

**An Appraisal of two adjacent  
commercial/office buildings  
located at  
15058 & 15068 River Road  
Hahnville, Louisiana 70057**

**AS OF**

**May 2, 2022**

**PREPARED FOR**

**St. Charles Parish Department of Legal Services  
P. O. Box 302  
Hahnville, LA. 70057**

**PREPARED BY**

**ARE Real Estate Services, Inc.  
7 Storehouse Lane  
Destrehan, Louisiana 70047**

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**Destrehan, LA. 70047**

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May 17, 2022

Ms. Dawn Higdon  
St. Charles Parish Department of Legal Services  
P.O. Box 302  
Hahnville, LA. 70057

**Re: Appraisal report of 2 adjacent commercial/office building located at 15058 and 15068  
River Road in Hahnville, Louisiana  
Our file – 220294**

Dear Ms. Higdon:

At your request, we have completed an appraisal of the above referenced property. As we understand it, the intended use of the appraisal is to assist in analyzing the subject property for possible acquisition purposes. The purpose of the appraisal is to provide an opinion of the Fee Simple “Market Value” of the property “as is”.

This appraisal and written report have been completed in accordance with our interpretation of the appraisal and reporting standards as set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), as promulgated by the Appraisal Foundation, the Financial Institutions Reform Recovery Enforcement Act of 1989 (FIRREA) and its subsequent amendments, OCC and OTS guidelines as well as our understanding of client's Appraisal guidelines.

This letter includes an executive summary of the findings. The opinions stated in this summary, however, should not be relied upon without a full understanding of the accompanying report in its entirety, including all assumptions and limiting conditions.

The user of this report is responsible for ensuring that the assumptions, limiting conditions and the scope of work, as described, are appropriate to the intended use. The user is also responsible to ensure that the reporting format adequately describes the property, data, analysis and conclusions for the intended use. If additional analyses and/or information are necessary to properly understand and employ this appraisal for its intended use, the user should request such information from the appraiser. The appraisers have not performed a real estate appraisal on the subject in the last 3 years.

The subject property was last inspected on **May 2, 2022**. The value opinion assumes the property would have been offered to the market for a period of **Exposure Time (6-12 Months)** immediately preceding **May 2, 2022 and** would have been professionally marketed during that period.

The following is a summary of the salient facts and conclusion;

|                          |  |
|--------------------------|--|
| <b>Property Address:</b> | 15058 & 15068 River Road<br>Hahnville, Louisiana 70057 |
| <b>Owner of Record:</b>  | Percival Properties, LLC                               |
| <b>Property Type:</b>    | Commercial/office Buildings                            |
| <b>Exposure Time:</b>    | 6-12 months  |
| <b>Marketing Time:</b>   | 6-12 months  |
| <b>Site Size:</b>        | 44,452 SF  |

**Improvement Data:**

|  |                            |
|--|----------------------------|
| <b>Gross Building Area (Building 1):</b> | <b>2,452</b> SF/GBA        |
| <b>Gross Building Area (Building 1):</b> | <b><u>1,070</u></b> SF/GBA |
| <b>Gross Building Area (Total):</b>      | <b>3,522</b> SF/GBA        |

**Highest and Best Use:**

|                          |  |
|--------------------------|--|
| <b>As though Vacant:</b> | commercial development   |
| <b>As Improve:</b>       | as existing (2 adjacent commercial/office buildings) with rear excess land |

**Final Value Conclusions:**

|         |                  |
|---------|------------------|
| "as is" | <b>\$450,000</b> |
|---------|------------------|

As per current FIRREA minimum appraisal standards, we have completed previous appraisals of similar buildings in this area. It is our opinion that the estimated market value of the Fee Simple Interest of the above referenced property "as is," inclusive of the special assumptions concerning the ongoing Covid-19 virus pandemic and the more recent events surrounding Hurricane Ida, as of May 2, 2022, is:

**Four Hundred Fifty Thousand Dollars**  
**\$450,000**

It has been a pleasure to aid you in this assignment. If we can be of any further assistance, please contact us.

Respectfully,



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Jon M. Ruello, MAI  
Louisiana Certified General Real  
Estate Appraiser License No. G0750



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Bennet E. Oubre, MAI-AI-GRS  
Louisiana Certified General Real  
Estate Appraiser License No. G0232

## CERTIFICATIONS, ASSUMPTIONS, AND LIMITING CONDITIONS

### I. Assumptions and Limiting Conditions

- A. It is assumed that the utilization of the land and improvements is within the boundaries of property lines of the property described and there is no encroachment or trespass unless noted within the report.
- B. The undersigned appraiser(s) assumes that title to the property is free and clear, unencumbered, and there are no leases, easements, liens or other encumbrances on the property other than those listed in this report; however, no responsibility is assumed by the appraiser(s) for any aspect of the title.
- C. No consideration is given any mineral rights or other subterranean interest (i.e., water, gravel, salt, etc.), unless specifically identified in the letter of transmittal and other appropriate portions of this appraisal report.
- D. No responsibility is herein assumed for any matters which are legal or political, social or economic changed conditions which could have an effect on real estate values which changes take place after the date of this valuation.
- E. In this appraisal assignment, the existence of potentially hazardous materials used in the construction or maintenance of the improvements, such as the presence of urea formaldehyde foam insulation or lead paint, or the existence of toxic wastes in the land, which hazardous materials may or may not be present on the property, has not been considered, except as specifically noted in the letter of transmittal and appropriate portions of this report (see *Certifications* under Part I of the **Certifications, Assumptions, and Limiting Conditions**).
- F. This appraisal assumed subject to be unaffected by current wetlands regulations unless specifically detailed in the Letter of Transmittal, and other appropriate portions of this report (see *Certifications* under Part I of the **Certifications, Assumptions, and Limiting Conditions**).
- G. The appraisal is based on the premise that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in the report; further that all applicable zoning, building and use regulations and restrictions of all types have been complied with unless otherwise stated in the report; further, it is assumed that all required licenses, consents, permits, or other legislative or administrative authority -- local, state, federal and/or private entity/or organization -- have been or can be obtained for the use(s) considered in the value estimate.
- H. The Americans with Disabilities Act (ADA) became effective January 26, 1992. I (we) have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA; I (we) am (are) not professionally qualified to accomplish this task. Further, no formal study, as accomplished, by qualified experts, has been provided to the appraiser(s) nor is one known to exist. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of ADA could reveal that the property is not in compliance with one or more of the requirements of the act. If so, this fact could have a negative effect upon the value of the property. Since I (we) have no direct evidence relating to this issue, I (we) did not consider possible noncompliance with the requirements of ADA in estimating the value of the property.

**CERTIFICATIONS, ASSUMPTIONS, AND LIMITING CONDITIONS**  
**(Continued)**

- I. By preparing this report for the proposed subject property, the appraiser is not acting as a building inspector, structural engineer, or pest inspector. In performing the exterior inspection of this property, areas that were readily accessible were visually observed and the review is superficial only. This inspection is not technically exhaustive and does not offer warranties or guarantees of any kind. No responsibility is assumed for any potential non-apparent defects; those who wish to assure themselves that such problems do not exist should retain appropriate experts/professionals.

**II. Restriction Upon Disclosure and Use**

Disclosure of the contents of this appraisal report is governed by the By-Laws and Regulations of the Appraisal Institute and National Association of Independent fee Appraisers.

This appraisal report is prepared for the sole and exclusive use of the appraiser's client, as specifically cited herein. No third parties are authorized to rely upon this report without the express written consent of the appraiser. 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 he is connected, or any reference to the Appraisal Institute or to the MAI or SRA designation and the National Association of Independent Fee Appraisers or IFAS Designations) shall be disseminated to the public through advertising media, public relations media, news media, sales media or any other public means of communication without the prior written consent and approval of the undersigned.

**III. Professional Assistance**

The names of those who provided substantial assistance to the appraiser(s) are listed below.

None

**IV. Special/Extraordinary Certifications, Assumptions and Limiting Conditions**

As of the date of this report, the current economic conditions are highly volatile, and there is an atypical uncertainty regarding short- and long-term effects on future economic conditions as a result of the Covid-19 virus pandemic event.

In addition, the events surrounding Hurricane Ida's landfall on August 29, 2021, in Southeast Louisiana have compounded the uncertainty of the current economic conditions which include the ongoing Covid-19 virus pandemic. The 2 factors combine to make the current conditions highly volatile with atypical uncertainty regarding short and long-term effects on future economic conditions as a result of the storm.

The appraisal report is developed recognizing these conditions. However, while our analysis has been developed conscientiously, we can make no warranty that the conclusion presented, will, in fact, be achieved.

**CERTIFICATIONS, ASSUMPTIONS, AND LIMITING CONDITIONS**  
**(Continued)**

**V. Certifications**

The undersigned does hereby certify that to the best of his/their knowledge and belief, and except as otherwise noted in this appraisal report:

- A.** The statements of fact contained in this report are true and correct; however, no responsibility is assumed for the accuracy of such information as survey, title information, measurements, and other information such as comparable and other data furnished by others.
- B.** The reported analyses, opinions and conclusions are limited only by the reported assumptions, limiting conditions and the stated market value premise (imposed by the terms of the assignment), and are my/our personal, unbiased professional analyses, opinions and conclusions.
- C.** The appraiser(s) has the training, knowledge, and experience to complete the appraisal assignment competently and/or has taken all steps necessary (as disclosed herein where appropriate) to complete the assignment competently.
- D.** This appraisal is not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
- E.** Both the appraiser(s) and this company do not have any present or prospective interest in the property that is the subject of this report, and he/they do not have any personal interest or bias with respect to the parties involved.
- F.** 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.
- G.** This is to certify that during the inspection and research of the property that is the subject of this appraisal, the appraiser(s) observed/discovered no evidence of potential environmental hazards, excepting those specifically detailed in the Letter of Transmittal and other appropriate portions of this report. However, this is not to imply that the appraiser(s) has conducted any environmental audit inasmuch as he/she (they) is not qualified to accomplish same. Even though the appraiser(s) observed no obvious conditions, other than those specifically identified, which may or may not indicate the presence of hazardous materials, those wishing to assure themselves that none exist should retain an expert in this field.
- H.** During customary inspection and research of subject property, the appraiser(s) observed/discovered no evidence to suggest the property to be affected by current wetlands regulations, unless specifically detailed in the Letter of Transmittal, and other appropriate portions of this report. This is not to imply that the appraiser(s) has made a wetland determination as same can only be accomplished by the U.S. Army Corps of Engineers at the request of the property owner.

**CERTIFICATIONS, ASSUMPTIONS, AND LIMITING CONDITIONS**  
**(Continued)**

- I. 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 Standards of Professional Practice of the Appraisal Institute and The National Association of Independent Fee Appraisers, which include the Uniform Standards of Professional Appraisal Practice.
- J. The use of this report is subject to the requirements of the Appraisal Institute and The National Association of Independent Fee Appraisers relating to review by its duly authorized representatives.
- K. No one, other than those specifically cited herein, provided significant real property appraisal/consulting assistance to the person(s) signing this certification (see *Professional Assistance* under Part IV of the **Certifications, Assumptions, and Limiting Conditions**).
- L. Bennet E. Oubre, MAI, AI-GRS has not made a personal inspection of the property that is the subject of this report.
- M. Bennet E. Oubre, MAI, AI-GRS is currently a Louisiana State Certified General Real Estate Appraiser (No. G0232) and a member in good standing of the Appraisal Institute. As of the date of this report, I have completed the continuing education program of the Appraisal Institute.
- N. Jon M. Ruello, MAI has made a personal inspection of the property that is the subject of this report.
- O. Jon M. Ruello, MAI is currently a Louisiana State Certified General Appraiser (No. G0750) and a member in good standing of the Appraisal Institute (11,197). As of the date of this report, I have completed the continuing education program of the Appraisal Institute.



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Jon M. Ruello, MAI  
Louisiana Certified General Real  
Estate Appraiser License No. G0750



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Bennet E. Oubre, MAI, AI-GRS  
Louisiana Certified General Real  
Estate Appraiser License No. G0232



## THE APPRAISAL PROCESS

An appraisal is the act or process of gathering and analyzing the appropriate data necessary to provide an opinion of value that is credible for the intended use. The type of value, the scope or level of analysis and the reporting format are intended to satisfy the intended use and user as understood by the appraiser.

**The intended user of the report is the St. Charles Parish Department of Legal Services, who is also the client.** Based on our conversations and/or correspondence it is our understanding that the intended use of the appraisal was to assist in analyzing the subject property for possible acquisition purposes.

The intended use defines the value opinion to be provided, the scope of work necessary to produce an opinion that would be credible for that intended use and the level of reporting. The intended user is also a factor considered in determining what level of reporting is necessary for the user to properly understand and employ the value opinions for the intended use.

