

J. Guy Simmons Appraisals, LLC

**COMPLETE SELF-CONTAINED
APPRAISAL REPORT**

**OF
A Commercial Site**

**Located at
221 N. Florida Street
Bushnell, Fl 33513**

**Effective Date of Value
May 8, 2012**

**Date Report Signed
May 11, 2012**

**James Guy Simmons
State Certified General Real Estate Appraiser RZ1989
J. Guy Simmons Appraisals, LLC
P.O. Box 879
Bushnell, Fl. 33513**

TRANSMITTAL LETTER

FILE#1212-002

May 11, 2012

Mr. Robert A. Sanchez
Lake Sumter Properties Inc.
218 N. Florida Street
Bushnell, Fl 33513

Reference: Appraisal of 221 N. Florida St., Bushnell, Fl. 33513

In response to your request and authorization, I have conducted the required investigations, made the inspections, gathered the necessary data, and made certain analyses necessary to appraise at Market Value, the fee simple interest in the real property, described in this report.

The Appraisal that follows identifies and provide a description of the real estate being appraised; states the real property interest being appraised; states the purpose and intended use of the appraisal; defines the value to be estimated; states the effective date of the appraisal and the date of assumptions and limiting conditions that affect the analyses, opinions, and conclusions; notes the information considered; the appraisal procedures followed, and the reasoning that supports the analyses, opinions and conclusions; states the appraiser's opinion of the highest and best use of the real estate; explains and support the exclusion of any of the usual valuation approaches; notes any additional information that may be appropriate to show compliance with, or clearly identify and explain permitted departures from the specific guidelines of Standard 1 Uniform Standards of Professional Appraisal Practice. This report is a self contained appraisal in compliance with the Uniform Standards of Professional Appraisal Requirements.

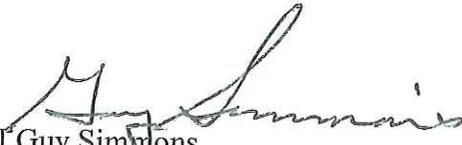
No tangible or intangible assets were included in this appraisal. The Highest and Best Use of the property is its current use as a Rental Office Complex. The purpose of the appraisal is to establish a current market value for the subject as of the date of this appraisal based on its current use and condition. The property ownership, according to public records is Lake Sumter Properties, Inc.

The intended user of this report is Mr. Robert Sanchez and Lake Sumter Properties, Inc. The appraiser is not responsible for unauthorized use of this report and no one other than the intended user may rely on its conclusions.

Based on my knowledge, experience and analysis of market data presented, it is my opinion that the Market Value for the fee simple interest of the subject property, under the conditions as set forth herein, as of May 8, 2012 is estimated at

**Sixty-Eight Thousand Dollars
\$68,000**

Respectfully submitted,



J. Guy Simmons
State Certified General Appraiser
#RZ1989

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SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

Appraisal Date:	May 8, 2012
Rights Appraised:	Fee Simple Interest
Property Location:	221 N. Florida St. Bushnell, Florida 33513
Tax ID Number:	N16A237
Alt Key Number:	N16A237
Owner of Record:	Lake Sumter Properties, Inc. 218 N. Florida St. Bushnell, Fl 33513
Property Type:	Commercial/Retail Rental
Land Size:	50' X 100'/5,000 S/F
Improvements:	One Story Wood Frame Building/792 S/F.
Utility:	City Utilities
Zoning:	Central Business District
Land Use:	Commercial
Highest and Best Use:	Current use as a Rental Shop
Subject Tract:	Rental Office/Retail Use
Estimated Market Value:	\$68,000

PURPOSE AND OBJECTIVE OF THE APPRAISAL

The purpose of this appraisal is to estimate the market value of the fee simple interest in the subject property as of the effective date of this report for Mr. Robert A. Sanchez and Lake Sumter Properties, Inc. for financial planning. **The objective of this appraisal is to present the data and reasoning the appraiser has used to form the opinion of value, for a Commercial Rental Property located at 221 N. Florida St., Bushnell (Sumter County), Florida 33513.**

INTENDED USE

The intended use of the appraisal is to assist Robert A. Sanchez and Lake Sumter Properties, Inc. for financial and internal collateral analysis. The appraiser is not responsible for unauthorized use of this report and no one other than the intended user may rely on its conclusions.

INTENDED USER (S)

The report is for the exclusive use of Robert A. Sanchez and Lake Sumter Properties, Inc. and its assigns.

SCOPE OF WORK

Scope of work is to prepare an appraisal report with an objective to logically communicate the data, market support and reasoning used to formulate the opinion (s) of value to lead the reader to the same or similar conclusions as those reached by the appraiser.

In preparing this appraisal I have inspected the subject property and surrounding property on May 8, 2012 and gathered the necessary data, such as maps, zoning, tax data, subject's history and any other pertinent information to aide in estimating a market value for the subject property.

Information was obtained pertaining to the neighborhood and surrounding environment using personal prospective and publications of important data found in various resources.

Market condition's was examined and discussed using current sources, such as the board of realtors and other realtors and professionals. I have estimated the subject's highest and best use and the use most probable under current land uses. Market data for the subject was obtained using public records and other reliable sources, such as realtors, appraisers and bankers. Land sales were obtained using MLS, public records and information obtained from other appraisers. Verification of the comparables was made using information obtained from knowledgeable sources.

I have considered the factor's affecting the subject property and applied the most appropriate and practical approach to value. The subject is being valued as an improved commercial site used for a professional office/retail rental unit. The three approaches to value were considered with the most appropriate and supportable approach used to estimate the current market value for the subject.

DATE OF APPRAISAL

The effective date of the appraisal is the date of the site inspection, May 8, 2012. The date of the appraisal report is May 11, 2012 the date the report was signed.

PROPERTY RIGHTS OR INTEREST APPRAISED

The Fee Simple interest has been appraised in this report. **A title commitment was not provided but a current survey was provided to the appraiser.**

DATE OF VALUE ESTIMATE AND APPRAISAL REPORT

The effective date of the value estimate is May 8, 2012. My most recent inspection and analysis of the subject property was May 8, 2012 and the date the report was signed is May 11, 2012. Mr. Robert A. Sanchez with Lake Sumter Properties, Inc. engaged the appraiser on April 29, 2012 to appraise the subject and the appraiser made the physical inspection on May 8, 2012 and additional information was obtain from Mr. Robert Sanchez of Lake Sumter Property, Inc. for rental data and other pertinent information effecting the property.

DATA COLLECTION, CONFIRMATION AND REPORTING PROCESS

The data used in this report is taken from sources, which are assumed to be reliable, such as, Realtors, appraisers, property owners, government officials, data services and other individuals knowledgeable of real estate values. The primary source of the data used was from the Sumter County Property Appraiser's public records and My Florida Multi-listing service.

In cases where the data is available from only one source or where verification is cost prohibitive or impossible to obtain the data, it has been checked for reasonableness based on the appraiser's knowledge and experience. The data has been integrated and placed in the various sections of this report and identified in those sections.

STATEMENT OF COMPETENCY

This report has been prepared in compliance with the Uniform Standards of Professional Appraisal Practice and meets the appraisal requirements. This is a complete self-contained appraisal report.

ASSUMPTIONS AND LIMITING CONDITIONS

The appraiser's certification that appears in the appraisal report is subject to the following conditions:

1. The appraiser will not be responsible for matters of a legal nature that affects either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.
2. The appraiser has provided a sketch in the appraisal report to show approximate dimensions of the improvements and the sketch is included only to assist the reader of the report in visualizing the property and understanding the appraiser's determination of its size.

3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.
5. The appraiser has estimated the value of the land in the cost approach at its highest and best use and the improvements at their contributory value. These separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are invalid if they are so used.
6. The appraiser has noted in the appraisal report any adverse conditions (such as, needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such condition exists. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.
7. The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers being reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
8. The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice.
9. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that completion of the improvements will be performed in a workmanlike manner.

10. The appraiser must provide his or her prior written consent before the lender/client specified in the appraisal report can distribute the appraisal report (including conclusions about the property value, the appraiser's identity and professional designations, and references to any professional appraisal organizations or the firm with which the appraiser is associated) to anyone other than the borrower; the mortgagee or its successors and assignee; the mortgage insurer; consultants; professional appraisal organizations; any state or federally approved financial institution; or any department, agency, or instrumentality of the United States or any state or the District of Columbia; except that the lender/client may distribute the property description section of the report only to data collection or reporting services(s) without having to obtain the appraiser's prior written consent. The appraiser's written consent and approval must also be obtained before the appraisal can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.

APPRAISER'S CERTIFICATION

The Appraiser certifies and agrees that:

1. I have researched the subject market area and have selected a minimum of three recent sales of properties most similar and proximate to the subject property for consideration in the sales comparison analysis and have made a dollar adjustment when appropriate to reflect the market reaction to those items of significant variation. If a significant item in a comparable property is superior to, or more favorable than, the subject property, I have made a negative adjustment to reduce the adjusted sales price of the comparable and, if a significant item in a comparable property is inferior to, or less favorable than the subject property, and I have made a positive adjustment to increase the adjusted sales prices of the comparable.
2. I have taken into consideration the factors that have an impact on value in my development of the estimate of market value in the appraisal report. I have not knowingly withheld any significant information from the appraisal report and I believe, to the best of my knowledge, that all statements and information in the appraisal report are true and correct.
3. I stated in the appraisal report only my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the contingent and limiting conditions specified in this report.
4. I have no present or prospective interest in the property that is the subject to this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or the estimate of market value in the appraisal report on the race, color, religion, sex, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property.

