

John B. Stewart, Real Estate Appraiser and Consultant, LLC

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January 22, 2018

Madison County Board of Supervisors

Attn: Danny Lee

P.O. Box 608

Canton, MS 39046

RE: Appraisal Report

Warnock and Associates Building

158 West Center Street

Canton, Mississippi 39046

Dear Mr. Lee:

In accordance with your request, we have made an appraisal of the above referenced property, as of our last inspection of the property, January 10, 2018, which is the effective date of this appraisal report. The date of this appraisal report is the date of its final printing, or January 22, 2018. We have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment. The subject property is currently improved with a two-story commercial building containing 4,066 square feet of gross building area and supporting site improvements, located along the north side of West Center Street in Canton, Madison County, Mississippi. The attached appraisal report, of which this letter is a part, contains the data considered and the assumptions made upon which this appraisal is based. The conclusion of value contained herein is subject to the attached assumptions and limiting conditions. This report has been written in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP) and is intended to be in conformity with the Federal Regulations under Title XI of the Federal Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA). Please advise if you desire any additional information or clarification of any of the data contained within my report.

FINAL VALUE CONCLUSION: Based upon all of my analysis, I conclude that the Fee Simple Estate in the subject property as outline within this Appraisal Report, excluding any furniture, fixtures, or equipment (FF&E), has an “as is” current, “market value” of the Fee Simple Estate, as of **January 10, 2018**, in the amount of:

TWO HUNDRED SIXTY FIVE THOUSAND DOLLARS
(\$265,000)

Appraiser · Review Appraiser
Senior Member International Right-of-Way Association Since 1995
Mississippi Licensed General Appraiser · License Number GA-231

Appraisal Report

PURPOSE OF THE APPRAISAL: The purpose of this appraisal is to provide the appraiser's best estimate of the "as is" current, "market value" of the **Fee Simple Estate** in the subject **4,066 square feet**, more or less, commercial building, as outlined within this appraisal report, excluding any furniture, fixtures, or equipment. The subject property is located along the north side of West Center Street within the city limits of Canton, Madison County, Mississippi. The subject property's current address is 158 West Center Street, Canton, Mississippi 39046.

FUNCTION AND INTENDED USE OF REPORT: The sole function of this appraisal is for the exclusive use by the client – *Madison County Board of Supervisors* – in estimating a current "as is" market value of the subject property for use for a possible proposal to purchase said property. The use of this appraisal and estimate of market value is restricted to this purpose by the client. It is further understood that all factual data, analyses of such data, and conclusions relating to any and all value estimates contained within the confines of this appraisal report are the sole property of the client identified herein and cannot be made available, either in part or in whole, to any third party including the general public, without the express written consent of the respective signatories of this report. The only intended use of this report is by the client. The appraiser or the appraisal firm does not intend use of this report by others.

PROPERTY RIGHTS APPRAISED: This appraisal is made with the understanding the present ownership of the subject property includes all the rights that may be lawfully owned and is, therefore, titled Fee Simple. Fee Simple is further defined in the Appraisal Terminology and Handbook, as "an absolute fee, a fee without limitation to any particular class of heirs or restrictions, but subject to the limitations of taxation, eminent domain, police power, and escheat". It is an inheritable estate.¹ No consideration is given liens, if any should exist.

DEFINITION OF MARKET VALUE: *Market Value* is defined by the federal financial institutions regulatory agencies as follows:

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

- (1) buyer and seller are typically motivated;
- (2) both parties are well informed or well advised, and acting in what they consider their own best interests;
- (3) a reasonable time is allowed for exposure in the open market;
- (4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and

¹ The Dictionary of Real Estate, American Institute of Real Estate Appraisers, 2011.

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- (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.²

INTEREST VALUED: Fee Simple Estate

EXTRAORDINARY ASSUMPTIONS: USPAP defines extraordinary assumption as “an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser’s opinions or conclusions.” An extraordinary assumption presumes 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.

This Appraisal is not based upon any Extraordinary Assumptions.

HYPOTHETICAL CONDITIONS: USPAP defines hypothetical condition as “that which is contrary to what exists but is supposed for the purpose of analysis.” A hypothetical condition assumes 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.

This Appraisal is not based upon any Hypothetical Conditions.

EFFECTIVE DATE OF VALUE: The effective date of this appraisal will be **January 10, 2018**, the date on which the property was last inspected and photographed.

DATE OF REPORT: January 22, 2018

CONFORMITY WITH USPAP: This appraisal has been developed in conformance with the Uniform Standards of Professional Appraisal Practice as adopted by the Appraisal Standards Board of the Appraisal Foundation and conforms to the Standards of Professional Practice and Code of Ethics.

The appraiser is familiar with the type of property being appraised and with the market area in which it is located. The appraiser has appraised a variety of commercial properties similar to the subject of this report in and around the Jackson Metro Area and the entire state of Mississippi. Additionally, the subject property is located within the home town of the appraiser. Consequently, I found no need to take any special measures to conform to the “Competency Provision” of USPAP.

ESTIMATED MARKETING PERIOD: Approximately six to twelve months

ESTIMATED EXPOSURE TIME: Approximately six to twelve months

² The Appraisal of Real Estate, Appraisal Institute, 2001, Pages 22-23. Federal Register, volume 55, no. 163, 1990, pages 34228 and 34229; also a simplified definition is quoted in the Uniform Standards of Professional Appraisal Practice, 2012 – 2013 Edition.

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SCOPE OF APPRAISAL: The scope of the appraisal involved an on-site inspection of the subject property and a review any available information pertaining to the subject property and improvements. The purpose of the inspection and review of the available data was to gather information about the physical characteristics of the subject property and improvements relevant to the valuation problem.

The scope of the assignment is to collect and verify as completely as possible, comparable sales data from within the subject area, or other areas that, in my opinion, are reasonably comparable to the subject area, so that a value conclusion may be derived.

Sources of the data utilized for this appraisal include county deed records, real estate brokers, real estate appraisers, and other individuals knowledgeable in the local real estate market. When reasonably possible, one or more of the principals involved in the transactions - grantor, grantee, attorney, financier, broker of the transaction, or their representatives - have verified the market sales used in this report. Mississippi is a non-disclosure State. Other than the recordation of a deed, there is no legal requirement for grantors, grantees, or other parties to a transaction to disclose any information relative to the transfer of real property. Since there is no legal requirement for the deed to include the transaction price when it is recorded, it is possible that there are transactions for which purchase price data could not be obtained.

The data obtained is to be analyzed within the Sales Comparison Approach and the Income Approach. The comparable sales data will be utilized for the completion or estimation of market value via the Sales Comparison Approach, with appropriate support for any adjustments and the value conclusions reached. The subject building was originally built around the late 1800's to early 1900's having been renovated over the years. One of the greatest weaknesses of the Cost Approach is the extreme difficulty in accurately estimating all forms of depreciation which may be present, especially in older building such as the subject. Additionally, development in the immediate area of the subject, more specifically the Canton Square, began around the late 1800's to early 1900's with recent comparable vacant land sales being very limited to nonexistent. Therefore, I conclude that no real emphasis should be placed upon the Cost Approach as any value indication produced by the Cost Approach would be subjective; hence, not reflective of market value. Lastly, the Income Approach will be included within the appraisal. Within the Income Approach, current and relevant market rental/lease data and expenses will be included and analyzed.

The subject consists of a total of 4,066 square feet of gross building area located on the Canton Square, more particularly the north side of West Center Street. It is the appraisers understanding that the subject property is to be valued "as is" excluding any furniture, fixtures, and equipment (FF&E). Steps taken in the preparation development of these two approaches are discussed in further detail in the appraisal development and reporting process as follows.

APPRAISAL DEVELOPMENT AND REPORTING PROCESS: In preparing this appraisal, the appraiser:

- (1) Inspected the subject property and took representative photographs of the property; viewed all available information available on the subject's improvements; observed the subject site, including its topography, access etc., and observed the surrounding

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immediate neighborhood;

- (2) Gathered information on comparable sales and listings and researched information on similar properties and improvements of similar condition and design/utility;
- (3) Confirmed and analyzed the data and applied the Sales Comparison Approach and the Income Approach to value, as of the date of valuation, **January 10, 2018**, as identified above.
- (4) Researched the current zoning of the property and the presence of any flood plain.

This Appraisal Report contains sufficient information for the client or intended users to understand either the appraiser's analysis or rationale for the appraiser's conclusions with any additional supporting documentation retained in the appraiser's work file. No other intended users, except the intended users identified within this Real Property Appraisal Report, are allowed.

SUMMARY OF THE REAL ESTATE APPRAISED:

AREA ANALYSIS: The subject property is located along the north side of West Center Street within the city limits of Canton, Madison County, Mississippi. Canton is the county seat of Madison County, Mississippi. The property is located in an area of growth as it is part of the Jackson Metro Area. Jackson is the capitol of Mississippi and is conveniently located in the center of the state and is the geographical midpoint between Memphis, Tennessee and New Orleans, Louisiana. As it is the capitol city of the state, it has also become the governmental, cultural, financial, and manufacturing center of Mississippi. The land mass included within the city limits of Jackson is approximately 110.28 square miles and includes the Jackson Municipal Airport located east of Mississippi Highway 475 between the Lakeland Drive Corridor and U.S. Highway 80 East.

Jackson was founded in 1821 at the trading post that was situated on a "high and handsome bluff" on the west bank of the Pearl River. The trading post was supposedly operated by a French-Canadian trader named Louis LeFluer and the town originally was called Lefluer's Bluff.

The Mississippi State Legislature wanted the seat of government moved out of the Natchez area and into a more central location. A legislative act dated November 28, 1821, authorized the location to be the permanent seat of government and it was named in honor of Andrew Jackson who would later become the seventh president of the United States.

As it is the capitol city of the state, it has also become the governmental, cultural, financial, and manufacturing center of Mississippi. The land mass included within the city limits of Jackson is approximately 110.28 square miles and includes the Jackson Municipal Airport located east of Mississippi Highway 475 between the Lakeland Drive Corridor and U.S. Highway 80 East.

Social forces are primarily exerted by population characteristics. The demographic composition of the population reveals the potential basic demand for real estate services. According to the *Census of the Population*, Jackson had a population of 171,593 in 2016, down approximately 1,921

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from the 2010 census of 173,514 and down approximately 8,898 from the 2005 census of 180,491. Hinds County, in which Jackson is located, had a 2016 census estimate of 244,332 and also demonstrated a 3,299 loss of population from the 2009 census estimate of 247,631 people and a decrease of 5,655 from the 2005 estimate of 249,987 people.

The *Mississippi Employment Security Commission* indicates the total civilian labor force for the Jackson MSA as of January of 2017 was 275,680 with 261,890 workers employed. This indicated the Jackson MSA area to have an unemployment rate of 5.0%. The unemployment rate for the Hinds County area is 5.4% compared to the unemployment rate for the entire State of Mississippi of 6.1% in January of 2017.

The Metro Jackson area labor pool draws from Hinds, Madison and Rankin counties. Manufacturing comprises 9.3% of non-agricultural employment and non-manufacturing comprises 90.7%. The Metro Jackson area has approximately 10,770 businesses, including 465 manufactures, producing a wide range of products such as food items, apparel, wood products, furniture, fabricated metals, primary metals, electronic machinery and equipment, transportation equipment and rubber and plastic products. The industrial developments within the Jackson metropolitan area are diverse and include both light and heavy manufacturing, as well as regional distribution centers. There are currently six primary industrial centers in Jackson with over 1,000 acres developed and available for sale or lease.

The Jackson area is surrounded by various land uses. Generally to the north and west are areas of fertile, cultivated bottomland within a close proximity to the Big Black River. Additionally, there are large areas of merchantable pine forests south and east of the city. Furthermore, the Ross Barnett Reservoir, a 33,000 acre man-made lake, is northeast of the city and serves as the major water supply, providing recreational uses as well.

Jackson is considered to offer its residents, as well as visitors, a moderate climate. On a yearly basis, the average rainfall for Jackson is estimated at fifty two inches with an average snowfall of one inch per year. The average annual temperature for Jackson is approximately 65.3 degrees.

Jackson hosts a variety of modern transportation systems and has developed as a regional distribution center as a result. An interchange of the two largest interstate transportation systems within the state is located south of the downtown area of Jackson and includes: Interstate Highway 55 serving as a north/south route and Interstate Highway 20 serving as an east/west route. An additional primary transportation route for the area is Interstate Highway 220 which connects Interstate Highway 55 with Interstate Highway 20 to the south. Further complementing the network of integrated roads are three U.S. Highways: U.S Highway 49, U.S Highway 51, and U.S Highway 80. Various other state and county roads link the city of Jackson with surrounding areas of the state. The Jackson International Airport is located seven miles east of the city in Rankin County and provides commercial air service through four airlines with a total of twenty-five daily flights. A smaller airport, Hawkins Field, is located within the northwest portion of the city and provides service for both private and chartered planes. Other transportation includes the Illinois Central and Gulf Railroad and Mid-South railroad, as well as, the Trailways Bus Lines which has a downtown terminal. The transportation network system is further enhanced by the Natchez Trace Parkway, a Federal Parkway, linking Natchez, Mississippi with Nashville, Tennessee.

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Jackson has a mayor/council form of city government with a full-time mayor elected at large and seven council members representing separate wards. The city is also served by full-time police and fire departments which are operated by the city. Various public utilities available in Jackson include electricity provided by Entergy, and natural gas distributed by Atmos Energy. Water and sanitary sewer service is provided by the city of Jackson, rubbish removal provided by two private contractors, telephone service by BellSouth, and cable television service is provided by Comcast.

The eight public school districts within the metro area operate a total of 118 education facilities that offer everything from traditional curricular to magnet schools. There are over and thirty parochial and private schools. There are more colleges and universities within the Jackson area than any other area of Mississippi. In addition, two community colleges have campuses and branches in the metro area and offer industrial start-up training programs for employees of industries locating or expanding in the metro area.

The city's major hospitals include the University Medical Center, Baptist Medical Center, Methodist Medical Center, as well as the St. Dominic Hospital. At the present time, there are twelve hospitals within the Jackson Metro area, having almost 5,000 beds available. Along Woodrow Wilson Avenue between Interstate 55 and North State Street are the University of Mississippi Medical Center (UMC) and the Veteran's Administration Medical Center, both of which are situated on 158 acres of gently rolling hills. The UMC campus includes the 593-bed University Hospital of which Children's Hospital, the Children's Rehabilitation, and the Mississippi Children's Cancer Clinic are a part. The Veteran's Administration Medical Center is a 455-bed hospital that provides a full range of in-patient and out-patient services. The medical center also includes a 120-bed nursing home care unit. Located further north, at the interchange of Interstate Highway 55 and Lakeland Drive, is the St. Dominic Jackson Hospital which houses 409 acute-care hospital beds. Located adjacent to the main facility is the St. Dominic Doctor's Hospital which houses sixty hospital beds. This facility includes both medical and surgical services, an alcohol/drug treatment program, and a sports medicine center.

Located along North State Street near Fortification Street is the 646-bed Mississippi Baptist Medical Center which is situated along the west side of North State Street near its intersection with Fortification Street. This facility is one of the largest non-profit general hospitals in the state serving 26,000 in-patients annually. The Mississippi Baptist Medical Center was the first private hospital in the state to establish a facility for open-heart surgery. The cardiovascular program includes surgery, nuclear cardiology, a non-invasive vascular laboratory, cardiac-catheterization, ultra-sound and stress testing, which is one of the most advanced of its kind. Jackson is also serviced by an adequate supply of religious places of worship catering to most every denomination.

Madison County is located approximately 400 miles from Atlanta, Georgia, 400 miles from Dallas, Texas, 200 miles from Memphis, Tennessee, and 200 miles from New Orleans, Louisiana. Madison County, located just north of the Jackson city limits, had a population estimated to be 102,683 for the year 2016. Madison County is somewhat centrally located in the state. The land area of the county is approximately 751 square miles. Mississippi, located in the southeastern United States, has an estimated 2014 population of 2,994,079, an increase of 0.7% from 2013 and 0.9% from the 2010 population of 2,967,297, according to the census estimate.

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Land use patterns for this county are farming for the western part. Most of the row crops grown are produced in this area. The better soils in this area, being mainly wind-blown loess, are prone to erosion. The northeastern part of the county produces most of the timber, while the southern part of the county is where most of the commercial and residential growth is occurring. The south county line is also the north line of the Jackson city limits. As previously mentioned Jackson is the state capital and is also the largest city in the state. The Central portion of the county is primary Industrial. The Nissan Plant and numerous suppliers are located in this area, primarily just south of Canton.

Four municipalities are located within the county consisting of Canton, Flora, Madison, and Ridgeland. Canton is somewhat centrally located within the county.

The per capita income overall for Madison County as a whole is approximately \$56,050 as of 2016. Total employment is approximately 51,410 people with an unemployment rate of 4.4% as of January of 2017. The largest employers within the private sector for manufacturing are as follows:

Nissan North America, Inc.	5,284 employees	Transportation equipment
Peco Foods of MS., Inc.	850 employees	Food and Kindred products
Yates Services, Inc.	650 employees	Transportation equipment
Johnson Controls, Inc.	600 employees	Transportation equipment
M-TEK Mississippi, Inc.	527 employees	Transportation equipment

Within the past few years Nissan introduced three new car lines to the plant in Canton creating an addition 1,200 new jobs, more or less. In 2014 Nissan moved production of the next-generation Murano from Japan to the plant in Canton creating an additional 400 new jobs, more or less. Also, a new Wal-Mart Supercenter was constructed within the past few years in Canton, which consists of approximately 50,000 square feet and supplying an additional 250 to 350 jobs for the area.

Madison County boast numerous Industrial Parks, which include Central Industrial Park, located in Gluckstadt, Canton Industrial Parks 1 and 2, and Kearney Industrial Park, located in Flora. The most recent industrial park opened is located in the western part of Canton in the southwest quadrant of Interstate 55 and Hwy. 22 and is locally known as Canton West. The county has some 21 banking branches with state wide consolidated assets of approximately 10 billion dollars. Eleven elementary and high schools and seven private schools provide education. Holmes Community College has a branch campus in Ridgeland. Churches of various denominations are located throughout the county and the County Hospital, located in Canton, is licensed for 67 beds.

The county's close proximity to the city of Jackson has spurred tremendous growth in the south part of the county. This area is one of the fastest growing in the county. The major transportation corridors are Interstate 55, Interstate 20, US Highway 51, US Highway 49, and state highways 17, 43, 16, and 22. Another major roadway is the Highland Colony Parkway, which runs from Hwy. 463 to I-220. The nearest port is located along the Mississippi River in the City of Vicksburg, 70 miles to the southwest with a channel depth of 9 feet. Also, the Canadian National-Illinois Central Railroad crosses through the county.

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The economic outlook for Madison County appears to be good. The south part of the county is presently experiencing a great deal of growth, especially residential. The Highland Colony Parkway in the south part of the county has further spurred residential and commercial growth. The Nissan Parkway and related Industrial developments have spurred a substantial amount of Industrial growth for the central portion of the county. The overall outlook for Madison County is anticipated to be good with growth to continue. Good schools and relatively low taxes are enticing to homebuyers.

Madison County is basically a rural county. The major sources of income are agriculture. In recent years, the county has undertaken an aggressive industrial program. The county has undertaken industry coming into the county. Industry coming into the county has been in the south/central part. Growth is evidence of the favorable economic climate and amenities offered by the Metro Jackson area.

CONCLUSION: Historically, the Metro Jackson area has been a very fertile area for the establishment, development and expansion of a wide variety of businesses and industries. Jackson continues to have a bountiful labor supply and an adequate infrastructure for continued economic growth. The diversity of employment, cost of labor, and room for expansion indicate economic growth at higher than the national rate. The availability and accessibility of transportation systems to and from Jackson is considered to be good. This access is supportive of the wide diversification of the economic base of the area as a whole. The diversity of employment, cost of labor, and room for expansion indicate economic growth at higher than the national rate. The most notable growth has been related to the health-care field recently. Sustained progressive leadership will continue to make Jackson, and adjoining areas diversified, and competitive.

Madison County is located north of Hinds County. In recent years, the county has undertaken an aggressive industrial program. The county has undertaken industry coming into the county. Industry coming into the county has been in the south/central part. A new industrial park was opened in the western part of Canton in the southwest quadrant of Interstate 55 and Hwy. 22. Growth is evidence of the favorable economic climate and amenities offered by the Metro Jackson area. The Nissan Corporation; a \$750,000,000 automotive manufacturing plant and related suppliers just north of Jackson in central Madison County are maintaining economic stability. Recently three new car lines were moved to the Canton Nissan Plant creating an addition 1,200 new jobs.

Canton is the county seat of Madison County. The city of Canton has a mayor/alderman form of city government with a full-time mayor elected at large. The city is also served by full-time police and fire departments which are operated by the city. Various public utilities available in Canton are provided by Canton Municipal Utilities which include water, sewer, electricity, and natural gas. Rubbish removal is provided by the county, telephone service by AT&T, and cable television service is provided by Comcast Cablevision. Other community services are the Canton Chamber of Commerce, the Canton Visitors Center, and the public library located in Canton.

