, 2020																												
<u>DATE OF REPORT</u>	May 6, 2020																												
<u>FINAL VALUE OPINION</u>	\$275,000 “As Is” Fee Simple Interest																												
<u>VALUATION INDICATIONS</u>	<table><tr><th colspan="8">Summary of Valuation Methods</th></tr><tr><th rowspan="2">Property</th><th rowspan="2">Status</th><th rowspan="2">Date</th><th rowspan="2">Interest</th><th colspan="3">Appraisal Method</th><th>Reconciled</th></tr><tr><th>Sales</th><th>Cost</th><th>Income</th><th>Fee Simple</th></tr><tr><td>Vacant Land</td><td>As Is</td><td>4/25/2020</td><td>Fee Simple</td><td>\$275,000</td><td>na</td><td>na</td><td>\$ 275,000</td></tr></table>	Summary of Valuation Methods								Property	Status	Date	Interest	Appraisal Method			Reconciled	Sales	Cost	Income	Fee Simple	Vacant Land	As Is	4/25/2020	Fee Simple	\$275,000	na	na	\$ 275,000
Summary of Valuation Methods																													
Property	Status	Date	Interest	Appraisal Method			Reconciled																						
				Sales	Cost	Income	Fee Simple																						
Vacant Land	As Is	4/25/2020	Fee Simple	\$275,000	na	na	\$ 275,000																						
<u>MARKETING PERIOD</u>	One Year																												
<u>EXPOSURE PERIOD</u>	One Year																												
<u>GENERAL COMMENTS</u>	See Extraordinary Assumptions																												

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SUBJECT PHOTOS**TIMOTHY RADABAUGH, MAI**



VIEW FROM CLUSTER OAK DR



MARKETING SIGN



BROGDEN DR LOOKING WEST



BROGDEN DR LOOKING EAST



CLUSTER OAK DR LOOKING NORTH



CLUSTER OAK DR LOOKING SOUTH

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CORNER VIEW @ CLUSTER OAK/ BROGDEN



VIEW FROM CLUSTER OAK DR



VIEW ALONG CLUSTER OAK DR



INTERIOR VIEW



VIEW ALONG BROGDEN DR



VIEW ALONG BROGDEN DR

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VIEW TOWARD CLUSTER OAK DR



INTERIOR VIEW



INTERIOR VIEW



RETENTION POND



SEWER



FIRE HYDRANT

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OFF-SITE PICTURES



US HWY 27 LOOKING SOUTH



US HWY 27 LOOKING NORTH



CLUSTER OAK PARK OFFICE BUILDING



CLUSTER OAK PARK OFFICE BUILDING



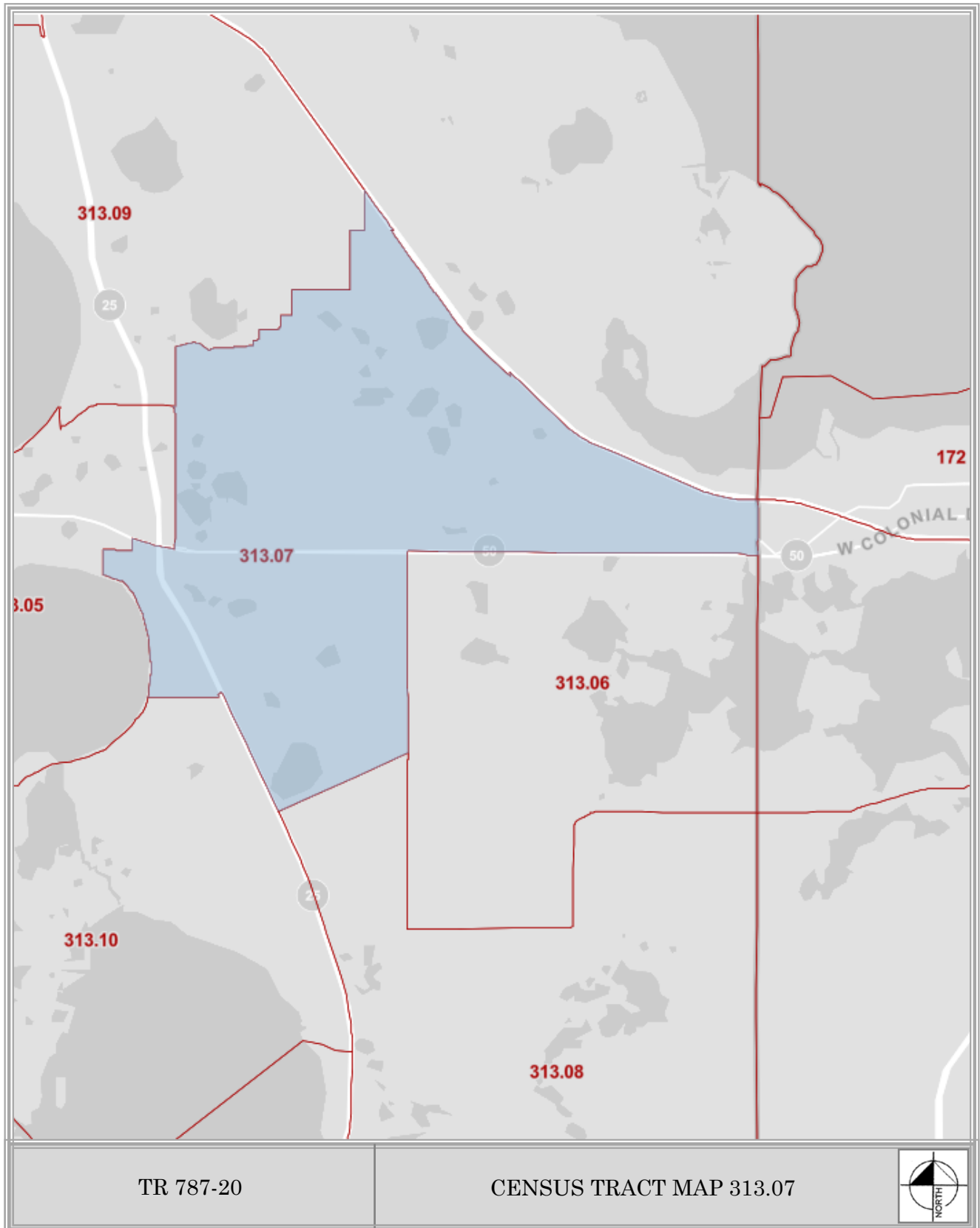
CLUSTER OAK PARK OFFICE BUILDING



CLUSTER OAK BUSINESS PARK

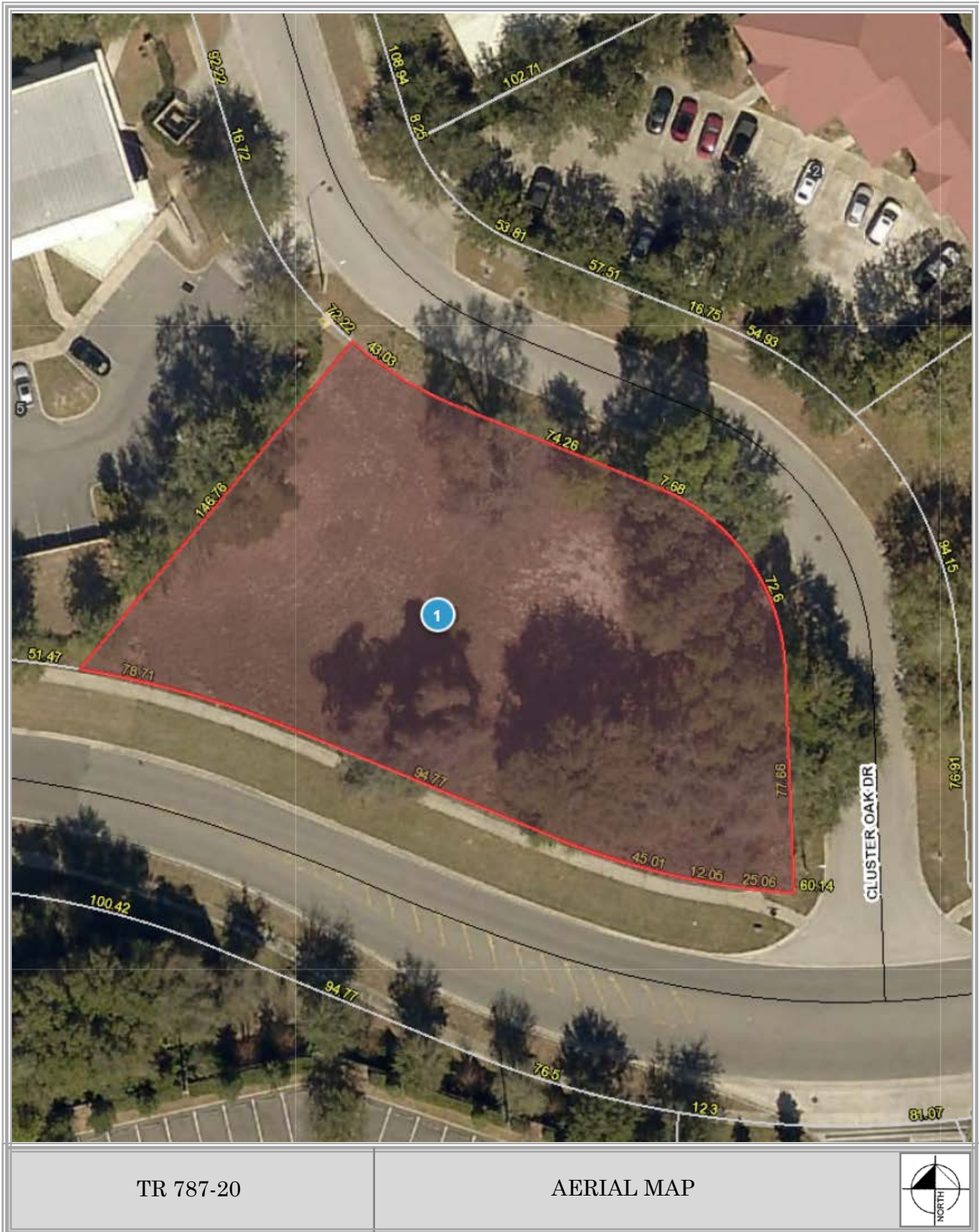
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CENSUS TRACT MAP 313.07



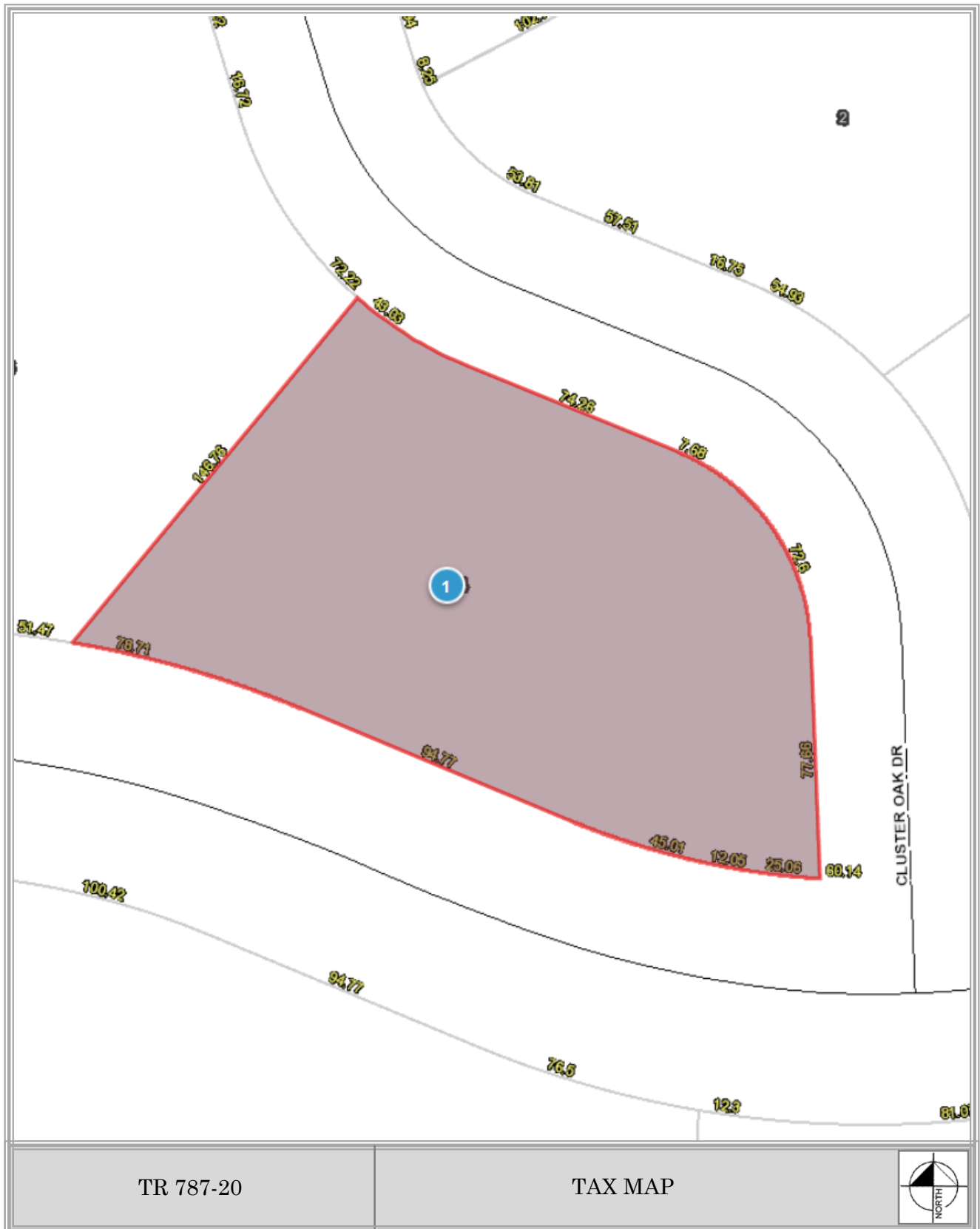
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AERIAL MAP



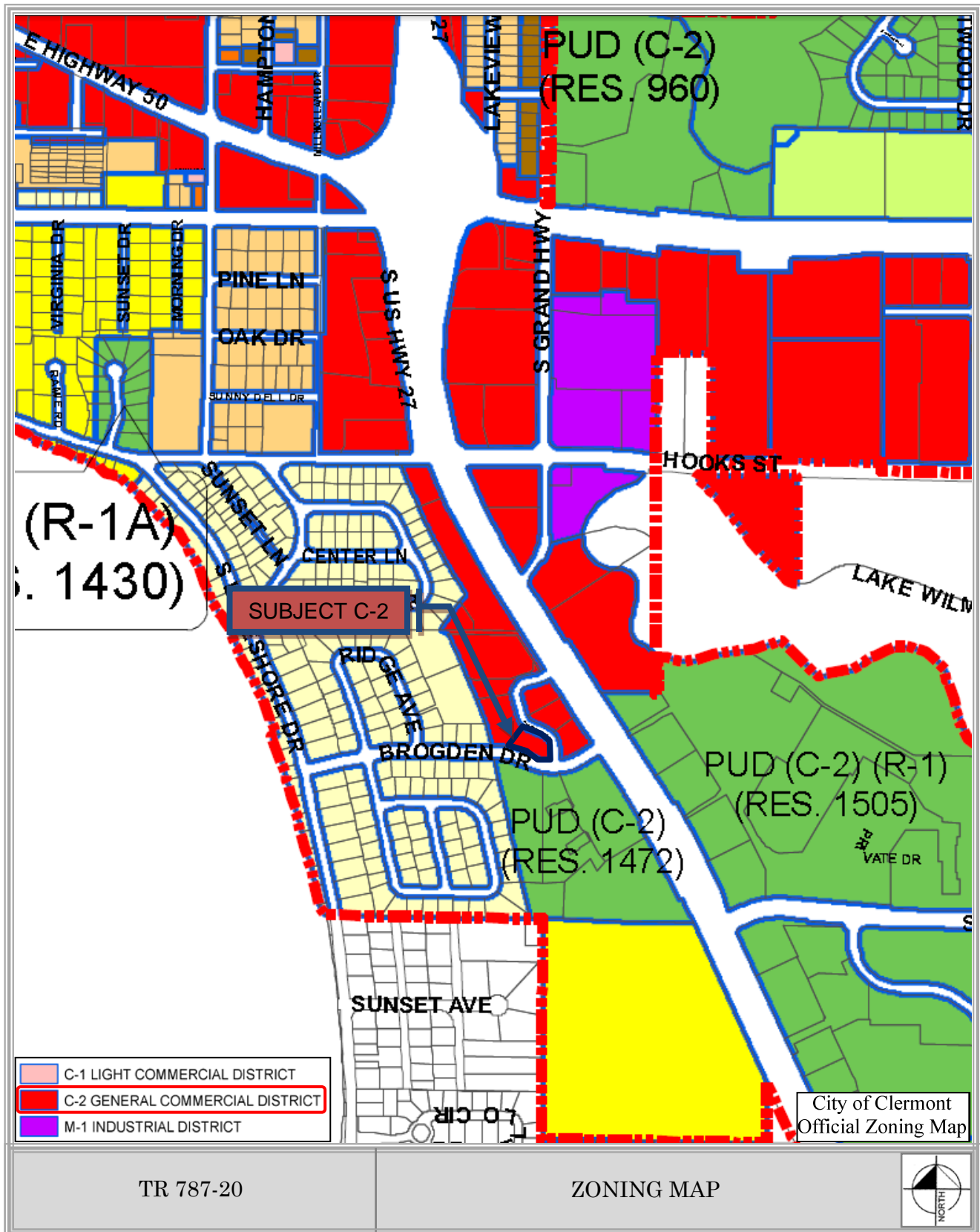
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TAX MAP



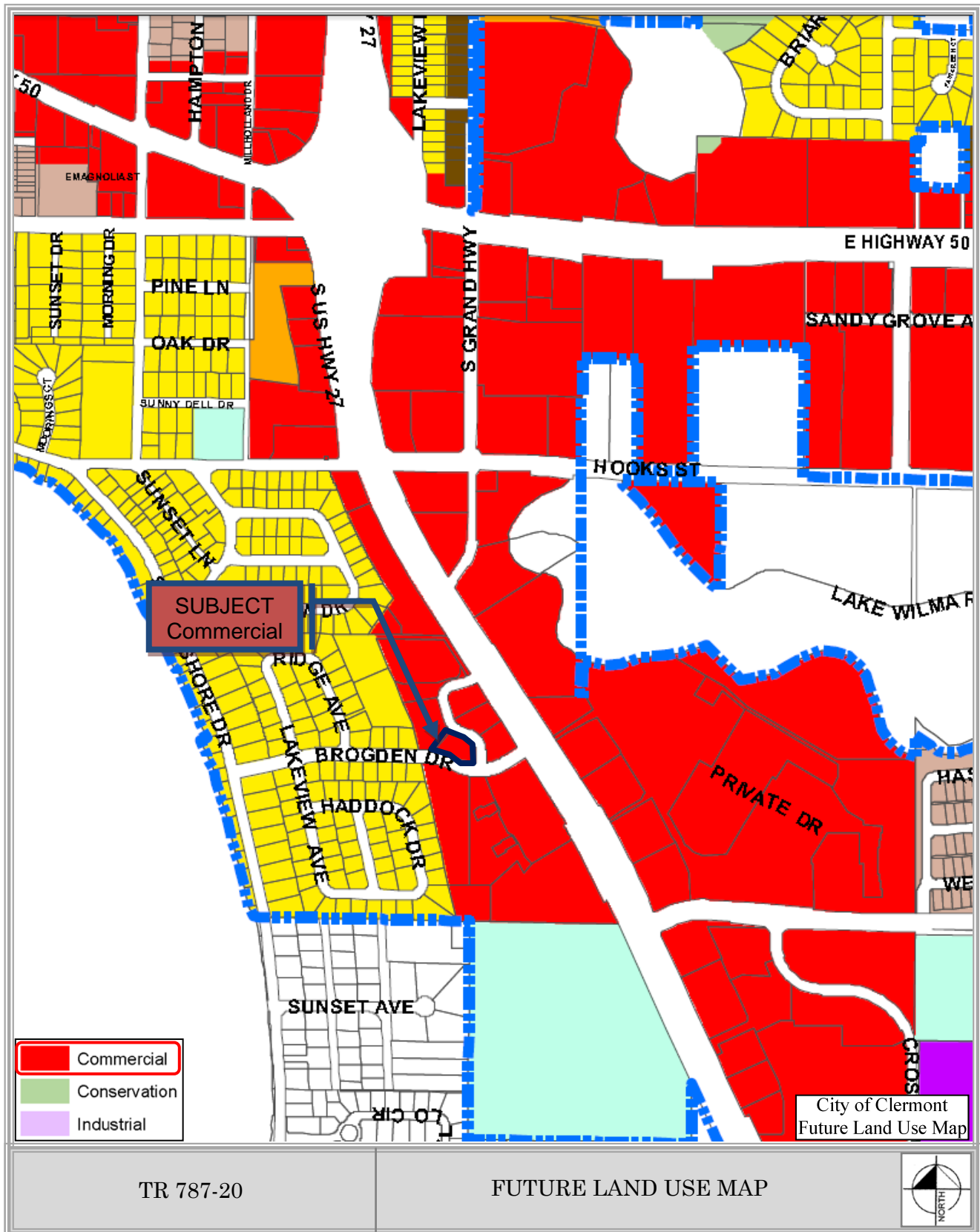
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ZONING MAP



TIMOTHY RADABAUGH, MAI

FUTURE LAND USE MAP



TIMOTHY RADABAUGH, MAI

FLOOD MAP



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OVERVIEW OF ASSIGNMENT

Purpose of the Appraisal

The purpose of this appraisal report is to provide the appraisers best estimate of the market value of the fee simple interest in the subject property. *Market Value* was previously defined in this report.