5. I have no present or contemplated future interest in the subject property, and neither my current nor future employment nor my compensation for performing this appraisal is contingent on the appraised value of the property.

6. I was not required to report a predetermined value or direction in value that favors the cause of the client or any related party, the amount of the value estimate, the attainment of a specific result, or the occurrence of a subsequent event in order to receive my compensation and/or employment for performing the appraisal. I did not base the appraisal report on a requested minimum valuation, a specific valuation, or the need to approve a specific mortgage loan.

7. I performed this appraisal in conformity with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of the Appraisal Foundation and that were in place as of the effective date of this appraisal, with the exception of the departure provision of those Standards, which does not apply. I acknowledge that an estimate of a reasonable time for exposure in the open market is a condition in the definition of market value and the estimate I developed is consistent with the marketing time noted in the neighborhood section of this report, unless I have otherwise stated in the reconciliation section.

8. I have personally inspected the interior and exterior areas of the subject property and the exterior of all properties listed as comparable in the appraisal report. I further certify that I have noted any apparent or known adverse conditions in the subject improvements, on the subject sit, or on any site within the immediate vicinity of the subject property of which I am aware and have made adjustments for these adverse conditions in my analysis of the property value to the extent that I had market evidence to support them. I have also commented about the effect of the adverse conditions on the marketability of the subject property.

9. I personally prepared all conclusions and opinions about the real estate that were set forth in the appraisal report. If I relied on significant professional assistance from any individual or individuals in the performance of the appraisal or the preparation of the appraisal report, I have named such individual(s) and disclosed the specific tasks performed by them in the reconciliation section of this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in the report; therefore, if an unauthorized change is made to the appraisal report, I will take no responsibility for it.

Extraordinary Assumptions and Limiting Conditions

The appraiser was not furnished with a Legend of the property or a legal description, therefore, the legal description was obtain from public records and the property data and legend was obtained from the Sumter County Property Appraisers records and the information is given the presumption of correctness unless disputed with a survey and title commitment.

PROPERTY RIGHTS OR INTEREST APPRAISED

Fee Simple Interest.

STATEMENT OF VALUE ESTIMATE AND PROPERTY RIGHT APPRAISED

The appraisal is to determine the market value of the subject property in terms of cash. The property rights appraised are those of a fee simple estate.

Fee Simple Estate has been defined as:

"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. An inherited property interests." as taken from, The Appraisal of Real Estate, Tenth Edition, published by the Appraisal Institute, 1989

DEFINITIONS OF VALUE TO BE ESTIMATED

The Appraisal Institute as has defined Market Value:

"The most probable price in cash, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress."

the following definition of market value is used by many federal financial institutions, which was established under the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) 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, 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 each acting in what he considers his own best interest;
- (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
- (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."

IDENTIFICATION AND DESCRIPTION OF SUBJECT PROPERTY

General Description

The tract consists of approximately 5,000 square feet and measures 50' X 100'. The topography is a high and dry lot fronting on a paved city street. Improvements include a wood frame building of average quality and construction built in 1925. The single story building contains 792 square feet of heated and cooled area. An analysis of the site using data obtained from the Sumter County Property Appraiser's web site and survey shows that the subject property has 50' fronting on North Florida Street and 100' depth.

The improvement was remodeled within the past year with recent updates and renovation has given the effective age of the subject an estimated 35 years with an actual age at 87. The building has the appearance of a dated structure but with a remaining economic life of 25 years.

Site Size/Shape/Topography

The subject is a high and dry, rectangular parcel containing 5,000 square feet. The site is level and above road grade. No paved surface area on the site.

The survey shows a storage building, however, upon inspection the storage building does not have any contributory value to the site. The site offers limited parking but no paved parking area. The City of Bushnell is responsible for water control and offsite parking.



Figure 1-Front of 221 N. Florida St.



Figure 2-Back View 221 N. Florida St.



Figure 3-Side View



Figure 4-Side View



Figure 3-N. Florida Street View of Park



Figure 4-N. Florida Street Looking North



Figure 7-N. Florida Looking South



Figure 8 Overview of Front of 221 N. Florida St.

LEGAL DESCRIPTION OF PARCEL

Begin 64 feet South of Northwest Corner of Block 72 New Plat Bushnell, Plat Book 1 Page 79, run south 50 feet, east 100 feet, north 50 feet, west 100 feet to Point of Beginning, being in Section 16, township 21s, range 22e Sumter (Bushnell) County, Florida 33513.

Ownership and Five Year History

The subject is owned by Lake Sumter Properties, Inc., 218 N. Florida St., Bushnell, FL. 33513. The subject property shows no transaction over the past five years. The subject is currently listed with realtor. Listed 11/18/11 at \$68,000; Contract date 05/03/2012 according to My Florida MLS#G4678404.

Real Estate Tax Information

Just value shown by the Sumter County Property Appraisers records is \$40,332. The Assessed Value is \$40,332 with a taxable value of \$40,332. The tax levied is \$840.44 for 2011.

There were no outstanding taxes as of the date of the appraisal. The millage rate applicable to the assessed value is 18.2098. The subject is located in the city taxing jurisdiction and the millage rate levied by the City of Bushnell is 5.00.

Location

The subject property is located in the City of Bushnell, the county seat of Sumter County, Florida. Bushnell's main commercial center has expanded out toward Interstate 75; however, the main part of town is Bushnell Plaza. The subject is located in the older part of town near the old courthouse and the new courthouse. Bushnell's newly built City Hall is located just south of Bushnell Plaza. Limited commercial activity is found in the older part of town but its still the focus of commercial activity with additional commercial activity located along Main Street; Bushnell Plaza; W-C 48 and next to Interstate 75.



SUMTER COUNTY GIS MAP FROM PROPERTY APPRAISER'S OFFICE

Neighborhood Data

Neighborhood boundaries may consist of well-defined, natural, or man-made boundaries or they may be more or less defined by a distance change in land use or in the character of the inhabitants. A neighborhood is considered to be that portion of a larger community or an entire community in which there is a homogeneous grouping of inhabitants, buildings and business enterprises. Inhabitants usually share the same cultural background, economic level and interest.

The subject property is located in a rural town with limited amenities being the City of Bushnell, the county seat, located in Sumter County, Florida. The immediate neighborhood is comprised of single family homes, commercial, schools, public service facilities and recreational area. Adjacent property consists of rural agriculture tracts, residential subdivisions and established residential neighborhoods. Commercial activity is located along the main corridors being W C-48, Highway 301, Main Street and County Road 48.

Bounded on the east by State Road 471, north by State Road 475, West by the Withlacoochee River and South by the community of St. Catherine, the neighborhood is 40%-60% built up and very limited development is taking place. Land in the neighborhood is predominately agriculture with residential communities scattered. The housing types include a range from manufactured homes to conventional homes on typical size lots. The Villages of Sumter, being a large retirement community located in the northern section of Sumter County, offers all major types of commercial and medical facilities with additional amenities available in nearby Leesburg.

The neighborhood is not anticipated to develop in the near future but is expected to maintain the current growth pattern. The City of Bushnell is expanding its boundaries in all directions in anticipation of future growth. Near the City of Bushnell are the Coleman Federal Prison and the Sumter Correctional Facility.

Area Data

Sumter County is located in West Central Florida. It is bordered on the north by Marion County, East by Lake County and South by Hernando County and West by Hernando and Citrus County. The major growth has taken place in the northeastern section of the county in the Villages of Sumter, a large retirement community. Due to this major growth, Sumter County has shown a steady increase in population over the past five to ten years and even with the downturn in the economy, the growth in this section is continuing to move forward. Sumter County is located within a short commute to Gainesville to the north, Orlando and the attractions to the East, Tampa and the St. Petersburg/Clearwater area to the south and the Gulf of Mexico to the West.