### **The Purpose of the Appraisal:**

**The purpose of the appraisal was to provide an opinion of the “Market Value” of the fee simple interest of the subject property, “As is”.** Market value is defined as;

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

- Buyer and Seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

**Source:** “(12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994); Appraisal Institute, The Dictionary of Real Estate Appraisal, Forth Edition, (Chicago, 2002) Page 177”

## **Property Rights Appraised:**

**Based on the intended use, the appraisal assumed the property rights to be those of the Fee Simple estate.** Fee Simple is defined as;

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

The appraisal will also discuss the Leased Fee Interest within the property. These rights and what they specify will be spelled out clearly at the appropriate time. Leased Fee Interest is defined in the Appraisal Terminology and Handbook, 5th Edition, published by the American Institute of Real Estate Appraisers, Page 120, as .....

"A property held in the right of use and occupancy conveyed under these to others ..."

**The effective date of the appraisal is May 2, 2022.** It is imperative that the reader understand the real estate market is not static. Any changes in the market either actual or perceived may affect the value opinion as it would relate to any date prior to or after the effective date established for this appraisal.

## **Reporting Format:**

**The format deemed most reasonable for the subject is an appraisal report. The report is intended to provide a summary of the appraisal process, supporting data, analysis and reasoning and final opinions.** Based on the appraiser's understanding of the intended use and the intended user, this format was considered to be appropriate. It is critical that the user properly understand the context in which the appraisal was developed to properly employ the opinions for the intended use as defined. If the user does not believe that report in its current form provides an adequate description of the appraisal process, supporting data and analysis and reasoning supporting the value opinion, additional information should be requested prior to relying upon the conclusions and opinions provided.

This appraisal report is prepared in conformity with standard rule 2-2(a) et. secs of 2022-2023 edition of the Uniformed Standards of Appraisal Practice (USPAP) for appraisal reports.

## **Scope of Work:**

The scope of work reflects the amount and type of information to be researched and the analysis necessary to produce a credible opinion of value suitable for the intended use of the appraisal. It is the appraiser's responsibility to establish the appropriate scope of work based on the intended use and user and to disclose to the intended user the following;

- the degree to which the property is inspected or identified;
- the extent of research into physical or economic factors that could affect the property;
- the extent of data research; and
- the type and extent of analysis applied to arrive at opinions or conclusions.

The scope of work for this assignment included but was not limited to the following;

- A review of the property's legal description and readily available maps to properly identify the subject's property. At least one visit to the subject was made to collect physical data about the site and any improvements. The inspection was limited to those readily observable features and did not include any testing or use of special equipment. The inspection was made to determine the overall physical condition and the subject's ability to function at its highest and best use.
- Collection of demographic and economic information regarding the regional economy, municipality and immediate neighborhood. Analysis of local real estate market trends and development trends.
- Research of the local realtor multi-list service and deed fax and a survey of realtors, market participants and other local appraiser for data related to recent sales and current offerings of properties similar to subject.
- Research of the local realtor multi-list service and a survey of realtors, market participants and other local appraiser for data related to occupancies, rental rates, expenses and current offering of similar and competing properties available for rent.
- Analyzed the data gathered to establish the appropriateness of its inclusion in the appraisal process. Where appropriately developed, adjustments are used in the sales comparison approach, as well as to establish market rents, expenses, and applicable rates or ratios and to develop cost and depreciation estimates.

Briefly, the subject consists of a roughly rectangular shaped interior site containing 44,452 SF currently improved with two adjacent single-story commercial/office buildings containing a combined 3,522 SF/GBA. The property is located within an area of generally similar and complimentary uses.

Each of the traditional, approaches to value are considered. The inclusion or omission of a specific approach is based on the adequacy of the available data, the reliability of the approach as it relates to the property type and if it would affect the credibility of the value opinion sought for the intended use.

**The Sales Comparison Approach** is applicable to all types of real property, both vacant and improved, when adequate and reliable data exist. This approach studies recent sales, pending contracts and current market offerings. The data is analyzed for differences from and similarities to the subject property. The differences are rectified, when supported by market data, through either a qualitative or quantitative adjustment. After adjustment the data produces a range of values in which the subject property should fall.

This approach is most relevant with the purpose of the appraisal is to establish market value, as is in this assignment. Adequate data existed to produce what were considered credible results for the subject "as if vacant" and "as is".

**The Cost Approach** provides a value indication by combining an estimated cost of constructing a reproduction or replacement for the improvements less any accrued depreciation. This approach is particularly useful in valuing new, nearly new improvements, improvements which have undergone substantial renovations or properties that are not frequently exchanged in the market.

The subject property includes 2 existing and adjacent office/commercial building. 15058 River Road is a single-story office building originally constructed approximately 65 years ago (estimated) containing approximately 2,452 SF/GBA. 15068 River Road is an 85-year-old (estimated) commercial building currently configured is a barber shop containing approximately 1,070 SF/GBA. As the level of depreciation from the various forms increases, the reliability of the cost approach diminishes. Increased depreciation results in greater subjectivity in assessing its effects, as well as limiting the amount of data from which reliable adjustments can be extracted. While the subject has been well maintained, it's age indicates at least some measure of incurable physical depreciation. As such, while the Cost Approach would be meaningful in valuing the subject property, it is not considered a primary approach to value and is excluded herein.

**The Income Approach** provides an estimate of value based on the present value of the future benefits. This approach studies the relationship between the property's ability to produce income and the market's expectation for return on and of investment. There are two methods of analysis, the direct capitalization and yield capitalization. This approach is most relevant when the property type being appraised is traded based on its ability to produce income.

The Income Approach involves an estimation of subject's fair market rent, less normal expenses experienced by the owner, to establish a "net operating income" for the property. This income stream is then converted to a value by means of direct capitalization and/or by a discounted cash flow analysis. This method is typically most appropriate for the estimation of value of multi-tenant buildings or investor grade buildings. The subject's location and property type are not considered investor grade with the subject lending itself to mostly owner user characteristics.

Rarely are such buildings in this market built or purchased based on their income-producing potential as rental property alone. As such, the Income Approach is not included herein.

However, as of the date of the appraisal, 15068 River Road is reportedly under lease for \$885/month or about \$9.92 PSF on a modified gross basis. Given the existing lease, an abbreviated income approach will be performed.

The contract rent for the smaller of the 2 subject buildings (15068 River Road) is \$885/month. This equates to a total rent per annum of \$10,620 or about \$9.92 PSF on a modified gross basis. Under a modified gross lease, the tenants are responsible for their own utilities including water, electricity, and small interior maintenance items. The landlord is responsible for real estate taxes, flood and property insurance, common area maintenance, exterior repairs, management, and reserves.

Retail and office rents can vary depending on location, age of the building, condition, size, lease term, tenant, etc. Within the Hahnville and general West Bank of St. Charles Parish area, small office and retail rental rates for properties similar to the subject range between about \$10.00 PSF and \$15.00 PSF on a modified gross basis. Given the smaller size of the subject improvements and their location along U.S. Highway 90, the subject's present rent of \$885/month will be increased to \$1,000/month or about \$12,000/annum or about \$11.22 PSF.

In addition, a rent for the existing office building must be established. Given all of the physical characteristics of the property (15058 River Road), a rent of about \$2,750/month is estimated or about \$33,000/annum or about \$13.46 PSF. Combined, the rents equate to \$45,000/annum (\$12,000 + \$33,000).

Given the subject's location, size, building configuration, parking availability, etc., a vacancy and credit loss allowance of about 10% is deemed realistic. If a 10% vacancy and credit loss allowance is subtracted (\$4,500), an effective gross income of \$40,500 is estimated. Given the gross expenses associated with the lease and overall age, quality, and condition of the subject, approximately 35% in expenses would be deducted. These expenses include real estate taxes, property insurance, common area maintenance, management and reserves. If 35% expenses are deducted (\$14,175), a net operating income of \$26,325 is estimated. Given the subject's location, tenancy, size, etc. a capitalization rate of between about 8.0% to 9.0% is estimated. When applied to the subject's NOI (\$26,325), a value range between \$292,500 and \$329,062 is estimated, say \$325,000 (capitalization rate of 8.1%).

This value is generally lower than the value indicated for the land "as if vacant". This is due in part to the present improvements being an under improvement for the site. This generally creates either an excess or surplus land situation which will be discussed later within the report. The lower value also verifies the appraisers' opinion that the subject's highest and best use is likely for redevelopment of the site for an owner user commercial property. Further, the existing lease is on a month-to-month basis which does not create a viable leased fee interest. As such, within this analysis, the fee simple and leased fee values are the same.

The scope of work is specific to the intended use and user. The opinions provided herein should not be employed for any use other than the intended use. Though a user may believe the level of data collection and analyses are appropriate for other uses, the context in which they were developed may not be appropriate for any other application. Furthermore, no user other than the intended user should rely upon or employ the value opinion. The data collection, analysis and reporting are based upon the appraiser's understanding of the intended user and may not be appropriate for another user.

Specifically, the physical inspection and reported property conditions are unique to the appraisal application. Terminology reporting a properties condition is relative to competing properties and may not be inclusive of similar property types. The visual inspection completed for the appraisal does not rise to the level of a property inspection completed by a licensed property inspector, contractor or engineer and should not be relied upon as such. The appraisal makes no judgment and provides no opinion regarding the title or legal rights of the property. The user should carefully review and understand the limiting conditions, assumptions and certifications that define the context of the appraisal and the reporting.

The analysis contained in this appraisal is based upon assumptions and estimates that are subject to uncertainty and variation. These estimates are often based on data obtained in interviews with third parties, and such data are not always completely reliable. In addition, we make assumptions as to future behavior of consumers, and the general economy, which are highly uncertain. It is, however, inevitable that some assumptions will not materialize and that unanticipated events may occur which will cause actual achieved operating results to differ from the financial analyses contained in this report, and these differences may be material. Therefore, while our analysis was conscientiously prepared on the basis of our experience, and the data available, we make no warranty of any kind that the conclusions presented will, in fact, be achieved.

**Competency:**

A.R.E. Real Estate Services has been providing appraisal services for properties similar to subject for over 40 years. Bennet E. Oubre, MAI, AI-GRS, the appraiser, has served as the senior commercial appraiser for A.R.E. Real Estate Services since 1983 and has extensive experience in the appraisal of properties similar to the subject.

Jon M. Ruello, MAI has been providing appraisal services for properties similar to the subject since 1996. He has served as a senior commercial appraiser for A.R.E. Services since 2000 and has extensive experience in the appraisal of properties similar to the subject.

**Property Identification:**

**Address:** 15058 & 15068 River Road  
Hahnville, Louisiana 70057

**Legal Description:** Lot A situated in Sections 18 and 22, Township 13 South, Range 20 East, St. Charles Parish, LA.

**Location:** The subject is located along the east side of River Road just south of Courthouse Lane in Hahnville, LA.

**General Description:** The subject property consists of 2 adjacent and existing commercial/office buildings containing 3,522 SF/GBA (2,452 SF + 1,070 SF). The improvements are situated on an irregular shaped interior site containing approximately 44,452 SF (1.02 acres).

**Current Owner:** Percival Properties, LLC

**Transaction History:** There have been no arms length transactions involving the subject property over the past three years. As of the date of the inspection, 15068 is currently under a short-term lease with 15058 being 100% owner occupied. This appraisal assumes clear title.

**Tax Data:**

**Parcel Number** 150600L0000A

|                       |             |                    |
|-----------------------|-------------|--------------------|
| <b>Assessed Value</b> | Land        | \$ 6,894.00        |
|                       | Improvement | \$ 6,842.00        |
|                       | Improvement | <u>\$ 3,230.00</u> |
|                       | Total       | \$ 16,966.00       |

**Tax Liability** \$2,006.96 (based on a millage rate of \$117.94/\$1,000 of assessed value).

**Tax Year** 2021

**Analysis** At present, the subject's 2021 taxes have been paid. Based on the current assessments, the subject has a market value of \$136,086 (\$6,894/10% + \$6,842/15% + \$3,230/15%). Given the value determined herein, the subject appears to be under assessed.