Growth of these types of industries is evidence of the favorable economic climate and amenities offered by the Metro Jackson area. This and all other indicators suggest that the Jackson Metro Area will continue to grow at a continued moderate pace for the foreseeable future. Historically,

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demand for most all types of properties has been good. Building permits for both residential and commercial development in all three counties that comprise the Metro Jackson area have steadily increased over the years. This trend is expected to continue and it appears that demand for most all types of real estate will remain strong. This demand has had a positive impact upon existing properties in that vacancies have remained low and rents have steadily increased. Sustained progressive leadership will continue to make Jackson, and the Metro Jackson area diversified with a strong and competitive real estate market.

NEIGHBORHOOD DATA: A neighborhood is typically a segment of a community, city or town which is a homogeneous grouping of individuals, buildings, or business enterprises within the larger community. A neighborhood has three stages of life and possibly a fourth. They are: (1) integration (the development stage), (2) equilibrium (the static stage), (3) disintegration (the declining or decaying stage), and possibly, (4) a redevelopment or rejuvenation stage or period and continuance of the neighborhood life cycle. Principal factors which improve neighborhood values are good schools, churches, recreational facilities, homogeneity and civic responsibility, prestige and visual appeal, satisfactory transportation affording good ingress and egress, good planning, adequate utilities, conformity in land use, sensible zoning, and topographical and geographical advantages. Some factors which reduce neighborhood values are: The tendency of inhabitants to perceive the neighborhood to be losing its desirability, movement of undesirable uses into the area, lack of zoning protection, increasing taxes, reduced rental rates and values of surrounding properties, as well as lack of adequate planning, community pride and nuisances. The Dictionary of Real Estate Appraisal, Fourth Edition, 2002, Page 193, defines a neighborhood as "a group of complimentary land uses; a congruous of inhabitants, buildings or business enterprises."

Location: The neighborhood of the subject property is described as one of the older, more affluent commercial neighborhoods being the historic Canton Square located within the Historic Commercial District. Neighborhood boundaries are described as Priestly Street and Dobson Street to the east, East Fulton Street to the south, the railroad to the west, and North Street to the north. As stated, the subject property is located on the Canton Town Square, being along the north side of West Center Street. The subject property has a physical address of 158 West Center Street.

The square and other areas within the Historic Commercial District are utilized twice a year for the Canton Flea Market. The Flea Market was one of the first introduced and has served as a model for other communities. The Historic Square also has offered filming opportunities and has become a popular location for numerous movies, which include "A Time to Kill", "My Dog Skip", "Mississippi Burning", as well as others.

Access: The subject neighborhood has excellent access to the Interstate via Highway 22 and Highway 16 and US Highway 51. Also Nissan Parkway provides an alternate route into the downtown area from I-55 to US 51. All major utilities are available and in use in the subject neighborhood. Furthermore, due to the fact that the subject neighborhood is located within the city limits of Canton, it also enjoys police and fire protection.

Trends: Development in the subject neighborhood and immediate surrounding areas began as early as the mid to late 1800's and continues at the present time. There is an enormous variety of

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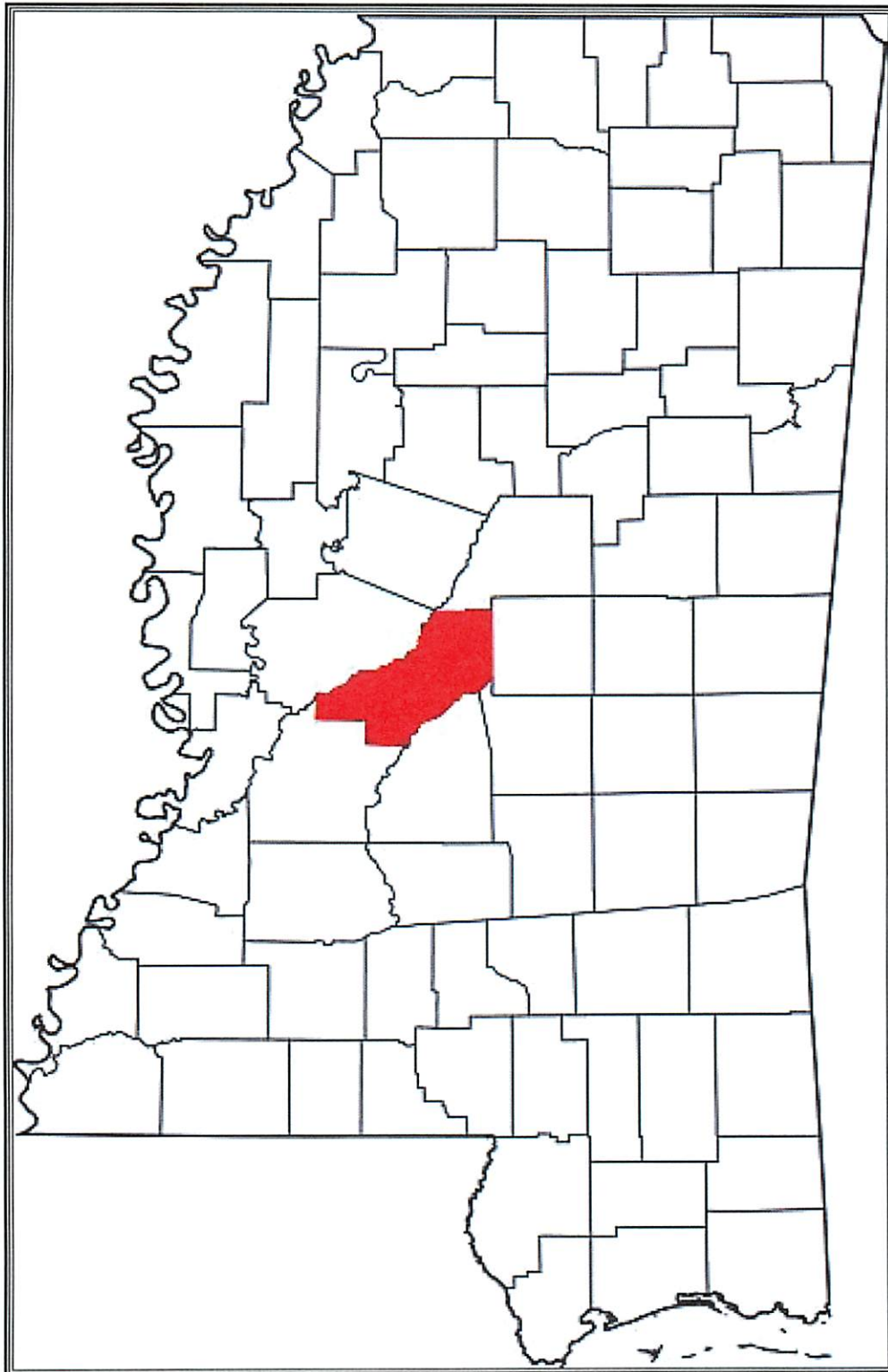
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both commercial properties in the neighborhood with historic residences located on the fringes, east of the Historic Canton Square and being just west of the subject property. Individual properties range from restored period commercial buildings to new, contemporary designs. Most of the older commercial and residential structures are listed on the National Register of Historical Places. The immediate area of the subject property has seen the removal of older modest residential homes and the restoration of antebellum residential structures. The life cycle of the neighborhood appears to currently be in a stage of revitalization. Many of the commercial buildings within the Historic Canton Square have been completely restored within recent years or are currently experiencing some type of renovation. The buildings with an upstairs in average to good condition can be utilized for either residential or commercial purposes or both. It is apparent that there is more interest in converting upstairs areas into living spaces. Currently there is approximately a 10% vacancy rate for spaces along and just off the square. Hopefully, future revitalizations of the area will renovate most of the structures, both residential and commercial. Continued support by the Chamber of Commerce and the City of Canton will help the downtown area remain in a stage of revitalization. The introduction of Nissan has made a positive effect on the local area including the businesses located along the Canton square which are experiencing growth - evident by the renovations of numerous properties and expanding outwards in all directions from the historic downtown area. Also, a new Wal-Mart Supercenter was open within the past few years, offering approximately 250 to 350 new jobs to the area. Furthermore, a new Tractor Supply store was constructed in the area of the new Walmart Super Center within the past few years. Since this time several other new commercial developments have occurred in and around Canton. Prior to these new retail developments, Madison River Oaks constructed a new medical facility or hospital within the past several years. Along with the new hospital, numerous other health related business have sprung up in the immediate area of said facility. Furthermore, the old Canton High School is currently under renovation for use as affordable housing. Additionally, the vacant tract of land behind the Old Canton High School is being developed with low income or subsidized housing. All factors currently suggest that the subject neighborhood and surrounding areas should continue experiencing revitalization for the foreseeable future. With the availability of good schools, public services, in addition to the overall outlook of Madison County; more specifically, the city of Canton, the outlook for the area of the subject property looks very promising.

Maps of the above identified area and neighborhood are located of the following page:

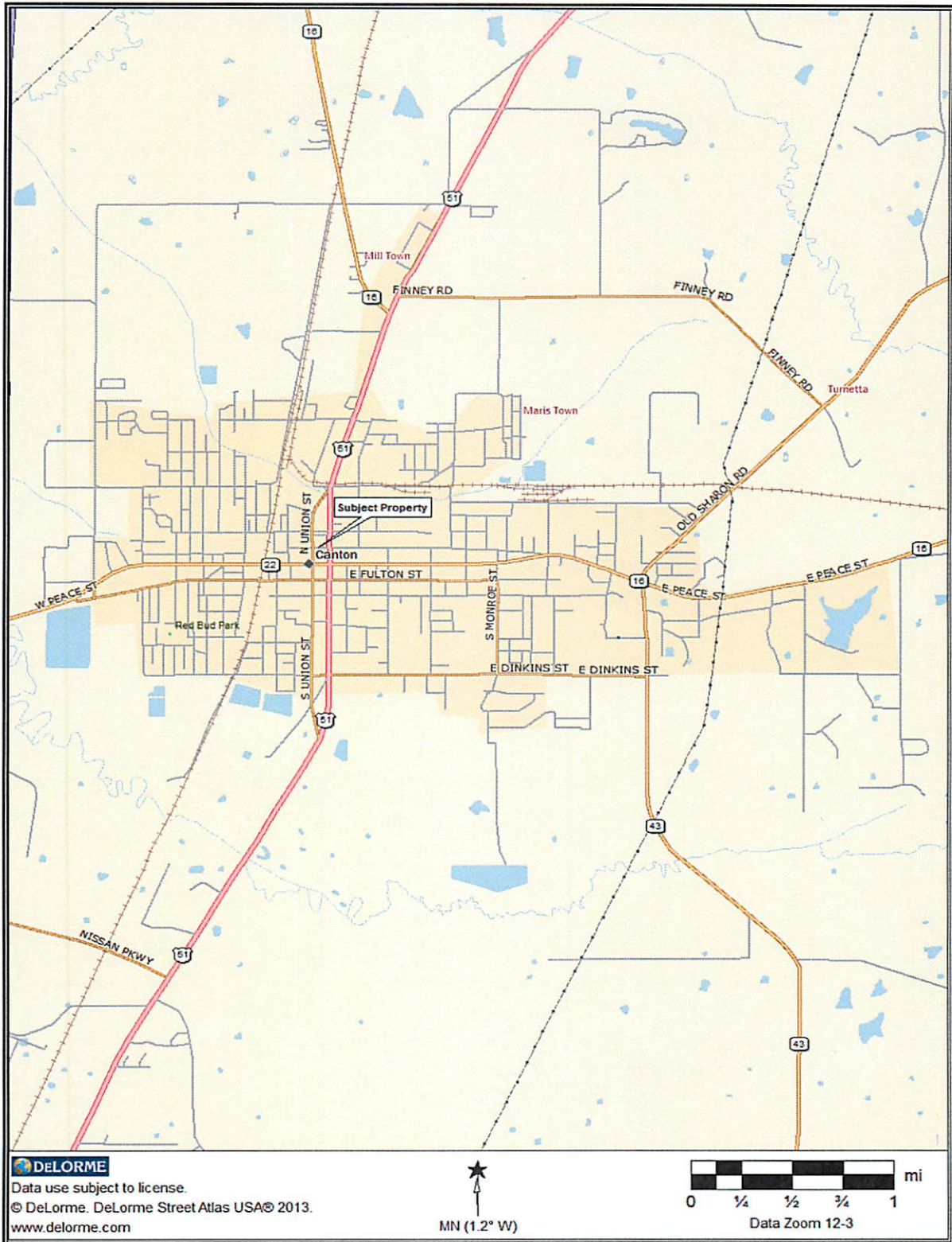
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MADISON COUNTY LOCATION MAP



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AREA MAP



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LOCATION MAPS



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PROPERTY DESCRIPTION: The subject property has a physical address of 158 West Center Street, Canton, Mississippi. The subject site is described as a rectangular shaped parcel of land with approximately 27 linear feet of frontage along the north side of West Center Street, having a depth of approximately 108.35 linear feet. The current legal description for the subject property as being a portion of Lots 4, 5, and 6 of Square 2, on the north side of the Public Square in Canton and contains approximately 0.067 acres or 2,925 square feet of land area.

Based upon FEMA's Flood Insurance Rate Map 28089C0410F, with an effective date of March 17, 2010, indicates the subject property is located in Flood Zone "X," above the 500 year flood plain. The subject site is currently zoned **HC-1, Historical Commercial District**, by the City of Canton, Madison County, Mississippi. Utilities currently available to the site include water provided by the City of Canton, electricity, sewer, and natural gas. The majority of properties in the immediate area have been developed with a very limited supply of undeveloped land. As mentioned the subject property is zoned HC-1 with land uses immediately surrounding the subject being improved commercial sites also zoned HC-1, Historic Commercial District. Based upon the current zoning information, the subject site has zero lot lines with the exterior east wall abutting the adjoining building to the east. This zero lot line is consistent with other similar properties in the area being along and just off the square. A copy of the current flood map and zoning map can be viewed on the following pages and within the addenda of this report.

As discussed, subject site fronts along the north side of West Center Street, having approximately 27 linear feet of frontage along the north side of West Center Street. Additionally, the property has access to the rear of the building from North Union Street from an area historically known as "Square Alley" as shown on the Parking Agreement in the addenda of this report. This is a secure paved parking area with an electronic gate and six (6) striped parking spaces. Of this area only two (2) parking spaces are located on the subject site within the remaining spaces and access drive area being located on the adjoining property, the Madison County Offices and Chancery Court property. However, it is noted an agreement was reached to allow the subject property owner's and their assigns use of this area for parking purposes; hence, for all practical purposes this area can be utilized by the owners of the subject property. It was shown that the owners spent approximately \$16,000 in 2008 to pave this area for parking along with the electronic gates and fencing. The subject property is identified as Tax Parcel Number 093D-19B-119/01.00 by the Madison County Tax Assessors Office.

The subject site is currently improved with a two-story brick building that contains 4,066 square feet of gross building area with the east and west exterior walls abutting the adjoining buildings. It does not appear that the abutting walls are fireproof. In fact, a building I purchased doesn't have a firewall between my building and the building to the south. Based upon the Madison County Tax Assessors records the building was originally constructed around 1904. The building was constructed on a concrete slab foundation with the exterior of the building consisting of a mixture of soil-brick, steel, and concrete exterior décor finishing's. The buildings main, first floor entrance is located along West Center Street with the second floor area having a separate private entrance/stairway along West Center Street. Access to the second floor area is also provided by an interior stairway from first floor of the building. Additionally, both the first floor and second floor of the building have rear exterior access from the discussed private parking area located behind the building. This rear access also has dock height loading. The second floor rear access

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Real Estate Appraiser**

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is provided by an open exterior stairway. There is a covered porch area along the rear of the first floor of the building with a large loading and unloading door in addition to the first floor rear access door. Along the front of the building is a second floor balcony area containing approximately 200 square feet of covered balcony area.

Note: over the past 2 to 3 years there appears to have been an increase in demand for buildings along the square with second floor balconies. Recently a two-story building that did not have a balcony located on the east side of the square was renovated to add an exterior 2nd floor balcony which required removing portions of the concrete sidewalk in front of the building to add the required steel supports and footing for the balcony addition. Another building on the square along North Liberty Street is currently being renovated for use as a law office which the owners plan to add a 2nd floor. Currently this structure has a balcony with faux windows upstairs as well as a decorative façade. The building appears to be a two story building; however, there currently is no second floor. The current owners are adding a second floor due to the height of the interior and to be able to enjoy the existing balcony. This building is currently being renovated to add a second floor and other needs of the current owners.

The first floor area of the subject building contains a total of 1,856 square feet and the 2nd floor consists of 2,210 square feet of building area. The interior walls of the 1st floor area have solid wood wainscot along the bottom portion of the walls with the balance being painted gypsum and wood trimming. This area has 12 foot ceiling heights finished with stamped tin tiles and florescent lighting. The first floor has an open floor plan with a reception area at the front main entrance and four large partitioned office spaces, storage area, and work room. In the rear of the first floor is a break area with a small kitchenette and restrooms. The floor coverings consist mainly of commercial grade carpeting throughout this area and there is a long hallway on the east side of the 1st floor area with built-in cabinets and shelving.

The interior walls of the 2nd floor area are primarily painted gypsum with areas of plaster. A portion of the 2nd floor walls are finished with solid wood wainscot. This area has florescent and incandescent light fixtures and the floor coverings are primarily commercial grade carpeting with the restrooms having color tiles. The 2nd floor area has separate men and women restrooms with two showers located in the men's restroom. There is an interior stairway accessing the 2nd floor from the 1st floor. Additionally, the 2nd floor has both private front and rear exterior access. There was some deferred maintenance noted throughout the building at the time of inspection and the 2nd floor subfloor appears to have somewhat of a "buckling" affect as the flooring appears to be somewhat unlevelled in areas. There are five separate offices located on the 2nd floor with an open conference room area. Four of the five offices have fireplaces and the conference room area has a fireplace and there is some built-in shelving.

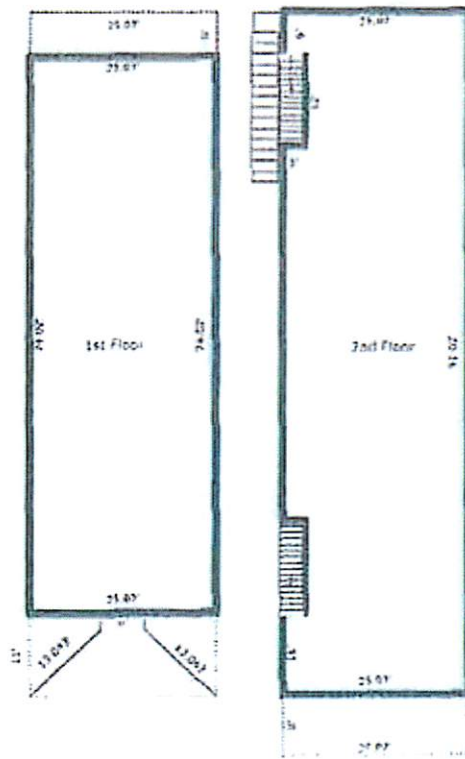
The entire building is centrally heated and cooled by central HVAC units as well as having ceiling fans throughout. The covered balcony area is accessed from the second floor of the building. The balcony contains 200 square feet and overlooks the north side of the square. The balcony is in good condition and is well located.

Overall, the subject building appears to be in average to good condition having been renovated within the last five (5) years to include the addition of the HVAC units and a new roof. Access to

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Real Estate Appraiser**

Appraisal Report

the roof could not be obtained; however, as stated above the roof was replaced during the last renovation. The subject property enjoys private rear parking with additional off-site parking along the square.



Scale: 1" = 20'

AREA CALCULATIONS SUMMARY				BUILDING AREA BREAKDOWN		
Code	Description	Net Size	Net Totals	Breakdown		Subtotals
GBA1	First Floor	1855.6814	1855.6814	First Floor	25.070 x 74.020	1855.6814
GBA2	Second Floor	2209.8714	2209.8714	Second Floor		
R/P	Porch	125.5085			25.070 x 6.000	150.4200
	Porch	150.2615			12.000 x 22.070	264.8400
	2nd Lvl Patio	260.5600			25.070 x 10.020	1234.0014
	Rear Patio	150.4200	626.7500		12.000 x 22.070	264.8400
					25.070 x 11.000	275.7700
Net BUILDING Area		(rounded)	4066	6 Items		(rounded) 4066

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LEGAL DESCRIPTION

A tract of land being a portion of Lots 4, 5 and 6 of Square 2, on the north side of the Public Square in Canton, Mississippi, reference being made to the map of the City of Canton prepared by George and Dunlap in 1898 and said tract being more particularly described as follows:

Commencing at the southwest corner of said Square 2, said point being the intersection of the easterly right-of-way line of Union Street with the northerly right-of-way line of Center Street and from said point run thence easterly and along the south line of said Square 2 and the northerly right-of-way line of Center Street for a distance of 82.18 feet to a point on the east building line of that tract currently occupied by Johnson Radio and T.V. and by First Family Financial Service, said building also being known as the Montgomery Building, and said point being the Point of Beginning of the following described tract of land; continue thence

Easterly and along the south line of Square 2 and the northerly right-of-way line of Center Street for a distance of 49.90 feet to a point on the east building line of that certain building formerly housing Sulm's Gifts and Novelties Shop; run thence

Through an interior angle of 89 degrees 37 minutes 13 seconds and run northerly along said building line and projection thereof for a distance of 108.35 feet; run thence

Through an interior angle of 90 degrees 22 minutes 47 seconds and run westerly for a distance of 49.24 feet to a point on the projection of the aforesaid Montgomery Building; run thence

Through an interior angle of 89 degrees 58 minutes 13 seconds and run southerly along said projection and building line for a distance of 108.35 feet back to the Point of Beginning of the above described tract of land, containing 5,370 square feet, more or less, and being situated in Section 19, Township 9 North, Range

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3 East, City of Canton, Madison County, Mississippi.