Sumter County, Florida

[Further information](#)

Want more? [Browse data sets for Sumter County](#)

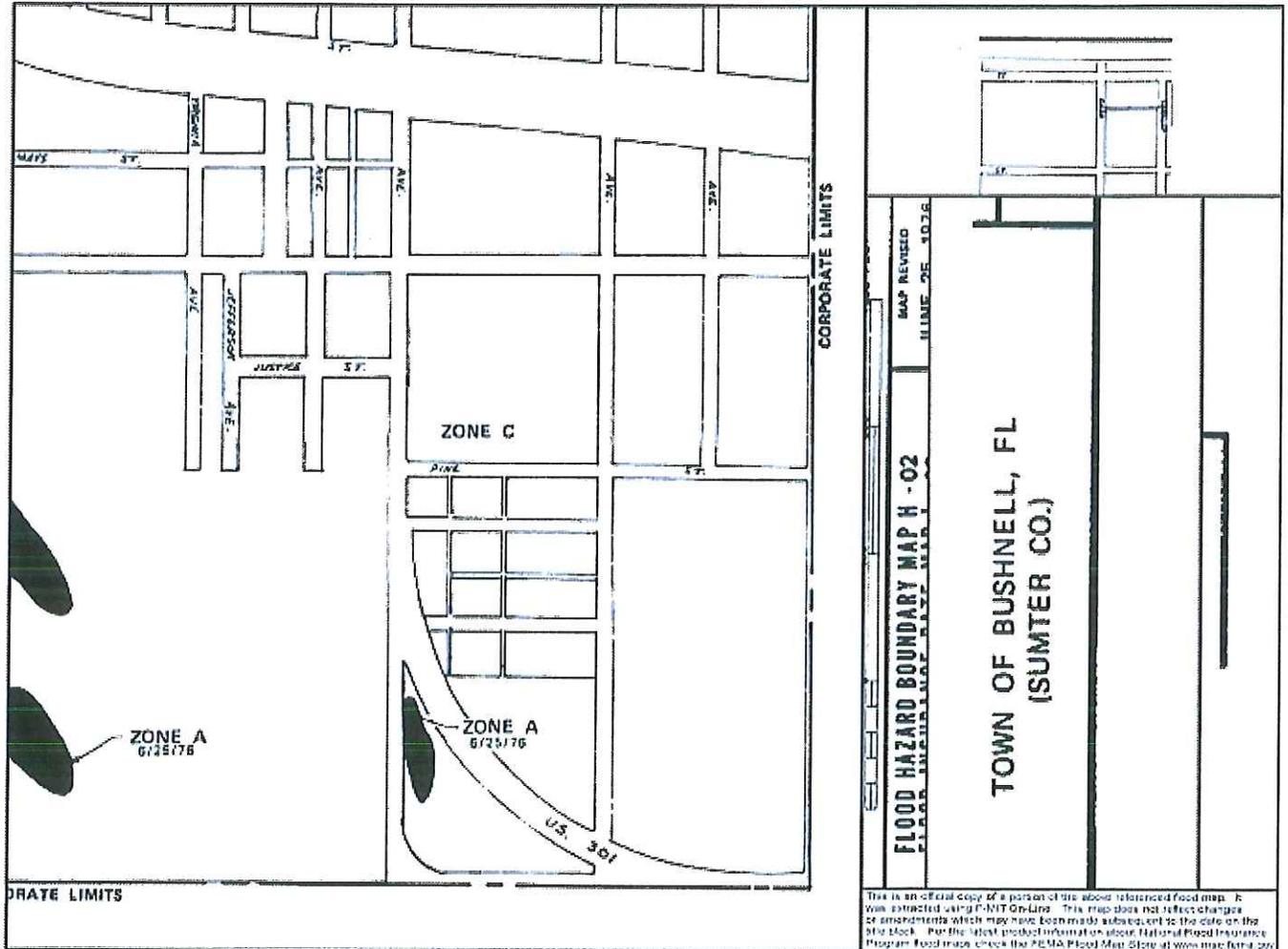
People QuickFacts	Sumter County	Florida
Population, 2009 estimate	77,681	18,537,969
Population, percent change, April 1, 2000 to July 1, 2009	45.6%	16.0%
Population estimates base (April 1) 2000	53,348	15,982,839
Persons under 5 years old, percent, 2008	4.5%	6.2%
Persons under 18 years old, percent, 2008	16.5%	21.8%
Persons 65 years old and over, percent, 2008	20.2%	17.4%
Female persons, percent, 2008	45.6%	50.9%
<hr/>		
White persons, percent, 2008 (a)	85.6%	79.8%
Black persons, percent, 2008 (a)	12.0%	15.9%
American Indian and Alaska Native persons, percent, 2008 (a)	0.5%	0.5%
Asian persons, percent, 2008 (a)	0.8%	2.3%
Native Hawaiian and Other Pacific Islander, percent, 2008 (a)	0.1%	0.1%
Persons reporting two or more races, percent, 2008	1.0%	1.4%
Persons of Hispanic or Latino origin, percent, 2008 (b)	8.1%	21.0%
White persons not Hispanic, percent, 2008	78.2%	60.3%
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Living in same house in 1995 and 2000, pct 5 yrs old & over	43.9%	48.9%
Foreign born persons, percent, 2000	5.5%	16.7%
Language other than English spoken at home, pct age 5+, 2000	9.1%	23.1%
High school graduates, percent of persons age 25+, 2000	77.3%	79.9%
Bachelor's degree or higher, pct of persons age 25+, 2000	12.2%	22.3%
Persons with a disability, age 5+, 2000	12,552	3,274,566
Mean travel time to work (minutes), workers age 16+, 2000	28.6	26.2
<hr/>		
Housing units, 2008	46,140	8,800,294
Homeownership rate, 2000	86.5%	70.1%
Housing units in multi-unit structures, percent, 2000	2.5%	29.9%
Median value of owner-occupied housing units, 2000	\$100,400	\$105,500

Households, 2000	20,779	6,337,929
Persons per household, 2000	2.27	2.46
Median household income, 2008	\$48,106	\$47,802
Per capita money income, 1999	\$16,830	\$21,557
Persons below poverty level, percent, 2008	13.2%	13.3%
Business QuickFacts	Sumter County	Florida
Private nonfarm establishments, 2007	1,057	523,461 ¹
Private nonfarm employment, 2007	14,495	7,425,331 ¹
Private nonfarm employment, percent change 2000-2007	190.7%	19.4% ¹
Nonemployer establishments, 2007	4,163	1,618,119
Total number of firms, 2002	2,944	1,539,207
Black-owned firms, percent, 2002	S	6.6%
American Indian and Alaska Native owned firms, percent, 2002	F	0.6%
Asian-owned firms, percent, 2002	F	2.7%
Native Hawaiian and Other Pacific Islander owned firms, percent, 2002	F	0.1%
Hispanic-owned firms, percent, 2002	F	17.3%
Women-owned firms, percent, 2002	31.7%	28.4%
Manufacturers shipments, 2002 (\$1000)	241,253	78,474,770
Wholesale trade sales, 2002 (\$1000)	D	219,490,896
Retail sales, 2002 (\$1000)	247,536	191,805,685
Retail sales per capita, 2002	\$4,285	\$11,498
Accommodation and foodservices sales, 2002 (\$1000)	29,352	29,366,940
Building permits, 2008	2,710	61,042
Federal spending, 2008	496,801	149,872,178 ¹

Geography Quick Facts	Sumter County	Florida
Land area, 2000 (square miles)	545.73	53,926.82
Persons per square mile, 2000	97.7	296.4
FIPS Code	119	12
Metropolitan or Micropolitan Statistical Area	The Villages, FL Micro Area	

Source U.S. Census Bureau: State and County QuickFacts. Data derived from Population Estimates, Census of Population and Housing, Small Area Income and Poverty Estimates, State and County Housing Unit Estimates, County Business Patterns, Nonemployer Statistics, Economic Census, Survey of Business Owners, Building Permits, Consolidated Federal Funds Report
Last Revised: Thursday, 22-Apr-2010 08:34:34 EDT

U S C E N S U S B U R E A U
Helping You Make Informed Decisions



Town of Bushnell-Flood Map of Area Where the Subject is Located.

Flood Hazard Statement

According to the Federal Emergency Management Agency Flood Insurance Rate Map for the Town of Bushnell, the subject is located in Zone C which is as an area of minimal flooding

Legal Access

A copy of the title search was not provided the appraiser, however, the subject fronts on two city streets, N. Florida and McCollum Avenue and has legal access.

Utility

The site is serviced with the City of Bushnell's utilities which include water, septic system and electric. Phone service is supplied by Century Link.

Zoning

The property is in the zoning jurisdiction of the City of Bushnell. The property has a zoning designation of CBD, Central Business District. See Insert for Zoning for this district.

COMMERCIAL ZONING CBD
For Development Served by Septic and Sewer

CBD Central Business District. This district is intended to serve the downtown shopping and office needs of the community. At the present time the city has a small Central Business District within its jurisdiction. This district has special needs and considerations due to its existing development and the presence of undeveloped lots.

Minimum Setbacks Front Yard 0' Side Yard 0' Rear Yard 0'

To have a zero (0) setback, a use must have exits on two different sides. Otherwise the required rear yard setbacks shall be ten (10) feet.

Maximum Impervious Area 100% Maximum Floor Area Ratio 2.00 Maximum Height 40'

Curb Cuts and Driveways: No commercial lot may have more than two driveways providing access on any street frontage. For commercial lots with a width of 200 feet or less, no more than one driveway with a maximum width of 24 feet may be permitted. See Section 60-24 of the Land Development Regulations.

Permitted Uses: Multi-family dwelling, group homes, foster homes, nursing care homes, convalescent homes, ACLS, churches, clubs, fraternal buildings, compound use, professional or community service offices, corporate service offices, indoor display, retail sales, service stations and restaurants 60 seats or under, carnival/circus. See Supplemental Regulations, Chapter 65 of the Land Development Regulations.

Tree Removal: No construction activity, including land clearing, may be started prior to site plan approval. Any trees that are between 16" and 30" in diameter will be replaced with two (2) preferred trees from the medium or large official tree list and be a minimum of 1 1/2" caliper DBH and 10 feet in height installed. Any trees that are greater than 30" in diameter will be replaced with two (2) preferred trees from the large official tree list and will be a minimum of 4" caliper DBH and 12 feet in height installed. Exemption: Residential homes, agricultural and forestry land uses.