**Subject Photographs**



**Front view of 15058 River Road from River Road - looking east**



**Front view of 15068 River Road from River Road - looking east**



**Subject Photographs**



**Front view of 15058 & 15068 River Road - looking east**



**Rear view of 15058 River Road - looking west**

**Subject Photographs**



**Rear view of 15068 River Road – looking west**



**Rear view of 15058 & 15068 River Road – looking west**

## Subject Photographs



**View of the rear yard area**



**View of the rear yard area**

## Subject Photographs



**Interior view – 15058 River Road (common office area)**



**Interior view – 15058 River Road (executive office)**

## Subject Photographs



**Interior view – 15058 River Road (conference room)**



**Interior view – 15058 River Road (typical office)**

## Subject Photographs



**Interior view – 15058 River Road (half bathroom)**

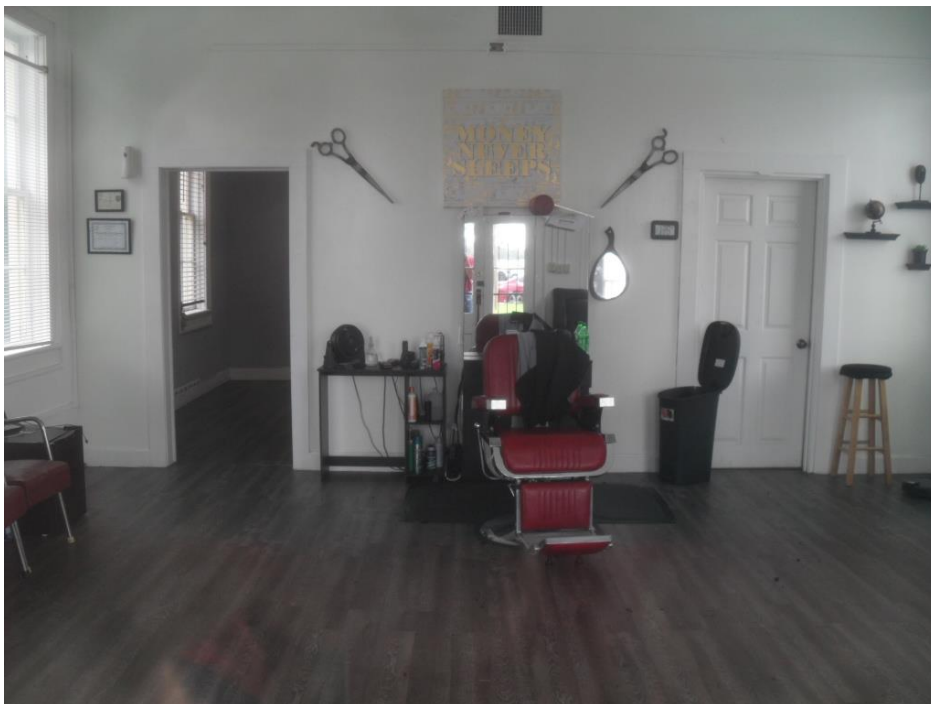


**Interior view – 15058 River Road (break area)**

**Subject Photographs**



**View of the rear yard area – looking west**



**Interior View of 15068 River Road – front retail area**

**Subject Photographs**



**View of the existing driveway – looking west**



**View of the existing driveway – looking east**



## Subject Photographs

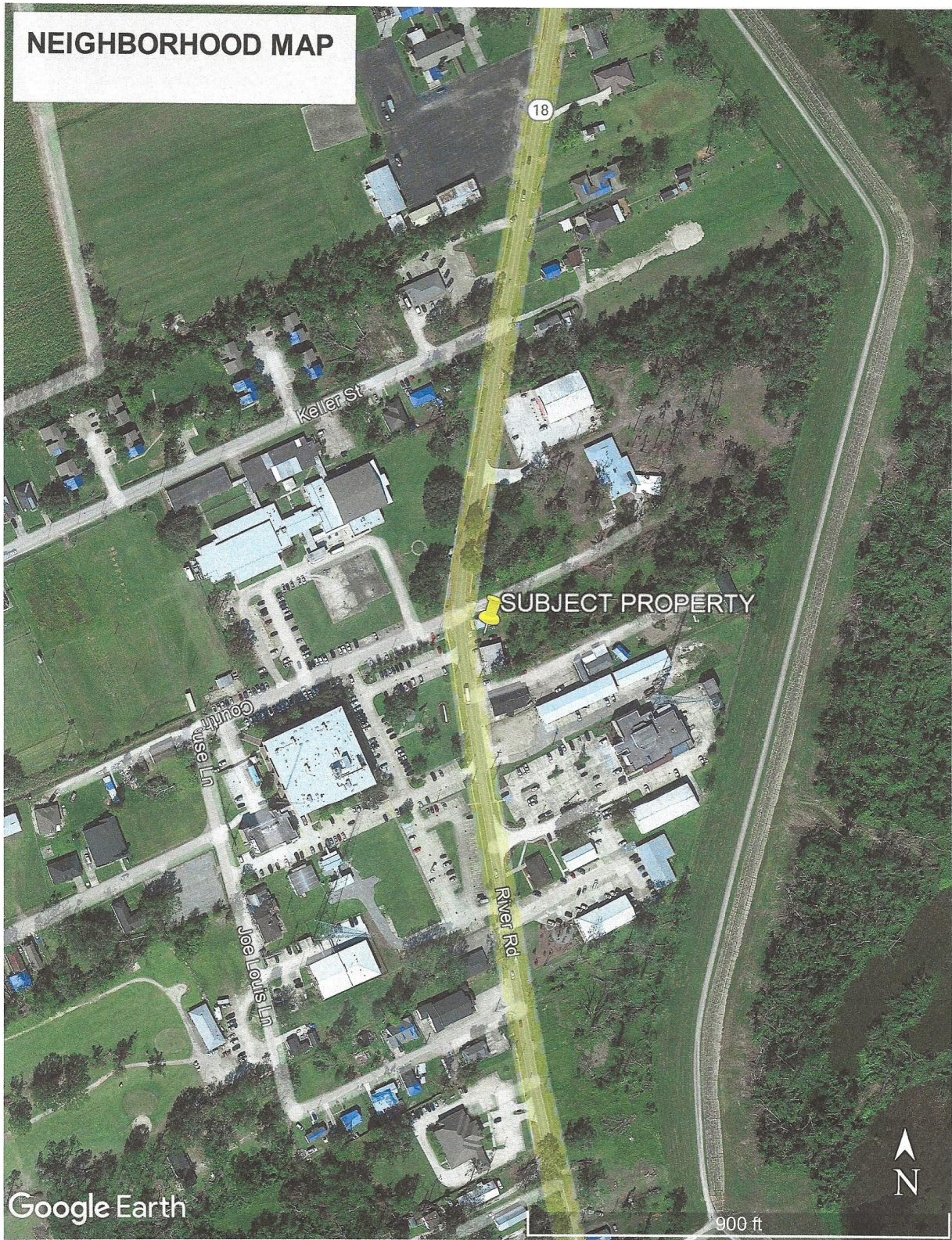


**Street scene of River Road – looking north**



**Street scene of River Road – looking south**

# NEIGHBORHOOD MAP



Google Earth

### **Neighborhood Analysis:**

A neighborhood is an area that is comprised of a group of complimentary land uses. The social, economic, governmental and environmental characteristics of the neighborhood influence property values. This analysis is of the observable and quantifiable data related to the structure, development patterns and trends, population trends and other factors that may enhance or detract from property values.

Subject is located on the west or right descending bank of St. Charles Parish. St. Charles is one of the seven parishes which make up the New Orleans Metropolitan Area. It is found roughly 20 miles upriver from the Central Business District of New Orleans. St. Charles had experienced considerable growth over the past 20 years with more limited growth over the past 6-8 years.

The 1993 opening of Interstate 310 made St. Charles Parish much more accessible to New Orleans and Metairie commuters. Coupled with the availability of affordable, large residential lots plus a public-school system that is consistently ranked as one of the best in the State, I-310 has aided in St. Charles Parish's becoming popular as a "bedroom community".

St. Charles Parish contains approximately 304 square miles of land area, an estimated 80% of which consists of either open water or wetlands. The majority of the developable land in the parish is found along River Road on both sides of the river. There are also roughly 14,000 acres of dry land found in the southwest corner of the parish in the Des Allemands/Bayou Gauche area. Most of this land is owned by Texaco and is not currently available for development.

The primary employers in St. Charles Parish are the large industrial plants and grain elevators located along the Mississippi River. These plants include, but are not limited to, the Monsanto, Shell, and Valero oil refineries, the Shell Chemical Plants (east and west bank), Occidental, Dow Chemical, the ADM, Bunge, and St. Charles grain elevators, Entergy, Little Gypsy, and the Waterford III nuclear power plant.

St. Charles Parish's School System is a big draw for the area, consistently being ranked as one of the best in the State. St. Charles Parish is also home to two golf course communities: Willowdale on the west bank in Luling and Ormond on the east bank in Destrehan. These developments have attracted many upper-middle income commuters to these and the surrounding communities for over 20 years.

The subject neighborhood is located on the west bank of St. Charles Parish in the small unincorporated community of Hahnville. The subject is located along the east side of LA. Highway 18 (River Road) just south of Courthouse Lane between River Road and the Mississippi River.

Hahnville is the parish seat of St. Charles Parish and is generally bounded by the Mississippi River to the east, LA. Highway 3127 to the west, Crawfish Road to the north, and Avalon Place Subdivision to the south.

The subject's general neighborhood is accessed by River Road via I-310 from U.S. Highway 90 or I-10. River Road is a 2-lane bi-directional thoroughfare which parallels the path of the Mississippi River and connects the New Orleans Metro area to St. Charles Parish and beyond to St. John the Baptist Parish. The subject is located within the immediate vicinity of the St. Charles Parish Courthouse complex. Other area thoroughfares include LA. Highway 3127 and U.S. Highway 90.

LA. Highway 3127 is a 2-4 lane thoroughfare which commences at the I-310 interchange in St. Charles Parish and continues westbound to Donaldsonville. The I-310 system connects the subject area south to U.S. Highway 90 and north to the I-10 system to the metro New Orleans area.

U.S. Highway 90 is a four-lane, asphalt paved federal highway which runs through St. Charles Parish in a predominantly east/west direction, linking St. Charles with Jefferson and Lafourche Parishes. U.S. Highway 90 has also been established as a Hurricane Evacuation route funneling traffic away from the metro New Orleans area to Lafayette and then north bound to Shreveport via I-49.

The subject neighborhood is roughly bounded by the Mississippi River to the east, LA. Highway 3160 to the northwest, Union Pacific Railroad to the west and Bethlehem Street to the south. This neighborhood has a stable population with some limited growth. In the recent past, there has been only limited new residential development within the subject immediate vicinity with new construction limited to the remaining intermittent lots. However, as of the writing of this report, there are 3 new subdivisions coming online within the immediate Hahnville area.

The first subdivision is situated south of the subject on the west side of River Road. This is River Place Estates. This is a single street 42 lot upper middle-income development. In addition, there is another subdivision development situated north of the subject along the west side of River Road. This development is known as River Road Estates and consists of 64 Phase 1 lots with another 40 Phase 2 lots. This development consists of more modest starter homes. Heather Oaks is located south/southeast of the subject in Luling south of U.S. Highway 90. This is another 100+ lot residential subdivision which has been in the planning stage for several years. In addition, Ashton Plantation is located just east of the River Road/I-310 interchange. This is a multi-phase upscale subdivision development with ongoing construction and expansion.

The majority of new commercial developments are located south/southeast of the subject along U.S. Highway 90 in Boutte/Luling. Within the subject's immediate neighborhood, both residential and commercial developments are situated along and just off River Road with significant public uses include the government buildings servicing the courthouse as well as several public schools and multiple churches. Agricultural uses are also located within the surrounding areas. The subject neighborhood is comprised of predominantly mature, existing developments. The general area is well maintained and serviced by a complimentary mixture of commercial, industrial and governmental land uses. The existing commercial developments cater to a range of buyers from middle to upper middle-income families.

The subject neighborhood has been defined as a pocket of commercial/residential development located along and just off of River Road as well as commercial and institutional/esoteric uses which support the St. Charles Parish Courthouse Complex in Hahnville, LA. This subject neighborhood can compete with other secondary rural residential markets with its primary competition being from the surrounding Hahnville areas as well as Boutte and Luling.

Overall, the long-term outlook for the subject's immediate and surrounding area is considered good. Demand for residential real estate (both residential and commercial) is considered good with some areas of positive property appreciation. Existing trends and neighborhood characteristics support the subject as a viable commercial or government use location. Given the existing demand within St. Charles Parish and the subject's location near the Courthouse Complex, the outlook for the subject's neighborhood is considered positive.

## SITE DATA

**General Description:** Subject site is located on the east side of River Road just south of Courthouse Lane in Hahnville, LA. The site is legally described as Lot A situated in Sections 18 & 22, Township 13 South, Range 20 East, St. Charles Parish, LA. The site is irregular in shape and is calculated to contain 44,452 SF.

The lot fronts 197.38' directly along River Road with a width in the rear of 185' and a depth along its northern side of 203.10' and along its southern side of 267'.

**Streets:** Subject site has primary street access from River Road. River Road is a 2-lane bi-directional thoroughfare which parallels the course of the Mississippi River extending from the I-310 interchange in a predominantly northwest direction through Hahnville and St. Charles Parish to St. John the Baptist Parish. This is a light to moderately traveled thoroughfare with limited traffic counts and good surrounding demographics. River Road is asphalt paved thoroughfare with limited shoulders, sub surface drainage, and some above ground light poles.

As stated previously, the subject is located just south of Courthouse Lane. Courthouse Lane extends along one side of River Road (westbound) with the east bound portion being an existing driveway servitude located on the subject property.

**Utilities:** Public utilities available to the subject site include telephone, electricity, and public water and sewerage lines.

**Site Servitudes/  
Easements:**

The appraisers were provided with a 2004 survey of the subject site as well as an older legal description. Utilizing the available information as well as a physical inspection of the site, there appears to be only typical easements, encroachments, and/or servitudes presently affecting the subject property.

Note: there appears to be an underground sewer line running north/south through the subject site. This line is located behind the existing improvements approximately mid way between River Road and the rear property line.