Intended User and Use of Report

The intended user of this appraisal report is the Lender/Client, Centennial Bank and or affiliates, c/o of Mr. Philip LaBanca. The intended use is to assist in internal decision making concerning loan underwriting and/or credit decisions, subject to the stated scope of work, purpose of the appraisal, reporting requirements of the client, and definition of market value. No additional Intended Use or Users are identified by the appraiser.

Interest Appraised

The interest in the subject property being appraised is the As Is Fee Simple Interest.

Effective Date of Appraisal

The effective date of this appraisal is April 25, 2020, which was the most recent date of my most thorough physical inspection of the subject property. The results of the inspection are detailed in the *Site and Improvements Description* of this report.

Date of Inspection – April 25, 2020

Date of Report – May 6, 2020

Competency of Appraiser

The appraiser specific qualifications are included within the text of this report. These qualifications serve as evidence of their competence for the completion of this appraisal assignment in compliance with the Competency Provision contained within the Uniform Standards of Professional Appraisal Practice as promulgated by the Appraisal Standards Board of the Appraisal Foundation. The appraisers' knowledge and experience, combined with their professional qualifications, are commensurate with the complexity of this assignment. The appraiser has previously provided consultation and value estimates for similar property types throughout the State of Florida and the southeastern U.S.

Scope of Work and Development of the Assignment

The scope of work must include the research and analyses that are necessary to develop credible assignment results. The 2020-2021 USPAP defines the *Scope of Work* as: The type and extent of research and analyses in an assignment.

The scope of work includes but is not limited to:

- (1) The extent to which the property is identified;
- (2) The extent to which the tangible property is inspected;
- (3) The type and extent of the data researched; and
- (4) The type and extent of analysis applied to arrive at opinions or conclusions.

The assignment was to provide my client with an “As Is” market value opinion of the Fee Simple Interest in the subject property. The subject site is currently vacant land with no pending improvements. Further, market conditions are likely being impacted by COVID-19 and the likelihood of a resulting recession.

In order to do that, I have employed the following scope:

1. **Property Identification:** The subject was physically observed in order to report the physical characteristics of the subject property, which was relevant to the valuation problem. Information regarding site size is based on the Physical Inspection, Lake County Property Record Card, Marketing Information.
2. **Property Inspection:** The subject property was most recently inspected on April 25, 2020. Information was gathered regarding the subject property to use in the valuation problem via the Lake County Property Appraiser’s records, the Lake County Tax Collector, the City of Clermont Planning Department, and Interflood (flood source).
3. **Data Research:** Information was gathered on comparable properties in the Lake County and other similar areas. The pertinent comparable data was confirmed with parties knowable to the transaction.
4. **Analyses Applied:** The four factors that determine the property’s highest and best use were analyzed. These factors include the physically possible, legally permissible, financially feasible, and maximally productive uses. Traditionally, there are three approaches utilized in the valuation of real property: the Cost Approach, the Sales Comparison Approach, and the Income Approach. Typically, after obtaining value estimates by the Cost, Sales Comparison, and Income Approaches, the results are reconciled into a final value conclusion. Because the site is vacant land, market participants would primarily use the Land Sales Approach in their analysis to arrive at their buy and sell decision.

As such, the Land Sales Comparison Approach was applied and reported in a narrative format and deemed most reliable to provide a **Credible appraisal analysis and conclusion.**

IDENTIFICATION OF THE SUBJECT PROPERTY

Location

The subject property is located at the Northwest Corner of Brogden Dr and Cluster Oak Dr, within an incorporated area of the City of Clermont, Lake County, Florida, 34711.

Legal Description

A current survey and legal description of the subject property was not provided. As such, I have relied upon the Lake County parcel identification of the subject property. The legal description for the subject property was taken from the current Lake County Property Appraisers' property record card having tax parcel identification number:

29-22-26-0100-000-00400

CLERMONT OAKS OFFICE PARK SUB LOT 4
 PB 46 PGS | 37-38 | ORB 2945 PG 2029

We have assumed the following legal description matches the property appraiser acreage quantification and land lines.

Flood Hazard Statement

According to the Federal Emergency Management Agency Flood Hazard Map No. 12069C0590E with an effective date of December 18, 2012, the subject site is located in Zone "X". According to the FEMA map, the subject property is not located in the flood hazard area however flood insurance may still apply in some instances. See Flood Map in map section after Summary of Salient Facts (See Extraordinary Assumptions)

- **Zones B, C, and X:** Areas identified in the community FIS as areas of moderate or minimal hazard from the principal source of flood in the area. However, buildings in these zones could be flooded by severe, concentrated rainfall coupled with inadequate local drainage systems. Local stormwater drainage systems are not normally considered in the community's FIS. The failure of a local drainage system creates areas of high flood risk within these rate zones. Flood insurance is available in participating communities but is not required by regulation in these zones. (Zone X is used on new and revised maps in place of Zones B and C.)

I cannot determine the exact Flood Zone status of the subject property. Prior to sale, mortgage or conveyance of the property, the appraisers recommend a professional flood Zone determination be made. The appraisers do not warrant the Flood Zone Status of the subject to be in Zone X. (See Extraordinary Assumptions)

TIMOTHY RADABAUGH, MAI

Real Estate Tax Information

The subject property is currently assessed for ad valorem taxes by Lake County, Florida. The County Tax Collector issues the tax bills providing for a 4% discount for payment in November, a 3% discount for payment in December, a 2% discount for payment in January, and a 1% discount for payment in February. All tax bills are delinquent after March 31 of each year. Tax information from the Lake County Tax Collector indicates the following:

SUBJECT REAL PROPERTY TAXES	
Parcel Number	29-22-26-0100-000-00400
Certified values	2019
Millage	\$17.9211
Vacant Commercial	\$107,775
Just Value	\$107,775
Assessed Value	\$107,775
Taxable Value	\$107,775
AdValorem Taxes	\$1,931
Non Advalorem Taxes	\$0
Total	\$1,931

According to an online search of the Lake County Tax Collector web site on 04/28/2020, the 2018 property taxes are paid in full.

The subject-assessed value has been compared to three tax comparables and found to be equitably assessed at the mid range of the comparables. It should be noted that all comparables have similar Land Use designation and location. The assessed value for the subject property is about \$196,311 per acre and is generally supported by the tax comparables. The following chart is pertinent:

REAL ESTATE TAX COMPARABLES ANALYSIS					
Tax ID Number	Parcel No.	Location	Assessed Value	Acre	\$ / Acre
Tax Comparable 1	09-22-26-1305-40B-00000	ES of US Hwy 27 South of Hooks St, Clermont, Lake County, FL	\$456,036	2.60	\$175,398
Tax Comparable 2	09-22-26-1305-40A-00000	999 Hooks St, Clermont, Lake County, FL	\$61,227	0.37	\$167,745
Tax Comparable 3	29-22-26-0100-000-00300	NEC of Brogden Dr and Cluster Oak Dr, Clermont, Lake County, FL	\$171,300	0.70	\$246,121
Subject	29-22-26-0100-000-00400	NWC of Brogden Dr and Cluster Oak Dr, Clermont, Lake County, FL	\$107,775	0.55	\$196,311

It should be noted that the subject assessment is not reflective of the value opinion reported in this appraisal document.

Sale History

There has been no arms length transaction of the subject property during the last (5) five years. According to the Lake County Property Appraiser Office, the current owner of record is Jericko Properties LLC. At the time of our inspection, the subject property was listed for sale for \$264,500. Reportedly the site was originally listed at \$285,000 and a written offer was received for \$280,000 but was withdrawn during the due diligence process.

The information contained within the Ownership/ Sales History section is assumed to be accurate and to title, which is assumed to be good and marketable. This information is not to be construed as a title search or a report of title. My office renders no opinion as to its accuracy.

I was not provided an abstract of title or title insurance policy. Prior to sale or mortgage investment in the subject property, I strongly recommend Centennial Bank reviews this issue with legal counsel. I have assumed the public information to be accurate.

MARKETING ADVERTISEMENT

1	Brogden Dr @ Cluster Oak Dr - Cluster Oak Dr	
Clermont, FL 34711 - Lake County Submarket Land of 0.55 AC is for sale at \$264,500 (\$481,084.03/AC)		
Investment Information		
Sale Price: \$264,500 Price/AC: \$481,084.03 Sale Status: Active Sale Conditions: Build to Suit Days On Market: 218		
Investment Notes		
ZONED C-2, GENERAL COMMERCIAL DISTRICT, 0.5498 ACRE , VARIANCE OBTAINABLE FOR RETAIL SIGNAGE ON HWY. 27, PER CITY OF CLERMONT, RIGHT IN / LEFT IN , TRAFFIC LIGHT WITH TURN IN ENTRANCE , LOT IS A HALF BLOCK OFF HWY. 27 , LOCATED ACROSS FROM CLERMONT LANDING MALL. LOCATION! LOCATION! LOCATION!		
Land Information		
Zoning: C-2 Density: - Number Of Lots: - Improvements: -	Proposed Use: Commercial Parcel Size: 0.55 AC On-Site Improv: -	Lot Dimensions: -
Parcel Number: 292226010000000400 Off-Site Improv: Electricity, Water Street Frontage: 76 feet on Cluster Oak		

TIMOTHY RADABAUGH, MAI

Zoning and Future Land Use

The subject property is currently zoned C-2 (General Commercial District) within a Commercial Future Land Use Designation, by the City of Clermont. According to my conversation with Mr. Curt Henschel, Development Services Director of the City of Clermont Planning Division, Phone # (352) 241-7308, on April 27, 2020, the subject appears to be in compliance with its current zoning and future land use designation.

Zoning Text:

C-2 (General Commercial District):

The C-2 district is intended for full-scale retail sales and service needs of the community.

Permitted Uses in the C-2 district are as follows:

- Retail businesses: Any retail business or service, including the sale of goods and services for resale, as long as it is incidental to and in conjunction with a retail business.
- Personal service establishments, such as but not limited to beauty shops or barber shops, tailor or dressmaking shops, shoe repair, music, dancing and photographic studios and dry cleaning establishments. Permanent makeup service may be allowed as an accessory use; with a business tax receipt and with medical supervision, within an existing salon, beauty shop, barber shop, medical office, or similar use. Such service shall be limited to the face area and would consist of cosmetic permanent makeup for eyeliner, eyebrow and mouth/lip liner definition.
- Professional offices, doctors' offices, banks, loan companies, insurance and real estate offices, and similar businesses.
- Recreation facilities, theaters, including drive-ins, bowling alleys, skating rinks, billiard halls, miniature golf courses, driving ranges and tourist attractions.
- Restaurants and lounges.
- Buildings, structures or uses maintained or operated by the City.
- Lodges and clubs.
- Laundries.
- Hotels and motels.
- Convenience stores and gas stations.
- Shopping centers; Any group of businesses with shared parking or in which the total land area of the development is less than ten acres.
- Nursery schools, kindergartens or child care centers; provided the outdoor play area is enclosed by a fence at least four feet high and all state requirements are met.

Future Land Use Text:

Commercial Land Use Category:

The commercial category is established to assure availability of sufficient office and commercial sites to serve the needs of the existing and projected population. In addition to office and commercial uses, residential uses are allowed, preferably as mixed-use, high-density developments, as well as supportive accessory uses, churches and schools as

conditional uses, minor public utilities (i.e., telephone switching stations, lift stations, drainage infrastructure, and similar facilities), parks and open space, municipal facilities and other civic and cultural uses subject to standards and performance criteria set forth in this plan and in the land development regulations.

- The commercial land use category shall accommodate activities such as general retail sales and services, professional and business offices, personal services and limited residential use. Based on current land use trends, the City estimates that the mix of uses will be 90 percent office and commercial uses and 10 percent residential, public facilities/institutional and recreation uses.
- The maximum intensity of commercial development shall be limited to 0.25 FAR. Residential development shall be limited to 12 units per acre; however, densities higher than eight units per acre shall require a conditional use permit.
- Hotels and hospitals shall be allowed as a conditional use within the commercial land use category and shall be limited to a maximum intensity of 3.0 FAR.
- Nursing homes, assisted living facilities and independent living facilities shall be permitted in the commercial land use category as a PUD consistent with land development regulations and may have a maximum intensity of 3.0 FAR

Conclusion

Based upon the above information and my conversation with Mr. Curt Henschel, Development Services Director of the City of Clermont Planning Division, Phone # (352) 241-7308, on April 27, 2020, the subject zoning is reported to be C-2 (General Commercial District) within a Commercial Future Land Use Designation, by the City of Clermont. Based on the above standards, the property is a legal use under the existing Zoning and Future Land Use regulations.

FLORIDA CONCURRENCY LAW

COUNTY AND MUNICIPAL PLANNING AND LAND DEVELOPMENT REGULATION ACT: CHAPTER 163, FLORIDA STATUTES

The county and Municipal Planning and Land Development Regulation Act, which is commonly referred to as the "Growth Management Act", limits and controls Florida's future growth to levels acceptable to natural, environmental, political, social, and human tolerances. Simply stated, no city or county may issue building permits to developers or allow general real estate growth and development:

- 1) ahead of existing public infrastructure (i.e., transportation, streets, water supplies, sewage treatment and disposal, schools, social services, health services, etc); or
- 2) in advance of approved planned and funding of such public facilities.

The statute requires all city and county comprehensive plans to provide "basic service levels" for the:

- future land use;
- traffic circulation, roads, and mass transportation, if applicable;
- natural ground water recharge, potable water, drainage, sanitary sewer treatment, and solid waste management and disposal;
- conservation and natural environmental impact;
- open spaces and recreation facilities;
- housing
- intergovernmental coordination; and
- capital improvement

All cities and counties are required to submit updated comprehensive plans to the Department of Community Affairs (DCA), which is the state agency responsible for the evaluation and approval of the revised plans. The plans must provide for "concurrency rules" that growth, zoning, and building permits must be kept in line with existing infrastructure facilities, existing and approved plans for future facilities, and developer commitment or local budget existing for development of future facilities in compliance with present and future "levels of service" and environmental tolerances.

Once a plan is reviewed and accepted by the state, local governments must adopt a Land Development Regulation (LDR) to implement the plan. When the LDR is in place, no development order or permit may be issued by a local government unless the project is consistent with the plan and the LDR.

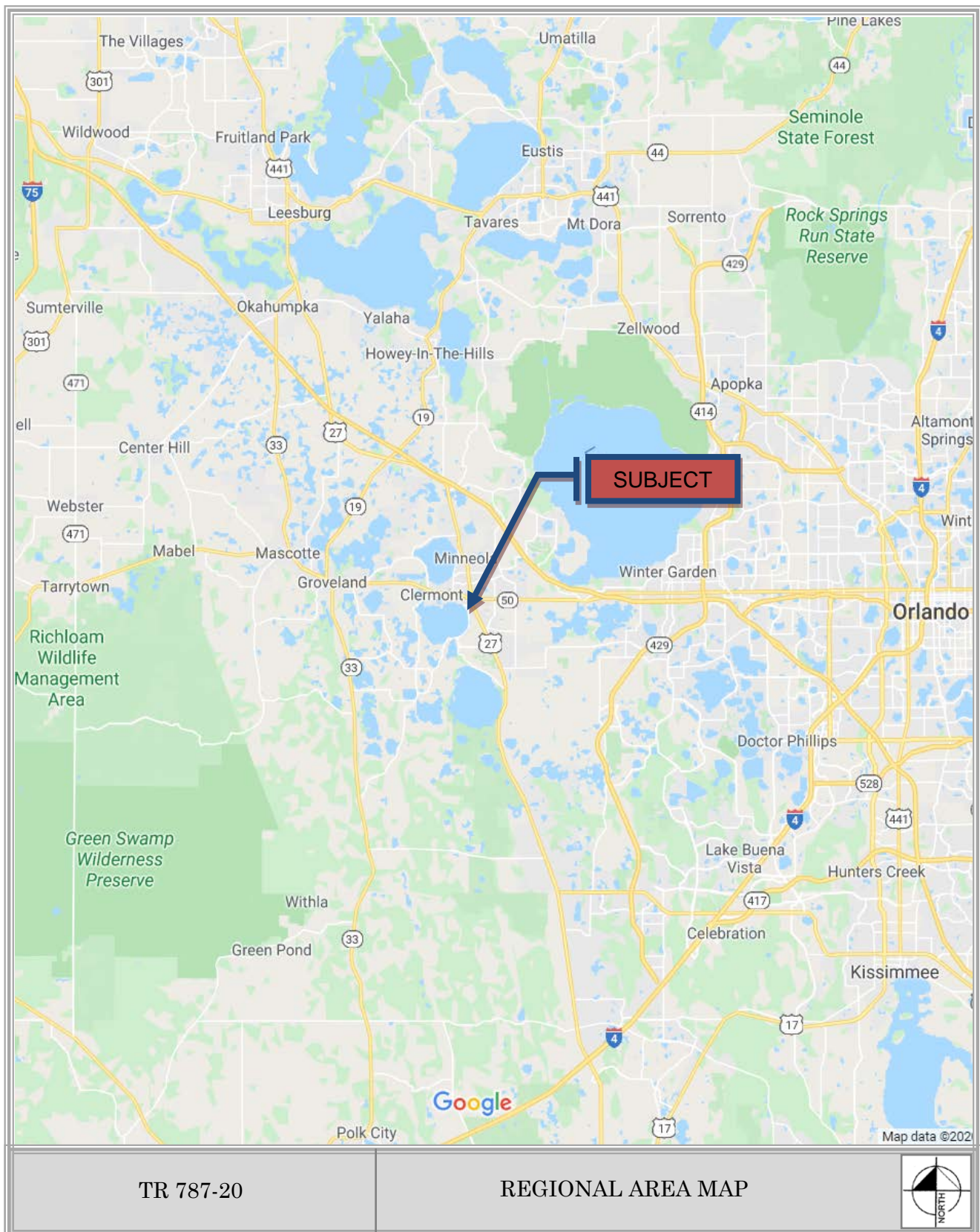
Concurrency requires that within one year after a local plan is required to be submitted to DCA, public facilities and services, meeting or exceeding the levels of service established in the capital improvement element of the plan, must be available concurrent with the actual impact of any development.

Florida developable properties are presently in a transitional stage. A determination of which properties enjoy "vested" development rights has not been determined. It is likely that properties constructed prior to the date of adoption of the comprehensive plan and those with DRI are vested. Other properties are not guaranteed. If adequate services and public facilities are available, then it is likely a building permit is obtainable.

My estimate of market value within this report is predicated upon the assumption that the subject property is in conformance with concurrency laws thus enabling the subject property to be utilized to its highest and best use.

TIMOTHY RADABAUGH, MAI

REGIONAL AREA MAP



TIMOTHY RADABAUGH, MAI

ORLANDO METROPOLITAN AREA DATA

Source: Various Sources including Office of Economic & Demographic Research

The Orlando Metropolitan Statistical Area (MSA) is located in the geographical center of Florida and covers Orange, Seminole, Lake, and Osceola Counties. Within the region, metro Orlando lies at the core, situated roughly 150 miles from the Florida/Georgia border, to the north; 50 miles from the Atlantic coast, to the east; 75 miles from the Gulf Coast, to the west; and 237 miles from Miami, to the south. The Orlando Metropolitan Statistical Area (MSA) extends over 4,012 square miles and consists of four counties: Orange County (1,004.3 sq. mi.), Seminole County (344.9 sq. mi.), Lake County (1,156.5 sq. mi) and Osceola County (1,506.5 sq. mi.). An extensive highway network weaves the four counties together. The Atlantic Ocean is approximately a one-hour drive away and the Gulf of Mexico is approximately a two-hour drive. Orlando International Airport, Orlando Sanford International Airport and Port Canaveral offer global export and import possibilities for businesses involved in international trade. Proximity to local, regional, national and global markets has helped Orlando become one of the world's most exciting and dynamic business environments.

