

***SUMMARY  
APPRAISAL REPORT***

***MADISON COUNTY, MISSISSIPPI  
OFFICE BUILDING  
344 U. S. HIGHWAY 51  
RIDGELAND, MISSISSIPPI 39157***

**APRIL 22, 2013**

***CASEY W. WINGFIELD***

***MISSISSIPPI CERTIFIED GENERAL APPRAISER 775***

**REAL ESTATE APPRAISER & CONSULTANT**

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An Appraisal of  
South Madison Annex Office Building

Located at  
344 U. S. Highway 51  
Ridgeland, Mississippi 39157

At the request of  
Mr. David Overby, County Administrator  
Madison County Board of Supervisors  
125 West North Street  
Canton, Mississippi 39046

As of  
April 22, 2013

Prepared by  
Casey W. Wingfield  
Post Office Box 2601  
Madison, Mississippi 39130-2601

Report signed on  
May 7, 2013

# CASEY W. WINGFIELD

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May 7, 2013

Mr. David Overby, County Administrator  
Madison County Board of Supervisors  
125 West North Street  
Canton, Mississippi 39046

Re: Summary Appraisal Report  
Office Building - South Madison County Annex  
344 U. S. Highway 51 South  
Ridgeland, Mississippi 39157

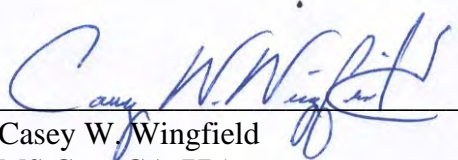
Dear Mr. Overby:

As requested and authorized, I have inspected the above referenced property. I have investigated all available data pertinent to develop a credible appraisal. The 0.6071-acre site is improved with a two-story office building containing 4,942 square feet of gross building area. The property is 100% owner occupied by Madison County, Mississippi, a body politic. The effective date of this appraisal is the last date of inspection. As of April 22, 2013, my market value opinion of the fee simple estate is:

**FOUR HUNDRED FIFTY THOUSAND DOLLARS**  
**(\$450,000.00)**

I was not provided with a current legal description of the site. I reserve the right to adjust my appraisal due to a discrepancy indicated by a current legal survey. This appraisal is presented by the following summary report containing 73 pages. The attached appraisal report sets forth the definitions of fee simple and market value, the assumptions made, and the data considered upon which this appraisal is based. Please advise for additional information or clarification of the data in this report.

Respectfully submitted,

  
\_\_\_\_\_  
Casey W. Wingfield  
MS Cert. GA-775

## APPRAISAL CHECKLIST

Please review each item on this checklist and note the page number where the information can be located within the report when possible. If the question is not applicable to the subject property type being appraised, please answer with N/A. (*Statements in Italic* - not applicable to residential form reports)

### Page #

<u>2</u>	Definition of Market Value
<u>33</u>	Legal description of subject property as per deed
<u>14</u>	Prior sales history of subject preceding the date of the appraisal (1 year for 1-4 family residential properties, and 3 years for all other property types)
<u>N/A</u>	Appropriate deductions and discounts are analyzed and reported for any proposed construction, or any completed properties that are partially leased or leased at other than market rents as of the date of the appraisal, or any tract developments with unsold units
<u>39</u>	Subject location map
<u>34</u>	Site Survey and/or Subdivision plat
<u>36</u>	Copy of subject Flood Zone Map
<u>8</u>	Statement regarding investigation of environmental hazards
<u>6</u>	Current Tax Information on subject/ <i>Past due taxes/Tax estimate if actual is different from market</i>
<u>✓</u>	Detailed information and photograph(s) on comparable sales & rentals (address, lot & square footage, recordation information, <i>vendor &amp; vendee, lessor &amp; lessee [if partnership/corporation list names of principals], site description</i> , sales data, sales price, and listed days on market prior to sale).
<u>39</u>	Comparable land sales location map
<u>45</u>	Comparable improved sales location map
<u>59</u>	<i>Comparable rental location map</i>
<u>25</u>	<i>Capitalization rate is derived from, or supported by, comparable sales data or other market derived data</i>
<u>N/A</u>	<i>Discounted Cash Flow analysis is presented, or reason for its exclusion is discussed</i>
<u>✓</u>	Letter of transmittal identifies Community Trust Bank as the client
<u>37</u>	An original engagement letter is signed and included as an addendum to the appraisal report
<u>✓</u>	Copy of this checklist is completed and included as an addendum to the appraisal report
<u>31</u>	A certification statement that you personally inspected the subject property and all comparables is included in your report
<u>✓</u>	Report was completed within specified time frame - or any extension beyond the required time frame was explained in the report, and approved by Community Trust Bank

## REPORT SUMMARY

***SOUTH MADISON ANNEX  
OFFICE BUILDING  
344 U. S. HIGHWAY 51  
RIDGELAND, MISSISSIPPI 39157***

***CENSUS TRACT #:*** 0301.05

***LEGAL DESCRIPTION:*** Lot 13, Ridgeland Plaza Subdivision, situated in the South ½ of the Southwest ¼ of Section 30, Township 7 North, Range 2 East, City of Ridgeland, Madison County, Mississippi

***PROPERTY TYPE:*** Office Building

***PARCEL IDENTIFICATION:*** 072I-30C-039/00.00 - Madison County, Mississippi

***PROPERTY OWNER:*** Madison County, Mississippi, A Body Politic

***PURPOSE OF APPRAISAL:*** To develop a market value opinion of fee simple estate

***EFFECTIVE DATE:*** April 22, 2013

***LAND AREA:*** 0.6071-Acre (26,444 Square Feet)

***ZONING:*** C-3, Convenience Commercial District, by City of Ridgeland

***IMPROVEMENTS:*** Two-story office building containing 4,942 square feet of gross building area and approximately 20,500 square feet of asphalt driveways and parking

***VALUE INDICATIONS:***

Site Value	\$230,000
Cost Approach	\$480,000
Sales Comparison	\$450,000
Income Capitalization	\$460,000
Final Value Conclusion	\$450,000

***DATE OF APPRAISAL REPORT:*** May 7, 2013

***APPRAISERS:*** Casey W. Wingfield  
MS Cert. GA-775

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# AERIAL PHOTOGRAPH



## **SCOPE OF WORK:**

In preparing this appraisal, the appraiser(s):

- identified the problem to be solved;
- determined and performed the scope of work necessary to develop credible assignment results;
- disclosed the scope of work in the report;
- identify and inspected the subject site;
- determine highest and best use;
- gathered, confirmed, and analyzed data and information on each approach to value;
- reconciled the quality and quantity of data available and analyzed within the approaches used;
- reconciled the applicability or suitability of the approaches used to arrive at the value conclusion(s).

To develop the opinion of value, I performed the appraisal process as defined by the 2012-2013 Edition of Uniform Standards of Professional Appraisal Practice. This Summary Appraisal Report is a recapitulation of the data, analysis, and conclusions. The *Scope of Work* includes, but is not limited to:

- the extent to which the property is identified;
- the extent to which tangible property is inspected;
- the type and extent of data researched; and
- the type and extent of analyses applied to arrive at opinions or conclusions.
- subject of the assignment and its relevant characteristics; and
- assignment conditions.

**APPRAISAL PROBLEM:** My client, *Madison County Board of Supervisors*, has requested a credible appraisal with my market value opinion of the subject's fee simple estate. The appraisal of the property will be used for asset determination or decisions about this use. The scope of work requires determination of replacement costs of the subject's improvements, comparable sales of land with a similar highest and best use, comparable sales of similar improvements, and comparable leases of similar improvements. I have not provided any type service on this property in the previous three years.



**TYPE AND DEFINITION OF VALUE:**

The purpose of this appraisal is to provide the appraiser's market value opinion of the subject real property as of the effective date. *Market value* is defined by the federal financial institutions regulatory agencies as follows:

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

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

<b>CLIENT / INTENDED USER:</b>	Madison County Board of Supervisors
<b>INTENDED USE OF REPORT:</b>	Asset Determination or decisions about this use
<b>INTEREST VALUED:</b>	Fee Simple (subject to easements and restrictions of record)
<b>EFFECTIVE DATE OF VALUE:</b>	April 12, 2013
<b>DATE OF REPORT:</b>	May 7, 2013
<b>SUBJECT OF THE ASSIGNMENT:</b> <b>USE OF REAL ESTATE</b>	344 U.S. Highway 51, Ridgeland, Mississippi 39157
<b>EXISTING AS OF EFFECTIVE DATE:</b>	Commercial - Office
<b>REFLECTED IN APPRAISAL:</b>	Commercial - Office
<b>EXTRAORDINARY ASSUMPTIONS:</b>	None
<b>HYPOTHETICAL CONDITIONS:</b>	None

## **DESCRIPTION OF REAL ESTATE APPRAISED:**

**Location Description.** The appraised site is located at 344 U. S. Highway 51; within the corporate limits of the City of Ridgeland, Madison County, Mississippi. Ridgeland is located in the extreme southern portion of Madison County. According to the CCIM's Site To Do Business, the estimated 2010 population of Ridgeland is 25,226. This is a 25.05% increase over 20,173 in 2000. The five-year projection indicates the population for Ridgeland, Mississippi will be 27,745. The demographic overview indicates the current 2010 population estimate of Madison County is 97,343, a 30.36% increase over the 74,674 in 2000. The five-year projection (year 2015) indicates the population for Madison County to be 108,454. The demographic data indicates there are approximately 11,685 households in the City of Ridgeland. The average size of a household in Ridgeland is 2.13 people, compared to 2.62 in Madison County. The five-year projection (year 2015) indicates the households for Ridgeland, Mississippi, will be 12,898. According to the *Site to do Business*, 11.8% of the 2010 Madison County population over the age of 25 had not earned a high school diploma. The data indicates 19.0% of the 2010 Madison County population over the age of 25 earned a high school diploma only and 7.9% of the population over the age of 25 within Madison County has earned an Associates degree. The remaining 41.4% of the Madison County population over the age of 25 have a Bachelor's degree or higher. This includes 13.2% with a Master's, Professional, and/or Doctorate Degree.

*Quality of Service and Establishments* - The neighborhood consists of several new commercial and residential improvements. The quality and availability of educational, medical, social, recreational, cultural, and commercial services that serve the neighborhood are very good. Residential subdivisions include Bridgewater, Rolling Hills, Dinsmore and Windrush, several of the Jackson metro area's more expensive residential developments. New construction and facilities in the immediate area include the Renaissance at Colony Park, a 53-acre commercial development, with 550,000 square feet of shopping, restaurants, and

a theater. Additional buildings are currently under construction. These new improvements indicate a positive trend toward new commercial development in the neighborhood.

Several shopping centers are immediately outside but serve the subject neighborhood. These include Woodland Hills Shopping Center, Meadowbrook Plaza, Metro Center Mall, North Park Mall, Northside Center, Northwood, Highland Village, Maywood Mart, Jacksonian Plaza, Deville Plaza, Canton Mart Square, K-mart, The Junction, Centre Park, and the recently constructed Dog Wood Festival Mall. There are several schools immediately outside the boundaries. They are Tougaloo College, Millsaps College, and Belhaven College. American College, Mississippi Educational Research Center, and Mississippi School for the Blind. Recreational facilities within the immediate neighborhood include the Jackson Zoo, Airbase Park, and the Municipal Golf Course. Memorial Stadium is used for football and other athletic events. Smith-Wills Stadium and Trustmark Park are used for baseball. St. Dominic Hospital, Doctors Hospital, V.A. Hospital, and University of Mississippi Medical Center are immediately outside the neighborhood. There are several churches of various denominations. In conclusion, there are many types of businesses and services located in or near the subject neighborhood that help the area to operate as a whole. These services include retail shopping centers, motels, hotels, restaurants, auto dealerships, banks, churches, office buildings, athletic facilities, educational facilities, and medical facilities.

**II. Economic Influence** - The economic influence regards the financial capacity to rent or own property. It also considers the abilities to maintain, renovate, or remodel the property. Residents in the neighborhood are a mixture of white collar workers, blue collar workers, and retired personnel. According to the *CCIM Site To Do Business*, the estimated 2010 per capita household income for Ridgeland was \$32,595, compared to \$26,739 for the United States. The estimated 2010 median household income for Ridgeland was \$53,687, compared to \$54,442 for the United States. The estimated 2010 average household income for Ridgeland is \$70,033, compared to \$70,173 for the United States.