In addition, there is a 30' driveway servitude extending along the northern boundary of the subject site. This driveway measures 30' wide and extends approximately 203.10' encumbering approximately 6,093 SF. While this driveway servitude would normally impact the site's build able area, the subject's driveway is located in such a way as to be basically fully use able under any redevelopment scenario. While technically, the area encumbered with the driveway has limits, determining the reduction in value to this area is problematic with significant opinion required. Further, whether there is any reduction in value is also potentially in question. Given the unique characteristics of this site, the appraisers will not allocate a separate value to this encumbered area but will keep the encumbered area in mind when rendering a final value estimate for the site "as if vacant".

**Flood Zone:**

FEMA designated Flood Zone "X500" - which is not classified as a Flood Hazard Area by FEMA (Panel No. 2201600125C revised June 16, 1992). Properties located within this flood zone designation typically do not require flood hazard insurance.

**Land Use Zoning:**

Subject site is currently zoned C-3, Highway Commercial District. This is a generally liberal commercial district allowing for most types of office and retail uses. Both existing improvements are considered legal uses.

Flood Data

USPS Address: 15055 River Rd  
Hahnville LA 70057-2105

Community Name: ST. CHARLES PARISH

Community #: 220160

County: Saint Charles

Census Tract: 0627.00

Flood Zone: X500

Map Date: 1992-06-16

Flood Map Type and Color Options



APPLY MAP OPTIONS

Flood Map

To Save your flood map, use your right mouse button and click directly on it. Then, depending on what you want to do, select:

- Save Picture As... to copy the flood map to your hard drive
- Copy to place the flood map in Windows memory so you can paste into another program
- Print Picture ... to print the flood map immediately

**MAP DATA**

FEMA Special Flood Hazard Area: No  
Map Number: 2201600125C  
Zone: X500  
Map Date: June 16, 1992  
FIFS: 22089

**MAP LEGEND**

|                                      |                 |
|--------------------------------------|-----------------|
| Areas inundated by 500-year flooding | Protected Areas |
| Areas inundated by 100-year flooding | Floodway        |
| Velocity Hazard                      | Subject Area    |

Map data ©2022 Imagery ©2022 Mapbox Technologies, U.S. Geological Survey, USDA/FPC/IGD

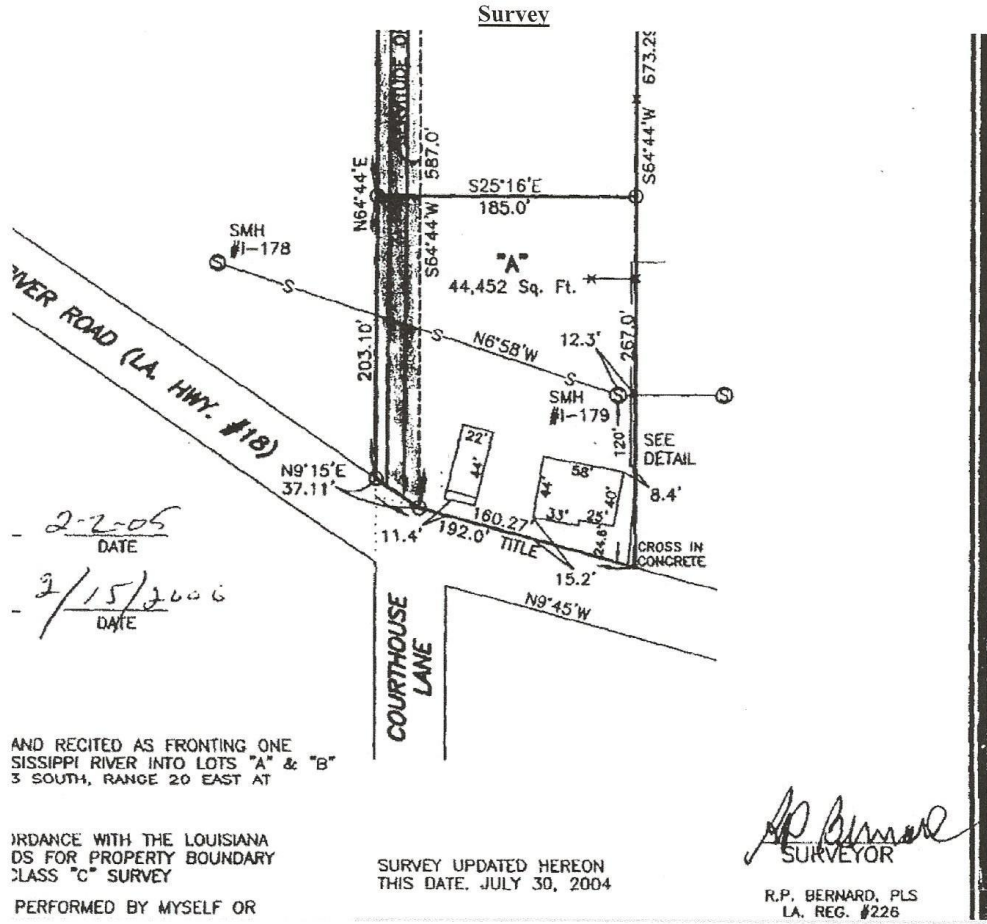


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SITE DATA (Continued)



## TAX AND ASSESSMENT DATA

### Assessment Methodology

The method of assessment for the State of Louisiana as defined in the state's new constitution adopted in 1974 and effective as of 1978 is "market value times assessment ratio times millage rate."

Current assessments are based upon a statewide appraisal of all properties subject to ad valorem taxation performed and submitted by the individual parish assessors to the State Tax Commission for the tax year 1998. The tax base was established based upon assessment ratios of 10% of "market value" on land and residential properties and 15% of "market value" on all other improved property.

The existing state constitution calls for "reappraisal" of market value at a minimum every four years. Next mandatory reassessment is due in the year 2024. After the calendar year, each taxing district can adjust their millage rate annual to meet budgetary and bonding requirements provided proper, prior legal approval is voted by the residents of that taxing district.

### Current Subject Property Tax and Assessment Information

St. Charles Parish taxes are due and payable in arrears. The assessments for 2021, therefore, currently apply. The following is the actual information supplied by the Assessor's office.

#### **Bill No. 150600L0000A**

#### **Actual Assessment (2021)**

|              |                 |
|--------------|-----------------|
| Land         | \$ 6,894        |
| Improvement  | \$ 6,842        |
| Improvements | <u>\$ 3,230</u> |
| Total        | \$ 16,966       |

|  |            |
|--|------------|
| <b>2021 Millage Rate (Parish &amp; City)</b> | 0.11794    |
| <b>Actual Taxes</b>                          | \$2,006.96 |

Based on the present assessment, the subject has a value of \$136,086 ( $\$6,894/10\% + \$6,842/15\% + \$3,230/15\%$ ). Given the valued determined herein, the present assessment appears low. As of the date of the appraisal, the subject's taxes appear to have been paid.

## **DESCRIPTION OF THE IMPROVEMENTS**

As of the date of the appraisal, the subject site is improved with 2 adjacent office/commercial buildings containing 3,522 SF/GBA.

The precise age or original construction details of the subject buildings is unknown. However, 15058 River Road is estimated to have originally been constructed approximately 65 years ago and contains approximately 2,452 SF/GBA. This is an existing owner user office building.

The property is situated on a concrete slab foundation with wood frame construction, brick and masonry exterior veneer, wood soffits and fascia, inset or single hung metal/vinyl windows, and a flat torch down synthetic membrane roof with metal gutters and downspouts. The front pedestrian door is glass in metal frame with a metal side door (including 4' x 7' metal awning). The building also has a 4' front covered walkway/porch (100 SF).

The interior finish includes predominantly terrazzo flooring (some vinyl) with painted drywall and painted paneling interior walls with painted drywall and acoustical tile ceilings with predominantly flush mounted strip florescent lighting with some ceiling fans and an approximately 10' ceiling height. The building is configured with an open reception/common area, 3 standard offices, 1 larger office, conference room, break room/kitchenette, and half bathroom. The kitchenette includes limited built in wood cabinets and counters with sealed counter tops, 1 stainless steel sink, microwave, refrigerator/freezer. The interior doors are predominantly hollow core wood with central HVAC.

In addition, there is a front concrete/gravel paved area with parking for 8 cars.

15068 River Road is estimated to have originally been constructed approximately 85 years ago and contains approximately 1,070 SF/GBA. This includes a small rear addition containing approximately 230 SF.

This property is situated on a raised concrete slab foundation situated on brick/concrete piers with wood frame construction and brick and wood exterior veneer. The property has wood soffits and fascia with a rear slanted flat torch down synthetic membrane roof. The front pedestrian door is double solid core wood with single glass pane and metal security porch door. The windows include some older double hung wood, inset and single hung metal/vinyl windows.

The interior finish includes predominantly vinyl flooring with painted drywall and paneled interior walls and painted drywall interior ceilings. The ceiling height is estimated between about 10' and 12'. The building is configured with a front open retail area (barber shop) with a rear office, half bathroom, and storage room. The interior doors are predominantly hollow core wood with central HVAC.

Note: Several attempts were made to inspect this improvement (15068 River Road) with no success. As such, the appraiser inspected the improvement from the front door/window (See Photograph on Page 23.

This building includes miscellaneous concrete and gravel paving from the driveway servitude along with some grass area parking (approximately 8 vehicles).

It should be noted that the mechanical, plumbing, and electrical for both buildings are assumed to be in good working order and in accordance with all local codes.

Further, the structural integrity of the slab and roof (both buildings) are assumed within this analysis.

The land to building ratio is 10.89:1.00 based on the subject's gross building area.

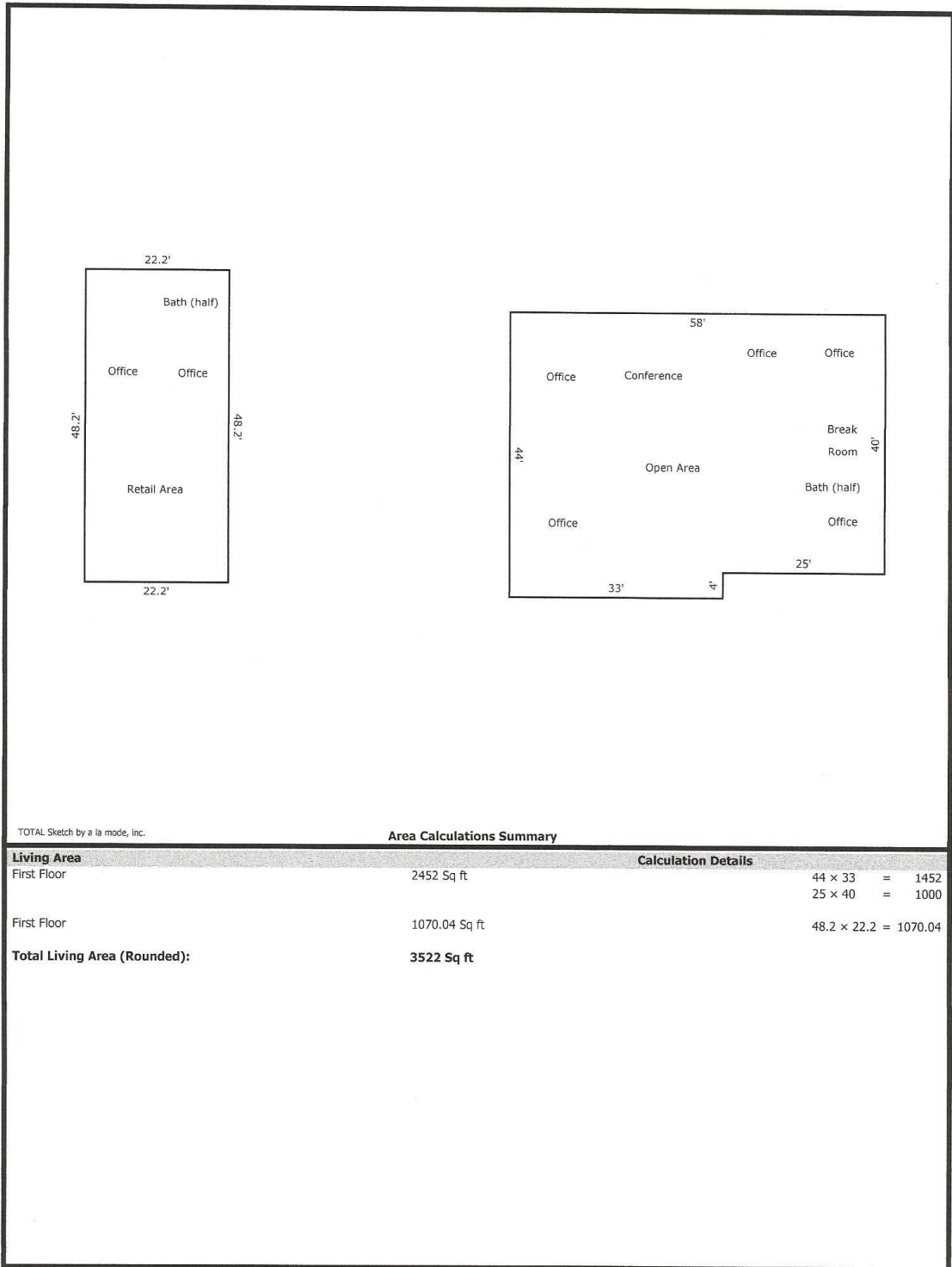
### **Physical Condition:**

The subject buildings are estimated to be between 65 and 85 years old. The buildings have been generally well maintained and are in overall average to good condition with no immediate curables.