LESS AND EXCEPT:

A tract of land being portions of Lots 4 and 5 of Square 2, on the north side of the Public Square in Canton, Mississippi, reference being made to the Official Map of the City of Canton, prepared by George and Dunlap in 1898, said tract being more particularly described as follows:

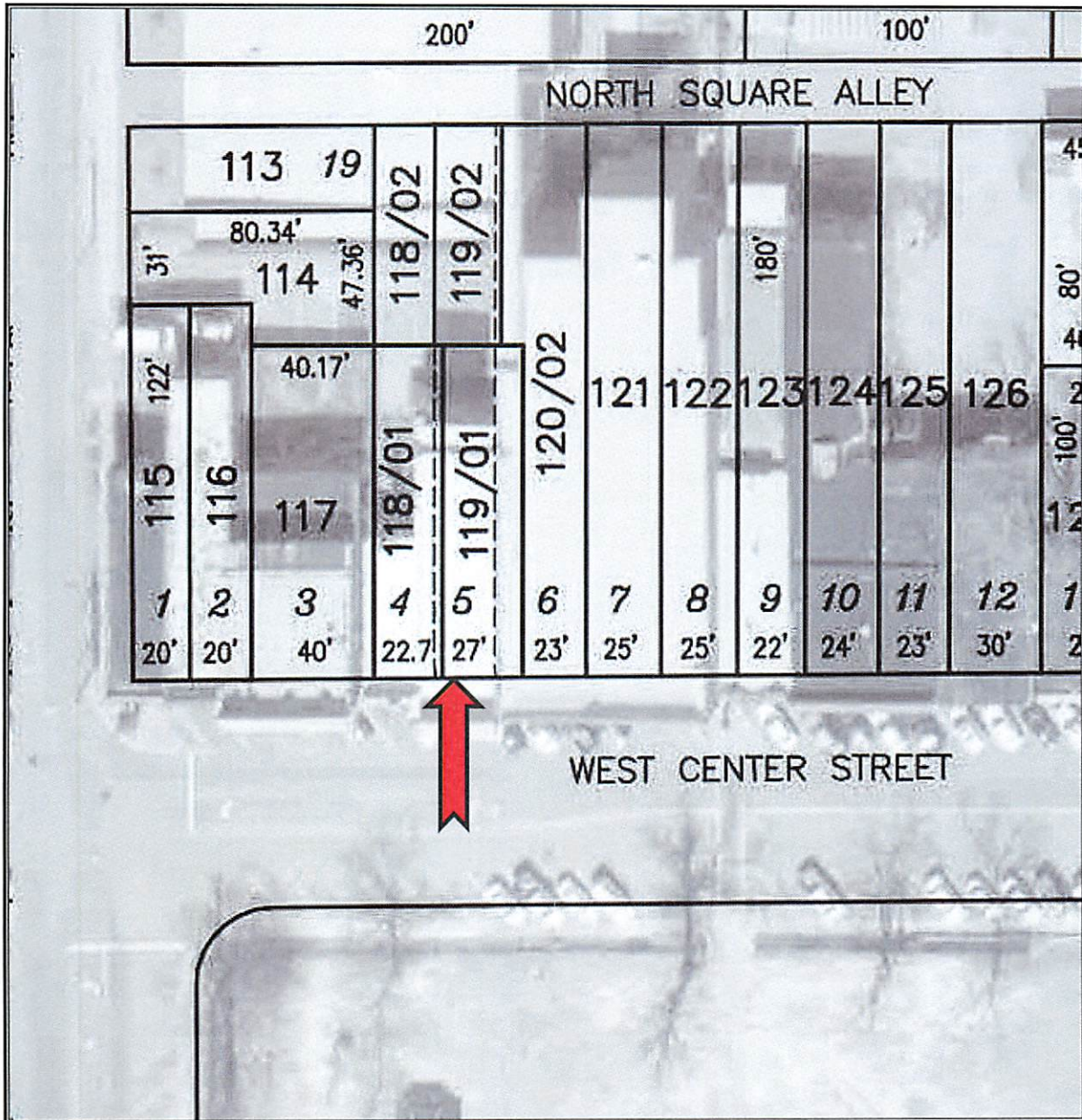
Commencing at the southwest corner of said Square 2, said point being the intersection of the east right-of-way line of Union Street with the north right-of-way line of Center Street, said point also being the southwest corner of the Richard Thomas tract, per Deed Book 40, page 19, said point being 0.06 feet south and 0.07 feet west of the southwest corner of the building on the Richard Thomas tract; thence run North 89 degrees 56 minutes 10 seconds East a distance of 82.28 feet along the south line of said Square 2 and the north right-of-way line of Center Street to a point 0.09 feet north of the southeast corner of the Pratt Building, said point also being the southeast corner of the Claridge & Associates tract, per Deed Book 208, page 92, and the southwest corner of the Canton Redevelopment Authority tract, per Deed Book 292, page 181, also known as the Little Sulm Building tract; said point also being the Point of Beginning of the tract herein described;

From the Point of Beginning, continue South 89 degrees 56 minutes 10 seconds East along the south line of Square 2 and the north right-of-way line of Center Street a distance of 22.70 feet to the eastern face of the east wall of the Little Sulm Building which is common with the west face of the west wall of the Big Sulm Building, said point being the southeast corner of the Little Sulm Building and the subject tract, thence run North 00 degrees 14 minutes 31 seconds West along said common wall of the two building and the northward projection of the east face of the east wall of the Little Sulm Building for a distance of 108.12 feet to a 1/2" square iron rod, said point being the northeast corner of the subject tract; thence run North 89 degrees 56 minutes 10 seconds West for a distance of 22.54 feet to a 1/2" square iron rod, said point being the northwest corner of the subject tract, and being the northward projection of the east face of the east wall of the aforementioned Pratt Building; thence run South 00 degrees 09 minutes 24 seconds East along said wall projection and the face of the wall for a distance of 108.12 feet back to the Point of Beginning; said tract containing 2,445 square feet, more or less, and being situated in the Northwest 1/4 of Section 19, Township 9 North, Range 3 East, City of Canton, Madison County, Mississippi.

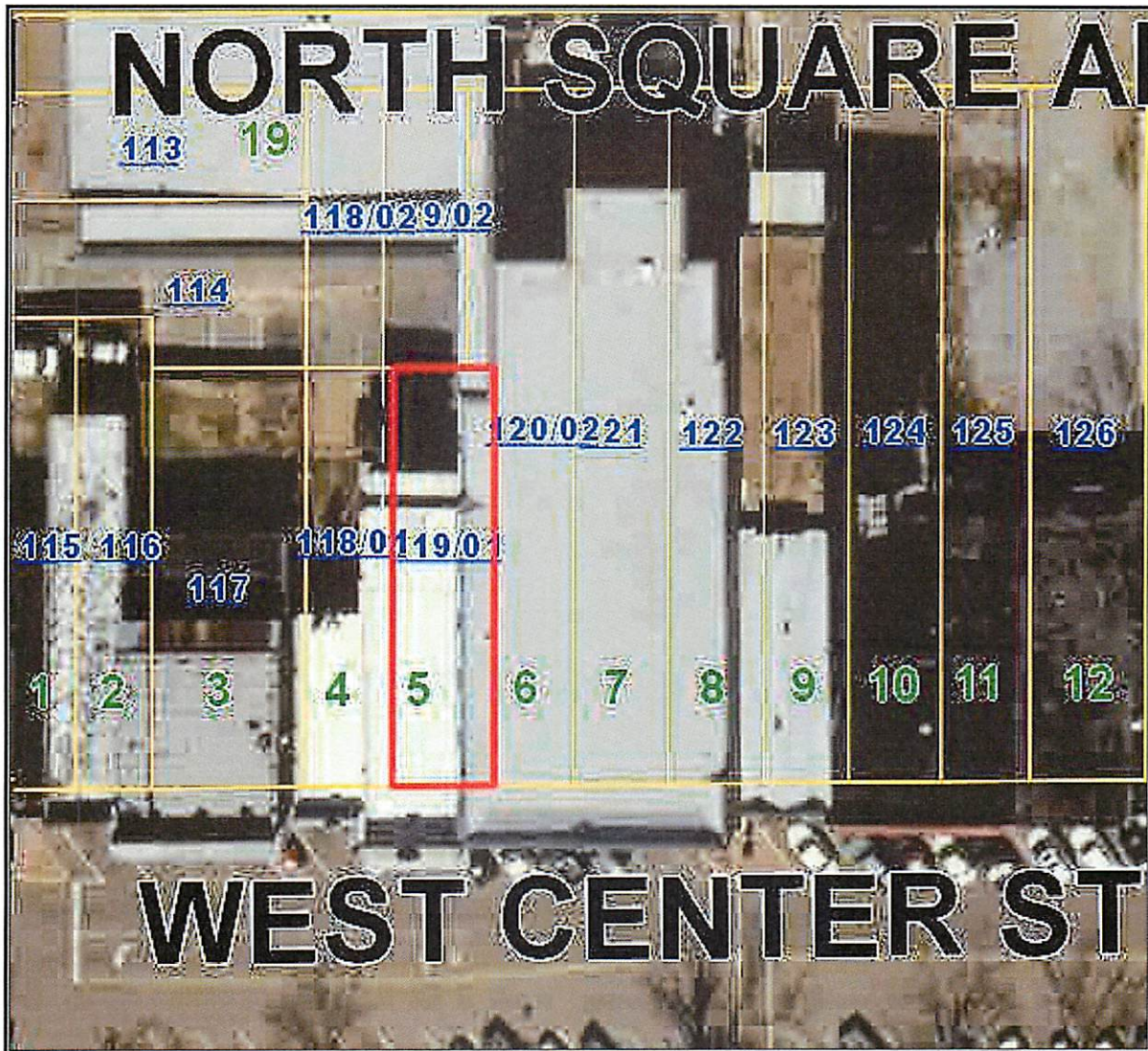
Please refer to the following maps and photos on the following pages to better visualize the subject building/property.

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TAX MAPS



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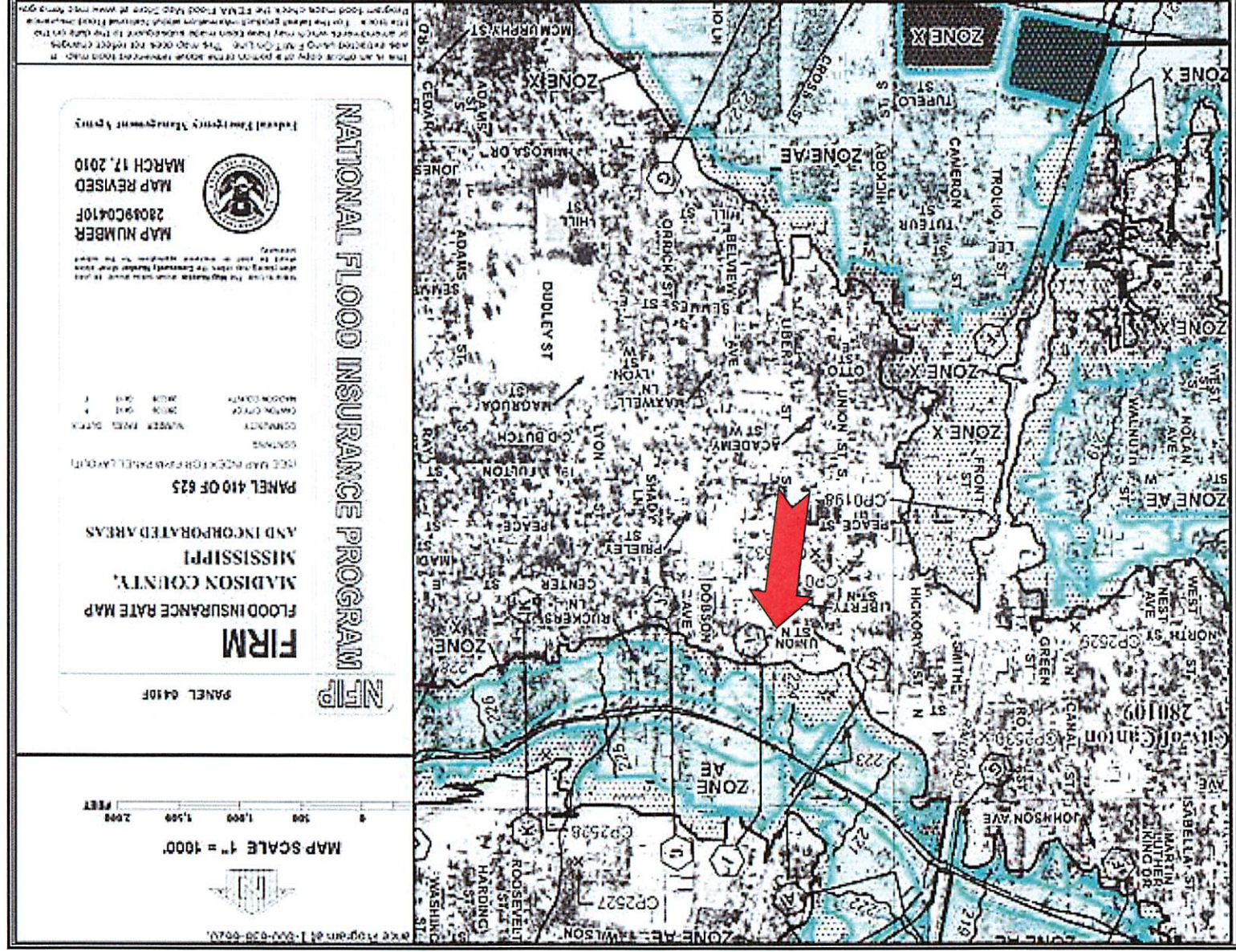


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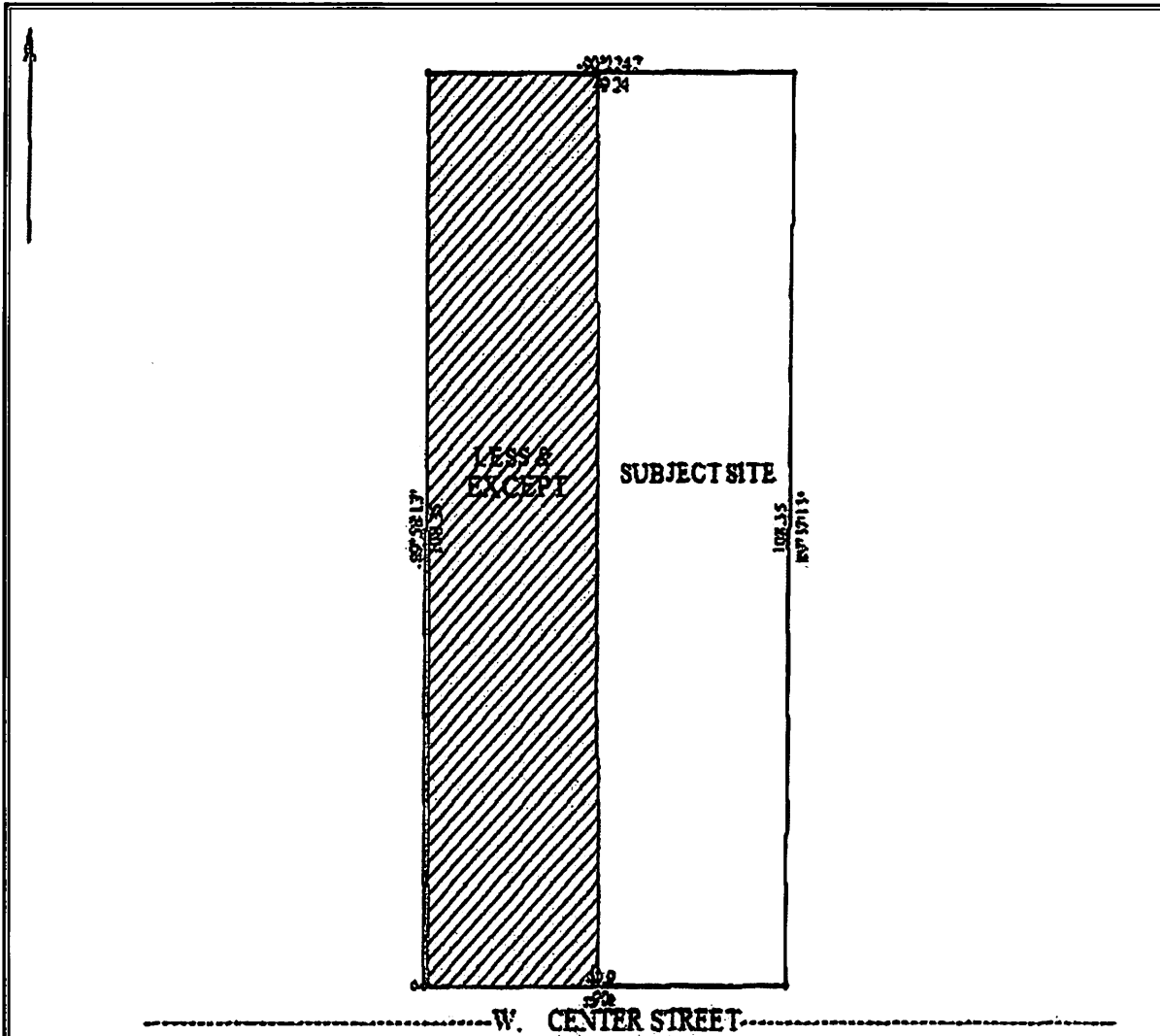
AERIAL PHOTOGRAPH



FLOOD MAP



SITE SKETCH



Title:	
Scale: 1 inch = 20 feet	File: Sulm Bldg all.des
-Tract 1: 0.123 Acres: 5371 Sq Feet: Closure = 089.5351 = 1.32 Feet: Precision = 1:239: Perimeter = 316 Feet	
-Tract 2: 0.056 Acres: 2446 Sq Feet: Closure = 051.2603 = 0.60 Feet: Precision = 1:221307: Perimeter = 261 Feet	
Net Area = 0.067 Acres: 2925 Sq Feet	
001 = 096 = 49.9	005 = 020 - Merge 1
002 = 89.3718 108.35	006 = N = 0.11E = 1.81
003 = 90.2247 49.24	007 = 89.5610 = 22.70
004 = 89.5813 108.35	008 = 00.1431 = 108.12
	009 = 89.5610 = 22.54
	010 = 00.0924 = 108.12

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PHOTOGRAPHS
Taken on January 10, 2018

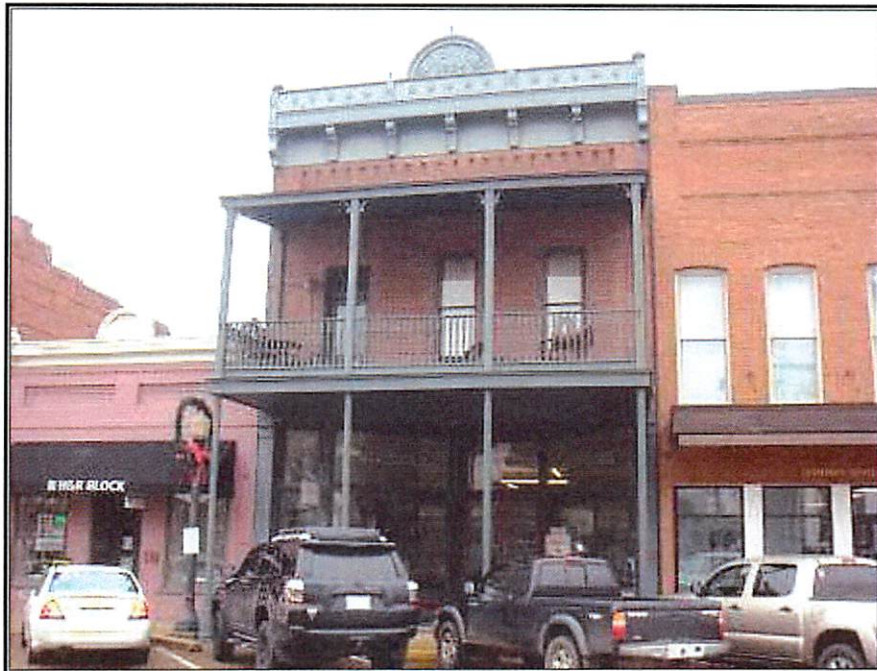


Viewing east along West Center Street in front of subject property towards Canton Square



Viewing west along West Center Street in front of subject property

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Front view of subject building from West Center Street



Viewing front main entrance to subject building

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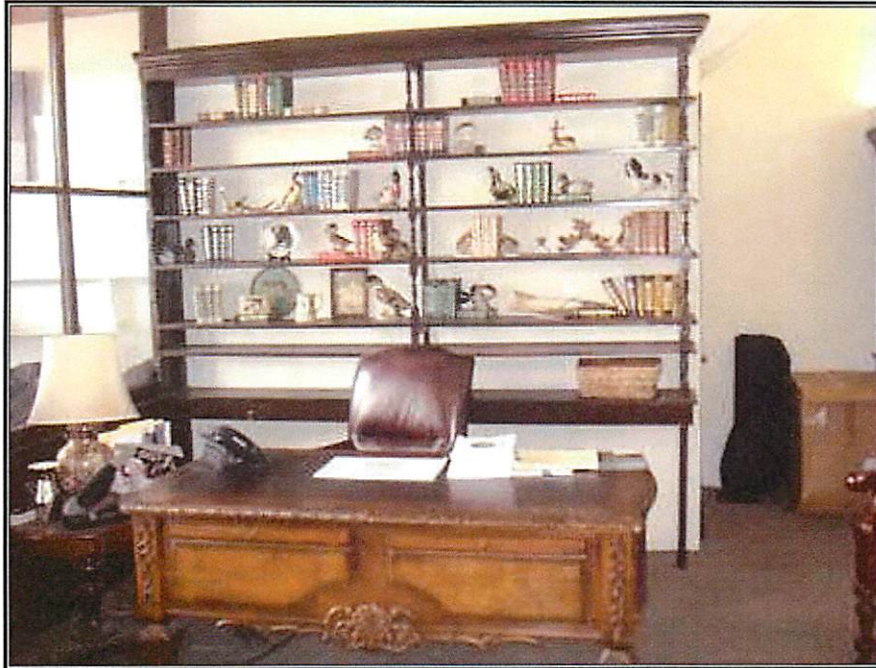


Rear/side view of subject building from rear parking area



Viewing east across rear parking area from Union St.