Four counties comprise metro Orlando – Orange, Seminole, Osceola and Lake – with three other counties (Polk, Volusia and Brevard) helping to form what is defined as Central Florida. Economic and political ties between the seven counties make the new service region a natural progression. Over the last few decades, increasing corporate and residential concentration in regions such as Lake Nona and Lake Mary, as well as more recent enabling infrastructure developments such as the SunRail commuter rail system, has resulted in a new level of labor connectivity and economic interdependence. Almost 114,00 residents leave their homes in Brevard, Volusia and Polk to commute into the Orlando region for work each day, passing 44,000 Orlando-area residents headed in the opposite directions. Such workforce integration undoubtedly makes the seven-county region a compelling proposition for corporate relocation and expansion. Yet the area's appeal, and indeed the merger's potential, extends far beyond the two million workers the counties collectively house. It extends beyond the buying power of what amounts to the 20th largest regional economy in the United States, and beyond the potential of the 80,000 annual graduates its colleges and universities produce.

Consider a Fortune 500 company that values proximity to world-class amenities but also diversity for its employees. Non-stop flights across the globe and quality office space will place the region under consideration. The possibility of beach-side living may keep it there. Or consider a manufacturing or distribution prospect seeking a large tract of land in a rural area but needing hundreds of workers. The region has the unique ability to offer affordable land, a skilled workforce and unparalleled interstate, rail, sea and space access. Consider also changing workforce demographics across the country. Tomorrow's generation of workers seek to live in areas that have a defined sense of place appealing to their specific lifestyles. The region is home to distinctive downtowns that invoke the sense of place and community that is so highly sought after. Orlando, Winter Park, and south Seminole County comprise the primary population base, which covers approximately 300 square miles and is the growth hub of Central Florida.

Located in Central Florida, it is the center of the Orlando metropolitan area, which had a population of 2,509,831, according to U.S. Census Bureau figures released in July 2017. These figures make it the 23rd-largest metropolitan area[7] in the United States, the sixth-largest metropolitan area in the Southern United States, and the third-largest metropolitan area in

Florida. As of 2015, Orlando had an estimated city-proper population of 280,257, making it the 73rd-largest city in the United States, the fourth-largest city in Florida, and the state's largest inland city. The size of the city of Orlando is very unusual for a metropolitan area of its size since most of the inhabitants of the area live in the suburbs and surrounding areas in Orange and Seminole counties.

Greater Orlando is best known for its tourism industry, which attracts millions of visitors each year. Famous attractions include Walt Disney World Resort, SeaWorld and Universal Studios. Tourism has brought to Orlando numerous hotels, restaurants, and shopping malls all ranging from low-cost to upscale options.

The citrus industry has declined over the past 100 years as farmers moved orange groves further south to more frostproof areas. There are three major orange juice plants remaining in the area: Cutrale Citrus Juices in Leesburg; Florida's Natural Growers in Umatilla; and Silver Springs Citrus in Howey-in-the-Hills. Minute Maid maintains a major juice flavoring plant in Apopka. Other agricultural pursuits, particularly cattle farming, remain important parts of the Central Florida economy, but are now all located on the outer fringes of the metro area. Orlando is the largest city in Central Florida and is also a major food processing center.

Metro Orlando has served as a major military defense and aerospace center since the World War II. The most prominent defense contractor in the area is Lockheed Martin, which operates both a laboratory and a manufacturing facility in Orlando. Military presence began in the 1940s, with the opening of McCoy Air Force Base and the Orlando Naval Training Center.

Metro Orlando's economy has greatly diversified from tourism and the area is now considered a major hi-tech center. University of Central Florida is regarded as one of the best computer, and engineering public universities in the United States, and now has a new medical school. The Central Florida Research Park is the seventh largest research park in the United States. In addition to having a Lockheed Martin branch, it also hosts other major hi-tech companies such as Oracle Corporation, Electronic Arts, and Siemens. In addition to the UCF College of Medicine, a VA Hospital, a Sanford-Burnham Institute research center and a Nemours Foundation children's hospital have been constructed. By 2016, Orlando becomes a major biotechnology cluster.

Central Florida's image is currently undergoing a gradual transition from a leading tourist destination to a developing hotbed for hi-tech investment. With Walt Disney World, Universal Studios, Sea World and many other entertainment attractions located within the MSA, Orlando is a popular tourist destination. The tourism industry is the largest employer in Orlando, according to the Orlando Convention and Visitors Bureau. Metro Orlando has almost 50 million visitors per year, the fourth largest destination airport in the U.S., proximity to two deep water ports and extensive road and rail systems, according to the Metro Orlando Economic Development Commission (EDC). In addition, Orlando has a \$13.4 billion technology industry that employs nearly 65,000 people, according to the Metro Orlando EDC. The area is home to the University of Central Florida. With more than 63,000 students, UCF is the largest university by enrollment in Florida and the second-largest public university in the nation. It has more than 11,000 employees and an operating budget of \$1.5 billion.

Labor Market Information – Industries

The total number of employees located in Orlando-Kissimmee-Sanford MSA in 3rd Quarter 2019 was 1,391,894. In the Orlando MSA, the number of employed increased by 4.5% over the 12 months through August 2019.” The Leisure and Hospitality sector led job formations with 19,500 jobs added in the past 12 months, a growth rate of 8.0%, according *Orlando MSA Market Overview* by U.S. Department of Labor, Bureau of Labor Statistics updated December 2018.

Labor Market Information - Area Wages

The average weekly wage for Orlando-Kissimmee-Sanford MSA in 4th Quarter 2019 was \$964. This would be equivalent to \$24.10 per hour or \$50,128 per year, assuming a 40-hour week worked the year around.

Labor Market Information - Unemployment Rates

The total civilian labor force in Orlando-Kissimmee-Sanford MSA for December 2019 was 1,388,064 with new job posting of 51,300. The unemployment rate was 2.7 percent.

Occupation Distribution for Orlando-Kissimmee-Sanford MSA

One in every four workers in Central Florida is employed by one of the region's 100 largest private-sector employers. This table shows those employment by Industry based on operations in Orange, Seminole, Osceola, and Lake counties as of August 2019.

ORLANDO MSA EMPLOYMENT BY INDUSTRY IN 2019

Industry	August 2019	% of Total	July. '19 - Aug. '19 Change	%	Aug. '18 - Aug. '19 % Change
Total Nonagricultural Employment	1,347,400	100.0%		1.3%	4.0%
Leisure & Hospitality	274,700	20.4%		-0.8%	3.3%
Professional & Business Services	252,300	18.7%		2.9%	9.0%
Education & Health Services	160,800	11.9%		-0.1%	3.2%
Retail Trade	150,800	11.2%		0.5%	0.5%
Total Government	131,800	9.8%		8.5%	1.5%
Construction	89,500	6.6%		0.7%	7.6%
Financial Activities	76,400	5.7%		-0.3%	0.7%
Manufacturing	50,400	3.7%		1.0%	7.9%
Wholesale Trade	47,000	3.5%		0.4%	4.4%
Other Services	44,800	3.3%		1.6%	2.1%
Transportation, Warehousing, & Utilities	43,500	3.2%		-0.2%	1.6%
Information	25,200	1.9%		-0.4%	0.4%
Mining & Logging	200	0.0%		0.0%	0.0%

Demographics – Population

As of July 1, 2019, the population of Orlando-Kissimmee-Sanford MSA was estimated at 2,567,010, an average increase of 432,604, or 11 percent annually since April 2010.

Education

There are five higher education facilities in the Orlando MSA. The University of Central Florida, commonly referred to as UCF, is a metropolitan public research university located in Orlando, Florida, United States. UCF is a member institution of the State University System of Florida, and is the second-largest university in the United States by enrollment. The UCF campus is 13 miles east of downtown Orlando and adjacent to one of the top research parks in the nation. The university also has 11 regional campus locations throughout Central Florida and a fully accredited College of Medicine in the Medical City at Lake Nona. With more than 66,000 students, UCF is the largest university by enrollment in Florida and one of the largest universities in the nation. It has more than 12,000 employees and an operating budget of \$1.5 billion. UCF researchers received \$148.7 million in fiscal year 2017 for funded research. In fall 2017, the freshman class had an average SAT two-score of 1316, The Burnett Honors College enrolled nearly 509 students, and the number of incoming National Merit Scholars ranked UCF among the top 40 colleges and universities. The university offers 95 bachelor's, 87 master's 28 research doctorates, 3 professional doctorates and 3 specialist degree programs, it leads all universities in Florida in conferring more than 15,000 degrees a year. UCF is committed to innovative community partnerships, world-class research with local impact, and the integration of technology and learning.

Established in 2006, the UCF College of Medicine is one of the first U.S. medical schools in decades to be built from the ground up. As a new medical school, UCF's program epitomizes innovation, high-tech learning tools and a pioneering spirit to educate young doctors and scientists in a new and better way for the 21st century. The college is unique nationally because of its large undergraduate and graduate programs in biomedicine through its Burnett School of Biomedical Sciences. The Burnett School has almost 3,000 undergraduate majors - making it the third most popular major at UCF. The medical school also offers joint degrees, including an M.D./Ph.D., an M.D./M.B.A. and an M.D./M.S. degree in hospitality.

The UCF College of Medicine is a research-based medical school with a culture based on partnerships and collaboration. The college's medical and biomedical programs capitalize on UCF's existing strengths in biological sciences, modeling and simulation, engineering, optics and photonics, psychology, chemistry, film and digital media, business and nursing. The college is a founding member of Orlando's growing Medical City at Lake Nona. The UCF Health Sciences Campus at Lake Nona now includes the medical school's new 170,000-square-foot medical education facility, featuring the latest in lab and classroom technology, as well as its new 198,000-square-foot Burnett Biomedical Sciences building. The project is projected to have an impact of billions of dollars to the local economy and will generate thousands of jobs.

Also here in Central Florida are Rollins College – ranked #2 regional university in the south and #1 MBA program in the state; and three of the state's best in the growing state college system – Valencia Community College, Lake-Sumter Community College, and Seminole State College; as well as Embry Riddle Aeronautical University, the Florida A&M University School of Law, Barry University School of Law, and the first stateside campus of Puerto Rican-based Ana G. Mendez University.

Tourism

Central Florida where tourism is the largest industry, employing about 367,000 local workers. Florida Governor Ron DeSantis announced that Florida welcomed an all-time record number of visitors with 126.1 million out-of-state visitors coming to the Sunshine State in 2018. This announcement marks the eighth consecutive record year for visitation to Florida, exceeding the previous record of 118.8 million visitors in 2017 by an astounding 6.2 percent. The leisure and hospitality industry accounted for 1.26 million jobs in the state in 2018, up 50,400 from a year ago, according to numbers posted by the Department of Economic Opportunity.

Tourism has become the dominant force in Central Florida economy over the past several decades. While the most significant and widely known tourist attractions in the Orlando area are the four Walt Disney World theme parks, several other major tourist attractions are within easy commuting distance from the Orlando MSA. Among these are Sea World, Disney/Hollywood Studios, Universal Studios, Kennedy Space Center, Busch Gardens, and Cypress Gardens. There are also several smaller tourist attractions, beaches, and recreational entertainment opportunities which serve to benefit visitors by saving them potential time and travel costs.

The presence of Walt Disney World has made a monumental contribution to the growth of the tourism industry throughout Central Florida. Disney World opened on October 1, 1971 with only the Magic Kingdom theme park and has since added Epcot (October 1, 1982), Disney's Hollywood Studios (May 1, 1989) and Disney's Animal Kingdom (April 22, 1998).

Disney also opened a large nighttime entertainment complex adjacent to the existing Lake Buena Vista Shopping Village in 1989. This complex, known as Pleasure Island, features seven nightclubs, two upscale restaurants, and street entertainment. In February 1996, Walt Disney World opened the Disney Institute, a resort combining leisure and learning. With these additions Walt Disney World has become the ultimate tourist destination and will continue to be the driving force behind Central Florida's economy. Similarly, construction of newer theme parks, such as Universal's Islands of Adventure, and constant improvement of existing parks, such as Sea World, contribute to the growth of central Florida's tourism industry.

Transportation

Metropolitan Orlando is easily accessible by highway to all major cities in the southeast. Interstate 4, extending from Daytona to Tampa, intersect the Florida Turnpike just beyond the city limits of Orlando. The Florida Turnpike extends from Miami to Interstate 75, and provides a major artery to Miami and Atlanta. The Beeline Expressway intersects both Interstate 4 and the Florida Turnpike, providing access to Port Canaveral on the east coast of Florida and serving as a main artery to Interstate 4, International Drive, and the Disney area.

Convenient access to the east and west sides of Orlando is provided by the East-West Expressway which runs from The Florida Turnpike west of Orlando to East Colonial Drive and the Eastern Beltway, east of the city.

Airline service to and from metropolitan Orlando is excellent. Designated as a large-hub airport by the FAA, non-stop service is available to all major cities in the United States. Orlando International Airport is the 11th largest international gateway in the United States. With more than 45 million annual passengers, Orlando International Airport is the busiest airport in Florida and 11th busiest in the U.S. MCO has 21,000 budged employees and generates \$31

billion in revenue for the regional economy. Orlando International Airport strives to value and delight its customers through an airport-wide design concept known as The Orlando Experience®. With more than 880 flights per day, on over 35 airlines, Orlando International Airport is so easy to get to, that's why more than 129,000 passengers use our award-winning airport every day. Orlando is the perfect choice for domestic travel or international connections. Whether traveling within the U.S. or around the world, heading for Orlando or just connecting through our airport, Orlando's superior domestic route network gives you more service to more destinations, making your journey quicker and more convenient. The region is home to three international airports; proximity to two deep water ports; and extensive road and rail systems that connect here, in the heart of the nation's third most populous state. All of that connectivity is invaluable for business.

Along with air and highway traffic, the metropolitan Orlando area is served by several bus lines, Amtrak Railway System, and SunRail which is a commuter rail system in the Greater Orlando area. SunRail is a rail service moving people throughout the region by providing work and leisure travel opportunities; connecting communities. SunRail can make the daily commute fast, easy and affordable, as well as less stressful. The system currently operates over 49 miles with 16 stations through Volusia, Seminole, Orange and Osceola counties. A local municipal bus system known as Lynx also provides local passenger service for residents of Orange, Osceola and Seminole counties.

Summary & Conclusion

Orlando has a wealth of attractions for visitors and residents alike and consistently ranks as a leading place to conduct business. Orlando is home to an emerging 'medical city' at Lake Nona with a new University of Central Florida College of Medicine, Sanford-Burnham Medical Research Institute, M. D. Anderson - Orlando Cancer Research Institute, Nemours Children's Hospital, Orlando VA Medical Center, and a University of Florida research center.

Throughout this brief portrayal of the Orlando metropolitan area, we have seen that the local economy has remained a very strong leader for the state and the nation as a whole. The continuing popularity of the Sunbelt and the Central Florida region has resulted in continuing expansion of the economic base throughout the metropolitan Orlando area. Growth in the tourist and convention industry combined with growth in the commercial, office, industrial and residential sectors have had a positive influence on the economic base throughout the area. With the continuing expansion of the economic base and the related support services, the area is expected to remain one of the fastest growing in the nation and the result will be a positive influence on real estate values.

CENTRAL FLORIDA OFFICE MARKET OVERVIEW

CoStar Office Research Report

April 2020

Economy

The booming population growth in Orlando, which has significantly outpaced the nation over the past 20 years, has supported a healthy local economy. The metropolitan area has seen the third most growth of any American city in the past 10 years and ranked 10th for population growth in 2019. Prior to the onset of the coronavirus pandemic and the travel restrictions and physical distancing mandates put in place to combat its spread, job growth in Orlando had been among the best in the nation and more than double the U.S. average over the past five years. But the market tends to experience steeper declines during economic recessions, as is typical among Sun Belt metros.

Tourism is the chief economic driver in the metropolitan area. Orlando is the #1 travel destination in the U.S., setting a new record with 75 million visitors in 2018. This number likely grew in 2019 and could continue to grow following the pandemic, given the numerous infrastructure improvements and large recent and upcoming additions to the parks including Universal's Volcano Bay, Disney's Pandora: The World of Avatar and Toy Story Land, Legoland's Ninjago, and the \$300 million Skypex park. With its reliance on tourism, Orlando is one of the most susceptible markets to more severe losses as a results of the coronavirus pandemic. Through 20Q1, total annual job growth remained positive in Orlando, but the 30,000 jobs added was the lowest in seven years. The leisure and hospitality sector lost about 12,000 jobs in 20Q1 alone. The leisure and hospitality sector will be among the hardest hit as the spread of the coronavirus slows business and personal travel, and social distancing policies require the closure of restaurants, bars, and other gathering places. For example, STR reports that hotel occupancy during the week of March 21st was 30%, down by 56% over the previous year. Average daily room rates fell 30% over the same period. "Seven of 10 rooms were empty around the country. That average is staggering on its own, but it's tougher to process when you consider that occupancy will likely fall further," said Jan Freitag, STR's senior VP of lodging insights. In addition to leisure and hospitality, retail trade jobs are expected to be among the hardest hit. According to the BLS, while restaurant workers (wait staff, hosts, chefs and cooks, bartenders, food preparation workers, and dishwashers) make up 13% of Orlando's workforce, retail salespersons and their supervisors represent an additional 5%.

With more than 75,000 employees, Disney World is the largest employer not only in Orlando but in the state. The park, along with neighboring parks like Universal Studios and Seaworld, in addition to the supporting hotels and retail vendors, support much of the local economy. Altogether, about 32% of Orlando's workforce is employed either in the retail trade or leisure and hospitality sectors. Disney World has been closed since March 16 and nearly all of its more than 75,000 union and nonunion employees have been furloughed since April 19. Nearby hotels are either completely closed, like the Four Seasons Orlando, which furloughed 835 employees on March 25, or operating with very low occupancies. Prior to the coronavirus outbreak, Orlando had very strong economic momentum, which is still reflected in much of the data herein. Though both the length and severity of the pandemic and the economic fallout are unknown, once the clouds begin to part, Orlando's underlying economic trends could reemerge. Still, given the nature of the downturn, Orlando may struggle to rebound more than more diverse markets. Leisure and hospitality jobs have led the way in terms of growth in recent years, adding about

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25,000 jobs in the past three years. This sector is the largest in the metro, accounting for more than 270,000 jobs (20% of total employment), which is about double the concentration in the typical U.S. metro.

Education and health services jobs account for 12% of the local workforce and have grown well above the national average in recent years. Despite the growth, Florida universities have been unable to keep up with the increased demand for teachers, creating opportunities for migrant education workers, especially in Orlando with its wealth of A-rated schools. The Central Florida area should continue to be a destination market for health services job seekers.

Construction job growth has been on fire recently, growing by about four times the national rate in the past year. Trade has the second-largest concentration of jobs in the metro, with 240,000 jobs (18%). Growth in this sector has averaged almost 3% annually in the past 10 years, double the national average. The sector should withstand the impact of the coronavirus as the jobs are considered essential and construction work is ongoing. However, supply chain disruption could impact this to the downside. The tech sector hasn't been a major factor thus far, but it could be positioned to provide a significant boost to the metro. Osceola County's 20-acre Florida Advanced Manufacturing Research Center at NeoCity opened in 2017 and is expected to bring in thousands of high-tech, high-income jobs. Orlando is a major player in defense work and is well positioned to capture a significant portion of the nation's recent and proposed future military budget increase. In fact, after years of lackluster growth, the manufacturing sector has seen rapid recent growth since 2016.

Many infrastructure improvements are underway, including the \$2.3 billion I-4 Ultimate Improvement Project and Orlando International Airport's recently increased \$4.2 billion capital improvement project. The airport saw nearly 45 million travelers pass through in 2017 and was sorely due for an overhaul, as its infrastructure was originally designed to handle an annual average of 40 million people. The project is well underway, with construction progressing on the Intermodal Terminal Facility, an Automated People Mover, the south terminal, and an additional 16 gates. The airport expects to complete the work in 2021. Additionally, the Central Florida Expressway Authority recently announced the largest plan in its history, which is expected to create over 11,000 jobs by 2022. The \$1.6 billion work plan will widen existing roads, resurface and improve highway lighting, and complete portions of the I-4 Ultimate.