### **Functional Utility:**

From a functional standpoint, the overall design and layout of the subject property makes it functional as a multi-family residential facility. The subject buildings are basically considered owner user properties but with some investor characteristics. Generally, the design is considered to be more or less functional for its intended use (2 adjacent small office/commercial buildings). However, the existing improvements are older and more likely an interim use. However, the existing use creates a higher than typical land to building ratio of the subject. This type of functional obsolescence is difficult to quantify, but the appraisers recognize its existence.

Economic obsolescence as a result of Covid-19 virus pandemic and/or the recent events surrounding Hurricane Ida may be affecting the subject property as of the date of the appraisal. This theoretical problem is not lost on the appraiser. Generally speaking, the reader should be aware that the subject property is in a good location for office/commercial buildings and are generally functional for their intended use. However, there may be some lingering forms of market driven obsolescence in the area. The effects of this obsolescence will be incorporated in all sales data and thus will be reflected properly in the final value conclusion (See Special Assumptions and Limiting Conditions).



TOTAL Sketch by a la mode, inc.

**Area Calculations Summary**

| Living Area                         |                   | Calculation Details              |
|-------------------------------------|-------------------|----------------------------------|
| First Floor                         | 2452 Sq ft        | 44 × 33 = 1452<br>25 × 40 = 1000 |
| First Floor                         | 1070.04 Sq ft     | 48.2 × 22.2 = 1070.04            |
| <b>Total Living Area (Rounded):</b> | <b>3522 Sq ft</b> |                                  |

## Highest and Best Use:

Highest and Best Use is defined in *The Appraisal of Real Estate*, Thirteenth Edition, published in 2008 by the Appraisal Institute, on Page 278 as follows:

the reasonably probable and legal use of vacant land or an improved property that is legally permissible, physically possible, appropriately supported, financially feasible, and that results in the highest value.

Implicit in the preceding is that the following four criteria be met:

1. The use must be legally permissible - private restrictions (protective covenants), zoning regulations, building codes, and easements may restrict development of a site to a certain use;
2. The use must be physically suitable - physical characteristics, such as location, size, topography, soil and subsoil conditions, drainage and access can limit utilization;
3. The use must be economically feasible - there must be sufficient market demand for the proposed use;
- 4) The use must be maximally profitable - the income attainable from the proposed use must be sufficient to justify its costs and yield a greater return than other potential uses.

There are typically two aspects to the highest and best use analysis; one for the site as though vacant and ready for development, the other pertaining to the property as currently improved. Since the value to be determined for the subject is as improved the highest and best use "as vacant" and "as improved" is applicable.

The following factors were considered in determining the highest and best use of the subject;

1. Permitted uses and uses likely to be permitted for the property.
2. The location of the subject in relation to existing land use patterns and trends in the immediate area. With particular attention being paid to access, functional utility, visibility and demographics of the surrounding neighborhood;
3. Existing and anticipated land use and traffic patterns in the immediate area, and;
4. The alternate uses currently available for the subject and the financial feasibility of these uses.

The four criteria in highest and best use as defined above lists physical possibility, legal permissibility, financial feasibility, and maximally productive attributes of the site in determining the type and scope of development. Additionally, the selected use must be reasonably probable, not speculative or conjectural. Unless an extraordinary or hypothetical assumption has been made the selected use should be consistent with the overall market, immediate corridor or specific location.

### **As if Vacant**

There are six basic uses to consider with varying levels of intensity for each use. The basic uses are;

1. Agricultural
2. Residential
3. Commercial
4. Industrial
5. Specialized Use (These uses typically include governmental or public uses)
6. Remain “as is” (remain undeveloped until adequate demand exists for some use)

Unless an extraordinary assumption is made a specialized use is eliminated for consideration because it is speculative and conjectural to the overall market.

### **Legally Permissible**

If the subject site were vacant and available for use, the current zoning would be the primary legal restraint on what improvements could be developed. The subject is zoned C-3: Highway Commercial District. Additional legal constraints would include setbacks, parking requirements and green space which would determine the limits of the improvements size with consideration to its likely use. Given the subject’s commercial zoning and location within close proximity to the St. Charles Parish Courthouse Complex, agricultural, residential, industrial, and specialized uses are generally eliminated.

Further, no unique demand or circumstances were recognized in the analysis of the site which would support the probability of a zoning change. The potential legal uses would be all those allowed by the current zoning restrictions.

|              |               |
|--------------|---------------|
| Agricultural | Eliminated    |
| Residential  | Eliminated    |
| Commercial   | Potential Use |
| Industrial   | Eliminated    |
| Specialized  | Eliminated    |

## Physically Possible

The site's size, shape, and terrain are conducive for many types of development. The subject consists of an irregular shaped interior parcel containing 44,452 SF. The parcel measures 197.38' directly along River Road with a width in the rear of 185' and a depth along its northern side of 203.10' and along its southern side of 267'. The site has sufficient size and frontage to accommodate most types of legal uses.

The utilities serving the subject site are adequate for many uses. The property is clearly visible from the subject's fronting street, and its accessibility was considered to be good. The subject's physical aspects do not seem to impose any apparent physical limitations on development for the above legally permissible uses.

|              |               |
|--------------|---------------|
| Agricultural | Eliminated    |
| Residential  | Eliminated    |
| Commercial   | Potential Use |
| Industrial   | Eliminated    |
| Specialized  | Eliminated    |

## Financially Feasible

This test refers to legal uses which are physically possible and have a sufficient demand to produce a positive return. The subject's immediate area is dominated by predominantly commercial and institutional developments with surrounding residential. The subject site has good accessibility and average visibility from River Road. As such, the site suggests a commercial use probably to be utilized by an owner user. The same factors also make the site well suited to additional public use development. However, these uses do not typically provide a return to the private sector and are excluded from this analysis.

The feasibility of development is evidenced by the number of existing commercial and institutional properties along River Road. A survey of improved properties with similar uses revealed generally typical vacancies. The vast majority of leases throughout the West Bank of St. Charles Parish and specifically within the general Hahnville area do not support an adequate return to spur speculative building, which is generally absent in this market. Based on the available information, an owner user commercial development appears most likely. Therefore, based upon these observations, the highest and best use is for owner user development with a commercial improvement, appropriate government/institutional use, or to hold until market factors dictate development.



## **As Improved:**

The “Highest and Best Use” of property as improved is defined in The Dictionary of Real Estate Appraisal, 4<sup>th</sup> edition, published by the Appraisal Institute in 2002 on page 135, as follows;

The use that should be made of a property as it exists. An existing improvement 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 demolishing the existing building and constructing a new one.

In considering the subject as improved there are three basic alternatives to consider;

1. Demolish the existing improvements and redevelop the site
2. Modify the existing use
  - a. Conversion to another
  - b. Renovation
  - c. Addition
3. Continue existing use “As Is”

These alternatives are examined under the same four tests of legally permissible, physically possible, financially feasible and maximally productive.

The existing use conforms to the highest and best use of the site “as vacant”. As discussed in the Improvement Section of this report, the subject was deemed to be in overall average to good condition with adequate functional utility. The subject's functional obsolescence (higher than typical land to building ratio), creates an excess land situation in the rear of the existing site. Excess land is defined as land that is not needed to serve or support the existing improvements. The highest and best use of the excess land may or may not be the same highest and best use of the improved parcel. Despite the rear excess land, the present improvements do contribute to the total value over and above that of the land "as if vacant". Therefore, demolition is not considered a reasonable alternate highest and best use. Since the subject's existing use is compatible with the site's highest and best use, no conversion of the improvements is considered reasonable.

Based upon these observations, the highest and best use was determined to be for continued use “as is” as two adjacent owner user office/commercial buildings with some rear excess land area.

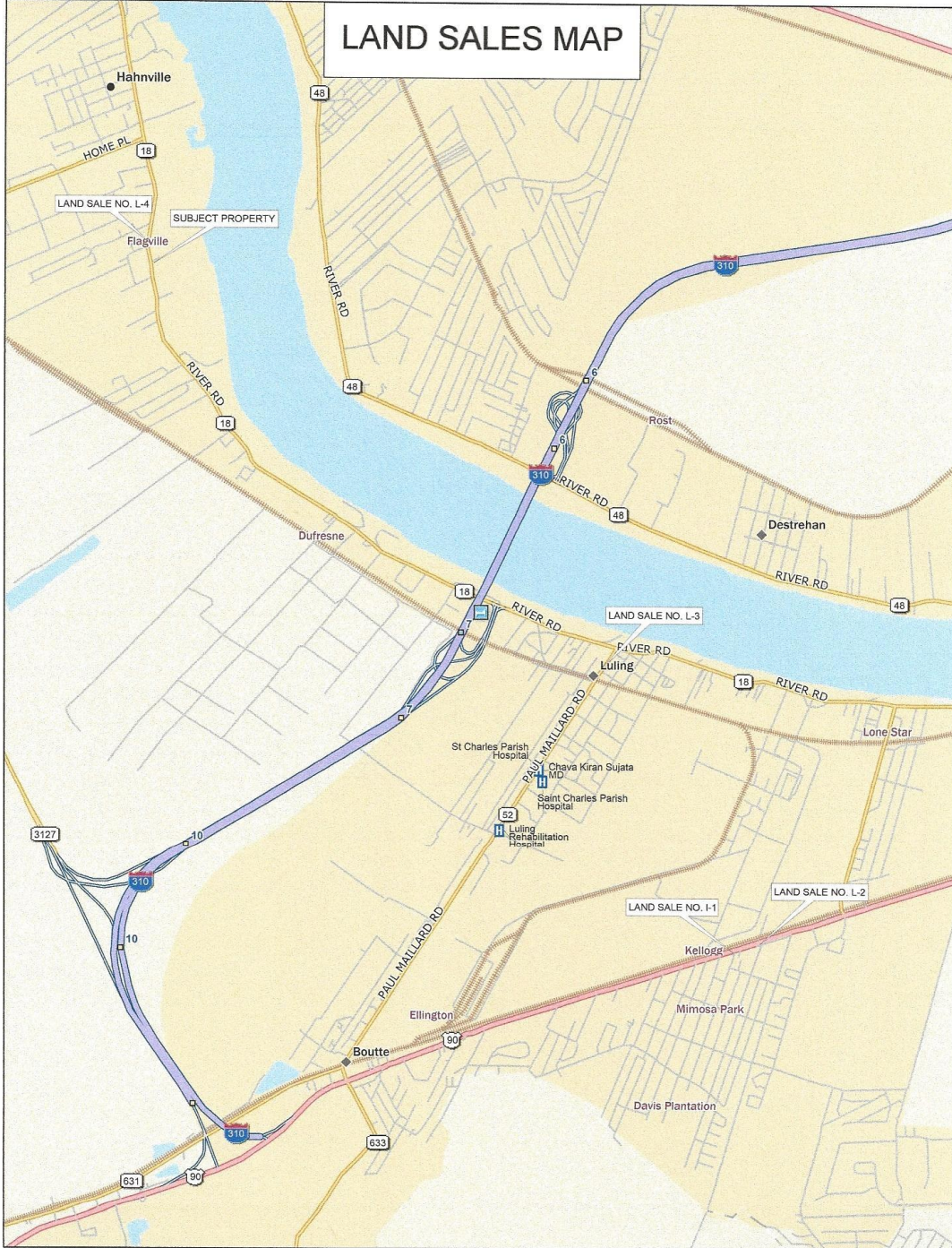
## **Vacant Land Valuation:**

There are six recognized methods used to value vacant land: the Sales Comparison Approach, Allocation, Extraction, Subdivision Development, Land Residual, and Ground Rent Capitalization. When there are a sufficient number of comparable sales the Sales Comparison Approach is the most common and preferred technique.

In the valuation of the subject property, a search of the market resulted in an adequate amount of data to allow The Sales Comparison approach to be employed. This analysis is therefore the basis of the of value opinion of the subject “as vacant”.

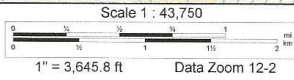
The application of this analysis requires the collection of data related to the sale and offering of sites similar to the subject. The data is then analyzed, compared and adjusted to establish a range of value that is appropriate for the site being appraised. The analysis establishes the appropriate unit of comparison and identifies the factors that influence value. Through comparison, dissimilar characteristics are identified and measured to develop appropriate adjustments. The adjustment process accounts for the differences between the subject and the data being examined to produce a more meaningful value range. After adjustment, the appraiser further reconciles and weights each piece of the data and forms a conclusion as to the market value of the subject.