**Property Description:**

**Site** - The appraised site is located at 344 U. S. Highway 51 in Ridgeland, Mississippi. The appraised site is legally described as Lot 13, of Ridgeland Plaza Subdivision, according to a plat recorded in Plat File B, Slide 24, in the office of the Chancery Clerk of Madison County in Canton. The site is situated in the Southwest ¼ of Section 30, Township 7 North, Range 2 East, Ridgeland, Madison County, Mississippi, and more particularly described by the attached legal description. The site has an irregular shape with 185.90 feet of frontage along the east side of U. S. Highway 51, 153.50 feet of frontage along the south side of East Ford Street, and 136.52 feet along the north side of Ridgeland Plaza. I was not provided with a current legal description of the site. I reserve the right to adjust my appraisal due to a discrepancy indicated by a current legal survey. Based on a computerized deed plotter and using the metes and bounds description provided by the subdivision, the subject site contains 0.6071-acre or 26,444 square feet.

As illustrated by the subdivision plat, the southwest corner of the site may be subject to an easement for a sign. The easement measures 15 feet by 26 feet.

**Topography** - According to the *Soil Survey of Madison County, Mississippi*, the subject's soil type is Byram silt loam, 2% to 8% slopes. This soil has moderate to severe limitations for urban use, but overcome by good design and careful installation procedures. Drainage is provided by tributaries that drain into Purple Creek. According to the Flood Insurance Rate Map for Madison County, Mississippi and Incorporated Areas, with community-panel number 28089C0567F, effective March 17, 2010, the appraised site is outside any flood hazard area.

**Real Estate Taxes** - According to the Madison County Tax Assessor, the appraised site is tax parcel 072I-30C-039/00.00. The property has been owned by Madison County since 1991 and has been exempt from ad valorem taxes. We have used tax comparable information to project the real property taxes on the subject improvements. The comparable improvements are office buildings located within the competing area, along U. S. Highway 51. They have been analyzed to estimate the prospective assessment for the subject property, subject to completion. The following table illustrates the relative assessment levels of the subject property and the tax comparables.

<b>TAX COMPARABLES</b>			
<b>Sale</b>	<b>One</b>	<b>Two</b>	<b>Three</b>
<b>Location</b>	370 Highway 51	356 Highway 51	East Ford St.
<b>Building</b>	Office Building	Office Building	Office Warehouse
<b>Tax Parcel</b>	072I-30C-049/02.00	072I-30C-046/00.00	072I-30C-040/00.00
<b>2012 True Value</b>	\$222,180	\$378,410	\$99,900
<b>2012 Assessed Value</b>	\$33,327	\$56,762	\$14,985
<b>Improvement Value</b>	\$142,910	\$234,660	\$63,830
<b>Land Value</b>	\$79,270	\$143,750	\$36,070
<b>Taxes</b>	\$3,591.43	\$6,116.67	\$1,614.89
<b>Size (sf)</b>	3,550	5,428	3,966
<b>Taxes/sf of GBA</b>	\$1.01	\$1.13	\$0.41
<b>Millage rate</b>	107.76	107.76	107.77

The grid illustrates the amount of taxes per square foot of gross building area. Based on the 2012 ad valorem taxes, the tax comparables indicate a range between \$0.41 to \$1.13 per square foot of gross building area. Based on the age, quality of construction, and location, we perceive the taxes for the appraised property will be based on \$1.15 per square foot of the gross building area or \$5,680.

$$4,942 \text{ square feet} \times \$1.15 = \$5,683$$

**Zoning** - The subject property is zoned C-3, a *Convenience Commercial District*, by the City of Ridgeland. The purpose of the C-3 district is to establish specific areas for the development of convenience commercial uses. These uses generate heavier vehicular traffic volumes than uses first allowed in the C-2 (general commercial) districts. According to City of Ridgeland zoning ordinance section 37.02 *Off-Street Parking*, off-street parking requirements are one space for each 200 square feet of gross floor area for general business, commercial or service establishments catering to the retail trade. Professional offices require one space for each 300 square feet of gross floor area. Warehouse and manufacturing facilities (not catering to retail trade), are required to have one space for each 1,000 square feet of gross floor area. The site restrictions are illustrated by the following grid.

<b><i>MINIMUM SET BACK REQUIREMENTS</i></b>							
ZONING	AREA	WIDTH	FRONT	SIDE	REAR	HEIGHT	MAX. COVERAGE
C-3	NR	NR	30'	10'	10'	48'	25%

All utilities are available to the site. They include electricity, natural gas, community water, and telephone service. The subject site is improved with a two-story office building containing 4,942 square feet of gross building area and will be further discussed.

**Property History** - The subject property is owned by Madison County, Mississippi, a body politic. According to Madison County Deed Book 291 on page 291, executed on October 24, 1991 and recorded on October 31, 1991, the subject property was conveyed unto Madison County, Mississippi, a body politic by Magnolia Federal Bank for Savings. According to the deed, the consideration was \$225,000. A five-year property history search revealed no other conveyances of the subject property. The subject property is owner occupied and utilized as the Madison County Tax Assessor / Collector Office.

**Environmental Concerns** - I am not qualified to make environmental assessments. I am not aware of any environmental concerns. If there is a concern, I recommend consulting with an environmentalist. The property is appraised free and clear of any type of contamination.

**Improvements** - The site is improved with a two-story office building. Upon my inspection of the property, I measured the building. My measurements indicate the building contains 4,942 square feet of gross building area. This includes 2,471 square feet on the first floor and 2,471 on the second floor. Considering the vertical space (stairway), the building contains 4,763 square feet of net leasable area. This indicates the building is 96.4% efficient. The structure is a wood framed building constructed on a concrete slab. It has a gabled roof covered with asphalt shingles and an eave height of approximately 19 feet. The exterior finish of the building is brick veneer. The building is centrally heated and cooled with multiple HVAC units. The floors are covered with commercial grade carpet and vinyl tile. The interior walls are painted gypsum. The ceilings are acoustical tiling with recessed incandescent and florescent lighting. The floor plan consists of offices of various sizes, restrooms, storage rooms, a mini-kitchen. The building was constructed for use as a bank. There is a vault door providing access to the storage room on the north end of the building. There is a drive-thru window located on the east side of the building. The tax assessor's property record card does not identify the subject building or year built. The building was reportedly constructed in 1979 (34 years). The overall effective age of the building is considered to be 25 years. The building is considered to be in average condition for its age.

**Site Improvements** - Site improvements include asphalt pavement for driveways and parking areas. The asphalt covers approximately 20,500 square feet. The parking lot has 40 striped parking spaces, including two handicapped space. The pavement is considered to be in good condition.

## HIGHEST AND BEST USE

"Highest and best use" is defined in *The Dictionary of Real Estate Appraisal*, 5th Edition, 2010, as "the reasonably probable and legal use of vacant or an improved property which is physically possible, appropriately supported, financially feasible, and that results in the highest value." The economic principles of supply and demand, substitution, balance, and conformity are basic tools for analyzing the relationships between economic behavior and appraisal.<sup>1</sup> In order to estimate the highest and best use, the land is first analyzed as if vacant. Later, the total properties including the existing improvements are analyzed. There are four tests that appraisers use in estimating the highest and best use of vacant or improved sites.

- 1.) The use must be legally permissible; private restrictions (private covenants), zoning restrictions, building codes, and easements may restrict development of a site to a certain use;
- 2.) The use must be physically suited; physical characteristics, such as location, size, topography, soil and sub-soil conditions, drainage, and access can limit utilization;
- 3.) The use must be economically feasible;
- 4.) Use must be profitable. The use must qualify as permitting the maximum return.

**Highest and best use as though vacant.** The highest and best use of a property is determined by applying the four test to the use: legally permissible, physically possible, financially feasible, and maximally productive. The appraised property is zoned C-3, a Convenience Commercial District by the City of Ridgeland. Due to its size, shape, and surrounding improvements, the maximally productive and highest and best use of the site (as though vacant) is to develop with a commercial improvement.

**Highest and best use as improved.** The appraised site is improved with a two-story office building containing 4,942 square feet of gross building area. Demolition of the existing improvements and redevelopment of the subject site would not result in a higher return to the land than is currently being achieved. The highest and best use, as improved, is to continue its use as an office building.

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<sup>1</sup>Chapter 12 "Highest and Best Use Analysis," page 277, *The Appraisal of Real Estate*, Thirteenth Edition, (Chicago: Appraisal Institute, 2008)



**SUMMARY OF ANALYSIS AND VALUATION:**

**Site Valuation.** The appraised site contains 0.6071-acre or 26,444 square feet. As previously discussed, the site is zoned C-3, a Convenience Commercial District, by the City of Ridgeland. The site is outside any flood zone. The comparable land sales are attached to this report. A summary of the data on comparable land sales is illustrated by the following table.

<b>ADJUSTMENT GRID: LAND SALES</b>					
Elements	Subject	Sale 1	Sale 2	Sale 3	Sale 4
Date		8/15/11	12/18/09	4/30/08	11/8/07
Price		\$444,000	\$463,169	\$316,937	\$145,000
Size (SF)	26,444	94,525	36,327	27,506	11,963
Price/SF		\$4.70	\$12.75	\$11.52	\$12.12
Prop Rts		0%	0%	0%	0%
Finance		0%	0%	0%	0%
Cond.Sale		0%	0%	0%	0%
Mkt.Cond		0%	0%	-20%	-20%
Net adj.		0%	0%	-20%	-20%
Adj. Price		\$4.70	\$12.75	\$9.22	\$9.70
Location		50%	-25%	0%	0%
Access		0%	0%	0%	0%
Size	26,444	20%	0%	0%	-10%
Shape		0%	0%	0%	0%
Topography		0%	0%	0%	0%
Easements		0%	0%	0%	0%
Frontage		25%	0%	0%	0%
Zoning	C-3	0%	0%	0%	0%
Net adj.		95%	-25%	0%	-10%
Adj. Price	\$9.17	\$9.16	\$9.56	\$9.22	\$8.73

There are nine basic elements of comparison that should always be considered in sales comparison analysis. The first four elements are to be in sequential order. The order of the others may vary. The adjustments to be considered are as follows: 1) Real property rights conveyed, 2) Financing terms, 3) Conditions of sale,

4) Market Conditions, 5) Location, 6) Physical characteristics, 7) Economic characteristics, 8) Use, and 9) Non-realty components of value.

***Property Rights Appraised*** - The property rights appraised are of the fee simple interest of the subject site. Each sale is similar and requires no adjustment.

***Financing Terms*** - Real estate is a leverage-driven market. As such, each sale has been analyzed regarding the financing terms included in each transaction. Each sale was based upon typical financing or cash to the seller. No adjustments are required for financing.

***Conditions of Sale*** - The next element of comparison considered is for the conditions of sale that reflect the motivations of seller and purchaser. Each sale appears to be an arms-length transaction.

***Market Conditions*** - This is an adjustment for time. The date of the sales range from November 2007 to August 2011. Comparable Sales Three and Four occurred in time of superior market conditions, prior to the 2008 economic downturn. The market data reflects a downward adjustment of at least 20% is required for Sales Three and Four's superior market conditions.

***Location*** - The subject property is well located along the east side of U. S. Highway 51 in Ridgeland. Comparable Sale One has an inferior location along the east side of East Railroad Street (a secondary artery). A substantial upward adjustment is required for this inferior location. Comparable Sales Two, Three, and Four are considered to have a similar location along a primary artery.

**Size** - The subject contains 0.6071-acre or 26,444 square feet of land area. The comparable sales range in size from 11,963 square feet to 94,525 square feet. Comparable Sale One, containing 94,525 square feet, is substantially larger (257%) than the subject. Pairing the adjusted sales indicates Sale One requires a 20% upward adjustment due to economy of size. Comparable Sale Four, containing 11,963 square feet, is substantially smaller (55%) than the subject. I have made a 10% upward adjustment to Sale Four, due to economy of size.

**Frontage** - The subject site has good frontage along the east side of U. S. Highway 51 in Ridgeland. Comparable Sale One has inferior frontage along the east side of East Railroad Street (a secondary artery). I have made a 25% upward adjustment for this inferior feature. Comparable Sales Two, Three, and Four have similar frontage to the subject and no other adjustments are required.