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Viewing interior reception area at main entrance of 1st floor

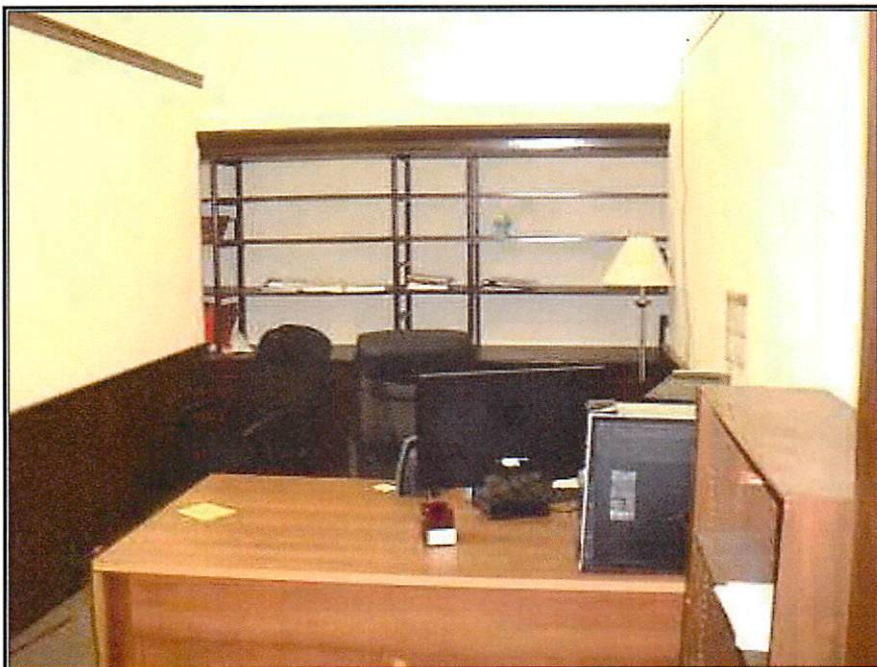


Viewing towards rear of building from the main entrance of the 1st floor area

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Viewing towards front main entrance of the 1st floor area from the rear

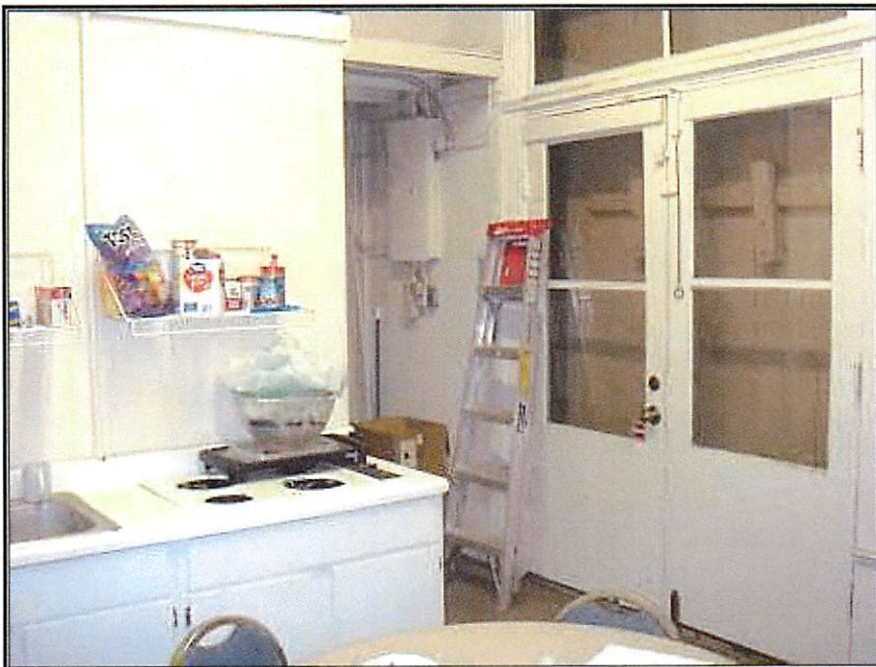


Viewing typical office space of 1st floor area

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Viewing workroom area located on 1st floor of subject building

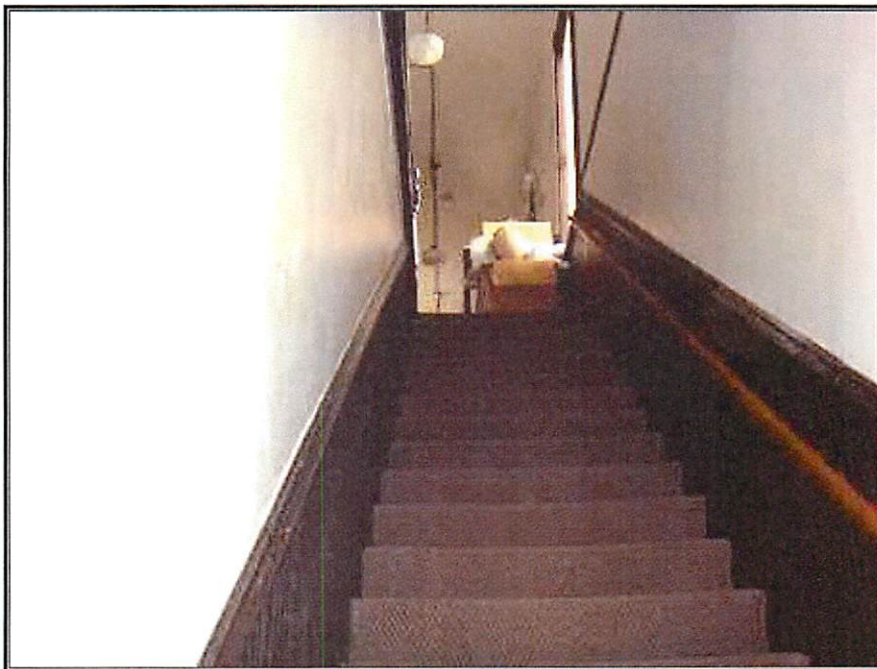


Viewing breakroom area and kitchenette located on 1st floor of building

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Viewing restroom located on 1st floor of subject building



Viewing 2nd floor stairway access from 1st floor interior of the building

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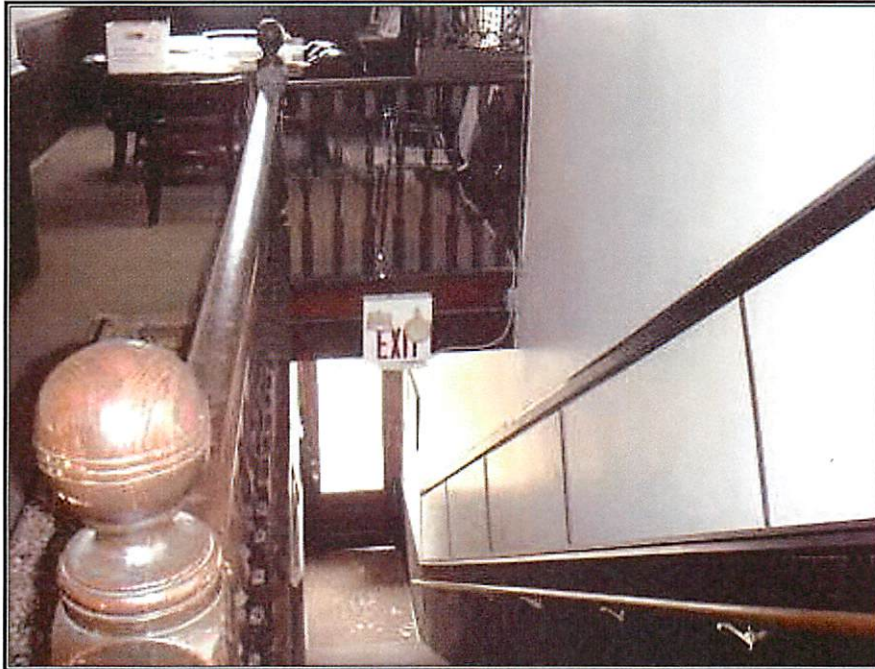


Viewing towards front of the building on 2nd floor from rear of the building



Viewing towards rear of building from the front of 2nd floor

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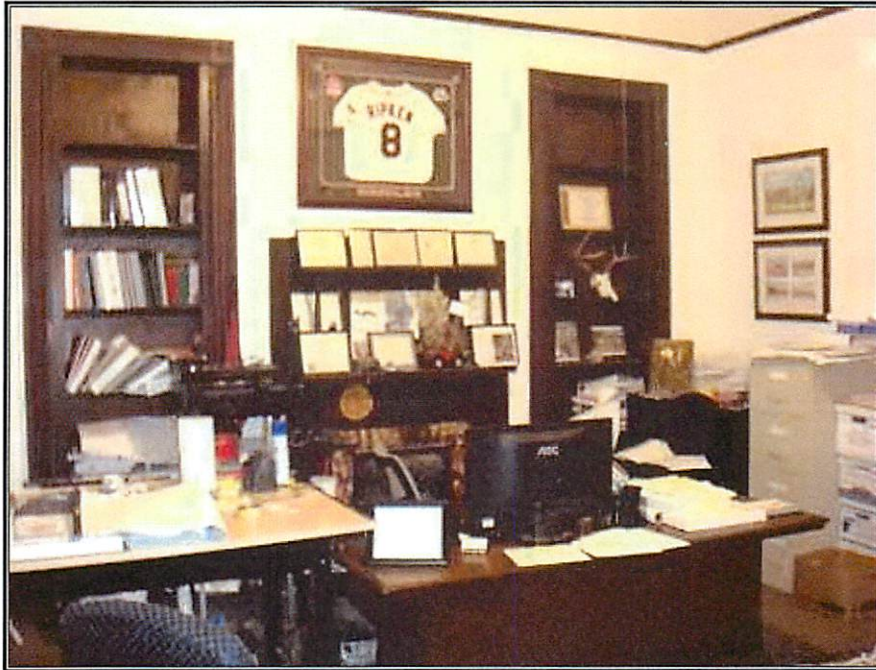


Viewing 2nd floor private exterior access stairway

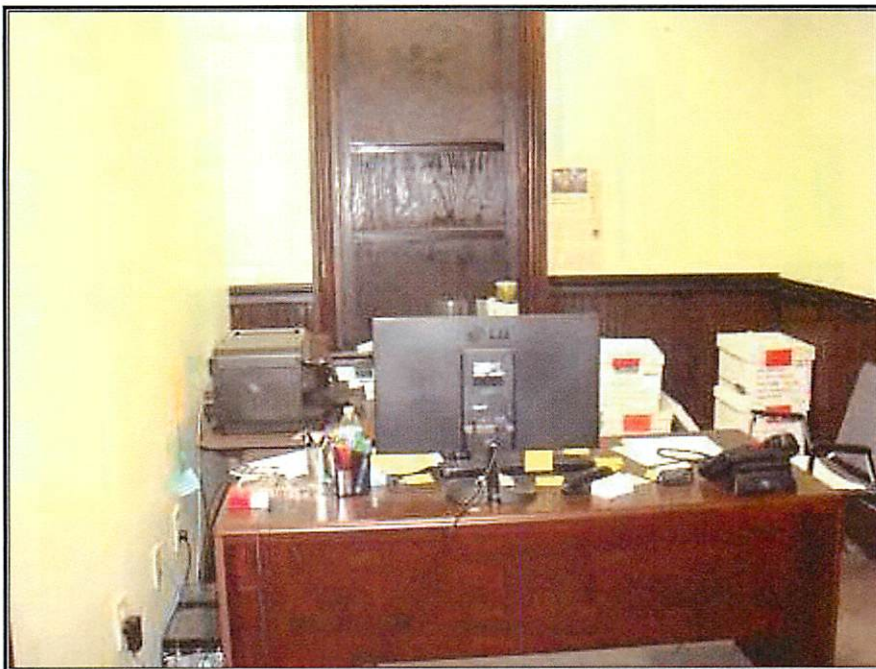


Viewing 2nd floor office space of subject building

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Interior view of private office space located on 2nd

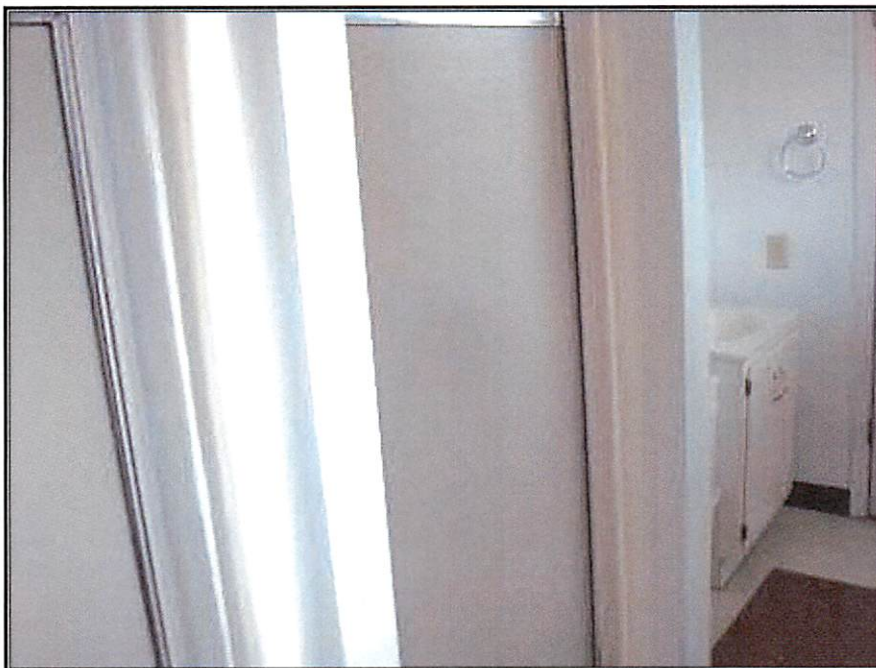


Viewing typical office space on 2nd floor of building

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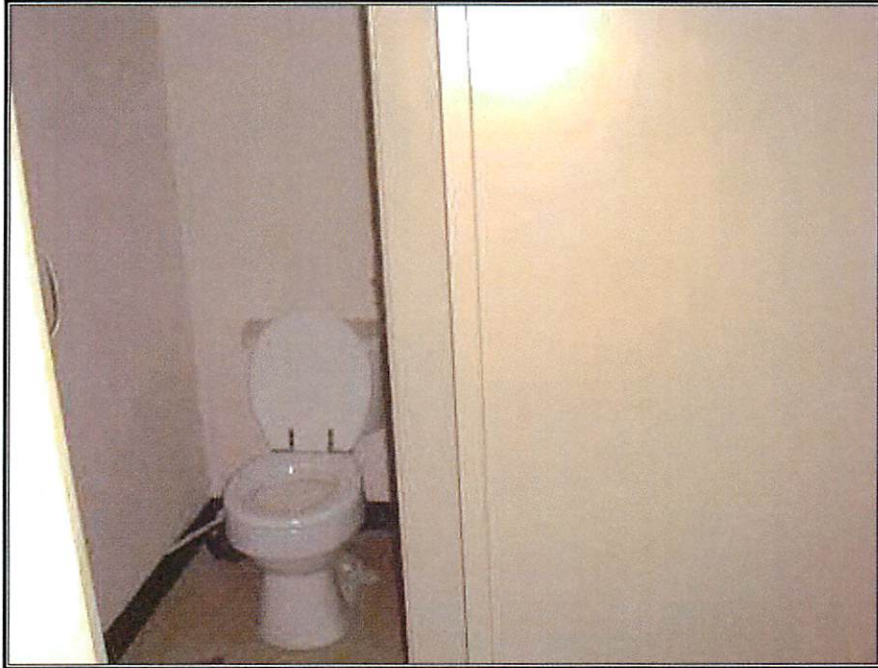


Viewing balcony of subject building



Viewing shower in restroom area of 2nd floor

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Viewing restroom area located on 2nd floor



Viewing restroom area on 2nd floor of building

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Real Estate Appraiser**



Noted water stain in 2nd floor restroom



Noted deferred maintenance in subject building

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Real Estate Appraiser**

Appraisal Report

PROPERTY HISTORY: The subject property is currently in the ownership of Warnock and Associates, LLC, which obtained the property from Slum Venture, LLC on February 7, 2007. This transaction is recorded in the Madison County Chancery Clerks Office in Deed Book 2152 beginning at page 484. Since this time there has been no other recorded arm's lengths involving the subject property. The building has been owner occupied since this transaction; however, the property is currently listed for sale with Lee Hawkins Realty, Inc. at \$350,000.

TAX INFORMATION: Real Property in Madison County is appraised at "True Value" for tax purposes and an "assessed Value" of 15% of "True Value". The subject property is identified tax parcel 093D-19B-119/01.00. The 2017 estimated true value for the subject site and improvements is by the Assessor's Office is \$64,530. The assessed value is therefore \$9,680. The 2017 taxes are currently due were in the amount of \$1,430.22. A copy of the current tax information for the subject property can be viewed in the addenda of this report.

HIGHEST AND BEST USE: I have surveyed the surrounding land uses and their effect on the subject property. The immediate neighborhood is generally characterized by mostly historic commercial properties located along the courthouse square and in the Historic Commercial District. The subject property is located along the north side of West Center Street being along the courthouse square.

The subject site's overall size, shape, frontage, access, and zoning are considered to be adequate for the development of commercial improvements typical of buildings located on and just off the square. The physical characteristics of the site including overall topography, elevation, and surface drainage are also considered to be adequate. The subject property does not appear to be located within an identifiable flood hazard area. Although I am not aware of any soil tests having been conducted, it is assumed that the soil and sub-soil conditions continue to be adequate for a commercial building. All major utilities including water, electricity, natural gas, telephone service, sewer service, and garbage pick-up are available on the subject property. Therefore, after considering all factors of available land uses, it is my opinion that the highest and best use of the subject site, as if vacant, would definitely be for some type of commercial use.

The subject site is improved with a two story structure previously utilized as single tenant office space; however, due to the 2nd floor exterior access the building could easily be converted to a multi-tenant use. The building is currently in average to good condition with a floorplan similar to other office building along the square. Therefore, it is our opinion that the subject property implements the "principal of balance" and that the property utilized as commercial office space adds to the proper economic mix of land uses in the immediate area. Therefore, the current use of the subject property is considered to represent and satisfy the "Highest and Best Use" requirement for a commercial use.

**John B. "Jeb" Stewart, SR/WA
Real Estate Appraiser**

SUMMARY OF ANALYSIS AND VALUATION: The valuation process is defined as “a systematic procedure employed to provide the answer to a client’s question about the value of real property.”³ The valuation process is accomplished through specific steps, typically involving three traditional approaches. The three approaches are known as the Sales Comparison Approach, the Cost Approach, and the Income Capitalization Approach.