Parking: See Chapter 60, Article 3 of the Land Development Regulations. At the sole discretion of the City Council, development proposed within the Central Business District may provide a payment of a fee in lieu of the provision of some or all of the required off-street parking spaces.

Special Exception Uses: Single family dwelling, two-family dwelling, daycare, nursery school, convenience stores, gas/service stations, repair shops, medical clinic, ambulance stations, bottle clubs/bars, lounges/package stores, commercial portable or temporary structures, commercial pole barns or sheds, bakery, deli, strip stores under 20,000 square feet, outdoor display, retail sales, bed & breakfast, commercial recreation entertainment and fitness facility, tents, off site parking, and off site support facilities. See Supplemental Regulations, Chapter 65 of the Land Development Regulations.

Future Land Use

The future land use for this district is the current use as CBD (Commercial Business District).

Concurrency

Concurrency is part of the 1985 Growth Management Act, which states in part that all of an area's infrastructure must be in place or concurrent with development and must be adequate. The items affected are sewer, water service and roads. Development could require a developer to pave or widen existing or additional roads to carry the burden of traffic. The subject is located in the City Limits where sewer, water and roads are available.

Soil Condition

The United States Department of Agriculture soil survey was used to extract data concerning the soil condition for the subject. The soil legend for the City of Bushnell indicates a soil type of Sparr Series.

This series consists of nearly level to gently sloping, somewhat poorly drained, moderately permeable soils on low ridges and knolls. These soils formed in thick beds of sandy and loamy marine sediment. The slopes range from 0 to 5 percent. During most years, the water table is at a depth of 20-40 inches for 1 month to 4 months and at a depth of 40 to 80 inches for 8 to 10 months. These soils are loamy, siliceous, hyperthermic Grossarenic Paleudults. Additional information is available from the USDA online website or through an in depth analysis of soil sample on a feasible study.

Access, Easements, Restrictions and Encumbrances

The property fronts on North Florida Avenue, a paved city street with sidewalks, curbs and lights. No adverse easements, encroachment or other encumbrances were noted during normal search of data for the subject. However, the appraiser was not furnished a title search or a survey. It is recommended that the client retain both.

Environmental Disclaimer

The appraiser's routine inspection of and inquiries about the subject property and its' surrounding areas revealed no information concerning any detrimental environmental conditions or hazardous substances which would negatively affect the subject property. Furthermore, the appraiser is not an expert in the identification of hazardous substances or detrimental environmental conditions, therefore, an inspection and test by a qualified expert in hazardous substance and environmental conditions is recommended. This would reveal the existence or non-existence of any conditions on or around the property that would negatively affect the value of the site.

It is possible that tests and inspections made by a qualified environmental inspector would reveal the existence of hazardous materials and/or detrimental environmental conditions on or around the property that would negatively affect its safety and value. The value estimated in this appraisal is based on the assumption that:

the subject property is free of soil contaminates,
the Radon level is at or below EPA recommended levels,
there are no Hazardous Waste Sites on or nearby the subject property that negatively affect the value or safety of the property,
that there is no nor any hidden condition, which was not made known to the appraiser. The value estimated in this appraisal is based on the assumption that there are no miscellaneous

Environmental Hazards (except those reported above) that would negatively affect the value of the property. No responsibility is assumed for such conditions or for any expertise or engineering knowledge required discovering them. The client is urged to retain an expert in this field, if desired.

DESCRIPTION OF HIGHEST AND BEST USE ANALYSIS

Highest and Best Use as applied to real estate is:

"the reasonably probable and legal use of vacant land or improved property, which is physically possible; appropriately supported, financially feasible, and that results in the highest value." (1)another definition of "Highest and Best Use":

- 1) the reasonable and probable use that supports the highest present value of vacant or improved property, as defined, as of the date of the appraisal;
- 2) the reasonably probable and legal use of land or sites as though vacant, found to be physically possible, appropriately supported, financially feasible, and that results in the highest present land value;
- 3) the most profitable use;

(2)To estimate highest and best use, four elements are considered:

1. Possible use. What uses of the site in question are physically possible?
2. Permissible legal use. What uses of the site are permitted by zoning and deed restrictions?
3. Feasible use. Which possible and permissible uses will produce a net return to the owner of the site?
4. Highest and best use. Among the feasible uses, which use will produce the highest present worth?

HIGHEST AND BEST USE ANALYSIS

The appraiser is required to give discussion regarding the highest and best use of the subject property in two categories. These two categories are as though the land is vacant and as improved.

The highest and best use must meet the following tests. The use must be legal and probable, not speculative or conjectural. A demand for the use must exist and it must yield the highest net return to the land for the longest period.

In estimating the highest and best use of the land would be to continue to use the property for an improved commercial retail/office rental complex. Highest and best use takes into consideration reasonable, alternative uses, the use that yields the highest present land value, after payments for labor, capital and coordination. The use of a property based on the assumption that a parcel of land is vacant or can be made vacant by demolishing any improvements.

The highest and best use of the property as improved should be made of a property, as it exists. An existing property should be renovated or retained as is so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one.

The subject is improved with a concrete office building used as retail office rental. Therefore, since the site as improved is physical possible and there exist a commercial rental building in use, to continue as a commercial rental office/retail is a legal and permissible use. The factors that would have to be considered is does the current use meet the financial feasibility and maximum profitability. The improvement is capable of producing rents and is located in an area of town that makes it desirable for both office and retail rental units. Therefore, the current use does produce the maximum profitability to the site.

The site is in a good location and capable of producing income from rents. The highest and best use should be to continue as a commercial/retail office complex. That would produce the maximum profitability and be the Highest and Best Use for the subject as of the date of the value estimate.

Maximum Productive

Among the financially feasible uses, that use that provides the highest rate of return or value is the use that is maximally productive. Since the property has a tenant and space available for rent, the subject is being used at its highest and maximum productive use.

(1)The Appraisal of Real Estate, tenth edition, 1992, pg. 45, Appraisal Institute of Real Estate Appraisers, Chicago, Ill

(2)The Dictionary of Real Estate Appraisal, 1984, pg. 152, American Institute of Real Estate Appraisers, Chicago, Ill

THE VALUATION PROCESS

The Valuation Process uses a systematic procedure involving the three approaches to value; the Cost Approach (replacement or reproduction cost), the Sales Comparison Approach (market) and the Income Capitalization Approach. In good appraisal practice, each requires the gathering and analysis of cost, sales, and income data that pertains to the property being appraised. The process begins with the definition of the appraisal problem, i.e., identify the real estate and property rights to be appraised, use of the appraisal, definition of value, date of the value estimate, describe the process and limiting conditions. The appraiser then collects and analyzes the factors that affect the market value of the subject property and weights these factors in the area, neighborhood, site and improvement, the highest and best use analysis, and the application of the approach to value.

Cost Approach

The Cost Approach uses reproduction (exact) or replacement (equivalent) cost of existing improvements to estimate current cost to construct of the existing improvements and deducts all accrued depreciation to determine a depreciated present value of the improvements. Land value is added to the depreciated value of improvements to arrive at an estimate of value for the whole property. This approach is most reliable when improvements are new and represent the highest and best use of the property.

The Cost Approach tends to set the upper limit in value and is particularly important when there is a lack of market activity which, limits the usefulness of the sales comparison approach and are not amendable to valuation by the income capitalization approach.

Sales Comparison Approach

The Sales Comparison Approach is useful to estimate the value of the subject property as improved and also to estimate the value of land as though vacant. In the Sales Comparison Approach the market is examined and sales of properties that are comparable to the subject property are adjusted to reflect the differences between the comparable property and the subject property. The Sales Comparison Approach is most applicable when there is sufficient data on market activity to indicate a value pattern and less useful when data is scarce.

The Income Capitalization Approach

The Income Capitalization Approach is utilized when the appraiser analyzes a property's capacity to generate an income stream and converts these benefits into an indication of present value. The premise is that value is created by expectation of future income. This approach to value relates an overall capitalization rate to the sales price of other income producing investments.

The Valuation Process is finalized with the reconciliation or correlation of the final value indications. The three approaches are neither always applicable nor used in all appraisals. The relevance of the applicable approach to value is considered and then correlated to arrive at an estimated market value for the subject as of the date of the appraisal.

Cost Approach

The subject is observed to have an effective age of 35 years and an actual age of 87 years. The building has been renovated and improved within the past year on the interior. The remaining economic life of the building is estimated at 25 years. The construction is of average quality and workmanship. The condition of the building is average and functional at the time of inspection.

IMPROVEMENT COST			
ITEM	QUANTITY	UNIT COST	TOTAL
Wood Frame Structure	792	S/F \$60.00 S/F	\$47,520.00
SUB TOTAL			<u>\$47,520.00</u>
LESS:Depreciation (35 Eff. Age/60 Eco. Life)=58%			<u>\$27,561.60</u>
Replacement Cost/Less Depreciation			\$19,958.40
As is site improvements			
Utilities/Connection Fees			\$ 3,000.00
Impact Fees/Site Prep./Plans			\$ 3,000.00
Building Permits			<u>\$ 2,000.00</u>
Total As Value of Site Improvements			\$ 8,000.00
Depreciated Value of Improvements			\$27,958.40
Rounded to			\$28,000.00

Local commercial contractors were contacted for building cost and information regarding the market for new construction of commercial buildings. According to the sources contacted, building cost for commercial construction is up regardless of the recessed market for existing buildings. The above building cost represents the acceptable range per square foot in the replacement cost estimates.

