

Form 3101  
Exhibit A  
Appeal to Board of Review  
by Taxpayer  
For Real and Personal Property



Name: Brier Mends Capital Trust - Series 1 Parish/District: St. Charles  
Taxpayer  
Address: 2300 Energy Centre / 1100 Paydras St City, State, Zip: New Orleans, LA 70163  
Ward: 5 Assessment/Tax Bill Number: 552400500004 Appeal No. \_\_\_\_\_  
(Attach copy of complete appeal submitted to the Board of Review) Board of Review  
Address or Legal Description of Property Being Appealed (Also, please identify building by place of business for convenience of appraisal) 125 Mallard St, St. Rose — James Business Park

I hereby request the review of the assessment of the above described property pursuant to L.R.S. 47:1992. I timely filed my reports (if personal property) as required by law, and I have reviewed my assessment with my assessor.

The assessor has determined Fair Market Value of this property at:

Land \$ 187,680 Improvement \$ 653,353 \*Personal Property \$ \_\_\_\_\_  
Total \$ 841,033

I am requesting that the Fair Market Value of this property be fixed at:

Land \$ 187,680 Improvement \$ 652,320 \*Personal Property \$ \_\_\_\_\_  
Total \$ 840,000

\*If you are not appealing personal property, leave this section blank.

I understand that property is assessed at a percentage of fair market value which means the price for the property which would be agreed upon between a willing and informed buyer and a willing and informed seller under usual and ordinary circumstances, the highest price the property would bring on the open market if exposed for sale for a reasonable time. I understand that I must provide the Board of Review with evidence of fair market value to support my claim.

Please notify me of the date, place and time of my appeal at the address shown below.

Matt Baxter, Agent  
Appellant:  
Address: 13155 Noel Rd, Suite 100  
Dallas, TX 75240  
Telephone No.: 972-934-0022

NOTE: If appellant disputes Board of Review's decision, appellant may appeal to Louisiana Tax Commission by completing and submitting Appeal Form 3103.A to LTC within 10 business days after certified mail delivery to the appealing taxpayer or assessor of BOR's written determination. For further information, call LTC at (225) 219-0339

**125 Mallard St**

**Valuation Analysis**

Location:

**125 Mallard St**

Assessor:

**St. Charles**

Tax Parcel Number(s):

**552400500004**

Prepared by:

**Ryan, LLC  
972-934-0022**



As of:

**January 1, 2019**

## SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Package Summary	
Parish	St. Charles
Tax Year	2019
Consultant	Matt Baxter
Client / Company Name	Briar Meads Capital
Owner Name	Light 125 Mallard LLC
Parcel Number(s)	552400500004
Property Name	125 Mallard St
Location Detail	
Address	125 Mallard St
City	St. Rose, LA 70087
Mapsco	
Submarket (CoStar)	
Submarket (DFW RealSmart)	
CAD Industrial Market Area	
Property Detail	
Number of Buildings	1
Property Type	Storage Warehouse
Construction Type	Reinforced Concrete Tilt
Total NLA (SF)	23,436
Effective Year Built	1984
Clear Height (Feet)	17'
Site Size	1.3700 (Acres) <span style="float: right;">59,677 (SF)</span>
Land to Building Ratio	2.55 : 1
% Vacant	0%
Description/Comments:	<i>Class C Industrial Warehouse Parking Ratio: 1.96</i>

2018 Assessment	Value	per SF
Land	\$187,680	\$3.14
Improvements	\$653,353	\$27.88
<b>Total Assessment</b>	<b>\$841,033</b>	<b>\$35.89</b>
2019 Assessment	Value	per SF
Land	\$187,680	\$3.14
Improvements	\$653,353	\$27.88
<b>Total Assessment</b>	<b>\$841,033</b>	<b>\$35.89</b>
Market Value Summary	Value	per SF
2019 Indicated Value	\$840,000	\$35.84
<b>Owner's Indication of Value</b>	<b>\$840,000</b>	<b>\$35.84</b>



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Appeal to Board of Review  
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For Real and Personal Property



Name: Briar Mends Capital Trust-Series I Parish/District: St. Charles  
Taxpayer  
Address: 2300 Energy Centre / 1100 Poydras St City, State, Zip: New Orleans, LA 70163  
Ward: 5 Assessment/Tax Bill Number: 552400300005 Appeal No. \_\_\_\_\_  
(Attach copy of complete appeal submitted to the Board of Review) Board of Review  
Address or Legal Description of Property Being Appealed (Also, please identify building by place of business for convenience of appraisal) 161 James Dr West, St. Rose - James Business Park

I hereby request the review of the assessment of the above described property pursuant to L.R.S. 47:1992. I timely filed my reports (if personal property) as required by law, and I have reviewed my assessment with my assessor.

The assessor has determined Fair Market Value of this property at:

Land \$ 413,440 Improvement \$ 1,298,320 \*Personal Property \$ \_\_\_\_\_  
Total \$ 1,711,760

I am requesting that the Fair Market Value of this property be fixed at:

Land \$ 413,440 Improvement \$ 1,084,560 \*Personal Property \$ \_\_\_\_\_  
Total \$ 1,498,075

\*If you are not appealing personal property, leave this section blank.

I understand that property is assessed at a percentage of fair market value which means the price for the property which would be agreed upon between a willing and informed buyer and a willing and informed seller under usual and ordinary circumstances, the highest price the property would bring on the open market if exposed for sale for a reasonable time. I understand that I must provide the Board of Review with evidence of fair market value to support my claim.

Please notify me of the date, place and time of my appeal at the address shown below.

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Matt Baxter, Agent  
Appellant:

Address: 13155 Noel Rd, Suite 100  
Dallas, TX 75240

Telephone No.: 972-934-0022

# **161 James Dr W**

## **Valuation Analysis**

Location:

**161 James Dr W**

Assessor:

**St. Charles**

Tax Parcel Number(s):

**552400300005**

Prepared by:

**Ryan, LLC  
972-934-0022**



As of:

**January 1, 2019**

## SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Package Summary	
Parish	St. Charles
Tax Year	2019
Consultant	Matt Baxter
Client / Company Name	Briar Meads Capital
Owner Name	LVP 161 James West LLC
Parcel Number(s)	552400300005
Property Name	161 James Dr W
Location Detail	
Address	161 James Dr W
City	St. Rose, LA 70087
Mapsco	
Submarket (CoStar)	
Submarket (DFW RealSmart)	
CAD Industrial Market Area	
Property Detail	
Number of Buildings	1
Property Type	Storage Warehouse
Construction Type	Reinforced Concrete Tilt
Total NLA (SF)	47,474
Effective Year Built	1986
Clear Height (Feet)	18'
Site Size	2.8000 (Acres) <span style="float: right;">121,968 (SF)</span>
Land to Building Ratio	2.57 : 1
% Vacant	13%
Description/Comments:	<i>Class B Industrial Warehouse Parking Ratio: 1.66</i>

2018 Assessment	Value	per SF
Land	\$413,440	\$3.39
Improvements	\$1,298,320	\$27.35
<b>Total Assessment</b>	<b>\$1,711,760</b>	<b>\$36.06</b>
2019 Assessment	Value	per SF
Land	\$413,440	\$3.39
Improvements	\$1,298,320	\$27.35
<b>Total Assessment</b>	<b>\$1,711,760</b>	<b>\$36.06</b>
Market Value Summary		
2019 Income Approach Value	\$1,498,075	\$31.56
2019 Equal & Uniform Value		
<b>Owner's Indication of Value</b>	<b>\$1,498,000</b>	<b>\$31.55</b>



## INCOME CAPITALIZATION APPROACH

### 161 James Dr W

Location: 161 James Dr W, St. Rose, LA 70087

Space Type	Square Feet	%Total	2019 PROFORMA ASSUMPTIONS					
			NNN Rent Rate	Proforma Exp. % Passed Through	Gross Rent Rate	Actual Vacancy	Proforma Stabilized Vacancy	Proforma Expense \$/SF
Storage Warehouse	47,474	100%	\$6.30	72%	\$8.65	13%	15%	\$3.25
				0%	\$0.00			\$0.00
				0%	\$0.00			\$0.00
				0%	\$0.00			\$0.00
<b>Total or Wt. Avg</b>	<b>47,474</b>	<b>100%</b>	<b>\$6.30</b>	<b>72%</b>	<b>\$8.65</b>	<b>13%</b>	<b>15%</b>	<b>\$3.25</b>

	PROFORMA			2018 ACTUAL		
Potential Base Rent	\$299,086	\$6.30	73%	\$247,954	\$5.22	72%
Plus: Expense Pass-Through	\$111,606	\$2.35	27%	\$95,817	\$2.02	28%
Plus: Other Income	\$0	\$0.00	0%	\$0	\$0.00	0%
<b>Gross Potential Rent</b>	<b>\$410,693</b>	<b>\$8.65</b>	<b>100%</b>	<b>\$343,771</b>	<b>\$7.24</b>	<b>100%</b>
Less: Vacancy @ 15%	\$61,604	\$1.30			13%	
<b>Effective Gross Income (EGI)</b>	<b>\$349,089</b>	<b>\$7.35</b>	<b>100%</b>	<b>\$343,771</b>	<b>\$7.24</b>	<b>100%</b>
Operating Expenses	\$154,291	\$3.25	44%	\$132,463	\$2.79	39%
Less: Replacement Reserve	\$44,189	\$0.93	13%			
<b>NOI after reserves</b>	<b>\$150,610</b>	<b>\$3.17</b>	<b>43%</b>	<b>\$211,308</b>	<b>\$4.45</b>	<b>61%</b>
Overall Rate	10.00%					
Value Indication	\$1,506,095	\$31.72				
Less: Deferred Maintenance	\$8,020	\$0.17				
Less: PV Lease Up Cost	\$0	\$0.00				
<b>Equals: Net Value</b>	<b>\$1,498,075</b>	<b>\$31.56</b>				
Plus: Excess Land Value	\$0	\$0.00				
<b>2019 Income Approach Value</b>	<b>\$1,498,075</b>	<b>\$31.56</b>				
2019 Assessed Value	\$1,711,760	\$36.06				
2018 Assessed Value	\$1,711,760	\$36.06				

Comments:

161 James Dr W  
Subject Property Lease Summary

Tenant	Abst #	Lease Type	Space Type	Lease Date	Term (Mo.)	SF Leased	Free Rent	Effective Rate	Annual Income	Over Market TI	Standard TI	Effective Rate Net of TI	Annual Income Net of TI	Bldg	Building Name	Sect #
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**New Leases**

**Expansions/Renewals**

**Proposals**

**Existing Leases / Current Tenants**

Amar Garage Doors	1	NNN	Storage Warehouse	12/1/14	96.0	11,360	1.0	\$6.20	\$70,408	\$0.00	\$0.00	\$6.20	\$70,408	A	161 James Dr W	1	
Sealy & Company, Inc.	2	Gross	Storage Warehouse	7/1/08	132.0	3,196	0.0	\$2.29	\$7,304	\$0.00	\$0.00	\$2.29	\$7,304	A	161 James Dr W	1	
Mattress Firm, Inc.	3	NNN	Storage Warehouse	1/1/18	84.0	23,718	0.0	\$6.90	\$163,756	\$0.00	\$0.00	\$6.90	\$163,756	A	161 James Dr W	1	
EXINVAL USA, Inc.	4	NNN	Storage Warehouse	10/1/16	36.0	3,196	0.0	\$6.25	\$19,975	\$0.00	\$0.00	\$6.25	\$19,975	A	161 James Dr W	1	
													<b>Existing Leases Total / Average</b>	<b>41,470</b>	<b>\$6.30</b>	<b>\$261,443</b>	

**Vacancies**

Vacant Space																	
													6,004				
													<b>Vacancy Total</b>	<b>6,004</b>			

**Summary**

	Square Feet	Efr. Rate	Income	Efr. Rate Net of TI	Income Net of TI
New Leases	0	\$0.00	\$0	\$0.00	\$0
Expansions/Renewals	0	\$0.00	\$0	\$0.00	\$0
<b>Total/ Average - New, Exp/Ren</b>	<b>0</b>	<b>\$0.00</b>	<b>\$0</b>	<b>\$0.00</b>	<b>\$0</b>
Proposals	0	\$0.00	\$0	\$0.00	\$0
<b>Total/ Avg - New, Exp/Ren &amp; Prop</b>	<b>0</b>	<b>\$0.00</b>	<b>\$0</b>	<b>\$0.00</b>	<b>\$0</b>
Existing Leases	41,470	\$6.30	\$261,443	\$6.30	\$261,443
Vacancies	6,004	13%			
<b>Total/ Avg - All Occupied Space</b>	<b>41,470</b>	<b>87%</b>	<b>\$261,443</b>	<b>\$6.30</b>	<b>\$261,443</b>
<b>Total Occupied and Vacant Space</b>	<b>47,474</b>				



# 161 James Dr W - St Charles I



Warehouse - St Ch...  
Saint Rose, LA 70...

47,474 SF RBA    2.8 AC Lot    3,196 Available SF    \$6.50/NNN Asking Industrial Rent    Not Disclosed Sale Price

## Sale

Sold Price \$2,699,750 (\$56.87/SF) - Part of Portfolio  
Date Feb 2007 Properties 37  
Sale Type Investment

## Building

Type 3 Star Industrial Warehouse

RBA 47,474 SF Year Built 1986  
Stories 1 Tenancy Multi  
Typical Floor 47,474 SF Owner Occup No  
Class C

Docks 16 ext Ceiling Ht 18'  
Drive Ins 3 tot. Columns 25'w x 40'd  
Cross Docks Yes Rail Spots None  
Levelators None Cranes None  
Construction Masonry

Power 277a/480v 3p

Parking 79 free Surface Spaces are available; Ratio of 1.66/1,000 SF

Taxes \$0.45/SF (2011-Est); \$0.43/SF (2010)  
Opex \$1.30/SF (2011-Est); \$2.21/SF (2010)  
Total Expenses \$1.75/SF (2011-Est)

Walk Score® Car-Dependent (34)  
Transit Score® Minimal Transit (0)

## Land

Land Acres 2.80 AC Land SF 121,968 SF  
Bldg FAR 0.39

Zoning M-1  
Parcel 552400200007

## Tenants

Name	Exp Date	SF Occupied
Mattress Firm Warehouse	-	23,718 SF
Amarr	-	11,360 SF
Extinval USA	May 2025	3,196 SF

## Public Transportation

Airport	Drive	Distance
Louis Armstrong New Orleans International Airport	15 min	6.2 mi

## Location

Zip 70087  
Submarket St Charles Parish  
Submarket Cluster St Charles Parish  
Market New Orleans/Metairie/Kenner  
County St Charles  
State Louisiana  
CBSA New Orleans-Metairie, LA  
DMA New Orleans, LA-MS

## For Lease

Smallest Space 3,196 SF Industrial Avail 3,196 SF  
Max Contiguous 3,196 SF  
# of Spaces 1

Vacant 9,200 SF  
% Leased 93.3%  
Rent \$6.50/SF Triple Net

## Space

Floor	SF Available	Use	Rent
P 1st	3,196 SF	Industrial	\$6.50/NNN

## Leasing Activity

Sign Date	SF Leased	Use	Rent	Rent Type
Sep 2019	6,004 SF	Industrial	\$6.50/NNN	Asking
May 2019	3,196 SF	Industrial	\$8.97/NNN	Effective
Jul 2016	23,718 SF	Industrial	-	-
Sep 2013	3,196 SF	Industrial	\$5.50/NNN	Asking

## Market Conditions

Vacancy Rates	Current	YOY Change
Subject Property	19.4%	↑ 6.7%
Submarket 2-4 Star	4.1%	↑ 1.1%
Market Overall	4.2%	↑ 1.0%

### Market Rent Per SF

Subject Property	Current	YOY Change
Subject Property	\$6.50	↔ 0.0%
Submarket 2-4 Star	\$7.67	↑ 5.0%
Market Overall	\$7.09	↑ 4.5%

### Submarket Leasing Activity

12 Mo. Leased SF	Current	YOY Change
12 Mo. Leased SF	175,462	↑ 379.4%
Months on Market	6.9	↓ 5.6 mo

### Submarket Sales Activity

12 Mo. Sales Volume (Mil.)	Current	Prev Year
12 Mo. Sales Volume (Mil.)	\$650,000	\$1.6
12 Mo. Price Per SF	\$62	\$59

## Property Contacts

True Owner Lightstone Group  
Recorded Owner Light Member Sealy Portfolio L  
Primary Leasing Property One

## Assessment

### 2018 Assessment

Improvements	Value	Rate
Improvements	\$140,280	\$2.95/SF
Land	\$49,232	\$0.40/SF
<b>Total Value</b>	<b>\$189,512</b>	<b>\$1.55/SF</b>

7% of last sale

## Demographics

	1 Mi	3 Mi
Population	1,678	33,966
Households	593	12,054
Average Age	37.10	37.50
Median HH Income	\$38,780	\$42,201
Daytime Employees	5,068	22,867
Population Growth '19-'24	↑ 1.4%	↑ 0.7%
Household Growth '19-'24	↑ 1.4%	↑ 0.5%

**Traffic**

Collection Street	Cross Street	Traffic Vol	Year	Distance
W Airline Hwy	Industry Rd E	27,910	2018	0.56 mi
3rd St	Alliance Ave NE	5,228	2018	0.80 mi
I- 310	Airline Hwy SW	48,496	2018	1.14 mi
Almedia Rd	Almedia Plantation ...	6,475	2012	1.70 mi
Almedia Rd	Almedia Plantation ...	6,714	2018	1.70 mi

Made with TrafficMetrix® Products

Property ID: 7092685





**Rent Roll**

Property: brief From Date: 01/01/2019 By Property

Property	Unit(s)	Lease	Lease Type	Area	Lease From	Lease To	Term	Monthly Rent	Monthly Rent Per Area	Annual Rent	Annual Rent Per Area	Annual Rec.	Annual Misc Per Area	Security Deposit	LOC Amount/ Bank Guarantee
<b>160020 - LVP 161 James West LLC, St. Rose</b>															
<b>Current Leases</b>															
160020	130	Edinval USA, Inc.	Retail - Net	3,196.00	10/1/2016	9/30/2022	72.00	1,664.58	0.52	19,974.96	6.25	2.72	0.00	0.00	0.00
160020	140	Sealy & Company, Inc.	Retail - Net	3,196.00	3/23/2005		0.00	702.54	0.22	8,430.48	2.64	1.02	0.00	0.00	0.00
160020	150	Amarr Garage Doors	Retail - Net	11,960.00	12/1/2014	11/30/2022	96.00	5,994.00	0.52	71,568.00	6.30	2.72	0.00	0.00	0.00
160020	160	Mattress Firm, Inc.	Retail - Net	23,718.00	1/1/2018	12/31/2024	84.00	13,104.20	0.55	157,250.40	6.63	2.38	0.00	0.00	0.00
160020	120	VACANT		6,004.00			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Current</b>				<b>47,474.00</b>				<b>21,435.32</b>	<b>0.45</b>	<b>257,223.84</b>	<b>5.42</b>	<b>2.09</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Occupied</b>	<b>4.00</b>			<b>41,470.00</b>				<b>21,435.32</b>	<b>0.45</b>	<b>257,223.84</b>					
<b>Vacant</b>	<b>1.00</b>			<b>6,004.00</b>				<b>0.00</b>	<b>0.00</b>						
<b>Total</b>	<b>5.00</b>			<b>47,474.00</b>				<b>21,435.32</b>	<b>0.45</b>	<b>257,223.84</b>					

## REQUIRED LAND YIELDS

What are your IRR requirements for the following?

Required Land Yields (%)						
Property Type	Leveraged Equity Rates			Unleveraged Equity Rates		
	Avg	Low	High	Avg	Low	High
Residential Lot Development	20.35%	10.00%	30.00%	18.87%	8.00%	35.00%
Speculative Land Purchase	24.53%	10.00%	35.00%	21.65%	7.50%	50.00%

## FINISH OUT COSTS

What are typical finish-out costs per square foot for the following?

Finish Out (\$ PSF)												
Property Type	Shell				New				Renewal			
	Avg	Mode	Low	High	Avg	Mode	Low	High	Avg	Mode	Low	High
Office	\$69.69	\$60.00	\$15.00	\$255.00	\$41.88	\$30.00	\$20.00	\$90.00	\$22.00	\$15.00	\$5.00	\$55.00
Office/Medical	\$104.09	\$100.00	\$15.00	\$295.00	\$66.00	\$40.00	\$20.00	\$140.00	\$32.22	\$15.00	\$10.00	\$70.00
Industrial Flex	\$36.15	\$30.00	\$5.00	\$85.00	\$20.92	\$15.00	\$5.00	\$85.00	\$5.64	\$5.00	\$0.00	\$20.00
Industrial Bulk	\$18.25	\$7.00	\$5.00	\$85.00	\$13.38	\$5.00	\$3.00	\$85.00	\$1.46	\$0.00	\$0.00	\$5.00
Retail Anchored	\$62.74	\$35.00	\$20.00	\$165.00	\$41.94	\$25.00	\$5.00	\$115.00	\$14.64	\$10.00	\$0.00	\$65.00
Retail Unanchored	\$64.08	\$35.00	\$25.00	\$165.00	\$42.36	\$30.00	\$5.00	\$135.00	\$13.78	\$5.00	\$0.00	\$65.00
Restaurant	\$97.78	\$50.00	\$35.00	\$200.00	\$54.71	\$50.00	\$10.00	\$135.00	\$16.97	\$20.00	\$0.00	\$55.00

## VACANCY AND COLLECTION LOSS

What stabilized vacancy and collection loss percentage do you use when analyzing the following?