The **Sales Comparison Approach** - involves the comparisons of similar properties that have recently sold or similar properties that are currently offered for sale, with the subject property. These properties are compared to the subject with regard to differences or similarities in time, age, location, physical characteristics, and the conditions influencing the sale. The notable differences in the comparable properties are then adjusted from the subject property to indicate a value range for the property being appraised. When sufficient sales data is available, these adjustments are best determined by the actions of typical buyers and sellers in the subject's market. This value range, as indicated by the adjusted comparable properties, is then correlated into a final value estimate indicated for the subject property by this approach.

In the **Cost Approach**, the appraiser must first estimate the value of the subject site by comparing it to similar sites that have recently sold or are currently offered for sale. The reproduction cost new of the improvements, as determined by comparison to similarly constructed properties, is then estimated. Depreciation from all sources-wear and tear, design and plan, and neighborhood defects is determined and subtracted from the reproduction cost new of the improvements, to arrive at their present worth. The present worth of all improvements is added to the estimated site value with the result being the indicated value by the Cost Approach.

The **Income Capitalization Approach** is a process in which the anticipated flow of future benefits (actual dollar income or amenities) is discounted to a present worth figure through the capitalization process. The appraiser is primarily concerned with the future benefits resulting from net income, i.e., the remainder after deduction of expenses of operation from the effective gross income. The steps in this approach include estimating potential gross income by comparison with competing properties and estimating expenses (derived from historical and/or market experience) to determine a projected net income stream. This income stream is then capitalized into an indication of value by using capitalization rates extracted from competitive properties in the market and/or by using other techniques when applicable.

The appraiser then reconciles the indicated value estimates of the three approaches into a final estimate of the property's worth. In reconciliation, the appraiser gives consideration to the relative strengths and weaknesses of each approach, and usually gives most weight to the approach most commonly used by typical purchasers in the marketplace. In the final reconciliation, the appraiser must weigh the relative significance, defensibility and applicability of each approach as it pertains to the type of property being appraised and determine the approach or approaches that best approximate the value being sought in the appraisal. As previously stated, the subject building was originally built around the early 1900’s and has been renovated over the years. One of the greatest weaknesses of the Cost Approach is the extreme difficulty in accurately estimating all forms

³ The Dictionary of Real Estate Appraisal, Fourth Addition, Appraisal Institute, 2002, page 305

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of depreciation which may be present, especially in older building such as the subject. Additionally, development in the immediate area of the subject, more specifically the Canton Square, began around the late 1800's to early 1900's with recent comparable vacant land sales being very limited to nonexistent. Therefore, I conclude that no real emphasis should be placed upon the Cost Approach as any value indication produced by the Cost Approach would be subjective; hence, not reflective of market value. The appraiser was able to confirm adequate market sales and comparable income data and rentals sufficient to employ both the Sales Comparison Approach and the Income Approach in estimating the current market value of the subject property.

**John B. "Jeb" Stewart, SR/WA
Real Estate Appraiser**

SALES COMPARISON APPROACH: I have made an investigation of recent market sales and offerings of properties similar to that of the subject property. I have made an effort to select market sales that are similar to the subject property in size, as well as location, improvements, and utility. All of these market sales were studied and compared with the subject property and each value indication was adjusted for dissimilarities in order to bring the value indication into comparability with the subject property.

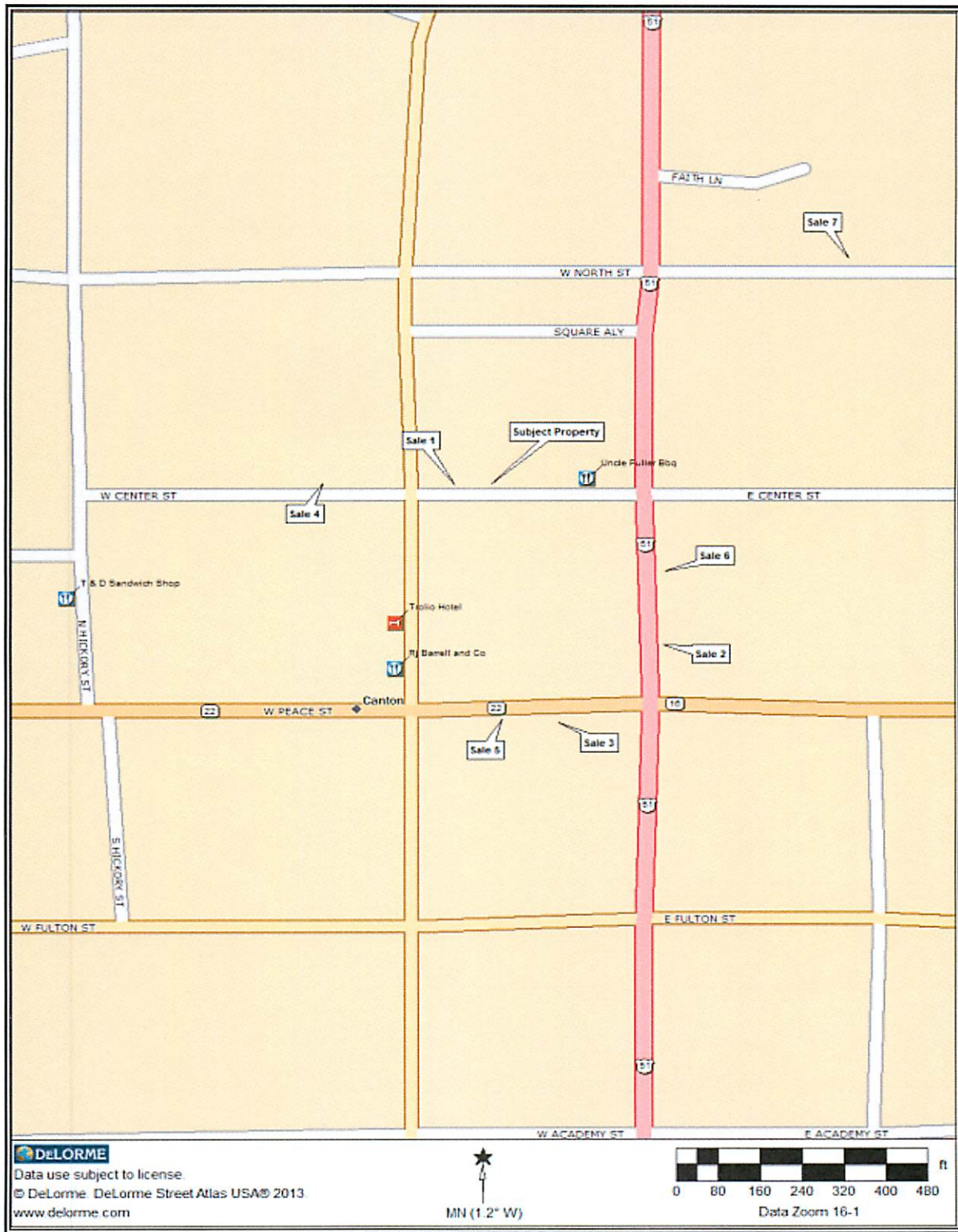
The reliability of this technique depends upon:

- (1) The degree of comparability of each property with the property being appraised;
- (2) The time and date of sales;
- (3) The verification of the market sales data; and
- (4) The absence of unusual circumstances (such as unique financing or unusual motivation to sell).

An attempt to confirm the details of each of these market sales was made by a conference with the individual buyer and/or seller, or with the mortgage lender, realtor, appraiser, or attorney that had knowledge of the details of the market sales.

Typically, adjustments are required for location, utility, age and condition, date of sale, financing, and overall desirability. As noted, recently there appears to have been an increase in demand for buildings with 2nd floor balconies being located along the square. On the following pages is a list and description of each of the market sales which were felt to be meaningful in the estimation of the market value of the subject property.

COMPARABLE SALES LOCATION MAP



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Real Estate Appraiser

MARKET DATA
IMPROVED SALE NO. 1



ADDRESS: 168 West Center Street, Canton, Madison County, Mississippi

GRANTOR: Eller Properties, LLC

GRANTEE: Crumley Companies, LLC

REFERENCE: Deed Book: 3016 Page: 138

DATE OF SALE: October 8, 2013

BUILDING AREA: 4,990 square feet

SALE PRICE: \$215,000
\$285,000 Adjusted

ANALYSIS: \$43.09/sq. ft.
\$57.11/sq. ft. Adjusted

COMMENTS: This is the sale of a two-story commercial building located along the square containing an aggregate of 4,990 square feet of building area. The property is identified as Madison County Tax Parcel No. 093D-19B-117/00.00. This site is zoned HC-1, Historical Commercial District by the City of Canton, MS. According to the owner, Mr. David Crumley, the sale price was \$215,000. The building had areas of deferred maintenance and the cost to cure was approximately \$35,000 (materials only and labor provided by the owner himself). This cost to cure could easily be increased to \$50,000 - \$70,000. The rental rate for the down-stairs units (1,250sf each) are \$800 per month or \$7.68psf. The rental rate for the upper level (~1,500sf) is

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Real Estate Appraiser

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also \$800 or \$6.40psf. Each of these leases was on a Year to Year agreement. After the sale the buyer increased all three leases an additional \$50 per month. This property is outside any determined flood hazard area. All public utilities are available to this site. The property rights conveyed were fee simple. This sale was cash to the seller. The sale appears to be an arms-length transaction. The data was verified by the grantee and the selling broker – J.D. Johnson.

Note: This building has a large balcony along the front overlooking West Center Street. This is considered a positive amenity and should be considered.

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Real Estate Appraiser**

MARKET DATA
IMPROVED SALE NO. 2



ADDRESS: 3340 North Liberty Street, Canton, Mississippi

GRANTOR: Canton Redevelopment Authority

GRANTEE: John Bryant Stewart, Sr. and Maria R. Stewart

REFERENCE: Deed Book: 3094 Page: 855

DATE OF SALE: June 16, 2014

BUILDING AREA: 1,698 square feet (second floor area only)

SALE PRICE: \$60,000
\$72,000 Adjusted

ANALYSIS: \$35.34/sq. ft.
\$42.40/sq. ft. Adjusted

COMMENTS: This is the sale of the second floor of a building located along North Liberty Street and fronting on the east side of the Canton Square. The property had previously been occupied by the Canton Redevelopment Authority, which utilized this portion of the building as office space. Immediately prior to the sale the grantor repainted the front exterior of the building without the buyers consent and attempted to increase the price an additional \$5,000. The seller was highly motivated to sell and this sale appears to be below market. The building was considered to be in fair condition at the time of sale. After the sale the buyer spent approximately \$12,000 in renovation cost of deferred maintenance. The property

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Real Estate Appraiser

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rights conveyed were fee simple; however, as this is the sale of only the 2nd floor of the building there is a condo agreement regarding a pro-rata share repair and maintenance cost with the 1st floor owner. I am unaware if the condo agreement diminishes the function of this property. This 2nd floor area has a private exterior stairway access along the front of the building. This sale was confirmed by the Grantee.

Note: This is the sale of the 2nd floor level only with a balcony amenity. The balcony feature appears to be a highly sought-after amenity along the Canton Square.

**John B. "Jeb" Stewart, SR/WA
Real Estate Appraiser**

MARKET DATA
IMPROVED SALE NO. 3



ADDRESS: 141 West Peace Street, Canton, Madison County, Mississippi

GRANTOR: Ronald E. Miller and wife, Lisanne M. Miller

GRANTEE: J. D. Johnson Properties, LLC.

REFERENCE: Deed Book: 3280 Page: 960

DATE OF SALE: November 25, 2015

BUILDING AREA: 3,290 square feet

SALE PRICE: \$215,000

ANALYSIS: **\$65.35/sq. ft.**

COMMENTS: This sale consisted of two-story brick building located along the south side of the Canton Square. At the time of sale the building contained approximately 2,290 square feet of finished space on the first floor and 1,000 square feet on the second floor. The building is centrally heated and cooled and has a modern brick and plate glass store front. The second floor has a conference room and an office area. The 1st floor of the building was considered to be in good condition and the 2nd floor was in fair condition at the time of sale. Located in the rear of the 1st floor was an unfinished storage area in poor condition. After the sale the buyer spent an unverified amount in renovation cost finished out the storage area and converting the 2nd floor into a residential apartment. Also, the roof was replaced and new AC systems were installed on both floors of the building.

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Currently this property is listed for sale with an asking price of \$270,000 or \$67.50 per square foot. The building does not have a balcony; however, the 2nd floor has a private exterior access stairway. The information was verified by J.D. Johnson – Buyer.

**John B. “Jeb” Stewart, SR/WA
Real Estate Appraiser**

MARKET DATA
IMPROVED SALE NO. 4



ADDRESS: 214 West Center Street, Canton, Madison County, Mississippi

GRANTOR: Bark Fek, LLC

GRANTEE: Goodloe Construction Co., LLC

REFERENCE: Deed Book: 3287 Page: 430

DATE OF SALE: December 21, 2015

BUILDING AREA: 1,232 square feet

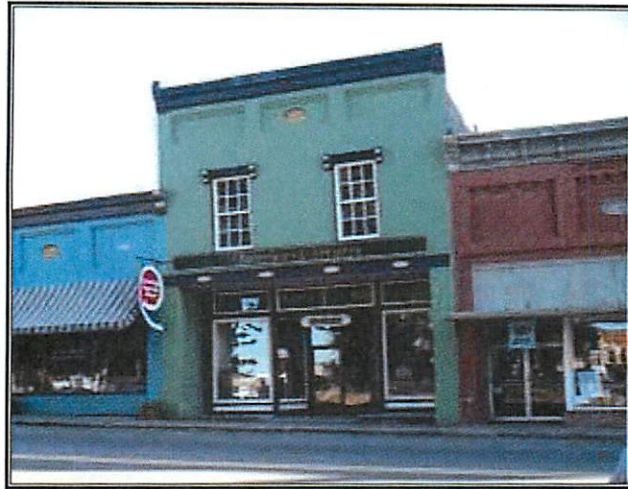
SALE PRICE: \$75,000

ANALYSIS: \$60.88/sq. ft.

COMMENTS: This is the sale of a building located just west of the Canton Square along the north side of West Peace Street. The front 75% of this building was considered to be in good condition and the remaining area was considered storage/warehouse area in fair condition. The roof was in good to excellent condition and the HVAC was in like new condition. This building was overall in average condition. The buyer was a construction company which intends to utilize the building for office space. However, the buyer appeared to be somewhat motivated.

John B. "Jeb" Stewart, SR/WA
Real Estate Appraiser

MARKET DATA
IMPROVED SALE NO. 5



ADDRESS: 151 W. Peace Street, Canton, Madison County, Mississippi

GRANTOR: Hugh Edwards

GRANTEE: 151 W. Peace, LLC

REFERENCE: Deed Book: 2673 Page: 52

DATE OF SALE: June 6, 2011

BUILDING AREA: 8,000 square feet

SALE PRICE: \$200,000
\$450,000 Adjusted

ANALYSIS: \$25.00/sq. ft.
\$56.25/sq. ft. Adjusted

COMMENTS: This is the sale of a retail building located on the south side of the Canton Square, locally known as the old Western Auto Building. The first floor consisted of 4,300 square feet and the second floor contained 3,700 square feet of unfinished area. According to one of the owners, Mr. Don McGraw, the sale price was \$200,000. The building had areas of deferred maintenance and renovation cost after the sale was \$250,000. The renovations made were primarily on the 1st floor with minimal attention given to the 2nd floor. Mr. McGraw indicated the 2nd floor was improved with lighting for storage area only. The 2nd floor is predominately open storage space with minimal finishing. Also, the buyers added partitions for

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Real Estate Appraiser

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use as a law office on the first floor and storage on the second floor. This sale was confirmed by Mr. Don McGraw – one of the buyers and J. D. Johnson – Selling Broker.

**John B. “Jeb” Stewart, SR/WA
Real Estate Appraiser**

MARKET DATA
IMPROVED SALE NO. 6



ADDRESS: 3352 North Liberty Street, Canton, Madison County, Mississippi

GRANTOR: Edith A. Stater

GRANTEE: Canton Square Christian Services, LLC

REFERENCE: Deed Book: 3518 Page: 734

DATE OF SALE: September 1, 2017

BUILDING AREA: 3,150 square feet

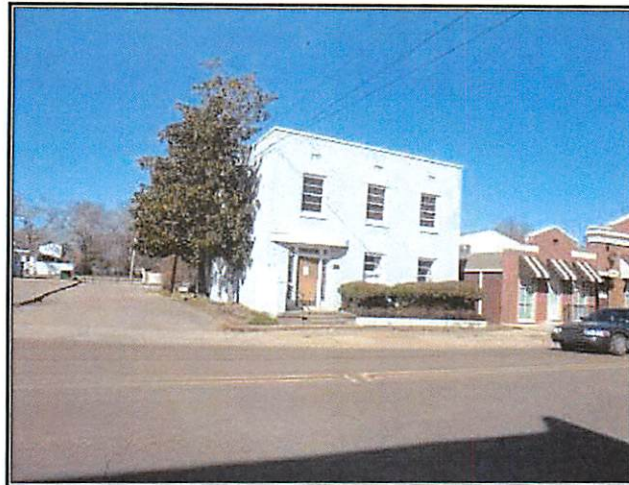
SALE PRICE: \$175,000

ANALYSIS: \$55.56/sq. ft.

COMMENTS: This is the sale of a one-story building located along the east side of the Canton Square. The building appears to be a two-story building with a balcony; however, the second floor windows and wall are false the building has a false mansard and second floor windows. At the time of sale there was no access to the balcony area and the front part of the building had a drop ceiling. After the sale the buyers started renovations to the building which include adding a 2nd floor area to the building with access to the balcony area. The cost of the renovations is unknown at this time; however, the buyers plane to utilize the building as a law office. The building was in good condition at the time of sale and contained approximately 3,150 square feet of building area.

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Real Estate Appraiser

MARKET DATA
IMPROVED SALE NO. 7



ADDRESS: 141 East Center Street, Canton, Madison County, Mississippi

GRANTOR: Maxwell M. Wells and Rebecca W. Sterling

GRANTEE: GT Tech, LLC

REFERENCE: Deed Book: 3481 Page: 199

DATE OF SALE: May 23, 2017

BUILDING AREA: 2,778 square feet

SALE PRICE: \$115,000
\$125,000 Adjusted

ANALYSIS: \$41.40/sq. ft.
\$45.00/sq. ft. Adjusted

COMMENTS: This is the sale of a two-story building located approximately one block east of the Canton Square along the north side of East Center Street. The building was in fair condition at the time of sale. Prior to the sale Black Mold was found in the building and according to the seller cost of removing the mold was approximately \$10,000. The 2nd floor of the building had previously been leased for office space; however, due to the mold the tenant had to vacate the building. The 2nd floor was assessed from the interior of the 1st floor. The building did not have a balcony but the property did have on-site parking.

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Real Estate Appraiser

ANALYSIS OF IMPROVED COMPARABLE SALES: The appraiser confirmed numerous improved comparable sales; however, the previous seven (7) presented comparable sales were considered to be the most comparable to the subject property. The sales are located either along the square, similar to the subject, or just off the square. While none of the comparable sales are highly similar to the subject in all physical characteristics, there are enough likenesses that can be used to make comparisons between them and the subject property.

These improved comparable sales presented are considered to be the best overall indicators of value available for estimating the contribution of the subject’s improvements and are subject to similar economic forces as the existing subject property. The sales utilized are based on the total sales price per square foot of gross building area.

Sale	Date	Location	Size	Sale Price / SF
Sale 1	10/8/2013	168 Center St., Canton	4,990 sf	\$57.11/sf
Sale 2	6/16/2014	3340 Liberty St., Canton	1,698 sf	\$42.40/sf
Sale 3	15/25/2015	141 Peace St., Canton	3,290 sf	\$65.35/sf
Sale 4	12/21/2015	214 Center St., Canton	1,232 sf	\$60.88/sf
Sale 5	6/6/2011	151 Peace St., Canton	8,000 sf	\$56.25/sf
Sale 6	9/1/2017	3352 Liberty St., Canton	3,150 sf	\$55.56/sf
Sale 7	5/23/2017	141 E. Center St.	2,778 sf	\$45.00/sf

The above sales occurred between June of 2011 and September of 2017, with an overall range in value from a low of \$42.40 per square foot to a high of \$65.35 per square foot. All of the comparable sales, with the exception of Sales 4 and 7 are located on the Square in Canton, MS. These sales are considered to have a similar location when compared to the subject location.

Comparable Sale 1 is located one building west of the subject along the north side of West Center Street. This building was considered to be in average to good condition after the discussed renovations. This was a two-story building with the 1st floor divided into two units and the 2nd floor was finished as a residential apartment. This sale occurred in 2013 and perhaps would require an upwards time adjustment. Additionally, this building had a balcony which is an amenity for buildings along the Canton Square.