The Sales (Market) Comparison Approach is the most reliable method in the valuation of vacant land. Also known as the market approach, comparable sales are selected from the market and analyzed. Consideration is made for inferior or superior features. Location, topography, size and zoning affect property values. The sales comparison is based primarily on the principle of substitution. When several commodities or services with substantially the same utility are available, the lowest price attracts the greatest demand and widest distribution. A prudent investor would not pay more to acquire a given property in the market, considering that an alternative property may be purchased for less.

The basic steps in this analysis is: research the market to identify similar properties from which pertinent sales listings offerings and or rental data is available; qualify the data as to terms, motivating forces or bona fide nature; analyze the salient characteristics of the comparable properties in relation to the property being appraised, particularly those items relating to date of sale, location, physical characteristics and condition of sale; consider all dissimilarities and the probable effect on the price of each sale and derive individual market value indications for the Property being appraised; formulate an opinion of market value from the pattern developed from the foregoing analysis.

The subject is a corner commercial lot in downtown Bushnell. The site has frontage on North Florida Street and side access to E. McCollum Avenue, a frontage street for the Sumter County Courthouse. A search for similar type of property was conducted in the market area of the subject and similar market for comparable land sales.

COMPARABLE LAND SALES

A search of the market using public records, multi-listing service and other reliable sources to located comparable sales with similar or the same zoning as the subject was undertaken. The market produced very few sales within the immediate area; therefore, the search was extended to similar markets as the subject. An analysis of these sales was made to assist the appraiser in determine the market value for the land of the subject.

Verification of sales was made using the most reliable source available. The number of commercial sales was very scarce in the Bushnell market with an extended search made for the best representatives. Those sales used in the analysis were considered representative of the market where the subject is located and using a weighted mean analysis, a square foot rate was extracted. There are various methods in which to value land, i.e., front foot, square foot, lot, acreage and a combination of the methods. Commercial property is typically valued using a square foot rate since the size and use of a commercial property is predicated on being able to improve the site with the highest producing improvement. The following comparable sales were located in the market that was considered reflective of commercial property values in the Bushnell market.

COMPARABLE SALE #1

Sale Price: \$50,000
Price per Unit: \$15.87 S/F
Financing Concession: None
Date of Sale: 7/28/2010
Brief Legal: Beg at Ne Cor of Lot 15 Beville Add PB 1 PG 57 Run West 30', S. 105', E. 30' and N. 105'
Parcel Account Number: N16C028(Sumter County, Florida)-S16-T21s-R21e
Grantor: James N. Etheredge
Grantee: City of Bushnell
Recording Data: 07/28/10-WD 2214/537
Location: Bushnell Plaza & N. Florida St., Bushnell, FL
Size: 3,150 Square Feet
Topography: Cleared
Access: Corner Bushnell Plaza & N. Florida St.
Zoning/Land Use: Commercial
Shape/Present Use: Rectangular/Public Land for City Park
Utilities: All
Verification: Public Records/Open Minutes of Bushnell
Highest and Best Use: Commercial

Comments: Very similar commercial location as the subject. Purchased by the City for part of the new town park expansion.



COMPARABLE SALE #2

Sale Price: \$100,000

Price per Unit: \$4.85 S/F

Financing Concession: None

Date of Sale: 5/26/11

Brief Legal: Lots 15 & 16 Blk 16 Original Survey PB 1 PG 15 OR
Lots 15 & 16 Blk 7 New Plat Bushnell & Lots 17 &
24 feet on N Side of Lot 18 Blk 16 Old Plat Bushnell
PB 1 PG 15 OR Lot 17 & 24' off N. Side of Lot 18
Blk 7 New Plat Bushnell & Lots 15 16 & 17 Blk 12
New Plat Bushnell PB 1 PG 79

Parcel Account Number: N16A001,003 & 055 Bushnell, FL-S16-T21s-R22e

Grantor: James N Etheredge

Grantee: First Baptist Church of Bushnell

Recording Data: 5/26/11 WD 2319/259

Location: US Hwy 301 & W. Anderson Avenue, Bushnell

Size: 20,634 Square Feet

Topography: Excavation of Old Building estimated at \$10,000

Access: U S Hwy 301/AKA S. Main Street

Zoning/Land Use: Commercial/Mixed

Shape/Present Use: Rectangular/Commercial

Utilities: Electric

Verification: Public Records/Inspection

Highest and Best Use: Commercial

Comments: The comparable had an old building that had to be excavated and has mix use zoning.



COMPARABLE SALE #3

Sale Price:	\$55,000
Price per Unit:	\$5.29 S/F
Financing Concession:	None
Date of Sale:	5/2/10
Brief Legal:	Comm at NE Cor of Blk 79 New Platt Bushnell PB 1 PG 79 thence run S. 221', W. 103.86' for POB
Parcel Account Number:	N16A284(Sumter County, Florida)-S16,T21s-R22e
Grantor:	Jeffery G. Storey
Grantee:	Lifestream Behavioral Center
Recording Data:	5/1/09 WD 2076 PG 316
Location:	N. Market Street, Bushnell
Size:	10,400 Square Foot
Topography:	Cleared
Access:	N. Market St.
Zoning/Land Use:	Commercial
Shape/Present Use:	Rectangular/Commercial
Utilities:	All
Verification:	Public Records/Inspection
Highest and Best Use:	Commercial

Comments: Comparable is located behind SunTrust Bank next to LifeStream Office. Location is slightly inferior to subject due to railroad. Location adjustment of +15%.



COMPARABLE SALE #4

Sale Price: \$42,000
Price per Unit: \$7.13 S/F
Financing Concession: Bank Owned Sale
Date of Sale: 3/28/2012
Brief Legal: The N. 50 Ft of the S. 200 ft of E. 100' of Blk 56
New Plat Bushnell PB 1 PG 79...Sec 16, Twp 21,Rge
21 Bushnell, Fl 33513
Parcel Account Number: N16A156(Sumter County, Florida)-S16-T21s-R22e
Grantor: Clerk of Circuit Court
Grantee: Bank of America/INXS V LLC
Recording Data: 3/28/2012-CT 2428/12
Location: C-475/AKA Main Street, Bushnell, Fl 33513
Size: 5890 Square Feet
Topography: Cleared
Access: W C-48
Zoning/Land Use: Commercial Heavy
Shape/Present Use: Rectangular/Commercial
Utilities: All
Verification: Public Records/Clerk of Circuit Court
Highest and Best Use: Commercial

Comments: A bank owned sale but is indicative of market conditions and falls within a range indicated by arms length sales for vacant commercial land.



COMPARABLE SALE #5

Sale Price:	\$389,500
Price per Unit:	\$6.15 S/F
Financing Concession:	None
Date of Sale:	7/1/09
Brief Legal:	N. 429' of E. 165' of W ¼ of NW ¼ of NW ¼ Less R/W on northside.
Parcel Account Number:	N17=024(Sumter County, Florida)-S17-T21s-R22e
Grantor:	Mark Resop Trustee
Grantee:	Autozone Stores Inc.
Recording Data:	7/1/2009
Location:	W C-48, Bushnell, FL 33513
Size:	63,340 square feet
Topography:	Cleared
Access:	W C-48
Zoning/Land Use:	Commercial
Shape/Present Use:	Rectangular/Commercial
Utilities:	All
Verification:	Public Records/Inspection
Highest and Best Use:	Commercial

Comments: Comparable sale is located near Interstate 75 and Wal-Mart shopping center. Site required a large amount of fill dirt to bring above road grade. Location is superior to that of the subject. A -20% location adjustment was applied.



COMPARABLE SALE #6-ACTIVE LISTING

LIST Price: \$79,588

Price per Unit: \$7.56 S/F

Financing Concession: None indicated

Date of Listing: 4/03/2007

Brief Legal: Comm at NE Cor of Blk 79 New Plat of Bushnell PB 1 PG 79, Run W 87.03', to POB