**Conclusion: Site Valuation** - The adjusted sales provide a range in value from \$8.73 per square foot to \$9.56 per square foot. The mean of the adjusted range is \$9.17 per square foot. Adjusted Sale Four is located across the street from the subject site and is considered to be very reliable. I have adopted a rounded \$8.75 per square foot, for the per unit value of the subject site. As of April 22, 2013, my market value opinion of the fee simple interest in the appraised site is in the rounded amount of \$230,000.

$$26,444 \text{ sf} \times \$8.75 \text{ per sf} = \$231,385 (\$230,000)$$

**Cost Approach** - The Cost Approach (as the Income Capitalization Approach and Sales Comparison Approach) is based upon comparison. The principle of substitution is basic to the cost approach.<sup>2</sup> To apply the Cost Approach, one must add the depreciated cost estimate of the improvements to the site value opinion.

Replacement cost information has been obtained from Marshall Valuation Service and supported by local builders. The calculator cost estimates obtained from Marshall Valuation Service are averages including some indirect costs such as architects' fees, engineers' fees, contractors' profit and overhead, permits, and miscellaneous costs. Construction interest costs are incorporated into Marshall Valuation's cost estimate. Additional indirect costs (soft costs), including closing fees and appraisal fees must be added. The indirect costs are estimated to be 3% of the direct costs, or \$16,562. According to local developers, an entrepreneurial profit is not applicable for this type of construction. The building is an average class "D" structure containing 4,942 square feet of gross building area. The replacement cost estimate for the building is obtained from **Office Buildings** (Calculator Method), Section 15, page 17, dated November 2011. Multipliers have been applied to the national cost estimate of \$92.50 per square foot for the following features: current date (1.06), and Jackson, Mississippi, location (0.91), story height (0.928), and floor: area-perimeter (1.052). The current local cost of the office building is \$87.11 per square foot. The following worksheet illustrates the calculations for the building.

**Depreciation** - The accrued depreciation has been estimated by the economic age-life method. The economic life of buildings similar to the subject's are estimated by Marshall Valuation Service to be 45 years. The building was reportedly constructed in 1979. The actual age of the improvement is 34 years.

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<sup>2</sup>Chapter 17 "The Cost Approach," page 377, *The Appraisal of Real Estate*, Thirteenth Edition, Chicago: Appraisal Institute, 2008.

The overall effective age of the facility is estimated at 25 years. This indicates accrued depreciation of 56% (25 ÷ 45 = 0.555) for the building. This estimate indicates the percentage of overall accrued depreciation is 54%.

$$\$287,118 \div \$531,884 = 0.5414$$

<b>DEPRECIATION TABLE</b>					
<b>BUILDING</b>	<b>EFFECTIVE AGE</b>	<b>LIFE</b>	<b>% DEP.</b>	<b>COST NEW</b>	<b>DEPRECIATION</b>
Office	25	45	0.56	\$461,148	\$258,243
<b>SITE IMPROVEMENT</b>					
Asphalt & Concrete	5	12	0.42	\$70,736	\$29,709
<b>TOTAL FACILITY</b>			54.14%	\$531,884	\$287,952

**Land Value** - The land value of \$230,000 must be brought forward from the *Site Valuation* section and added to the replacement cost new.

## COST WORKSHEET

344 S. Highway 51, Ridgeland, Mississippi 39157

### OFFICES

(Calculator Method)

Section 15, page 17, November 2011, average-type, Class D, \$92.50

Multipliers: location (0.91), time (1.06), wall height (0.928), floor area/perimeter (1.052)

	Units			\$/Units	Cost Estimate
<b>Buildings:</b>					
Building	4,942	sf	x	\$87.11	\$430,498
Vault	225	sf	x	\$125.00	\$28,125
Drive-Thru Window	1	un	x	\$2,525.00	\$2,525
Total: Office	4,942	sf	x	\$93.31	\$461,148
<b>Site Improvements:</b>					
Asphalt	20,500	sf	x	\$3.25	\$66,625
Concrete Sidewalks & Curbs	325	lf	x	\$12.65	\$4,111
Total: Site Improvements					\$70,736
Direct Cost					\$531,884
Indirect Cost				3%	\$15,957
Total Facility					\$547,840
Entrepreneurial Profit				0%	\$0
Replacement Cost New					\$547,840
Depreciation			-	54.00%	\$295,834
Depreciated Value of Improvements	4,942	sf	x	\$50.99	\$252,007
Land Value					\$230,000
Value Estimate of Real Property	4,942	sf	x	\$97.53	\$482,007
<b>Rounded to</b>					<b>\$480,000</b>

\*Internal table formulas may create rounding differences:

### **Conclusion: Cost Approach**

The depreciated value of the improvements is estimated to be \$252,007. The land value from the *Site Valuation* section is \$230,000. As of April 22, 2013, my market value opinion of the fee simple estate, by the cost approach, is \$480,000.

**Sales Comparison Approach.** The appraised site is improved with a two-story office building containing 4,942 square feet of gross building area. I have researched the Jackson metro area for similar improved sales. The improved sales are attached and illustrated by the table on the following page.

As previously discussed, there are nine basic elements of comparison that should always be considered in sales comparison analysis. The first four elements are to be in sequential order. The order of the others may vary. The adjustments to be considered are as follows: 1) Real property rights conveyed, 2) Financing terms, 3) Conditions of sale, 4) Market Conditions, 5) Location, 6) Physical characteristics, 7) Economic characteristics, 8) Use, and 9) Non-realty components of value.

***Property Rights Appraised*** - The property rights appraised are of the fee simple interest of the subject site. Each sale is similar and requires no adjustment.

***Financing Terms*** - Real estate is a leverage-driven market. As such, each sale has been analyzed regarding the financing terms included in each transaction. Each sale was based on typical financing. No adjustments are required financing.

***Conditions of Sale*** - The next element of comparison considered is for the conditions of sale that reflect the motivations of seller and purchaser. Comparable Sales One and Two were the result of a highly motivated seller. Each of the sales were bank-owned (due to foreclosure) and sold at a reduced price. An upward adjustment is required to Sales One and Two for this feature. Each remaining sale appears to be an arms-length transaction.

<b>IMPROVED SALES GRID</b>							
<b>ELEMENT</b>	<b>SUBJECT</b>	<b>SALE 1</b>	<b>SALE 2</b>	<b>SALE 3</b>	<b>SALE 4</b>	<b>SALE 5</b>	<b>SALE 6</b>
Date		4/27/12	4/26/12	1/31/11	7/30/10	12/23/08	8/8/08
Sale Price		\$450,000	\$225,000	\$900,000	\$475,000	\$630,000	\$475,000
Prop.Rights	fee simple	0%	0%	0%	0%	0%	0%
Financing	typical	0%	0%	0%	0%	0%	0%
Cond. Sale	arms length	25%	15%	0%	0%	0%	0%
Market Cond.		0%	0%	0%	0%	-5%	-5%
Net Adjustments		25%	15%	0%	0%	-5%	-5%
Adjusted Price		\$562,500	\$258,750	\$900,000	\$475,000	\$598,500	\$451,250
Land Value	\$230,000	\$70,000	\$65,000	\$196,000	\$106,000	\$115,000	\$69,000
FF&E	\$0	\$0	\$0	\$85,000	\$0	\$0	\$0
Improvements		\$492,500	\$193,750	\$619,000	\$369,000	\$483,500	\$382,250
Bldg Size (SF)	4,942	6,634	2,650	7,061	4,838	5,000	3,870
PRICE/SF		\$74.24	\$73.11	\$87.66	\$76.27	\$96.70	\$98.77
Location	Ridgeland	Good	Good	Good	Good	Good	Good
Adjustment		0%	0%	0%	0%	0%	0%
Quality of Const	Average	Average	Average	Average	Average	Average	Average
Adjustment		0%	0%	0%	0%	0%	0%
Age:	1979/ 25yr	2006/5yr	1994/12yr	2005/5yr	2005/ 5yr	2008/ 0yr	2007/ 1yr
Adjustment		-40%	-30%	-40%	-40%	-60%	-55%
Condition:	Average	Average	Average	Good	Average	Good	Good
Adjustment		0%	0%	-5%	0%	-5%	-5%
Office Area:	96%	100%	100%	100%	100%	100%	100%
Adjustment		0%	0%	0%	0%	0%	0%
Parking:	Adequate	Similar	Similar	Similar	Similar	Similar	Similar
Adjustment		0%	0%	0%	0%	0%	0%
Building Size	4,942	6,634	2,650	7,061	4,838	5,000	3,870
Adjustment		0%	0%	0%	0%	0%	0%
Functional Utility	Adequate	Adequate	Adequate	Adequate	Adequate	Adequate	Adequate
Adjustment		0%	0%	0%	0%	0%	0%
Total Adjustments		-40%	-30%	-45%	-40%	-65%	-60%
Adj Price (SF)	\$43.84	\$44.54	\$51.18	\$48.22	\$45.76	\$33.85	\$39.51



**Market Conditions** - Market condition is the consideration of time. The sale dates range from August 2008 to April 2012. Pairing sales does not reflect an adjustment is required for the time frame represented. The overall consensus is the demand for similar type property has since diminished. Prior to the current state of the economy, the surrounding properties were experiencing moderate to substantial development growth. It is our opinion, the lower demand for this property type is indicative of declining values. The predominate support or evidence for this adjustment is the lack of current sales. I have consulted with local real estate professionals. My research indicates a 5% to 25% overall discount during the last 18 months is a typical perception. It is difficult to determine a specific time period when the decline of the market will stabilize. My analysis indicates a 12% annual discount rate over an 18-month to 24-month period is reasonable. This discount rate indicates between a 16.4% (18 month) to 21.2% (24 month) overall adjustment. Our adjustment considers the location of the subject property and proximity to the projected path of growth, prior to our current economic downturn. Due to the imperfect nature of the market and other dissimilarities, I have applied a 5% downward adjustment to Sales Five and Six for market conditions.

**Age-** The subject building was constructed in 1979 and has an effective age of 25 years. According to Marshall Valuation Service's cost guide, new buildings similar to the subject's have an economic life of 45 years. The comparable sales are considered to be superior to the subject. Each sale requires a downward adjustment based on their respective effective age.

**Condition-** The subject facility is considered to be in average condition. Comparable Sales One, Two and Four are similar to the subject and no adjustments are required. Sales Three, Five, and Six are superior to the subject and require a downward adjustment.

**Conclusion: Sales Comparison Approach**

As previously discussed, the subject’s site value is \$230,000. The adjusted comparable sales provide a range in contributory improvement values between \$33.85 and \$51.18 per square foot. The mean of the adjusted range is \$43.84 per square foot. Each comparable sale is considered to be reliable. I have adopted \$44.00 per square foot (rounded from the mean of the range) for the contributory value of the improvements. As of April 22, 2013, my market value opinion of the fee simple estate by the sales comparison approach is \$450,000.

Improvements 4,942 sf x \$44.00 =	\$217,448
Land Value	<u>\$230,000</u>
Hypothetical Value Indication	\$447,448
Rounded To	\$450,000

**Income Capitalization Approach.** Contract rents are analyzed for estimating the market value of the leased fee estate. Market rents are analyzed to estimate the market value of the fee simple estate.

**Contract Rent** - The subject property is owner occupied and there are no contract rents.

**Market Rents** - Market rent is the rental income a property is anticipated to command in the open market. Market rent is based on leases of comparable properties. Market rent provides the value of the fee simple interest in the property. A rental survey of similar facilities has been made. The comparable leases are attached to this report and summarized by the following table. Each of the comparable leases requires the tenant to reimburse for all expenses.

LEASE	LOCATION	TENANT PAYS	SIZE (NRA)	\$/UNIT
1	567 U. S. Highway 51	Utilities	900	\$12.00
2	571 U. S. Highway 51	Utilities	1,912	\$12.00
3	573 U. S. Highway 51	Utilities	990	\$13.00
4	299 U. S. Highway 51, Unit H	Utilities	1,600	\$12.00

**Lease One** is a lease of a multi-tenant office building located at 567 U. S. Highway 51 in Ridgeland. The total building contains approximately 6,860 square feet of net-rentable area. The building is 100% occupied and the rental survey was of 900 square feet of office space leased to Wright & Martin, LLP with a rental rate of \$12.00 per square foot. The leasing terms in the building range from one to three years. Considering location and market conditions at the commencement of the lease, this lease indicates the subject facility should command a rental rate in the proximity of \$12.00 per square foot with the tenant paying utilities and the landlord paying taxes, insurance, and maintenance.