Vacancy and Collection Loss							
Multi Tenant	Loss (%)			Single Tenant	Loss (%)		
Retail	Avg	Low	High	Retail	Avg	Low	High
Strip Center	10.38	5.0	25.0	Credit	3.50	0.0	10.0
Neighborhood	9.25	5.0	15.0	Non-Credit	7.17	0.0	12.0
Anchored	7.80	4.0	15.0				
Multi-anchor	7.57	4.0	15.0				
Office	Avg	Low	High	Office	Avg	Low	High
Class A	8.15	5.0	10.0	Credit	3.50	0.0	10.0
Class B	9.69	5.0	15.0	Non-Credit	8.06	0.0	20.0
Garden (Class C)	11.68	5.0	20.0				
Small	12.09	5.0	25.0				
Industrial	Avg	Low	High	Industrial	Avg	Low	High
Bulk	4.60	2.0	10.0	Credit	1.67	0.0	5.0
Flex	7.05	3.0	15.0	Non-Credit	4.20	0.0	10.0
Apartments	Avg	Low	High				
Class A	5.94	4.0	10.0				
Class B	6.75	5.0	11.0				
Class C	7.53	5.0	15.0				

South - AL, AR, KY, LA, MS, TN

RealtyRates.com MARKET SURVEY - 1st Quarter 2019*				
South - Class A & B Apartments - 90+ Units				
	Memphis	Nashville	New Orleans	Region
<b>Operating Data</b>				
<b>Income</b>				
Asking Rent	\$909	\$1,200	\$1,357	\$924
Effective Rent	\$851	\$1,068	\$1,235	\$692
Other Income	\$3	\$3	\$4	\$2
Total Income	\$853	\$1,071	\$1,239	\$694
Vacancy Rate	9.7%	7.3%	7.9%	4.9%
EGI	\$771	\$992	\$1,141	\$660
<b>Expenses</b>				
Total Expenses	\$384	\$423	\$529	\$309
Expense Ratio	49.85%	42.57%	46.37%	46.82%
NOI	\$386	\$570	\$612	\$351
<b>Investment Data</b>				
Aug Sale Price	\$54,572	\$78,181	\$87,971	\$48,834
OAR	8.5%	8.7%	8.3%	8.6%
GRM	5.34	6.10	5.34	5.88
EGIM	5.90	6.56	6.42	6.16

\*4th Quarter 2018 Data

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RealtyRates.com MARKET SURVEY - 1st Quarter 2019*									
South - Class A & B Industrial Buildings									
	Memphis		Nashville		New Orleans		Region		
	VH Dist	Flex R&D	VH Dist	Flex R&D	VH Dist	Flex R&D	VH Dist	Flex R&D	
<b>Operating Data</b>									
<b>Income</b>									
Asking Rent	\$4.06	\$7.84	\$5.75	\$11.40	\$5.58	\$12.27	\$4.13	\$8.49	
Effective Rent	\$3.75	\$7.22	\$5.56	\$10.96	\$5.36	\$11.76	\$3.95	\$8.12	
Reimbursable Exp.	\$1.60	\$3.50	\$1.70	\$3.70	\$1.49	\$3.25	\$1.27	\$2.78	
Total Income	\$5.35	\$10.72	\$7.26	\$14.67	\$6.85	\$15.01	\$5.22	\$10.89	
Vacancy Rate	9.1%	12.3%	4.6%	6.8%	7.6%	10.3%	5.7%	7.8%	
EGI	\$4.86	\$9.40	\$6.93	\$13.67	\$6.33	\$13.47	\$4.92	\$10.04	
<b>Expenses</b>									
Total Expenses	\$1.72	\$3.76	\$1.82	\$3.98	\$1.60	\$3.49	\$1.37	\$2.98	
Expense Ratio	35.47%	40.03%	26.33%	29.13%	25.29%	25.93%	27.77%	29.73%	
NOI	\$3.14	\$5.64	\$5.10	\$9.69	\$4.73	\$9.97	\$3.56	\$7.05	
<b>Investment Data</b>									
Aug Sale Price	\$37	\$65	\$56	\$99	\$55	\$103	\$40	\$72	
OAR	8.5%	8.7%	9.1%	9.8%	8.7%	9.7%	9.0%	9.8%	
GRM	9.87	9.00	10.06	9.03	10.17	8.76	10.02	8.86	
EGIM	7.61	6.91	8.08	7.24	8.62	7.65	8.04	7.16	

\*4th Quarter 2018 Data

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RealtyRates.com MARKET SURVEY - 1st Quarter 2019*								
South - Class A & B Office Buildings								
	Memphis		Nashville		New Orleans		Region	
	CBD	Suburb	CBD	Suburb	CBD	Suburb	CBD	Suburb
<b>Operating Data</b>								
<b>Income</b>								
Asking Rent	\$19.73	\$24.28	\$18.78	\$25.03	\$22.30	\$24.73	\$16.32	\$19.74
Effective Rent	\$16.35	\$20.02	\$16.72	\$20.22	\$17.51	\$19.46	\$13.52	\$15.90
Other Income	\$0.82	\$1.00	\$0.84	\$1.01	\$0.88	\$0.97	\$0.68	\$0.79
Total Income	\$17.17	\$21.02	\$17.55	\$21.23	\$19.38	\$20.43	\$14.19	\$16.69
Vacancy Rate	15.0%	12.1%	8.0%	5.5%	10.3%	9.1%	9.0%	7.1%
EGIM	\$14.60	\$18.48	\$16.15	\$20.07	\$16.38	\$18.57	\$12.92	\$15.50
<b>Expenses</b>								
Total Expenses	\$10.81	\$10.58	\$11.43	\$9.53	\$8.87	\$9.81	\$8.22	\$7.97
Expense Ratio	74.05%	57.23%	70.77%	47.52%	54.14%	52.82%	63.64%	51.41%
NOI	\$3.79	\$7.30	\$4.72	\$10.53	\$7.51	\$8.76	\$4.70	\$7.53
<b>Investment Data</b>								
Avg Sale Price	\$47	\$96	\$58	\$118	\$87	\$101	\$52	\$84
OAR	8.1%	8.2%	8.1%	8.9%	8.6%	8.7%	3.0%	9.0%
GRM	2.84	4.80	3.47	5.84	4.97	5.19	3.86	5.27
EGIM	3.19	5.20	3.59	5.88	5.31	5.44	4.04	5.41

\*4th Quarter 2018 Data

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RealtyRates.com MARKET SURVEY - 1st Quarter 2019*								
South - Class A & B Neighborhood, Community & Strip Retail Centers								
	Memphis		Nashville		New Orleans		Region	
	Anch	Un-Anch	Anch	Un-Anch	Anch	Un-Anch	Anch	Un-Anch
<b>Operating Data</b>								
<b>Income</b>								
Asking Rent	\$14.52	\$14.22	\$18.28	\$17.90	\$16.68	\$16.17	\$13.21	\$12.88
Effective Rent	\$13.14	\$12.85	\$16.77	\$16.40	\$15.17	\$14.68	\$12.03	\$11.72
Other Income	\$0.66	\$0.64	\$0.84	\$0.82	\$0.76	\$0.73	\$0.60	\$0.59
Total Income	\$13.80	\$13.49	\$17.60	\$17.22	\$15.92	\$15.41	\$12.63	\$12.30
Vacancy Rate	10.1%	9.9%	7.1%	6.7%	8.5%	8.3%	6.8%	6.6%
EGI	\$12.41	\$12.16	\$16.35	\$16.06	\$14.57	\$14.14	\$11.76	\$11.49
<b>Expenses</b>								
Total Expenses	\$9.17	\$8.47	\$8.05	\$7.31	\$7.07	\$6.72	\$6.43	\$5.96
Expense Ratio	73.93%	69.67%	49.25%	45.53%	48.50%	47.55%	54.63%	51.92%
NOI	\$3.24	\$3.69	\$8.30	\$8.75	\$7.50	\$7.41	\$5.34	\$5.52
<b>Investment Data</b>								
Avg Sale Price	\$42	\$50	\$90	\$94	\$81	\$82	\$57	\$61
OAR	7.7%	7.3%	9.2%	9.3%	9.3%	9.0%	9.3%	9.1%
GRM	3.20	3.92	5.37	5.73	5.34	5.59	4.76	5.18
EGIM	3.38	4.14	5.50	5.85	5.56	5.80	4.87	5.28

\*4th Quarter 2018 Data

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## Investment Rates

The following tables summarize discount and equity dividend rates reported by survey respondents. In all cases, rates were derived from Class A and B properties nationwide and are exclusive of reserves. Note that "Recapitalizations" refers to re-financing under current use.

RealtyRates.com INVESTOR SURVEY - 4th Quarter 2018*									
DISCOUNT RATES									
Property Type	New Development			Acquisitions			Recapitalizations		
	Min.	Max.	Avg.	Min.	Max.	Avg.	Min.	Max.	Avg.
Apartments	7.20%	16.10%	11.46%	6.26%	14.01%	9.97%	7.12%	15.94%	11.34%
Garden/Suburban TH	7.20%	14.91%	10.74%	6.26%	12.97%	9.35%	7.12%	14.76%	10.64%
Hi-Rise/Urban TH	7.92%	16.10%	11.52%	6.89%	14.01%	10.03%	7.84%	15.94%	11.41%
Student Housing	7.68%	15.71%	11.84%	6.69%	13.67%	10.30%	7.61%	15.55%	11.72%
Golf	7.97%	21.89%	16.14%	6.93%	19.05%	14.05%	7.89%	21.67%	15.98%
Public Daily Fee Courses	10.22%	21.63%	15.77%	8.89%	18.82%	13.72%	10.12%	21.41%	15.61%
Semi-Private Clubs	8.49%	21.89%	16.31%	7.39%	19.05%	14.19%	8.41%	21.67%	16.15%
Private Clubs	7.97%	20.37%	15.39%	6.93%	17.72%	13.39%	7.89%	20.17%	15.24%
Health Care/Senior Housing	7.37%	20.66%	11.69%	6.41%	17.97%	10.17%	7.30%	20.45%	11.57%
Acute Care Facilities	8.34%	21.76%	13.25%	7.25%	18.93%	11.52%	8.25%	21.54%	13.11%
Out-Patient Care Facilities	7.37%	15.51%	10.48%	6.41%	13.49%	9.12%	7.30%	15.35%	10.37%
Congregate Care Facilities	8.18%	17.13%	11.46%	7.12%	14.90%	9.97%	8.10%	16.96%	11.35%
Assisted Living Facilities	7.62%	15.96%	10.69%	6.63%	13.89%	9.30%	7.54%	15.80%	10.59%
Industrial	7.29%	16.39%	12.34%	6.12%	13.77%	10.37%	7.36%	16.55%	12.46%
Warehouse/Distribution	7.29%	14.26%	11.18%	6.12%	11.98%	9.39%	7.36%	14.40%	11.29%
R&D/Flex	8.22%	16.39%	12.63%	6.90%	13.77%	10.61%	8.30%	16.55%	12.76%
Climate Controlled/Manufacturing	7.74%	15.74%	11.66%	6.50%	13.22%	9.60%	7.82%	15.90%	11.78%
Lodging	7.88%	19.84%	14.38%	6.62%	16.67%	12.08%	7.64%	19.25%	13.95%
Full Service Facilities	7.88%	17.10%	14.51%	6.62%	14.36%	12.19%	7.64%	16.58%	14.07%
Limited Service Facilities	8.86%	19.84%	14.70%	7.44%	16.67%	12.35%	8.59%	19.25%	14.26%
Golf/Gaming/Resort	8.42%	18.77%	13.57%	7.07%	15.77%	11.40%	8.17%	18.21%	13.16%
Mobile Home/RV Park/Camping	7.40%	18.64%	12.90%	6.00%	15.10%	10.45%	7.40%	18.64%	12.90%
RV Parks/Campgrounds	8.08%	18.64%	13.37%	6.55%	15.10%	10.83%	8.08%	18.64%	13.37%
Manufactured Housing	7.40%	16.92%	12.14%	6.00%	13.70%	9.83%	7.40%	16.92%	12.14%
Mobile Home Parks	7.94%	17.07%	12.76%	6.43%	13.82%	10.34%	7.94%	17.07%	12.76%
Office	7.31%	15.88%	12.30%	6.36%	13.82%	10.70%	7.24%	15.73%	12.18%
Suburban	7.31%	14.62%	11.61%	6.36%	12.72%	10.10%	7.24%	14.48%	11.49%
CBD	8.27%	15.88%	12.48%	7.20%	13.82%	10.85%	8.19%	15.73%	12.35%
Medical	8.50%	15.89%	11.50%	7.40%	13.82%	10.00%	8.42%	15.73%	11.38%
Restaurants	7.76%	20.45%	15.55%	6.59%	17.39%	13.22%	7.45%	19.64%	14.93%
Full Service	10.81%	20.45%	15.55%	9.19%	17.39%	13.22%	10.37%	19.64%	14.93%
Fast Food	7.76%	19.47%	14.59%	6.59%	16.55%	12.40%	7.45%	18.69%	14.01%
Retail	7.45%	17.55%	13.02%	6.41%	15.09%	11.19%	7.30%	17.20%	12.76%
Anchored	7.45%	16.17%	13.09%	6.41%	13.90%	11.26%	7.30%	15.84%	12.83%
Un-Anchored	8.13%	17.55%	13.77%	7.00%	15.09%	11.85%	7.97%	17.20%	13.50%
Convenience/Gas	8.44%	17.65%	11.51%	7.26%	15.18%	9.90%	8.27%	17.30%	11.28%
Free Standing	7.79%	17.16%	13.59%	6.70%	14.76%	11.68%	7.64%	16.82%	13.32%
Self-Storage	7.49%	15.47%	13.14%	6.37%	13.15%	11.17%	7.49%	15.47%	13.14%
Climate Controlled	7.67%	15.47%	12.96%	6.52%	13.15%	11.02%	7.67%	15.47%	12.96%
Mini Storage	7.49%	16.54%	13.15%	6.37%	14.06%	11.18%	7.49%	16.54%	13.15%
Special Purpose	8.32%	21.36%	15.04%	7.15%	18.37%	12.93%	8.15%	20.93%	14.74%
Schools/Day Care Centers	8.32%	18.49%	13.66%	7.15%	15.90%	11.75%	8.15%	18.12%	13.39%
Churches/Temples/Synagogues	9.47%	21.36%	15.09%	8.15%	18.37%	12.98%	9.28%	20.93%	14.79%
All Properties	7.20%	21.89%	13.13%	6.00%	19.05%	11.21%	7.12%	21.67%	12.96%

\*3rd Quarter 2018 Data

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SITUS RERC REGIONAL INVESTMENT CRITERIA | THIRD-TIER<sup>1</sup> INVESTMENT PROPERTIES

	Office		Industrial			Retail		Apt	Student Housing	Hotel	
	GBD	SUB	WHSE	R&D	FLEX	RGNL MALL	PWR CNTR				NEIGH/ COMM
<b>WEST INVESTMENT CRITERIA</b>											
Pre-Tax Yield Rate (IRR) (%)											
Range	7.8 - 10.0	8.3 - 10.8	7.0 - 10.0	7.3 - 10.5	7.0 - 10.5	8.5 - 12.0	8.5 - 9.8	8.0 - 9.8	7.0 - 9.5	8.0 - 9.0	9.5 - 12.0
Average	8.8	9.3	8.6	9.2	9.1	9.7	9.3	8.9	8.0	8.5	10.3
Going-In Cap Rate (%)											
Range	5.8 - 8.8	5.3 - 9.3	5.3 - 8.5	5.3 - 8.5	5.3 - 8.5	7.5 - 8.3	6.5 - 8.3	7.0 - 9.0	4.5 - 7.5	6.0 - 7.5	7.5 - 10.0
Average	7.1	7.4	6.9	7.3	7.4	7.8	7.5	7.8	6.0	6.6	8.6
Terminal Cap Rate (%)											
Range	6.3 - 9.3	7.0 - 9.3	6.0 - 8.5	6.5 - 9.5	6.8 - 9.5	7.0 - 8.8	7.0 - 8.8	7.0 - 10.0	5.0 - 8.0	6.3 - 8.0	8.5 - 10.5
Average	7.7	8.1	7.4	8.0	8.1	8.3	8.0	8.3	6.4	7.1	9.3
<b>MIDWEST INVESTMENT CRITERIA</b>											
Pre-Tax Yield Rate (IRR) (%)											
Range	7.5 - 12.0	8.0 - 12.0	7.8 - 11.0	8.3 - 11.8	8.3 - 11.0	7.0 - 12.8	8.8 - 11.8	8.8 - 11.8	7.8 - 10.0	8.0 - 10.0	8.5 - 12.5
Average	10.0	10.3	9.8	10.2	10.2	10.4	10.4	10.3	9.2	9.2	10.6
Going-In Cap Rate (%)											
Range	8.0 - 10.5	7.5 - 10.8	5.8 - 9.8	8.3 - 10.0	8.3 - 10.6	7.3 - 11.0	7.3 - 10.7	7.3 - 10.2	6.3 - 9.0	7.0 - 9.3	7.0 - 10.8
Average	8.9	9.1	8.5	8.9	9.1	9.3	9.0	8.8	7.8	7.9	9.2
Terminal Cap Rate (%)											
Range	8.5 - 11.0	8.3 - 11.2	8.0 - 10.8	8.3 - 10.5	8.3 - 11.1	7.5 - 12.0	7.5 - 11.3	7.5 - 11.0	7.0 - 9.5	7.5 - 9.8	8.5 - 11.3
Average	9.6	9.6	9.4	9.5	9.7	10.0	9.7	9.5	8.5	8.4	10.1
<b>SOUTH INVESTMENT CRITERIA</b>											
Pre-Tax Yield Rate (IRR) (%)											
Range	8.3 - 10.8	8.5 - 11.3	7.5 - 11.0	8.5 - 11.0	8.8 - 11.0	8.5 - 11.0	8.5 - 11.0	6.5 - 12.0	7.0 - 10.0	7.5 - 10.0	8.5 - 12.0
Average	9.3	9.6	9.4	9.7	9.7	9.5	9.4	9.3	8.5	8.6	10.2
Going-In Cap Rate (%)											
Range	6.0 - 9.5	7.0 - 9.5	7.3 - 10.0	7.5 - 10.0	7.0 - 10.0	7.5 - 10.0	7.0 - 10.0	6.5 - 10.0	6.0 - 9.5	6.5 - 9.5	8.0 - 10.0
Average	8.0	8.4	8.3	8.6	8.4	8.2	8.2	8.2	7.3	7.4	9.1
Terminal Cap Rate (%)											
Range	7.5 - 10.0	7.5 - 10.3	7.0 - 10.5	7.5 - 10.5	7.8 - 10.5	7.5 - 10.5	7.5 - 10.5	6.5 - 10.5	6.5 - 8.8	7.0 - 10.0	8.5 - 11.0
Average	8.7	9.0	8.7	8.9	9.0	8.7	8.8	8.7	7.5	8.0	9.6
<b>EAST INVESTMENT CRITERIA</b>											
Pre-Tax Yield Rate (IRR) (%)											
Range	7.1 - 11.0	7.3 - 11.0	6.9 - 10.5	7.2 - 11.5	7.4 - 10.5	7.1 - 11.5	7.6 - 12.0	6.9 - 12.3	6.6 - 10.3	7.7 - 10.3	7.6 - 12.0
Average	9.3	9.6	8.9	9.6	9.4	9.8	9.8	9.6	8.2	8.9	10.6
Going-In Cap Rate (%)											
Range	6.5 - 9.5	7.0 - 9.5	5.5 - 10.0	5.9 - 10.0	6.1 - 10.5	5.6 - 10.5	6.1 - 10.5	7.0 - 11.0	4.9 - 10.0	5.7 - 9.8	8.5 - 10.5
Average	8.1	8.5	8.0	8.1	8.5	8.5	8.3	8.6	7.1	7.7	9.5
Terminal Cap Rate (%)											
Range	6.0 - 10.8	7.5 - 10.2	6.0 - 10.8	6.4 - 10.9	6.4 - 10.8	6.6 - 12.0	7.5 - 10.8	7.5 - 11.0	5.5 - 8.2	7.0 - 10.0	6.9 - 11.0
Average	8.7	9.0	8.3	9.1	9.0	9.2	9.1	9.1	7.4	8.0	9.8

<sup>1</sup> Third-tier investment properties are defined as older properties with functional inadequacies and/or in marginal locations. A list of Situs RERC-defined regions is located in the *Situs RERC Scope and Methodology* section in the back of this report. Source Situs RERC, 4Q 2018.

# PROPERTY CONDITION ASSESSMENT REPORT



Sealy B Pool  
161 James Drive West  
New Orleans , LA 70087

CW#199-29

*Prepared by*  
Metropolitan Solutions  
1420 Chestnut Street  
Portsmouth, Virginia 23704

*Prepared for*  
CW Capital  
7501 Wisconsin Ave. Suite 500 West  
Bethesda, MD 20814

4/20/2017  
Project # 2017-10564

## Project Summary

Metropolitan Solutions  
 Portsmouth, Virginia 23704  
 4/20/2017  
 Project Number: 2017-10564

Construction System	Good	Fair	Poor	Action	Immediate	Short Term	Over Term Years 1-12
4.4 ADA Compliance	X			None			
5.1.1 Topography	X			None			
5.1.2 Storm Water Drainage	X			None			
5.1.3 Ingress and Egress	X			None			
5.1.4 Paving, Curbing, Parking	X			Refurbish		\$1,920	\$3,840
5.1.5 Flat-Work	X			None			
5.1.6 Landscaping and Appurtenances	X			None			
5.1.7 Recreational Facilities		NA		None			
5.1.8 Utilities	X			None			
5.2.1 Foundation	X			None			
5.2.2 Building Frame	X			None			
5.2.3 Exterior Walls	X			Refurbish			\$36,000
5.2.4 Roofing	X			Replace	\$6,100		\$396,425
5.2.5 Exterior and Interior Stairs		NA		None			
5.2.6 Patio, Terrace, and Balcony		NA		None			
5.3.1 Unit Types and Unit Mix/ Building Area	X			None			
5.3.2 Common Areas		NA		None			
5.4.1 Plumbing	X			Replace			\$4,000
5.4.2 Heating	X			Replace			
5.4.3 Air Conditioning and Ventilation	X			Replace			\$90,000
5.4.4 Electrical	X			None			
5.5 Vertical Transportation		NA		None			
5.6 Life Safety/Fire Protection	X			None			

Construction System	Good	Fair	Poor	Action	Immediate	Short Term	Over Term Years 1-12
5.7 Additional Considerations		NA		None			
Totals					\$6,100	\$1,920	\$530,265

Summary	Today's Dollars	\$/SF
Immediate Repairs	\$6,100	\$0.13

Summary	Today's Dollars	\$/SF
Short Term Repairs	\$1,920	\$0.04

	Today's Dollars	\$/SF	\$/SF/Year
Replacement Reserves, today's dollars	\$530,265.00	\$11.17	\$0.93
Replacement Reserves, w/12, 2.5% escalation	\$556,033.09	\$11.71	\$0.98

Form 3101  
Exhibit A  
Appeal to Board of Review  
by Taxpayer  
For Real and Personal Property



Name: Brow Mendis Capital Trust - Series 2 Parish/District: St. Charles  
Taxpayer  
Address: 1100 Poydras St, Ste. 2300 City, State, Zip: New Orleans, LA 70163  
Ward: 5 Assessment/Tax Bill Number: 55240040015A Appeal No. \_\_\_\_\_  
(Attach copy of complete appeal submitted to the Board of Review) Board of Review  
Address or Legal Description of Property Being Appealed (Also, please identify building by place of business for convenience of appraisal): 100 James Dr, St. Rose - James Business Park

I hereby request the review of the assessment of the above described property pursuant to L.R.S. 47:1992. I timely filed my reports (if personal property) as required by law, and I have reviewed my assessment with my assessor.

The assessor has determined Fair Market Value of this property at:

Land \$ 718,080 Improvement \$ 1,952,820 \*Personal Property \$ \_\_\_\_\_  
Total \$ 2,670,900

I am requesting that the Fair Market Value of this property be fixed at:

Land \$ 718,080 Improvement \$ 531,920 \*Personal Property \$ \_\_\_\_\_  
Total \$ 1,250,000

\*If you are not appealing personal property, leave this section blank.

I understand that property is assessed at a percentage of fair market value which means the price for the property which would be agreed upon between a willing and informed buyer and a willing and informed seller under usual and ordinary circumstances, the highest price the property would bring on the open market if exposed for sale for a reasonable time. I understand that I must provide the Board of Review with evidence of fair market value to support my claim.

Please notify me of the date, place and time of my appeal at the address shown below.