As discussed in the Highest and Best Use section, a commercial use is considered to be the most logical and maximally productive use of the subject. To begin this analysis, sales with comparable uses within the immediate area and from competing areas are gathered. The comparable sales presented herein are believed to be representative of the overall market and are considered the most relevant to understanding the analysis and conclusions of this appraisal. A total of 4 sales are presented and will be utilized to value the subject site. These sales combined with the review of other sales, pending transactions and current listings allow for the development of a meaningful sales comparison analysis.



# LAND SALES MAP

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www.delorme.com



The following is a summary of the pertinent facts related to the sales presented herein. More detailed information regarding the sales is provided in the discussion and analysis section and in the addenda to this report.

|                   | <b>Sale L-1</b>                                     | <b>Sale L-2</b>  | <b>Sale L-3</b>   | <b>Sale L-4</b>  |
|-------------------|---|--|---|--|
| Address           | U.S. Highway 90 (corner Mimosa St.)                 | 12401 U.S. Highway 90 (Corner St. Anthony)                 | 300 Paul Maillard Road                                    | River Road   |
| City              | Luling, LA.   | Luling, LA.  | Luling, LA.   | Hahnville, LA.   |
| Date of Sale      | 10-19-2020  | 7-30-2019  | 11-9-2018   | 5-5-2017   |
| Vendor            | St. Charles Plaza Partnership, LLC (Joel Chaisson)  | St. Charles Plaza Partners, LLC (Joel Chaisson)            | Monti Properties, LLC                                     | Old Pine Ventures, LLC                                 |
| Vendee            | Mimosa Avenue, LLC (Edward Amar, IV, et al)         | Schillace, LLC (John Schillace)                            | Dauzat Enterprises, LLC                                   | Hahnville DG, LLC                                      |
| Legal Description | Parcel ADV-1B located in Section 47, T-13-S, R-21-E | Parcel ADV-1A-1 located in Section 47, T-13-S, R-21-E      | Lots 3X & 4X, Division of the Estate of Roxie R. Troxler  | Tract C-1A located in Sections 18 & 22, T-13-S, R-20-E |
| Recordation       | NA # 453055   | NA # 442465  | NA # 436812   | NA# 423606   |
| Property Use      | retail  | Retail   | Commercial Building                                       | Dollar General Store                                   |
| Zoning            | C-3   | C-3  | C-2   | C-2  |
| Area              | 15,582  | 30,502 SF  | 46,393 SF   | 43,800 SF  |
| Dimensions        | 124.07' (US 90)/114.78' (2 calls) x 161.30'/132.95' | 238.99' (US 90) x 161.30 (St. Anthony) x varied dimensions | 311.60 (Paul Maillard)/346' x 141.10' x varied dimensions | 192.75' (River Road)/160' x 220'/327.48'               |
| Price             | \$140,238   | \$288,822.14   | \$175,000*  | \$265,000  |
| Unit Price        | \$9.00  | \$9.47   | \$3.77  | \$6.05   |

\*recorded at \$250,000 but with \$75,000 in building and site improvements

## **Discussion and Analysis:**

Using a common unit of comparison allows the appraiser to measure market reaction for differences between the subject and comparable while controlling for scale or some other variable. The market reaction can then be quantified into an adjustment that is used to account for differences between the comparables and the subject.

In a survey of area appraisers, brokers and other market participants and through an evaluation of the physical attributes of the subject and properties comparable to subject, the predominant unit of comparison was determined to be sale price per square foot. As such, the price per square foot is used as the basic unit of comparison for this analysis.

There are ten major comparison categories that must be considered, and they include the following:

1. Property rights conveyed
2. Financing
3. Conditions of Sale
4. Expenditures made after sale
5. Market Conditions
6. Location
7. Physical Attributes
8. Use (zoning)
9. Economic Attributes
10. Non-Realty Items

Ideally all comparable sales would be identical to the subject property this, however, is rarely the case. When differences are identified between the subject and the comparables, the comparable is adjusted to reflect market reaction for the identified differences. The adjustment process can utilize both quantitative and qualitative adjustments.

Quantitative adjustments are based on mathematical applications that measure the market reaction, in terms of dollars or percentages, for the factor that influence value. When an adequate number of paired sales exist the derivation of reliable adjustment is possible. If the number of pair sales is limited or if the available data does not contain enough neutral characteristics the reliability of the adjustment is diminished. In addition to paired sales analysis, the appraiser may rely upon surveys of market participants, general market data and cost data to guide in the selection of the appropriate adjustment.

Qualitative adjustments are more broad than quantitative adjustments and do not utilize specific dollar or percentage adjustments. The qualitative adjustment is based on general market data regarding the various factors that affect value. This form of adjustment relies on market trends, ranking and personal interviews.

**Property Rights Conveyed:**

Adjustments are necessary when the property rights transferred in a particular sale are different than the rights being appraised. The subject is being appraised assuming fee simple title. All of the sales presented herein were reported to be transferred with the fee simple rights, equal to those assumed for the valuation of the subject.

**Financing Terms:**

The transaction price of one property may differ from that of an identical property due to different financial arrangements. Most sales involved terms by which the seller received cash or its equivalent at a typical market interest rate and term mortgage. None of the sales presented were reported to have receive non-market financing terms and therefore no adjustments are warranted

**Conditions of Sale**

Adjustments for conditions of sale reflect the motivations of the buyer and seller. When non-market conditions of sale are detected, the sale must be thoroughly researched to determine if its inclusion is appropriate, and the conditions must be adequately disclosed. Conditions that could warrant exclusion or require adjustment include purchasers and sellers acting under duress, purchases made as part of an assemblage or sales where the parties are related. None of the sales presented were reported to have been affected by non-market conditions of sale and therefore no adjustments were warranted.

**Expenditures Immediately After Purchase**

A knowledgeable buyer considers expenditures that will have to be made upon purchase of a property because these costs affect the price the buyer agrees to pay. Such expenditures may include the cost to demolish and remove any buildings, cost to petition for a zoning change, or costs to remediate environmental contamination. If the sale requires expenditures upon purchase, the sale is adjusted upward to compensate. None of the sales presented were reported to have required any expenditures for which an adjustment was necessary.

**Market Conditions (time):**

Comparable sales that occurred under different market conditions than those that exist as of the effective date of value require adjustment. Adjustments are warranted when, since the time the comparable sales were transacted, general property values have appreciated or depreciated due to inflation, deflation or investors' perceptions of the market have changed. An analysis of the available data indicates market values to be stable. As such, no time adjustments are made.

## Location/Access/Exposure

Adjustments may be required when the location characteristics of a comparable property are different from those of the subject property. A property's general location, access and exposure are analyzed in relation to those of other properties. Although no locational characteristic is inherently desirable or undesirable, an appraiser can conclude the market recognizes one characteristic is better than, worse than or equal to another.

**General Location:** In terms of general location, sale nos. L-1 and L-2 are located along U.S. Highway 90. This is the premiere retail/commercial thoroughfare throughout Boutte and Luling. When compared to the subject's location, a -25% location adjustment is felt warranted. Sale No. L-3 is located along Paul Maillard Road in Luling, LA. This is an inferior commercial location when compared to the subject's location across River Road from the St. Charles Parish Courthouse. As such, this sale is adjusted +35%. Sale No. L-4 is located adjacent to the subject and is not adjusted. It should be noted that any location adjustments made within the analysis are based on the appraiser's opinion after discussions with real estate professionals familiar with the retail/commercial market on the west bank of St. Charles Parish and after a physical inspection of each sale.

**Access:** In terms of access, all of the sales were considered to be generally comparable, and no adjustments are made.

**Exposure** refers to visibility of the site which is related to traffic pattern and traffic count. The subject's highest and best use as previously stated is for commercial development. This type of use is highly dependent on the site's accessibility and visibility with good surrounding demographics and a high traffic count. Within the analysis, no adjustments are made for exposure.

## Physical Characteristics

The physical characteristics of comparable sites may differ in many ways. Each of these differences may require comparison and adjustment. Physical differences include site size, site condition and overall functional utility.

**Size:** Larger sites are generally discounted in terms of unit value as compared to otherwise similar but smaller sites. For example, a 100,000 square foot site will typically sell for less on a unit basis than a similarly located and proportioned 10,000 square foot site, all other things being equal. This is primarily attributable to the economic discount associated with buying in bulk. The available data indicates some size adjustments are warranted as the sales range in size between 15,582 SF and 46,393 SF (subject at 44,452 SF). Based on the paired sales and other market evidence a quantitative adjustment in the larger end of the range was indicated for the widest variations from the subject while smaller or no adjustment are made for smaller differences in size.

**Site Condition (clear & fill):** The subject is generally cleared and level with the slab site having been raised. As part of this analysis actual cost to clear and fill and cost estimates from local contractors were used to establish reasonable adjustments for this factor. Those sites that were reported to be different in terms of site condition were adjusted to reflect the cost to account for the reported difference. Within the analysis, no site condition adjustments are felt warranted.

**Functional Utility:** A site's function utility relates to its ability to accommodate uses that fulfill its "Highest and Best Use". While the shape or width to depth ratio of a site may be critical in one type of use, it may not be significant under a different type of use. The available data was not well suited to a paired sales analysis and the derivation of adjustments was not considered reliable. Within the analysis, no utility adjustments are deemed necessary (opinion).

### **Corner**

Properties with corner locations have superior visibility and accessibility than similar interior sites. As such, corner sites are generally adjusted downward when compared to other wise similar interior sites. Within the analysis, the subject is an interior location, similar to sale nos. L-3 and L-4. As such, sale nos. L-1 and L-2 are adjusted -5% for their corner influence.

### **Use/Zoning**

Any difference in the current use or zoning and the highest and best use of a comparable and the subject property must be addressed. The appraiser must determine if the sale is an appropriate comparable and, if so, whether an adjustment is required. Differences in zoning do not always require adjustment as many uses are allowed within multiple zoning classifications. In most cases the intended use of a property is the most relevant issue. All comparable sales were similar in overall zoning and no adjustments are made.

### **Economic Characteristics**

Economic characteristics include all the attributes of a property that affect its ability to produce income. This element of comparison is usually applied to income-producing properties. As previously discussed, the available data does not suggest the subject is traded based on its ability to produce income. The data does not support or indicate any adjustments are necessary for differences in economic characteristics.



## Non-Realty Components of Value

Non-realty components of value include FF&E, business concerns, or other items that do not constitute real property but are included in either the sale price of the comparable or the ownership interest in the subject property. These components are analyzed separately from the realty. None of the sales presented were reported to include any non-realty components.

The following table recapitulates the adjustments to each of the comparables presented and the resulting value range;

|                    | Sale L-1 | Sale L-2 | Sale L-3 | Sale L-4 |
|--------------------|----------|----------|----------|----------|
| Unit Price         | \$9.00   | \$9.47   | \$3.77   | \$6.05   |
| Property Rights    | ---      | ---      | ---      | ---      |
| Financing          | ---      | ---      | ---      | ---      |
| Conditions of sale | ---      | ---      | ---      | ---      |
| Expenditures       | ---      | ---      | ---      | ---      |
| Total Adjustment   | ---      | ---      | ---      | ---      |
| Adjusted Price     | \$9.00   | \$9.47   | \$3.77   | \$6.05   |
| Market Condition   | ---      | ---      | ---      | ---      |
| Adjusted Price     | \$9.00   | \$9.47   | \$3.77   | \$6.05   |
| Location           | -25%     | -25%     | +35%     | ---      |
| Size               | -10%     | -5%      | ---      | ---      |
| Site Condition     | ---      | ---      | ---      | ---      |
| Utility            | ---      | ---      | ---      | ---      |
| Corner             | -5%      | -5%      | ---      | ---      |
| Zoning             | ---      | ---      | ---      | ---      |
| Total Adjustment   | -40%     | -35%     | +35%     | ---      |
| Adjusted Price     | \$5.40   | \$6.16   | \$5.09   | \$6.05   |

**Conclusion:**

Before adjustment the value range indicated was from \$3.77 PSF and \$9.47 PSF. After adjustment the range has narrowed to between \$5.09 PSF and \$6.16 PSF. If the adjusted value range is applied to the subject site (44,452 SF – use able), a value range between \$226,261 and \$273,824 is indicated. Given its location and size, sale no. L-4 is the best indicator of value and is weighted most.

Given all the physical characteristics of the subject (location, size shape, dimensions, etc. and considering all of the available information, the appraiser feels the subject has a value more towards the upper end of the range at about \$270,000 or about \$6.07 PSF.

Therefore, after consideration of all the available data, the market value of the fee simple interest in the subject property “as if vacant” inclusive of the special assumptions concerning the current Covid-19 virus pandemic and the more recent events surrounding Hurricane Ida, as of the date of the appraisal, is...