Comparable Sale 2 is the sale of only the 2nd floor area of the building located along the east side of the square. This sale also had a balcony overlooking the square. This sale had private exterior access to the square, but did not have rear access. Additionally, the property was conveyed as an undivided interest in the total property with a pro-rata share for repair and maintenance cost with the 1st floor owners undivided interest. As with any undivided interest, a discount most likely was made as the use of the total property is more stringent. This was off-set by the fact the property had a functional balcony. Within the Income Approach it is noted that the market data indicates rental rates vary slightly for first floor spaces (street level) and second floor spaces. Sufficient sales data could not be obtained to accurately justify any adjustment for this condition; however, consideration was given to this factor in comparison with the subject property.

Sale 3 is located along West Peace Street, fronting the south side of the square. This was a two-story building with the 1st floor considered to be in good condition with the 2nd floor in fair

**John B. “Jeb” Stewart, SR/WA
Real Estate Appraiser**

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condition. After the sale the buyer spent an unconfirmed amount in renovation cost which included a new roof, AC system on both floors and renovating the 2nd floor area into a residential apartment. The building does not have a balcony. In comparison with the subject property this sale was considered to be overall similar with the exception of the balcony feature. Currently this property is listed for sale with an asking price of \$270,000 or \$67.50 per square foot.

Comparable Sale 4 is a one-story building located just west of the square. The location of this sale is considered inferior compared to the subject being along the square; however, this condition is considered to be somewhat offset as the buyer appeared to be motivated. This building was considered to be in average condition overall.

The next sale, Comparable Sale 5, is located along the south side of the Canton Square. At the time of sale the building had areas of deferred maintenance and the second floor was unfinished. After the sale the buyers renovated primarily the 1st floor area and added partitions for use as a law office. Renovations to the 2nd floor primarily consisted of adding lighting to use this area for storage. The 2nd floor is basically open space with minimal finishing's with access provided from the interior of the 1st floor. Therefore, this sale would require an upwards adjustment for the inferior 2nd area of this sale. Lastly, this property did not have a balcony, which is considered an amenity along the Canton Square.

Comparable Sale 6 fronts the square being located along North Liberty Street. This was the sale of a one-story building that appears to be a two-story building with a balcony; however, the second floor window shutters are decorative. At the time of sale there was no access to the balcony area. The building was considered to be in good condition; however, the buyers are currently in the process of renovating the building for use as a law office. Additionally, the buyers plan to add a second floor area to the building during renovation with access to the balcony. At this time the total cost of renovations are unknown.

The last sale considered is Comparable Sale 7, which is located approximately 1 block east of the square along the north side of East Center Street. This two-story building was in fair to average condition after removal of the Black Mold that was discovered in the building. The location and condition of this sale is considered inferior in comparison to the subject property. This sale did not have a balcony but there was onsite parking available in the rear of the building. The 2nd floor area was accessible from the interior of the first floor only with a shared foyer. In comparing this sale to the subject it appears that upwards adjustments would be warranted for the inferior location and condition.

Within the final reconciliation of the above referenced sales, I adopted a value at the absolute upper end of the range of values as the subject property had the amenities that most of the sales lacked; that is, secure rear parking and a balcony. These items contributed approximately \$5 to \$10/sf of the gross building area.

Therefore, based upon a careful analysis of the available market data, as well as, a careful analysis of the subject property, it is our opinion that a very realistic, current market value estimate for the subject property, as of **January 10, 2018**, by the Sales Comparison Approach to Value, would be in the amount of approximately **\$65.00 per square foot of building area**.

**John B. "Jeb" Stewart, SR/WA
Real Estate Appraiser**

ESTIMATE OF MARKET VALUE

Subject Building: 4,066 sq. ft. @ \$65.00 per sq. ft. = \$264,290
Rounded = \$265,000

INCOME CAPITALIZATION APPROACH TO VALUE: The Income Approach to value is based on the principle of anticipation which states "value is created by the expectation of benefits to be derived in the future and that value may be defined as the present worth of all rights to future benefits." The Income Approach recognizes that in the real estate marketplace, the current value of a property is not based on historical prices or cost of creation; it is based on what market participants perceive to be the future benefits of acquisition. For income-producing real estate, value is based on anticipated future income flows produced by the property.

The steps in the Income Approach include estimating the potential gross income that might be expected from rental and other sources by comparison with competing properties and then estimating the expenses which are derived from historical or market experience to determine a projected net operating income stream. The resulting income stream is then converted into its present worth or an indication of value by (1) the process of capitalization which typically involves using cap rates extracted from competitive properties in the market or by developing a cap rate with the band of investment technique or by (2) a discounted cash flow analysis.

The process of capitalization of income is made with the assumption that the value of the subject property is represented by the present worth of anticipated net income. The projected income stream includes an analysis of the quality, as well as the quantity and duration of the income expectancy. This income stream is then capitalized into an indication of value. The selection of a capitalization rate can be based on current mortgage and equity requirements by using the Band of Investment technique or it can also be derived from market data as developed from market sales of comparable properties. The method employed in this Income Approach to value is the Direct Capitalization Method with a capitalization rate extracted from band of investment.

The first step in the Income Approach is to estimate the potential gross annual income for the subject building. In order to establish current market rents for the subject property, the appraisers have analyzed several existing lease comparables within the immediate and surround area similar area of the subject property.

COMPARABLE LEASES				
No.	Location	Type of Lease	Size	Rent / Sq. Ft.
1	141 W. Center St.	Net	1,300 sf	\$7.00
2	3250 S. Liberty St.	Net	1,486 sf	\$8.08
3	3250 S. Liberty St.	Net	1,486 sf	\$9.69
4	5357 N. Liberty St.	Net	1,800 sf	\$8.00 - \$9.00
5	168 W. Center St.	Net	3,900 sf	\$6.40 - \$8.00
6	141 W. Peace St.	Modified Gross	2,300 sf	\$7.83
7	3346 N. Liberty St.	Net	2,473 sf	\$6.31
8	3348 N. Liberty St.	Triple Net	1,566 sf	\$4.60

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9	3360 N. Liberty St.	Net	1,975 sf	\$4.86 - \$6.08
10	165 W. Peace St.	Net	1,750 sf	\$5.14
11	103 W. Peace St.	Net	1,525 sf	\$6.30
12	223 W. Center St.	Net	1,000 sf	\$5.40
Range of Rental Rates – Low to High			\$4.60 to \$9.69 per sq. ft.	

Comparable Lease 1: This property is located at 141 W. Center Street. This is a two-story building constructed in circa-1940. The first floor contains approximately 1,390 square feet of leasable area and the second floor contains 1,300 square feet of leasable space. The second floor of the building was previously leased as office space; however, due to black mold being found in the building the tenants had to vacate the building. The second floor area was leased at a rate of \$1,300 per month (a rounded \$7.00 per square foot) with the tenant paying utilities and janitorial. At the time of lease the building was considered to be in slightly inferior condition compared to the subject. Since this time the black mold has been removed and the property recently sold for the consideration of \$115,000.

Comparable Lease 2 and 3: is the lease of an office building located at 3250 S. Liberty Street, Canton Mississippi. This building contains 1,486 square feet and was recently converted from an older residential use to office use, the design and appeal is considered inferior to the subject. The location of this property is considered inferior to the subject and located off the Canton Square, yet in close proximity. The rental rate is \$1,000 per month or \$8.08 per square foot annually, with the tenant paying utilities and janitorial. The tenants are currently considering a 3-year lease term and an escalated rental rate of \$1,200 per month or \$9.69 per square foot, with tenant paying utilities and janitorial.

Comparable Lease 4: This is the lease of a commercial office building located at 5357 N. Liberty Street. This building layout is for a multi-unit use with Unit 1 containing 800 square feet and Unit 2 containing 1,000 square feet. This building was initially leased at \$9.00 per square foot with the tenant paying janitorial and utilities. The rental rate was discounted to \$8.00 per square foot to retain the existing tenants. The tenants pay utilities and janitorial and the owner pays taxes, major repairs, and insurance. This building is in average condition and is located just off the square; however, this property is located along heavily traveled North Liberty Street (Highway 51). Interviewing the owner of this property, the rent is month to month and it took several tenants before the current tenant. The current tenant has been in place for several years. The owners are reluctant to increase the rent due to other available properties on the square.

Comparable Lease 5: This is the previous lease of two individual units on the 1st floor and one space on the 2nd floor of the building located at 168 W. Center Street. The two 1st floor spaces contain approximately 1,200 square feet each. The reported rental rate was \$800 per month or \$8.00 per square foot annually for the ground level units. The lower level has received areas of renovation. The owner indicated the 2nd floor contains approximately 1,500 square feet and was rented at a rate for the 2nd floor was \$800 per month or \$6.40 per square foot annually. This 2nd floor space was considered to be in fair condition at this time. These leases were single net leases with the tenant paying utilities and janitorial expenses. Since this time this property has sold for the consideration of \$285,000 or \$57.11 per square foot.

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Real Estate Appraiser**

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Comparable Lease 6: This property is located along the south side of the Canton Square. The building contained at total of 4,000 square feet of gross building area with 3,000 square feet located on the 1st floor and 1,000 square feet located on the 2nd floor. The majority of the 1st floor was leased to Farmhouse Interiors at a rate of \$7.83 per square foot annually with the tenant and landlord sharing expenses. This lease commenced in April of 2016 and will expire in February of 2018. The building was recently renovated with a new roof and AC system installed on both floors of the building in 2017. The second floor of this building is finished out as a residential apartment and is furnished. This area is primarily rented out as a corporate rental. Currently this property is listed for sale with an asking price of \$270,000 or \$67.50 per square foot. The building does not have a balcony; however, the 2nd floor has a private exterior access stairway.

Comparable Lease 7: Located at 3346 North Liberty Street is a two-story building containing 2,473 square feet on the 1st floor which was being leased at a rate of \$1,300 per month or \$6.31 per square foot annually with the tenant paying utilities, janitorial, and repairs. The landlord pays taxes and insurance. The 2nd floor was vacant and in poor condition. The lessee utilizes the 1st floor as a retail store. This building is considered to be inferior in condition compared to the subject building.

Comparable Lease 8: Currently the 1st floor of the building located at 3348 North Liberty Street is leased by the Canton Redevelopment Authority. The current rental rate is \$600 per month or \$4.60 per square foot annually. The tenant pays all expenses including insurance and taxes; hence, this is a triple net lease (NNN). This building is a two-story building; however, the upstairs is not finished out. The building is considered to be overall inferior to the subject building.

Comparable Lease 9: This property is located at the southeast intersection of North Liberty Street and East Center Street, having a physical address of 3360 N. Liberty Street. The second floor of this building contains 1,975 square feet of finished residential area that is currently leased at a rate of \$800 per month or \$4.86 per square foot annually. This area was originally leased for \$1,000 per month but has since been reduced in order to keep the long term tenant.

Comparable Lease 10: This property is located at 165 West Peace Street. Currently 1,750 square feet of the first floor is leased at a rate of \$750 per month or \$5.14 per square foot annually. This building is considered to be in fair to average condition. The lessee pays the utilities, general maintenance and upkeep and the owner pays taxes and structural insurance.

Comparable Lease 11: The property located at 103 West Peace Street has a corner location being at the southwest intersection of North Liberty Street and West Peace Street. Approximately 1,525 square feet of this building was previously utilized as a pizza restaurant and was leased at \$800 per month or \$6.30 per square foot annually. This area of the building was in fair to average condition. The landlord pays taxes and insurance.

Comparable Lease 12: This property is located at 233 West Center Street and is located just west the square. The building is a concrete block building in average condition containing 1,000 square feet of building area. The building is utilized as an office and the tenant is FasTax Tax Service. This property is leased at a rate of \$5.40 per square foot annually with a five year term. The tenant pays utilities and janitorial.

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All of the presented comparable leases are located within the immediate area of the subject property being either located on the square or just off the square. Additionally, the appraisers are aware of several other leased properties or previously leased properties located on or just off the square in Canton. The low end of these comparable rentals ranged from approximately \$4.50 per square foot to a high of \$10.00 per square foot for space that is considered to be in average to good condition or recently renovated. The majority of the leases range from \$6.00 per square foot to \$9.00 per square foot. These were based on highly usable areas with little storage being of average quality. As discussed, the subject building is a two-story construction with access to the 2nd floor area provided from both the interior of the first floor and direct private exterior access. The building has most recently been utilized as a single tenant owner/occupant office building; however, the building could easily be converted to a multi-tenant office building with little to no additional expenditures. The market data indicates that rental rates vary slightly for first floor spaces (street level) and second floor spaces. The majority of the comparable leases are net leases with the tenants paying utilities and janitorial expenses.

Therefore, based upon the above analysis and assumptions, the following stabilized Operating Statement for the subject property is constructed:

PROJECTED OPERATING STATEMENT

Potential Gross Income:

1 st Floor: 1,856 sq. ft. @ \$9.00/sq. ft.	= \$16,704
2 nd Floor: 2,210 sq. ft. @ \$8.00/sq. ft.	= \$17,680
Less: Vacancy and Credit Loss (10%)	= - 3,438

Effective Gross Income = **\$30,946**

Less Expenses:

Taxes (Actual)	\$1,430
Insurance (Estimated)	3,050
Management (5% EGI)	1,547
Legal (Estimated)	250
Repairs/Maintenance (2% EGI)	619
Reserves (2% EGI)	619
Miscellaneous (1% EGI)	<u>309</u>

Total Estimated Expenses (25.28% of EGI) = (-7,824)

Projected Net Operating Income = **\$23,122**

The next step in the Income Approach to Value is the selection of a proper Overall Capitalization Rate (OAR) to be applied to the projected stabilized net income.

The type of financing currently available will typically have an impact on the overall capitalization rate and should therefore also be considered. This is particularly true due to the wide fluctuation

John B. "Jeb" Stewart, SR/WA
Real Estate Appraiser

of the conventional mortgage financing market. Because of this, a “**Band of Investment**” method of obtaining an overall capitalization rate was chosen.

The band of investment technique is based on mortgage terms available and the desired equity dividend rate of a prospective purchaser. The mortgage rate is simply the interest rate charged on a first mortgage loan. The annual mortgage constant is the total of annual payments of principal and interest on a mortgage with level payment amortization expressed as a percentage of the initial principal amount of the loan. The equity dividend rate is a dollar return on invested capital. The equity dividend is a rate that reflects the relationship between a single year's pre-tax cash flow expectancy, or an annual average of several years' pre-tax cash flow expectancies and the equity investment.

Typical financing for property similar to the subject property would be a maximum loan to value ratio of **70% to 80% loan to value ratio**, a **4.0% to 5.0% fixed rate interest**, a **15 to 25 year amortization** with monthly payments, and a three to five year call or interest rate adjustment provision. Therefore, based upon the most optimum terms available of an **75% loan to value**, a **4.5% interest rate**, and a **15 year term**; these mortgage terms yield a **mortgage constant of .0918**.

The next item to consider is the equity dividend rate. Many investors believe that real estate offers adequate diversification of their investment portfolios while providing improved cash flows as time passes. In contrast to fixed-income investments, it is a feeling of investors involved in the purchase of real estate that if inflation continues, even at today's low rates, and as rental rates gradually rise, the equity yields will also increase.

The typical investors and purchasers of the property similar to the subject consider alternative investment opportunities in the market place. After considering these alternative investment opportunities it is my conclusion that the equity dividend rate a typical investor would require of the subject property would need in the range of 10%.

Based on the most optimum of previously quoted mortgage loan terms, an overall capitalization rate by utilization of the band of investment technique is constructed as follows:

Band of Investment Technique

Mortgage - 0.75 x .0918	= .0689
Equity - 0.25 x .1000	= <u>.0250</u>
Overall Rate	= .0939
	= 9.5% R/O

Therefore, for purposes of this appraisal, an overall capitalization rate of 9.5% will be adopted for the subject property. The projected annual net operating income of the subject property divided by the overall capitalization rate of **9.5% or .095** provides the indicated value as follows:

NOI ÷ CAPITALIZATION RATE = VALUE

\$23,122 ÷ .095 = \$243,389

**John B. “Jeb” Stewart, SR/WA
Real Estate Appraiser**

TOTAL ESTIMATED VALUE VIA THE INCOME APPROACH R/O = \$245,000

RECONCILIATION AND FINAL VALUE ESTIMATE: Two of the three generally accepted appraisal methods, the Sales Comparison Approach and the Income Approach, have been utilized in this Appraisal Report and each is considered reliable. The range in value estimates varies from a low of **\$245,000 by the Income Approach** to a high of **\$265,000 from the Sales Comparison Approach**.

The Sales Comparison Approach is based upon seven (7) recent sales of relatively similar, commercial buildings that are also utilized in a similar fashion to the subject property. All seven of these improved property sales represent similar, older improvements that are all located on or just off the town square. Therefore considerable emphasis should be placed upon the Sales Comparison Approach.

The Income Approach is based upon actual leases of similar buildings with similar locations. The mortgage constant portion of the Overall Capitalization Rate is based upon competitive mortgage terms obtained for property similar to the subject. The Equity Dividend Rate is very realistic for improvements like the subject with short-term leases, to credit worth tenants. Therefore, the Income Approach is also considered to be a reliable indicator of value for the subject property.

In the final reconciliation of each approach, it is our opinion the current market value of the appraised property is best exemplified by the **Sales Comparison Approach** and well supported by the **Income Approach**.

Therefore, it is our opinion the "**market value**" of the subject property as of **January 10, 2018**, is in the amount of:

"AS IS" MARKET VALUE

**TWO HUNDRED SIXTY FIVE THOUSAND DOLLARS
(\$265,000)**

**John B. "Jeb" Stewart, SR/WA
Real Estate Appraiser**

Appraisal Report

ASSUMPTIONS AND LIMITING CONDITIONS: This appraisal report, and the letter of transmittal, and the above certificate of value are made expressly subject to the following limiting conditions, and any special limiting conditions contained herein, which are incorporated herein by reference.

1. This is an Appraisal Report which is intended to comply with the reporting requirements set forth under Standard Rule 2-2(b) of the Uniform Standards of Professional Practice for an Appraisal Report. As such, it might not include full discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.
2. This appraisal is subject to the accuracy of the legal description furnished the appraiser; however, the appraiser assumes no responsibility for matters legal in nature, nor does the appraiser render an opinion as to the title. The title is assumed to be good and merchantable. All existing mortgages, liens, and encumbrances have been disregarded and the property is appraised as though free and clear of any such impediments that might affect value. The property is appraised as though under responsible ownership and competent management.
3. 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.
4. Information furnished by others is assumed to be true, correct, and reliable. A reasonable effort has been made to verify such information; however, no responsibility for its accuracy is assumed by the appraiser.
5. The appraiser will not be required to give testimony or to appear in court by reason of this appraisal with reference to the property in question, unless arrangements have been previously made therefore.
6. 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 proposed improvements must not be used in conjunction with any other appraisal and are invalid if so used.
7. Subsurface rights (minerals, oil, etc.) were not considered in making this appraisal.
8. The appraiser has inspected, as far as possible, by observation, the land and reviewed the provided building plans of the proposed improvements thereon and has reported damage, if any, however it was not possible to personally observe conditions beneath the soil or hidden structural components within the improvements; therefore, no representations are made herein as to these matters and unless specifically considered in this report, the value

**John B. "Jeb" Stewart, SR/WA
Real Estate Appraiser**

Appraisal Report

estimate is subject to any such conditions that could cause a loss in value. It is assumed that there are no conditions present which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover such factors.

9. The comparable sales data relied upon in this appraisal are believed to be from reliable sources; however, it was not possible to inspect the comparable sales completely, and it was necessary to rely on information furnished by others as to the data. Therefore, the value conclusions are subject to the correctness of said data.
10. It is assumed that the utilization of the land and proposed improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted within this report.
11. Possession of this report, or a 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 qualification and only in its entirety.
12. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or any other media, without the written consent and approval of the appraiser, particularly as to valuation conclusions, the identity of the appraiser or firm with which he is connected.
13. Unless otherwise stated in this report, the existence of hazardous or environmental material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, contaminated soil, leaking underground storage tanks, or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client or any reader or user of this report is urged to retain an expert in this field, if desired.
14. 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 noncompliance with the requirements of ADA in estimating the value of the property.

**John B. "Jeb" Stewart, SR/WA
Real Estate Appraiser**

Appraisal Report

CERTIFICATION OF APPRAISER: The undersigned does hereby certify that, except as otherwise noted in this appraisal report:

The statements of fact contained in this report are true and correct;

We have personally inspected the subject property and considered the factors affecting the value thereof;

The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and legal instructions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions;

We have no present or prospective interest in the property that is the subject of this report and I have no personal interest or bias with respect to the parties involved. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment;

Our engagement in this assignment was not contingent upon developing or reporting predetermined results and my compensation is not contingent on the analyses, opinions, or conclusions reached or reported;

This appraisal was prepared in conformity with the practices of the Uniform Standards of Professional Appraisal Practice (USPAP);

The appraisers are qualified to appraise the subject property and have appraised numerous similar properties and there has been no departure from the competency provision;

The appraisers have fully complied with all legal requirements of the State of Mississippi, and are current with all continuing education and license requirements are up to date;

This is to certify that no one other than the undersigned appraisers provided significant assistance in the preparation, development, data gathering, and performance of this appraisal;

We have not provided any appraisal services on the subject property within the past three years.