**Lease Two** is a lease of a multi-tenant office building located at 571 U. S. Highway 51 in Ridgeland. The total building contains approximately 6,800 square feet of net-rentable area. The building is 80% occupied

and the rental survey was of 1,912 square feet of office space leased to Duncan Kent, PLLC with a rental rate of \$12.00 per square foot. The leases have from one to three year terms. Considering location and market conditions at the commencement of the lease, this lease indicates the subject facility should command a rental rate in the proximity of \$12.00 per square foot with the tenant paying utilities and the landlord paying taxes, insurance, and maintenance.

***Lease Three*** is a lease of a multi-tenant office building located at 573 U. S. Highway 51 in Ridgeland. The total building contains approximately 1,980 square feet of net-rentable area. The building is 100% occupied and the rental survey was of 990 square feet of office space leased to Robert Cherry & Co., Inc. with a rental rate of \$13.00 per square foot. The leases have from one to three year terms. Considering location and market conditions at the commencement of the lease, this lease indicates the subject facility should command a rental rate in the proximity of \$12.00 per square foot with the tenant paying utilities and the landlord paying taxes, insurance, and maintenance.

***Lease Four*** is a lease of 1,600 square feet of office space located in Unit H, at 299 U. S. Highway 51 in Ridgeland. The rental rate is \$12.00 per square foot. The lease has a three year term. Considering location and market conditions at the commencement of the lease, this lease indicates the subject facility should command a rental rate in the proximity of \$12.00 per square foot with the tenant paying utilities and the landlord paying taxes, insurance, and maintenance.

***Conclusion:*** Market Rents - Nearly equal confidence is placed in the strength and reliability of each comparable lease. The market data indicates the subject facility should receive an annual rental rate of something between \$12.00 per square foot and \$13.00 per square foot, with the tenant paying utilities and

the landlord paying taxes, insurance, and maintenance. I have adopted \$12.00 per square foot for the one year stabilized pro-forma.

### ***VACANCY AND COLLECTION LOSS***

Vacancy and collection loss is an allowance for reductions in potential gross income attributable to vacancies, tenant turnover, and nonpayment of rent. The subject is 100% occupied. Based on the market data and the anticipated rental rate, I have adopted a 5% vacancy and frictional credit for the subject's fee simple value based on market rents.

### **ANALYSIS OF OPERATING EXPENSES**

Operating expenses are the periodic expenditures necessary to maintain the property and to continue the production of effective gross income. The expense items usually included in a reconstructed operating statement consist of fixed and variable expenses, as well as a replacement allowance, if applicable. The typical expenses are discussed as follows:

A.) **FIXED EXPENSES** - These are operating expenses that generally do not vary with occupancy and must be paid whether or not the property is occupied.

1.) ***Ad Valorem Taxes***: Based on the tax comparables, I have used \$5,680 for the subject's one year stabilized pro-forma.

2.) ***Insurance***: The cost of insuring the improvements is an annual cost covering fire, liability, and other insurance premiums. Based on the actual premium earned by the subject facility, I anticipate an insurance premium on the rounded the basis of \$0.30 per square foot or \$1,429.

B.) **VARIABLE EXPENSES** - These expenses consist of all operating expenses that generally vary with the level of occupancy or intensity of property operation.

1.) **Management:** Typically, management expenses can vary between three percent and six percent depending upon a property size, as well as use and other property specific characteristics. Based on the income and expense statement provided, 3% has been selected for the fee simple expenses.

2.) **Utilities** - This expense item includes all necessary building utilities such as gas, electricity, and water used by the subject property for its continued operation. The tenant pays their utilities and a prorata share of any common area utilities.

3.) **Maintenance and repairs** - This expense item includes all cost of maintenance and repairs. The new facility is anticipated to have nominal costs for this expense item. I anticipate \$0.20 per square foot of the gross building area (\$953.00) for this expense item. Additional expenses are charged for short-lived items and further discussed as replacement reserves.

4.) **Replacements and reserves** - A replacement allowance provides for the periodic replacement of short-lived items within the building components. These short-lived items wear out more rapidly than the building. They must be replaced periodically during the building's economic life. Based on competing properties and investor requirements, I perceive a \$0.15 per square charge (\$714.00) for this expense.

**CONCLUSION: OPERATING EXPENSES** - The sum of the total operating expenses for the subject property is illustrated by the income and expense statements. The projected overall operating expenses for the facility are considered to be in line with typical operating expenses of similar facilities.

**DIRECT CAPITALIZATION** - Direct capitalization is one method of valuing income-producing property. By a single step of dividing the stabilized net annual income by an appropriate overall rate, a calculation of property value is made. The rate selected should reflect the perception of a typical investor considering the quality, quantity, and durability of the income stream. Although implicit, the rate selected should provide a "return on," as well as "return of" the investment sufficient to attract capital to this type of property.

**OVERALL RATE FROM A BAND OF INVESTMENT AND VALUATION**

A simple band of investment technique for estimating an overall rate weighs the cash flows attributable to components of capital investment and combines them to derive a rate attributable to the total investment. The rate produced is a blend of the annual mortgage constant for financing properties similar to the subject property type, and the cash-on-cash or equity dividend rate required to attract investors. Typical financing for the appraised property is a 75-percent loan-to-value ratio, a 6.0% rate of interest, a 20-year amortization with monthly payments, and a 3-year call provision. These financing terms and conditions produce an annual mortgage constant of 0.085972. Considering all factors involved with the appraised property including its location, quality of the construction, as well as design and layout, a minimum equity dividend rate that is realistic based on a stabilized year's operation would be in the amount of 10.0%. Using the band of investment technique, a calculation of an overall rate is shown by the following:

<b>BAND OF INVESTMENT TECHNIQUE</b>	
Mortgage Position $-0.75 \times 0.085972$	0.064479
Equity Position $- 0.25 \times 0.10000$	0.025000
Banded Rate	0.089479
Rounded capitalization rate	8.95%

**Market Derived Overall Capitalization Rates:** Market information obtained from the improved sales provides a range of overall capitalization rates from 8.13% to 10.61% as illustrated by the following table.

The mean of the market derived overall capitalization rate is 9.48%.

<b>MARKET DERIVED OVERALL CAPITALIZATION RATES</b>					
<b>SALE</b>	<b>NOI</b>	<b>÷</b>	<b>SALE PRICE</b>	<b>=</b>	<b>R<sub>o</sub></b>
Sale 1	\$47,765	÷	\$450,000	=	10.61%
Sale 2	\$22,464	÷	\$225,000	=	9.98%
Sale 3	\$80,495	÷	\$815,000	=	9.88%
Sale 4	\$46,536	÷	\$475,000	=	9.80%
Sale 5	\$53,438	÷	\$630,000	=	8.48%
Sale 6	\$38,603	÷	\$475,000	=	8.13%
<b>OAR</b>					<b>9.48%</b>

**CONCLUSION: RATE SELECTION** - According to the *Korpacz Real Estate Investor Survey*, 4<sup>th</sup> Quarter 2012, the national overall capitalization rates for CBD Offices range from 4.0% to 10.00% with an average of 6.43%. Market derived rates range from 8.13% to 10.61% with a mean of 9.48%. The banding of investments provides an overall capitalization rate of 8.95%. Our selection of an overall capitalization rate takes into consideration the national market indicators and the local rate derived by simulation. Considering age, condition, and location, a 9.50% overall capitalization rate supported by the market is reasonable.



**STABILIZED INCOME AND EXPENSE STATEMENT**

**OFFICE BUILDING  
344 U. S. HIGHWAY 51  
RIDGELAND, MISSISSIPPI 39157**

<b>INCOME:</b>	Gross Building Area	4,763	\$12.00	\$57,156
	Potential Gross Income	4,763	\$12.00	\$57,156
	Reimbursement of Expenses			\$0
	Potential Gross Revenue			\$57,156
	Less: Vacancy & Collection Loss		-5.00%	\$-2,858
	Effective Gross Income			\$54,298
<b>EXPENSES:</b>				
Fixed:	Real Estate Tax		10%	\$5,680
	Insurance		\$0.30	\$1,429
	Total Fixed Expenses		13%	\$7,109
Variable:	Management		3%	\$1,629
	Maintenance & Repairs		\$0.20	\$953
	Utilities		\$0.00	\$0
	Replacement & Reserves		\$0.15	\$714
	Total Variable Expenses		6%	\$3,296
<b>Total Estimated Expense</b>			19.2%	<b>\$10,405</b>
<b>NET OPERATING INCOME</b>				<b>\$43,893</b>
<b>Overall Capitalization Rate</b>			<b>9.50%</b>	
<b>Capitalized Value Indication</b>				<b>\$462,035</b>

**Conclusion: Income Capitalization Approach** - The income and expense statement is illustrated on the following page. The potential gross income is based on a rental rate of \$12.00 per square foot with the landlord paying taxes, insurance, and maintenance. The illustrated expenses are 19.2% of the effective gross income or \$2.18 per square foot of the gross building area. The anticipated net operating income is \$43,893. As of April 22, 2013, the income capitalization approach indicates a value of \$460,000.

**Reconciliation and Value Conclusion.** The three approaches to value provide the following estimates.

There is a 6.67% percent difference in the high estimate and the low estimate.

Cost Approach	\$480,000
Sales Comparison Approach	\$450,000
Income Capitalization Approach	\$460,000

The appraised facility is considered to be in average condition for its age. *Cost Approach* - The cost approach indicates a market value of \$480,000. Due to the age of the improvements, calculating depreciation can be difficult and this also diminishes the reliability of the cost approach. *Sales Comparison Approach* - The sales comparison approach indicates the market value of the subject facility is \$450,000. The market data is considered to be reliable and the sales comparison approach receives substantial weight for its reliability. *Income Capitalization Approach* - The income capitalization approach indicates the market value to be \$460,000. The comparable leases provide good data for market rents. The expense data is well supported and very reliable. The overall capitalization rate selected is considered well supported and very reliable. The reliability of the sales comparison approach receives substantial weight and is well supported by the cost approach and the income capitalization approach. As of April 22, 2013, my market value opinion of the fee simple estate, subject to the leases, is:

***FOUR HUNDRED FIFTY THOUSAND DOLLARS***  
***(\$450,000.00)***

An exposure time (i.e., the length of time the subject property would have been exposed for sale and sold at the indicated market value) of twelve to eighteen months is required. The estimated marketing time (i.e., the amount of time to receive the appraised value of the subject) is also twelve to eighteen months.

## **ASSUMPTIONS AND LIMITING CONDITIONS:**

1. This is a Summary 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 Appraisal Practice for a Summary 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. No responsibility is assumed for legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated in this report.
3. The property is appraised free and clear of any or all liens and encumbrances unless otherwise stated in this report.
4. Responsible ownership and competent property management are assumed unless otherwise stated in this report.
5. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
6. All engineering is assumed to be correct. Any plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
7. It is assumed there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
8. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in this report.
9. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in this appraisal report.
10. It is assumed that all required licenses, certificates of occupancy or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value opinions contained in this report are based.
11. Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property. Maps and exhibits found in this report are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied unless otherwise stated in this report. No survey has been made for the purpose of this report.

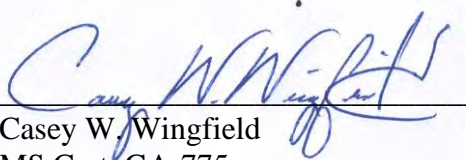
12. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless otherwise stated in this report.
13. I am not qualified to detect hazardous waste and/or toxic materials. Any comment that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. Our value opinion is predicated on the assumption that there is no such material on or in the property that would cause a loss in value unless otherwise stated in this report. No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover them. Our descriptions and resulting comments are the result of the routine observations made during the appraisal process.
14. Unless otherwise stated in this report, the subject property is appraised without a specific compliance survey having been conducted to determine if the property is or is not in conformance with the requirements of the Americans with Disabilities Act. The presence of architectural and communications barriers that are structural in nature that would restrict access by disabled individuals may adversely affect the property's value, marketability, or utility.
15. Any proposed improvements are assumed to be completed in a good workmanlike manner in accordance with the submitted plans and specifications.
16. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
17. 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(s), and in any event, only with proper written qualifications and only in its entirety.
18. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news sales, or other media without prior written consent and approval of the appraiser.
19. I am prepared but not required to give testimony or attendance in legal or other proceedings about this appraisal or to the appraised property, unless satisfactory additional arrangements are made before the need for such services.