**Two Hundred Seventy Thousand Dollars  
\$270,000**

## **The Sales Comparison Approach**

This analysis, as suggested by its name, is the process of deriving a value indication by comparing the subject to similar properties that have sold, are under contract to sell and are actively being marketed. This approach utilizes an adjustment process which identifies the factors that influence value and adjusting the sale prices or unit prices of comparable properties for differences with the subject. The basic elements of comparison are;

1. Real property rights conferred (i.e., fee simple, lessor, lessee)
2. Financing terms (i.e., cash equivalency)
3. Conditions of sale (i.e., motivation of parties)
4. Expenditures made immediately after purchase
5. Market conditions (i.e., time)
6. Location
7. Physical characteristics (e.g., size, quality, condition)
8. Economic characteristics (e.g., expense ratio, tenant mix)
9. Use
10. Non-realty components (e.g., business value, chattel, trademarks)

The adjustment process may use quantitative and/or qualitative adjustments. When sufficient data is available the appraiser uses mathematical analysis to derive appropriate and reliable quantitative adjustments. These adjustments are developed as either dollar or percentage amounts.

For factors than cannot be quantified or when data is limited, qualitative adjustments are used. These adjustments are developed by analyzing the qualitative relationships and utilizing mathematical analysis to identify market trends.

Once the adjustment process is complete the data is ranked and weighted based on its overall comparability. The indicated range of values is then reconciled to arrive at an indicated value of the subject property.

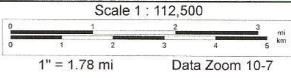
As part of the appraisal process for the subject property, the appraiser has researched numerous sales and listings. The subject consists of 2 adjacent office/commercial buildings containing a combined 3,522 SF/GBA situated on an interior site containing 44,452 SF. The property is located within Hahnville, LA.

The appraiser has researched the immediate and surrounding areas and found several comparable sales with which to compare to the subject. The data considered most relevant and best illustrates the market actions presented herein include 5 comparable sales. The data drawn is from within what is determined to be the subject's competitive market area.

# IMPROVED SALES MAP



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 www.delorme.com



Based on the available data and a survey of market participants properties similar to the subject generally trade based on the gross building area. Additionally, for this analysis, the breakdown method between land and improvements is used to result in a more credible value indication. Once the contributory value of the land and improvements are removed, the contributory value attributable to the improvements is isolated for analysis and adjustment. The following is a summary of the pertinent data regarding the comparable improved sales;

|                               | Sale I-1  | Sale I-2                           | Sale I-3                           | Sale I-4   | Sale I-5   |
|-------------------------------|---|------------------------------------|------------------------------------|--|--|
| Address                       | 15048 River Road  | 13645 River Road                   | 131 Lakewood Drive                 | 15090 River Road   | # 1 Ormond Blvd.                                     |
| City                          | Hahnville, LA.  | Luling, LA.                        | Luling, LA.                        | Hahnville, LA.   | LaPlace, LA.   |
| Date of Sale                  | 11-28-2018  | 3-17-2020                          | 5-23-2018                          | 9-27-2019  | 9-11-2020  |
| Vendor                        | Dolores Hamilton, et al   | Rhenpro Investments, LLC           | Robert Kinler                      | Old Pine Ventures  | Keith Miller   |
| Vendee                        | 1 <sup>st</sup> Step Driving School                                     | Triple Son Holdings, LLC           | 131 Lakewood, LLC                  | St. Charles Parish   | NABUT Brothers, LLC                                  |
| Legal Description             | Lot 1-PM of Pascal Margiotta Lot located in Section 17, T-13-S, R-20-E. | Lot 18A, Block D, Luling Park Sub. | Lot 101, Lakewood West Subdivision | Lot Tract C-2A located in Sections 18 & 22, T-13-S, R-20-E | Lot A-1, Godchaux Community, Unit 1, Riverlands Sub. |
| Recordation                   | NA # 437104   | NA # 466769                        | NA # 432671                        | NA # 463111  | NA # 374669  |
| Property Use                  | Office/Commercial   | Office/Commercial                  | Office/Commercial                  | Office/Commercial  | Office/Commercial                                    |
| Sales Price                   | \$188,000   | \$351,000                          | \$195,000                          | \$625,000  | \$345,000  |
| GBA                           | 2,748 SF  | 4,060 SF                           | 2,658 SF                           | 6,021 SF   | 4,265 SF   |
| Land Area                     | 13,138 SF (Use able)  | 13,732 SF                          | 10,400 SF                          | 243,034 SF   | 14,791 SF  |
| Contributory Land Value       | \$90,000 (\$6.85 PSF)   | \$75,000 (\$5.46 PSF)              | \$60,000 (\$5.77 PSF)              | \$500,000 (\$2.06 PSF)                                     | \$60,000 (4.06 PSF)                                  |
| Contributory site value       | \$5,000   | \$15,000                           | \$10,000                           | \$10,000   | \$10,000   |
| Contributory Building value   | \$93,000  | \$261,000                          | \$125,000                          | \$115,000  | \$275,000  |
| Contributory value \$/PSF/GBA | \$33.84   | \$64.29                            | \$47.03                            | \$19.10  | \$64.48  |

**COMPARABLE SALE PHOTOGRAPHS**

Comparable Sale No. I-  
15048 River Road  
Hahnville, LA.



Comparable Sale No. I-2  
13645 River Road  
Luling, LA.



**COMPARABLE SALE PHOTOGRAPHS**

Comparable Sale No. I-3  
131 Lakewood Drive  
Luling, LA.



Comparable Sale No. I-4  
15090 River Road  
Luling, LA.



**COMPARABLE SALE PHOTOGRAPHS**

Comparable Sale No. I-5  
# 1 Ormond Blvd.  
LaPlace, LA.





**The Adjustment Process:****Property Rights Conveyed:**

The subject is being appraised assuming fee simple title. Of the sales presented all were reported to be transferred with the fee simple rights or subject to leases which were at or near market terms. None of the sales required adjustment for differences in property rights conveyed.

**Financing Terms:**

All of the sales traded on terms by which the seller received cash or its equivalent at a typical market interest rate and term mortgage. None of the sales presented were reported to have receive non-market financing terms and therefore no adjustments are warranted.

**Conditions of Sale**

None off the sales presented were reported to have been affected by non-market conditions of sale and therefore no adjustments were warranted.

**Expenditures Immediately After Purchase**

None of the sales presented were reported to have required any expenditures for which an adjustment was necessary.

**Market Conditions (time):**

Comparable sales that occurred under different market conditions than those that exist as of the effective date of value require adjustment. Adjustments are warranted when, since the time the comparable sales were transacted, general property values have appreciated or depreciated due to inflation, deflation, or investors' perceptions of the market have changed. An analysis of the available data indicates market values to be generally stable. Therefore, within the analysis, no time adjustments are made (opinion).

## **Location/Access/Exposure**

**General Location:** In terms of general location, all of the sales presented are with the subject's competitive market area. Further, the contributory land and site improvement values have been removed from each sale. While not all encompassing, it does remove a significant portion of the locational component.

## **Physical Characteristics**

**Size:** Larger buildings are generally discounted in terms of unit value as compared to otherwise similar but smaller buildings. For example, a 100,000 square foot building will typically sell for less on a unit basis than a similarly located and proportioned 10,000 square foot building, all other things being equal. This is primarily attributable to the economic discount associated with buying in bulk. The available data indicates no definitive size adjustments as the sales range between 2,658 SF and 6,021 SF (subject at 3,522 SF/GBA). Based on the paired sales and other market evidence a quantitative adjustment in the larger end of the range was indicated for the widest variations from the subject while smaller or no adjustment are made for smaller differences in size.

**Quality/Condition:** In terms of quality/condition, the comparable sales are generally older buildings of overall average to good quality and no quality adjustments are made. From a condition perspective, sale no. I-1 is considered inferior in condition when compared to the subject and a +25% adjustment is made. In addition, sale No. I-4 was in only fair condition having been vacant for an extended period. As such, a +50% adjustment is made. The remaining 2 sales are deemed generally similar and are not adjusted. It should be noted that any condition adjustments (or lack thereof) are based on the appraisers' opinion after discussion with parties involved in the sales and after a physical inspection of each sale.

## **Non-Realty Components of Value**

Non-realty components of value include FF&E, business concerns, or other items that do not constitute real property but are included in either the sale price of the comparable or the ownership interest in the subject property. These components are analyzed separately from the realty. None of the sales presented were reported to include any non-realty components.

The following table recapitulates the adjustments to each of the comparables presented and the resulting value range:

|                    | Sale I-1 | Sale I-2 | Sale I-3 | Sale I-4 | Sale I-5 |
|--------------------|----------|----------|----------|----------|----------|
| Unit Price         | \$33.84  | \$64.29  | \$47.03  | \$19.10  | \$64.48  |
| Property Rights    | ---      | ---      | ---      | ---      | ---      |
| Financing          | ---      | ---      | ---      | ---      | ---      |
| Conditions of sale | ---      | ---      | ---      | ---      | ---      |
| Expenditures       | ---      | ---      | ---      | ---      | ---      |
| Total Adjustment   | ---      | ---      | ---      | ---      | ---      |
| Adjusted Price     | \$33.84  | \$64.29  | \$47.03  | \$19.10  | \$64.48  |
| Market Condition   | ---      | ---      | ---      |          | ---      |
| Adjusted Price     | \$33.84  | \$64.29  | \$47.03  | \$19.10  | \$64.48  |
| Location           | ---      | ---      | ---      | ---      | ---      |
| Size               | ---      | ---      | ---      | +25%     | ---      |
| Quality            | ---      | ---      | ---      | ---      | ---      |
| Condition          | +25%     | ---      | ---      | +50%     | ---      |
| Total adjustments  | +25%     | ---      | ---      | +75%     | ---      |
| Adjusted Price     | \$42.30  | \$64.29  | \$47.03  | \$33.42  | \$64.48  |

**Conclusion of the Sales Comparison Approach:**

Before adjustments, the comparable sales indicate a contributory value for the subject improvements at between about \$19.10 PSF and \$64.48 PSF. After adjustments, the indicated contributory range has narrowed to between about \$33.42 PSF and \$64.48 PSF. If the adjusted value range is applied to the subject improvements (3,522 SF), a contributory value range between \$117,705 and \$227,099 is estimated.

The onsite improvements (miscellaneous paving, etc.) are somewhat minimal and are allocated a depreciated contributory value of approximately \$10,000. A summary of the Sales Comparison Approach "as is" is as follows:

| <b><u>MARKET APPROACH SUMMARY</u></b> |                   |                   |
|---------------------------------------|-------------------|-------------------|
| Contributory Building Value           |                   |                   |
| 3,522 SF x \$33.42 PSF                | \$ 117,705        |                   |
| 3,522 SF x \$64.48 PSF                |                   | \$ 227,099        |
| Add: Contrib. site value*             | \$ 10,000         | \$ 10,000         |
| Add: Land Value                       | <u>\$ 270,000</u> | <u>\$ 270,000</u> |
| Indicated Final Market Value          | \$ 397,705        | \$ 507,099        |

\* estimated by the appraisers

The analysis results in a value range between about \$400,000 and \$500,000. Given all the physical characteristics involved with the subject property (including location, size functional obsolescence, quality, condition, etc.), the appraisers are of the opinion that the subject has a value more towards the middle portion of the range. For purposes of this appraisal, the appraiser will settle on a value of about \$450,000.

Therefore, it is our opinion that the estimated market value of the Fee Simple Interest of the above referenced property "as is," inclusive of the special assumptions concerning the current Covid-19 virus pandemic and the more recent events surrounding Hurricane Ida, as of the date of the appraisal, is.....

**Four Hundred Fifty Thousand Dollars**  
**\$450,000**

### **Marketing and Exposure Times**

#### Exposure Time

Exposure time is defined in USPAP Statement No. 6 as, "The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market."

**Within this report, exposure time is defined to be a period of 6 - 12 months.**

#### Marketing Time

Per USPAP Advisory Opinion G-7, "The reasonable marketing time is an estimate of the amount of time that it might take to sell a property interest in real estate at the estimated market value level during the period immediately after the effective date of an appraisal." After an examination of the comparable sales and discussions with local real estate brokers, **a marketing time of approximately 6 - 12 months is projected for the subject property.**

Thank you very much for the opportunity to complete this appraisal assignment. We trust our findings will prove to be of a beneficial nature to you. If you have any questions or comments, please do not hesitate to call.