NOTE: If appellant disputes Board of Review's decision, appellant may appeal to Louisiana Tax Commission by completing and submitting Appeal Form 3103.A to LTC within 10 business days after certified mail delivery to the appealing taxpayer or assessor of BOR's written determination. For further information, call LTC at (225) 219-0339

Matt Baxter, Agent  
Appellant:  
Address: 13155 Noel Rd, Suite 100  
Dallas, TX 75240  
Telephone No.: 972-934-0022

# ***100 James Dr***

## **Valuation Analysis**

Location:

**100 James Dr**

Assessor:

**St. Charles**

Tax Parcel Number(s):

**55240040015A**

Prepared by:

**Ryan, LLC  
972-934-0022**



As of:

**January 1, 2019**

## SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Package Summary	
Parish	St. Charles
Tax Year	2019
Consultant	Matt Baxter
Client / Company Name	Briar Meads Capital
Owner Name	BRIAR MEADS CAPITAL TRUST-SERIES 2
Parcel Number(s)	55240040015A
Property Name	100 James Dr
Location Detail	
Address	100 James Dr
City	St. Rose, LA 70087
Mapsco	
Submarket (CoStar)	
Submarket (DFW RealSmart)	
CAD Industrial Market Area	
Property Detail	
Number of Buildings	1
Property Type	Distribution Warehouse
Construction Type	Reinforced Concrete
Total NLA (SF)	43,055
Effective Year Built	1980
Clear Height (Feet)	18'
Site Size	5.2800 (Acres) <span style="float: right;">229,997 (SF)</span>
Land to Building Ratio	5.34 : 1
% Vacant	85%
Description/Comments:	<i>Class C Industrial Distribution</i>

2018 Assessment	Value	per SF
Land	\$718,080	\$3.12
Improvements	\$1,952,820	\$45.36
<b>Total Assessment</b>	<b>\$2,670,900</b>	<b>\$62.03</b>
2019 Assessment	Value	per SF
Land	\$718,080	\$3.12
Improvements	\$1,952,820	\$45.36
<b>Total Assessment</b>	<b>\$2,670,900</b>	<b>\$62.03</b>
Market Value Summary		
2019 Income Approach Value	\$828,103	\$19.23
2019 Equal & Uniform Value		
<b>Owner's Indication of Value</b>	<b>\$828,000</b>	<b>\$19.23</b>





## INCOME CAPITALIZATION APPROACH

**100 James Dr**

Location: 100 James Dr, St. Rose, LA 70087

			2019 PROFORMA ASSUMPTIONS					
Space Type	Square Feet	%Total	NNN Rent Rate	Proforma Exp. % Passed Through	Gross Rent Rate	Actual Vacancy	Proforma Stabilized Vacancy	Proforma Expense \$/SF
Distribution Warehouse	43,055	100%	\$17.07	0%	\$17.07	85%	15%	\$8.00
				0%	\$0.00			\$0.00
				0%	\$0.00			\$0.00
				0%	\$0.00			\$0.00
<b>Total or Wt. Avg</b>	<b>43,055</b>	<b>100%</b>	<b>\$17.07</b>	<b>0%</b>	<b>\$17.07</b>	<b>85%</b>	<b>15%</b>	<b>\$8.00</b>

	PROFORMA			2018 ACTUAL		
Potential Base Rent	\$734,949	\$17.07	100%	\$109,837	\$2.55	99%
Plus: Expense Pass-Through	\$0	\$0.00	0%	\$1,031	\$0.02	1%
Plus: Other Income	\$0	\$0.00	0%	\$0	\$0.00	0%
<b>Gross Potential Rent</b>	<b>\$734,949</b>	<b>\$17.07</b>	<b>100%</b>	<b>\$110,868</b>	<b>\$2.58</b>	<b>100%</b>
Less: Vacancy @ 15%	\$110,242	\$2.56			85%	
<b>Effective Gross Income (EGI)</b>	<b>\$624,707</b>	<b>\$14.51</b>	<b>100%</b>	<b>\$110,868</b>	<b>\$2.58</b>	<b>100%</b>
Operating Expenses	\$344,440	\$8.00	55%	\$266,126	\$6.18	240%
Less: Replacement Reserve	\$19,375	\$0.45	3%			
<b>NOI after reserves</b>	<b>\$260,892</b>	<b>\$6.06</b>	<b>42%</b>	<b>(\$155,258)</b>	<b>(\$3.61)</b>	<b>-140%</b>
Overall Rate	10.00%					
Value Indication	\$2,608,918	\$60.60				
Less: Deferred Maintenance	\$724,975	\$16.84				
Less: PV Lease Up Cost	\$1,055,840	\$24.52				
<b>Equals: Net Value</b>	<b>\$828,103</b>	<b>\$19.23</b>				
Plus: Excess Land Value	\$0	\$0.00				
<b>2019 Income Approach Value</b>	<b>\$828,103</b>	<b>\$19.23</b>				

2019 Assessed Value	\$2,670,900	\$62.03
2018 Assessed Value	\$2,670,900	\$62.03

**Comments:**

**100 James Dr**  
**Subject Property Lease Summary**

Tenant	Abst #	Lease Type	Space Type	Lease Date	Term (Mo.)	SF Leased	Free Rent	Effective Rate	Annual Income	Over Market TI	Standard TI	Effective Rate Net of TI	Annual Income Net of TI	Bldg	Building Name	Sect #
<b>New Leases</b>																
<b>Expansions/Renewals</b>																
Enterprise Products Operating	1	Gross	Distribution Warehouse	12/1/18	60.0	3,228	0.0	\$16.85	\$54,392	\$0.00	\$0.00	\$16.85	\$54,392	A	100 James Dr	1
Expansion/Renewal Total / Average													3,228	\$16.85	\$54,392	\$54,392

<b>Proposals</b>																
<b>Existing Leases / Current Tenants</b>																
Tenant	Abst #	Lease Type	Space Type	Lease Date	Term (Mo.)	SF Leased	Free Rent	Effective Rate	Annual Income	Over Market TI	Standard TI	Effective Rate Net of TI	Annual Income Net of TI	Bldg	Building Name	Sect #
Flexion, Inc.	1	Gross	Distribution Warehouse	11/1/16	72.0	3,229	0.0	\$17.50	\$56,508	\$11.31	\$10.00	\$17.28	\$55,803	A	100 James Dr	1
Existing Leases Total / Average													3,229	\$17.50	\$56,508	\$55,803

<b>Vacancies</b>																
Vacant Space																
36,598																
Vacancy Total																
36,598																

**Summary**

	Square Feet	Eff. Rate	Income	Eff. Rate Net of TI	Income Net of TI
New Leases	0	\$0.00	\$0	\$0.00	\$0
Expansions/Renewals	3,228	\$16.85	\$54,392	\$16.85	\$54,392
<b>Total Average - New, Exp/Ren</b>	<b>3,228</b>	<b>\$16.85</b>	<b>\$54,392</b>	<b>\$16.85</b>	<b>\$54,392</b>
Proposals	0	\$0.00	\$0	\$0.00	\$0
<b>Total Avg - New, Exp/Ren &amp; Prop</b>	<b>3,228</b>	<b>\$16.85</b>	<b>\$54,392</b>	<b>\$16.85</b>	<b>\$54,392</b>
Existing Leases	3,229	\$17.50	\$56,508	\$17.28	\$55,803
Vacancies	36,598	85%			
<b>Total Avg - All Occupied Space</b>	<b>6,457</b>	<b>\$17.18</b>	<b>\$110,899</b>	<b>\$17.07</b>	<b>\$110,194</b>
<b>Total Occupied and Vacant Space</b>	<b>43,055</b>				

**PRESENT VALUE LEASE UP (RENT LOSS) -Distribution Warehouse SPACE**

Annual Market Gross Rent Rate	\$17.07	
Market Tenant Improvement Allowance \$/SF	15.00	
Lease Term Months	60	
Commission %	6.0%	
Annual Discount Rate	9.0%	
Beginning Vacancy	85.0%	36,597 SF
<u>Less: Stabilized Vacancy</u>	<u>15.0%</u>	<u>6,458 SF</u>
Vacancy to Lease Up	70.0%	30,139 SF
Divided by: # Months to Lease up to Stabilized Vacancy		24
Square Feet to Lease Up per Month		1,256

Square Feet to Lease	Month of Lease up	Square Feet Leased	Gross Rent Loss	Lease Commission	Tenant Imprvmt. Allowance	Total
30,139	1	1,256	42,872	6,431	18,837	68,139
28,883	2	1,256	41,086	6,431	18,837	66,353
27,627	3	1,256	39,299	6,431	18,837	64,567
26,371	4	1,256	37,513	6,431	18,837	62,780
25,115	5	1,256	35,727	6,431	18,837	60,994
23,860	6	1,256	33,940	6,431	18,837	59,208
22,604	7	1,256	32,154	6,431	18,837	57,421
21,348	8	1,256	30,368	6,431	18,837	55,635
20,092	9	1,256	28,581	6,431	18,837	53,849
18,837	10	1,256	26,795	6,431	18,837	52,062
17,581	11	1,256	25,009	6,431	18,837	50,276
16,325	12	1,256	23,222	6,431	18,837	48,490
15,069	13	1,256	21,436	6,431	18,837	46,703
13,813	14	1,256	19,650	6,431	18,837	44,917
12,558	15	1,256	17,863	6,431	18,837	43,131
11,302	16	1,256	16,077	6,431	18,837	41,344
10,046	17	1,256	14,291	6,431	18,837	39,558
8,790	18	1,256	12,504	6,431	18,837	37,772
7,535	19	1,256	10,718	6,431	18,837	35,985
6,279	20	1,256	8,932	6,431	18,837	34,199
5,023	21	1,256	7,145	6,431	18,837	32,413
3,767	22	1,256	5,359	6,431	18,837	30,626
2,512	23	1,256	3,573	6,431	18,837	28,840
1,256	24	1,256	1,786	6,431	18,837	27,054
0	25	0	0	0	0	0
-	26	-	-	-	-	-
-	27	-	-	-	-	-
-	28	-	-	-	-	-
-	29	-	-	-	-	-
-	30	-	-	-	-	-
-	31	-	-	-	-	-
-	32	-	-	-	-	-
-	33	-	-	-	-	-
-	34	-	-	-	-	-
-	35	-	-	-	-	-
-	36	-	-	-	-	-
				Total		1,142,317
				Total Present Value		\$1,055,840

# 100 James Dr - One James Park



James Business...  
Office - St Charl...  
Saint Rose, LA ...

43,055	5.28	3,228 - 29,648	\$17.50/FS
SF RBA	AC Lot	Available SF	Asking Office Rent

## Sale

Sold Price **\$4,546,941 (\$105.61/SF) - Part of Portfolio**  
Date **Feb 2007** Properties **37**  
Sale Type **Investment**

## Building

Type **2 Star Office**  
Park **James Business Park**

RBA	43,055 SF	Year Built	1980
Stories	3	Year Renov	2002
Typical Floor	14,351 SF	Tenancy	Multi
Class	B	Owner Occup	No
Construction	Reinforced Con...	Slab to Slab	11'
Building Ht	34'		

Parking **43 free Reserved Spaces are available; 140 free Surface Spaces are available; 25 Covered Spaces are available; Ratio of 4.00/1,000 SF**

Taxes **\$0.99/SF (2018)**  
Opex **\$6.95/SF (2011-Est); \$8.02/SF (2010)**

Walk Score® **Car-Dependent (32)**  
Transit Score® **Minimal Transit (0)**

## Land

Land Acres	5.28 AC	Land SF	229,997 SF
Bldg FAR	0.19		

Zoning **M-1**  
Parcel **55240040015A**

## Building Notes

One James Park is a well-maintained three-story class "A" suburban office building with extensive free parking, abundant landscaping, twin elevators and all concrete paving. Located less than two miles west of the Louis Armstrong New Orleans International Airport and two miles east of Interstate 310, the site provides easy access to major freeways, hotels, restaurants, banks and other service suppliers. The building is perfectly suited to be a corporate or regional headquarter facility. Comprised of approximately 43,055 square feet of space, One James Park offers modern floor plans and is situated in the premier James Business Park's campus style environment. One James Park is part of Sealy & Company, Inc's Southeast Louisiana management portfolio of office, service center and warehouse space. Sealy's record of leadership in industrial property management and leasing ensures high standards and the best environment for tenants.

## Public Transportation

Airport	Drive	Distance
Louis Armstrong New Orleans International Airport	13 min	5.7 mi

## Location

2nd Address **100 James Dr**  
Zip **70087**  
Submarket **St Charles Parish**  
Submarket Cluster **St Charles Parish**  
Market **New Orleans/Metairie/Kenner**  
County **St Charles**  
State **Louisiana**  
CBSA **New Orleans-Metairie, LA**  
DMA **New Orleans, LA-MS**

## For Lease

Smallest Space	3,228 SF	Office Avail	29,648 SF
Max Contiguous	9,959 SF		
# of Spaces	5		
Vacant	16,243 SF		
% Leased	62.3%		
Rent	\$17.50/SF Full Service Gross		

## Space

Floor	SF Available	Use	Rent
P 1st	3,228 SF	Office	\$17.50/FS
P 1st	3,228 SF	Office	\$17.50/FS
P 2nd	6,949 SF	Office	\$17.50/FS
P 3rd	6,284 SF	Office	\$17.50/FS
P 3rd	9,959 SF	Office	\$17.50/FS

## Leasing Activity

Sign Date	SF Leased	Use	Rent	Rent Type
Jan 2017	3,229 SF	Office	\$17.50/FS	Asking
Jan 2016	3,229 SF	Office	\$16.50/FS	Asking
Dec 2015	3,228 SF	Office	\$16.50/FS	Asking
Mar 2014	6,949 SF	Office	\$16.50	Asking
Jan 2014	3,228 SF	Office	\$16.50/FS	Effective

6 Other Lease Comps

## Market Conditions

Vacancy Rates	Current	YOY Change
Subject Property	37.7%	↓ 16.1%
Submarket 1-3 Star	13.1%	↑ 5.1%
Market Overall	7.4%	↑ 0.6%

Market Rent Per SF	Current	YOY Change
Subject Property	\$17.50	↑ 2.9%
Submarket 1-3 Star	\$17.59	↓ -0.8%
Market Overall	\$19.18	↓ -1.0%

Submarket Leasing Activity	Current	Prev Year
12 Mo. Leased SF	5,374	↑ 90.0%
Months on Market	5.0	↓ 25.3 mo

Submarket Sales Activity	Current	Prev Year
12 Mo. Sales Volume (Mil.)	\$0	\$195,000
12 Mo. Price Per SF	\$138	\$127

## Property Contacts

True Owner **Lightstone Group**  
Primary Leasing **Property One**

## Assessment

2018 Assessment			
Improvements	\$292,923	\$6.80/SF	
Land	\$71,808	\$0.31/SF	
Total Value	\$364,731	\$1.59/SF	8% of last sale

## Demographics

	1 Mi	3 Mi
Population	1,939	32,992
Households	690	11,692
Average Age	37.30	37.40
Median HH Income	\$38,588	\$41,080
Daytime Employees	5,387	20,639
Population Growth '19-'24	↑ 1.3%	↑ 0.9%
Household Growth '19-'24	↑ 1.5%	↑ 0.7%

**Traffic**

Collection Street	Cross Street	Traffic Vol	Year	Distance
W Airline Hwy	Industry Rd E	27,910	2018	0.36 mi
3rd St	Alliance Ave NE	5,228	2018	0.51 mi
I- 310	Airline Hwy SW	48,496	2018	1.33 mi
Almedia Rd	Almedia Plantation ...	6,475	2012	1.59 mi
Almedia Rd	Almedia Plantation ...	6,714	2018	1.59 mi

Made with TrafficMetrix® Products

Property ID: 1152884

Building Images

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Primary Photo



Building Photo



Building Photo



Building Photo



Building Photo



One James Park



Building Pic 100 James Drive



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## REQUIRED LAND YIELDS

What are your IRR requirements for the following?

Required Land Yields (%)						
Property Type	Leveraged Equity Rates			Unleveraged Equity Rates		
	Avg	Low	High	Avg	Low	High
Residential Lot Development	20.35%	10.00%	30.00%	18.87%	8.00%	35.00%
Speculative Land Purchase	24.53%	10.00%	35.00%	21.65%	7.50%	50.00%

## FINISH OUT COSTS

What are typical finish-out costs per square foot for the following?

Finish Out (\$ PSF)												
Property Type	Shell				New				Renewal			
	Avg	Mode	Low	High	Avg	Mode	Low	High	Avg	Mode	Low	High
Office	\$69.69	\$60.00	\$15.00	\$255.00	\$41.88	\$30.00	\$20.00	\$90.00	\$22.00	\$15.00	\$5.00	\$55.00
Office/Medical	\$104.09	\$100.00	\$15.00	\$295.00	\$66.00	\$40.00	\$20.00	\$140.00	\$32.22	\$15.00	\$10.00	\$70.00
Industrial Flex	\$36.15	\$30.00	\$5.00	\$85.00	\$20.92	\$15.00	\$5.00	\$85.00	\$5.64	\$5.00	\$0.00	\$20.00
Industrial Bulk	\$18.25	\$7.00	\$5.00	\$85.00	\$13.38	\$5.00	\$3.00	\$85.00	\$1.46	\$0.00	\$0.00	\$5.00
Retail Anchored	\$62.74	\$35.00	\$20.00	\$165.00	\$41.94	\$25.00	\$5.00	\$115.00	\$14.64	\$10.00	\$0.00	\$65.00
Retail Unanchored	\$64.08	\$35.00	\$25.00	\$165.00	\$42.36	\$30.00	\$5.00	\$135.00	\$13.78	\$5.00	\$0.00	\$65.00
Restaurant	\$97.78	\$50.00	\$35.00	\$200.00	\$54.71	\$50.00	\$10.00	\$135.00	\$16.97	\$20.00	\$0.00	\$55.00

## VACANCY AND COLLECTION LOSS

What stabilized vacancy and collection loss percentage do you use when analyzing the following?

Vacancy and Collection Loss							
Multi Tenant	Loss (%)			Single Tenant	Loss (%)		
Retail	Avg	Low	High	Retail	Avg	Low	High
Strip Center	10.38	5.0	25.0	Credit	3.50	0.0	10.0
Neighborhood	9.25	5.0	15.0	Non-Credit	7.17	0.0	12.0
Anchored	7.80	4.0	15.0				
Multi-anchor	7.57	4.0	15.0				
Office	Avg	Low	High	Office	Avg	Low	High
Class A	8.15	5.0	10.0	Credit	3.50	0.0	10.0
Class B	9.69	5.0	15.0	Non-Credit	8.06	0.0	20.0
Garden (Class C)	11.68	5.0	20.0				
Small	12.09	5.0	25.0				
Industrial	Avg	Low	High	Industrial	Avg	Low	High
Bulk	4.60	2.0	10.0	Credit	1.67	0.0	5.0
Flex	7.05	3.0	15.0	Non-Credit	4.20	0.0	10.0
Apartments	Avg	Low	High				
Class A	5.94	4.0	10.0				
Class B	6.75	5.0	11.0				
Class C	7.53	5.0	15.0				



South - AL, AR, KY, LA, MS, TN

RealtyRates.com MARKET SURVEY - 1st Quarter 2019*				
South - Class A & B Apartments - 90+ Units				
	Memphis	Nashville	New Orleans	Region
<b>Operating Data</b>				
<b>Income</b>				
Asking Rent	\$909	\$1,200	\$1,357	\$924
Effective Rent	\$851	\$1,068	\$1,235	\$692
Other Income	\$3	\$3	\$4	\$2
Total Income	\$853	\$1,071	\$1,239	\$694
Vacancy Rate	9.7%	7.3%	7.9%	4.9%
EGI	\$771	\$992	\$1,141	\$660
<b>Expenses</b>				
Total Expenses	\$384	\$423	\$529	\$309
Expense Ratio	49.85%	42.57%	46.37%	46.82%
<b>NOI</b>	<b>\$386</b>	<b>\$570</b>	<b>\$612</b>	<b>\$351</b>
<b>Investment Data</b>				
Avg Sale Price	\$54,572	\$78,181	\$87,971	\$48,834
OAR	8.5%	8.7%	8.3%	8.6%
GRM	5.34	6.10	5.34	5.88
EGIM	5.90	6.56	6.42	6.16

\*4th Quarter 2018 Data

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RealtyRates.com MARKET SURVEY - 1st Quarter 2019*								
South - Class A & B Industrial Buildings								
	Memphis		Nashville		New Orleans		Region	
	VH Dist	Flex R&D	VH Dist	Flex R&D	VH Dist	Flex R&D	VH Dist	Flex R&D
<b>Operating Data</b>								
<b>Income</b>								
Asking Rent	\$4.06	\$7.84	\$5.75	\$11.40	\$5.58	\$12.27	\$4.13	\$8.49
Effective Rent	\$3.75	\$7.22	\$5.56	\$10.96	\$5.36	\$11.76	\$3.95	\$8.12
Reimbursable Exp.	\$1.60	\$3.50	\$1.70	\$3.70	\$1.49	\$3.25	\$1.27	\$2.78
Total Income	\$5.35	\$10.72	\$7.26	\$14.67	\$6.85	\$15.01	\$5.22	\$10.89
Vacancy Rate	9.1%	12.3%	4.6%	6.8%	7.6%	10.3%	5.7%	7.8%
EGI	\$4.86	\$9.40	\$6.93	\$13.67	\$6.33	\$13.47	\$4.92	\$10.04
<b>Expenses</b>								
Total Expenses	\$1.72	\$3.76	\$1.82	\$3.98	\$1.60	\$3.49	\$1.37	\$2.98
Expense Ratio	35.47%	40.03%	26.33%	29.13%	25.29%	25.93%	27.77%	29.73%
<b>NOI</b>	<b>\$3.14</b>	<b>\$5.64</b>	<b>\$5.10</b>	<b>\$9.69</b>	<b>\$4.73</b>	<b>\$9.97</b>	<b>\$3.56</b>	<b>\$7.05</b>
<b>Investment Data</b>								
Avg Sale Price	\$37	\$65	\$56	\$99	\$55	\$103	\$40	\$72
OAR	8.5%	8.7%	9.1%	9.8%	8.7%	9.7%	9.0%	9.8%
GRM	9.87	9.00	10.06	9.03	10.17	8.76	10.02	8.86
EGIM	7.61	6.91	8.03	7.24	8.62	7.65	8.04	7.16

\*4th Quarter 2018 Data

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RealtyRates.com MARKET SURVEY - 1st Quarter 2019*								
South - Class A & B Office Buildings								
	Memphis		Nashville		New Orleans		Region	
	CBD	Suburb	CBD	Suburb	CBD	Suburb	CBD	Suburb
<b>Operating Data</b>								
<b>Income</b>								
Asking Rent	\$19.73	\$24.28	\$18.78	\$25.03	\$22.30	\$24.73	\$16.32	\$19.74
Effective Rent	\$16.35	\$20.02	\$16.72	\$20.22	\$17.51	\$19.46	\$13.52	\$15.90
Other Income	\$0.82	\$1.00	\$0.84	\$1.01	\$0.88	\$0.97	\$0.68	\$0.79
Total Income	\$17.17	\$21.02	\$17.55	\$21.23	\$18.38	\$20.43	\$14.19	\$16.69
Vacancy Rate	15.0%	12.1%	8.0%	5.5%	10.9%	9.1%	9.0%	7.1%
EGIM	\$14.60	\$18.48	\$16.15	\$20.07	\$16.38	\$18.57	\$12.92	\$15.50
<b>Expenses</b>								
Total Expenses	\$10.81	\$10.58	\$11.43	\$9.53	\$8.87	\$9.81	\$8.22	\$7.37
Expense Ratio	74.05%	57.23%	70.77%	47.52%	54.14%	52.82%	63.64%	51.41%
NOI	\$3.79	\$7.90	\$4.72	\$10.53	\$7.51	\$8.76	\$4.70	\$7.53
<b>Investment Data</b>								
Avg Sale Price	\$47	\$96	\$58	\$118	\$87	\$101	\$52	\$84
OAR	8.1%	8.2%	8.1%	8.9%	8.6%	8.7%	9.0%	9.0%
GRM	2.84	4.80	3.47	5.84	4.97	5.19	3.86	5.27
EGIM	3.19	5.20	3.59	5.88	5.31	5.44	4.04	5.41

\*4th Quarter 2018 Data

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RealtyRates.com MARKET SURVEY - 1st Quarter 2019*								
South - Class A & B Neighborhood, Community & Strip Retail Centers								
	Memphis		Nashville		New Orleans		Region	
	Anch	Un-Anch	Anch	Un-Anch	Anch	Un-Anch	Anch	Un-Anch
<b>Operating Data</b>								
<b>Income</b>								
Asking Rent	\$14.52	\$14.22	\$18.28	\$17.90	\$16.68	\$16.17	\$13.21	\$12.88
Effective Rent	\$13.14	\$12.85	\$16.77	\$16.40	\$15.17	\$14.68	\$12.03	\$11.72
Other Income	\$0.66	\$0.64	\$0.84	\$0.82	\$0.76	\$0.73	\$0.60	\$0.59
Total Income	\$13.80	\$13.49	\$17.60	\$17.22	\$15.92	\$15.41	\$12.63	\$12.30
Vacancy Rate	10.1%	9.9%	7.1%	6.7%	8.5%	8.3%	6.8%	6.6%
EGI	\$12.41	\$12.16	\$16.35	\$16.06	\$14.57	\$14.14	\$11.76	\$11.49
<b>Expenses</b>								
Total Expenses	\$9.17	\$8.47	\$8.05	\$7.31	\$7.07	\$6.72	\$6.43	\$5.96
Expense Ratio	73.93%	69.67%	49.25%	45.53%	48.50%	47.55%	54.63%	51.92%
NOI	\$3.24	\$3.69	\$8.30	\$9.75	\$7.50	\$7.41	\$5.34	\$5.52
<b>Investment Data</b>								
Avg Sale Price	\$42	\$50	\$90	\$94	\$81	\$82	\$57	\$61
OAR	7.7%	7.3%	9.2%	9.3%	9.3%	9.0%	9.3%	9.1%
GRM	3.20	3.92	5.37	5.73	5.34	5.59	4.76	5.18
EGIM	3.38	4.14	5.50	5.85	5.56	5.80	4.87	5.28

\*4th Quarter 2018 Data

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## Investment Rates

The following tables summarize discount and equity dividend rates reported by survey respondents. In all cases, rates were derived from Class A and B properties nationwide and are exclusive of reserves. Note that "Recapitalizations" refers to re-financing under current use.