## CERTIFICATION:

I (We) certify that, to the best of my (our) knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.
3. I (We) have no (or the specified) present or prospective interest in the property that is the subject of this report, and have no (or the specified) personal interest with respect to the parties involved.
4. I (We) have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. My (Our) engagement in this assignment was not contingent upon developing or reporting predetermined results. I am competent to perform appraisals on the subject's property type.
6. My (Our) compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. This appraisal was not based on a requested minimum valuation, a specific valuation, or the approval of a loan. I have not provided any type service on this property within the past three years.
8. My (Our) analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice.
9. I have made a personal inspection of the property that is the subject of this report.
10. No one else provided significant professional appraisal assistance to the person(s) signing this report.
11. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives. As of the date of this report, I have completed the Standards and Ethics Education Requirement of the Appraisal Institute for Associate Members.

Date: May 7, 2013

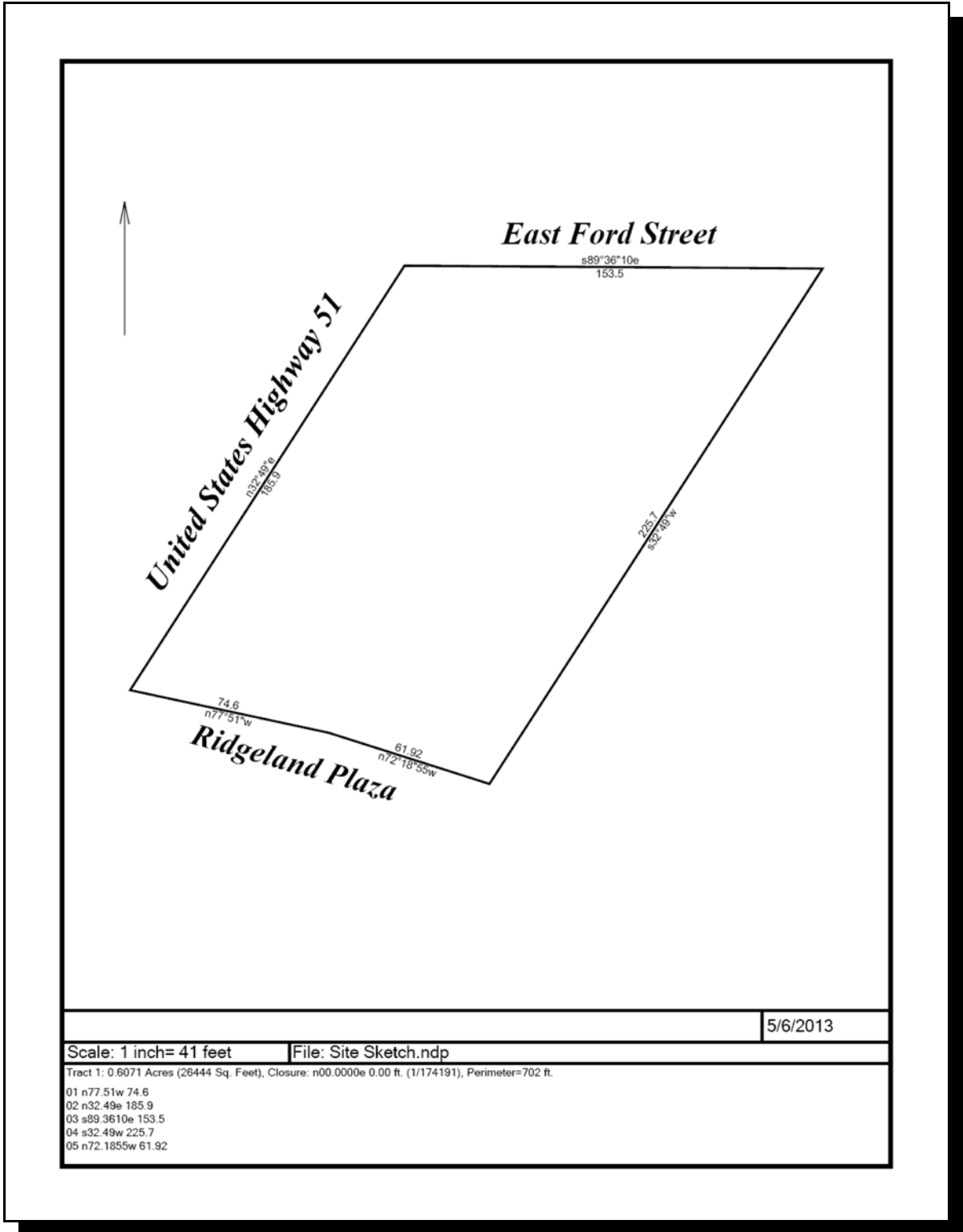
  
Casey W. Wingfield  
MS Cert. GA-775

# **EXHIBITS**

## **LEGAL DESCRIPTION**

Lot 13, of Ridgeland Plaza Subdivision, according to a plat recorded in Plat File B, Slide 24, in the office of the Chancery Clerk of Madison County in Canton.

# SITE SKETCH





# FLOOR PLAN

## SKETCH/AREA TABLE ADDENDUM

File No 13-037

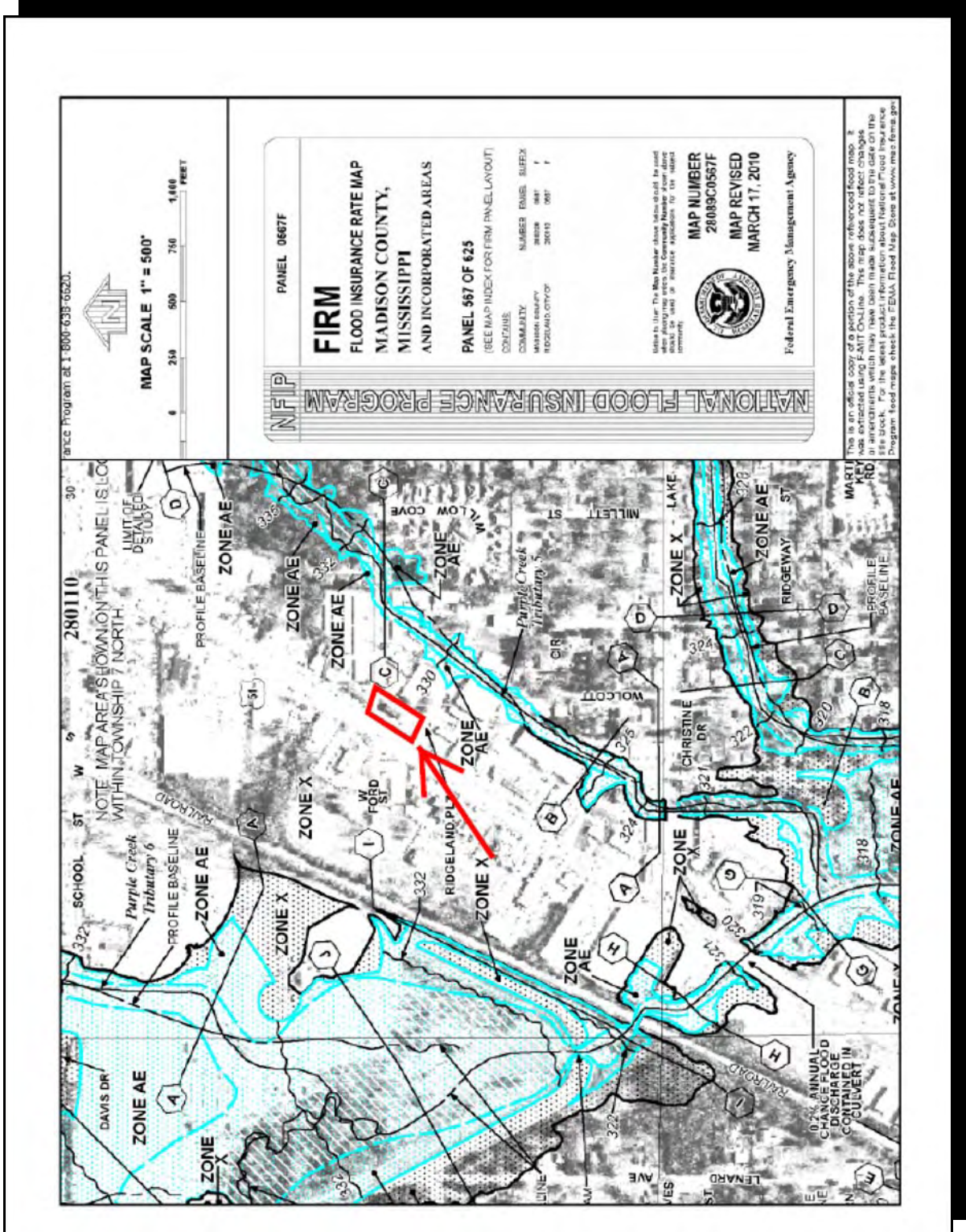
SUBJECT	Property Address <b>344 U. S. Highway 51</b>
	City <b>Ridgeland</b> County <b>Madison</b> State <b>MS</b> Zip <b>39157</b>
	Borrower
	Lender/Client <b>Madison County B.O.S.</b>
	Appraiser Name <b>CASEY W. WINGFIELD</b> Appr Address <b>POST OFFICE BOX 2601, MADISON, MS 39130-2601</b>

IMPROVEMENTS SKETCH

Scale: 1 = 20

AREA CALCULATIONS SUMMARY				BUILDING AREA BREAKDOWN		
Code	Description	Net Size	Net Totals	Breakdown		Subtotals
GBA1	First Floor	2471.1	2471.1	First Floor		
GBA2	Second Floor	2471.1	2471.1	78.2 x 31.6		2471.1
OTH	Stair Well	89.7		Second Floor		
	Stairwell 2	89.7	179.4	78.2 x 31.6		2471.1
Net BUILDING Area		(rounded)	4942	2 Items	(rounded)	4942

# FLOOD MAP



Insurance Program at 1-800-638-6620.



MAP SCALE 1" = 500'



NATIONAL FLOOD INSURANCE PROGRAM

PANEL 0667F

**FIRM**  
 FLOOD INSURANCE RATE MAP  
 MADISON COUNTY,  
 MISSISSIPPI  
 AND INCORPORATED AREAS

PANEL 567 OF 625  
 (SEE MAP INDEX FOR FIRM PANEL LAYOUT)  
 CONTAINS:  
 COMMUNITY NUMBER: 38028 0667 F  
 WARD: 0667 F  
 FIRM: 30115 0667 F

Map is User. The Map Number shown reflects the current  
 version of the map. The Map Number shown does not reflect  
 any future changes to the map. The map does not reflect changes to  
 the map that have occurred since the date of the map's issuance.  
 For more information about the National Flood Insurance  
 Program, visit the FEMA website at [www.fema.gov](http://www.fema.gov).



MAP NUMBER  
 28089C0587F  
 MAP REVISED  
 MARCH 17, 2010  
 Federal Emergency Management Agency

This is an official copy of a portion of the above referenced flood map. It  
 was extracted using FIRM Online. This map does not reflect changes to  
 the map that have occurred since the date of the map's issuance.  
 For more information about the National Flood Insurance  
 Program, visit the FEMA website at [www.fema.gov](http://www.fema.gov).

**ENGAGEMENT LETTER**

**CASEY W. WINGFIELD**

MISSISSIPPI CERTIFIED GA-775  
**REAL ESTATE APPRAISER & CONSULTANT**

POST OFFICE BOX 2601  
**MADISON, MISSISSIPPI 39130-2601**  
 601.898.2806 / 800.786.3106 / FAX: 601.605.4927  
CASEY@SOUTHERNVR.COM

April 16, 2013


Mr. David Overby, County Administrator  
 Madison County Board of Supervisors  
 125 West North Street  
 Canton, Mississippi 39046

Re: Engagement Letter  
 Appraisal / Summary Report  
 Office Building - South Madison County Annex  
 344 U. S. Highway 51 South  
 Ridgeland, Mississippi 39157

Dear Mr. Overby:

This letter serves as my acceptance of your request to perform an appraisal of the above referenced property. I will perform a summary appraisal for a fee of \$3,000.00. The fee shall be paid in full upon delivery of the appraisal. The appraisal will be delivered on or before May 20, 2013.