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Jon M. Ruello, MAI  
Louisiana Certified General Real  
Estate Appraiser License No. G0750



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Bennet E. Oubre, MAI, AI-GRS  
Louisiana Certified General Real  
Estate Appraiser License No. G0232

**ADDENDA**

Qualifications of the Appraiser  
Legal Description

## QUALIFICATIONS OF BENNET E. OUBRE, MAI, AI-GRS

### College Education:

#### UNIVERSITY OF NEW ORLEANS

Bachelor of Science in Finance: Real Estate Option – 12/87

### Professional Affiliations:

Designated Member – MAI; Appraisal Institute  
Designated Member –GRS; Appraisal Institute  
Member: International Right – of – Way Association  
Member: National Association of Realtors  
Member: Louisiana Realtors Association (Past State Director)  
Member: New Orleans Metropolitan Association of Realtors  
Member: Greater Baton Rouge Board of Realtors  
Louisiana State Certified General Real Estate Appraiser – LA #G0232

### Course Work/ Examinations:

#### University of New Orleans

Real Estate Appraising  
Residential Appraising  
Income Property Appraisal  
Real Estate Finance  
Quantitative Analysis and Statistical Modeling

#### American Institute of Real Estate Appraisers/Appraisal Institute

8-1 Real Estate Appraisal Principles (1/88)  
8-2 Residential Valuation (1/88)  
1BA Capitalization Theory & Techniques, Part A (8/91)  
510 Advanced Income Capitalization (10/93)  
520 Highest and Best Use (10/03)  
530 Advanced Sales and Cost (2/06)  
540 Report Writing and Valuation Analysis (2/09)  
550 Advanced Application (5/10)  
Review Theory – General (7/14)

### Seminars:

#### Appraisal Institute:

2014-15 Uniformed Standards of Professional Appraisal Practice (1/14)  
Advanced Spreadsheet Modeling for Valuation (8/2013)  
Complex Litigation Appraisal Case Studies (04/13)  
Advanced Spread Sheet Modeling for Valuation (8/13)  
Self Storage Economics and Appraisal (01/06)  
Valuation of Detrimental Conditions (10/05)  
Case Studies in Commercial Highest and Best Use (10/03)  
Subdivision Analysis  
REO Appraisal: Appraisal of Residential Property foreclosure (5/15)  
Residential Applications Using Technology (4/12)  
The Uniform Appraisal Dataset from Fannie Mae (7/11)  
Residential Appraisal Update (01/11)  
Easement Valuation (10/96)  
Partial Interest Valuation (03/01)  
Attacking and Defending Appraisal In Litigation Part 2 (01/00)  
Attacking and Defending Appraisal In Litigation Part 1 (04/98)  
Condemnation Valuation  
Right-of-Way and Litigation

**Seminars (cont):**

**Non-Institute:**

Land Use Planning and Eminent Domain in Louisiana (12/06)  
Principals of Real Estate Engineering (IRWA 10/07)  
Eminent Domain Valuation (NAIFA)  
Rural Appraisal (NAIFA)  
Landscape Valuation (NAIFA)

**Experience:**

**Residential/Commercial Appraiser – A.R.E. Real Estate (1983 – Present)**

Licensed Real Estate Agent (1983 – 1988)  
Licensed Real Estate Broker (1988 – Present)  
Louisiana State Certified General Real Estate Appraiser #G232 (1990-Present)  
A.R.E. Real Estate Services (President - Senior Appraiser)  
A.R.E Ventures, LLC (Managing Partner)  
A.R.E. Investments, LLC (Managing Partner)

**Partial List of Assignments:**

Single and multifamily residential appraisals; Commercial properties (Vacant land, Professional office; Strip Shopping Centers; Department Stores; Service Stations; Health Club; Hotel & Motels (50+ rooms); Mini Warehouse); Industrial Properties (Vacant land; Light & Heavy Industrial Buildings); Residential & Commercial subdivision developments; Special Use Properties (Batture tracts; Industrial boat slip; Lay Berth facilities; Sand mining; Clay mining; Golf Course; Churches).

**Non-Appraisal Assignments:**

Consulting for multiple subdivisions developments; Site analysis for shopping center development; Consulting for wetland permitting; zoning permitting; Litigation consulting for expropriation and environmental issues; Development of residential subdivisions, residential townhomes, commercial offices and a retail center.

**Litigation Assignments:**

Appraisal of pipeline rights-of-way for corporate clients and landowners; Appraisal of utility rights-of-way for corporate clients, governmental authorities and landowners; Appraisal of public road rights-of-ways for governmental authorities and landowners.

**Accepted and Approved By:**

| <b><u>Public:</u></b>                  | <b><u>Financial:</u></b> | <b><u>Other;</u></b> | <b><u>Legal:</u></b> |
|--|--------------------------|----------------------|----------------------|
| Louisiana Judicial Districts           | Capital One Bank         | Entergy              | Chaisson & Chaisson  |
| (17, 19,23,24,29, 32, 34, 40 and CDC)  | Omni Bank                | Koch Pipeline        | Jones Walker         |
| U.S. Bankruptcy Court                  | Banc One                 | Williams Com.        | Phelps Dunbar        |
| St. Charles Parish (Various Divisions) | First American Bank      | Shell Oil            | Gary Smith           |
| St. John Parish (Various Divisions)    | First National Bank USA  | Marathon Oil         | Smith & Fawer        |
| St. James Parish (Various Divisions)   | Whitney Bank             | Texas Brine          | Kean- Miller         |
| Ascension Parish (Public Works)        | B.B. & T. Bank           |                      | Sher Garner Richter  |
| Louisiana Dept. of Natural Resources   | Regions Bank             |                      | Lemon Law Firm       |
| Louisiana Airport Authority            | Chase Bank               |                      |                      |
| New Orleans Aviation Board             | Hancock Bank             |                      |                      |
| St. Bernard Port & Harbor District     | Gulf Coast Bank          |                      |                      |
| Port of South Louisiana                |                          |                      |                      |
| Louisiana Facility & Control           |                          |                      |                      |

**Court Appearances:**

| <b>Case File Name:</b>                                    | <b>District:</b>          | <b>Docket#:</b> | <b>Date:</b>    |
|---|---------------------------|-----------------|-----------------|
| DOTD vs. J.T. Lambert                                     | 29 <sup>th</sup>          | 33802           |                 |
| DOTD vs. Robert Gill                                      | 29 <sup>th</sup>          | 34466           |                 |
| DOTD vs. Alford Trust                                     | 19 <sup>th</sup>          | 401757          |                 |
| Manard vs. Jefferson Parish                               | 24 <sup>th</sup>          | 450525          |                 |
| Pontchartrain Levee District vs. St. Charles Airline Land | 29 <sup>th</sup>          | 38431           |                 |
| Mitter vs. St. John the Baptist Parish                    | 40 <sup>th</sup>          | 41399           |                 |
| Entergy vs. R. Robert et al                               | 23 <sup>rd</sup>          | 77228           |                 |
| DOTD vs. Monteleone et al                                 | 29 <sup>th</sup>          | 00031923        |                 |
| SDS vs. DOTD  | CDC Div. "E"              | 2001-9368       |                 |
| DOTD vs. Lauricella Land et al                            | 24 <sup>th</sup>          | 656-827         |                 |
| Breaux vs. Breaux   | 40 <sup>th</sup> Div. "L" | 661-560         |                 |
| A.J. Phillips vs. Bayou Fleet                             | 29 <sup>th</sup>          | 63608           |                 |
| Cambre vs. St. John the Baptist Parish                    | 40 <sup>th</sup>          | 54197           |                 |
| Monteleone vs. NOAB                                       | 29 <sup>th</sup>          | 72824           | March, 2013     |
| St. Bernard Harbor vs. Violet Port Dock                   | 34 <sup>th</sup> Div. "E" | 116860          | August, 2013    |
| Becky Williams et al vs. Platinum Foam & Coating LLC      | 23 <sup>rd</sup> Div. "E" | 99291           | July, 2014      |
| South Lafourche Levee District vs Chad Jarreau            | 17 <sup>th</sup> Div. "B" | 117693          | September, 2014 |
| City of Baton Rouge vs The Vehard Trust                   | 19 <sup>th</sup> Div. 23  | C574842         | November 2014   |
| Terrebonne Parish Consolidated Government Vs Richard      | 32 <sup>nd</sup> Div. A   | 166735          | January 2015    |

**Depositions:**

| <b>Case File Name</b>                       | <b>District:</b> | <b>Docket#:</b> | <b>Date:</b> |
|---|------------------|-----------------|--------------|
| LA. Board of Supervisors LSU & A&M vs. OREO | CDC Div "B"      | 20100-09099     | May 2011     |



## **QUALIFICATIONS OF THE APPRAISER**

**JON M. RUELLO, MAI**  
**4708 Clearlake Drive**  
**Metairie, LA. 70006**  
**504-338-6705**  
**jonruello@gmail.com**

### **REAL ESTATE EXPERIENCE:**

Affiliated appraiser with A.R.E. Real Estate Services, Inc. from November 2000 to the present.

Affiliated appraiser with Stegall, Benton & Associates, LLC (1996 to 9/2000). The firm is located in New Orleans and maintains its present posture as a quality, independent real estate appraisal firm that provides a range of services including real estate appraisals, reviews, counseling, litigation, and investment analysis.

Affiliated appraiser with Steven Stegall & Associates, from November 1992 to 1996, a commercial, industrial, and consulting firm.

Established Ruello Appraisal Services, Inc. in April 1996.

### **PROFESSIONAL AFFILIATIONS AND ACTIVITIES:**

Member of the Appraisal Institute, MAI Designation. (Certificate No. 11,197)  
Louisiana State Certified General Real Estate Appraiser (Certificate No. 750)

### **EDUCATION:**

Louisiana State University, Baton Rouge, LA. - B.A. English Literature; minor in Economics  
Successful completion of the following courses and/or examinations:

### **APPRAISAL INSTITUTE:**

|              |   |      |
|--------------|---|------|
| Course 1A-1: | Real Estate Appraisal Principles, New Orleans, LA           | 1990 |
| Course 1A-2: | Basic Valuation Procedures, Tuscaloosa, AL                  | 1990 |
| Course SSP:  | Standards of Professional Practice (A & B), Baton Rouge, LA | 1991 |
| Course 310:  | Capitalization Theory and Techniques, St. Louis, MO         | 1992 |
| Course 510:  | Advanced Income Capitalization, Athens, GA                  | 1994 |
| Course 540:  | Report Writing & Valuation Analysis, Dallas, TX             | 1995 |
| Course 550:  | Advanced Applications, New Orleans, LA                      | 1996 |
| Course 310:  | Basic Income Capitalization, Dallas, TX.                    | 2000 |
| Course 430:  | Standards of Professional Practice (C), New Orleans, LA.    | 2001 |
| Course 530:  | Advanced Sales Comparison & Cost Approach (Houston)         | 2003 |
| Course 420:  | Business Practice and Ethics                                | 2008 |

## **SEMINARS:**

|   |      |
|---|------|
| Valuation of Detrimental Conditions, New Orleans, LA.                                   | 2002 |
| Rates and Ratios, New Orleans, LA.  | 2003 |
| Appraising from Blueprints and Specifications   | 2004 |
| Appraising Convenience Stores   | 2005 |
| The Art/Science of Real Estate Feasibility  | 2006 |
| Self Storage Economics and Appraisal  | 2006 |
| The Art/Science of Real Estate Feasibility  | 2006 |
| Effective Appraisal Writing   | 2006 |
| Forecasting Revenue   | 2007 |
| Office Building Valuation: A Contemporary Perspective                                   | 2008 |
| Appraisal Curriculum: Overview  | 2009 |
| Litigation in Appraisal & Ethics  | 2010 |
| Making Adjustments to Comparable Sales  | 2010 |
| Appraising Small Residential Income Property  | 2010 |
| Fundamentals of Separating Real and Personal Property<br>and Intangible Business Assets | 2012 |
| Business Practices and Ethics   | 2013 |
| The Appraiser as an Expert Witness  | 2014 |
| Defending your Work File  | 2015 |
| What's New in Technology  | 2016 |
| Staying Out of Trouble  | 2016 |
| Uniform Appraisal Standards for Federal Land Acquisition                                | 2017 |
| Drone Technology and its impact on the Appraisal Industry                               | 2017 |
| Case Studies in Complex Valuation   | 2017 |
| Uniform Appraisal Standards for Federal Land Acquisitions                               | 2017 |
| Hot Topics and Myths in Appraiser liability   | 2017 |
| Raising Your Appraiser IQ   | 2018 |
| Appraisal of Manufactured Homes   | 2019 |
| Practical Highest & Best Use  | 2021 |
| Appraising Convenience Stores   | 2021 |

## **Partial List of Assignments (Metropolitan New Orleans):**

Strip shopping centers; department stores; miscellaneous services stations; health clubs; motels, truck stops, Churches; mini storage warehouses; grocery stores; various light industrial buildings; miscellaneous vacant commercial, agricultural, and industrial land tracts; Residential Subdivision appraisal and analysis; plantation homes, various batture appraisals; various office buildings, and numerous multi-family appraisals

SITE DATA (Continued)

Legal Description

LOT "A" is more particularly described on the survey of R. P. Bernard dated July 12, 2004 attached hereto, on which said Lot "A" measures as follows:

Commence at U.S. Engineer's Levee Monument #378, thence along the centerline of the levee South 13 degrees, 44 minutes and 09 seconds West, a distance of 584.59' to a point and corner. Thence run South 64 degrees and 44 minutes West, a distance of 535.47' to a point and the point of beginning. Thence continue along this same line, a distance of 267.0' to a point in the northernly RAW line of River Road, Louisiana Highway #18. Thence along this line, North 09 degrees and 45 minutes West, a distance of 160.27', to a point and corner. Thence run North 09 degrees and 15 minutes East, a distance of 37.11' to a point and corner. Thence run North 64 degrees and 44 minutes East, a distance of 203.10', to a point and corner. Thence run South 25 degrees and 16 minutes East, a distance of 185.0' to a point and the point of beginning, containing 44,452 square feet, all a more fully shown on a plat of survey by R. P. Bernard, Prof. Land Surveyor, dated 7/12/04 and 7/30/04.