Parcel Account Number: N16A285A(Sumter County, Florida)-S16-T21s-R22e

Current Owner: David Alderman, etal

Day on the Market: 1864

Recording Data: 09/2005-1440/314

Location: N. Market Street, Bushnell, Fl 33513

Size: 10,527 Square Feet

Topography: Partly Cleared

Access: N. Market Street

Zoning/Land Use: Commercial

Shape/Present Use: Rectangular/Commercial

Utilities: All

Verification: MLS#O4762011

Highest and Best Use: Commercial

Comments: This is a current listing located behind Sun Trust Bank. Location



J. Guy Simmons Appraisals, LLC

LAND COMPARISON GRID
221 N. Florida St
Bushnell, Fl 33513

	SUBJECT	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3	COMPARABLE 4	COMPARABLE 5	COMPARABLE 6
LOCATION	N. Florida Street Bushnell, Fl 33513	N. Florida Street Bushnell, Fl 33513	US Hwy 301/S. Main St Bushnell, Fl 33513	N. Market St Bushnell, Fl 33513	C-475 Main Street Bushnell, Fl 33513	W C-48 Bushnell, Fl 33513	N. Market Street Bushnell, Fl 33513
DATE OF SALE	NA	7/28/2010	5/28/2011	5/1/2009	3/28/2012	7/2/2009	ACTIVE LISTING
SALE PRICE		\$ 50,000.00	\$ 100,000.00	\$ 55,000.00	\$ 42,000.00	\$ 389,500.00	\$ 79,500.00
SIZE/SQUARE FOOT		5,000	3,150	20634	10400	5890	63340
SQUARE FOOT PER SALE PRICE	N/A	\$ 15.67	\$ 4.85	\$ 5.29	\$ 7.13	\$ 6.15	\$ 7.55
FINANCING/SALES CONCESSION	NA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TIME ADJUSTMENT	NA	110%	105%	110%	100%	115%	85%
TIME ADJUSTED SALE PRICE	NA	\$ 17.46	\$ 5.09	\$ 5.82	\$ 7.13	\$ 7.07	\$ 6.42
LOCATION	GOOD	GOOD	GOOD	AVERAGE	GOOD	EXCELLENT	AVERAGE
LOCATION ADJUSTMENT	NA	100%	100%	115%	100%	90%	115%
LOCATION ADJ.SALE PRICE/SF	NA	\$ 17.46	\$ 5.09	\$ 6.69	\$ 7.13	\$ 6.36	\$ 7.38
TOPOGRAPHY	N/A	EQUAL	EQUAL	EQUAL	EQUAL	EQUAL	EQUAL
ZONING	COMMERCIAL	EQUAL	EQUAL	EQUAL	EQUAL	EQUAL	EQUAL
SHAPE	RECTANGULAR	5,000 SMALLER	LARGER	LARGER	EQUAL	LARGER	LARGER
SIZE/SQUARE FOOT	NA	95%	105%	105%	100%	115%	105%
SIZE/SQUARE FOOT/ADJUSTMENT	NA	\$ 16.59	\$ 5.34	\$ 7.02	\$ 7.13	\$ 7.32	\$ 7.75
ADJ.SALE PRICE/PER SF	NA						
TYPE OF TRANSACTION/ADJ.	NA	75%	110%	100%	110%	100%	100%
FINAL ADJ. SQUARE FOOT RATE	NA	\$ 12.44	\$ 5.88	\$ 7.02	\$ 7.84	\$ 7.32	\$ 7.75
WEIGHT FACTOR	NA	2	6	5	3	4	1
SUM OF WEIGHTED SQUARE FOOT	NA	\$ 24.88	\$ 35.26	\$ 35.12	\$ 23.53	\$ 29.28	\$ 7.75
TOTAL OF THE SUM		\$ 155.83					
TOTAL OF FACTOR		21					
RESULT		\$ 7.42					

EXPLANATION AND ADJUSTMENTS

The comparable sales utilized in this analysis are considered to be the most reflective and applicable for comparison to the subject property. Five commercial sales of various sizes and time of sale were used to analyze the market to determine an applicable rate per square foot for the subject. The sales presented in the chart above were adjusted for time, size and location. Sales of larger size tract will sale for more per unit than smaller tracts and smaller tract tend to command a higher per unit value than smaller tracts. Comparable sale #1 is smaller, #2 is larger, #3 is larger #4 equal and #5 larger. Comparable sale #6 is a listing with larger site size. Location is based on factors that effect the value of the property, for example, comparable sale #5 is superior being located on W C-48, a major commercial strip near Interstate 75, with comparable #3 and the listing being inferior due to location near the railroad tracts on Market Street. Comparable sale #1 was given transaction adjustment since this was a purchase by the City of Bushnell of the corner lot adjacent to the new park and to save on litigation, the municipality will pay a premium above other market prices to acquire a property. A time adjustment of 5% per year was applied to the comparables to bring the comparable up to the current market for commercial property. The comparables were weighted according to being most similar or least similar and according to sales condition. Most weight was accorded Comparable sale #2 and the least weight was accorded to the listing, since it has not transferred and been on the market for an extensive time. The weighted mean analysis indicated that a rate of \$7.42 would be reasonable and applicable to the subject.

Financing Concessions

All Cash to seller. No financing concessions. The sales were verified with informed party and or public records to ascertain data concerning financing concessions. All sales were verified as arms length with no special consideration for financing, therefore, no adjustment was made to the comparables with regard to financing conditions.

Marketing Conditions

Marketing conditions refers to the sales of property either at a loss or profit. In terms, the condition is referred to as depreciation or appreciation. In addition, measurements for these conditions are predicated on a re-sale of the same property or other economic data affecting marketing conditions. Over the past three years the market has seen a decrease for residential but commercial has remained with a typical increase based on market demand. Therefore, a 5% adjustment was indicated for sales outside the current market conditions.

Location

The sales were all adjusted according to superior or inferior location to the subject. Discussion above for the location adjustment for Comparable sale #3 & #6 received positive adjustments due to inferior location to the subject with comparable sales #5 given negative adjustment for superior location to the subject.

Topography

The topography of all the comparables were the same as the subject with no adjustment warranted.

Access

All the comparables were located on paved street with no negative access problems.

Size/Shape

Size/shape adjustments are made on the basis of the comparables size and shape in relation to the subject. Typically, larger parcels or irregular shaped parcels tend to sell at a lower price per unit. Furthermore, smaller parcels are more affordable to a larger number of buyers indicating more demand and higher prices for smaller parcels.

CORRELATION AND CONCLUSION

The five comparables presented above are considered the best and most comparable properties available for comparison to the subject. The comparables have adjusted selling prices per square foot ranging from \$5.88 to \$12.44 and a current listing at \$7.75. The weighted mean was used to arrive at an estimated per square foot rate applicable to the subject. The placed in the weighted order as highest to lowest:

ITEM	COMPARISON	PRICE PER SQ.FT.
COMPARABLE 2	EQUAL/WEIGHT 6	\$5.88
COMPARABLE 3	INFERIOR/WEIGHT 5	\$7.02
COMPARABLE 5	SUPERIOR/WEIGHT 4	\$7.32
COMPARABLE 4	EQUAL/WEIGHT 3	\$7.84
COMPARABLE 1	SUPERIOR/WEIGHT 2	\$12.44
COMPARABLE 6	INFERIOR/WEIGHT 1	\$7.75

Comparable 2 was given most weight due to similar location being a corner lot. Although the church purchased this property, there were no special discounts noted and the adjustment was made for the removal of the old building and cleaning the site. Using the results of all six comparables and giving each sale a weight according to position of the comparable to the subject, a weighted mean was extracted from the sales data that indicated a weighted mean of \$7.42 per square foot is a reasonable rate applicable to the subject site in estimating the site value for the subject. The following calculation is used to estimate the site value for the subject:

\$7.42/S.F. X 5,000 S.F.	= \$37,100
Rounded Estimated Value for the Land	= \$37,000

Based on the calculations, the final value estimated for the subject land is \$37,000.

RECONCILIATION OF THE COST APPROACH

The Cost Approach applies the economic principle of substitution which states that “the price of a commodity tends to be no higher than the price of a substitute having equal utility, available without undue delay. The Cost Approach is typically used on property that is new or of unique construction. It is also used where sufficient and reliable sales comparison data is not available.

The Cost Approach is estimated using the replacement cost, less depreciation of the improvements with the estimated market value for the land. The estimated replacement cost of the improvements, less depreciation is estimated at \$28,000. The estimated market value for the land is \$37,000; therefore, the final value estimate in the Cost Approach is \$65,000.

SALES COMPARISON APPROACH

The Sales Comparison Approach is a reliable method in estimating the value of the subject property as improved and also to estimate the value of land as though vacant. In the Sales Comparison Approach the market is examined and sales of properties that are comparable to the subject property are adjusted to reflect the differences between the comparable property and the subject property. The Sales Comparison Approach is most applicable when there is sufficient data on market activity to indicate a value pattern and less useful when data is scarce.

A search of the market for similar improved comparable sales was made using the My Florida Multi-listing service with additional search of the Sumter Country Property Appraisers Records. The search was extended into similar market area to that of Sumter and the Bushnell area with two comparable located with commercial use. The qualitative analysis was used with consideration for the location and similar use building as the subject.

COMPARABLE SALE #1

Sale Price: \$55,000
Financing Concession: None noted
Date of Sale: 12/28/11
Brief Legal: Beg 242.5' S of NW Cor of Blk 84 New Plat Bushnell
Sec 16-Twp21s-Rge 22
Parcel Account Number: N16A313-Sumter County, Florida
Grantor: Charles J & Joan Veit
Grantee: Benito & Edith Jaimes
Location: 112 S. Main St.
Land Size: 32,140 S/F
Sq.Ft. Heated Area: 1,160 sq.ft.
Access: Paved Road
Zoning/Land Use: General Commercial
Style: Wood Frame/Single Story
Verification: Public Records/Realtors
Features: Built in 1963, renovated building with adequate parking



COMPARABLE SALE #2

Sale Price: \$129,900
Financing Concession: None noted
Date of Sale: 06/01/10
Brief Legal: Beg at SW Cor of Blk 62 New Plat Bushnell
Sec 16, Twp 18, Rge 23
Parcel Account Number: N16A177
Grantor: Teragem LLC
Grantee: John R & Sandra L Osborne
Location: 311 N. Market St.
Land Size: 14,600 S/F
Sq.Ft. Heated Area: 1008 sq.ft.
Access: Paved Road
Zoning/Land Use: General Commercial
Style: Frame/Single Story
Verification: MLS/T2409434/ Public Records
Features: Remodeled building used for restaurant.