**John B. "Jeb" Stewart, SR/WA
Real Estate Appraiser**

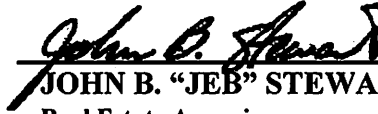
Appraisal Report

We are of the opinion that the subject property has an “as is” market value, as of **January 10, 2018**, in the amount of:

**TWO HUNDRED SIXTY FIVE THOUSAND DOLLARS
(\$265,000)**

1-22-2018

DATE



JOHN B. “JEB” STEWART, SR/WA

Real Estate Appraiser

Mississippi Licensed and Certified General Appraiser

License No. GA-231

1-22-2018

DATE



JAMIE F. SHOTTS

Real Estate Appraiser

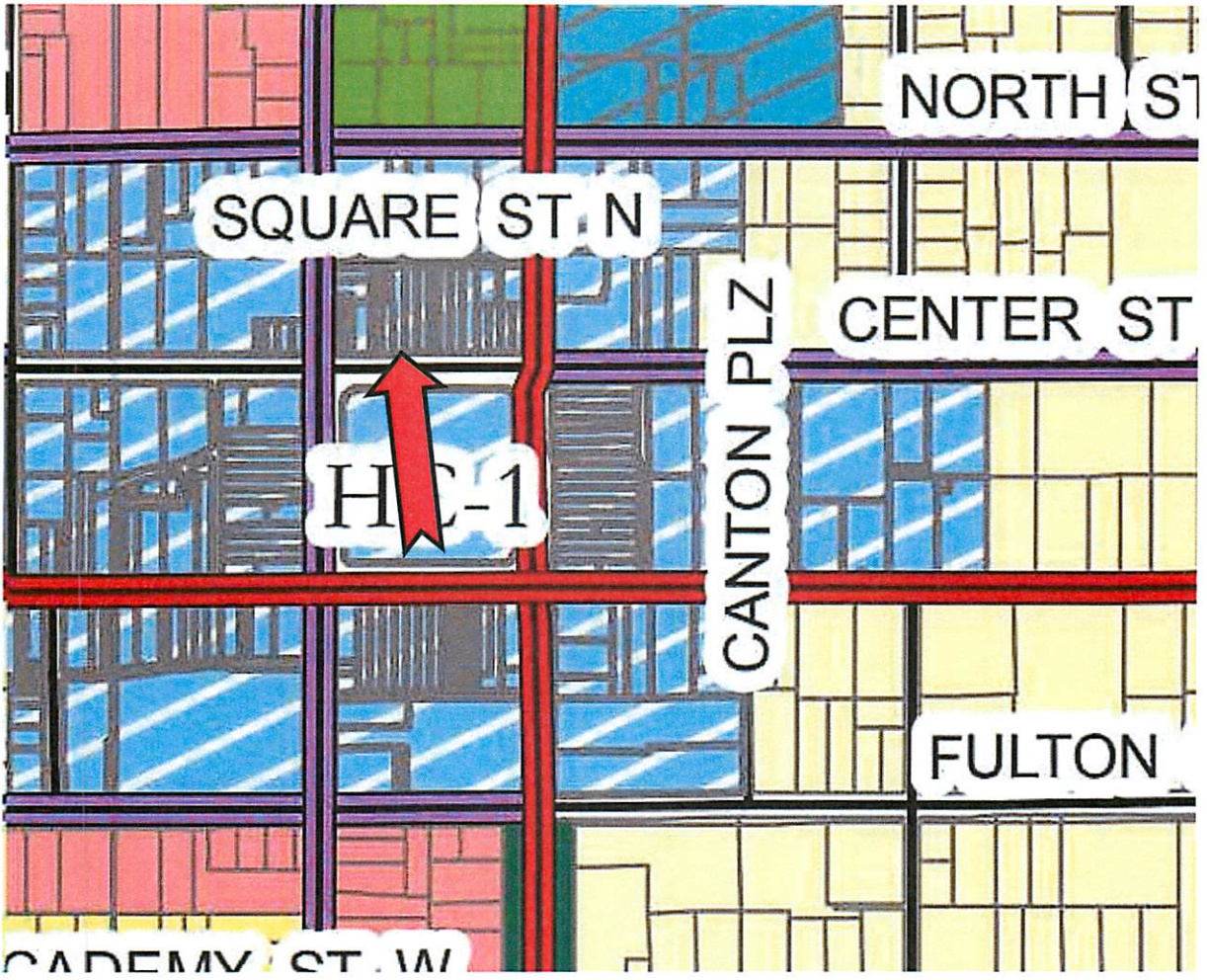
Mississippi Licensed and Certified General Appraiser

License No. GA-1150





























**John B. “Jeb” Stewart, SR/WA
Real Estate Appraiser**

ADDENDA

ZONING MAP



Legend

	Interstate 55
	Proposed Principal Arterial
	Principal Arterial
	Proposed Minor Arterial
	Minor Arterial
	Proposed Collector
	Collector
	A-1 Agricultural/Rural District
	BUFFER
	C-1 Restricted Commercial District
	C-2 General Commercial District
	C-3 Major Thoroughfares Commercial District
	C-4 Adult Entertainment Commercial District
	C-5 Canton West Special Planned District
	HC-1 Historic Commercial District
	I-1 Limited Industrial District
	I-2 Heavy Industrial District
	MX-RC Mixed Residential & Commercial District
	PUBLIC
	PUD Planned Unit Development District
	R-1 Single-Family Residential District
	R-2 Single-Family Residential District
	R-3 Medium Density Residential District
	R-4 Multi-Family Residential District
	R-E Residential Estate
	R-M Manufactured Home Residential District
	S-1 Special Use District
	S-2 Modular Home District
	S-3 Planned Corridor District
	S-5 Canton West Overlay District
	M-1 Medical District

TAX INFORMATION

Parcel Details

Parcel number	093D-19B-119/01.00
PPIN	29667
Owner's name	WARNOCK & ASSOCIATES LLC
Physical street number	158
Physical street name	CENTER ST W
Mailing address	158 CENTER ST W
Mailing city	CANTON
Mailing state	MS
Mailing zip	39048
True Values	
Land	14260
Improvement	50270
Total	64530
Assessed Values	
Total	9660
Legal description	SOUTH PART OF LOT 5 & PT LOT 6
Legal description 2	E CENTER ST
Legal description 3	
Township	09N
Range	03E
Section	19
Taxing District	5CC
Taxing Exempt	NO
Supervisor District	5
Municipality	CANTON
School District	CANTON SEPARAT
Special Assessment District	NONE
Deeds signed through 12/31/2016 and recorded by 1/7/2017	
Book / Page / Date	
2152 / 484 / 2007-02-07	[View Deed]
531 / 571 / 2003-04-18	[View Deed]
292 / 181 / 1991-11-21	[View Deed]
275 / 434 / 1980-10-31	[View Deed]
	[Search By Legal Description]
Date	2007-02-07
Homestead	NO

Available Maps

- 093D19B.PDF

Notice: Map files are very large and may take several minutes to download.

Improvements

No.	Structure Type	Basic Sq Ft	Adj Sq Ft	Year Built	Value
1	OFFICE	2,154	4,062	1904	50270

Return to Parcel Search

[Need Help?](#)

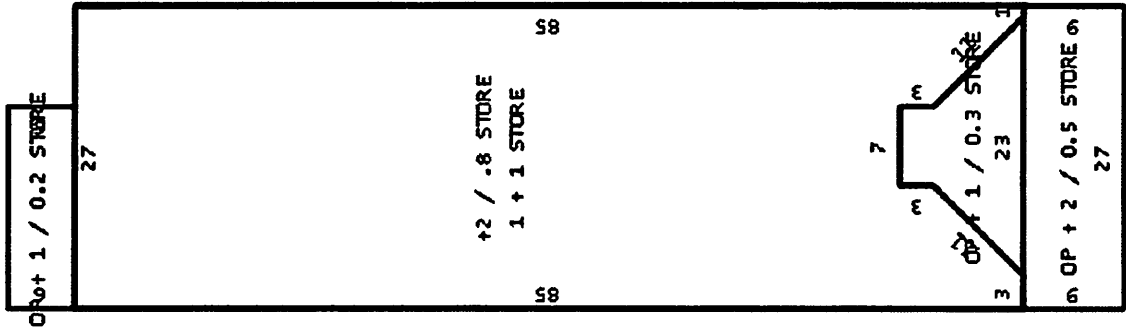
[Contact Us](#)

0830-14E-119/01.00 Card 1 of 1 Date Printed 08/24/2017
 Alt: 0031 Madison County Tax Dept
 TO ACC STR 19 UNH D3E BLOCK
 158 CENTER ST W
 Field Mark by /000/

MARMOCK & ASSOCIATES LLC
 158 CENTER ST W
 CANTON MS 39046

Exempt Code
 SOURCE PART OF LOT 5 & PT LOT 6
 E CENTER ST
 2003-3152 484 03/07/2007
 2003-501 573 04/18/2003
 2003-292 181 11/21/1991
 2003-275 434 01/01/1990

App. Type	Size	Price	D/F	Adj	Base	S/FE	Value C	Year	Value
1 OFFICE	27.00X 106	600.00	.30		528.00	14260	1	1	50270
Base Adjust Base Adjusted Code Replace Year Area Area Area Date Tax Cont. SA Bldg 2154 4062 37.03 35.55 14.84 167566 30 1904 167566 30 1904 1 OFFICE 1 OFFICE H/A 24873									
Exterior Walls Roof Material Floor 1 12" BRICK 41 WD TRS/WD DOOR 13 RUGH COMPOSITION 2 LAMIN/UNDERLAY 12 1 FIXTURES 1700 Interior Walls Interior Ceiling Plumbing Electricity Adjustments 1 PLASTERED WD 13 12 WD CEILING SRC : GWS 8 N'S 5 PARTITIONS FRONT & REAR 6									
									26046



Owner WARNOCK & ASSOCIATES LLC
 Address 158 CENTER ST W
 Parcel Number 093D-19B-119/01.00
 Tax Due \$1,430.22
 Paid To Date \$0.00

Parcel Number.....093D-19B-119/01.00	Property Type..... Real Property									
Statement Number...2017 E-049462	Total Due..... 1,430.22									
Owner:WARNOCK & ASSOCIATES LLC	Valuation..... 9,680									
Descr:Section-19 Township-09N Range-03E	Taxes: Tax District.....510									
SOUTH PART OF LOT 5 & PT LOT 6	Exemption Code...									
E CENTER ST	Tax Rate.....147.7500									
	Advalorem Tax.... 1,430.22									
	Net Advalorem Tax..... 1,430.22									
<p>If you have any questions about the information provided here, please contact Kay Pace, Madison County Tax Collector at one of her three offices:</p> <table border="0"> <tr> <td>146 W. Center St</td> <td>171 Cobblestone Dr</td> <td>165 Carter St</td> </tr> <tr> <td>Canton, MS 39046</td> <td>Madison, MS 39110</td> <td>Flora, MS 39071</td> </tr> <tr> <td>601-859-5226</td> <td>601-856-4472</td> <td>601-875-9537</td> </tr> </table>		146 W. Center St	171 Cobblestone Dr	165 Carter St	Canton, MS 39046	Madison, MS 39110	Flora, MS 39071	601-859-5226	601-856-4472	601-875-9537
146 W. Center St	171 Cobblestone Dr	165 Carter St								
Canton, MS 39046	Madison, MS 39110	Flora, MS 39071								
601-859-5226	601-856-4472	601-875-9537								

ENGAGEMENT LETTER

John B. Stewart, Real Estate Appraiser and Consultant, LLC
P.O. Box 804 · 3340 North Liberty Street · Canton, MS 39046
Phone (601) 855-7777 · Cell (601) 953-9081
E-mail: jobstewart2@hotmail.com

January 4, 2018

Madison County Board of Supervisors
Attn: Danny Lee
P.O. Box 608
Canton, MS 39046

RE: Proposed Appraisal Report
Warnock Building on Square
Canton, MS 39046

Proposal for Appraisal Services


Mr. Lee:

Thank you for giving me the opportunity to help you in this matter. I would like to propose a time frame of 30 days from receipt of an engagement letter or email for a fee not to exceed \$3,000.

If you have any questions or comments, please feel free to contact me.

Sincerely,


John B. "Jeb" Stewart, SR/WA

Madison County
Board of Supervisors
APPROVED
Date: 1/4/18


APPRAISER · REVIEW APPRAISER
Senior Member International Right-of-Way Association
Since 1995
Mississippi Licensed General Appraiser · License Number – GA -231

1/17/2018

Fw: Proposal - jamieshott1@gmail.com - Gmail

From: Danny Lee <Danny.Lee@madison-co.com>
Sent: Thursday, January 4, 2018 9:37 AM
To: jeb stewart
Cc: Shelton Vance
Subject: Proposal

Jeb,

Per our conversation, please provide Madison County a proposal to determine the appraised value of Warnock and Associates empty office located on the Square and as discussed this needs to be kept confidential.

Thanks,

Danny

PARKING AGREEMENT

AGREEMENT

WHEREAS, landowners Rudy Warnock, Daniel Grafton and Charles Williford ("Landowners") hold title to property located on the North side of Liberty Street on the Canton square, in Canton, Mississippi; and

WHEREAS, the Board of Supervisors for Madison County ("Madison County") entered into an Agreement on August 21, 1992 granting the Landowners predecessor in interest "the right of reasonable ingress and egress over its property, so as to provide reasonable access from the north to the property (see Exhibit "1" hereto), and also granted such access to the predecessor in interest's lessees and assigns; and

WHEREAS, Madison County recently completed the construction of additional structures for the Chancery Building, which leaves spacing between said Chancery Building addition and the north side of the Landowners' properties (see Exhibit "2" hereto); and

WHEREAS, the Landowners, at their own expense, seek permission to build a parking area between the Chancery Building, addition and their respective buildings, and the parties hereto agree as follows:

1. That the Landowners have the right to reasonable ingress and egress over Madison County's property to obtain access to the northern portion of their respective properties.
2. That the Landowners will construct or cause to be constructed a parking area between the Chancery Court Building addition and their respective properties. The estimated cost of the parking area is \$16,000.00 and will be completely paid by the Landowners.
3. That the Landowners will also construct a gated entranceway to the parking area.
4. That all plans and specifications shall be presented to the Madison County Board of Supervisors and approved prior to the commencement of any construction and that all construction shall be done appropriately and in a workman like fashion.
5. That the Landowners hereby agree that Madison County has no liability with respect to the parking area once this Agreement is executed, and to defend and indemnify Madison County for any liability arising from the parking area, and the Landowners agree Madison County is not in any way ceding any land rights or ownership of the area to said Landowners by entering this Agreement.
6. The County shall have access to the property at its convenience and upon reasonable notice to the Landowners. Moreover, the County Administrator shall be provided all access codes to the gate of the parking area and disseminate such codes as he see fit.
7. The County shall have the right to rescind this Agreement by a vote of a majority of its Board of Supervisors. If such action occurs within two years of the ratification of this Agreement,



then the County shall reimburse the Landowners for the cost of the construction of the parking area, but in no event shall this amount exceed \$16,000.00.


RUDY WARNOCK


6/26/08
DATE


DANIEL GRAFTON

6-12-08
DATE


CHARLES WILLIFORD

6-24-08
DATE



TIM JOHNSON
PRESIDENT
MADISON COUNTY BOARD OF
SUPERVISORS

6/9/2008
DATE

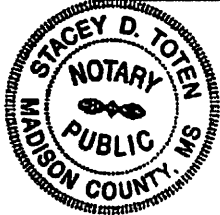
STATE OF MISSISSIPPI
COUNTY OF Madison

This day personally appeared before me, the undersigned authority in and for the state and county aforesaid, RUDY WARNOCK who acknowledged to me that he signed, executed and delivered the above and foregoing instrument as his act and deed on the day and year therein mentioned.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this, the 09th day of June, 2008.


NOTARY PUBLIC

MY COMM. EX: 8-18-2010



STATE OF MISSISSIPPI
COUNTY OF Madison

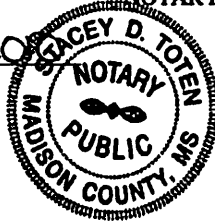
This day personally appeared before me, the undersigned authority in and for the state and county aforesaid, DANIEL GRAFTON who acknowledged to me that he signed, executed and delivered the above and foregoing instrument as his act and deed on the day and year therein mentioned.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this, the 12th day of June, 2008.

Stacey D. Toten

NOTARY PUBLIC

MY COMM. EX: 8-18-2008



STATE OF MISSISSIPPI
COUNTY OF Madison

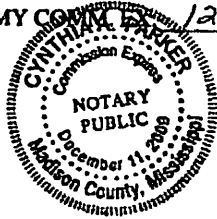
This day personally appeared before me, the undersigned authority in and for the state and county aforesaid, CHARLES WILLIFORD who acknowledged to me that he signed, executed and delivered the above and foregoing instrument as his act and deed on the day and year therein mentioned.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this, the 24 day of June, 2008.

Cynthia A. Parker

NOTARY PUBLIC

MY COMM. EX: 12-11-09



AGREEMENT

THIS AGREEMENT MADE AND ENTERED this the 21ST day of AUGUST, 1992, between the Board of Supervisors of Madison County, Mississippi, acting for and on behalf of Madison County, Mississippi, hereinafter referred to as the "County", and the Canton Redevelopment of the City of Canton, Mississippi, hereinafter referred to as the "Authority", and the parties hereby acknowledge and agree as follows:

1. That the Authority is the fee simple owner of certain real property, as well as improvements situated thereon located in the City of Canton, Mississippi, which is reflected on the plat attached hereto as Exhibit "A" and made a part hereof by reference to the same extent as if fully copied and set forth herein in words and figures.
2. That Madison County is the fee simple owner of certain real property and improvements which are situated along the entire eastern and northern boundaries of the above described property.
3. That during the course of constructing the improvements upon its property certain landscaping and vegetation were inadvertently installed by the County upon a small portion of the property owned by the Authority reflected on Exhibit "A".
4. That the Authority hereby grants unto the County the right to maintain the landscaping and vegetation which is presently installed, or may hereinafter be installed with prior approval of the Authority, as well as reasonable and necessary rights of ingress and egress.
5. The County hereby grants unto the Authority, its lessees and assigns, as well as their invitees, the right of reasonable ingress and egress over its property, so as to provide reasonable access from the north to the property described in Exhibit "A".

MADISON COUNTY, MISSISSIPPI

By: David H. Richardson
David H. Richardson, President

ATTEST:

Billy V. Cooper
Billy V. Cooper, Clerk

Exhibit 1

BOOK 2008 PAGE 1685



By: Ray Turman
Ray Turman, Chairman

ATTEST:

Maureen Simpson
Maureen Simpson, Secretary

STATE OF MISSISSIPPI
COUNTY OF MADISON

PERSONALLY APPEARED BEFORE ME, the undersigned authority in and for the jurisdiction aforesaid, the within named DAVID H. RICHARDSON and BILLY V. COOPER who stated and acknowledged to me that they are the President and Clerk, respectively, of the Madison County Board of Supervisors and as such they did sign and deliver the above and foregoing instrument on the date and for the purposes as therein stated in the name of, for and on behalf of the Board of Supervisors, they being duly authorized so to do.

GIVEN UNDER MY HAND AND OFFICIAL SEAL, this the 14 day of September, 1992.