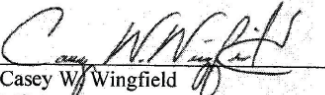
Please advise for additional information or clarification. It is my understanding, this letter must be accepted and signed by the President of the Madison County Board of Supervisors, Mr. Gerald Steen. Mr. Steen’s signature confirms acceptance of the agreement. Please sign and email to casey@southernvr.com.


---

 Mr. Gerald Steen, President Date  
 Madison County Board of Supervisors  
 Authority for acceptance and engagement

Respectfully submitted,

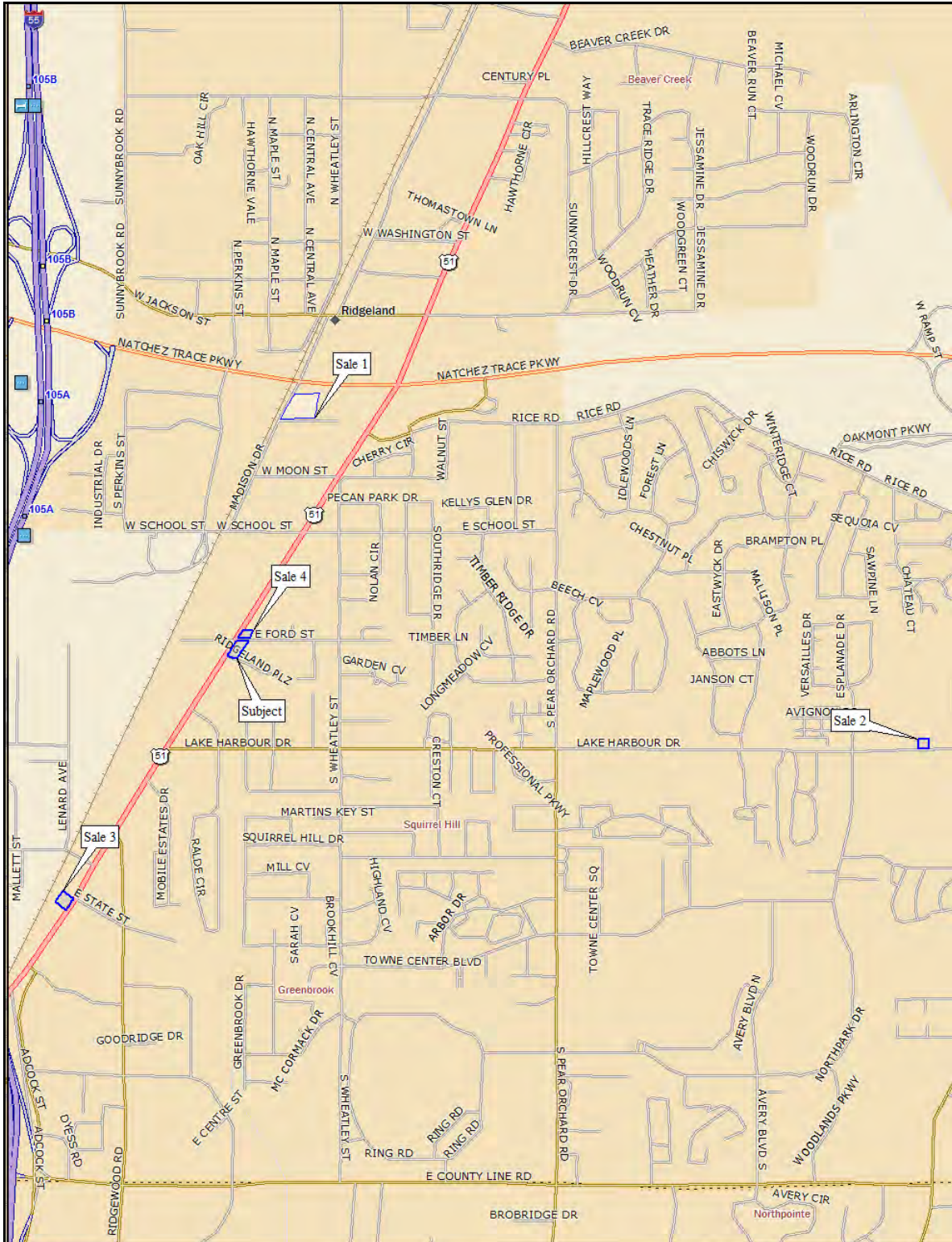

---

 Casey W. Wingfield  
 MS Cert. GA-775

# **COMPARABLE LAND SALES**



# LAND SALES MAP



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MN (0.6° W)



Data Zoom 13-4

## MARKET DATA

### COMPARABLE LAND SALE ONE

**GRANTOR:** Delta Industries, Inc. (Formerly Jackson Ready-Mix, Inc.)

**GRANTEE:** City of Ridgeland, Mississippi

**DATE:** August 15, 2011

**BOOK/PAGE:** 2695 / 380 - Madison County, Miss.

**LOCATION:** Southeast side of East Railroad Street (linked to the N/S of West School Street. Located Northwest of School Street and US Hwy 51. Does not have direct exposure to School Street or US. Hwy 51. Described as Part of Lots 2 and 3, Block 21 of Highland Colony, Ridgeland, MS

**HIGHEST AND BEST USE:** Zoned I-2, Heavy Industrial

**PRESENT USE:** Vacant Lot (currently improved with concrete foundation, which is being removed.) Purchased for development of future municipal complex.

**PRICE:** \$400,000 (does not include concrete removal - see comments)  
\$440,000: Effective Sale Price (includes concrete removal)

**SIZE:** 2.17 acres or 94,525 square feet

**ANALYSIS:** \$4.23 per square foot (does not include concrete removal)  
\$4.65 per square foot Effective Sale Price (includes concrete removal)

**COMMENTS:** This site is Madison County Tax Parcel# 072I-30B-018/00.00. This site was previously operated as Jackson Ready-Mix, concrete sales. This site is located along the southeast side of East Railroad Street. There are extensive areas of concrete with varying depths. According to Mr. Matt Dodd with the City of Ridgeland Community Development Department, the contract for cost of concrete removal is \$455,000. This cost is distributed between this sale and the sale from Tecspan Concrete Structures, LL. (DB/PG: 2690/319), which contained 22.496 acres or 979,926 square feet @ \$4,100,000. We have talked with a City representative and there are approximately 600,000 square feet of concrete to be removed. The total cost of concrete removal was in the amount of \$455,000. The pro-rata share of the cost to remove the concrete is approximately \$40,000. All utilities are available to the site. The property rights conveyed were fee simple. The sale was cash to the seller. This sale was confirmed by public information, City of Ridgeland representative (Mr. Matt Dodd, Alan Hart, and Ms. Paul, City Clerk).

## MARKET DATA

### COMPARABLE LAND SALE TWO

**GRANTOR:** Lake Harbour Village, LLC.

**GRANTEE:** Strategic Restaurants Acquisition Company, Inc.

**DATE:** December 18, 2009

**BOOK/PAGE:** 2496 / 306 - Madison County, Miss.

**LOCATION:** North side of Lake Harbour Road. Out Parcel of Lake Harbour Village Shopping Center, Ridgeland, Mississippi.

**LOCATION:** 36,327 square feet out parcel of the Lake Harbour Village Shopping Center

**HIGHEST AND BEST USE:** C-2A, General Commercial, City of Ridgeland

**PRESENT USE:** Retail: fast food restaurant (Burger King)

**PRICE:** \$463,169

**SIZE:** 36,327 square feet

**ANALYSIS:** \$12.75 per square foot

**COMMENTS:** This site is the southwest corner of Madison County Tax Parcel 072I-29D-003/00.00. The buyer intends to construct a Burger King restaurant on site. This site is nearly level at road grade and all public utilities are available. Property rights conveyed were fee simple. The sale was cash to the seller. This sale was an arms-length transaction. This information was provided by the grantor.

## MARKET DATA

### COMPARABLE LAND SALE THREE

**GRANTOR:** HCI Limited Partnership

**GRANTEE:** Barrett Properties, LLC

**DATE:** April 30, 2008

**BOOK/PAGE:** 2312 / 785 - Madison County, Miss.

**LOCATION:** Situated along the west side of United States Highway 51 at East State Street, Ridgeland, Mississippi.

**HIGHEST AND BEST USE:** C-2, General Commercial

**PRESENT USE:** Vacant Lot, purchased for speculative commercial use.

**SALES PRICE:** \$281,936.70  
Effective Sale Price: \$316,937 (\$35,000 cost to cure elevation deficiency)

**SITE SIZE:** 27,506 square feet

**ANALYSIS:** \$10.25 per square foot  
Effective per unit value: \$11.52 per square foot

**COMMENTS:** This site is Madison County Tax Parcel 071G-36A-084/03.00. This site was vacant at the time of sale. The grantee purchased this site for speculative holding for future commercial development. According to the seller's broker, this site required approximately \$35,000 of dirt work to render the property buildable. This was an arms length transaction. This sale was cash to the seller. The property rights conveyed were fee simple. The information was provided by seller's broker.



## MARKET DATA

### COMPARABLE LAND SALE FOUR

**GRANTOR:** James C. Owen

**GRANTEE:** W & D Properties, LLC

**DATE:** November 8, 2007

**BOOK/PAGE:** 2257 / 175 - Madison County, Miss.

**LOCATION:** Northeast corner of United States Highway 51 & Ford Street, Ridgeland, Madison County, Mississippi.

**HIGHEST AND BEST USE:** C-3, Convenience Commercial

**PRESENT USE:** Commercial

**SALES PRICE:** \$145,000

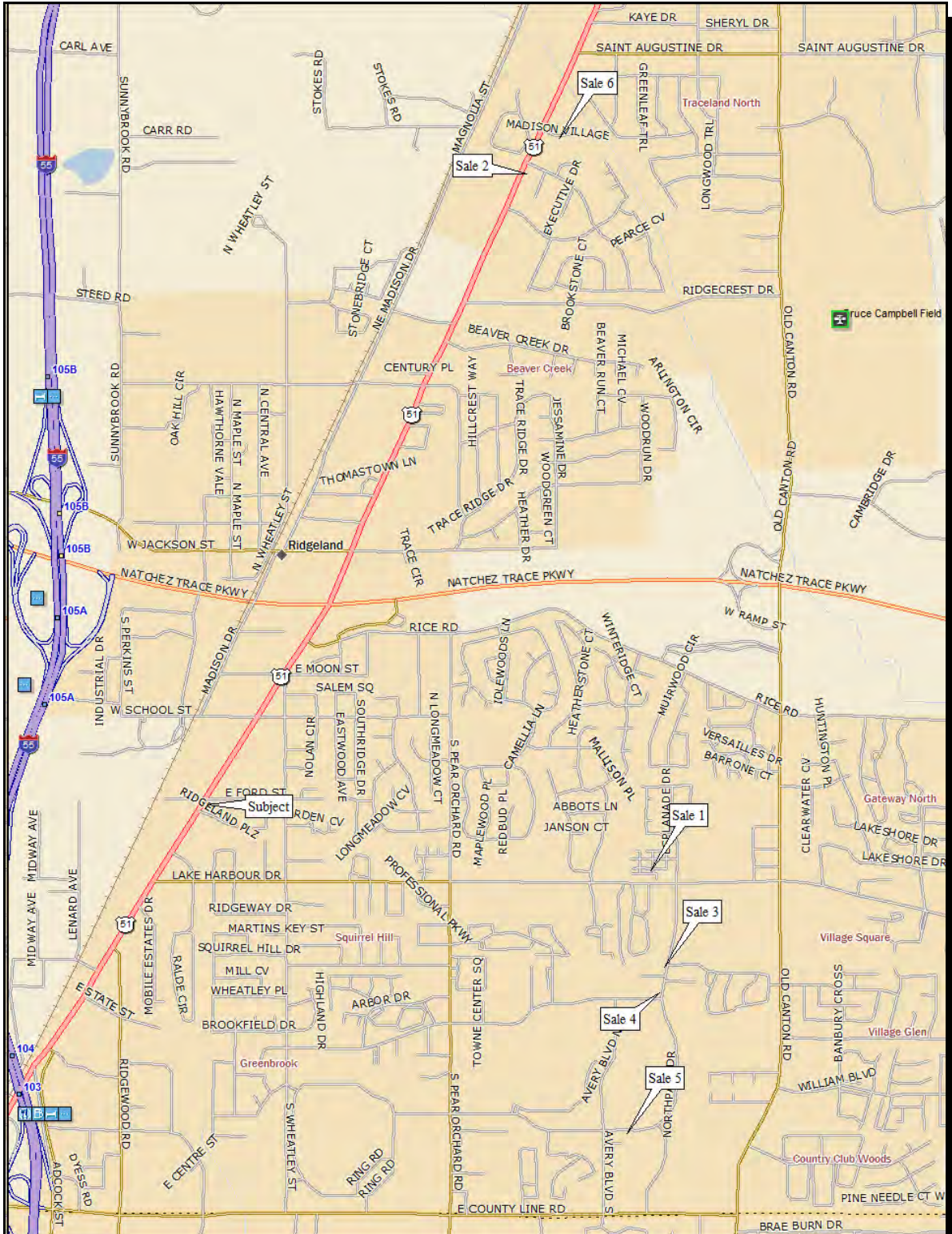
**SIZE:** 11,963 square feet

**ANALYSIS:** \$12.12 per square foot

**COMMENTS:** This site is Madison County Tax Parcel number 072I-30C-C-045/00.00. This site has 135.9 feet of frontage along the east side of United States Highway 51 and 145.0 feet of frontage along the north side of Ford Street. The grantor razed a wood framed shop and cleaned the site. The property rights conveyed were fee simple. The sale was cash to the seller. The grantee owned the adjoining property and was highly motivated to acquire this corner site for plottage. The information was provided by Mr. White, a partner in W & D Properties, LLC.