Executive Summary

The coronavirus pandemic is expected to cause significant economic disruption in Orlando. The trajectory of Orlando's economy and its office market will depend on how widely the virus spreads, and how long containment policies like physical distancing need to be maintained. We will be updating our analysis as more information becomes available. Prior to the coronavirus, Orlando had very strong economic momentum, and the current report largely reflects the environment before the pandemic. A booming economy and robust job growth, particularly in professional and business services, continue to propel Orlando's office market. The vacancy rate is significantly below both the national average and Orlando's long term average of about 10%, despite loosening in recent years as more than 3.4 million SF of new office space has been added since 2017. At about 7%, vacancies are about 100 basis points above the all-time low established in 2018.

The vacancy compression has allowed strong overall rent growth. While the annual rent gains have cooled steadily over the past two years, landlords are still pushing rents at rates above the long-term trend. The recent completion of SunTrust Plaza at Church Street Station brings the first large block office availability of new space in Orlando for some time. Other large recent completions, like KPMG's nearly 800,000-SF training and development campus, have been built-to suit. SunTrust (Truist) did take more than 92,000 SF of the 221,000 SF of office space in the new tower, but high demand for new space has been reflected in the quick leasing of the remaining space. The large block availabilities have opened the door for the co-working trend to grow in the market. E-spaces leased 29,000 SF at the new tower and WeWork backfilled 71,000 SF of space that SunTrust vacated at the former SunTrust Center at 200 S Orange Ave. Investment activity has slowed but annual sales volume remains above the long-term average. Volume hit a six year low in 2019, but at about \$800 million was still more than 25% above the long-term average. Pricing and cap rates have also flattened over the past four quarters.

Leasing

Orlando's office market vacancy rate has loosened about 100 basis points in the past year, coming off all-time lows and has been below the long-term average for more than four years now. The tight market is a result of very strong job growth, particularly among healthcare and professional and business services, in concert with a relatively muted speculative supply pipeline. Office occupier demand has been supported in Orlando by strong job growth across sectors. The metro is one of the fastest-growing in the nation in terms of population, a fact that has supported the medical office subsector. Additionally, more than 12% of Orlando's office-using employment is related to defense, the highest proportion in the U.S. This means the metro is more exposed to risks and gains resulting from Washington's military spending. Recently, this has been a boon for the metro with the current administration's ongoing defensive budget increases.

Orlando has also made strides as a burgeoning tech market and is one of the nation's top STEM job growth metros. Thus far, the primary barrier for tech firms has been lack of space as compared to most major tech markets. Orlando's cost savings have been somewhat offset by the need for tech firms to explore building their own space. While there was very little office development during much of the economic expansion, office construction has recently picked up. The new supply includes SunTrust Plaza at Church Street Station which completed in early 2020 and is the first tower in Orlando in over a decade with an office-component. The new tower adds large block availability to the market, of which there had been a shortage of for many years. Apart from SunTrust's 92,000 SF at the building, there is an additional 129,000 SF of 5 Star office space at the building. The large blocks have leased quickly to tenants like e-spaces and law firm RSM. The move also opened up nearly 200,000 SF at SunTrust's former office 200 S Orange Ave, where WeWork leased 71,000 SF in 19Q2.

The city itself is incentivizing office occupiers to move to the market. Some results of this include Deloitte's move to Lake Mary which created 850 high-salaried jobs and KPMG's new \$430 million training campus in Lake Nona, which includes nearly 800,000 SF of office space. Leasing activity tends to be heavily clustered in close proximity to I-4, the main artery running through the metro and linking the Tourist Corridor and Orlando Central Park through Downtown Orlando and further north into Lake Mary. The bulk of activity of late has been generated from the Tourist Corridor, Downtown Orlando, and Maitland Center submarkets. A large portion of Maitland Center's recent absorption was ADP's new 230,000-SF regional headquarters.

Rent

Office rent growth has continued its decline in Orlando, slowing further in the past year, part of a larger general cooling pattern over the past two years. At less than 2%, annual growth is the lowest it has been since 2014 but it is still healthy from a historical perspective, in line with the long-term average. The growth rate has fallen slightly behind the national average rate after outperforming it for three years. Growth could slow further due to the market's high exposure to tourism, one of the industries most impacted by the coronavirus pandemic. Many office occupiers are companies which support the local leisure and hospitality sector and have been forced to furlough employees in response to the temporary closures of the theme parks and hotels. Though growth has slowed, the average rent is still on an upward path, correlating with the metro's strong demand and near record-low vacancy rate. In mid-2018, Orlando finally saw its average asking rents exceed prerecession levels. The metro reached this milestone later than most other markets around the nation (three years after the national average), and the relatively low nominal rents are one of the primary factors in the metro's diminished supply pipeline in the past decade.

The rent premiums for high-quality buildings relative to their mid-quality counterparts have a spread of about 20%, much lower than the national average premium of 52%. This is partially due to the outsized rent growth in the 3 Star asset class in recent years which has narrowed the spread from a decade high over 26% in 2016. Despite construction ramping up to levels not seen in over a decade, there is still a notable lack of speculative space underway compared to historic averages. It appears unlikely there will be significant supply-side pressure in the near term. With future demand expected to continue to outpace the national average and near record-tight vacancies, the market is likely to maintain positive rent growth in the coming quarters.

Construction

Office deliveries hit a decade high in early 2020 with the completion of KPMG's new 800,000-SF training and development facility in Lake Nona and the completion of SunTrust Plaza downtown. The two properties contributed more than 1 million SF to the 1.7 million SF added to the market in the past year. There is still more than 1.2 million SF under construction across the market, more than 50% above the 10-year average. SunTrust Plaza at Church Street Station is the first highrise office constructed in Downtown Orlando in over a decade, and its office component is already near full occupancy, including the 92,000 SF taken by anchor tenant SunTrust. The 26-story, LEED project includes a Marriott Hotel on the top floors and approximately 221,000 SF of new office space. The tower also includes a Grand Central Station-style lobby connected to the SunRail's Church Street Station. Despite the increase in activity, Orlando still sorely lacks large blocks of contiguous office space. The few buildings that have included a large speculative component, such as SunTrust Plaza and Edison at Primera in Lake Mary, have seen significant preleasing. Of the recent deliveries, only Kirkman Point II delivered with any large block availability to the open market, though that space leased quickly following completion. Speculative construction has slowly started to inch upward, and will likely continue to do so as the recent lease-up successes indicate significant pent-up demand.

In addition to new construction, the metro is also seeing adaptive reuse and renovation projects, such as Michigan-based West Second Street Associates' redevelopment of the old AT&T office building at 500 North Orange Ave. The final project will be a five-story, 119,000-SF, Class A office building. FCP and Third & Urban joined forces to renovate 150 N Orange Ave into 141,000

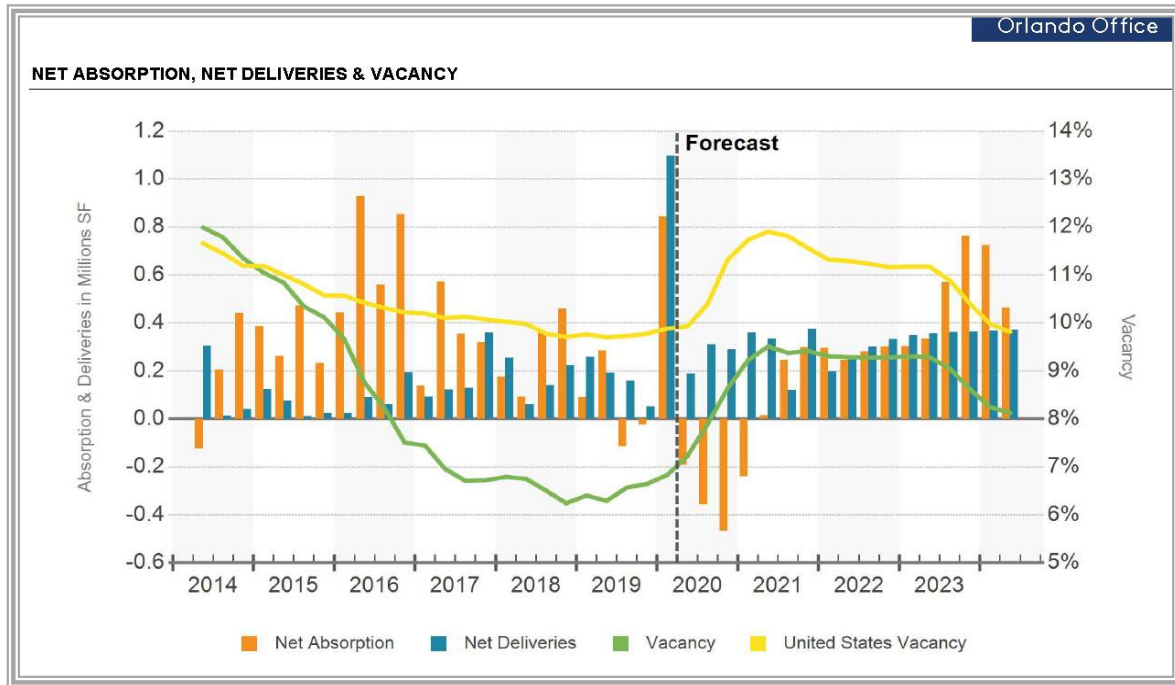
SF of large format, creative office space across four stories. Population and medical job growth has been driving development in the healthcare sector, which has also created spillover demand for medical offices. In the SW Orange Outlying Submarket alone, Florida Hospital opened a new hospital in 2016, recently broke ground on a 73,000-SF medical office building, and plans to begin construction on a seven-story inpatient tower in upcoming quarters. Among the other recent activity, Orlando Health began work on the first phase of its Horizon West campus in the SW Orange Outlying Submarket; Oviedo Medical Center delivered a \$109 million, 64-bed acute hospital in the Casselberry Submarket; and South Lake Hospital broke ground on a new emergency department in Leesburg.

Sales

Sales volume had already been slowing in Orlando's office market for about two years prior to the coronavirus. As a market driven by tourism, Orlando's economy is more exposed than many to the negative effects of the parameters put in place in regards to the virus. Because of this, the market may be deemed more risky in the near term and sales volume could slow further. In the immediate future, transaction volume is likely to slow across markets and property types as deals are put on hold as the world waits out the pandemic from home. Sales volume in 20Q1 was only slightly more than that of 19Q3, which had been the lowest-volume quarter in Orlando in more than three years. Even with two low volume quarters, the past 12 months saw more than \$700 million transact. While still above the long-term average, this annual volume marks a continued slowdown in the market. Roughly \$800 million traded in 2019, the lowest yearly volume in six years and down more than 20% year-on-year. Average pricing has continued to climb but the market cap rate rose slightly in 2019. With the heightened risk in terms of the local economy's reaction to the coronavirus, cap rates will likely continue to loosen in Orlando. This could maintain the market's relative value compared to primary office metros, with an average cap rate 70 basis points above the national average. Most of the market's premier, high-rise office towers changed hands during the boom period from 2015-17. Given the typically longer hold periods, it is perhaps unlikely that many more trophy assets will trade in the near-term, which could be a factor in the declining volume. A recent exception is the December 2019 sale of Downtown's Regions Bank Tower. Miami-based Black Salmon Capital acquired the 245,000-SF office from a joint venture between Tower Realty Partners and DRA Advisors for \$68 million, or \$277/SF.

As the locale of many of the aforementioned trophy assets, Downtown Orlando has seen much of the recent volume. Approximately 17% of all metro office sales volume in the past five years has been in the submarket. The area surrounding UCF has been a relative hotspot of office sales in the past year. Multiple large deals have driven elevated volume in the University and University Research submarkets including the June 2019 sale of the Discovery Point building at Central Florida Research Park. Tower Realty Partners and DRA Advisors bought the 350,000-SF building for \$49.5 million. The sale was a vacant value-add opportunity for Tower Realty, which signed Alight Solutions for 142,000 SF upon acquiring the building. The Lake Mary Submarket has also seen heightened investment in recent years, including Crocker Partners' acquisition of the three-building Northpoint Center for \$54.75 million (\$164/SF) in October 2018.

Absorption



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LAKE COUNTY OFFICE SALES STATISTICS

Sales Past 12 Months

Lake County Office

Sale Comparables

49

Avg. Cap Rate

8.3%

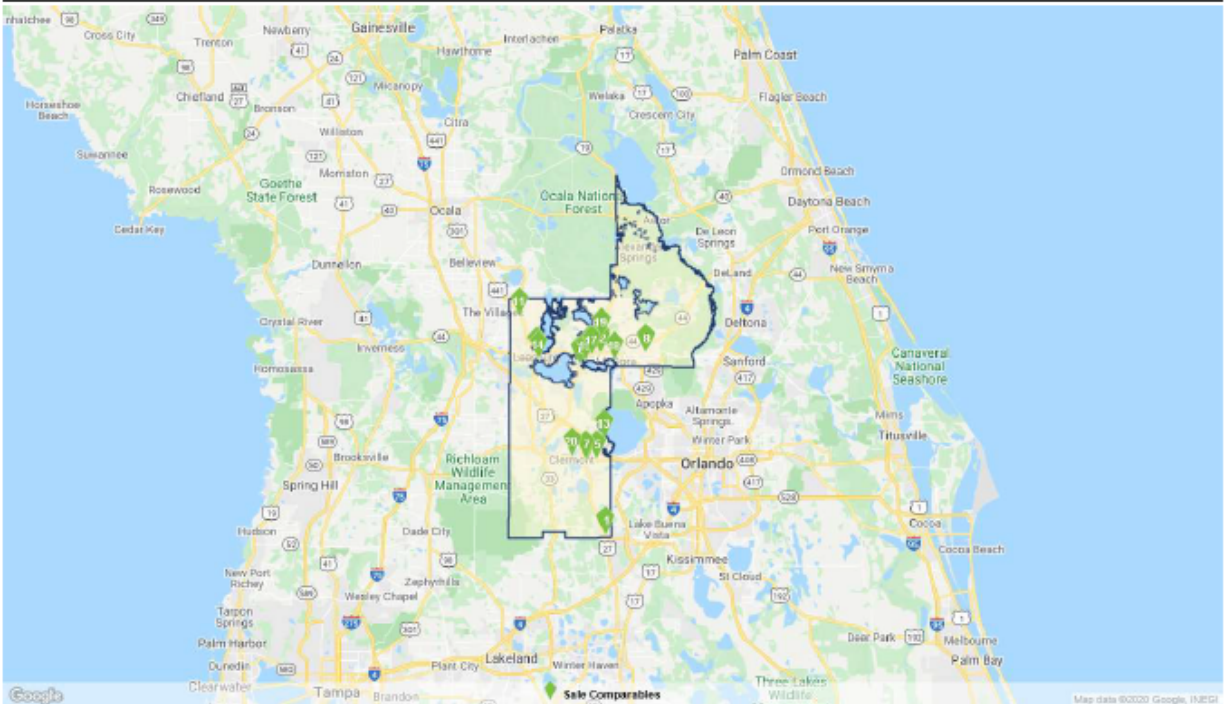
Avg. Price/SF

\$144

Avg. Vacancy At Sale

5.5%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$55,000	\$1,225,872	\$450,000	\$5,712,000
Price Per SF	\$40	\$144	\$107	\$394
Cap Rate	7.1%	8.3%	8.3%	9.3%
Time Since Sale in Months	1.3	6.6	6.7	11.9
Property Attributes	Low	Average	Median	High
Building SF	790	7,210	3,073	33,306
Stories	1	1	1	3
Typical Floor SF	790	5,358	3,036	33,306
Vacancy Rate At Sale	0%	5.5%	0%	100%
Year Built	1900	1974	1984	2019
Star Rating	★ ★ ★ ★ ★	★ ★ ★ ★ ★ 2.4	★ ★ ★ ★ ★	★ ★ ★ ★ ★

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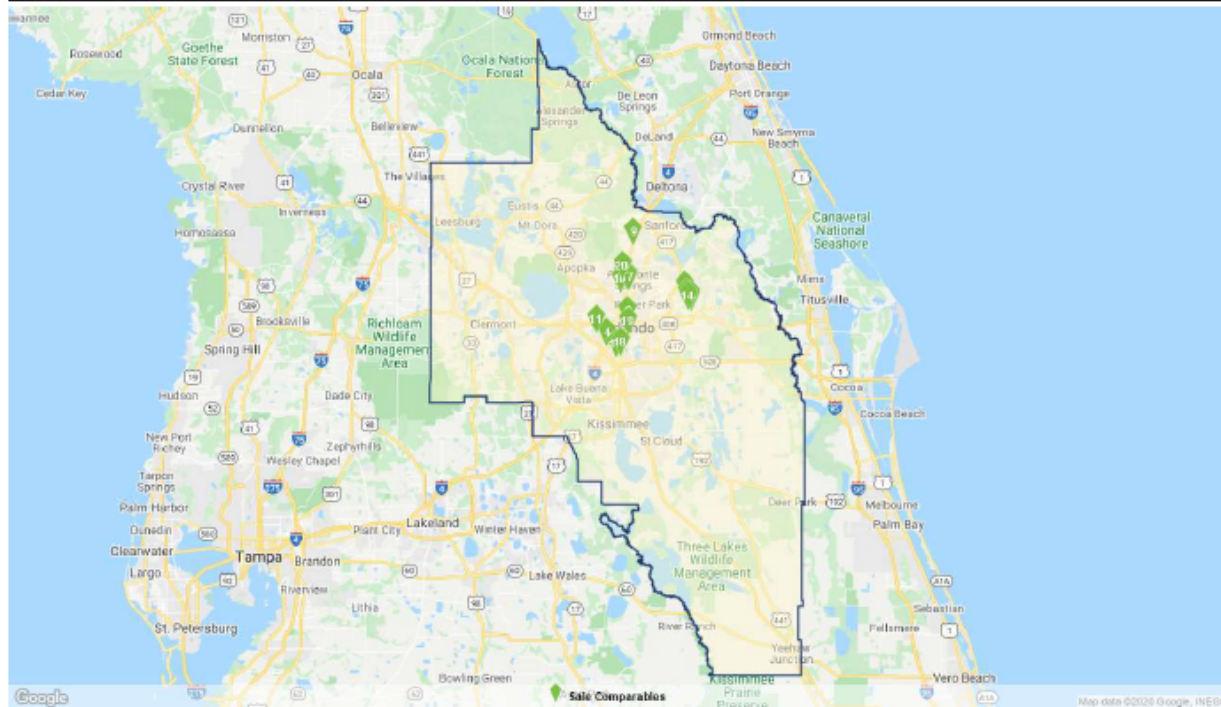
ORLANDO MSA OFFICE SALES STATISTICS

Sales Past 12 Months

Orlando Office

Sale Comparables	Avg. Cap Rate	Avg. Price/SF	Avg. Vacancy At Sale
391	8.3%	\$165	7.2%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$55,000	\$2,769,081	\$752,450	\$67,750,000
Price Per SF	\$1.78	\$165	\$163	\$1,463
Cap Rate	5.3%	8.3%	8.1%	11.5%
Time Since Sale in Months	0.3	6.7	6.8	11.9
Property Attributes	Low	Average	Median	High
Building SF	540	15,996	4,109	380,000
Stories	1	2	1	21
Typical Floor SF	540	7,444	3,617	106,440
Vacancy Rate At Sale	0%	7.2%	0%	100%
Year Built	1887	1976	1984	2020
Star Rating	★ ★ ★ ★ ★	★ ★ ★ ★ ★ 2.4	★ ★ ★ ★ ★	★ ★ ★ ★ ★