Lady Rant...
NOTARY PUBLIC
Beverly D. Gray

MY COMMISSION EXPIRES:
1-1-96

STATE OF MISSISSIPPI
COUNTY OF MADISON

PERSONALLY APPEARED BEFORE ME, the undersigned authority in and for the jurisdiction aforesaid, the within named RAY TURMAN and MAUREEN SIMPSON, who stated and acknowledged to me that they are the Chairman and Secretary, respectively, of the Canton Redevelopment Authority and as such they did sign and deliver the above and foregoing instrument on the date and for the purposes as

BOOK 2008 PAGE 1686

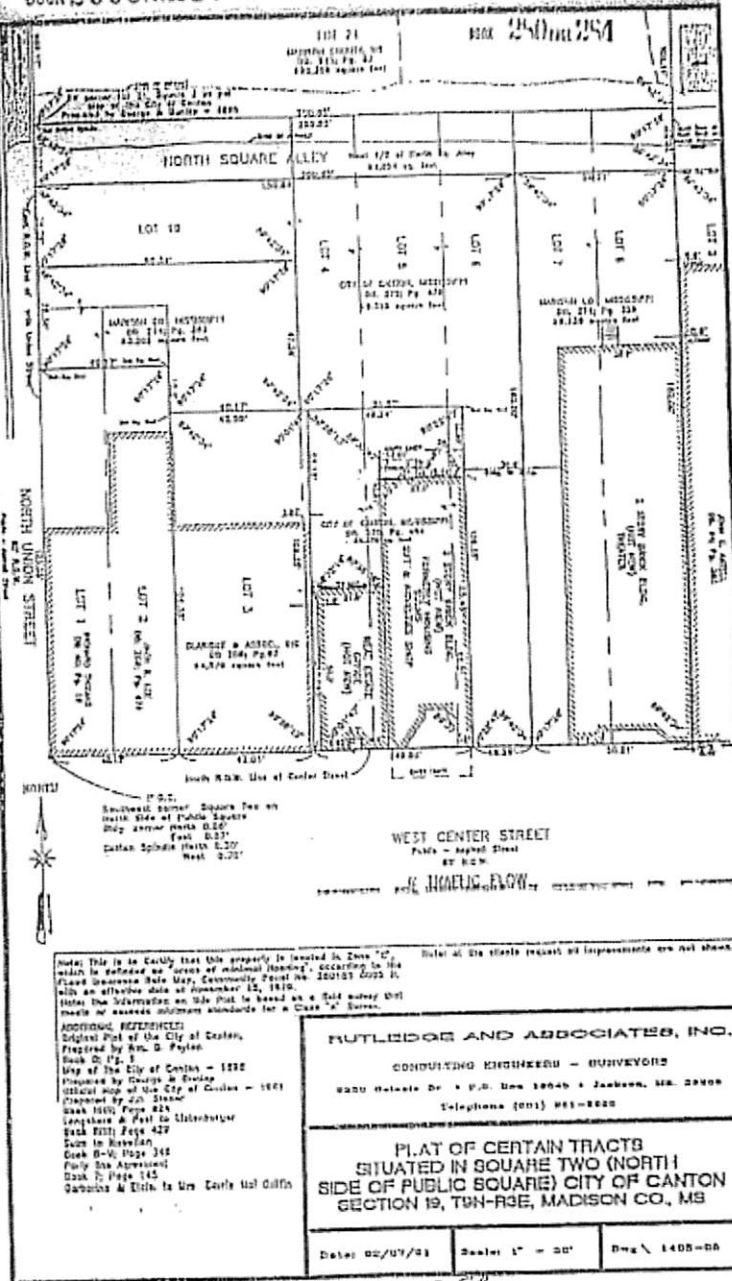
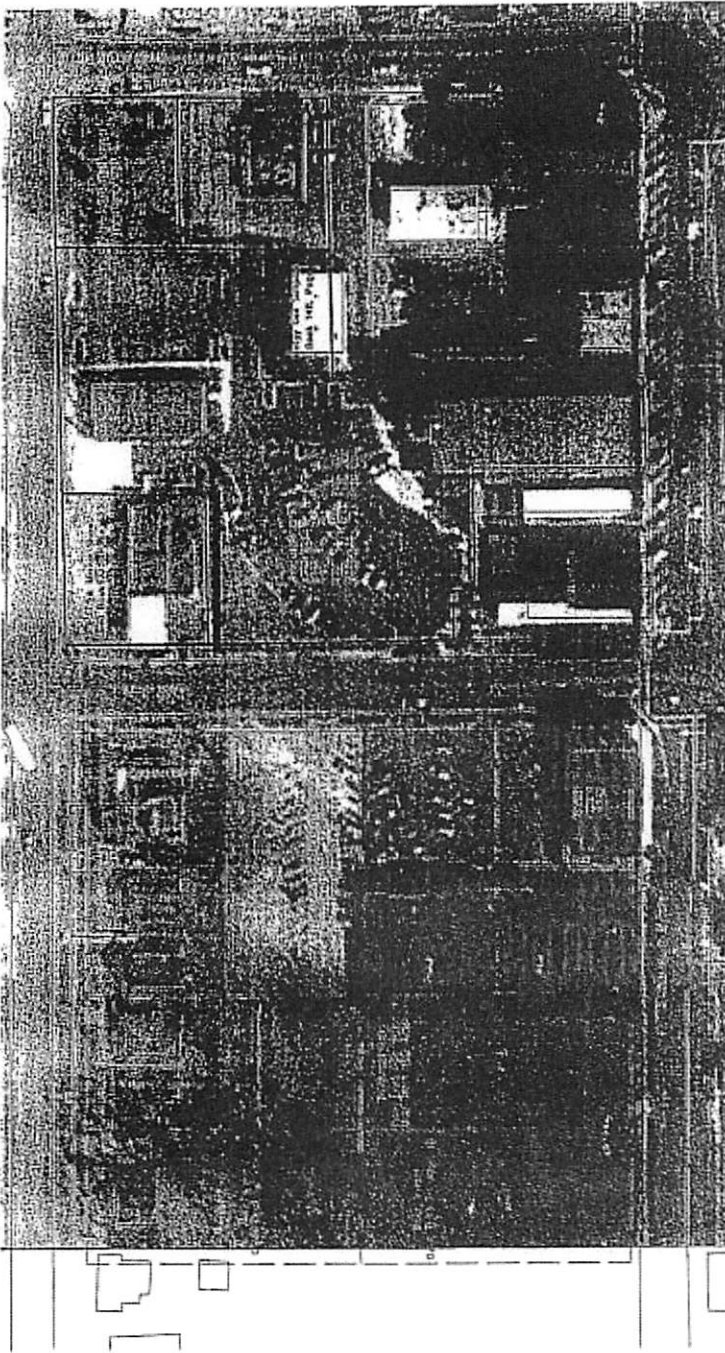


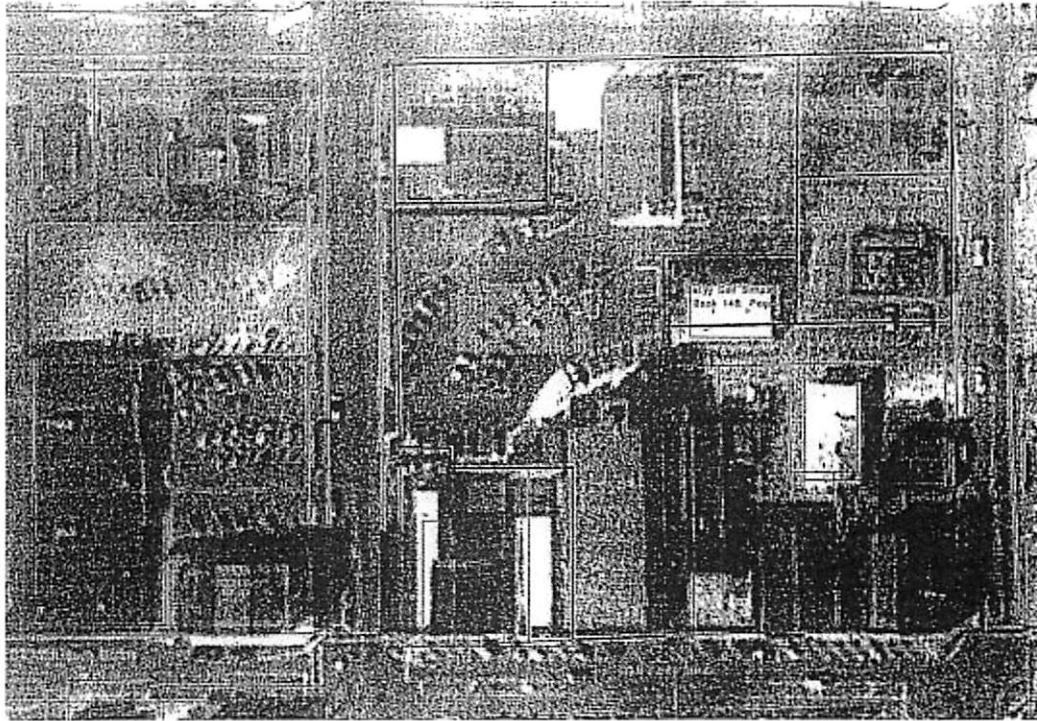
EXHIBIT 132

STATE ENGINEER, County of Madison

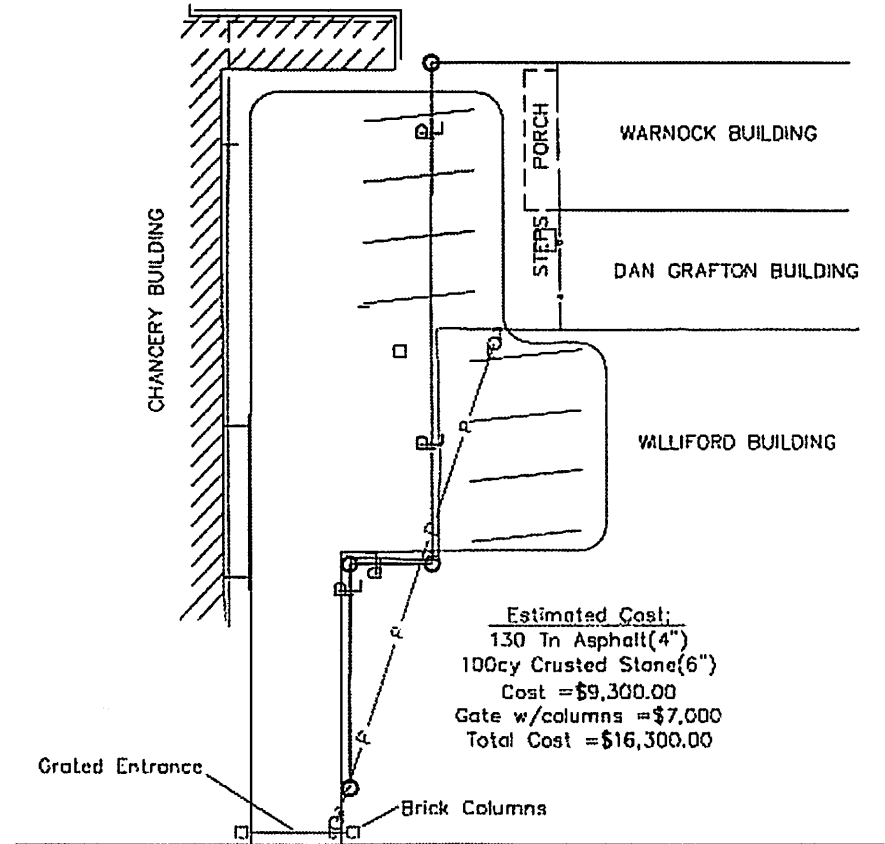
BOOK 2008 PAGE 1687



BOOK 2008 PAGE 1688



(Exhibit 2)



Union Street

BOOK 2008 PAGE 1689

QUALIFICATION OF APPRAISER(S)

QUALIFICATIONS OF JOHN B. "JEB" STEWART, SR/WA

John B. "Jeb" Stewart
P.O. Box 804
3340 North Liberty Street
Canton, MS 39046

D.O.B. 1-21-64
Home Phone: 601-859-9807
Bus. Phone: 601-855-7777
Fax: 601-855-5080

Formal Education

High School Diploma received in Canton, MS. – 1982
BBA received in Business from Mississippi State University – 1986

Professional Education

<u>Name of Course</u>	<u>Provider</u>	<u>Year</u>
Real Estate Appraisal Principles	AIREA	1988
Basic Valuation Procedures	AIREA	1988
Effective ROW Acquisition and Property Management	FHWA	1988
Residential Valuation	AIREA	1989
Prin. of ROW Acquisition, Appraisal, and Law (101)	IRWA	1990
Prin. of ROW Acquisition, Engineering & Negotiation (101)	IRWA	1991
The Appraisal of Partial Acquisitions (401)	IRWA	1992
		2011
Ethics and the ROW Profession (103)	IRWA	1992
		1996
		2005
		2011
Uniform Standards of Professional Appraisal Practice	IRWA	1992
	Seminars, Inc.	2000
	Seminars, Inc.	2002
	Alabama Ass. of RE Appraisers	2003
	AI	2005
	McKissock	2008
	McKissock	2009
	Louisiana Real Estate Appraisal Board	2011
	Louisiana Real Estate Appraisal Board	2013
Capitalization, Basic and Advanced (310), (510)	AI	1993
Interpersonal Relations in Real Estate (202)	IRWA	1993
Easement Valuation (403)	IRWA	1993
		2000
		2012
Valuation of Contaminated Properties (407)	IRWA	1994
Conflict Management (213)	IRWA	1994

Communications in Real Estate Acquisitions (201)	IRWA	1995
Engineering Plan Development and Application (901)	IRWA	1995
Property Descriptions (902)	IRWA	1995
Appraisal and Appraisal Review for Federal-Aid Hwy Programs	FHWA	1996
Skills of Expert Testimony (214)	IRWA	1997
		2000
Legal Aspects of Easements (802)	IRWA	1997
		2000
Standards of Practice for ROW Professional (104)	IRWA	1999
National Flood Insurance Program & Floodplain Management	MEMA	2001
Eminent Domain Law – Basics for ROW Professionals	IRWA	2003
The Appraisal of Partial Acquisitions (401)	IRWA	2004
Review Appraisal Update, No. 109	The Columbia Institute	2005
Appraisal Review for Federal Aid Highway Projects	NHI & FHWA	2006
Salesperson Pre-Licensing	The MS REALTOR Institute	2006
Salesperson Post-Licensing	The MS REALTOR Institute	2007
Real Estate Acquisition Under the Uniform Act, NHI Course No. 141045	NHI	2007
Uniform Appraisal Standards for Federal Land Acquisitions	AI	2007
Made in American Appraising Factory Built Housing	McKissock	2009
Income Capitalization	McKissock	2009
Land and Site Valuation	McKissock	2009
The Dirty Dozen	McKissock	2009
Introduction to the Income Capitalization Approach (402)	IRWA	2012

Attended the IRWA 48th International Seminar in Mobile AL, in 2002, during which various seminars were attended with a credit of 24 educational hours.

Attended numerous IRWA seminars on various subjects concerning Right of Way

Work Experience

John B. Stewart, Real Estate Appraiser and Consultant, LLC – Owner – August 2007 to present - Specializing in Right of Way Appraisal and Review Appraisal assignments on various ROW projects

Madcon Appraisal Group, LLC – Co-owner - August 2007 to July 2011 – Specializing in Right of Way Appraisal and Review Appraisal assignments on various ROW projects. Madcon Appraisal Group, LLC was dissolved this past year due to the co-owner becoming 100% disabled

Independent Fee Appraiser – July 2005 to present

Appraiser/Review Appraiser – Gulf Coast Property Acquisition, Inc. – February 2002 to July 2005; Review appraiser on major highway projects for Louisiana, Alabama and Mississippi Departments of Transportation. Real Estate Appraiser for expert court testimony for Mississippi Department of Transportation on outstanding court cases.

Review Appraiser – Mississippi Department of Transportation – July 1999 to February 2002 - Staff review appraiser for MDOT on major highway projects statewide

Appraiser – Mississippi Department of Transportation – November 1988 to July 1999 - Staff Appraiser for MDOT projects on generally more complex appraisals statewide

Experienced in Appraising and Reviewing Appraisals of all types of real property including special purpose, agricultural, industrial, residential, and commercial properties in Mississippi since 1988, Alabama since February 2002, and Reviewing Appraisals of all types of real property in Louisiana since February 2005.

Designations Awarded

SR/WA – Senior Member, International Right of Way Association

Certified

State Certified General Real Estate Appraiser in the State of MS., License No. GA-231

State Certified General Real Estate Appraiser in the State of LA., License No. G-1613

Approved Appraiser for the following:

Trustmark National Bank

BankPlus

Citizen's Bank of Columbia

Merchant and Farmers Bank

United States Army Corps of Engineers

Louisiana Department of Natural Resources

Mississippi Department of Fisheries, Wildlife and Parks

LaPac

Mid-Continent Express Pipeline - (Kinder Morgan)

Mississippi Department of Transportation

Alabama Department of Transportation

Louisiana Department of Transportation and Development (not on the 2011 panel)

Louisiana Timed Managers

Lawrence County Board of Supervisors

Denbury Offshore, LLC

Pinebelt Energy Resources, Inc.

Walthall County Board of Supervisors

Hancock County Port and Harbor Commission

Madison County Chancery Court

AJA Management, Inc.

City of Jackson

WGK, Inc.

City of Canton
City of Cleveland
County of Copiah, MS
Airport Development Group, LLC
Federal Aviation Administration
Numerous Individuals

Primary Territory

State of Mississippi
State of Louisiana

Qualified as an Expert Witness in Real Estate Valuation in:

Circuit and County Court in numerous Counties throughout Mississippi

Business

Independent Real Estate Appraiser and Review Appraiser

Qualifications of Jamie F. Shotts

11840 Road 624 · Philadelphia, MS 39350

Phone (601) 562-7803 · Fax (601) 656-7277

E-mail: jamieshotts1@gmail.com

PROFESSIONAL EDUCATION:

- Seventy-five (75) hour appraisal 101 course covering all basic aspects of the appraisal process and all three generally accepted approaches to value
- Uniform Standards of Professional Appraisal Practice (USPAP) fifteen (15) hour course (2006 and 2014)
- Appraisal Institute's – seven (7) Hour National USPAP Update Course (2016 – 2017)
- International Right of Way Association #214 Skills of Expert Testimony
- MAB #5105 MDOT Appraisal Training Workshop
- International Right of Way Association #400 Principles of Real Estate Appraisal
- International Right of Way Association #403 Easement Valuation
- Appraisal Institute's Using Your HP12C Financial Calculator
- Appraisal Institute's 403G – General Appraiser Income Approach (Part 1)
- Appraisal Institute's 404G – General Appraiser Income Approach (Part 2)
- Appraisal Institute's 11510 – Advanced Income Capitalization
- International Right of Way Association #401 Appraisal of Partial Acquisition
- Appraisal Institute's N400G – General Appraiser Market Analysis & Highest and Best Use
- Appraisal Institute's 405G – General Appraiser Report Writing and Case Studies
- Appraisal Institute's 401G – General Appraiser Sales Comparison Approach
- International Right of Way Association #402 Introduction to the Income Capitalization Approach
- International Right of Way Association's # 902 Property Descriptions
- MDOT Appraisal Guide Seminar – Course No. MAB 4962
- Appraisal Institute's OL300GR – Real Estate Finance, Statistics and Valuation Modeling
- NHI Course No. FHWA-NHI-141045 – Real Estate Acquisition under the Uniform Act
- FHWA Right-of-Way Workshop – Appraisal/Appraisal Review Requirements on Federal-Aid Highway Projects
- Appraisal Institute's – General Appraiser Site Valuation and Cost Approach
- McKissock – Appraisal of Self-Storage Facilities
- McKissock – Appraisal of Fast Food Facilities
- McKissock – Appraisal of Land Subject to Ground Leases

WORK EXPERIENCE:

- Senior Right-of Way Agent with the Mississippi Department of Transportation - September 2006 – July 2013: Description of Duties – Prepared and/or supervised the preparation of reports, sales brochures and real estate appraisals. Prepared and/or supervised the preparation of real estate appraisals applicable to the assigned right of way discipline within established time frames and with minimal revision required. Performed and/or supervised the performance of a real estate market analysis and production of a full detailed written report of all data collected. Prepared market value appraisals of complex properties statewide - which included vacant and improved residential, agricultural, commercial, industrial, and special purpose properties. Represented the Right-of-Way Division on Preliminary Site Evaluation meetings for purposed construction projects providing perspective comments and prepared right-of-way acquisition cost estimates. Supervised and assisted agents of lower experience and training in any way possible and was assigned the title of project leader on numerous complicate Right-of-Way projects throughout the state of Mississippi.
- Independent Fee Appraiser (Jamie F. Shotts, Real Estate Appraiser, LLC) – July 2013 to present, involving all aspects of Real Estate Appraisal and specializing in Right of Way Appraisal and Review Appraisal assignments on numerous ROW projects including court testimony for eminent domain/right-of-way projects involving Federal land acquisitions
- Associate Appraiser of John B. Stewart, Real Estate Appraiser and Consultant, LLC – July 2013 to present

LICENSE:

- Mississippi Licensed Certified General Real Estate Appraiser;
License No. GA-1150

PRIMARY TERRITORY:

- State of Mississippi

QUALIFIED AS AN EXPERT WITNESS IN REAL ESTATE VALUATION IN:

- Circuit and County Court in numerous Counties throughout Mississippi

BUISNESS:

- Independent Real Estate Appraiser and Consultant

SUMMARY OF PROPERTY TYPES APPRAISED:

- All types of vacant properties to include residential lots, acreage, subdivisions, and commercial/industrial sites; acreage to include agricultural properties/row crops, timberland, and recreational property; special purpose property; PUD's; surplus and excess properties, etc.
- All types of commercially and industrially improved properties to include single tenant and multi-tenant office and retail developments (single-story and multi-story); medical/dental office buildings and facilities; veterinarian clinics; hospitals; office

warehouse, distribution centers, cold storage; warehouses; light industrial, heavy industrial, retail strip centers and shopping centers; restaurants; convenience stores; hotels/motels; mini-warehouse/storage facilities; branch banks; automotive dealerships; apartments; single and multi-family residential; trailer parks; subdivision developments, etc.

- Special purpose properties – mainly places of worship and/or religious facilities; schools and related facilities; city parks; billboards; convention centers; clubhouses; hunting lodges, large estate properties, multi-use facilities, and numerous right-of-way projects throughout the entire state, easements, borrow pits, etc.

BUSSINESS:

- Independent Real Estate Appraiser and Review Appraiser