# **COMPARABLE IMPROVED SALES**

# IMPROVED SALES MAP



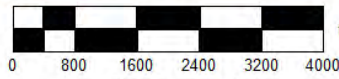
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MN (0.6° W)



Data Zoom 13-0

## MARKET DATA

### IMPROVED SALE ONE

**LOCATION:** 701 Avignon Drive, Ridgeland, Madison Co, Miss.

**DATE:** April 27, 2012

**BOOK/PAGE:** 2783 / 349 - Madison County, Mississippi

**GRANTOR:** Regions Bank

**GRANTEE:** Julius M. Ridgway, Sr.

**BUILDING AREA:** 6,634 square feet

**LAND AREA:** 20,400 square feet

**SALE PRICE** \$450,000

**ANALYSIS:**

Building	6,634 sf x \$57.28 = \$380,000
Land	20,400 sf x \$ 3.40 = <u>\$ 70,000</u>
Total	6,634 sf x \$67.83 = \$450,000

**DATE BUILT:** 2006

**CONDITION:** Good

**COMMENTS:** This site is Madison County Tax parcel #072I-29D-049/01.00. According to the Madison County Tax assessor's property record card, this structure was built in 2006. The original list price was \$700,000. 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 selling agent, Ms. Jill Acey-Callender.

*CONTINUE: IMPROVED SALE ONE*



*701 Avignon Drive, Ridgeland, Madison County, Miss.*

## MARKET DATA

### IMPROVED SALE TWO

**PROPERTY:** 105 Executive Drive, Suites A & B, Madison, Mississippi 39110

**GRANTOR:** Trustmark National Bank

**GRANTEE:** Hill Brothers Construction Company, Inc.

**DATE:** April 26, 2012

**BOOK/PAGE:** 2782 / 738 - Madison County, Mississippi

**PROPERTY TYPE:** Office Building

**LAND:** 11,275 square feet or 0.273-acre

**IMPROVEMENTS:** Class D, office building containing 2,600 square feet of gross building area. Built in 1994.

**SALE PRICE:** \$225,000

**ANALYSIS:**

Land	11,275 sf x \$ 5.75	= \$ 65,000
Building	2,600 sf x \$ 61.54	= <u>\$160,000</u>
Total	2,600 sf x \$ 86.54	= \$225,000

**INCOME/EXPENSE:**

Potential Gross Income	2,600	sf x \$12.00	\$31,200
Vacancy	10%		
Effective Gross Income			\$28,080
Expense Ratio	20%		\$5,616
Net Operating Income			\$22,464

**INDICATORS:**

Effective Sale Price	\$225,000
EGIM	8.01
Cap Rate	9.98%

**COMMENTS:** The property is Madison County tax parcels 072D-17C-021/03.01 and 072D-17C-021/03.02. This sale was the result of a foreclosure. The building was in average condition at the time of sale. The property rights sold were fee simple. The sale is considered an arms-length transaction. The sale was cash to the seller. This information was confirmed by the selling agent, Ms. Vicki Klein.

***CONTINUE: IMPROVED SALE TWO***



***105 Executive Drive, Suites A & B, Madison, Mississippi 39110***



## MARKET DATA

### IMPROVED SALE THREE

**LOCATION:** 1056 Northpark Drive, Ridgeland, Madison Co, Miss.

**DATE:** January 31, 2011

**BOOK/PAGE:** 2638 / 365 - Madison County, Mississippi

**GRANTOR:** Playhaven D & M, Inc., LSLC, Inc., Dawn Kaplan, and Mark Kaplan

**GRANTEE:** Explorers, Inc.

**BUILDING AREA:** 7,061 square feet

**LAND AREA:** 1 acre or 43,560 square feet

**SALE PRICE** \$900,000

**ANALYSIS:**

Day Care Building	7,061 sf x \$ 87.66	= \$ 619,000
Land	43,560 sf x \$ 4.50	= <u>\$ 196,000</u>
Real Property Value		= \$ 800,000
FF&E		= <u>\$ 85,000</u>
Total	7,061 sf x \$148.02	= \$ 900,000

**DATE BUILT:** 2005

**CONDITION:** Good

**COMMENTS:** This site is Madison County Tax parcel #072I-32A-009/04.00. According to the Madison County Tax assessor's property record card, this structure was built in 2005. The representing broker/appraiser indicated the contract indicates the sale price is in the amount of \$900,000 and includes \$800,000 for the real property and approximately \$85,000 for the furniture, fixtures, and equipment. 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 grantor's broker (Ms. Martha Landis-ReMax, previously with Susan Edwards Realty) and the grantee (Mr. Neil Rich).



***CONTINUE: IMPROVED SALE THREE***



***1056 Northpark Drive, Ridgeland, Madison County, Miss.***

## MARKET DATA

### IMPROVED SALE FOUR

**LOCATION:** 1000 Northpark Drive, Ridgeland, Mississippi

**GRANTOR:** York Ross HCP, LLC

**GRANTEE:** Warren Real Estate, LLC

**DATE:** July 30, 2010 & recorded on August 2, 2010

**BOOK/PAGE:** 2564 / 396 - Madison County, Mississippi

**HIGHEST AND BEST USE:** Commercial

**PRESENT USE:** Commercial

**SALE PRICE:** \$475,000 (The grantee spent ~\$40,000 on tenant improvements prior to purchase.)

**ANALYSIS:**

Building	4,838 sf x \$ 76.27	= \$ 369,000
Land	23,143 sf x \$ 4.58	= <u>\$ 106,000</u>
Total	4,838 sf x \$ 98.18	= \$ 475,000

**INCOME/EXPENSE:**

Potential Gross Income	4,838 sf x \$13.50	= \$65,313
Vacancy	5.0%	
Effective Gross Income		\$ 62,047
Expense Ratio	25%	<u>\$ 15,512</u>
Net Operating Income		\$ 46,536

**INDICATORS:**

EGIM:	10.21
Cap Rate:	9.80%

**COMMENTS:** This is a one and one-half story office building. It is a wood frame, brick veneer, on a concrete slab with a hipped roof covered with asphalt shingles. This building was constructed in 2005. The property is tax parcel 072I-32A-C-003/04.00. There are ~10,000 square feet of asphalt driveways and parking with 22 striped parking spaces, including 2 handicap. An entity of the grantee (ERA Real Estate Professionals) was leasing the building at the time of the sale. The tenant leased the building with 3,972 sf on the ground level for \$4,500 per month or \$54,000 annually or \$13.50 psf. Prior to the purchase, the tenant spent ~\$40,000 to finish 866 sf on the upper level. Based on 4,838 square feet of gross building area, the annual rental rate was \$11.16 per square foot. The terms require the landlord to pay insurance, taxes, and structural maintenance. The tenant pays utilities. The property rights conveyed were fee simple. The sale was cash to the seller. This was an arms-length transaction. The data was verified by Alex Ross, a representative of the grantor.

**CONTINUE: *IMPROVED SALE FOUR***



***1000 North Park Drive  
Ridgeland, Mississippi 39157***

## MARKET DATA

### IMPROVED SALE FIVE

**LOCATION:** 992 North Park Drive, Ridgeland, Mississippi 39157

**DATE:** December 23, 2008

**BOOK/PAGE:** 2377 / 775 - Madison County, Mississippi

**GRANTOR:** York Ross Development, LLC.

**GRANTEE:** Petro-Sadka Holdings, LLC.

**BUILDING AREA:** 5,000 square feet

**LAND AREA:** 0.574-acre or 25,000 square feet

**SALE PRICE** \$630,000

**ANALYSIS:**

Building	5,000 sf x \$103.00	= \$515,000
Land	25,000 sf x \$ 4.60	= <u>\$115,000</u>
Total	5,000 sf x \$126.00	= \$630,000

**INCOME/EXPENSE:**

Potential Gross Income	5,000 sf x \$15.00	= \$75,000
Vacancy	5.0%	
Effective Gross Income		\$ 71,250
Expense Ratio	25%	<u>\$ 17,813</u>
Net Operating Income		\$ 53,438

**INDICATORS:**

EGIM:	8.84
Cap Rate:	8.48%

**COMMENTS:** This property is Madison County Tax Parcel 072I-32A-004/03.00. This is a one- story class D office building. This building was constructed in 2008. There are two rental units containing approximately 2,200 square feet and one containing approximately 600 square feet. The property rights conveyed were fee simple. This sale was cash to the seller. The sale appears to be an arms-length transaction. This data was provided by the broker.

**CONTINUE: *IMPROVED SALE FIVE***



***992 North Park Drive  
Ridgeland, Mississippi 39157***

## MARKET DATA

### IMPROVED SALE SIX

**LOCATION:** 112 Village Boulevard, Madison, Mississippi 39110

**DATE:** August 8, 2008

**BOOK/PAGE:** 2346 / 422 - Madison County, Mississippi

**GRANTOR:** C. Mark Doiron

**GRANTEE:** Evans Family 2003 Trust

**BUILDING AREA:** 3,870 square feet

**LAND AREA:** 0.396-acre or 17,258 square feet

**SALE PRICE** \$475,000

**ANALYSIS:**

Building	3,870 sf x \$104.91	= \$406,000
Land	17,258 sf x \$ 4.00	= <u>\$ 69,000</u>
Total	3,870 sf x \$122.74	= \$475,000

**INCOME/EXPENSE:**

Potential Gross Income	3,870 sf x \$14.00	= \$54,180
Vacancy	5.0%	
Effective Gross Income	\$ 51,471	
Expense Ratio	25%	<u>\$ 12,868</u>
Net Operating Income	\$ 38,603	

**INDICATORS:**

EGIM:	9.23
Cap Rate:	8.13%

**COMMENTS:** This property is Madison County Tax Parcel 072D-17C-054/06.00. This is a one- story class D office building constructed in 2007. According to the deed, this site is accessed by an easement across an adjoining site (Lot 2) to the west. The property rights conveyed were fee simple. This sale was cash to the seller. The sale appears to be an arms-length transaction. This data was provided by the broker.