RealtyRates.com INVESTOR SURVEY - 4th Quarter 2018*									
DISCOUNT RATES									
Property Type	New Development			Acquisitions			Recapitalizations		
	Min.	Max.	Avg.	Min.	Max.	Avg.	Min.	Max.	Avg.
Apartments	7.20%	16.10%	11.46%	6.26%	14.01%	9.97%	7.12%	15.94%	11.34%
Garden/Suburban TH	7.20%	14.91%	10.74%	6.26%	12.97%	9.35%	7.12%	14.76%	10.64%
Hi-Rise/Urban TH	7.92%	16.10%	11.52%	6.89%	14.01%	10.03%	7.84%	15.94%	11.41%
Student Housing	7.68%	15.71%	11.84%	6.69%	13.67%	10.30%	7.61%	15.55%	11.72%
Golf	7.97%	21.89%	16.14%	6.93%	19.05%	14.05%	7.89%	21.67%	15.98%
Public Daily Fee Courses	10.22%	21.63%	15.77%	8.89%	18.82%	13.72%	10.12%	21.41%	15.61%
Semi-Private Clubs	8.49%	21.89%	16.31%	7.39%	19.05%	14.19%	8.41%	21.67%	16.15%
Private Clubs	7.97%	20.37%	15.39%	6.93%	17.72%	13.39%	7.89%	20.17%	15.24%
Health Care/Senior Housing	7.37%	20.66%	11.69%	6.41%	17.97%	10.17%	7.30%	20.45%	11.57%
Acute Care Facilities	8.34%	21.76%	13.25%	7.25%	18.93%	11.52%	8.25%	21.54%	13.11%
Out-Patient Care Facilities	7.37%	15.51%	10.48%	6.41%	13.49%	9.12%	7.30%	15.35%	10.37%
Congregate Care Facilities	8.18%	17.13%	11.46%	7.12%	14.90%	9.97%	8.10%	16.96%	11.35%
Assisted Living Facilities	7.62%	15.96%	10.69%	6.63%	13.89%	9.30%	7.54%	15.80%	10.59%
Industrial	7.29%	16.39%	12.34%	6.12%	13.77%	10.37%	7.36%	16.55%	12.46%
Warehouse/Distribution	7.29%	14.26%	11.18%	6.12%	11.98%	9.39%	7.36%	14.40%	11.29%
R&D/Flex	8.22%	16.39%	12.63%	6.90%	13.77%	10.61%	8.30%	16.55%	12.76%
Climate Controlled/Manufacturing	7.74%	15.74%	11.66%	6.50%	13.22%	9.60%	7.82%	15.90%	11.78%
Lodging	7.88%	19.84%	14.38%	6.62%	16.67%	12.08%	7.64%	19.25%	13.95%
Full Service Facilities	7.88%	17.10%	14.51%	6.62%	14.36%	12.19%	7.64%	16.58%	14.07%
Limited Service Facilities	8.86%	19.84%	14.70%	7.44%	16.67%	12.35%	8.59%	19.25%	14.26%
Golf/Gaming/Resort	8.42%	18.77%	13.57%	7.07%	15.77%	11.40%	8.17%	18.21%	13.16%
Mobile Home/RV Park/Camping	7.40%	18.64%	12.90%	6.00%	15.10%	10.45%	7.40%	18.64%	12.90%
RV Parks/Campgrounds	8.08%	18.64%	13.37%	6.55%	15.10%	10.83%	8.08%	18.64%	13.37%
Manufactured Housing	7.40%	16.92%	12.14%	6.00%	13.70%	9.83%	7.40%	16.92%	12.14%
Mobile Home Parks	7.94%	17.07%	12.76%	6.43%	13.82%	10.34%	7.94%	17.07%	12.76%
Office	7.31%	15.88%	12.30%	6.36%	13.82%	10.70%	7.24%	15.73%	12.18%
Suburban	7.31%	14.62%	11.61%	6.36%	12.72%	10.10%	7.24%	14.48%	11.49%
CBD	8.27%	15.88%	12.48%	7.20%	13.82%	10.85%	8.19%	15.73%	12.35%
Medical	8.50%	15.89%	11.50%	7.40%	13.82%	10.00%	8.42%	15.73%	11.38%
Restaurants	7.76%	20.45%	15.55%	6.59%	17.39%	13.22%	7.45%	19.64%	14.93%
Full Service	10.81%	20.45%	15.55%	9.19%	17.39%	13.22%	10.37%	19.64%	14.93%
Fast Food	7.76%	19.47%	14.59%	6.59%	16.55%	12.40%	7.45%	18.69%	14.01%
Retail	7.45%	17.55%	13.02%	6.41%	15.09%	11.19%	7.30%	17.20%	12.76%
Anchored	7.45%	16.17%	13.09%	6.41%	13.90%	11.26%	7.30%	15.84%	12.83%
Un-Anchored	8.13%	17.55%	13.77%	7.00%	15.09%	11.85%	7.97%	17.20%	13.50%
Convenience/Gas	8.44%	17.65%	11.51%	7.26%	15.18%	9.90%	8.27%	17.30%	11.28%
Free Standing	7.79%	17.16%	13.59%	6.70%	14.76%	11.68%	7.64%	16.82%	13.32%
Self-Storage	7.49%	15.47%	13.14%	6.37%	13.15%	11.17%	7.49%	15.47%	13.14%
Climate Controlled	7.67%	15.47%	12.96%	6.52%	13.15%	11.02%	7.67%	15.47%	12.96%
Mini Storage	7.49%	16.54%	13.15%	6.37%	14.06%	11.18%	7.49%	16.54%	13.15%
Special Purpose	8.32%	21.36%	15.04%	7.15%	18.37%	12.93%	8.15%	20.93%	14.74%
Schools/Day Care Centers	8.32%	18.49%	13.66%	7.15%	15.90%	11.75%	8.15%	18.12%	13.39%
Churches/Temples/Synagogues	9.47%	21.36%	15.09%	8.15%	18.37%	12.98%	9.28%	20.93%	14.79%
All Properties	7.20%	21.89%	13.13%	6.00%	19.05%	11.21%	7.12%	21.67%	12.96%

\*3rd Quarter 2018 Data

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SITUS RERC REGIONAL INVESTMENT CRITERIA | THIRD-TIER<sup>1</sup> INVESTMENT PROPERTIES

	Office		Industrial			Retail		Apt	Student Housing	Hotel	
	CBD	SUB	WHSE	R&D	FLEX	RGNL MALL	PWR CNTR				NEIGH/COMM
<b>WEST INVESTMENT CRITERIA</b>											
Pre-Tax Yield Rate (IRR) (%)											
Range	7.8 - 10.0	8.3 - 10.8	7.0 - 10.0	7.3 - 10.5	7.0 - 10.5	8.5 - 12.0	8.5 - 9.8	8.0 - 9.8	7.0 - 9.5	8.0 - 9.0	9.5 - 12.0
Average	8.8	9.3	8.6	9.2	9.1	9.7	9.3	8.9	8.0	8.5	10.3
Going-In Cap Rate (%)											
Range	5.8 - 8.8	5.3 - 9.3	5.3 - 8.5	5.3 - 8.5	5.3 - 8.5	7.5 - 8.3	6.5 - 8.3	7.0 - 9.0	4.5 - 7.5	6.0 - 7.5	7.5 - 10.0
Average	7.1	7.4	6.9	7.3	7.4	7.8	7.5	7.8	6.0	6.6	8.6
Terminal Cap Rate (%)											
Range	6.3 - 9.3	7.0 - 9.3	6.0 - 8.5	6.5 - 9.5	6.8 - 9.5	7.0 - 8.8	7.0 - 8.8	7.0 - 10.0	5.0 - 8.0	6.3 - 8.0	8.5 - 10.5
Average	7.7	8.1	7.4	8.0	8.1	8.3	8.0	8.3	6.4	7.1	9.3
<b>MIDWEST INVESTMENT CRITERIA</b>											
Pre-Tax Yield Rate (IRR) (%)											
Range	7.5 - 12.0	8.0 - 12.0	7.8 - 11.0	8.3 - 11.8	8.3 - 11.0	7.0 - 12.8	8.8 - 11.8	8.8 - 11.8	7.8 - 10.0	8.0 - 10.0	8.5 - 12.5
Average	10.0	10.3	9.8	10.2	10.2	10.4	10.4	10.3	9.2	9.2	10.6
Going-In Cap Rate (%)											
Range	8.0 - 10.5	7.5 - 10.8	5.8 - 9.8	8.3 - 10.0	8.3 - 10.6	7.3 - 11.0	7.3 - 10.7	7.3 - 10.2	6.3 - 9.0	7.0 - 9.3	7.0 - 10.8
Average	8.9	9.1	8.5	8.9	9.1	9.3	9.0	8.8	7.8	7.9	9.2
Terminal Cap Rate (%)											
Range	8.5 - 11.0	8.3 - 11.2	8.0 - 10.8	8.3 - 10.5	8.3 - 11.1	7.5 - 12.0	7.5 - 11.3	7.5 - 11.0	7.0 - 9.5	7.5 - 9.8	8.5 - 11.3
Average	9.6	9.6	9.4	9.5	9.7	10.0	9.7	9.5	8.5	8.4	10.1
<b>SOUTH INVESTMENT CRITERIA</b>											
Pre-Tax Yield Rate (IRR) (%)											
Range	8.3 - 10.8	8.5 - 11.3	7.5 - 11.0	8.5 - 11.0	8.8 - 11.0	8.5 - 11.0	8.5 - 11.0	6.5 - 12.0	7.0 - 10.0	7.5 - 10.0	8.5 - 12.0
Average	9.3	9.6	9.4	9.7	9.7	9.5	9.4	9.3	8.5	8.6	10.2
Going-In Cap Rate (%)											
Range	6.0 - 9.5	7.0 - 9.5	7.3 - 10.0	7.5 - 10.0	7.0 - 10.0	7.5 - 10.0	7.0 - 10.0	6.5 - 10.0	6.0 - 9.5	6.5 - 9.5	8.0 - 10.0
Average	8.0	8.4	8.3	8.6	8.4	8.2	8.2	8.2	7.3	7.4	9.1
Terminal Cap Rate (%)											
Range	7.5 - 10.0	7.5 - 10.3	7.0 - 10.5	7.5 - 10.5	7.8 - 10.5	7.5 - 10.5	7.5 - 10.5	6.5 - 10.5	6.5 - 8.8	7.0 - 10.0	8.5 - 11.0
Average	8.7	9.0	8.7	8.9	9.0	8.7	8.8	8.7	7.5	8.0	9.6
<b>EAST INVESTMENT CRITERIA</b>											
Pre-Tax Yield Rate (IRR) (%)											
Range	7.1 - 11.0	7.3 - 11.0	6.9 - 10.5	7.2 - 11.5	7.4 - 10.5	7.1 - 11.5	7.6 - 12.0	6.9 - 12.3	6.6 - 10.3	7.7 - 10.3	7.6 - 12.0
Average	9.3	9.6	8.9	9.6	9.4	9.8	9.8	9.6	8.2	8.9	10.6
Going-In Cap Rate (%)											
Range	6.5 - 9.5	7.0 - 9.5	5.5 - 10.0	5.9 - 10.0	6.1 - 10.5	5.6 - 10.5	6.1 - 10.5	7.0 - 11.0	4.9 - 10.0	5.7 - 9.8	8.5 - 10.5
Average	8.1	8.5	8.0	8.1	8.5	8.5	8.3	8.6	7.1	7.7	9.5
Terminal Cap Rate (%)											
Range	6.0 - 10.8	7.5 - 10.2	6.0 - 10.8	6.4 - 10.9	6.4 - 10.8	6.6 - 12.0	7.5 - 10.8	7.5 - 11.0	5.5 - 8.2	7.0 - 10.0	6.9 - 11.0
Average	8.7	9.0	8.3	9.1	9.0	9.2	9.1	9.1	7.4	8.0	9.8

<sup>1</sup> Third-tier investment properties are defined as older properties with functional inadequacies and/or in marginal locations.A list of Situs RERC-defined regions is located in the *Situs RERC Scope and Methodology* section in the back of this report.

Source: Situs RERC, 4Q 2018.



51170-330	559.47	559.47	559.47	598.63	598.63	598.63	598.63	598.63	598.63	598.63	598.63	598.63	7,026.92
52010-166	0.00	0.00	0.00	423.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	423.30
Miscellaneous/other	123.61	140.54	203.51	381.05	108.70	299.75	436.82	146.62	113.21	82.44	24.64	2,163.16	
525100-000	383.99	394.17	372.90	368.72	370.89	369.14	343.70	397.23	369.41	369.42	371.46	4,434.71	
540715-000	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	170.86	1,443.06	1,613.92	
540395-000	35.00	25.10	53.78	728.57	53.42	26.62	31.38	30.97	144.22	30.88	61.25	1,221.19	
Property operating expenses	15,184	17,387	17,035	17,427	16,444	18,908	21,398	17,969	18,938	16,828	28,258	222,610	
515110-000	3,565.55	3,565.55	3,565.55	3,565.55	3,565.55	3,565.55	3,565.55	3,565.55	3,565.55	3,565.55	3,565.55	42,786.62	
515130-000	0.00	0.00	0.00	0.00	0.00	0.00	729.44	0.00	0.00	0.00	0.00	729.44	
R/E taxes/legal/consult	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Real estate taxes	3,566	3,566	3,566	3,566	3,566	3,566	3,566	3,566	3,566	3,566	3,566	43,516	
550120-000	4,782.98	4,783.06	4,783.06	4,783.05	4,783.04	4,783.01	4,783.07	4,783.07	4,783.02	4,822.18	4,822.26	57,474.88	
550130-000	1,493.86	1,493.88	1,493.88	1,493.87	1,493.88	1,493.87	1,493.88	1,493.88	1,493.87	1,493.86	1,048.13	17,480.74	
550210-000	739.92	739.93	739.93	739.93	739.92	739.92	739.93	739.92	739.93	739.92	746.39	8,885.56	
Amort - Defer Leasing Comm	7,017	7,017	7,017	7,017	7,017	7,017	7,017	7,017	7,017	7,056	6,617	83,841	
Depreciation and amortization	25,766	27,969	27,617	28,009	27,026	29,491	32,710	28,552	29,520	27,450	38,440	349,967	
Total operating expenses	-16,234	-18,182	-19,487	-18,859	-17,660	-20,329	-23,546	-19,327	-20,352	-18,282	-29,127	-239,812	
Operating income/(loss)	0.00	1,807.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,807.00	
490100-215	0	1,807	0	0	0	0	0	0	0	0	0	1,807	
Interest - other	-9,628.00	-8,696.27	-9,628.00	-9,317.43	-9,628.00	-9,630.09	-9,319.45	-9,319.45	-9,630.09	-9,319.45	-9,630.09	-113,376.13	
Interest income	-6,605.84	-5,966.56	-6,605.84	-6,392.74	-6,605.84	-6,607.27	-6,394.13	-6,607.27	-6,607.27	-6,394.13	-6,607.27	-77,788.11	
601100-000	-16,234	-14,663	-16,234	-15,710	-16,234	-16,237	-15,713	-16,237	-16,237	-15,714	-16,237	-191,164	
601150-000	-32,468	-31,098	-35,721	-34,569	-34,094	-36,567	-39,784	-35,041	-36,589	-33,995	-45,364	-429,170	
Interest exp - Default	-32,468	-31,098	-35,721	-34,569	-34,094	-36,567	-39,784	-35,041	-36,589	-33,995	-45,364	-429,170	
Net income/(loss) from continuing operations	-32,468	-31,098	-35,721	-34,569	-34,094	-36,567	-39,784	-35,041	-36,589	-33,995	-45,364	-429,170	
Net income/(loss)	-32,468	-31,098	-35,721	-34,569	-34,094	-36,567	-39,784	-35,041	-36,589	-33,995	-45,364	-429,170	
Net income/(loss) attributable to common shares	-32,468	-31,098	-35,721	-34,569	-34,094	-36,567	-39,784	-35,041	-36,589	-33,995	-45,364	-429,170	

### Rent Roll

Property: base From Date: 01/01/2019 By Property

Property	Unit(s)	Lease	Lease Type	Area	Lease From	Lease To	Term	Monthly Rent		Annual Rent		Annual Misc Per Area	Security Deposit	LOC Amount/ Bank Guarantee
								Rent	Per Area	Rent	Per Area			
<b>160140 - LVP 100 James LLC-St. Rose</b>														
<b>Current Leases</b>														
160140	100	Enterprise Products Operating	Retail - Net	3,228.00	12/1/2018	11/30/2023	60.00	4,505.75	1.40	54,069.00	16.75	0.55	0.00	0.00
160140	170	Hexion, Inc.	Retail - Net	3,229.00	11/1/2016	10/31/2022	72.00	4,708.96	1.46	56,507.52	17.50	0.09	0.00	0.00
160140	130	VACANT		3,228.00			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
160140	150	VACANT		3,228.00			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
160140	200	VACANT		6,949.00			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
160140	300	VACANT		6,284.00			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
160140	350	VACANT		16,909.00			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Current</b>				<b>43,055.00</b>				<b>9,214.71</b>	<b>0.21</b>	<b>110,576.52</b>	<b>2.57</b>	<b>0.95</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Units</b>														
Occupied	2,00			6,457.00				9,214.71		110,576.52				
Vacant	5,00			36,598.00				0.00		0.00				
<b>Total</b>	<b>7,00</b>			<b>43,055.00</b>				<b>9,214.71</b>		<b>110,576.52</b>				

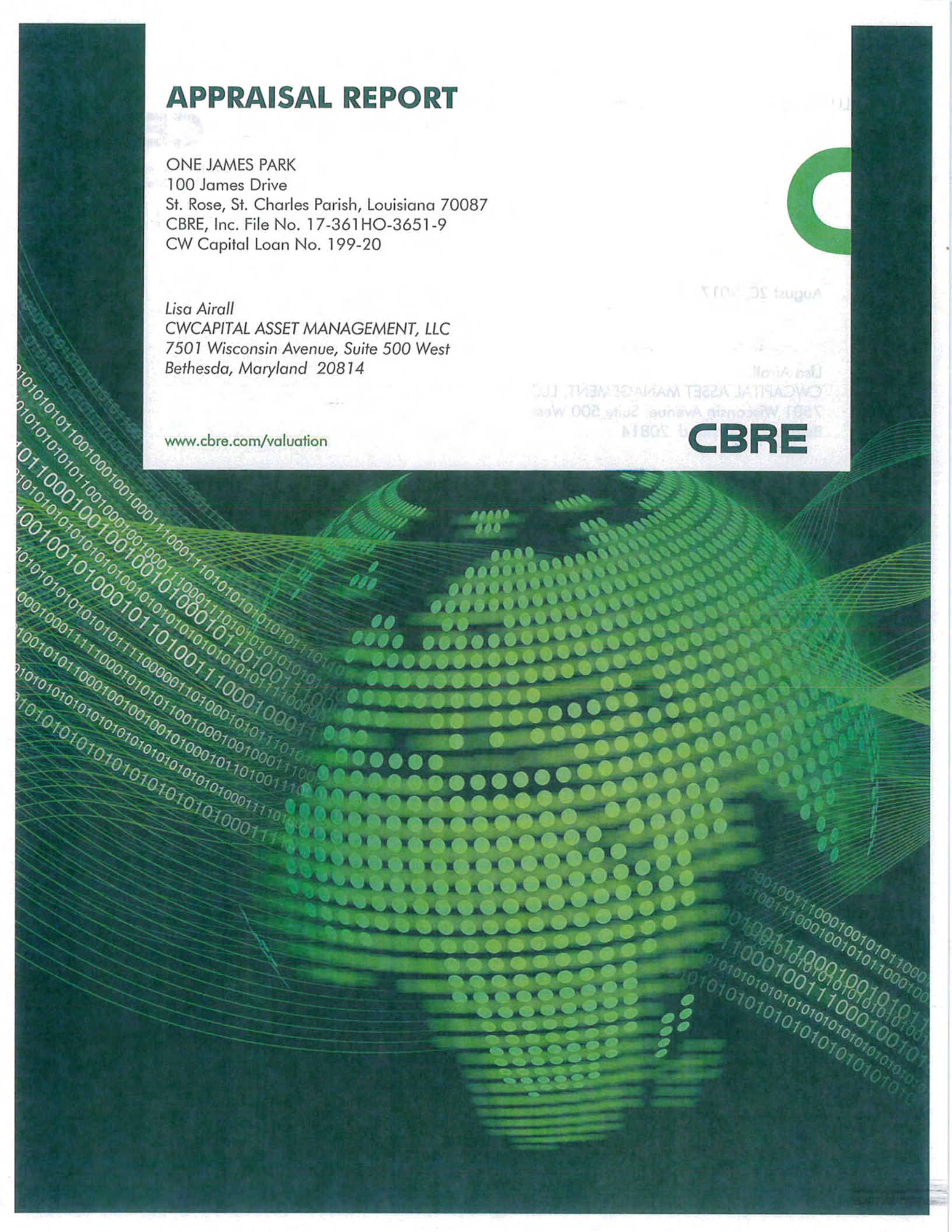
# APPRAISAL REPORT

ONE JAMES PARK  
100 James Drive  
St. Rose, St. Charles Parish, Louisiana 70087  
CBRE, Inc. File No. 17-361HO-3651-9  
CW Capital Loan No. 199-20

Lisa Airall  
CWCAPITAL ASSET MANAGEMENT, LLC  
7501 Wisconsin Avenue, Suite 500 West  
Bethesda, Maryland 20814

[www.cbre.com/valuation](http://www.cbre.com/valuation)

**CBRE**





August 20, 2017

Lisa Airall  
 CWCAPITAL ASSET MANAGEMENT, LLC  
 7501 Wisconsin Avenue, Suite 500 West  
 Bethesda, Maryland 20814

RE: Appraisal of One James Park  
 100 James Drive  
 St. Rose, St. Charles Parish, Louisiana 70087  
 CBRE, Inc. File No. 17-361HO-3651-9  
 CW Capital Loan No. 199-20

Dear Ms. Airall:

At your request and authorization, CBRE, Inc. has prepared an appraisal of the market value of the referenced property. Our analysis is presented in the following Appraisal Report.

The subject property is a three-story, multi-tenant office facility referred to as One James Park located at 100 James Drive within the James Business Park in St. Rose. The improvements contain 43,055 SF/NRA (44,733 SF/GBA). Current occupancy is 15.0%, which is down from 54.3% one year ago as the building's primary tenant vacated the facility. The building was reportedly constructed in 1980 and was found to be in average overall condition at inspection. The underlying site contains 229,975 SF (5.28 acres) fronting the northern side of James Drive. Site improvements include concrete paved parking/drives, lighting, landscaping signage, etc. The site is zoned M-1, Light Manufacturing District by St. Charles Parish.

Based on the analysis contained in the following report, the market values of the subject are concluded as follows:

<b>MARKET VALUE CONCLUSION</b>			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
As Is	Leased Fee Interest	June 15, 2017	\$1,250,000
Prospective As Stabilized	Leased Fee Interest	July 1, 2022	\$2,900,000

Compiled by CBRE

The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter.

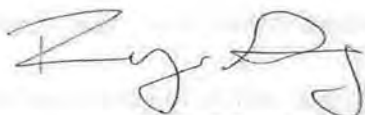
The following appraisal sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to the opinion of value. The analyses, opinions and conclusions were developed based on, and this report has been prepared in conformance with, the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute. It also conforms to Title XI Regulations and the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) updated in 1994 and further updated by the Interagency Appraisal and Evaluation Guidelines promulgated in 2010.

The intended use and user of our report are specifically identified in our report as agreed upon in our contract for services and/or reliance language found in the report. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to non-client, non-intended users does not extend reliance to any other party and CBRE will not be responsible for unauthorized use of the report, its conclusions or contents used partially or in its entirety.

It has been a pleasure to assist you in this assignment. If you have any questions concerning the analysis, or if CBRE can be of further service, please contact us.