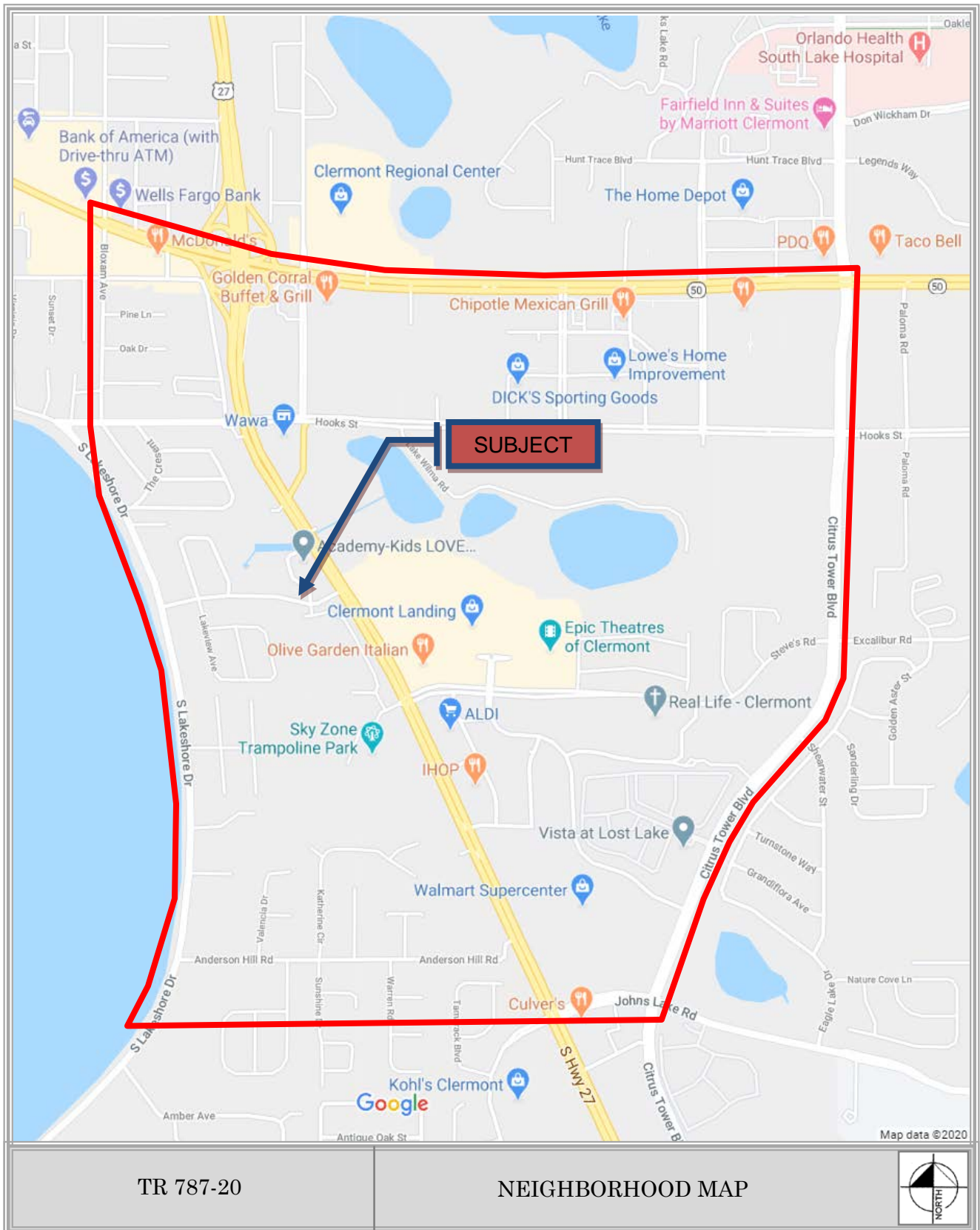
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NEIGHBORHOOD MAP



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NEIGHBORHOOD ANALYSIS

A neighborhood tends to be any separately identifiable, cohesive area within a community, with some community interest shared by its occupants. Some neighborhoods may have recognizable natural or manmade boundaries. While physical boundaries are used by the appraiser to describe and to define a neighborhood, they are often less significant than other boundaries of influence. A neighborhood has been defined as a grouping of complementary uses affected in a similar manner by the following forces - social, economic, governmental, and environmental - which affect all property values. In addition to physical boundaries, neighborhood boundaries can be identified further by perceptible changes in such characteristics as the degree of similarity in land use, types of structure, architectural style, and maintenance. Every neighborhood is influenced by its surrounding community or metropolitan area.

Neighborhood Boundaries

The neighborhood boundaries are considered to be the following

- | | |
|---------------------|-------------------|
| • Northern Boundary | US Hwy 50 |
| • Western Boundary | S Lakeshore Dr |
| • Southern Boundary | Johns Lake Rd |
| • Eastern Boundary | Citrus Tower Blvd |

Market Attributes

MARKET AREA ATTRIBUTES	
Highway Access	Good
Demand Generators	Good
Convenience to other supporting land uses	Good
Convenience to Public Transportation	Good
Employment Stability	Good
Police and Fire Protection	Good
General Appearance of the Properties	Good
Appeal to Market	Good
Demand & Supply	In Balance
Price / Value Trend	Increasing

General Description

The subject property is located in the City of Clermont, one of Florida's top 10 fastest-growing cities. It is situated just one block west from of US Hwy 27. Clermont is Lake County's largest city and one of Central Florida's fastest growing markets. Clermont is located less than 30 minutes west of Orlando and serves the residents of the surrounding areas via easy access from the Florida Turnpike, 408 Expressway, Highway 50, and Highway 27. This makes the property a prime location with easy accessibility to Downtown Orlando, Orlando International Airport, area attractions, Tampa, Miami, Daytona and Atlanta. The City is essentially residential in character and its economy is primarily centered in retail trade as well as lodging and food and beverage establishments, which are tourism oriented.

The immediate neighborhood is a growing commercial corridor on both sides of US Hwy 27. Development along US Hwy 27 includes shopping centers, free standing retail facilities, auto dealerships, Bank Branches, office buildings, gas stations. Some establishment in the area are Clermont Landing Shopping Center anchored by JCPenney, Staples, ALDI, BJ's, Walmart Supercenter, Kohl's Clermont, Pep Boys Auto Parts & Service, Stormy Hill Harley-Davidson, Personal Mini Storage, Kiddie Academy of Clermont. Clermont Landing is the premier shopping center serving the residents of Clermont, a growing suburb just west of Orlando. This power center features strong anchor tenants such as JC Penney, Epic Theatres, Ross Dress For Less, TJ Maxx and Michaels, as well as restaurants such as Olive Garden, Red Lobster, Buffalo Wild Wings, Texas Roadhouse, Arby's. Located along US 27, just south of SR 50, Clermont Landing also boasts other national tenants such as Famous Footwear, Hand and Stone Massage, Rainbow, World of Beer, Bath & Body Works, Dollar Tree, Kay Jewelers, Mattress Firm. A large portion of the buildings in the area tend to be single family residential houses acting as backup to the commercial frontage. Most of the land around subject are developed as single family houses. Big portion of undeveloped land is located west and east from the subject. Traffic count on Us Hwy 27 is 42,500 cars per day.

Real Estate Overview

The subject is located in Mohawk / Reavills Corner neighborhood, which is a suburban neighborhood (based on population density) located in Clermont, Florida. Mohawk / Reavills Corner median real estate price is \$270,763. The average rental price in Mohawk / Reavills Corner is currently \$1,882, based on NeighborhoodScout's exclusive analysis. Mohawk / Reavills Corner real estate is primarily made up of medium sized (three or four bedroom) to small (studio to two bedroom) single-family homes and apartment complexes/high-rise apartments. Most of the residential real estate is occupied by a mixture of owners and renters. Many of the residences in the Mohawk / Reavills Corner neighborhood are newer, built in 2000 or more recently. A number of residences were also built between 1970 and 1999. Mohawk / Reavills Corner has a 15.0% vacancy rate, which is above average compared to other U.S. neighborhoods.

Occupations and Income

In the Mohawk / Reavills Corner neighborhood, 51.7% of the working population is employed in executive, management, and professional occupations. The second most important occupational group in this neighborhood is sales and service jobs, from major sales accounts, to working in fast food restaurants, with 24.8% of the residents employed. Other residents here are employed in clerical, assistant, and tech support occupations (12.9%), and 10.6% in manufacturing and laborer occupations.

Transportation

The neighborhood is centrally located with good access to major transportation arteries and employment, and the subject property has good access to the major roadways in the neighborhood. The roadways in the subject neighborhood provide good linkage to Clermont, Orlando, other areas of Lake and Orange Counties, and Central Florida. Major roadways through the subject neighborhood include the following:

US Hwy 27 is one of the primary routes between northwest and central Florida. It intersects with SR 50 about 0.6 mile north of the subject. It runs south through Polk County and beyond to

South Florida, and north through Lake County and beyond to North Florida. It should be noted that recent widening of US Hwy 27 improved the capacity of US Hwy 27 in the subject neighborhood.

State Road 50 (West Colonial Drive) runs across the center of Florida through Orlando, Orange County, Lake County, and other counties throughout the state. SR 50 is signed east-west. State Road 50 as a four and six lane major connector roadway that is the primary east-west artery running through the Orlando Metropolitan Area. Development along SR 50 includes shopping centers, free standing retail facilities, new and used auto dealerships, office buildings and older secondary commercial uses.

Public transportation is provided by LakeXpress, Lake County transit system. Buses travel State Road 50 neighborhood connecting to US Hwy 27. Orlando International Airport is located about 35 miles south-east from the subject.

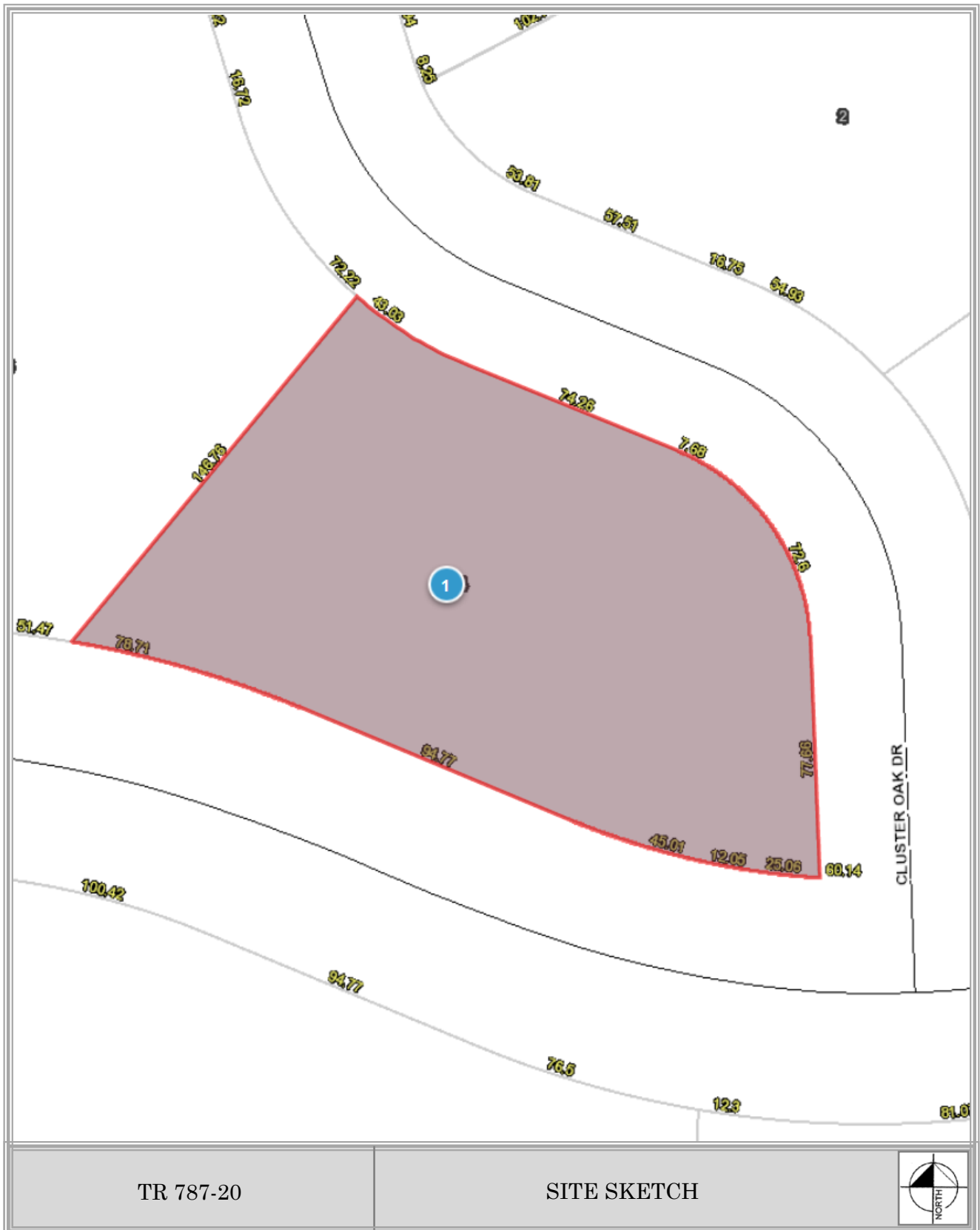
Neighborhood Conclusion

The subject neighborhood is located in a historically growing satellite suburb of the Orlando Metropolitan Area. The subject's immediate neighborhood is mostly a commercial development along US Hwy 27 in central part of Lake County which has experienced growth rates in both – commercial and residential markets with average per capita incomes in the state of Florida. The subject's neighborhood is considered to be in the growth phase of the neighborhood life cycle. The commercial districts are considered well served by the established and developing residential communities in the area. This development creates demand for neighborhood commercial and professional services. Overall, the general neighborhood reflects a mixed use neighborhood dominated by a strong commercial and residential corridor within the City of Clermont. It has good linkage to all major destinations within Central Florida. The subject immediate neighborhood is considered to be in an **Growth stage of its Life cycle**, and has some land available for development south and east from the subject.

SUBJECT DEMOGRAPHICS

Radius	1 Mile	3 Mile	5 Mile
Population:			
2025 Projection	4,862	56,396	96,866
2020 Estimate	4,300	49,912	85,125
2010 Census	3,493	40,819	65,258
Growth 2020-2025	13.07%	12.99%	13.79%
Growth 2010-2020	23.10%	22.28%	30.44%
Households:			
2025 Projection	1,906	21,181	35,594
2020 Estimate	1,683	18,732	31,277
2010 Census	1,339	15,100	23,759
Growth 2020 - 2025	13.25%	13.07%	13.80%
Growth 2010 - 2020	25.69%	24.05%	31.64%
Owner Occupied	1,063	13,684	24,308
Renter Occupied	620	5,048	6,969
2020 Avg Household Income	\$65,981	\$79,177	\$81,683
2020 Med Household Income	\$55,871	\$63,626	\$67,838
2020 Households by Household Inc:			
<\$25,000	312	2,661	4,309
\$25,000 - \$50,000	415	4,360	6,662
\$50,000 - \$75,000	403	3,676	6,074
\$75,000 - \$100,000	207	2,976	5,578
\$100,000 - \$125,000	204	1,842	3,213
\$125,000 - \$150,000	74	1,324	2,235
\$150,000 - \$200,000	45	1,314	2,038
\$200,000+	23	581	1,168

SITE SKETCH



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DESCRIPTION OF THE SUBJECT SITE

Location

The subject property is located at the Northwest Corner of Brogden Dr and Cluster Oak Dr, within an incorporated area of the City of Clermont, Lake County, Florida, 34711.

Physical Description

The subject site is irregular in shape sloping tract consisting of single tax parcel totaling 0.549± acres. It is situated on a soft corner and has about 274 ± feet of frontage on the west side of Cluster Oak Drive, and 260 ± feet of frontage on the north side of Brogden Drive. Topography is generally sloping and in line with the street grade on which it fronts including drainage ditches. The sites topographic elevation are estimated to be about 110-125 feet above sea level.

Access and Utilities

Physical and legal access to the subject site is considered Good and could be provided from an ingress-egress point from the frontage along the west side of Cluster Oak Drive with right and left in and out ingress-egress. Overall, the subject has good access to US Hwy 27 and good visibility. The site is within the public service area of the City of Clermont and has all public utilities available including water, sewer, electricity, telephone service and cable television. Water and sewage are serviced by the City of Clermont, Inc. Police protection and fire protection are provided by the City of Clermont. Electrical service is available from Duke Energy and telephone service is available from various service providers. The utilities are typical of the surrounding properties and allow for the adequate use of the subject property. All utilities and services are provided at rates and with efficiency comparable to the surrounding neighborhood and area in general.

I conclude that the subject site access and visibility is adequate to support moderate intensity office development. The access rated Good and visibility is considered Good compared to other properties located in the subject vicinity.

Soil/Subsoil

The appraisers have not been supplied with a Geotech report of the subsoil conditions indicating the exact capacity of the subsoil. I did not have the benefit of subsoil test results of the property and detection of possible soil defects would be beyond my realm of expertise. However, except as noted, there appears to be no hidden or apparent conditions of the subject site or subsoil structure that would render it more or less valuable. No responsibility is assumed for such conditions or for engineering or testing that may be required to discover and/or expose them. (See Extraordinary Assumptions)

Hazardous Substances

The appraiser was not provided an Environmental Site Assessment (ESA) Phase 1 environmental report. Detection of possible hazardous substance would be beyond my realm of expertise. I have assumed there are no apparent conditions of the subject sites which would

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render them more or less valuable. No responsibility is assumed for such conditions or for engineering, which may be required to discover them. (See General and Extraordinary Assumptions).

Summary

The site is irregular in shape, has adequate access, exposure, and topography to support intensity commercial use consistent with surrounding development. No adverse site conditions are known nor were any observed that would preclude or severely limit subject utilization to its highest and best use as determined herein. There are no apparent adverse conditions associated with the subject site that would cause a negative impact on value or marketability.

HIGHEST AND BEST USE ANALYSIS

The Appraisal of Real state, 14th Edition, states the highest and best use of a property to be “the reasonably probable and legal use of vacant land or an improved property, which is physically possible, legally permissible, appropriately supported, financially feasible, and results in the highest value.”

In order to estimate the highest and best use for the subject property, we have considered those uses that are legally permissible, physically possible, economically feasible, reasonably probable, and which would result in the highest net return to the land. Consideration is also given to the individual features of the site such as size, shape, location, frontage and access to roadways, and availability of necessary utilities and infrastructure. Consideration is also given to surrounding land uses and the demand for property in the current real estate market.

For highest and best use of land as though vacant, the property as proposed to be improved; a use must meet four criteria. According to these four criteria, the highest and best use must be:

- Physically possible;
- Legally permissible;
- Financially feasible; and
- Maximally productive.

Highest And Best Use Conclusion - As Vacant

Physically Possible

The subject site is situated just one block west from US Hwy 27 in central part of Lake County within an incorporated area of the City of Clermont. The site is a 0.549± acre irregular and sloping (110-125± ft) site with frontage of 274 ± feet on the west side of Cluster Oak Drive, and 260 ± feet on the north side of Brogden Drive. The property is serviced by all public utilities. Topography is significantly sloping and would likely require a retaining wall to maximized the pad area.

Physical and legal access to the subject site is considered Good and could be provided from the frontage along the west side of Cluster Oak Drive with right and left in and out ingress-egress from legal cub cuts. Overall, the subject has good access to US Hwy 27 and good visibility. Therefore, from a physically possible perspective, the subject project site could physically support any development, which would fit within the confines of the site. Therefore, physical uses of the subject could be as follows:

- (1) Any Use that Physically Fits

Legally Permissible

The only legal restrictions that apply to the subject property are private deed restrictions and public restriction land zoning and other governmental regulations. The subject property is currently Zoned C-2 (General Commercial District) and has a Future land Use of Commercial.

Both the zoning and land use designations are intended to provide wide range of commercial activities including office and commercial uses, parks and open space, municipal facilities and other civic and cultural uses. This designation is intended for various degrees of commercial and office development. Typical development may include Professional offices; Retail businesses; Personal service establishments; Recreation facilities; Restaurants and lounges; Buildings operated by the City.

Based upon the above information and my conversation with Mr. Curt Henschel, Development Services Director of the City of Clermont Planning Division, Phone # (352) 241-7308, on April 27, 2020, the subject zoning is reported to be C-2 (General Commercial District) within a Commercial Future Land Use Designation, by the City of Clermont. Based on the above standards the property is a legal use under the existing Land Use regulations. Therefore, legal uses of the subject could be as follows:

(2) A wide range of Office and Commercial Uses

Financially / Economically Feasible

This part of the highest and best use requires the most analysis and thoughtful consideration. Once the physically possible and legally permissible potential land uses have been determined, the next step in estimating the highest and best use is to determine which uses are logical, economically feasible and maximally productive. After determining which uses are logical, it is necessary to determine what potential uses are economically feasible. Strictly speaking, a use which produces any positive overall return be it cash flow or internal rate of return (IRR), is economically feasible. From the list of economically feasible uses is chosen the one use which produces the greatest return. This is the maximally productive use and is, therefore, the highest and best use of the subject property. This procedure, therefore, can be seen as being shaped like a pyramid, with physically possible uses representing the base and the one maximally productive use representing the peak. Financial feasibility refers to uses that are physically possible, legally permissible and have sufficient demand to produce a positive return to the land. Most important when considering an appropriate use is the relationship- of potential uses to the surrounding land uses and the supporting facilities that it may require. For a use to achieve its maximum value, which is the forth criteria, it needs to conform to the surround land uses, given the legal and physical restrictions of the site. Determining which uses are logical is based primarily upon the nature of the subject property, the characteristics of the subject neighborhood and expected growth trends, which are projected to impact the subject property. All of these factors are examined in this report.