**CONTINUE: *IMPROVED SALE SIX***

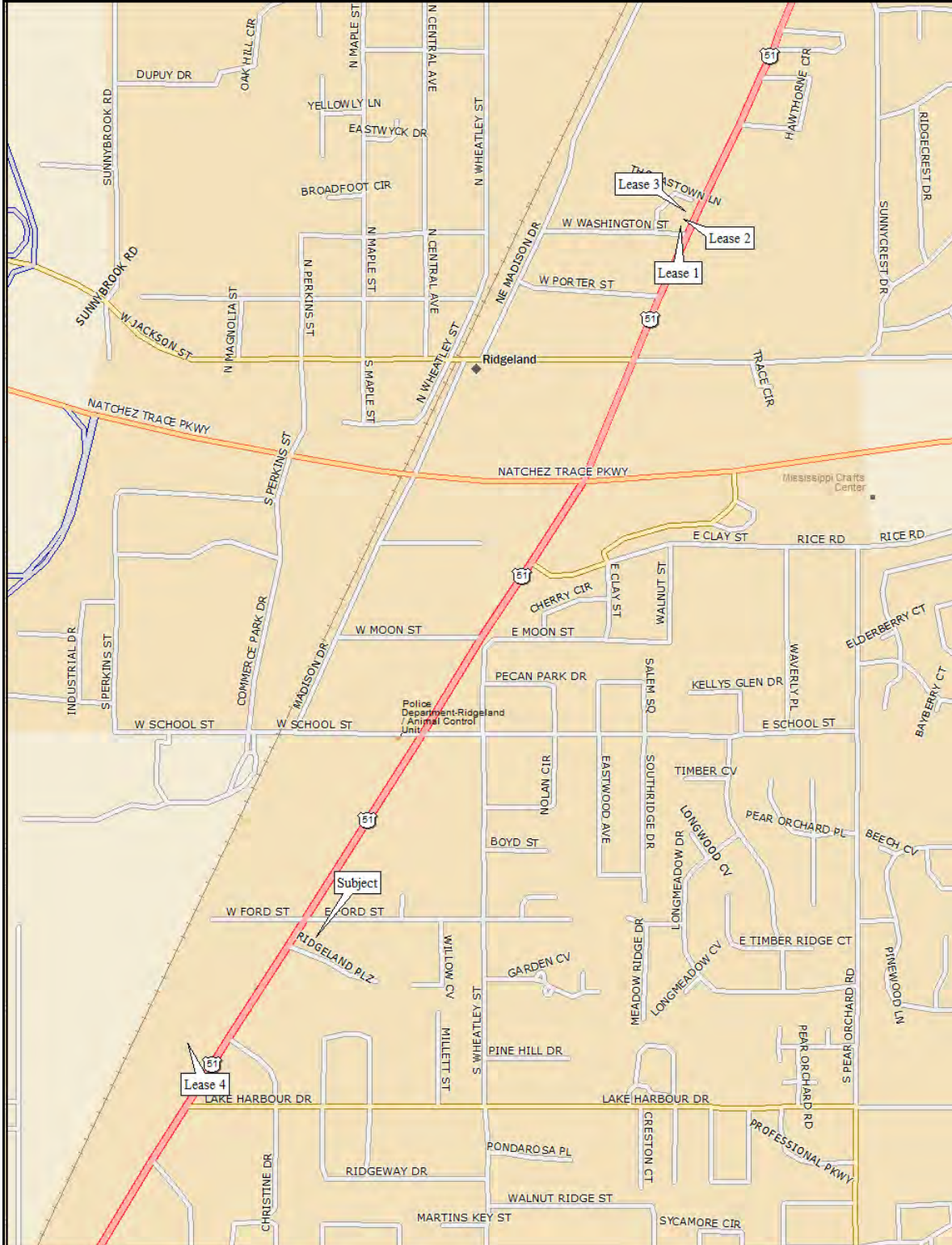


***112 Village Boulevard  
Madison, Mississippi 39110***

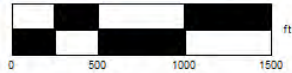
# **COMPARABLE LEASES**



# COMPARABLE LEASE MAP



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Data Zoom 14-2

## MARKET DATA

### LEASE COMPARABLE ONE

<b>LEASE LOCATION:</b>	567 U. S. Highway 51, Ridgeland, Mississippi 39157
<b>OWNER:</b>	N & M Properties, Inc.
<b>TENANT:</b>	Wright & Martin, LLP
<b>BUILDING TYPE:</b>	Class D Office
<b>GROSS LEASABLE AREA:</b>	6,860 square feet (Surveyed area contains 900 square feet)
<b>OFFICE AREA:</b>	100%
<b>RENTAL RATE:</b>	\$12.00 psf
<b>LEASE TERMS:</b>	Typical leases are 1 to 3-year. The tenants are responsible for paying the utilities and janitorial.
<b>DATE OF SURVEY:</b>	March 2013
<b>COMMENTS:</b>	This building is of average condition, built in 1993. The building is 100% occupied by multiple tenants and the owner.

**CONTINUE: LEASE COMPARABLE ONE**



**567 U. S. Highway 51  
Ridgeland, Mississippi**

## MARKET DATA

### LEASE COMPARABLE TWO

<b>LEASE LOCATION:</b>	571 U. S. Highway 51, Ridgeland, Mississippi 39157
<b>OWNER:</b>	N & M Properties, Inc.
<b>TENANT:</b>	Duncan Kent, PLLC
<b>BUILDING TYPE:</b>	Class D Office
<b>GROSS LEASABLE AREA:</b>	6,800 square feet (Surveyed area contains 1,912 square feet)
<b>OFFICE AREA:</b>	80%
<b>RENTAL RATE:</b>	\$12.00 psf
<b>LEASE TERMS:</b>	Typical leases are 1 to 3-year. The tenants are responsible for paying the utilities and janitorial.
<b>DATE OF SURVEY:</b>	March 2013
<b>COMMENTS:</b>	This building is of average condition, built in 1994. The building is 80% occupied by multiple tenants. The vacant space, containing 1,360 square feet is advertised for \$13.00 per square foot.

**CONTINUE: LEASE COMPARABLE TWO**



**571 U. S. Highway 51  
Ridgeland, Mississippi**

## MARKET DATA

### LEASE COMPARABLE THREE

<b>LEASE LOCATION:</b>	573 U. S. Highway 51, Ridgeland, Mississippi 39157
<b>OWNER:</b>	Metro Land Company, Inc.
<b>TENANT:</b>	Robert Cherry & Co.
<b>BUILDING TYPE:</b>	Class D Office
<b>GROSS LEASABLE AREA:</b>	1,981 square feet (Surveyed area contains 990 square feet)
<b>OFFICE AREA:</b>	100%
<b>RENTAL RATE:</b>	\$13.00 psf
<b>LEASE TERMS:</b>	Typical leases are 1 to 3-year. The tenants are responsible for paying the utilities and janitorial.
<b>DATE OF SURVEY:</b>	March 2013
<b>COMMENTS:</b>	This building is of average condition, built in 1998. The building is 100% occupied by multiple tenants and the owner.

**CONTINUE: LEASE COMPARABLE THREE**



**573 U. S. Highway 51  
Ridgeland, Mississippi**

## MARKET DATA

### LEASE COMPARABLE FOUR

<b>LOCATION:</b>	Unit H, 299 U. S. Highway 51, Ridgeland, MS 39157
<b>BUILDING TYPE:</b>	Multi-Tenant Office Building
<b>LEASED AREA:</b>	1,600 square feet
<b>OFFICE AREA:</b>	100%
<b>RENTAL RATE:</b>	\$12.00 per square foot
<b>LEASE TERMS:</b>	Three-year lease, Tenant pays utilities
<b>DATE OF SURVEY:</b>	April 2010
<b>COMMENTS:</b>	This unit is one of seven units in the building. The build-out is similar to a medical clinic. The tenant is responsible for utilities while the landlord pays taxes, insurance, and maintenance. This lease information was provided by the tenant.



**CONTINUE: LEASE COMPARABLE FOUR**



**Unit H, 299 U. S. Highway 51  
Ridgeland, Mississippi 39157**

**SUBJECT PHOTOGRAPHS**



SUBJECT PHOTOGRAPHS



## DEFINITIONS

The property rights appraised are the fee simple estate interest to all of the future benefits derived from the present possible uses of the subject property. According to *The Appraisal of Real Estate*, Thirteenth Edition, on page 111, possession of a title in fee establishes the interest in property known as the **fee simple** estate-i.e., "absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."

According to *The Dictionary of Real Estate Appraisal*, 5<sup>th</sup> Edition, an **easement** is defined as "An interest in real property that conveys use, but not ownership of a portion of an owner's property."

## APPRAISAL QUALIFICATIONS SHEET

### CASEY W. WINGFIELD

MISSISSIPPI CERTIFIED GA-775

POST OFFICE BOX 2601

MADISON, MISSISSIPPI 39130-2601

(601) 898-2806 / (800) 786-3106 / FAX: (601) 605-4927

#### PROFESSIONAL TRAINING

##### *Appraisal Institute Courses:*

Course 110: Appraisal Principles	Chicago, Illinois	- July 1999
Course 120: Appraisal Procedures	Chicago, Illinois	- Sep 2001
Course 310: Basic Income Capitalization	Greensboro, North Carolina	- Jun 2003
Course 530: Advanced Sales Comparison & Cost	Denver, Colorado	- Jun 2004
Course 410: 15-Hour National USPAP	Jackson, Mississippi	- Oct 2005
Course 420: Business Practices & Ethics	Jackson, Mississippi	- Feb 2007
Course 510: Advanced Income Capitalization	Ridgeland, Mississippi	- Mar 2009
General Appraiser Report Writing & Case Studies	Flowood, Mississippi	- Sep 2010
Fundamentals of Separating Intangible Assets	Flowood, Mississippi	- May 2012

##### *Appraisal Institute Seminars:*

The Technology Assisted Appraiser	Jackson, Mississippi	- Oct 2003
Appraising From Blueprints	Jackson, Mississippi	- Apr 2007
Analyzing Operating Expenses	Jackson, Mississippi	- Jul 2007
Scope of Work: Expanding Your Range of Services	Jackson, Mississippi	- Aug 2008

##### *Realtor Institute Courses:*

Course I: The Basics of Appraisal	Jackson, Mississippi	- Feb 1997
Course II: Real Estate Analysis	Jackson, Mississippi	- Jul 1997
Course III: Sales Comparison Approach	Jackson, Mississippi	- Aug 1997
Course IV: Income and Cost Approaches	Jackson, Mississippi	- Aug 1997
Course V: Appraisal Standards and Ethics	Jackson, Mississippi	- Sep 1997
Mississippi Real Estate Principles	Jackson, Mississippi	- Apr 2008

##### *Nashville Auction School:*

Auctioneering 101	Tullahoma, Tennessee	- Aug 2001
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#### EDUCATION

Madison Central High School, Madison, Mississippi

Holmes Community College, Ridgeland, Mississippi

#### PROFESSIONAL AFFILIATIONS

Mississippi Licensed Certified General Real Estate Appraiser, License #GA-775

Mississippi Licensed Real Estate Salesperson, License #S-45989

Mississippi Licensed Auctioneer, License #828

Associate Member of Appraisal Institute # 406869

Member of National Association of REALTORS

Member of Mississippi Association of REALTORS

Member of Jackson Association of REALTORS



**APPRAISAL QUALIFICATIONS**  
**CASEY W. WINGFIELD**  
*MISSISSIPPI CERTIFIED GA-775*  
**PAGE TWO**

***EXPERIENCE***

*Casey W. Wingfield:* Independent Real Estate Appraiser and Consultant since 1997.  
Experienced in appraising all types of property:  
Agricultural, Commercial, Industrial, Recreational, Residential, and Rural

Mississippi Licensed Auctioneer since 2001.  
Experienced in auctioning:  
Estates, Farm Equipment, Industrial Machinery, and Personal Property

Associated with Randall G. Wingfield, MAI, CAI, CCIM, since October 1997

A partial list of clients served in association with *Randall G. Wingfield, MAI, CAI, CCIM:*

AmSouth Bank	Magnolia State Bank
BancorpSouth	Merchants and Farmers Bank
Bank of Forest	Merchants and Planters Bank
Bank of Yazoo	Metropolitan Bank
BankFirst Financial Services	Mississippi Department of Agriculture
BankPlus	Mississippi Major Impact Authority
Canton Redevelopment Authority	Mississippi Telco Federal Credit Union
Capitol One Bank	OmniBank
Community Trust Bank	Planters Bank and Trust
Copiah Bank	State Bank and Trust Company
Citizens National Bank	SouthTrust Bank
Hancock Bank	Southern Bancorp
Heritage Banking Group	The Valley Bank
Hibernia National Bank	Trustmark National Bank
GE Capitol Financial Services	Union Planters Bank
Guaranty Bank and Trust Company	United Mississippi Bank
Madison County Bank	United States Department of Interior
Madison County Board of Supervisors	U. S. Small Business Administration
Madison Co. Economic Dev. Authority	Whitney National Bank of New Orleans

Major appraisal assignments include: professional office buildings, medical office buildings, industrial facilities, motels, apartments, agricultural and forest properties, and transitional lands.

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