Respectfully submitted,

CBRE - VALUATION & ADVISORY SERVICES



---

Ryan M. Gay, MAI  
Vice President  
LA State Certified General Appraiser #G2927

Phone: (504) 410-8402  
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Email: ryan.gay@cbre.com



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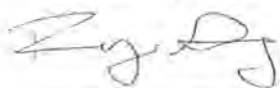
Bruce Bailey, MAI  
Managing Director  
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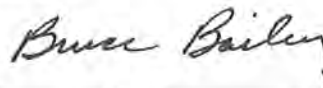
## Certification

We certify to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in or bias with respect to the property that is the subject of this report and have no personal interest in or bias with respect to the parties involved with this assignment.
4. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
5. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
6. This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
7. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, as well as the requirements of the State of Louisiana.
8. 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 Appraisal Practice of the Appraisal Institute.
9. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
10. As of the date of this report, Ryan M. Gay, MAI and Bruce Bailey, MAI have completed the continuing education program for Designated Members of the Appraisal Institute.
11. Ryan M. Gay, MAI has and Bruce Bailey, MAI has not made a personal inspection of the property that is the subject of this report.
12. No one provided significant real property appraisal assistance to the persons signing this report.
13. Valuation & Advisory Services operates as an independent economic entity within CBRE, Inc. Although employees of other CBRE, Inc. divisions may be contacted as a part of our routine market research investigations, absolute client confidentiality and privacy were maintained at all times with regard to this assignment without conflict of interest.
14. Ryan M. Gay, MAI and Bruce Bailey, MAI appraised this property in 2014, 2015, and 2016 for the same client. No other services, as an appraiser or in any other capacity, regarding the property that is the subject of this report has been provided within the three-year period immediately preceding acceptance of this assignment.



Ryan M. Gay, MAI  
LA State Certified General Appraiser #G2927



Bruce Bailey, MAI  
LA State Certified General Appraiser #G2222

## Subject Photographs



Aerial View



Typical View of the Subject



Additional View of the Subject



Additional View of the Subject



Ground Floor Lobby Area View



Typical View of a Vacant Unit



Additional Vacant Unit View



Typical View of a Conference Room



Typical Office View



Typical View of a Kitchenette/Break Room



Additional View of the Subject



Additional View of the Subject



Street scene along James Drive

## Executive Summary

<b>Property Name</b>	One James Park	
<b>Location</b>	100 James Drive, St. Rose, St. Charles Parish, Louisiana 70087	
<b>Client Reference Number</b>	199-20	
<b>Highest and Best Use</b>		
As If Vacant	Office	
As Improved	Office	
<b>Property Rights Appraised</b>	Leased Fee Interest	
<b>Date of Report</b>	August 20, 2017	
<b>Date of Inspection</b>	June 15, 2017	
<b>Estimated Exposure Time</b>	12 Months	
<b>Estimated Marketing Time</b>	12 Months	
<b>Land Area</b>	5.28 AC	229,975 SF
<b>Improvements</b>		
Property Type	Office	(Multi Tenant)
Number of Buildings	1	
Number of Stories	3	
Gross Building Area	44,733 SF	
Net Rentable Area	43,055 SF	
Year Built	1980	
Condition	Average	
<b>Buyer Profile</b>	Investor-National	
<b>Financial Indicators</b>		
Current Occupancy	15.0%	
Stabilized Occupancy	85.0%	
Stabilized Credit Loss	1.0%	
Overall Capitalization Rate	9.50%	
Discount Rate	10.00%	
Terminal Capitalization Rate	9.75%	
<b>Pro Forma Operating Data</b>	<b>Total</b>	<b>Per SF</b>
Effective Gross Income	\$592,109	\$13.75
Operating Expenses	\$303,456	\$7.05
Expense Ratio	51.25%	
Net Operating Income	\$288,653	\$6.70

VALUATION		Total	Per SF
<b>Market Value As Is On</b>	<b>June 15, 2017</b>		
Sales Comparison Approach		\$1,660,000	\$38.56
Income Capitalization Approach		\$1,250,000	\$29.03
<b>Market Value As Stabilized On</b>	<b>July 1, 2022</b>		
Sales Comparison Approach		\$3,300,000	\$76.65
Income Capitalization Approach		\$2,900,000	\$67.36
Insurable Value		\$3,876,000	\$90.02

CONCLUDED MARKET VALUE			
Appraisal Premise	Interest Appraised	Date of Value	Value
As Is	Leased Fee Interest	June 15, 2017	\$1,250,000
Prospective As Stabilized	Leased Fee Interest	July 1, 2022	\$2,900,000

Compiled by CBRE

## STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS (SWOT)

### Strengths/ Opportunities

- The subject is a well-maintained building in a desirable area of metro New Orleans;
- Proactive state and local governments attract more investment;
- Its proximity to area employment centers and location within James Business Park are strengths of the property. The park is located less than two miles southwest of Louis Armstrong International Airport and  $\pm 2$  miles east of Interstate 310.

### Weaknesses/ Threats

- Many leases are short-term in nature;
- High dependence on volatile petrochemical industry;
- The subject is older and not as competitive as newer, state-of-the-art facilities;
- Insurance costs can fluctuate in this market area going forward, adding to short-term risk

## EXTRAORDINARY ASSUMPTIONS

An extraordinary assumption is defined as "an assumption directly related to a specific assignment, as of the effective date of the assignment results, which if found to be false, could alter the appraiser's opinions or conclusions."<sup>1</sup>

- None noted

<sup>1</sup> The Appraisal Foundation, *USPAP*, 2016-2017 ed., U-3.



### HYPOTHETICAL CONDITIONS

A hypothetical condition is defined as “a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purposes of analysis.”<sup>2</sup>

- None noted

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<sup>2</sup> The Appraisal Foundation, *USPAP*, 2016-2017 ed., U-3.

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## Introduction

### OWNERSHIP AND PROPERTY HISTORY

Title to the property is currently vested in the name of MMP Gulf Coast Industrial Portfolio, LLC, who has owned the property since 2007. It was acquired with a number of additional properties in the subject's business park. To the appraisers' knowledge, no other transactions involving the subject have occurred within the past three years nor is the property being marketed for sale.

### INTENDED USE OF REPORT

This appraisal is to be used for assisting the client, CW Capital, as a consulting expert, and no other use is permitted.

### INTENDED USER OF REPORT

This appraisal is to be used by CW Capital (client) and/or affiliates, and no other user may rely on our report unless as specifically indicated in the report.

Intended Users - the intended user is the person (or entity) who the appraiser intends will use the results of the appraisal. The client may provide the appraiser with information about other potential users of the appraisal, but the appraiser ultimately determines who the appropriate users are given the appraisal problem to be solved. Identifying the intended users is necessary so that the appraiser can report the opinions and conclusions developed in the appraisal in a manner that is clear and understandable to the intended users. Parties who receive or might receive a copy of the appraisal are not necessarily intended users. The appraiser's responsibility is to the intended users identified in the report, not to all readers of the appraisal report.<sup>3</sup>

### PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to estimate the market value of the subject property.

### DEFINITION OF VALUE

The current economic definition of market value agreed upon by agencies that regulate federal financial institutions in the U.S. (and used herein) is as follows:

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

1. buyer and seller are typically motivated;

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<sup>3</sup> Appraisal Institute, *The Appraisal of Real Estate*, 14th ed. (Chicago: Appraisal Institute, 2013), 50.

2. both parties are well informed or well advised, and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.<sup>4</sup>

### **INTEREST APPRAISED**

The "as is" and "as stabilized" values estimated represent the leased fee interest, defined as follows:

*Leased Fee Interest* - A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship (i.e., a lease).<sup>5</sup>

### **SCOPE OF WORK**

This Appraisal Report is intended to comply with the reporting requirements set forth under Standards Rule 2 of USPAP. The scope of the assignment relates to the extent and manner in which research is conducted, data is gathered and analysis is applied. CBRE, Inc. completed the following steps for this assignment:

#### **Extent to Which the Property is Identified**

The property is identified through the following sources:

- assessor's records
- legal description
- survey
- building plans

#### **Extent to Which the Property is Inspected**

The extent of the inspection included the following: CBRE, Inc. inspected the interior and exterior of the subject, as well as its surrounding environs on the effective date of the appraisal. CBRE, Inc. did not inspect the roof or mechanical areas but were informed by the building maintenance technician that they are in good working order.

#### **Type and Extent of the Data Researched**

CBRE reviewed the following:

- applicable tax data
- zoning requirements
- flood zone status

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<sup>4</sup> Interagency Appraisal and Evaluation Guidelines; December 10, 2010, Federal Register, Volume 75 Number 237, Page 77472.

<sup>5</sup> *Dictionary of Real Estate Appraisal*, 113.

- demographics
- income and expense data
- comparable data

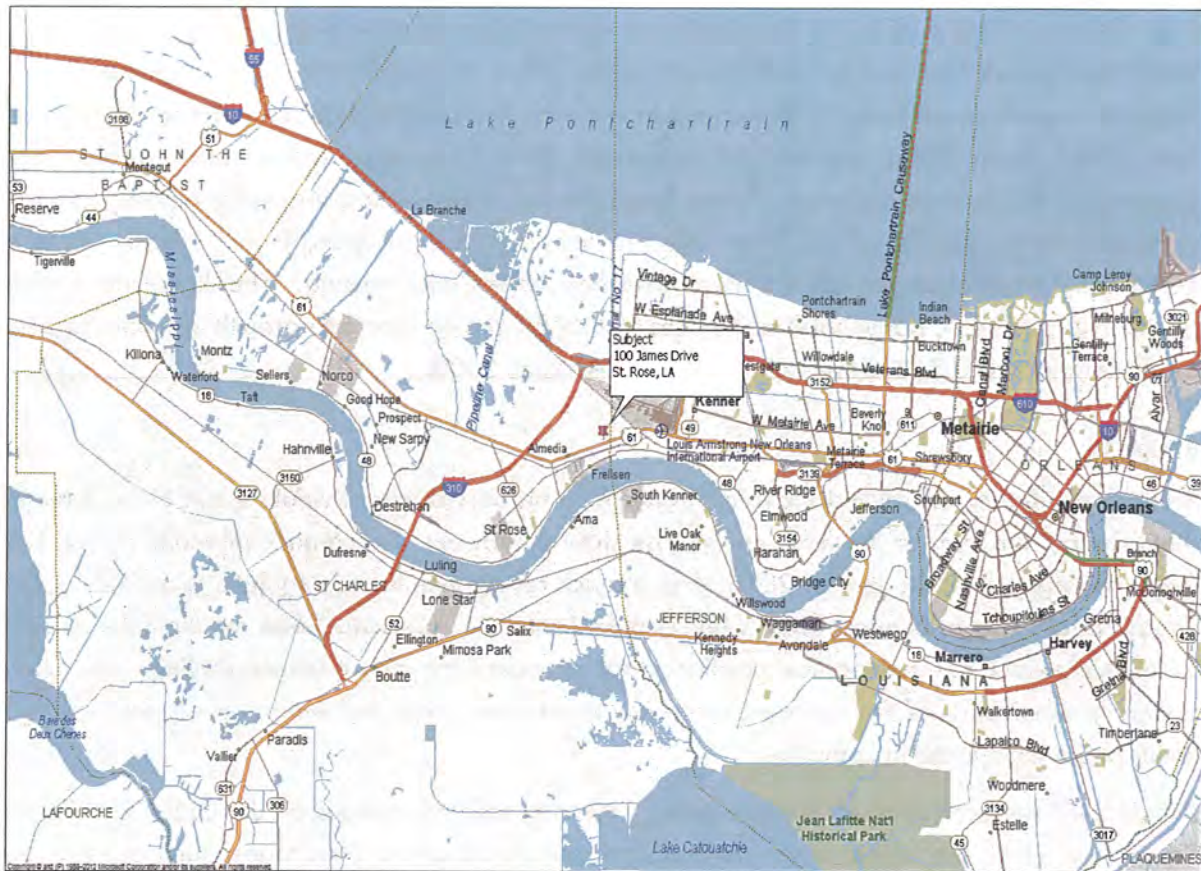
### Type and Extent of Analysis Applied

CBRE, Inc. analyzed the data gathered through the use of appropriate and accepted appraisal methodology to arrive at a probable value indication via each applicable approach to value. The steps required to complete each approach are discussed in the methodology section.

### Data Resources Utilized in the Analysis

<b>DATA SOURCES</b>	
<i>Item:</i>	<i>Source(s):</i>
<b>Site Data</b>	
Size	Survey (provided by property contact)
<b>Improved Data</b>	
Building Area	Building Plans, Rent Roll (provided by property contact)
No. Bldgs.	Inspection
Parking Spaces	Site Plan (provided by property contact)
Year Built/Developed	Property Contact
<b>Economic Data</b>	
Deferred Maintenance:	None Noted
Building Costs:	Marshall Valuation Service
Income Data:	Leases, Comparables
Expense Data:	Operating Data, Comparables
<b>Other</b>	
Flood Hazard	FEMA
Real Estate Taxes	St. Charles Parish Assessor
Zoning	St. Charles Parish Planning Dept.
<b>Data Not Provided</b>	
Item 1	Property Condition Report
Compiled by CBRE	

# Area Analysis



Moody's Economy.com provides the following New Orleans-Metairie, Louisiana metro area economic summary as of March 2017. The full Moody's Economy.com report is presented in the Addenda.

NEW ORLEANS-METAIRIE, LA - ECONOMIC INDICATORS												
Indicators	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Gross Metro Product (CSB)	65.7	61.2	61.4	60.8	62.4	65.1	66.7	68.4	69.9	71.0	71.9	73.4
% Change	4.9	-6.9	0.5	-1.1	2.6	4.3	2.5	2.6	2.2	1.6	1.3	2.0
Total Employment (Ths)	532.8	539.2	545.3	555.7	566.8	573.4	573.7	579.3	586.5	593.3	598.3	601.9
% Change	-0.2	1.2	1.1	1.9	2.0	1.2	0.0	1.0	1.2	1.2	0.8	0.6
Unemployment Rate (%)	7.8	7.6	7.0	6.5	6.2	6.0	5.7	6.5	7.0	7.0	7.0	7.1
Personal Income Growth (%)	4.6	1.4	7.0	0.7	5.5	3.6	2.0	7.2	6.7	5.9	5.5	5.9
Median Household Income (\$ Ths)	45.4	44.8	44.8	45.7	47.0	48.3	50.3	52.7	55.1	57.5	60.0	62.9
Population (Ths)	1,195.6	1,214.1	1,228.1	1,241.5	1,252.0	1,262.9	1,271.2	1,280.0	1,288.0	1,295.0	1,301.6	1,308.2
% Change	2.4	1.5	1.2	1.1	0.8	0.9	0.7	0.7	0.6	0.5	0.5	0.5
Net Migration (000)	22.8	12.4	8.8	8.8	5.5	6.1	3.5	4.1	3.5	2.6	2.3	2.4
Single-Family Permits	1,911.0	2,071.0	2,062.0	2,494.0	2,440.0	2,093.0	2,638.3	3,331.9	3,676.1	3,757.4	3,536.7	3,617.9
Multifamily Permits	300.0	385.0	278.0	175.0	551.0	402.0	221.5	312.7	290.5	215.3	184.8	258.7
Fhfa House Price (1995Q1=100)	190.1	187.5	190.7	194.9	200.0	211.8	224.3	232.9	236.7	237.8	240.4	244.9

Source: Moody's Economy.com

## RECENT PERFORMANCE

Weakness in the energy industry is plaguing New Orleans-Metairie, which is holding up better than the rest of the state but is underperforming the South and the nation by a larger margin. While benchmark revisions to employment reveal a few thousand more jobs in New Orleans-Metairie, payroll employment is little changed since the first quarter of 2015. The unemployment rate is back down, but at just over 5%, it exceeds the U.S. average and is about a percentage point above its prerecession nadir. Fewer hours worked are weighing on weekly earnings, which, coupled with a dearth of net new jobs, is keeping income growth well below average. Fortunately, troubles in the labor market have not seeped into housing. Thanks to more rapid household formation, home sales and prices are on the move; year-ago growth in prices exceeds the Louisiana and U.S. averages and is the highest since 2006.

## ENERGY

Rising fossil fuel prices will slow layoffs in energy, a primary driver of weakness in New Orleans-Metairie, but this part of the economy will be slow to turn up. Benchmark revisions reveal 13% fewer mining jobs at the end of 2016, and a quick resurgence in industry jobs is unlikely unless energy prices rise a lot more than what is baked into the forecast. Most mining jobs in New Orleans-Metairie are back-office positions that support high-cost offshore drilling, and shale drillers in other parts of the country have lower break-even costs and will ramp up production at lower prices than those in Louisiana.

Refining will not provide much support either. Planned refinery outages on the Gulf Coast for the first half of 2017 are higher than average, but, due to adequate inventories, such outages are not expected to cause a shortfall in the supply of petroleum. Refineries will at best hold their own, and energy overall will hamper growth, albeit to a lesser extent than in recent quarters.

## PORT

An increase in shipping volumes in 2017 will not be enough to spur hiring in logistics. As home to the largest export hub by volume in the nation, New Orleans is highly dependent on trade. With weakness in emerging markets and an appreciating dollar reducing foreign demand for domestically made goods, shipping payrolls in the metro area have suffered. Export volumes have continued to rise at New Orleans-Metairie's ports, but overcapacity at regional export hubs is limiting shippers' pricing power and keeping profitability low. The strain will ease as overseas economies strengthen, but the industry still faces headwinds. The dollar will remain strong due to Federal Reserve rate hikes and potentially protectionist economic policies. This will make domestically produced goods more expensive on foreign markets, reducing demand.

## HEALTHCARE

Healthcare will be the primary driver of growth in 2017. Job growth in the industry has exceeded that in the state, region and nation for the last few years, and last year the industry performed

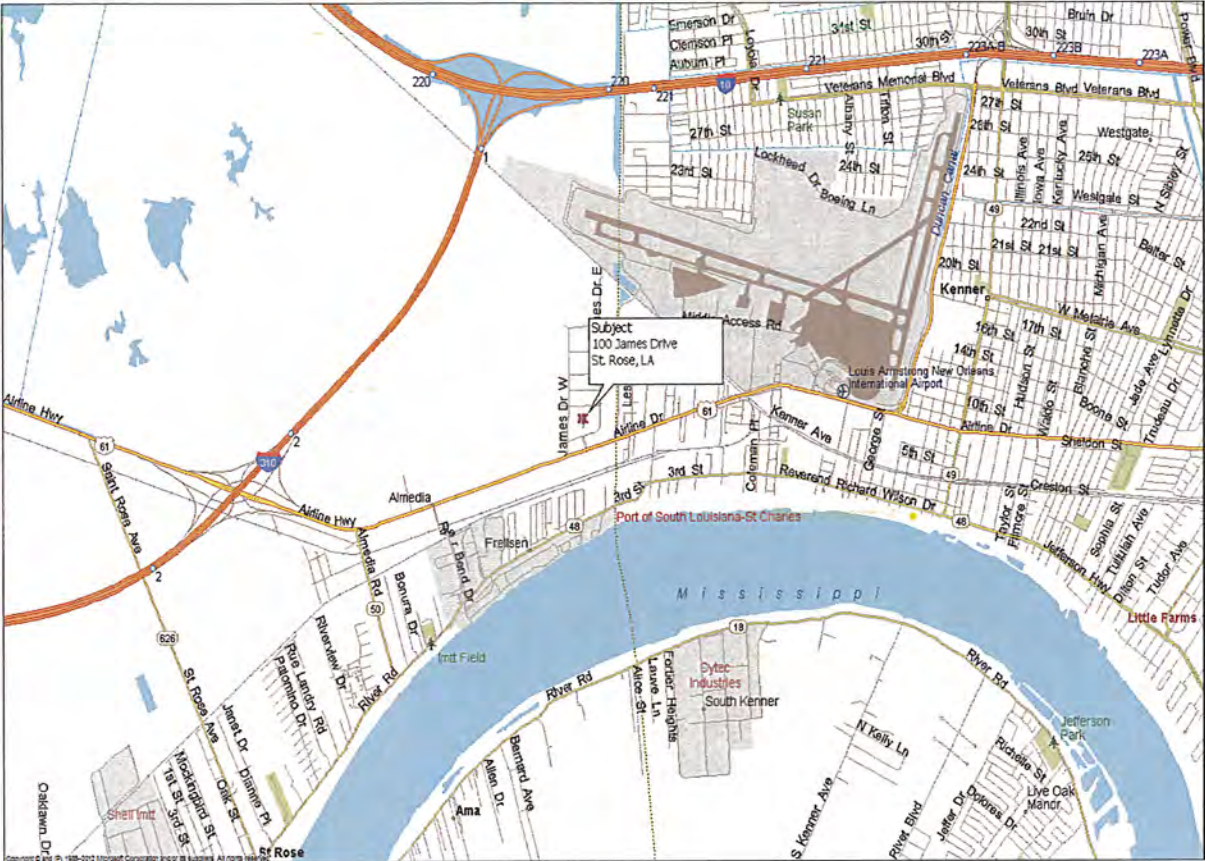
better than previously believed. A new Veterans Affairs hospital will generate the bulk of the new jobs, but a freeze on hiring new federal employees could slow growth. The freeze exempts most VA medical positions, but could delay hiring in lower-paying administrative roles. Healthcare also faces risks from declining state funding. In dealing with a severe budget deficit, Louisiana is cutting funding to the Department of Health and Hospitals and to public-private partnership hospitals. New Orleans-Metairie is home to one such hospital, but cuts will do more damage in rural areas.

## CONCLUSION

New Orleans-Metairie will expand in 2017, but progress will be slow. Hiring at hospitals will bolster private services, but persistent woes in the energy industry will forestall more robust job growth. Over the long term, unfavorable demographics and susceptibility to climate disasters will limit New Orleans-Metairie's potential.



# Neighborhood Analysis



### LOCATION

The subject property is located in the northeast corner of St. Charles Parish. It is oriented ±15 miles west of downtown New Orleans. The subject's immediate location is along the northern side of James Drive within the James Business Park in St. Rose, just west of the Jefferson/St. Charles Parish boundary line. This general area is ±1 mile southwest of Louis Armstrong International Airport.

### BOUNDARIES

The neighborhood boundaries are detailed as follows:

- North: Interstate 10
- South: Mississippi River
- East: Jefferson/St. Charles Parish line
- West: Interstate 310

## LAND USE

Airline Highway is the major traffic artery of the general subject neighborhood area and has always been predominantly developed with a variety of mixed commercial and industrial uses. Prior to the construction of I-10, Airline Highway was the state's primary east/west thoroughfare. This particular area of Airline Highway ( $\pm 1$  mile west of the Jefferson/St. Charles Parish line) is generally improved with office/warehouse facilities and older commercial properties with some new facilities having been constructed within the past few years along with a few apartment buildings. There are also a number of older mini-storage warehouse facilities and older RV and trailer parks. These areas have been established for some time with numerous properties serving the nearby airport.

The subject property is located on the northern side of Airline Highway, within James Business Park. James Business Park is an established industrial park with a modern road infrastructure and generally high quality development control. James Business Park is considered the premier development within the area and competes strongly with the Jefferson Parish industrial market. Some new construction has taken place over the last several years within James Business Park, including the 82,980 SF Kongsberg Maritime office and training facility that is currently being built adjacent to the subject. Most vacant land parcels listed for sale are for "build to suit" purposes. Located across Airline Highway from James Business Park is the former Schwegmann's Supermarket distribution facility. As mentioned, the primary land use in this section of Airline is light industrial/warehousing.

Riverbend Business Park is located to the southwest of the subject and is considered to be an established industrial park with a good road infrastructure and generally high quality development control. Riverbend Business Park is considered a good development within the area and competes strongly with James Business Park as well as the East Jefferson Parish industrial market.

In addition to these larger developments, the subject's immediate area has other industrial properties, including older warehousing, salvage yards, etc. Other property uses in the general area consist of offices and interspersed retail uses. Property owned and used by the Shell refinery is approximately four miles west of the subject with frontage on River Road. Generally speaking, in the immediate area of the subject, the improvements are of an older commercial nature with light industrial uses dominating the neighborhood and some new developments occurring over the past 2-3 years.

## GROWTH PATTERNS

Demand for most commercial uses in the subject neighborhood appears to be average/good. Most new development has been along the Airline Highway corridor, including commercial and light industrial uses. Both James and Riverbend Business Parks have shown substantial demand due to most of East Jefferson's industrial warehousing being near capacity (i.e., Elmwood).

The presence of Louis Armstrong International Airport dominates the majority of acreage in the neighborhood. Recently, a \$300 million renovation was completed, just prior to the 2013 Super Bowl. New Orleans and Louisiana government officials are also in the beginning stages of discussing an expansion project that is projected to cost \$650 million and add a new 30-gate terminal with three concourses and a parking garage. The plan calls for improved access to I-10, a hotel pad, and a power plant to be constructed by 2018. As plans progress, demand for office space in the St. Charles submarket, particularly within the James Business Park, should increase.