Economic Cycle:

Furthermore, a determination of highest and best use must take into consideration not only present influences upon the subject property, but the expectation of future influences, as well. The highest and best use of a property can change if market influences on the property change. It is well known that the economy go through cycles which impact real estate values. Real estate cycles represent the pattern of values over periods of time, typically ranging from two to three years or up to 10 years. Cycles account for value movements (rises and falls) of real estate properties. Each cycle differs from previous cycles in terms of its causes, length, depth, and effect on different property types and regions. Phases of real estate cycle include:

- **Recession:** In this phase, sales activity is very slow, while prices continue to decline. The decrease in property values varies by type of property and location.
- **Recovery:** After a period of recession or depression, the market stabilizes, prices begin to recover, and excess inventory begins to be absorbed.
- **Expansion:** During the expansion phase, prices continue to increase and construction activity increases dramatically, but at levels consistent with demand.
- **Oversupply:** At some point in the expansion phase, the market may become overbuilt. In this phase, prices and values begin to slump, sales activity begins to slow, and vacancies begin to increase.

The following is brief discussion of the State of Florida and Central Florida MSA economic conditions before the COVID-19 outbreak.

State of Florida Economy

The Florida Economic Estimating Conference met on July 17, 2019 to revise the forecast for the state's economy.

Economic Recovery - The latest forecast generally shows little change from the assumptions made in February for the short term, but was slightly weaker in construction and related industries. Overall, Florida growth rates are at levels that are typical of solid growth and continue to show progress. The job market in Florida continues to grow at steady rates, with a 2.4 percent growth rate for nonfarm employment for the first quarter of 2019 compared to the same period last year. The Conference expects total non-farm employment to grow 2.3 percent in Fiscal Year 2019- 20, with more modest rates of growth throughout the long run.

Housing - Overall, the housing market continues to trudge forward, although slowing from the stronger growth over the past few years. For the first quarter of 2019, single-family building permits were 7.6 percent higher than the same period last year, while multi-family building permits were 4.6 percent lower. Combined, total private housing starts are expected to decline 1.3 percent in Fiscal Year 2019-20 before recovering to a positive rate of 1.1 percent in Fiscal Year 2020-21 and then shifting further up to 2.0 percent in Fiscal Year 2021-22. Total private housing starts are still well below the peak Fiscal Year 2004-05 level of 272,250 units; they do not recover to their previous peak level at any time during the ten-year forecast period. Reflecting the housing market weakness, construction employment does not get back to its peak level from Fiscal Year 2005-06 until Fiscal Year 2028-29.

New Light Vehicle Registration - New light vehicle registrations were a source of strength in the Florida economic forecast as the state recovered from the Great Recession, but contracted by 0.5 percent in Fiscal Year 2018- 19. New light truck registrations faltered in the middle of Fiscal Year 2018-19 and were unable to counter the declines in automobile registrations. New light vehicle sales for the first quarter of 2019 were down 2.7 percent over the same period last year. Further slowing in this measure is expected through Fiscal Year 2021-22 as many consumers

have already replaced their older vehicles and future purchases will be affected by the rising interest rates in the short run. The forecast predicts slight declines in the first half of the forecast period, followed by only modest growth of up to 1.4 percent for the rest of the period.

Florida Tourism - Florida tourism is a major component of the state's economy and continues to show its strength. Preliminary estimates indicate that 32.6 million visitors came to Florida during the first quarter of 2019 for an increase of 5.8 percent over the same period in 2018. The forecast for Fiscal Year 2019-20 expects this trend to soften with a projected overall growth rate of 4.4 percent, with domestic, Canadian, and international visitors contributing to the growth. The expected growth in total visitors stabilizes at growth rates ranging at and just under 4.0 percent annually over the rest of the forecast.

Orlando Kissimmee Sanford MSA Economy

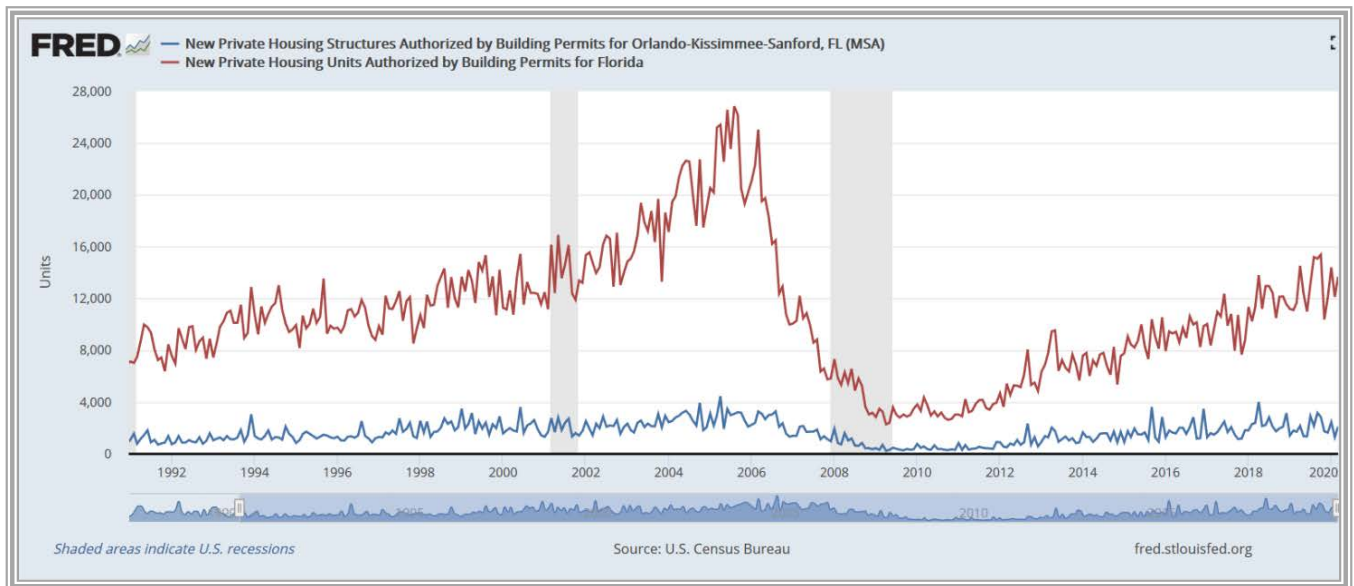
UCF Florida & Metro Forecast Institute for Economic Competitiveness December 2019.

The Orlando–Kissimmee–Sanford Metropolitan Statistical Area (MSA) is expected to show varying strengths and weaknesses in the economic indicators relative to the other MSAs studied. Personal income growth is expected to average 6.0 percent each year, the second highest of all studied MSAs. Real per capita income levels should average \$42,500. Average annual wage growth is expected to be 3.7 percent, the lowest of the studied areas. Average annual wage levels should be at \$56,600. Population growth is expected to be an average of 2.1 percent the second highest of the studied MSAs. Gross Metro Product level is expected to average \$144,492.80 million. Employment growth is forecasted to average 2.9 percent each year, the second highest in Florida. The metro will see an average unemployment rate of 2.9 percent, the second lowest of the studied MSAs. The Professional & Business Services is expected to be the fastest growing sector in the area, averaging 7.2 percent growth annually. The Construction & Mining sector will see the second highest average annual growth rate at 3.5 percent, followed by the Education-Health Services and Leisure sectors at 2.1 and 2.7 percent average annual growth, respectively.

Unemployment Rate (Orlando-Kissimmee Florida MSA & State of Florida)



Building Permits (Orlando-Kissimmee Florida MSA & State of Florida)



TIMOTHY RADABAUGH, MAI

Impact of COVID-19 Corona Virus Outbreak

The corona virus threat is impacting market conditions. However, in most markets, it is not yet clear to what extent market conditions are affected. Complicating factors include fluctuations in the stock market and changes in mortgage interest rates. Market analysis includes observing market reactions. This analysis becomes more complicated when market participants themselves are facing uncertainty.

It is impossible to predict the very short term even under normal circumstances. The vast quantity of unknowns today, including how long COVID-19 containment efforts will shutter much of the private economy, makes trying to pinpoint the bear market's end even more futile than usual. Fisher Investments suggest, if COVID-19 fades in the West at a pace similar to its trajectory in China, then America and Europe could be back to work in weeks, with the demand pent-up by the closures finally getting unleashed. If the virus lingers or resurges next year, then disruptions could persist until there is a vaccine. Not knowing is frustrating, but this is the situation we are in. The economic contraction that this bear market preceded isn't a garden variety recession, where euphoric investors drove excesses in business investment that must be reined in to refresh the cycle. It was an engineered shutdown of the private economy for a well-intended purpose. As such, with the exception of those businesses for whom government bridge loans won't be enough to survive the closures, this contraction likely isn't causing permanent destruction of wealth and productive capacity on a wide scale. When officials deem the public health emergency over and businesses reopen, the resumption of economic activity where it left off - and perhaps then some to meet pent-up demand - can drive a leap in growth, as there aren't major supply overhangs to wring out. If anything, there are shortages, hinting at a snapback to growth. Stocks, having correctly pre-priced a sharp contraction, likely do the same on the other side - rising long before the virus recedes and business returns to normal.

On 4-23-20 CoStar reported in the second month of the U.S. economic shutdown, commercial real estate buyers and sellers have canceled pending sales and contracts at a pace never before recorded by CoStar. More than 17% of deals that were scheduled to close in April were called off. By property type, hotels led canceled deals. Investors called off 32% of scheduled hotel property sales with asking prices totaling more than \$41 million.

CoStar's dropped deal count in April for other property types is as follows:

- Multifamily: 57 deals, 19.1% by deal volume.
- Miscellaneous: 21 deals, 18.4%.
- Office: 59 deals, 13.9%.
- Land: 70 deals, 13.1%.
- Retail: 80 deals, 12.6%.
- Industrial: 35 deals, 8%.

The dropped deals will likely further slow the volume of U.S. property sales in the second quarter. The number of new sales tracked by CoStar from county government offices across the country are only about a quarter of what was received in the first two months of the year. The full economic impact of reduced personal consumption and commerce is unknown at this point in time and this appraisal report makes no attempt to speculate on the outcome beyond what appears reasonably probable.

In that regard, the outbreak is expected to cause significant economic disruption in Orlando MSA. The trajectory of Orlando's economy will depend on how widely the virus spreads, and how long containment policies like physical distancing need to be maintained. Today the situation is dynamic and unprecedented. Prior to the corona virus outbreak, Orlando had very strong economic momentum and comparable data in this appraisal report largely reflects the environment before the pandemic

Looking ahead, it would be unwise not to expect a pull-back in space demand by varying degrees and by property type. Some, such as hotels and resorts, are already feeling the pain of the measures to limit virus contagion. However, we believe it would be equally unwise to shift to a worst-case scenario and pure fear-based execution. Depending on the length and depth of the measures needed to reduce community passing of the virus, we could see a rapid economic recovery on the other end of the current curve

Commercial real estate fundamentals remain relatively attractive and interest rates have fallen to historic lows. With the stock market in turmoil, commercial real estate may draw investors seeking a safe haven and superior yields to the bond market. The following is a recap of market conditions for market segments after the COVID 19 Virus:

- Office- properties with longer-term leases are well-positioned to withstand a downturn.
- Multifamily- sector could see minimal impact if the shock to employment is short-term.
- Industrial- properties may be adversely affected as a result of supply chain issues, but again, this could be a temporary phenomenon.
- Hospitality- assets will likely be stressed due to travel restrictions and conference cancellations.
- Grocery- stores and other staple providers are seeing higher demand and scrambling to keep shelves stocked, bricks-and-mortar leisure retailers may suffer from reduced traffic and shortened hours.

It is my opinion that the economy is currently experiencing the beginning of a **Sharp V Shaped Recession** in the real estate market cycle identified above. Given the subjects position in the real estate cyclical discussed above, the following is a discussion of the above physical and legal uses for determination of their economic feasibility.

Next, is to review the type of legal and physical uses that the subject site could be developed. The subject could physically be developed for any use that fits on the site. Legally the site is designated C-2 (General Commercial) for zoning and Commercial land use. This allows for a wide range of uses such as Retail, Office, and Institutional. As such, all uses with the exception of **Retail, Office, Religious, Daycare/ALF or Institutional** uses are eliminated due to physical or legal constraints. The following is a discussion of the remaining economic uses available for consideration.

As Retail Use:

The site could physically and legally be developed with some type of retail use. Typically rooftops and or exposure to heavy traffic are the growth drivers for retail. The subject area does have some residential rooftops but they are older and not high density. Further the site does not have direct exposed to high traffic counts along US 27. **As such, the site does not possess the all demand drivers necessary for retail users.**

As Institutional Use:

The site could physically and legally be developed with some type of institutional development such as hospital, city office or school. There is already a large medical anchor nearby and there are not enough rooftops to support a public school nor is it a large enough site for such a use. The City offices are more CBD oriented and are fairly new. As such, it is my opinion that an institutional uses have already been met and would not maximized the use of the underlying land. **The site does not possess the physical size and or demand drivers necessary for hospital, school, church or government office users.**

As Office Use:

The site is also suited for office use given the demographics and rooftops within a 1, 3 and 5 mile radius. However, the area is not known as a general office district. There are needs and demand for neighborhood office uses such as professional and medical office.

The site could also physically and legally be developed with some type of office. According to the 2nd Qt 2020 Costar Office Market Survey, the Lake County office submarket has the following market trends.

Lake County \$933 M Asset Value		PDF ✓ -	
Orlando - FL			
Inventory SF	5.5 M ↑	Market Rent/SF	\$20.37 ↑
Under Constr SF	10 K ↓	Annual Rent Growth	1.3% ↑
12 Mo Net Absorp SF	(30.8 K)	Market Sale Price/SF	\$169 ↑
Vacancy Rate	5.6% ↑	12 Mo Sales Vol	\$38.3 M ↑

The probable use of the site for commercial office development conforms to the pattern of land use in the market area. A review of published yield, rental and occupancy rates suggest that there is a balanced supply and demand is sufficient to support construction costs and ensure timely absorption of additional inventory in this market. Although the current health crisis may cause some investors to pull back on new construction, the economic fundamentals are considered to be strong enough to allow pent-up demand during the initial slow-down after the crisis to help bring the market back to stability in a relatively short time and the area should continue to remain amenable to new construction. **The site does possess the demand drivers necessary for office users.** Therefore, financially feasible uses of the subject could be as follows:

- (3) Office is a financially feasible use

Maximally Productive

The last criterion that must be met is that use among the alternatives that meets the other criteria. All uses except some type of Office use have been eliminated as being inappropriate, physically impossible, and/or legally not permissible. Although it is difficult to ascertain exactly which type of these uses would be the most profitable. Use of the site at maximum allowable density/FAR given the zoning, represents a use which would be among the most profitable uses which meet the other criteria.

- (4) Office at maximum feasible density

Highest And Best Use Conclusion - As Vacant

Both long and speculative short term highest and best use of the subject site as vacant would be Office.

Highest and Best Use Conclusion - As Improved

The subject site is vacant without any proposed improvements.

Likely Buyer

The likely buyer of the subject would be a local owner user.

MARKETABILITY ANALYSIS

Estimated Marketing and Exposure Periods

In order to estimate a reasonable marketing period for the subject property, we have interviewed a number of active Realtors and market participants within the subjects marketing area. Based upon these interviews, we have been able to arrive at a consensus of opinion relative to the subject. In order to arrive at such an opinion, it is necessary to give consideration to many factors. The size of the subject is worthy of consideration since it is reasonable to expect a longer marketing period for a larger property than for a smaller property, all other factors remaining constant. It is also necessary to consider the relationship between the factors of supply and demand within the subject property's particular submarket. It is necessary to examine both existing and proposed levels of supply and demand within the appropriate submarket. For example, if the current supply of units similar to those proposed for the subject exceeded demand, it would be reasonable to expect a rather lengthy marketing period. The opposite would be true if demand exceeded supply. A number of market participants were interviewed during the course of this appraisal, as well as previous appraisal investigations. A partial list of contacts follows:

Research Staff	Marcus & Millichap
Research Staff	Colliers International
Research Staff	Costar
Nan McCormick	CB Richard Ellis
Margery Johnson	Cushman Wakefield
Michael Heidrich	NAI Realvest
Mark Allen	Commercial Real Estate Professionals, Inc

Impact of COVID-19 Corona Virus Outbreak

Our conversations with the above brokers active in the central Florida market indicated that many existing deals are not being canceled but buyers are asking for 60-90 day time extensions to complete due diligence and financing given the logistic problem created by social distancing. They also reported the market has become segmented based upon how social distancing impacts a specific real estate product. For example, restaurants and hospitably markets are negatively impacted by lack of available lender financing at this time. CoStar has forecasted that apartment sale prices will decline this quarter and reduced rent payments caused by job cuts linked to the pandemic will end several years of apartment price gains. Retail is segmented with food and grocery doing well but brick and mortar clothing suffering. At this time, the appraiser assumes that there is likely a short delay in market activity, but not a significant long-term shift in demand or supply which would result in a change in market prices.

Exposure Time and Marketing Time

Based on our review of national investor surveys, discussions with market participants and information gathered during the sales verification process, a reasonable exposure time for the subject property at the value concluded within this report would have been approximately twelve (12) months. This assumes an active and professional marketing plan would have been employed by the current owner. We believe, based on the assumptions employed in our analysis, as well as our selection of investment parameters for the subject, that our value conclusion represents a price achievable within twelve (12) months.

TIMOTHY RADABAUGH, MAI

APPRAISAL PROCESS

Traditionally, there are typically three approaches utilized in the valuation of real property: The Cost Approach, the Sales Comparison Approach, and the Income Approach.

The Sales Comparison Approach is based on the "Principle of Substitution" which indicates that an informed purchaser would pay no more for a property than the cost of acquiring an equally desirable substitute property with the same or similar utility. This approach is applicable when an active market provides sufficient quantities of reliable data, which can be verified from authoritative sources. The Direct Sales Comparison Approach is reliable in an active market or if an estimate of value is related to properties for which there are comparable sales available. This approach to value is also pertinent when sales data can be verified with the principals to the transaction. Heavy emphasis is usually placed on this approach to value in an active market.

In the Income Approach, concern is with the present value of any future benefits of property ownership. Future benefits are generally indicated by the amount of net income the property will produce during its remaining useful life. After comparison of interest yields and characteristics of risk for investments of similar type and class of properties, this net income is then capitalized into an estimate of value. The value indicated by the Income Approach is generally the most indicative value indication for properties, which are held for income production or investment type properties in general.

The conventional Cost Approach is based on the "Principle of Substitution" which states that no rational person would pay more for a property than the amount for which he can obtain, by purchase of a site and construction of improvements, without undue delay, a property of equal desirability and utility. The basic steps of the conventional Cost Approach are to estimate site value as if vacant, estimate the replacement or reproduction cost new of the improvements, and add an appropriate allocation to reflect entrepreneurial profit. I would then estimate, in dollar amounts, the accrued depreciation caused by the physical deterioration, functional deficiencies or super-adequacies, or any adverse external influences. The next step would be to deduct the accrued depreciation from the replacement cost as through new to arrive at a current depreciated cost estimate. Then, by adding the site value estimate, the result is to arrive at an indicated value for the property by the conventional Cost Approach.

The subject is a vacant office park site

As such, the appraiser regards the Land Sales Comparison Approach to be the approach used by the industry for properties similar to the subject. Use of this approach was deemed to provide a **Credible Appraisal Report**.

LAND SALES COMPARISON APPROACH

Land Valuation

The Land Comparison Approach involves direct comparison of the property being appraised with similar properties that have sold in the same or similar markets in order to arrive at a market value indication for the subject property. It is based upon the principle of substitution, which implies that a prudent investor will not pay more to buy a property than it would cost to buy a comparable substitute property.