EXPLANATION AND ADJUSTMENTS

The comparable sales utilized in this analysis are the only sales within the past three years for improved commercial property within the market of the subject. A qualitative analysis would consider sale #1 reflective of the market for the subject, but with the limited data for improved commercial sales limited to three year old sales, the Sales Comparison (improved) Approach for the improved property is not considered applicable due to the limited data offered in the market for improved sales.

Financing Concessions

The sales were verified with informed party and or public records to ascertain data concerning financing concessions. No financial concessions were identified; therefore, no adjustment was made to the comparable sales.

Marketing Conditions

Marketing conditions refers to the sales of property either at a loss or profit. In terms, the condition is referred to as depreciation or appreciation. In addition, measurements for these conditions are predicated on a re-sale of the same property or other economic data affecting marketing conditions. The single family housing market has maintained stability over the past six months. The four comparables were all sold within the current market conditions with no adjustment for time warranted.

Location

The sales were all located within the same or similar market as the subject with no location adjustment warranted.

Site

The quantitative analysis which requires a percent or dollar adjustment was not used to evaluate the comparables. The qualitative was applied with the comparable most similar in size, location and design consider most equal to the subject.

Age

The improvements vary in age but were rated according to condition.

Building Area

The subject has 792 square feet of lease area and the search for comparable with similar area having sold within the market within the past three years yielded two comparables but based on the data, the sales comparison was not considered to be employable due to the lack of better comparables with improvements.

Features

The subject has a canopy over the entry of the building. City walks surround two sides of the building.

Adjusted Sale Price

No adjustment was made due to a sufficient number of comparable sales with improvement and used for commercial activity were not available.

Access

Access is very good and the subject is a corner site.

RECONCILIATION OF THE SALES COMPARISON APPROACH

The Sales Comparison Approach was not considered applicable in the appraisal due to a lack of similar improved sales with similar use as the subject having sold over the past three years. **The square foot rate for the two comparables having sold within the past year range from \$51.64 to \$111. The sale price ranges from \$55,000 to \$129,900. The subject is current listed for \$68,000 or \$85.86 per square foot overall.**

The Sales Comparison Approach is a very reliable method in the valuation of property when sufficient and reliable data is available. The search for comparable sales was extended outside the Bushnell area for similar comparables to the subject but there were not enough closed sales with similar features to the subject having sold within the same type market as the subject. Therefore, the Sales Comparison Approach was not applicable or feasible for use in the appraisal report.

The Income Capitalization Approach

The Income Capitalization Approach has two capitalization methods, direct capitalization and yield capitalization. Direct Capitalization converts a year's income expectancy into an indication of value in one direct step. Yield Capitalization converts future benefits into present value by discounting each future benefit at an appropriate yield rate or by developing an overall rate that explicitly reflects the investments income pattern, value change, and yield rate. Both methods should produce similar value indications; however, direct capitalization is simple and easily understood, moreover, Yield Capitalization is based on assumptions about expected changes in income and property value. Residual techniques may be employed in the income approach so that physical, financial value components or, legal estates can be considered separately.

Market value appraisals and investment value (value of property to a particular investor) typically use the income approach. The investor's expected return consists of return of capital (invested amount) and return on (profit) capital. Many rates, or measures of return, can be used in capitalization. Rates of return or either income rates or yield rates. The overall capitalization rate and equity capitalization rates are income rates. The interest rate, discount rate, internal rate of return, and equity yield rate are yield rates.

An income rate expresses the relationship between one year's income and the corresponding capital value of a property. A yield rate is a rate of return on capital; it is usually expressed as a compound annual percentage rate.

The Income Approach (Capitalization) is employed when there is an income stream, actual or projected, applicable to the property.

A 15% vacancy and collection rate was considered reasonable for the subject. The typical vacancy and collection is considered to reflect market conditions for property similar to the subject. The landlord expenses incurred are management fees. Management charges are proper expenses of operation, whether management services are contracted or provided by the property owner. The management fees are estimated at 10% of the effective gross income (EGI) for this type property. Maintenance is estimated to cost \$100.00. Reserves and replacement is estimated at \$100.

An income rate expresses the relationship between one year's income and the corresponding capital value of a property. A yield rate is a rate of return on capital; it is usually expressed as a compound annual percentage rate. In order to estimate the economic rent of the subject improvements, several actual rental properties were analyzed. The market data indicated that a rental rate of \$8.00 to \$12.00 per square foot is reasonable for the subject. The improvements containing approximately 792 square foot of lease area. The subject was recently renovated to accommodate a Barber Shop and is currently rented for \$850.00 per month or \$10,200 for the year. Actual rent for the subject is furnished by the owner. The actual rents fall within the indicated rents for the market and used in the calculation in the Income Approach.

Income producing properties incur certain expenses know as operating expenses. Fixed expenses, i.e., real estate taxes and insurance do not change and are incurred regardless of the occupancy of the property. Variable expenses, i.e., management fees, maintenance and reserves for replacement generally change with the level of occupancy. The potential gross income for the subject is estimated at \$10,200.00.

Using the estimated rents, the net operation income is calculated as follows:

Calculation-Income Estimates

Potential Gross Income(PGI)	\$10,200.00
Vacancy & Collection Loss(15%)	<u>\$ 1,530.00</u>
Effective Gross Income(EGI)	\$ 8,670.00

Operating Expenses

Management fees (10%)	\$ 867.00
Insurance	\$ 300.00
Taxes (Actual)	\$ 840.00
Maintenance	\$ 100.00
Reserves	<u>\$ 100.00</u>
Total Expense Estimated	<u>\$ 2,207.00</u>

Net Operating Income	\$ 6,463.00
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Income Capitalization Methods

Direct capitalization and yield capitalization are two methods used to estimate value measuring the expected earnings of a property. Direct capitalization involves converting an estimated single year's income expectancy into an indication of value by dividing the income estimate by an appropriate income rate or multiplying the income estimate by an appropriate rate.

Yield capitalization is a method used to convert future benefits into present value by discounting each future benefit into present value. Because the future income streams are considered to remain stable, a discounted cash flow has not been completed for the subject and is not considered applicable for the subject in this assignment. The direct capitalization will be presented as the most applicable income method for estimating the value of the subject.

The process of converting net operating income (income stream) into an estimated value requires the development of a capitalization rate applicable to the subject. Market extraction, which is the most direct method of obtaining an overall rate, requires the analysis of market sales of improved property comparable to the subject having an income (rent) at the time of sale. This simple, direct method produces a reliable indication of an overall rate. This then can be applied to the projected income of the subject to derive an indication of value.

Income information is privy and hard to obtain. Therefore, the direct method from market extraction was not applicable. However, a study of the direct capitalization and information obtained from lending institutions indicated that a capitalization rate of 8.5% to 11.5% was indicative in the market over the past two years.

Capitalization Rate-Mortgage Equity Method

When there is a scarcity of market sales available whereby a rate can be extracted from the sale, this procedure is often utilized to arrive at an applicable capitalization rate. One method used to arrive at a capitalization rate, known as the Band of Investments-Mortgage and Equity Components considers that the investment properties are purchased with debt and equity capital and the investor anticipates a return of and owns his investment. The capitalization rate for debt is called the mortgage constant and the rate for the equity is called the equity capitalization rate. The actual terms offered by the lender is within the loan rates and terms found within the market place.

A survey of lenders indicates a 70% loan at 7.5% interest for 20 years can be obtained with a 5-year balloon period. The mortgage constant is .0985 with a debt cover ratio of 1.30. Current market conditions indicated a 4% return on equity is reasonable.

Using the actual loan terms applicable to the mortgage the following calculations are derived: The proposed financing rate is:

Calculation-Mortgage Equity				
Item	Portion		Annual Constant	Weighted Average
Mortgage	.70	X	.0985	=.06895
Equity	.30	X	.1000	=.01200
Basic Capitalization Rate				=.08095

Lenders use the debt coverage ratio to refine the capitalization rate, which is the ratio of net operating income to debt service. A survey of lenders indicates a debt coverage ration of 1.30 would be acceptable.

Calculation-DebtCoverageRatio

DCR 1.30 X .0985 X .70=.0896

Valuation by Direct Capitalization Approach

The capitalization rate indicated by the debt coverage ratio indicates a capitalization rate of .09 would be applicable to the subject.

The indicated capitalization rate would be .009. Therefore, I have applied a capitalization rate of .09 to the indicated NOI of \$6,463.00 to arrive at an estimated value of \$71,811 or rounded to \$72,000.00 by the Income Approach.

Capitalization Approach Reconciliation

In the market area under study, very few sales were available making it difficult to establish what the prevailing market dictates on investments. The investor seeks to obtain the highest dividend rates available and as the economy changes, the projections and assumptions change. Loan rates have fluctuated over the past 5 years and based on my survey of four top commercial lenders, a rate of 7.5%, amortized over 20 years with a 5 year balloon was indicated by three of the four lenders. The Income Approach is a measure of value for investment and with adequate income data, is a good indicator of market value for investment property. The estimated market rent was used in the Income Approach and not the actual contract rent since a portion of the building is owner occupied.