The surrounding residential uses consist of several newer subdivisions with entrances from River Road (LA 48). Residential growth in St. Charles Parish has been trending downward since Hurricane Isaac two years ago. The uncertainties associated with flood insurance costs and the potential inadequacies of the levee protection system in this region have had a negative effect on values.

### **ACCESS**

The major east/west traffic corridor throughout the general neighborhood of the subject is Airline Highway. Airline Highway extends westward to Baton Rouge and eastward to New Orleans. River Road (LA 48) is located south of Airline Highway and runs parallel to the Mississippi River. The subject property is accessed directly from James Drive East, which intersects with Airline less than one mile to the south.

The nearest Mississippi River Bridge crossing is the Luling Bridge in Destrehan, west of the subject. Access to the Luling Bridge is obtained via I-310, which is a spur in the I-10 system providing direct access to Destrehan and southward (across the river) to Boutte. I-310 provides an alternate access route, other than Airline Highway, for New Orleans commuters residing in the southern areas of St. Charles Parish. I-310 provides better access to the subject facility from the Interstate Highway System to the west. This improved infrastructure has enhanced the subject's general location from a commercial perspective.

### **DEMOGRAPHICS**

Selected neighborhood demographics in 1-, 3-, and 5-mile radii from the subject are shown in the following table:

<b>SELECTED NEIGHBORHOOD DEMOGRAPHICS</b>			
100 James Drive East St. Rose, LA	1 Mile	3 Miles	5 Miles
<b>Population</b>			
2022 Total Population	2,293	33,196	133,117
2017 Total Population	2,258	32,814	132,000
2010 Total Population	2,219	32,375	131,393
2000 Total Population	2,185	33,205	136,584
Annual Growth 2017 - 2022	0.31%	0.23%	0.17%
Annual Growth 2010 - 2017	0.25%	0.19%	0.07%
Annual Growth 2000 - 2010	0.15%	-0.25%	-0.39%
<b>Households</b>			
2022 Total Households	848	11,928	51,927
2017 Total Households	834	11,752	51,268
2010 Total Households	815	11,505	50,494
2000 Total Households	793	11,532	51,338
Annual Growth 2017 - 2022	0.33%	0.30%	0.26%
Annual Growth 2010 - 2017	0.33%	0.30%	0.22%
Annual Growth 2000 - 2010	0.27%	-0.02%	-0.17%
<b>Income</b>			
2017 Median Household Income	\$36,593	\$39,879	\$52,988
2017 Average Household Income	\$49,771	\$55,316	\$73,194
2017 Per Capita Income	\$18,095	\$20,061	\$28,494
2017 Pop 25+ College Graduates	94	3,008	24,163
Age 25+ Percent College Graduates - 2017	6.2%	13.8%	26.0%
Source: ESRI			

## CONCLUSION

The neighborhood currently has a middle income demographic profile with a median household income of \$39,879 within a three-mile radius. As shown, the population within the subject neighborhood has shown steady growth over the past several years. The outlook for the neighborhood is for relatively stable performance and demand with moderate improvement over the next several years. Because of the highway linkages within the neighborhood and access to area employers and recreational amenities throughout the area, the subject location is considered good for commercial development.

## Site Analysis

The following chart summarizes the salient characteristics of the subject site.

<b>SITE SUMMARY</b>			
<b>Physical Description</b>			
Gross Site Area	5.28 Acres	229,975 Sq. Ft.	
Net Site Area	5.28 Acres	229,975 Sq. Ft.	
Primary Road Frontage	James Dr.	488 Feet	
Secondary Road Frontage	None		
Average Depth	493 Feet		
Excess Land Area	None	n/a	
Surplus Land Area	None	n/a	
Shape	Nearly Rectangular		
Topography	Level		
Zoning District	M-1, Light Manufacturing District		
Flood Map Panel No. & Date	2201600150C	16-Jun-92	
Flood Zone	Zone A99		
Adjacent Land Uses	Office, Light Industrial, Vacant Land		
<b>Comparative Analysis</b>		<b><u>Rating</u></b>	
Visibility	Average/Good		
Functional Utility	Assumed adequate		
Traffic Volume	Average		
Adequacy of Utilities	Assumed adequate		
Landscaping	Average		
Drainage	Assumed adequate		
<b>Utilities</b>		<b><u>Provider</u></b>	<b><u>Adequacy</u></b>
Water	St. Charles Parish	Yes	
Sewer	St. Charles Parish	Yes	
Natural Gas	Various	Yes	
Electricity	Entergy	Yes	
Telephone	Various	Yes	
Mass Transit	River Parishes Transit Authority	Yes	
<b>Other</b>		<b><u>Yes</u></b>	<b><u>No</u></b> <b><u>Unknown</u></b>
Detrimental Easements			X
Encroachments			X
Deed Restrictions			X
Reciprocal Parking Rights			X
Source: Various sources compiled by CBRE			

**INGRESS/EGRESS**

Ingress and egress is available to the site via two curb cuts along the northern right of way of James Drive. James Drive, at the subject, is an east/west secondary roadway that allows for one lane of traffic in each direction. Street improvements include concrete paving, curb cuts, subsurface drainage, and street lighting. Street parking is not permitted.

**FLOOD ZONE**

We are not experts in determining flood zone elevations and we were not provided with a flood zone certificate for the subject. For purposes of this report, we assume the building slabs will be elevated above any relevant flood levels. The reader is encouraged to consult with a professional engineer to determine the subject's actual flood zone status. According to flood hazard maps published by the Federal Emergency Management Agency (FEMA), the site is within Zone A99, as indicated on the indicated Community Map Panel No. 2201600150C dated June 16, 1992 and is defined as follows:

Zone A99 is the flood insurance rate zone used for areas within the 1-percent-annual-chance floodplain that will be protected by a Federal flood-protection system, where construction has reached specified statutory milestones. No Base Flood Elevations (BFEs) or depths are shown in this zone. Mandatory flood insurance purchase requirements apply.

**ENVIRONMENTAL ISSUES**

CBRE, Inc. is not qualified to detect the existence of potentially hazardous material or underground storage tanks which may be present on or near the site. The existence of hazardous materials or underground storage tanks may affect the value of the property. For this appraisal, CBRE, Inc. has specifically assumed that the property is not affected by any hazardous materials that may be present on or near the property.

**CONCLUSION**

The site is well located within a larger master plan and afforded good access and roadway frontage. There are no known detrimental uses in the immediate vicinity. In addition, there are no known factors which are considered to prevent the site from development to its highest and best use.



FLOOD PLAIN MAP





## Improvements Analysis

The following chart shows a summary of the improvements.

IMPROVEMENTS SUMMARY		
Property Type	Office	(Multi Tenant)
Number of Buildings	1	
Number of Stories	3	
Year Built	1980	
Gross Building Area	44,733 SF	
Net Rentable Area	43,055 SF	
Area Breakdown by Market Rent Categories		
Office Space	43,055 SF	
Site Coverage	6.5%	
Land-to-Building Ratio	5.14 : 1	
Parking Spaces:	196	
Parking Ratio (per 1,000 SF NRA )	4.55	

Source: Various sources compiled by CBRE

The appraisers were able to review a set of building plans as well as a current rent roll. The following is a description of the subject improvements and basic construction features.

### YEAR BUILT

The subject was built in 1980 and has been relatively well-maintained. It is not known whether the entire facility has been renovated but individual tenant units have been updated over time.

### CONSTRUCTION CLASS

Building construction class is as follows:

C - Masonry/concrete ext. walls & wood/steel roof & floor struct., exc. concrete slab on grade

The construction components are assumed to be in working condition and adequate for the building.

The overall quality of the facility is considered to be average for the neighborhood and age. However, CBRE, Inc. is not qualified to determine structural integrity and it is recommended that the client/reader retain the services of a qualified, independent engineer or contractor to determine the structural integrity of the improvements prior to making a business decision.

### FOUNDATION/FLOOR STRUCTURE

The foundation is assumed to be of adequate load-bearing capacity to support the improvements. The floor structure is summarized as follows:

Ground Floor: Probable monolithic reinforced concrete slab on reinforced concrete footings

Other Floors: Metal deck with light-weight concrete cover

### EXTERIOR WALLS

The exterior wall structure is concrete/masonry with full height, double insulated windows in anodized metal frames.

### ROOF COVER

The building has a built-up or multi-ply flat roof over a metal deck.

### INTERIOR FINISHES - OFFICE AREAS

The typical interior office finish of the property is summarized as follows:

- Floor Coverings: Commercial grade short loop carpeting over concrete.
- Walls: Textured and painted sheetrock.
- Ceilings: Suspended acoustical tile.
- Lighting: Standard commercial recessed fluorescent fixtures.
- Summary: The interior office areas are typical building standard office finish, and are commensurate with competitors in the area. The occupied space office finish is in good condition. Vacant suites are second generation but will require some retrofit prior to occupancy.

### INTERIOR FINISHES – COMMON AREAS

The interior common area finish of the property is summarized as follows:

- Floor Coverings: Polished tile in the hallways and commercial grade short loop carpeting over concrete in the some corridors.
- Walls: Textured and painted sheetrock.
- Ceilings: Suspended acoustical tile.
- Lighting: Standard commercial fluorescent and recessed

incandescent fixtures.

Summary:

The interior common areas are attractive and appear to be in average condition. The subject's common areas are commensurate with competitors in the area.

### **ELEVATOR/STAIR SYSTEM**

The building is serviced by 2 passenger elevators.

### **HVAC**

Heating and cooling is provided by twelve 4-ton capacity heat pumps per floor for a total of thirty-six units. One Evapco cooling tower is situated on the roof also. Each suite has an individual thermostat.

### **ELECTRICAL**

Electrical service is provided by 277/480-volt, three phase service. An emergency generator is located on the west side of the building.

### **PLUMBING**

The plumbing system is assumed to be in good working order and adequate for the building.

### **PUBLIC RESTROOMS**

The restrooms are regarded adequate for the property and are assumed built to local code.

### **LIFE SAFETY AND FIRE PROTECTION**

The improvements are not sprinklered. It is assumed the improvements have adequate fire alarm systems, fire exits, fire extinguishers, fire escapes and/or other fire protection measures to meet local fire marshal requirements. CBRE, Inc. is not qualified to determine adequate levels of safety & fire protection, whereby it is recommended that the client/reader review available permits, etc. prior to making a business decision.

### **SECURITY**

The security system is assumed to be in good working order and adequate for the building.

### **PARKING AND DRIVES**

The property features a large off-street private parking lot with a total of 196 spaces.

### **LANDSCAPING**

Landscaping is considered to be in average condition and well maintained.

## FUNCTIONAL UTILITY

The overall layout of the property is considered functional in utility.

## ADA COMPLIANCE

All common areas of the property appear to have handicap accessibility. The client/reader's attention is directed to the specific limiting conditions regarding ADA compliance.

## FURNITURE, FIXTURES AND EQUIPMENT

Any personal property items contained in the property are not considered to contribute significantly to the overall value of the real estate.

## ENVIRONMENTAL ISSUES

CBRE, Inc. is not qualified to detect the existence of any potentially hazardous materials such as lead paint, asbestos, urea formaldehyde foam insulation, or other potentially hazardous construction materials on or in the improvements. The existence of such substances may affect the value of the property. For the purpose of this assignment, we have specifically assumed there are no hazardous materials that would cause a loss in value to the subject.

## DEFERRED MAINTENANCE

Our inspection indicated no major items of deferred maintenance.

## ECONOMIC AGE AND LIFE

CBRE, Inc.'s estimate of the subject improvements effective age and remaining economic life is depicted in the following chart:

<b>ECONOMIC AGE AND LIFE</b>	
Actual Age	37 Years
Effective Age	18 Years
MVS Expected Life	45 Years
Remaining Economic Life	27 Years
Accrued Physical Incurable Depreciation	40.0%
Compiled by CBRE	

The remaining economic life is based upon a comparative analysis of typical life expectancies as published by Marshall and Swift, LLC, in the Marshall Valuation Service cost guide. A capital improvement program could extend the life expectancy.

## CONCLUSION

The improvements are in average overall condition. Overall, there are no known factors that adversely impact the marketability of the improvements.

## Zoning

The following chart summarizes the subject's zoning requirements.

<b>ZONING SUMMARY</b>	
Current Zoning	M-1, Light Manufacturing District
Legally Conforming	Yes
Uses Permitted	Most commercial/office uses, office parks, warehousing/storage uses, cold storage, manufacturing uses, etc.
Zoning Change	Not likely
<b>Category</b>	<b>Zoning Requirement</b>
Minimum Lot Size	10,000 Sq. Ft.
Minimum Lot Width	100 Feet
Maximum Height	None
Minimum Setbacks	
Front Yard	25 Feet
Street Side Yard	15 Feet
Interior Side Yard	15 Feet
Rear Yard	25 Feet
Maximum Bldg. Coverage	None
Parking Requirements	1 space / 200 SF (224 spaces)
Subject's Actual Parking	196 spaces
Source: Planning & Zoning Dept.	

### ANALYSIS AND CONCLUSION

The subject's proposed use as a multi-tenant office facility appears to be a legal, conforming use under the subject's M-1 zoning designation. With regard to parking, the parish ordinance calls for 224 spaces for the subject's office use. Although the subject lot appears to be short of the requirement (196 spaces), it is likely in compliance as it shares parking area with two adjacent office buildings.

The improvements represent a legally-conforming use and, if damaged, may be restored without special permit application. However, we are not experts in the interpretation of complex zoning ordinances and it is recommended that additional information be obtained from the appropriate governmental authority. For purposes of this appraisal, CBRE has assumed the information obtained is correct.

ZONING MAP



## Tax and Assessment Data

The following summarizes the local assessor's estimate of the subject's market value, assessed value, and taxes, and does not include any furniture, fixtures or equipment. The CBRE estimated tax obligation is also shown.

<b>AD VALOREM TAX INFORMATION</b>			
Assessor's Market Value	Parcel Description	2016	Pro Forma
55240040015A	Lot 15A, Sq. 4, James Business Pk	\$2,670,900	
Subtotal		\$2,670,900	\$2,670,900
Assessed Value @		13.7%	13.7%
		\$364,731	\$364,731
General Tax Rate	(per \$1,000 A.V.)	117.810085	117.810085
<b>Total Taxes</b>		<b>\$42,969</b>	<b>\$42,969</b>
Source: Assessor's Office			

Commercial properties in the State of Louisiana are assessed at 10% of the market value for land and 15% of the market value for improvements. The sale of the property would likely initiate a re-assessment. The assessor determines market value based on sales of similar type properties. The local Assessor's methodology for valuation is to put a property on the tax rolls for slightly under 100% of the sale price, although this is not always the case. It is noted that assessors in this area typically reflect a market value assessment between 65% and 90% of market value and generally do not escalate assessments to the full purchase prices. Many assessors consider this "cushion" to help reduce property tax appeals and special circumstances associated with purchase price adjustments. If the subject sold for the value estimate in this report, a reassessment at that value could occur. The following chart shows the parish's allocation of the subject's land and building assessments.

### Ad Valorem Tax Worksheet - 2016

Parcel Number: 55240040015A				Tax Rate Per	Component
Component	Market Value	Assesment %	Assessed Value	\$1,000	Taxes
Land	\$718,080	10%	\$71,808	117.810085	\$8,459.71
Improvements	\$1,952,820	15%	\$292,923	117.810085	\$34,509.28
<b>Total</b>	<b>\$2,670,900</b>	<b>13.7%</b>	<b>\$364,731</b>	<b>117.810085</b>	<b>\$42,968.99</b>

## DELINQUENCY

According to a representative of St. Charles Parish, there are no delinquent property taxes encumbering the subject. Our analysis assumes that all ad valorem real estate taxes have been paid and are current to date.

**CONCLUSION**

Based on the foregoing, the total taxes for the subject have been estimated as \$42,969 for the base year of our analysis, based upon a market value of \$2,670,900. This is in line with the current and historical assessment. A prudent purchaser would expect real estate taxes to be based on the actual market value of the subject property. For purposes of this analysis, CBRE, Inc. assumes that all taxes are current.

**MARKET OVERVIEW**

The following discussion illustrates the general appearance of the surrounding area.

**Market Summary**

The following description of the market area is based on the information provided by the local government and other sources. The market area is located in the City of Chicago, Illinois. The market area is a residential area with a mix of single-family and multi-family housing. The market area is characterized by its diverse housing stock and its proximity to major transportation routes. The market area is a desirable location for residential development and investment.



## Market Analysis

The market analysis forms a basis for assessing market area boundaries, supply and demand factors, and indications of financial feasibility. Primary data sources utilized for this analysis include The CoStar Group, Inc., PwC Real Estate Investor Survey, and Greater New Orleans Office Market Report (Corporate Realty).

The subject is in the St. Rose/St. Charles Parish market and is considered a low-rise, multi-tenant office building. According to the Institute of Real Estate Management (in *Income/Expense Analysis: Office Buildings*), the following office property definitions may be applicable towards the subject:

General: Multi-tenant building. Includes buildings with owner-occupied space if there are other tenants in the building.

### MARKET OVERVIEW

The following discussion illustrates some general observations in the surrounding office market.

#### Market Summary

The New Orleans/Metairie/Kenner Office market ended the first quarter 2017 with a vacancy rate of 6.5%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 112,297 square feet in the first quarter. Vacant sublease space decreased in the quarter, ending the quarter at 76,943 square feet. Rental rates ended the third quarter at \$17.25, an increase over the previous quarter. There was 107,300 square feet still under construction at the end of the quarter.

The following tables summarize the office market statistics for the subject's market area.

## Total Office Market Statistics

First Quarter 2017

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Bldgs	Total RBA	Direct SF	Total SF	Vac %				
Airport/Metairie/Kenner	774	9,571,068	539,732	562,826	5.9%	(41,135)	0	17,400	\$18.41
Causeway Corridor	106	3,310,027	293,226	317,304	9.6%	19,990	0	0	\$19.92
French Quarter	33	1,157,335	125,702	127,633	11.0%	(88,431)	0	0	\$18.72
Greater New Orleans	395	6,352,377	426,378	429,419	6.8%	139,140	0	0	\$16.93
MidCity/City Park	90	458,338	0	0	0.0%	0	0	0	\$17.78
New Orleans CBD	138	9,038,714	330,267	336,567	3.7%	111,086	0	22,400	\$17.40
Northshore/E New Orleans	101	1,144,287	313,000	313,000	27.4%	4,648	0	0	\$11.66
Plaquemines Parish	22	141,530	0	0	0.0%	0	0	0	\$13.12
St Bernard Parish	93	461,273	37,678	37,678	8.2%	8,805	0	0	\$13.99
St Charles Parish	45	634,655	69,878	69,878	11.0%	(15,347)	0	0	\$17.68
St John Baptist Parish	48	298,042	1,234	1,234	0.4%	0	0	0	\$11.67
St Tammany Parish	690	5,746,750	381,038	398,537	6.9%	(65,787)	0	67,500	\$16.59
Uptown/Garden District	303	4,093,212	298,524	299,524	7.3%	11,895	0	0	\$15.49
Warehouse/Arts District	48	2,433,628	163,191	163,191	6.7%	(1,751)	0	0	\$19.15
Westbank	338	3,251,966	81,704	81,704	2.5%	29,184	0	0	\$13.98
<b>Totals</b>	<b>3,224</b>	<b>48,093,202</b>	<b>3,061,552</b>	<b>3,138,495</b>	<b>8.6%</b>	<b>112,297</b>	<b>0</b>	<b>107,900</b>	<b>\$17.22</b>

Source: CoStar Property®

As shown in the previous table, total office inventory in the New Orleans/Metairie/Kenner market area amounted to 48,093,202 square feet in 3,224 buildings as of the end of the first quarter 2017. The Class-A office sector consisted of 12,289,293 square feet in 35 projects. There were 700 Class-B buildings totaling 16,569,982 square feet, and the Class-C sector consisted of 19,233,927 square feet in 2,489 buildings.

## Absorption

Net absorption for the overall New Orleans/Metairie/Kenner office market was positive 112,297 square feet in the first quarter 2017. That compares to positive 63,822 square feet in the fourth quarter 2016, positive 456,111 square feet in the third quarter 2016, positive 84,498 square feet in the second quarter 2016, and negative (3,441) square feet in the first quarter 2016.

The Class-A office market recorded net absorption of negative (15,221) square feet in the first quarter 2017, compared to negative (14,590) square feet in the fourth quarter 2016, positive 110,169 square feet in the third quarter 2016, and negative (1,700) square feet in the second quarter 2016.

The Class-B office market recorded net absorption of positive 59,461 square feet in the first quarter 2017, compared to positive 67,646 square feet in the fourth quarter 2016, positive 281,543 square feet in the third quarter 2016, and negative (38,820) square feet in the second quarter 2016.

The Class-C office market recorded net absorption of positive 68,057 square feet in the first quarter 2017, compared to positive 10,766 square feet in the fourth quarter 2016, positive 93,383 square feet in the third quarter 2016, and positive 123,018 square feet in the second quarter 2016.

### Vacancy

The office vacancy rate in the New Orleans/Metairie/ Kenner market area decreased to 6.5% at the end of the first quarter 2017. The vacancy rate was 6.8% at the end of the previous two quarters of 2016, and 7.5% at the end of the second quarter 2016.

Class-A projects reported a vacancy rate of 9.3% at the end of the first quarter 2017, 9.2% at the end of the fourth quarter 2016, 8.7% at the end of the third quarter 2016, and 8.9% at the end of second quarter 2016.

Class-B projects reported a vacancy rate of 7.8% at the end of the first quarter 2017, 8.1% at the end of the fourth quarter 2016, 8.5% at the end of the third quarter 2016, and 9.5% at the end of the second quarter 2016.

Class-C projects reported a vacancy rate of 3.6% at the end of the first quarter 2017, 4.0% at the end of the fourth quarter 2016, 4.5% at the end of third quarter 2016, and 5.0% at the end of the second quarter 2016.

### New Construction

During the first quarter 2017, no new space was completed in the New Orleans/Metairie/Kenner market area. This compares to one building totaling 30,000 square feet that was completed in the fourth quarter 2016, six buildings totaling 144,852 square feet in the third quarter 2016, and two buildings totaling 107,110 square feet in the second quarter 2016.

There were 107,300 square feet of office space under construction at the end of the first quarter 2017.

The largest projects underway at the end of first quarter 2017 were Brewster Rd – Phase I, a 40,000 square foot building with 0% of its space pre-leased and 2360 5<sup>th</sup> Street, a 27,500 square foot facility that is 100% pre-leased.

### Rental Rates

The average quoted asking rental rate for available office space, all classes, was \$17.25 per square foot per year at the end of the first quarter 2017 in the New Orleans/Metairie/Kenner market area. This represented a 1.0% increase in quoted rental rates from the end of the fourth quarter 2016, when rents were reported at \$17.08 per square foot.

The average quoted rate within the Class-A sector was \$19.33 at the end of the first quarter 2017, while Class-B rates stood at \$17.17, and Class-C rates at \$14.74. At the end of the fourth quarter 2016, Class-A rates were \$19.33 per square foot, Class-B rates were \$16.86, and Class-C rates were \$14.49.