Comparable Search Criteria

The primary search was criteria was for comparables being similar properties having like attributes and located in similar areas as the subject. Primary search criteria was as follows:

- Clermont / Winter Garden market area
- Office or retail and office use
- Vacant commercial parcels 0.50 to 5.0 acres
- Finished grade ready
- Sales not more that 3 years old
- Bought with the intention to develop

Valuation Process

The primary search was criteria listed above yielded four (4) closed sales. The traditional method for comparing improved property such as the subject is on a price per acre basis. Please note we have also considered and calculated the land value analysis based on the building floor area (FAR). The sequence of adjustments, which have been applied to the individual comparables is as follows:

1. Financing Terms
2. Conditions of Sale
3. Market Conditions (Time)
4. Location Characteristics
5. Physical Characteristics

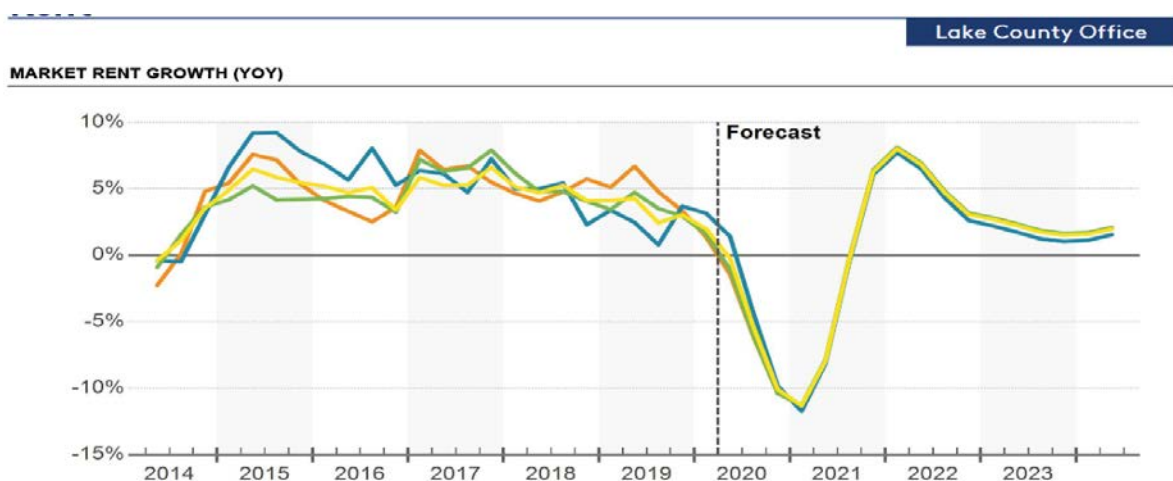
Because some subject sites, as well as some comparables can included wetlands and or 'non-useable' areas, these components if applicable have been accounted for in the adjustment process at a contributory value of \$5000 per acre. This is effectively an adjustment calculation to better account for the impact of wetlands on the subject value conclusion. For adjustment purposes, the wetlands are temporary assigned a value of \$5000 per acre and are lessed out of the comparable price in order to arrive a primary upland value component. The Physical and location adjustments have been applied to the useable area. The traditional adjustments are made on the implied uplands price per acre. After correlation of the comparable upland value indications, the \$5000 wetland value component is added back to the subject as a contributory value. The subject did not have any wetlands.

The following market data summarizes the pertinent details of each of the comparables analyzed. In the *Discussion of Adjustments* section I addressed the results in which the transactions have been adjusted toward the subject property. The adjustments have been made using the typical unit of comparison within this market. All of the comparable sales have been inspected and have been analyzed with regard to the various value characteristics. In the following pages of this section I also include an adjustment grid that summarizes the adjustment process and an *Improved Comparable Location Map* that illustrates the proximity of the comparables and subject property.

Discussion of Adjustments

A search for properties similar to the subject focused on comparable properties located within the subject immediate or similar areas to the subject. Attention was given to comparative elements. The traditional method for comparing improved property such as the subject is on a price per acre area as well as price per building floor area basis. There were (4) closed sales were used as comparables for the subject. The following is the sequence and a brief explanation of the adjustments:

- Property Rights: None needed
- Financing Terms: None needed.
- Conditions of Sale: None needed
- Market Conditions (Time): Prior to the corona virus outbreak, Orlando MSA had very strong economic momentum and comparable data in this appraisal report largely reflects the environment before the pandemic. In that period, time adjustments were more predicable based on discussions with brokers and investors within the subject marketplace. For comparables in this appraisal report, I have used one (1) comparable sale that closed in 2019 and three (3) in 2018. This time period reflects the market conditions for the subject market area prior to the corona outbreak. Typically rent growth drives pricing and the chart below shows office rent growth in the subject area prior to the outbreak.



The outbreak is expected to cause significant economic disruption in the Orlando MSA. The trajectory of Orlando's economy will depend on how widely the virus spreads, and how long containment policies like physical distancing need to be maintained. Today the situation is dynamic and unprecedented.

Looking ahead, it would be unwise not to expect a pull-back in space demand by varying degrees and by property type. Some, such as hotels and resorts, are already feeling the pain of the measures to limit virus contagion. However, we believe it would be equally unwise to shift to a worst-case scenario and pure fear-based execution. Depending on the length and depth of the measures needed to reduce community passing of the virus, we could see a rapid economic recovery on the other end of the current curve.

Properties may be adversely affected as a result of supply chain issues, but again, this could be a temporary phenomenon. Given the described circumstances today, I believe it to be "reasonably probable" this economic disruption to be a "V" shaped recession and the time adjustments for sale comparables in my analysis have been reduced to zero percent. As such, time adjustments to the comparables were applied at a 0% annually.

At this time, the appraiser assumes there is likely a short delay in market activity, but not a significant long-term shift in demand or supply which would result in a change in market prices. This means market condition adjustments for the comparables used in this report are neutral and do not reflect an increase or decreased in the rate of change over time. Please see Marketability Analysis and Summary and Reconciliation for further discussion. of COVID-19.

- Location: None needed.
- Shadow Anchor: None needed with the exception of Comparables 2 and 4 which were in the direct line of sight of notable retail establishments. As such, downward adjustments were needed for this superiority.
- Size Adjustment: Comparables 1,2 and 4 needed size adjustments. Typically larger parcel commanding a lower unit price in the market place than do their smaller counter parts and vice versa. It is quiet common to make downward adjustment for smaller sized parcels as long as plottage is not applicable. If needed, the typical negative size adjustment for smaller sized comparables parcels and positive adjustment for larger sized parcels used in this report.
- Shape and Configuration: The subject has an irregular configuration. All of the comparables were superior with rectangular shape requiring downward adjustment for superiority.
- Topography: The subject has a significant slope which either reduces the building area or requires a retaining wall. All comparables were level and as such were superior requiring downward adjustments.
- Off Site Retention: I believe the subject has rights to a master retention pond owned by the POA for the subject business park. (See Extraordinary Assumptions) Comparables

1, 3 and 4 all have on site retention. As such, an upward adjustment was needed for this inferior feature.

- Access: None needed.
- Visibility: None needed.
- Corner: None needed, with the exception of Comparables 2 and 4 which had no corner and required a slight upward adjustment.
- Traffic Count: None needed, with the exception of Comparable 2 which had a significantly higher primary traffic count requiring a downward adjustment.
- Other Amenities / Determents: None needed with the exception of Comparable 3 which sold as a vacant office building lot but had a hard surface parking lot in place which the buyer was able to reuse from his new office building.

The following is a recap of the adjustments:

Value Indication

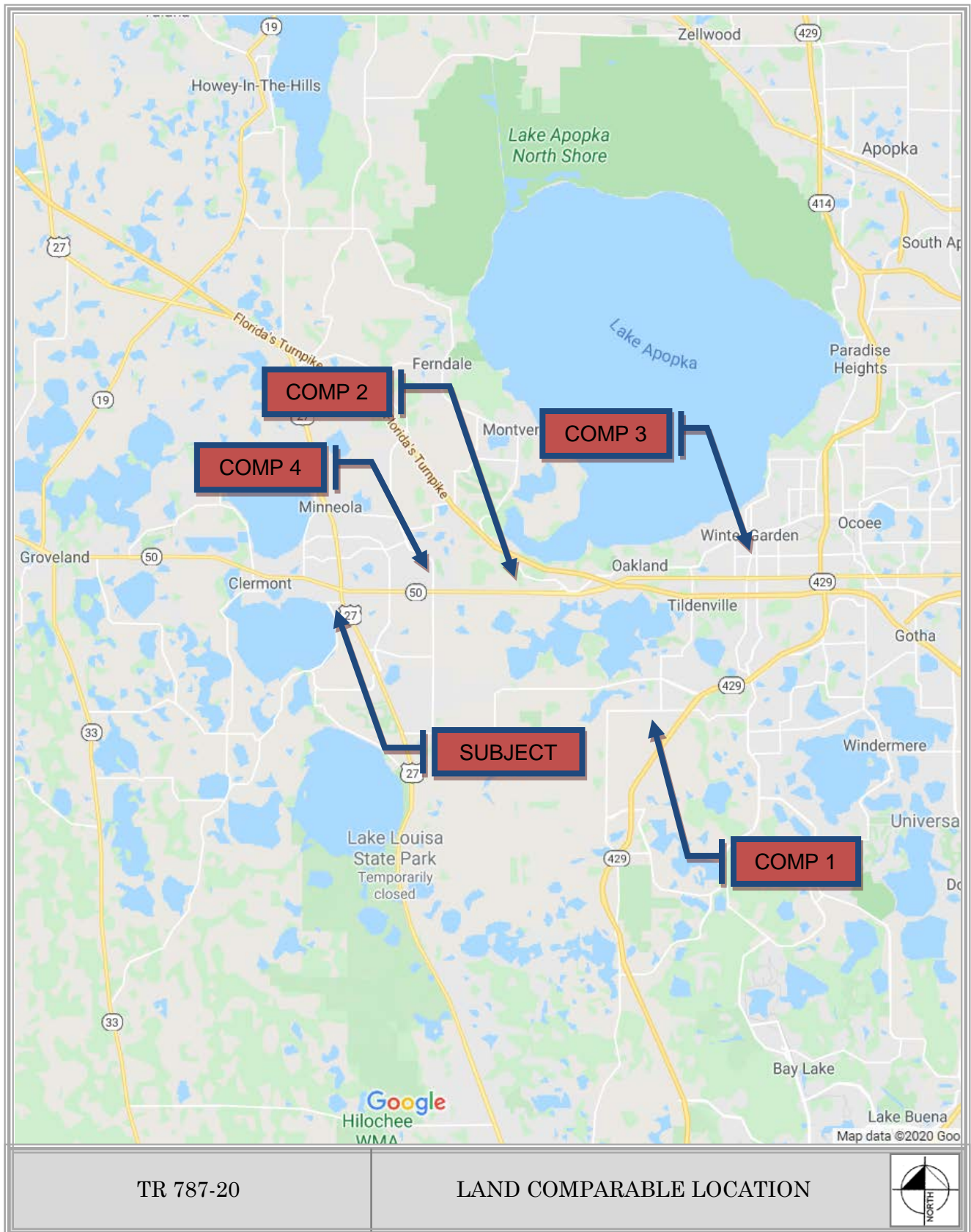
Prior to adjustments, the comparables indicated a price range of \$450,000 to \$807,692/Acre. After adjustments the sales were in the range of \$470,813 to \$525,000/Acre. The overall adjusted mean was \$493,184/AC. Sale2 had the greatest gross adjustments and provided an indication at the low end of the range. As such, the value indication of the subject property is estimated to be accurately correlated at \$500,000/AC. The following calculation is a pertinent.

Item	Acres	Correlated \$/Ac	Total
Upland	0.55	\$500,000	\$274,500
Wetland	0.00	\$5,000	\$0
Total	0.55	500,000.00	\$274,500
		Rd	\$275,000

As Is

VALUE INDICATION VIA THE SALE COMPARISON APPROACH
(\$275,000)

COMPARABLE SALES LOCATION MAP



TIMOTHY RADABAUGH, MAI

LAND COMPARISON ANALYSIS

Land Sales Analysis					
Jericko Properties LLC					
Office Land					
Description	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Master Comparable Number	na	2843	284	2845	2846
Status	na	Closed Sale	Closed Sale	Closed Sale	Closed Sale
Property Type	Vacant Commercial Land	Vacant Commercial Land	Vacant Commercial Land	Vacant Commercial Land	Vacant Commercial Land
Sub Type	Office Land	Office Building	Office Building	Office Building	Office Building
Use	TBD	Daycare	Office Building	Office Building	Medical Office
Project Name	Jericko Properties LLC	Goddard School	Fifty West Office	603 S Main Office	Ahmed Al Hazzouri
Shadow Anchor	Clermont Landing Mall	Foundations Academy Private School	Toyota of Clermont	Winter Garden Fire & Rescue	Target Store & Lake Sumter State College
Location	NWC of Brogden Dr & Cluster Oak Dr	2007 Avalon Rd	NS of SR 50 650 ft E of Tiny Morse Blvd	603 S. Main St	WS of N. Hancock Rd, 430 Ft N. of Legends Way
City	Incorp. Clermont	Winter Garden	Clermont	Winter Garden	Clermont
County/State	Lake County, FL	Orange County	Lake County FL	Orange County FL	Orange County FL
Total Sale Price	na	\$900,000	\$1,255,500	\$525,000	\$600,000
Unadjusted \$/AC		\$450,000	\$627,750	\$807,692	\$530,973
Financial Adjustments					
Real Property Rights	Fee simple	Fee simple	Fee simple	Fee simple	Fee simple
Real Property Rights Adj Price	na	\$900,000	\$1,255,500	\$525,000	\$600,000
Financing Terms	Market	Market	Market	Market	Market
Financing Terms Adj Price	na	\$900,000	\$1,255,500	\$525,000	\$600,000
Condition of sale/ Motivation	Arms Length	Arms Length	Arms Length	Arms Length	Arms Length
Condition Adj Price	na	\$900,000	\$1,255,500	\$525,000	\$600,000
Sales Date/Market Conditions	4/25/2020	6/15/2018	4/26/2018	1/7/2019	12/4/2018
Time/Condition Adj Price	0%	\$900,000	\$1,255,500	\$525,000	\$600,000
Sale Price(Bef Loc& Physl Adj)	0%	\$900,000	\$1,255,500	\$525,000	\$600,000
Less Wetland/ ROW/ Non Develop a	\$5,000	\$0	\$0	\$0	\$0
SALE PRICE		\$900,000	\$1,255,500	\$525,000	\$600,000
Size (Gross Acres)	0.55	2.00	2.00	0.65	1.13
Wetlands	0	0.00	0.00	0.00	0.00
Size (Net Acres)	0.55	2.00	2.00	0.65	1.13
Percent Uplands	100%	100%	100%	100%	100%
Shape & Configuration	Irregular	Rectangular	Rectangular	Rectangular	Rectangular
Topography	Sloping (110-125)	Level	Level	Level	Level
Retention	Off Site Master Retention	On Site	Off Site	On Site	On Site
Access	Right & Left In & Out	Right & Left In & Out	Right In & Out	Right & Left In & Out	Right & Left In & Out
Visibility	Good w/ signage rights on	Good	Good	Good	Good
Corner	Non-signed Hard Corner	Hard Corner	None	Hard Corner	None
Traffic Count- Primary	na	8,800	57,500	11,300	16,600
Traffic Count- Secondary	42,500	7,200	na	21,500	64,000
Public Utilities	All	All	All	All	All
Zoning & Future Land Use	C-2 / Commercial	PUD / Commercial	Urban Estate / PD	C-2 / Commerical	PUD / Commercial
Other	None	None	None	Hard Surface Parking Lot	None
\$/AC (After Financial Adjustments)		\$450,000	\$627,750	\$807,692	\$530,973
Location & Physical Adjustments					
Shadow Anchor		0%	-15%	0%	-15%
Size Adjustment		15%	15%	0%	10%
Shape & Configuration		-5%	-5%	-5%	-5%
Topography		-15%	-15%	-15%	-15%
Off Site Retention		10%	0%	10%	10%
Corner		0%	10%	0%	10%
Traffic Count		0%	-15%	0%	0%
Other		0%	0%	-25%	0%
ADJUSTMENT- (Acerage Method):					
TOTAL ADJUSTMENT		5%	-25%	-35%	-5%
ADJUSTMENT \$		\$22,500.00	-\$156,937.50	-\$282,692.31	-\$26,548.67
ADJUSTED UNIT PRICE per NET ACRE		\$472,500	\$470,813	\$525,000	\$504,425
Adusted Mean					
\$493,184					
	Item	Acres	Correlated \$/Ac	Total	
	Upland	0.55	\$500,000	\$274,500	
	Wetland	0.00	\$5,000	\$0	
	Total	0.55	500,000.00	\$274,500	
			Total	\$549,000	
			Rd	\$275,000	

TIMOTHY RADABAUGH, MAI

LAND SALE 1

VACANT COMMERCIAL LAND

PHOTOGRAPH:



AERIAL:



STREET MAP:



PROPERTY IDENTIFICATION

COMPARABLE ID: 2843
 PROPERTY USE: Daycare
 PROPERTY NAME: Goddard School
 ADDRESS: 2007 Avalon Rd
 LOCATION: See address

CITY: Winter Garden
 COUNTY: Incorporated Orange
 STATE: Florida

LEGAL DATA

TAX ID: 09-23-27-0099-01-000

LEGAL DESCRIPTION: Lengthy legal description, retained in appraiser's files
 ZONING: PUD (Planned Unit Development)
 FLU: Commercial

PHYSICAL DATA

LAND GROSS AC: 2.000
 LAND USABLE AC: 2.000
 LAND GROSS SF: 87,120
 LAND USABLE SF: 87,120
 SHAPE: Rectangular
 TOPOGRAPHY: Level
 UTILITIES: All Available

VERIFICATION

SOURCE: Jim Dowd, Broker, (407) 592-2352, by CoStar, and Public Records, by Elena Radabaugh, Real Estate Researcher

INSPECTION DATE: April 25, 2020

SALE DATA

TRANSACTION TYPE: Closed Sale
 TRANSACTION DATE: 6/15/2018
 INSTRUMENT: Special Warranty Deed
 GRANTOR: Thomas & Tami Karr
 GRANTEE: King Garden Investment LLC
 DOCUMENT NO: 20180356379
 SALE PRICE: \$900,000.00
 CASH EQUIVALENCY: \$900,000.00
 FINANCING: Market
 SALE CONDITIONS: Arms Length
 PROPERTY RIGHTS: Fee Simple
 THREE-YEAR SALE HISTORY: No other arm's length transactions involving this site were noted in Public Records over the past 3 years

ANALYSIS

HIGHEST BEST USE: Office / Retail
 PRICE PER GROSS ACRE: \$450,000
 PRICE PER USABLE ACRE: \$450,000
 PRICE PER GROSS SF: \$10.33
 PRICE PER USABLE SF: \$10.33

COMMENTS

2 acres property is located on the corner of Avalon Rd and Tilden Rd in Winter Garden. King Garden Investment LLC paid \$900,000 for the site in Winter Garden to develop new Goddard School. Traffic count on Avalon Rd - 8,800 AADT.

TIMOTHY RADABAUGH, MAI

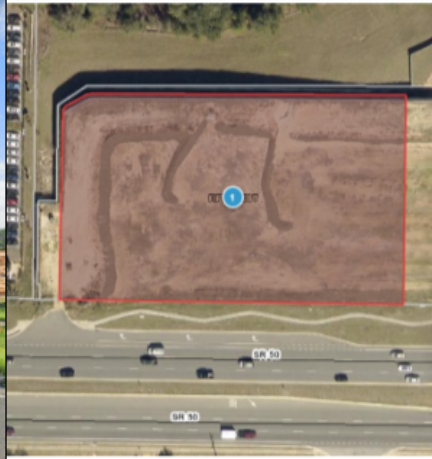
LAND SALE 2

VACANT COMMERCIAL LAND

PHOTOGRAPH:



AERIAL:



STREET MAP:



PROPERTY IDENTIFICATION

COMPARABLE ID: 2844
 PROPERTY USE: Office Building
 PROPERTY NAME: Fifty West Office
 ADDRESS: NS of SR 50 650 ft E of Tiny Morse Blvd
 LOCATION: See address

 CITY: Clermont
 COUNTY: Incorporated Lake
 STATE: Florida

LEGAL DATA

TAX ID: 25-22-26-0002-000-05400

 LEGAL DESCRIPTION: Lengthy legal description, retained in appraiser's files
 ZONING: UE (Urban Estate)
 FLU: PD (Planned Development)

PHYSICAL DATA

LAND GROSS AC: 2.000
 LAND USABLE AC: 2.000
 LAND GROSS SF: 87,120
 LAND USABLE SF: 87,120
 SHAPE: Rectangular
 TOPOGRAPHY: Level
 UTILITIES: All Available

VERIFICATION

SOURCE: Andrew Dubill, Broker, (407) 628-8488, by CoStar, and Public Records, by Elena Radabaugh, Real Estate Researcher

INSPECTION DATE: April 25, 2020

SALE DATA

TRANSACTION TYPE: Closed Sale
 TRANSACTION DATE: 4/26/2018
 INSTRUMENT: Warranty Deed
 GRANTOR: Plaza Collina Orlando ASLI V
 GRANTEE: Fifty West Realty LLC
 DOCUMENT NO: 5101 / 1544
 SALE PRICE: \$1,255,500.00
 CASH EQUIVALENCY: \$1,255,500.00
 FINANCING: Market
 SALE CONDITIONS: Arms Length
 PROPERTY RIGHTS: Fee Simple
 THREE-YEAR SALE: No other arm's length transactions involving this site were noted in Public Records over the past 3 years
 HISTORY:

ANALYSIS

HIGHEST BEST USE: Office / Retail
 PRICE PER GROSS ACRE: \$627,750
 PRICE PER USABLE ACRE \$627,750
 PRICE PER GROSS SF: \$14.41
 PRICE PER USABLE SF: \$14.41

COMMENTS

2 acres property is located on north side of SR 50 just after Magnolia Pointe Blvd and has 200 feet of Hwy 50 frontage. The Fifty West purchased the site for construction of commercial building to be completed in 2020. The Fifty West plans 3 story building consisting of 24,000± SF of retail/ office/ professional/ medical space. Traffic count on SR 50 - 57,500 AADT.