The value indicated in the Income Approach is \$72,000.

RECONCILIATION AND FINAL VALUE ESTIMATE

The three approaches to value were employed with the following results from each approach:

The Cost Approach-	\$65,000
The Sales Comparison-	\$00,000
The Income Approach-	\$72,000

CONCLUDED VALUE

The final value estimates for subject as of May 8, 2012 is estimated at \$68,000 based on the market data. The Cost tends to set the upper limit, whereby the Income is based on market conditions that are constantly changing and the Sales Comparison was not applied due to an inadequate number of closed sales similar to the subject in which to analyze. Therefore, with equal weight given to the Cost and Income Approach, a reasonable market value for the subject as of the effective date of the appraisal is \$68,000.

The highest and best use of the site is for its current use as an office/retail rental complex. The final concluded value is as follows:

**Sixty-Eight Thousand Dollars
\$68,000**

MARKETING TIME/EXPOSURE TO THE MARKET: AS NOTED, THE SUBJECT IS CURRENTLY LISTED AND UNDER CONTRACT. BASED ON THE STATED MARKET VALUE AND THE OPINION OF VALUE ESTIMATED IN THE APPRAISAL REPORT OF \$68,000, THE ESTIMATED MARKETING TIME WOULD BE 180-240 DAYS. BASED ON A PRICE RANGE OF \$60,000 TO \$65,000 THE MARKETING TIME IS ESTIMATED AT 90-180 DAYS.

THE APPRAISER DISCLOSES THAT HE HAS NOT PERFORMED AN APPRAISAL OF THE SUBJECT WITHIN THE PAST THREE YEARS NOR BEEN CONNECTED TO THE SUBJECT IN THE PAST THREE YEARS IN ANY CAPACITY AND IS QUALIFIED TO PERFORM THIS APPRAISAL AS OF THE CURRENT DATE OF THE REPORT.

CERTIFICATION OF APPRAISAL

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

the statements of fact contained in this report are true and correct.

the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is my personal, unbiased professional analyses, opinions, and conclusions.

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

my compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

my analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.

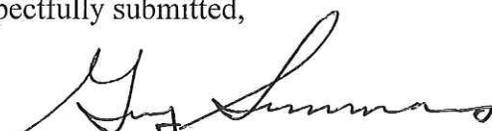
I have made a personal inspection of the property that is the subject of this report.

no one provided significant professional assistance to the person signing this report, unless otherwise noted elsewhere in this report.

the value estimates in this report were not based on a requested minimum valuation, a specific valuation, or for the approval of a loan.

this report complies with the Southwest Florida Water Management District's Minimum Appraisal Requirements.

Respectfully submitted,



James Guy Simmons
State Certified General Appraiser
#RZ1989

ADDENDA

APPRAISER QUALIFICATIONS

JAMES GUY SIMMONS
State Certified General Appraiser
#RZ1989

EDUCATION

Master of Education, Criminal Justice, Troy State University, 2004
Bachelor of Arts Degree, Public Administration, Magna cum Laude, St. Leo
College, 1985
Associate of Science Degree, Business, Lake Sumter Community College, 1978
Associate of Arts Degree, Lake Sumter Community College, 1978

SPECIALIZED APPRAISAL/REAL ESTATE EDUCATION

International Association of Assessing Officers Appraisal Courses:
Course 1-Fundamentals of Real Property Appraisal
Course 2-Income Approach to Valuation
Course 3-Development and Review of Appraisal Reports
Course 4-Assessment Administration
Course 5-Personal Property Valuation
Course 202-Income Approach to Valuation II
Lake Sumter Community College
Real Estate Principles and Practice I-Salesperson Course
Real Estate Principles and Practice II-Broker Course
The American Society of Appraisers
Uniform Standards of Professional Appraisal Practice &
Code of Ethics
Real Estate Education Specialist, Orlando, Florida
Florida Appraisal Board Course III

LICENSE AND CERTIFICATION

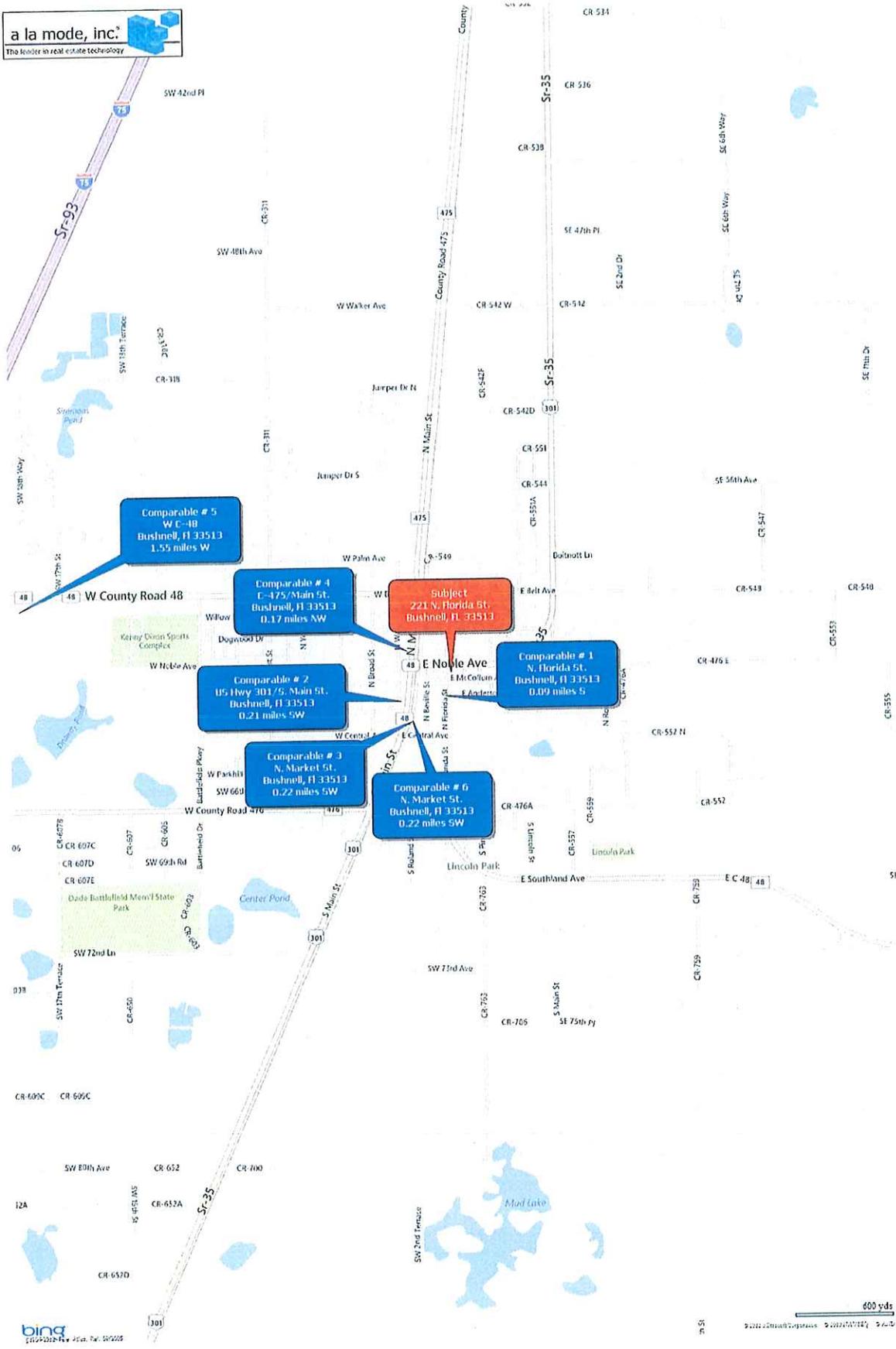
State Certified General Real Estate Appraiser #0001989, State of Florida
Licensed Real Estate Broker, State of Florida

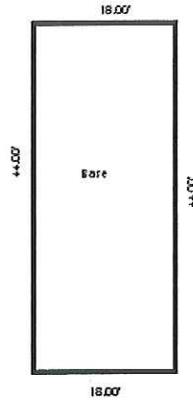
PROFESSIONAL EXPERIENCE

J. Guy Simmons Appraisals, LLC-Present
James Guy Simmons, P.A., Appraiser and Consultant, 1994-2011
Broker/Appraiser, Owner, First Realty of Sumter, Inc. 1994-20010
Supervisor, Tangible Personal Property Assessments, Hernando County Property
Appraisers Office 1989-1994
Staff Appraiser, Department of Revenue, Ad Valorem, State of Florida 1982-89
Director, Public Services Department, Sumter County Commissioners 1982
Deputy Appraiser, Sumter County Property Appraisers Office 1976-1982

OTHER

Expert Witness Federal Bankruptcy Court, Jacksonville/Tampa/Orlando
Expert Witness-Circuit Court





Monday, June 17, 2014
 Comments:

AREA CALCULATIONS SUMMARY			
Code	Description	Size	Net Totals
GBA1	First Floor	792.0000	792.0000
TOTAL BUILDING		(rounded)	792

BUILDING AREA BREAKDOWN	
Breakdown	Subtotals
First Floor	
18.00 x 44.00	792.0000
1 Calculation Total (rounded)	792