## Market Trends

The following table below presents the recent quarterly trends for the office market in the New Orleans Area over the past several years:

### Total Office Market Statistics

First Quarter 2017

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Direct SF	Total SF	Vac %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2017 1q	3,224	48,093,202	3,061,552	3,138,495	6.5%	112,297	0	0	4	107,300	\$17.25
2016 4q	3,224	48,093,202	3,171,852	3,250,792	6.8%	63,822	1	30,000	4	107,300	\$17.08
2016 3q	3,221	48,046,394	3,194,236	3,267,806	6.8%	456,111	6	144,852	6	136,708	\$17.02
2016 2q	3,216	47,902,970	3,500,242	3,580,493	7.5%	67,109	2	107,110	11	241,560	\$16.89
2016 1q	3,214	47,795,860	3,434,394	3,540,492	7.4%	(8,205)	1	4,000	13	348,670	\$16.72
2015 4q	3,213	47,791,860	3,488,992	3,528,287	7.4%	266,543	3	29,080	9	257,432	\$16.35
2015 3q	3,209	47,760,280	3,723,955	3,763,250	7.9%	135,948	1	6,942	7	146,280	\$16.47
2015 2q	3,208	47,790,948	3,890,571	3,929,866	8.2%	144,798	0	0	8	71,272	\$16.40
2015 1q	3,208	47,790,948	4,012,398	4,074,664	8.5%	(3,945)	3	45,282	6	40,572	\$16.54
2014	3,206	47,746,666	3,959,283	4,026,437	8.4%	303,560	6	110,789	6	67,586	\$16.29
2013	3,202	47,982,363	4,460,877	4,565,694	9.5%	222,061	3	17,372	6	105,439	\$15.87
2012	3,205	48,500,870	5,160,937	5,306,262	10.9%	460,200	2	46,902	3	5,399	\$16.57
2011	3,201	48,812,741	5,918,403	6,078,333	12.5%	9,404	9	112,148	3	51,933	\$16.29
2010	3,190	48,680,251	5,829,515	5,955,247	12.2%	(530,002)	10	126,448	9	78,571	\$16.26
2009	3,180	48,618,263	5,275,662	5,363,257	11.0%	1,035,146	15	300,306	11	130,048	\$15.49
2008	3,156	48,265,356	5,890,846	6,045,496	12.5%	(1,994,802)	13	129,129	19	312,580	\$15.83

Source: CoStar Property®

The New Orleans office market is exhibiting healthy occupancy levels while experiencing slightly increasing rental rates over the last several years.

## Submarket Trends

The table below presents the quarterly trends for the St. Charles Parish submarket over the past several years:

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2017 1q	45	634,655	69,878	11.0%	(15,347)	0	0	0	0	\$17.68
2016 4q	45	634,655	54,531	8.6%	14,000	0	0	0	0	\$17.65
2016 3q	45	634,655	68,531	10.8%	75,450	1	84,000	0	0	\$17.65
2016 2q	44	550,655	59,981	10.9%	(578)	0	0	1	84,000	\$18.41
2016 1q	44	550,655	59,403	10.8%	2,381	0	0	1	84,000	\$18.07
2015 4q	44	550,655	61,784	11.2%	21	0	0	1	84,000	\$17.87
2015 3q	44	550,655	61,805	11.2%	(2,885)	0	0	1	84,000	\$17.73
2015 2q	44	550,655	58,920	10.7%	3,780	0	0	0	0	\$15.94
2015 1q	44	550,655	62,700	11.4%	7,184	0	0	0	0	\$15.66
2014 4q	44	550,655	69,884	12.7%	(917)	0	0	0	0	\$15.47
2014 3q	44	550,655	68,967	12.5%	(17,612)	0	0	0	0	\$15.50
2014 2q	44	550,655	51,355	9.3%	3,998	0	0	0	0	\$16.01
2014 1q	44	550,655	55,353	10.1%	(2,122)	0	0	0	0	\$16.20
2013 4q	44	550,655	53,231	9.7%	3,700	0	0	0	0	\$16.50
2013 3q	44	550,655	56,931	10.3%	500	0	0	0	0	\$16.50
2013 2q	44	550,655	57,431	10.4%	26,576	0	0	0	0	\$16.50

Source: CoStar Property®

Vacancy rates have been higher in the St. Charles Parish submarket compared with the general greater New Orleans area. Over the past several years, rental rates have been mostly steady and in line with the greater New Orleans area. Overall, this is considered to be a healthy submarket with demand levels remaining high.

### Barriers to Entry

The general New Orleans area is quite limited as to the availability of land for development due to various bodies of water. That said, St. Charles Parish has a substantial amount of land available for development. The major barrier to entry into the market is finding available land with adequate exposure. Economic factors serve as an additional barrier, as rental rates may not justify the cost of new construction without economic incentives or significant pre-leasing. The zoning regulations in the area are flexible as a pro-growth market.

### Demand Generators

As discussed, the post-Katrina New Orleans job market has improved dramatically. *Forbes* ranked New Orleans as the #1 "brain magnet" with a 25.4% increase in college graduates since 2007. Of course, a portion of this figure comes from former residents returning after Hurricane Katrina, but it is nonetheless a notable statistic comprised of many young people coming into the area. A notable driver for housing demand is the burgeoning biomedical district, which recently opened in the Mid-City section of New Orleans. According to the development's website, the combined contribution of the University and VA hospitals to the New Orleans economy will be \$1.26 billion and they will add 19,700 permanent jobs. These developments will bring several highly skilled, educated workers to the metro area.

### Investment Trends

#### NATIONAL SUBURBAN OFFICE MARKET

According to the 1<sup>st</sup> Quarter 2017 *PwC Real Estate Investor Survey*, "Over the past three months, a growing number of survey participants now believe that market conditions in the national suburban office market favor buyers over sellers. A quarter of surveyed investors feel that buyers hold the upper hand during sale negotiations – up from 12.5% in the prior quarter. Most investors, however, maintain that conditions in this market are neutral but that percentage has shrunk recently as this market's performance has started to show signs of stabilizing.

In the fourth quarter of 2016, the vacancy rate for the national suburban office market stood at 13.6%, as per Cushman & Wakefield. This figure is unchanged from the prior quarter and slightly below the average from a year ago. Of course, individual performances vary greatly between suburban areas. Our investors like 'West Coast suburbs due to strong fundamentals' and also look to acquire assets in the 'suburbs with synergy that provide quality traffic infrastructure, meaning public transportation or superior access to main thoroughfares.'

Investors also like suburban areas with low levels of new construction, quality assets in walkable locations of transit lines, and those in close proximity to major cities."

## COMPETITIVE PROPERTIES

Comparable properties were surveyed in order to identify the current occupancy within the competitive market. The comparable data is summarized in the following table:

<b>SUMMARY OF COMPARABLE OFFICE RENTALS</b>			
Comp. No.	Name	Location	Occupancy
1	Two James Park	120 Mallard Street, St. Rose, LA	82%
2	Five James Park	110 James Drive West, St. Rose, LA	46%
3	Elmwood Multi-Tenant Office	800 Commerce Road West, Harahan, LA	74%
4	880 West Commerce	880 West Commerce, Harahan, LA	90%
Subject	One James Park	100 James Drive, St. Rose, Louisiana	15%
Compiled by CBRE			

All four comparables represent existing office buildings that compete with the subject. The existing comparable properties surveyed reported an average occupancy rate of 73%, and all are currently in average/good condition.

## SUBJECT ANALYSIS

### Occupancy

The subject's occupancy is detailed in the following chart.

<b>OCCUPANCY</b>	
Year	% PGI
2014	76%
2015	69%
2016	62%
2017	15%
<b>CBRE Estimate</b>	<b>85%</b>
Compiled by CBRE	

Rent roll and lease information provided to the appraisers indicates that the subject property has steadily declined in occupancy since 2012, which is the last time the subject was at a stabilized occupancy (93%). The sharp drop from 2016 to its current occupancy is mostly attributable to the

departure of Bollinger Shipyards, who had occupied a 16,909 SF space, though one other tenant vacated in that period as well. One unit containing 3,229 SF was leased in November 2016. Based on the foregoing analysis, CBRE, Inc.'s conclusion of stabilized occupancy for the subject is illustrated in the following table. This estimate considers both the physical and economic factors of the market.

<b>OCCUPANCY CONCLUSIONS</b>	
New Orleans MSA	93.5%
St. Charles Parish Submarket	89.0%
Rent Comparables	73.3%
Subject's Current Occupancy	15.0%
Subject's Stabilized Occupancy	85.0%
Lease-up Period	40 Months
Compiled by CBRE	

The subject has historically exhibited an average level of market acceptance. Though the subject's year-over-year declining occupancy since 2012 is concerning, the subject's St. Charles submarket has remained steady over the past several quarters. That said, the St. Charles Parish submarket lags behind the general New Orleans MSA at this time. Our concluded stabilized occupancy is consistent with the market average for similar properties. Our estimate appears reasonably justified based on the surveys and comparable information available.

#### Absorption

As mentioned, the subject's current occupancy is  $\pm 15\%$  with 36,598 SF of vacant space within 5 tenant spaces available (unit 130 containing 3,228 SF, unit 150 containing 3,228 SF, unit 200 containing 6,949 SF, unit 300 containing 6,284 SF, and unit 350 containing 16,909 SF). As noted, in the past year, two tenants have vacated and one was added, which brought occupancy down from 62%. As noted, occupancy has decreased from  $\pm 93\%$  since 2012.

To achieve a stabilized occupancy of 85%, approximately 30,140 SF of space will need to be leased. In other words, either the three largest units would have to be leased or all five of the units would have to be leased or a partition to split one of the larger units into two smaller units would have to be constructed. If partitioning the largest unit were to take place, four of the five potential units would then have to be leased to reach stabilization. That being said, it is likely cost prohibitive to subdivide this unit. Furthermore, the largest unit contains 16,909 SF, which is a typical size for office space within this market. After discussions with brokers and considering current economic trends, we will lease up the various vacant spaces in twelve-month increments with the smaller units being leased first. We are of the opinion that there is a higher demand for space in the range of the smaller unit at this time. Thus, the subject will reach stabilized occupancy in 48 months.

### Cost to Achieve Stabilized Operations

The cost estimates employed for this approach are reflective of a property operating at a stabilized level. A stabilized occupancy for the subject has been estimated to be 85% while the subject is currently operating at 15%. Consequently, an adjustment is warranted.

As the subject is currently below a stabilized occupancy position, it requires a deduction for lease-up to stabilization. For the purposes of this analysis, the cost to achieve stabilized operations equates to the difference between the "as is" discounted cash flow and "as stabilized" discounted cash flow. These cash flows are included in the income approach section of this report. Based upon a Lease-Up Discount Analysis over an absorption period of 48 months, an adjustment of (\$1,640,000) for the subject has been estimated by deducting the "as is" value via DCF of \$1,200,000 from the "as stabilized" value via DCF of \$2,840,000. This analysis uses assumptions developed in the market analysis and income capitalization approach and will be deducted as a line item from each approach in order to render an "as is" value estimate.

### CONCLUSION

The area office market is exhibiting stable occupancy levels and rental rates, while maintaining favorable absorption in recent years. The long-term projection for the market area is for continued growth, albeit slow, as the population increases. With respect to the subject, we believe the subject is well located for an office project within the James Business Park, near Louis Armstrong International Airport. It is in reasonable proximity to both employment centers and major roadways, and the nearby office developments are experiencing average to good levels of demand. Despite the headwinds posed to the larger economy from lower oil and gas prices, the subject is well located and well positioned.



## Highest and Best Use

In appraisal practice, the concept of highest and best use represents the premise upon which value is based. The four criteria the highest and best use must meet are:

- legally permissible;
- physically possible;
- financially feasible; and
- maximally productive.

The highest and best use analysis of the subject is discussed below.

### AS VACANT

#### Legally Permissible

The legally permissible uses were discussed in the Site Analysis and Zoning Sections.

#### Physically Possible

The subject is adequately served by utilities, and has an adequate shape and size, sufficient access, etc., to be a separately developable site. There are no known physical reasons why the subject site would not support any legally probable development (i.e. it appears adequate for development). Existing structures on similar sites provides additional evidence for the physical possibility of development.

#### Financially Feasible

The determination of financial feasibility is dependent primarily on the relationship of supply and demand for the legally probable land uses versus the cost to create the uses. As discussed in the market analysis of this report, the subject office market is generally stabilized. Based on the subject property's specific location and physical characteristics, development of the site with an industrial or office oriented use which is complimentary to the surrounding land uses would represent the most likely financially feasible option. The subject is within the James Business Park, a quality development with office and light industrial uses. This is a quality location near the airport with good access to I-310 and I-10, two of the primary thoroughfares of the New Orleans metro area.

Overall, there is risk in the office and industrial markets and most investors would not move forward with speculative new construction at this time. However, build-to-suit developments or developments with significant pre-leasing could be currently cost feasible after securing tenancy and financing requirements as evidenced by some limited new construction in the market.

#### Maximally Productive - Conclusion

The final test of highest and best use of the site as if vacant is that the use be maximally productive, yielding the highest return to the land.

Based on the information presented above and upon information contained in the market and neighborhood analysis, we conclude that the highest and best use of the subject as if vacant would be the development of an office or light industrial property on a built-to-suit basis for an owner-user or long-term credit tenant. Our analysis of the subject and its respective market characteristics indicate the most likely buyer, as if vacant, would be an investor (land speculation) or a developer.

## **AS PROPOSED**

### **Legally Permissible**

The site will be improved with an office development that is a legal, conforming use.

### **Physically Possible**

The layout and positioning of the improvements are considered functional for office use. While it would be physically possible for a wide variety of uses, based on the legal restrictions and the design of the improvements, the proposed use of the property for office users would be the most functional use.

### **Financially Feasible**

The financial feasibility of an office property is based on the amount of rent which can be generated, less operating expenses required to generate that income; if a residual amount exists, then the land is being put to a productive use. Based upon the income capitalization approach conclusion, the subject is producing a positive net cash flow and continued utilization of the improvements for office purposes is considered financially feasible. Further, the value of the improvements detailed clearly exceeds the underlying land value.

### **Maximally Productive - Conclusion**

As shown in the applicable valuation sections, buildings that are similar to the subject have been acquired or continue to be used by office owners/tenants. None of the comparable buildings have been acquired for conversion to an alternative use.

Based on the foregoing, the highest and best use of the property, as improved, is consistent with the existing use as an office development.

## Appraisal Methodology

In appraisal practice, an approach to value is included or omitted based on its applicability to the property type being valued and the quality and quantity of information available.

### **COST APPROACH**

The cost approach is based on the proposition that the informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. This approach is particularly applicable when the property being appraised involves relatively new improvements that represent the highest and best use of the land, or when it is improved with relatively unique or specialized improvements for which there exist few sales or leases of comparable properties.

### **SALES COMPARISON APPROACH**

The sales comparison approach utilizes sales of comparable properties, adjusted for differences, to indicate a value for the subject. Valuation is typically accomplished using physical units of comparison such as price per square foot, price per unit, price per floor, etc., or economic units of comparison such as gross rent multiplier. Adjustments are applied to the physical units of comparison derived from the comparable sale. The unit of comparison chosen for the subject is then used to yield a total value. Economic units of comparison are not adjusted, but rather analyzed as to relevant differences, with the final estimate derived based on the general comparisons.

### **INCOME CAPITALIZATION APPROACH**

The income capitalization approach reflects the subject's income-producing capabilities. This approach is based on the assumption that value is created by the expectation of benefits to be derived in the future. Specifically estimated is the amount an investor would be willing to pay to receive an income stream plus reversion value from a property over a period of time. The two common valuation techniques associated with the income capitalization approach are direct capitalization and the discounted cash flow (DCF) analysis.

### **METHODOLOGY APPLICABLE TO THE SUBJECT**

In valuing the subject, only the sales comparison and income capitalization approaches are applicable and have been used. The cost approach is not applicable in the estimation of market value due to the age of the improvements and difficulty in accurately estimating accrued depreciation from all sources. The exclusion of said approach is not considered to compromise the credibility of the results rendered herein.

## Insurable Value

Insurable value is defined as follows:

1. the value of an asset or asset group that is covered by an insurance policy; can be estimated by deducting costs of noninsurable items (e.g., land value) from market value.
2. value used by insurance companies as the basis for insurance. Often considered to be replacement or reproduction cost plus allowances for debris removal or demolition less deterioration and noninsurable items. Sometimes cash value or market value, but often entirely a cost concept.<sup>6</sup>
3. a type of value for insurance purposes.<sup>7</sup>

CBRE, Inc. has followed traditional appraisal standards to develop a reasonable calculation based upon industry practices and industry-accepted publications such as the Marshall Valuation Service. The methodology employed is a derivation of the cost approach and is not reliable for insurable value estimates. Actual construction costs and related estimates can vary greatly from this estimate.

The insurable value estimate presented herein is intended to reflect the value of the destructible portions of the subject, based on the replacement of physical items that are subject to loss from hazards (excluding indestructible items such as basement excavation, foundation, site work, land value and indirect costs). In the case of the subject, this estimate is based upon the base building costs (direct costs) as obtained via the Marshall Valuation Service cost guide, with appropriate deductions.

This analysis should not be relied upon to determine proper insurance coverage as only consultants considered experts in cost estimation and insurance underwriting are qualified to provide an insurable value. It is provided to aid the client/reader/user as part of their overall decision making process and no representations or warranties are made by CBRE, Inc. regarding the accuracy of this estimate. It is strongly recommended that other sources be utilized to develop any estimate of insurable value.

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<sup>6</sup> Marshall & Swift/Boeckh, LLC, *Marshall Valuation Service*, (Los Angeles: Marshall & Swift/Boeckh, LLC, 2010), Sec 3, p 2.

<sup>7</sup> Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 5<sup>th</sup> ed. (Chicago: Appraisal Institute, 2010), 102.

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**INSURABLE VALUE**


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Primary Building Type:	Office	Height per Story:	12'
Effective Age:	18 YRS	Number of Buildings:	1
Condition:	Average	Gross Building Area:	44,733 SF
Exterior Wall:	Masonry	Net Rentable Area:	43,055 SF
Number of Stories:	3	Average Floor Area:	14,911 SF

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<b>MVS Sec/Page</b>	15/17
<b>Quality/Bldg. Class</b>	Average/C
<b>Building Component</b>	Office Building
<b>Component Sq. Ft.</b>	44,733 SF
<b>Base Square Foot Cost</b>	\$109.26

<b>Square Foot Refinements</b>	None
Subtotal	\$109.26

<b>Height and Size Refinements</b>	
Number of Stories Multiplier	1.000
Height per Story Multiplier	1.000
Floor Area Multiplier	1.000
Subtotal	\$109.26

<b>Cost Multipliers</b>	
Current Cost Multiplier	0.99
Local Multiplier	0.89
<b>Final Square Foot Cost</b>	<b>\$96.27</b>
<b>Base Component Cost</b>	<b>\$4,306,401</b>

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<b>Base Building Cost</b>	(via Marshall Valuation Service cost data)	\$4,306,401
<b>Insurable Exclusions</b>	10.0% of Total Building Cost	(\$430,640)
<b>Indicated Insurable Value</b>		<b>\$3,875,760</b>
<b>Rounded</b>		<b>\$3,876,000</b>
<b>Value Per SF</b>		<b>\$90.02</b>

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Compiled by CBRE

## Sales Comparison Approach

The following map and table summarize the comparable data used in the valuation of the subject. A detailed description of each transaction is included in the addenda.



**SUMMARY OF COMPARABLE OFFICE SALES**

No.	Name	Transaction Type	Date	Year Built	NRA (SF)	Actual Sale Price	Adjusted Sale Price <sup>1</sup>	Price Per SF <sup>1</sup>	Occ.	NOI Per SF	OAR
1	990 North Corporate, 990 North Corporate Drive, Harahan, LA	Listing	Mar-17	1985	56,065	\$6,500,000	\$6,500,000	\$115.94	-	-	-
2	Metairie Centre, 2424 Edenborn Avenue, Metairie, LA	Sale	Jan-17	1986	90,700	\$10,000,000	\$10,000,000	\$110.25	100%	\$8.82	8.00%
3	Severn Place, 2450 Severn Avenue, Metairie, LA	Sale	Oct-15	1982	86,500	\$9,500,000	\$9,500,000	\$109.83	94%	\$8.59	7.82%
4	Sherwood Office Building, 4000 S. Sherwood Forest Boulevard, Baton Rouge, LA	Sale	Feb-15	1985	78,183	\$8,150,000	\$8,150,000	\$104.24	92%	\$9.90	9.50%
5	Office Building, 2400 Veterans Memorial Boulevard, Kenner, LA	Sale	Jan-14	1983	133,312	\$11,700,000	\$11,700,000	\$87.76	80%	\$7.02	8.00%
Subj.	One James Park, Pro 100 James Drive, Forma St. Rose, Louisiana	---	---	1980	43,055	---	---	---	85%	\$6.81	---

<sup>1</sup> Adjusted sale price for cash equivalency, lease-up and/or deferred maintenance (where applicable)

Compiled by CBRE

The sales utilized represent the best data available for comparison with the subject. They were selected from our research of comparable improved sales within the southeastern Louisiana area. The sales were chosen based upon location, transaction date, physical characteristics (multi-tenant office), zoning and size. After adjustments, these sales give an accurate representation of the subject's value.

## **DISCUSSION/ANALYSIS OF IMPROVED SALES**

### **Improved Listing One**

This comparable represents a 56,065 SF/NRA multi-tenant office facility located adjacent to the subject at 990 North Corporate Drive in Harahan. The improvements were constructed in 1985 and were in average/good condition. This property was under contract in September 2016 for a cash equivalent price of \$6,280,000 or \$112.01 PSF; however, that deal fell through and the property has been relisted at an asking price of \$6,500,000 or \$115.94 PSF.

A downward adjustment for conditions of sale was required due to the fact that this is a listing. This property is considered to be in a superior location for office use compared with the subject as this property is located in the Elmwood Business Park, a premier location in Jefferson Parish. Also, a downward adjustment for superior age/condition was warranted. Overall, this comparable was deemed superior in comparison to the subject and a downward net adjustment was warranted to the sales price indicator.

### **Improved Sale Two**

This comparable represents an 90,700 SF/NRA multi-tenant office facility located at 2424 Edenborn Avenue in Metairie. The improvements were constructed in ±1986, renovated in 2012, were in average/good condition at the time of sale. The property sold for \$10,000,000, which equates to \$110.25 PSF with an 8.00% OAR in January 2017.

This property is considered to be in a superior location for office use compared with the subject within the Metairie CBD with I-10 visibility. As such, downward adjustment was applied. An upward size adjustment was necessary for this sale since larger buildings typically sell for a lower price per square foot due to economies of scale. In addition, a downward adjustment for superior overall age/condition was required. Overall, this comparable was deemed superior in comparison to the subject and a downward net adjustment was warranted to the sales price indicator.

### **Improved Sale Three**

This comparable represents an 86,500 SF/NRA multi-tenant office facility located at 2450 Severn Avenue in Metairie. The improvements were constructed in ±1982, renovated in 2013, were in average/good condition at the time of sale. The property sold for \$9,500,000, which equates to \$109.83 PSF with a 7.82% OAR in October 2015.

This property is considered to be in a superior location for office use compared with the subject within the Metairie CBD with I-10 visibility. As such, downward adjustment was applied. An upward size adjustment was necessary for this sale since larger buildings typically sell for a lower price per square foot due to economies of scale. In addition, a downward adjustment for superior overall age/condition was required. Overall, this comparable was deemed superior in comparison to the subject and a downward net adjustment was warranted to the sales price indicator.

#### Improved Sale Four

This comparable represents a 78,183 SF/NRA multi-tenant office facility located at 4000 South Sherwood Forest Boulevard in Baton Rouge. The improvements were constructed in 1985 and were in average condition at the time of sale. This property sold in February 2015 for \$8,150,000 or \$104.24 PSF with a 9.5% OAR.

This property is considered to be in a superior location for office use compared with the subject, thus prompting adjustment. In addition, a downward adjustment for superior overall age/condition was required. Overall, this comparable was deemed superior in comparison to the subject and a downward net adjustment was warranted to the sales price indicator.

#### Improved Sale Five

This comparable represents a ±133,312 SF/NRA multi-tenant office facility at 2400 Veterans Memorial Boulevard in Kenner, Louisiana. The improvements were constructed in ±1983, renovated in 2014, and were in average/good condition at the time of sale. The property sold in January 2014 for \$11,700,000 or \$87.76 PSF with an 8.0% OAR.

An upward size adjustment was necessary for this sale since larger buildings typically sell for a lower price per square foot due to economies of scale. The age/condition of this property was superior to the subject at the time of sale as it had been renovated in 2014, thus prompting adjustment. Overall, this comparable was deemed superior in comparison to the subject and a downward net adjustment was warranted to the sales price indicator.

### **SUMMARY OF ADJUSTMENTS**

Based on our comparative analysis, the following chart summarizes the adjustments warranted to each comparable.