TIMOTHY RADABAUGH, MAI

LAND SALE 3

VACANT COMMERCIAL LAND

PHOTOGRAPH:



AERIAL:



STREET MAP:



PROPERTY IDENTIFICATION

COMPARABLE ID: 2845
 PROPERTY USE: Office Building
 PROPERTY NAME: 603 S Main Office
 ADDRESS: 603 S. Main St
 LOCATION: See address

 CITY: Winter Garden
 COUNTY: Incorporated Orange
 STATE: Florida

LEGAL DATA

TAX ID: 23-22-27-6504-03-015

 LEGAL DESCRIPTION: Lengthy legal description, retained in appraiser's files
 ZONING: C-2 (Commercial)
 FLU: Commercial

PHYSICAL DATA

LAND GROSS AC: 0.650
 LAND USABLE AC: 0.650
 LAND GROSS SF: 28,314
 LAND USABLE SF: 28,314
 SHAPE: Rectangular
 TOPOGRAPHY: Level
 UTILITIES: All Available

VERIFICATION

SOURCE: Pete Zakhary, Broker, (407) 470-0720, by CoStar, and Public Records, by Elena Radabaugh, Real Estate Researcher

INSPECTION DATE: April 25, 2020

SALE DATA

TRANSACTION TYPE: Closed Sale
 TRANSACTION DATE: 1/7/2019
 INSTRUMENT: Warranty Deed
 GRANTOR: 603 S Main Street Winter Garden LLC
 GRANTEE: 603 Main LLC
 DOCUMENT NO: 20190018100
 SALE PRICE: \$525,000.00
 CASH EQUIVALENCY: \$525,000.00
 FINANCING: Market
 SALE CONDITIONS: Arms Length
 PROPERTY RIGHTS: Fee Simple
 THREE-YEAR SALE HISTORY: No other arm's length transactions involving this site were noted in Public Records over the past 3 years

ANALYSIS

HIGHEST BEST USE: Office / Retail
 PRICE PER GROSS ACRE: \$807,692
 PRICE PER USABLE ACRE: \$807,692
 PRICE PER GROSS SF: \$18.54
 PRICE PER USABLE SF: \$18.54

COMMENTS

0.65 acres site is corner lot at intersection of Main Street and Story Road in Winter Garden close to Neighborhood Business Center. The buyer purchased the site for construction of one story office building completed in 2019. Traffic count on Main St - 11,300 AADT, on Story Road - 21,500 AADT.

TIMOTHY RADABAUGH, MAI

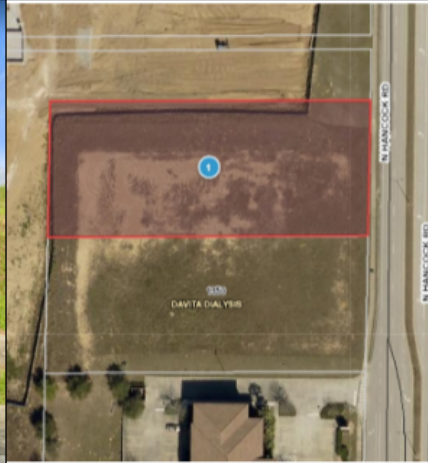
LAND SALE 4

VACANT COMMERCIAL LAND

PHOTOGRAPH:



AERIAL:



STREET MAP:



PROPERTY IDENTIFICATION

COMPARABLE ID: 2846
 PROPERTY USE: Medical Office
 PROPERTY NAME: Ahmed Al Hazzouri
 ADDRESS: WS of N Hancock Rd, 430Ft N of Legends Wa
 LOCATION: See address

CITY: Clermont
 COUNTY: Incorporated Lake
 STATE: Florida

LEGAL DATA

TAX ID: 28-22-26-1100-000-00300
 LEGAL DESCRIPTION: Lengthy legal description, retained in appraiser's files
 ZONING: PUD (Planned Unit Development)
 FLU: Commercial

PHYSICAL DATA

LAND GROSS AC: 1.130
 LAND USABLE AC: 1.130
 LAND GROSS SF: 49,223
 LAND USABLE SF: 49,223
 SHAPE: Rectangular
 TOPOGRAPHY: Level
 UTILITIES: All Available

VERIFICATION

SOURCE: William Little, Broker, (904) 553-0401, by CoStar, and Public Records, by Elena Radabaugh, Real Estate Researcher

INSPECTION DATE: April 25, 2020

SALE DATA

TRANSACTION TYPE: Closed Sale
 TRANSACTION DATE: 12/4/2018
 INSTRUMENT: Warranty Deed
 GRANTOR: Watson Realty Corporation
 GRANTEE: Hancit LLC
 DOCUMENT NO: 5025 / 2124
 SALE PRICE: \$600,000.00
 CASH EQUIVALENCY: \$600,000.00
 FINANCING: Market
 SALE CONDITIONS: Arms Length
 PROPERTY RIGHTS: Fee Simple
 THREE-YEAR SALE HISTORY: No other arm's length transactions involving this site were noted in Public Records over the past 3 years

ANALYSIS

HIGHEST BEST USE: Office / Retail
 PRICE PER GROSS ACRE: \$530,973
 PRICE PER USABLE ACRE: \$530,973
 PRICE PER GROSS SF: \$12.19
 PRICE PER USABLE SF: \$12.19

COMMENTS

1.13 acres site is located on west side of N Hancock Rd, north from SR 50, across from Target, south from Lake-Sumter State College - South Lake Campus. The buyer purchased the site for construction of medical office building. Traffic count on North Hancock Rd - 16,600 AADT.

TIMOTHY RADABAUGH, MAI

RECONCILIATION AND FINAL VALUE ESTIMATE

Traditionally, there are three approaches utilized in the valuation of real property; the Cost Approach, the Sales Comparison Approach, and the Income Approach. The subject is vacant land. As such, the Land Sales Comparison Approach was developed and reported in a narrative format for this assignment. This process provided a Credible Appraisal Analysis and conclusion. The quantity and quality of data was good. The following chart details the value opinion and method.

Summary of Valuation Methods							
Property	Status	Date	Interest	Appraisal Method			Reconciled
				Sales	Cost	Income	Fee Simple
Vacant Land	As Is	4/25/2020	Fee Simple	\$275,000	na	na	\$ 275,000

An important part of any appraisal assignment is analysis of market conditions. All comparables were typically considered to be good indications of value given pre corona virus market conditions; however, the CONVID-19 threat is likely impacting market conditions. In most markets, it is not yet clear to what extent market conditions are affected; however, sectors arguably the hardest hit are retail services and leisure and hospitality. Our conversations with brokers active in the central Florida market indicated that many existing deals are not being canceled but buyers are asking for 60-90 day time extensions to complete due diligence and financing given the logistic problem created by social distancing. They also reported the market has become segmented based upon how social distancing impacts a specific real estate product. For example, restaurants and hospitably markets are negatively impacted by lack of available lender financing at this time. CoStar has forecasted that apartment sale prices will decline this quarter and reduced rent payments caused by job cuts linked to the pandemic will end several years of apartment price gains. Retail is segmented with food and grocery doing well but brick and mortar clothing suffering.

The probable use of the site for commercial office development conforms to the pattern of land use in the market area. A review of published yield, rental and occupancy rates suggest that there is a balanced supply and demand that is sufficient to support construction costs and ensure timely absorption of additional inventory in this market. Although the current health crisis may cause some investors to pull back on new construction, the economic fundamentals are considered to be strong enough to allow pent-up demand during the initial slow-down to help bring the market back to stability in a relatively short time and the area should continue to remain amenable to new construction.

Even though at the time of our inspection, many businesses were ordered closed for large scale assembly; the subject is unimproved land. Most indications, at this time, are the pandemic will be over and the country will be well into a recovery stage by the time the subject would have been sold. At this time, the appraiser assumes there is likely a short delay in market activity, but not a significant long-term shift in demand or supply which would result in a change in market prices.

The purpose of this appraisal is to provide a market value opinion of the Fee Simple interest in the subject property for the "As Is" condition. The estimate of value is made under market conditions prevailing as of April 25, 2020, which was the dated of my most recent inspection. Market value, fee simple interest and other appraisal terms are defined within the text of the following appraisal report. Based upon my investigation into those matters that affect market value and by virtue of my experience and training, it is my opinion that the market value of the **Fee Simple Interest**, "As Is", April 25, 2020 was: (See Extraordinary Assumptions)

As Is

Fee Simple Interest at Inspection
TWO HUNDRED SEVENTY FIVE THOUSAND DOLLARS
(\$275,000)

The **exposure period** estimates offered by most of these parties for a property similar to the subject ranged from approximately 12 to 18 months. The economy is recovering from the recession, there was a consensus that properties of this type have had shown demand because of the improving credit markets and the increasing job growth from the past recessionary economic cycle. Based upon these interviews, I estimate a reasonable exposure period for the subject property of approximately **12 months**.

The **marketing period** estimates offered by these parties for a property similar to the subject ranged from approximately 12 months with some quoting longer time. There was a near consensus that properties of this type have had demand when there is attractive pricing in the market. Based upon these interviews, I estimate a reasonable marketing period for the subject property of approximately **12 months**.

A D D E N D U M

- 1 Appraiser's Qualifications
- 2 Appraiser's State Certification
- 3 Centennial Bank Engagement Letter
- 4 Subject Property Tax Record Card
- 5 Punch List

QUALIFICATIONS OF TIMOTHY RADABAUGH, MAI

Current Employment:

Timothy Radabaugh, MAI, Appraiser
2394 Windward Cove,
Kissimmee, Florida 34746
(407) 518-9010
(407) 460-4713 (cell)
t_radabaugh@earthlink.net

Educational Background:

- Bachelor of Science Degree in Business Administration from Ohio State University, majoring in finance with a minor in marketing
- Completed Appraisal Institute Course requirements for MAI designation:

Real Estate Appraiser Principles (1A1)
Standards of Professional Practice (SPP)
Basic Valuation Procedures (1A2)
Basic Income Capitalization (310)
Certified State Review
Advanced Income Capitalization (510)
General Applications (320)

Report Writing and Valuation Analysis (540)
Advanced Applications (550)
Completed credit requirements for Single-Family appraisal sponsored by the National Residential Appraisal Institute
Appraisal Institute CE Courses

Experience:

- Current Employment: Independent Fee Appraiser - 2006 to Present.
- Previous Employment as Staff Appraiser for Clayton, Roper & Marshall – 1997 to 2006.
- Appraiser since January 1990 with Robert Weiler Company Columbus, OH.
- Expert Witness for real estate and real estate appraisal in the Florida State Court system
- Listed with SBA Going Concern Appraiser Registry.
- Work included appraisals, feasibility studies and consulting services for lending institutions private and governmental clients throughout the Orlando metropolitan area and the Southeastern and Midwestern United States, Including Multifamily HUD appraisals and Market Studies

Types of Properties Appraised:

Restaurants
Apartments
Fraternity and Sorority Houses
Development Land
Office Buildings
Raw Land
Golf Courses
Warehouses

Agricultural Land
Subdivisions
Manufacturing Plants
Health Fitness Centers
Banks Buildings
Schools, Public & Private
Aircraft Hangars
Shopping Centers & Retail

Mobile Home Parks-Co Op
Condominiums
Funeral Homes
Motels & Hotels
Marina & Dry Stack Storage
Land Fills
ALF's
Billboards & Special Purpose

Professional Affiliations:

- MAI membership in The Appraisal Institute; Membership No. 11263
- Florida State-Certified General Real Estate Appraiser; License No. RZ 0002362; Renewal 11-30-20

TIMOTHY RADABAUGH, MAI

STATE CERTIFICATION



RICK SCOTT, GOVERNOR

JONATHAN ZACHEM, SECRETARY



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

FLORIDA REAL ESTATE APPRAISAL BD

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

RADABAUGH, TIMOTHY

2394 WINDWARD COVE
KISSIMMEE FL 34746

LICENSE NUMBER: RZ2362

EXPIRATION DATE: NOVEMBER 30, 2020

Always verify licenses online at MyFloridaLicense.com



Do not alter this document in any form.

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

TIMOTHY RADABAUGH, MAI

ENGAGEMENT LETTER



Appraisal Engagement Summary Contract

Date Awarded: 4/22/2020

Project Number: 20-001038-02-01

Appraiser Name: Timothy Radabaugh MAI
Appraiser Company: Timothy Radabaugh, MAI
Address: 2394 Windward Cove, Kissimmee, FL 34746
Phone: 407-518-9010
Email: t_radabaugh@earthlink.net

Borrower Name: Jericko Properties
Property Address: xxx Brodgen Drive, Clermont, FL 34711
Property Type: Land, Commercial
Property Description:
Access/Contact Info: Doug Dobbs
Phone: 407-578-7720
Email:
Alt. Phone:

Please accept this letter as your authorization to prepare an appraisal of the above referenced property on behalf of Centennial Bank. The specifics of the engagement including the agreed upon fee and delivery date are shown below. The details of this assignment, including scope of work and additional requirements are described in the RFP and Award within RIMSCentral.

All appraisal reports must include an opinion of the "As Is" value of the real property as of the effective date of the appraisal report, even if a different value (going concern, subject to, prospective, etc.) is requested by the client.

The appraisal must contain an opinion of market value as defined in the appraisal regulations. Value opinions such as "going concern," "value in use," or a special value to a specific property may not be used as market value for a federally related transaction. An appraisal may contain separate opinions of such values so long as they are clearly identified and disclosed.

Your report must include the designated flood zone of the property according to the National Flood Insurance Program maps. If the property is located in a flood hazard area, your report must include an Insurable Value in addition to the Market Value.

Should the Scope of Work change, you intend to exclude any approach to value, or you encounter difficulty in performing the property inspection, please contact the Job Manager before proceeding.

Delivery Date: 5/6/2020

Delivery Requirements:

Upon receipt of this assignment, make arrangement with Doug Dobbs, Property Contact, for a property inspection. After all reasonable efforts have failed to obtain the required data to complete this assignment, contact Philip LaBanca for assistance and/or extension of delivery date. Upload separately, an electronic copy of your appraisal report and invoice to RIMSCentral website no later than the delivery date. If a complete copy of the report cannot be uploaded, please contact support at PLaBanca@my100bank.com. *Failure to comply with delivery requirements could result in penalty to the appraisal fee.*

Centennial Bank
20-001038-02-01

TIMOTHY RADABAUGH, MAI



Appraisal Fee: \$1,700, inclusive of all costs necessary to complete the report. Any costs not included in the fee must be approved in advance by Centennial Bank .

Invoice Requirements

INVOICES MUST BE ADDRESSED AS FOLLOWS:

Centennial Bank

Philip LaBanca

25 Nabco Drive
Conway, AR72032

Please include your Federal Tax ID number and Invoice number or RIMS Project number: 20-001038-02-01 on your invoice.

Summary

The appraisal must comply with the Uniform Standards of Professional Appraisal Practice (USPAP), Title XI of "FIRREA" and the General Appraisal Guidelines. Failure to comply with any of the above requirements may result in rejection of the appraisal. In addition, payment of the fee is subject to a review of the appraisal for compliance with the requirements outlined above.

By agreeing to accept this engagement, your report will comply with the most current USPAP and all other guidelines specified.

***Note: All single family residential appraisals must be completed by use of the most current residential form.

Please ensure that the following items are included with the report.

- o Signed copy of the engagement letter in the addenda of the report to include any Amendment(s) to the Engagement Letter
- o Copy of current license

Respectfully,

Philip LaBanca
Centennial Bank

Accepted: 

Date: April 22, 2020

Centennial Bank
20-001038-02-01
2

TIMOTHY RADABAUGH, MAI



ADDENDUM TO ENGAGEMENT LETTER

Property Location: xxx Brodgen Drive, Clermont, FL 34711

Intended Use: Use - Loan Underwriting

Intended User: User - Centennial Bank

Approaches to Value: Approach - ALL
All Applicable Approaches

Report Type: Appraisal Report

RFP Comments:

<u>Appraisal Premise</u>	<u>Premise Qualifier</u>	<u>Property Interest</u>	<u>Comment</u>
Market Value	As Is	Fee Simple	

Award Comments:

Contact Information: Doug Dobbs, Property Contact
407-578-7720

Report Distribution: Deliver reports with original signatures and photographs as indicated below.
Additionally, please upload an electronic copy to www.rimscentral.com.




Philip LaBanca
25 Nabco Drive
Conway, AR 72032

Job Manager Contact: Philip LaBanca
501-328-4303
PLaBanca@my100bank.com

Centennial Bank
20-001038-02-01
3

TIMOTHY RADABAUGH, MAI

PROPERTY TAX RECORD CARD

David W. Jordan	Real Estate 2019 Annual Bill				
 Print this bill (PDF)					
Lake County Tax Collector	Notice of Ad Valorem Taxes and Non-ad Valorem Assessments				
Account number	Alternate key	Escrow code	Millage code		
 2922260100-000-00400	3804453	—	000C		
Tax Deed (see 2017)					
<p>PER F.S.197.432, IF THE TAXES ON YOUR PROPERTY FOR THE YEAR 2019 ARE NOT PAID BY 5:00 PM ET, MAY 28, 2020, A TAX CERTIFICATE WILL BE SOLD FOR THESE TAXES AND YOUR PROPERTY MAY BE SOLD AT A FUTURE DATE. THE TAX CERTIFICATE SALE WILL BE HELD MAY 29, 2020.</p> <p>Owner JERICKO PROPERTIES LLC 430 N KIRKMAN RD ORLANDO, FL 32811</p> <p>Site address CLUSTER OAK DR</p> <p>Legal description CLERMONT, CLERMONT OAKS OFFICE PARK SUB LOT 4 PB 46 PG537-380RB 2945 PG 2029</p>					
Ad Valorem Taxes					
Taxing authority	Millage	Assessed	Exemption	Taxable	Tax
LAKE COUNTY GENERAL	5.0734	107,775	0	107,775	\$546.79
AMBULANCE MSTU	0.4629	107,775	0	107,775	\$49.89
ENVRON LAND PURCHASE	0.1100	107,775	0	107,775	\$11.86
PUBLIC SCHOOLS					
BY STATE LAW	3.8850	107,775	0	107,775	\$418.71
BY LOCAL BOARD	2.9980	107,775	0	107,775	\$323.11
CITY OF CLERMONT	4.2061	107,775	0	107,775	\$463.31
ST JOHN'S WATER MGMT	0.2414	107,775	0	107,775	\$26.02
LAKE CO WATER AUTH	0.3557	107,775	0	107,775	\$38.34
S LAKE CNTY HOSP	0.5886	107,775	0	107,775	\$63.44
Total	17.9211				\$1,931.47
Non-Ad Valorem Assessments					
Levying authority	Rate	Amount			
No non-ad valorem assessments.					
Combined taxes and assessments: \$1,931.47					
 Tax Deed Application #14740 If received by: Date 04/21/2020 Please pay: Tax Deed (see 2017) Bidder 1244679					
Tax Deed (see 2017)					

TIMOTHY RADABAUGH, MAI

PUNCH LIST

Requested Items for the Appraisal

Property located at
Northwest Corner of Brogden Dr and Cluster Oak Dr, Clermont, FL, 34711

Please Note: We understand that you may not be able to provide all of the requested information; however, the punch list is part of our due diligence process. Your cooperation in providing as much of this information as possible is appreciated.

1. Boundary survey and legal descriptions indicating the gross acreage and the net developable acreage net of any wetlands or non-useable areas.
2. Deed Restrictions not included on survey.
3. Environmental Studies such as Phase1, Wetlands Delineation and Endangered Species Site Assessments.
4. Copy of conceptual site plans.
5. Any offers to sell or buy the property and if so how much and when. If listed for sale, what feedback are you getting from the prospects and what is the listing price history?
6. Any other information which you which you may deem appropriate, useful or necessary for the assignment.