## OFFICE SALES ADJUSTMENT GRID

Comparable Number	1	2	3	4	5	Subj. Pro Forma
Transaction Type	Listing	Sale	Sale	Sale	Sale	---
Transaction Date	Mar-17	Jan-17	Oct-15	Feb-15	Jan-14	---
Year Built	1985	1986	1982	1985	1983	1980
NRA (SF)	56,065	90,700	86,500	78,183	133,312	43,055
Actual Sale Price	\$6,500,000	\$10,000,000	\$9,500,000	\$8,150,000	\$11,700,000	---
Adjusted Sale Price <sup>1</sup>	\$6,500,000	\$10,000,000	\$9,500,000	\$8,150,000	\$11,700,000	---
Price Per SF <sup>1</sup>	\$115.94	\$110.25	\$109.83	\$104.24	\$87.76	---
Occupancy	-	100%	94%	92%	80%	85%
NOI Per SF	-	\$8.82	\$8.59	\$9.90	\$7.02	\$6.81
OAR	-	8.00%	7.82%	9.50%	8.00%	---
Adj. Price Per SF	\$115.94	\$110.25	\$109.83	\$104.24	\$87.76	
Property Rights Conveyed	0%	0%	0%	0%	0%	
Financing Terms <sup>1</sup>	0%	0%	0%	0%	0%	
Conditions of Sale	-15%	0%	0%	0%	0%	
Market Conditions (Time)	0%	0%	0%	0%	0%	
Subtotal - Price Per SF	\$98.55	\$110.25	\$109.83	\$104.24	\$87.76	
Location	-10%	-10%	-10%	-5%	0%	
Size	0%	5%	5%	0%	5%	
Age/Condition	-15%	-15%	-15%	-15%	-15%	
Quality of Construction	0%	0%	0%	0%	0%	
Parking	0%	0%	0%	0%	0%	
Tenancy	0%	0%	0%	0%	0%	
Amenities	0%	0%	0%	0%	0%	
Other	0%	0%	0%	0%	0%	
Total Other Adjustments	-25%	-20%	-20%	-20%	-10%	
<b>Indicated Value Per SF</b>	<b>\$73.91</b>	<b>\$88.20</b>	<b>\$87.86</b>	<b>\$83.39</b>	<b>\$78.98</b>	
Absolute Adjustment	40%	30%	30%	20%	20%	

<sup>1</sup> Adjusted for cash equivalency, lease-up and/or deferred maintenance (where applicable)

Compiled by CBRE

## SALE PRICE PER SQUARE FOOT CONCLUSION

We consider these regional comparables to be good indicators of value for the subject after adjustment. It should be noted that a higher degree of depreciation was noted in this building compared to its "sister" property at 120 Mallard Street (Two James Park) due to the number of vacant units in this building that are in need of TI/updating. The adjusted range indicates values ranging from \$73.91 PSF to \$88.20 PSF with a mean of \$82.47 PSF. All five of the comparables are considered to be good indicators of value for the subject after adjustment. After considering all of the above, a stabilized market value of \$3,300,000 or ±\$76.65 PSF is considered to be at market for the subject property. This considers the "whole dollar" value of the subject's land, building, and site improvements.

The following chart presents the valuation conclusion:

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**SALES COMPARISON APPROACH**


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<b>GLA (SF)</b>	<b>X</b>	<b>Value Per SF</b>	<b>=</b>	<b>Value</b>
43,055	X	\$75.00	=	\$3,229,125
43,055	X	\$80.00	=	\$3,444,400

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**VALUE CONCLUSION**

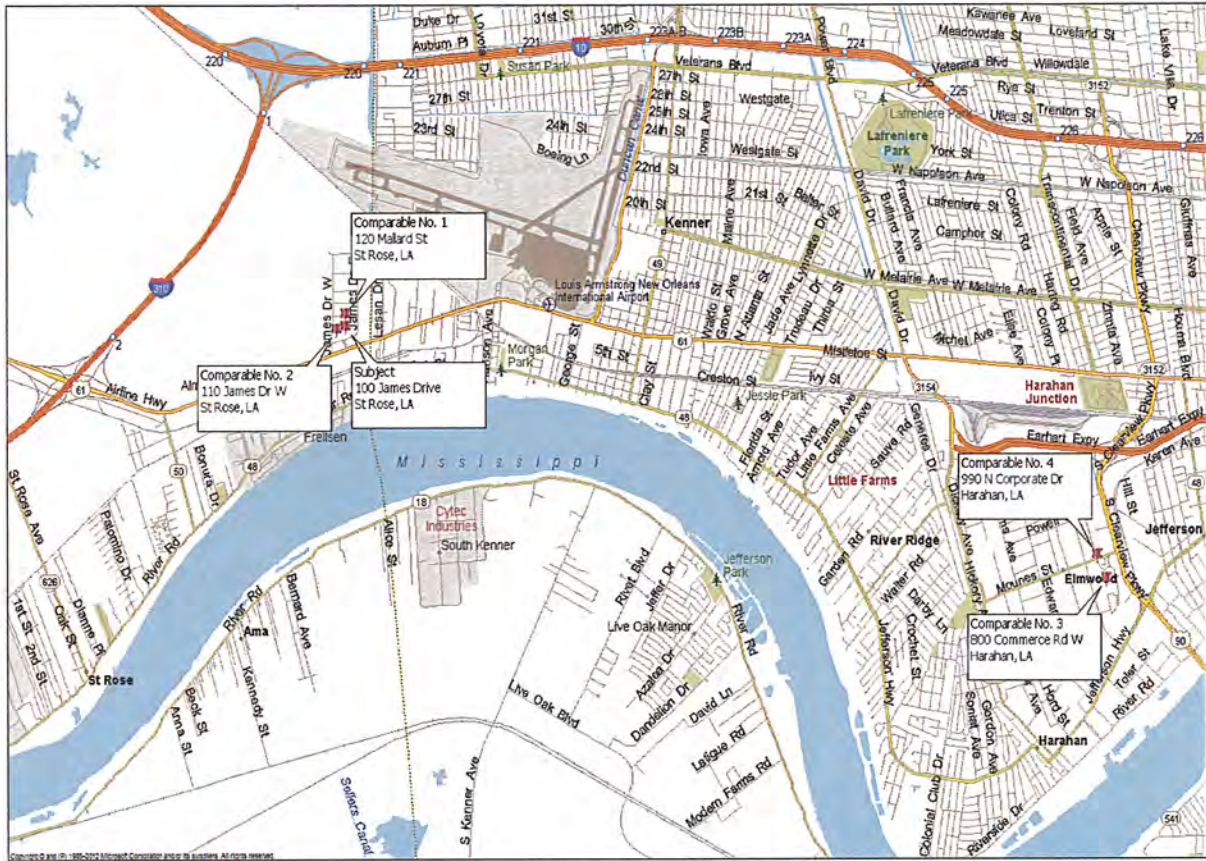
<b>Indicated Stabilized Value</b>	<b>\$3,300,000</b>
Deferred Maintenance	\$0
Lease-Up Discount	(\$1,640,000)
<b>Indicated As Is Value</b>	<b>\$1,660,000</b>
<b>Rounded</b>	<b>\$1,660,000</b>
<b>Value Per SF</b>	<b>\$38.56</b>

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Compiled by CBRE

# Income Capitalization Approach

The following map and table summarize the primary comparable data used in the valuation of the subject. A detailed description of each transaction is included in the addenda.



**SUMMARY OF COMPARABLE OFFICE RENTALS**

Comp. No.	Property Name	Location	Year Built	Occ.	NRA (SF)	Quoted Rental Rate	Expense Basis
1	Two James Park	120 Mallard Street, St. Rose, LA	1980	82%	53,440	\$16.00 PSF	Base Year Stop
2	Five James Park	110 James Drive West, St. Rose, LA	1985	46%	24,018	\$16.00 PSF	Base Year Stop
3	Elmwood Multi-Tenant Office	800 Commerce Road West, Harahan, LA	1978	74%	88,662	\$19.00-\$19.50 PSF	Base Year Stop
4	880 West Commerce	880 West Commerce, Harahan, LA	1985	75%	92,892	\$18.50 PSF	Full Service
Subj.	One James Park	100 James Drive, St. Rose, Louisiana	1980	15%	43,055	---	---

Compiled by CBRE

The rentals utilized represent the best data available for comparison with the subject. They were selected from our research within the subject's competitive market. These comps were chosen based upon their age, size, occupancy level and location. The following table shows a summary of the space allocation for the subject.

<b>MARKET RENT CATEGORIES</b>	
Space Allocation	Size
Office Space	43,055 SF
Compiled by CBRE	

## **DISCUSSION/ANALYSIS OF RENT COMPARABLES**

### **Rent Comparable One**

This comparable represents the "sister" property to the subject as the two are designed similarly and are located adjacent to each other. Like the subject, this property features masonry walls with glass windows in metal frames and a flat, built up roof. This comparable contains  $\pm 53,440$  SF/NRA and is  $\pm 82\%$  occupied. Most leases in the building have been for \$16.00 to \$16.50 PSF with base year expense stop. Vacant units are currently being marketed for \$16.00 PSF to \$16.50 PSF.

This property is considered to be similar to the subject regarding its location, condition, building quality, etc. Overall, this comparable was similar in comparison to the subject and no net adjustment was warranted to its quoted rental rates.

### **Rent Comparable Two**

This comparable represents a  $\pm 24,018$  SF/NRA office facility located on James Drive West, about one block from the subject. This property features masonry walls with glass windows in metal frames and a flat, built up roof. Current occupancy is  $\pm 46\%$ . The most recent leases in this facility are in the \$16.00-\$16.50 PSF range on fully gross terms. Vacant units are currently being marketed for \$16.00 PSF.

This property is considered to be similar to the subject regarding its location, condition, building quality, etc. Overall, this comparable was similar in comparison to the subject and no net adjustment was warranted to its quoted rental rates.

### **Rent Comparable Three**

This comparable represents a  $\pm 88,662$  SF/NRA multi-tenant office facility located on Commerce Court West in the Elmwood Business Park. This property is a Class C construction suburban office building featuring steel and concrete structural system with masonry and glass exterior. Current occupancy is  $\pm 74\%$ . The most recent leases have been signed for \$18.50 PSF on fully gross terms. Vacant units are being marketed for \$19.00 to \$19.50 PSF, fully serviced.

This location within the Elmwood Business Park is considered to be superior to the subject's location, prompting adjustment. No other adjustments were necessary for this comparable. Overall, this comparable was superior in comparison to the subject and a negative net adjustment was warranted to its rental rates.

#### Rent Comparable Four

This comparable represents a ±92,892 SF/NRA multi-tenant office facility located on West Commerce Drive in the Elmwood Business Park. This property is a Class C construction suburban office building featuring steel and concrete structural system with masonry and glass exterior. Current occupancy is ±75%. The most recent leases have been signed for \$19.00 PSF with base year expense stops. Vacant units are being marketed for \$18.50 PSF, fully serviced.

This location within the Elmwood Business Park is considered to be superior to the subject's location, prompting adjustment. No other adjustments were necessary for this comparable. Overall, this comparable was superior in comparison to the subject and a negative net adjustment was warranted to its rental rates.

#### RENT ROLL ANALYSIS

The following chart shows the subject's rent roll.

RENT ROLL ANALYSIS											
Suite No.	Tenant	Tenant Type	Lease Start	Lease Expiration	Term (Mos.)	Size (NRA) SF	% Total	Mkt Rent \$/SF/Yr.	Expense Basis	Contract Rent \$/SF/Yr.	\$/Yr.
100	Enterprise Products Operating	Office Space	Dec-13	Nov-18	60	3,228	7.5%	\$16.00	Base Year	\$16.25	\$52,455
170	Hexion, Inc.	Office Space	Nov-16	Oct-19	36	3,229	7.5%	\$16.00	Base Year	\$17.50	\$56,508
Occupied Subtotals						6,457	15.0%	\$16.00		\$16.88	\$108,963
130	Vacant	Office Space	---	---	---	3,228	7.5%	\$16.00	Base Year	---	\$51,648
150	Vacant	Office Space	---	---	---	3,228	7.5%	\$16.00	Base Year	---	\$51,648
200	Vacant	Office Space	---	---	---	6,949	16.1%	\$16.00	Base Year	---	\$111,184
300	Vacant	Office Space	---	---	---	6,284	14.6%	\$16.00	Base Year	---	\$100,544
300	Vacant	Office Space	---	---	---	16,909	39.3%	\$16.00	Base Year	---	\$270,544
Vacant Subtotals						36,598	85.0%	\$16.00		\$16.00	\$585,568
Property Totals - Contract Rent						43,055	100.0%			\$16.13	\$694,531
Property Totals - Market Rent						43,055	100.0%	\$16.00			
Compiled by CBRE											

As shown in the grid, current leases in the subject building range from \$16.25 PSF to \$17.50 PSF on fully gross terms with base year expense stops. As mentioned, vacant units are currently being marketed for \$17.00 PSF to \$17.50 PSF.

#### Specific Anticipated Changes to Rent Roll

The subject could turn over 7.5% of its occupancy in the next 24 months (unit 100), although this tenant has been in place since 2013 and may renew their lease prior to expiration.

## MARKET RENT ESTIMATE

The comparables presented an unadjusted rent range of \$16.00-\$18.50 PSF on gross terms. These buildings are very similar to the subject and are considered to be the best properties available for comparison. It is worth noting that comparables 1 and 2 are from within the subject's business park and have new leases and renewals in the \$16.00 PSF to \$16.50 PSF range. That said, all four of the comparables have occupancies below stabilization (85%). Though the subject's vacant units are currently being marketed between \$17.00 PSF to \$17.50 PSF, the occupancy has steadily decreased from 93% in 2012 to 15% presently. As noted, Bollinger Shipyards vacated in December 2016, which dropped occupancy from 54% to 15%. Considering all of this, we consider a rate of \$16.00 PSF gross (with base year expense stops) to be at market for the subject. A lower rate should help the subject property to be competitive and achieve stabilized occupancy. Lease parameters are tenant specific and are determined in lease negotiations on a tenant by tenant basis.

### Base Rental Rate

The estimate of base rental rates is shown in the following chart.

<b>BASE RENTAL RATES</b>	
Category (\$/SF/Yr.)	Office Space
Subject's Quoted Terms	\$17.00-\$17.50
Rent Comparable Data	\$16.00-\$18.50
<b>CBRE Estimate</b>	<b>\$16.00</b>
Compiled by CBRE	

### Concessions

The estimate of concessions is shown in the following chart.

<b>CONCESSIONS</b>	
Category	Office Space
Subject's Quoted Terms	None
Rent Comparable Data	None
<b>CBRE Estimate</b>	<b>None</b>
Compiled by CBRE	

Concessions are not typical in this submarket and will not be utilized in this analysis.

### Reimbursements

The estimate of reimbursements is shown in the following chart.

---

**REIMBURSEMENTS**


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Category	Office Space
Subject's Quoted Terms	Base Year Stop
Rent Comparable Data	Base Year Stop
<b>CBRE Estimate</b>	<b>Base Year Stop</b>
Compiled by CBRE	

---

The subject's leases are best described as full service (gross) leases in which the tenant is responsible for expenses above a base year stop. The rent comparables are structured similarly to the subject.

#### Escalations

At the present time, annual escalations of \$0.25 to \$0.50 per square foot are common in the local market. As such, we have concluded market rental escalations \$0.25 per square foot annually over the term of the lease.

#### Tenant Improvements

The estimate of tenant improvements is shown in the following chart.

---

**TENANT IMPROVEMENTS**


---

Category	Office Space
Rent Comparable Data	
New Tenants	\$5.00 - \$25.00
Renewals	As Is - \$5.00
<b>CBRE Estimate</b>	
New Tenants	<b>\$6.00</b>
Renewals	<b>\$3.00</b>
Compiled by CBRE	

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#### Lease Term

The estimate of lease terms is shown in the following chart.

---

**LEASE TERM**


---

Category	Office Space
Subject's Quoted Terms	1-5 YRS
Rent Comparable Data	1-5 YRS
<b>CBRE Estimate</b>	<b>5 YRS</b>
Compiled by CBRE	

---

**MARKET RENT CONCLUSIONS**

The following chart shows the market rent conclusions for the subject:

<b>MARKET RENT CONCLUSIONS</b>	
<b>Category</b>	<b>Office Space</b>
NRA (SF)	43,055
Percent of Total SF	100.0%
Market Rent (\$/SF/Yr.)	\$16.00
Concessions	None
Reimbursements	Base Year Stop
Annual Escalation	\$0.25 PSF
Tenant Improvements (New Tenants)	\$6.00
Tenant Improvements (Renewals)	\$3.00
Average Lease Term	5 Years
Compiled by CBRE	

**POTENTIAL RENTAL INCOME CONCLUSION**

Within this analysis, potential rental income is estimated based upon the forward looking contract rental rates for occupied space and market rental rates for vacant space over the next twelve months. This method of calculating rental income is most prevalent in the local market and is consistent with the method used to derive overall capitalization rates from the comparable sales data.

**OPERATING HISTORY**

The following table presents available operating data for the subject.



OPERATING HISTORY								
Year-Occupancy	2014 76.0%		2015 68.9%		2016 61.8%		CBRE Estimate 84.0%	
	Total	\$/SF	Total	\$/SF	Total	\$/SF	Total <sup>2</sup>	\$/SF
<b>Income</b>								
Net Rental Income	\$490,038	\$11.38	\$501,690	\$11.65	\$407,901	\$9.47	\$583,406	\$13.55
Expense Reimbursements	23,628	0.55	28,450	0.66	14,728	0.34	8,703	0.20
Effective Gross Income	\$513,666	\$11.93	\$530,140	\$12.31	\$422,629	\$9.82	\$592,109	\$13.75
<b>Expenses</b>								
Real Estate Taxes	\$40,470	\$0.94	\$42,001	\$0.98	\$43,698	\$1.01	\$42,969	\$1.00
Property Insurance	23,279	0.54	25,725	0.60	24,837	0.58	34,444	0.80
Utilities	100,218	2.33	84,646	1.97	82,365	1.91	81,805	1.90
General Operating	3,010	0.07	5,860	0.14	6,328	0.15	12,917	0.30
Repairs & Maintenance	36,929	0.86	52,494	1.22	45,443	1.06	40,902	0.95
Landscaping & Security	54,815	1.27	66,108	1.54	56,074	1.30	25,833	0.60
Janitorial	34,020	0.79	34,591	0.80	27,221	0.63	38,750	0.90
Management Fee <sup>1</sup>	34,140	0.79	36,364	0.84	17,054	0.40	23,684	0.55
Nonreimbursable Landlord Expense	-	-	-	-	-	-	2,153	0.05
Operating Expenses	\$326,881	\$7.59	\$347,789	\$8.08	\$303,020	\$7.04	\$303,456	\$7.05
<b>Net Operating Income</b>	<b>\$186,785</b>	<b>\$4.34</b>	<b>\$182,351</b>	<b>\$4.24</b>	<b>\$119,609</b>	<b>\$2.78</b>	<b>\$288,653</b>	<b>\$6.70</b>
<sup>1</sup> (Mgmt. typically analyzed as a % of EGI)	6.6%		6.9%		4.0%		4.0%	

Source: Operating statements

## VACANCY

The subject's estimated stabilized occupancy rate was previously discussed in the market analysis. The subject's vacancy is detailed as follows:

VACANCY		
Year	Total	% PGI
2014	\$154,749	24%
2015	\$226,452	31%
2016	\$252,133	38%
Current	-----	85%
<b>CBRE Estimate</b>	<b>\$104,180</b>	<b>15%</b>
Compiled by CBRE		

Our stabilized vacancy figure is considered reasonable given the conditions in the local area and in the St. Charles/east Jefferson office submarket.

## CREDIT LOSS

The credit loss estimate is an allowance for nonpayment of rent or other income. The subject's credit loss is detailed as follows:

<b>CREDIT LOSS</b>		
Year	Total	% PGI
<b>CBRE Estimate</b>	<b>\$6,945</b>	<b>1.0%</b>
Compiled by CBRE		

Due to the subject's tenancy being primarily composed of local, non-credit tenants, we have applied a 1% credit loss.

### EXPENSE REIMBURSEMENTS

The subject's leases are typically based on a base year structure whereby the tenant reimburses the owner for a pro rata share of increases in operating expenses over a base-year stop. The subject's expense reimbursements are detailed as follows:

<b>EXPENSE REIMBURSEMENTS</b>		
Year	Total	\$/SF
<b>CBRE Estimate</b>	<b>\$8,703</b>	<b>\$0.20</b>
Compiled by CBRE		

Our estimate is based on projected expenses, contractual lease obligations and estimates derived from the Argus generated cash flow (year 4- stabilized).

### EFFECTIVE GROSS INCOME

The subject's effective gross income is detailed as follows:

<b>EFFECTIVE GROSS INCOME</b>		
Year	Total	% Change
2014	\$513,666	---
2015	\$530,140	3%
2016	\$422,629	3%
<b>CBRE Estimate</b>	<b>\$592,109</b>	<b>40%</b>
Compiled by CBRE		

The projected EGI is up considerably from previous years as it reflects a stabilized occupancy for the subject.

### OPERATING EXPENSE ANALYSIS

#### Expense Comparables

The following chart summarizes expenses obtained from comparable properties.

<b>EXPENSE COMPARABLES</b>				
Comparable Number	1	2	3	Subject
Location	Louisiana	Louisiana	Louisiana	St. Rose, LA
Expense Year	2015	2016	2015	Pro Forma
Revenues	\$/SF	\$/SF	\$/SF	\$/SF
Effective Gross Income	\$15.97	\$15.06	\$15.28	\$13.75
<b>Expenses</b>				
Real Estate Taxes	\$0.95	\$1.20	\$0.84	\$1.00
Property Insurance	0.80	0.96	0.66	0.80
Utilities	1.93	1.62	1.93	1.90
General Operating	0.41	0.13	0.14	0.30
Repairs & Maintenance	0.43	1.58	1.19	0.95
Landscaping & Security	0.13	0.47	0.75	0.60
Janitorial	1.05	0.91	0.90	0.90
Management Fee <sup>1</sup>	0.52	0.69	0.95	0.55
Nonreimbursable Landlord Expense	-	-	-	0.05
Operating Expenses	\$6.22	\$7.56	\$7.36	\$7.05
Operating Expense Ratio	38.9%	50.2%	48.2%	51.3%
<sup>1</sup> (Mgmt. typically analyzed as a % of EGI)	3.3%	4.6%	6.2%	4.0%

Compiled by CBRE

A discussion of each expense category is presented on the following pages.

#### Real Estate Taxes

The comparable data and projections for the subject are summarized as follows:

<b>REAL ESTATE TAXES</b>		
Year	Total	\$/SF
2014	\$40,470	\$0.94
2015	\$42,001	\$0.98
2016	\$43,698	\$1.01
Expense Comparable 1	N/A	\$0.95
Expense Comparable 2	N/A	\$1.20
Expense Comparable 3	N/A	\$0.84
<b>CBRE Estimate</b>	<b>\$42,969</b>	<b>\$1.00</b>

Compiled by CBRE

This expense item was discussed in detail in the Real Estate tax section of this report.

#### Property Insurance

Property insurance expenses typically include fire and extended coverage and owner's liability coverage. The comparable data and projections for the subject are summarized as follows:

<b>PROPERTY INSURANCE</b>		
Year	Total	\$/SF
2014	\$23,279	\$0.54
2015	\$25,725	\$0.60
2016	\$24,837	\$0.58
Expense Comparable 1	N/A	\$0.80
Expense Comparable 2	N/A	\$0.96
Expense Comparable 3	N/A	\$0.66
<b>CBRE Estimate</b>	<b>\$34,444</b>	<b>\$0.80</b>
Compiled by CBRE		

The expense comparables reflect a range from \$0.66 to \$0.96 per square foot. Our estimate is considered reasonable, is within the comparable range, though slightly above the subject's historic expense.

### Utilities

Utilities expenses typically include electricity, natural gas, water, sewer and trash removal. The comparable data and projections for the subject are summarized as follows:

<b>UTILITIES</b>		
Year	Total	\$/SF
2014	\$100,218	\$2.33
2015	\$84,646	\$1.97
2016	\$82,365	\$1.91
Expense Comparable 1	N/A	\$1.93
Expense Comparable 2	N/A	\$1.62
Expense Comparable 3	N/A	\$1.93
<b>CBRE Estimate</b>	<b>\$81,805</b>	<b>\$1.90</b>
Compiled by CBRE		

The subject's utility expense has fluctuated with no discernable pattern over the past several years. As such, we have estimated an amount that is within the subject's historic expense range as well as the comparable range.

### General Operating

General operating expenses typically include all payroll and payroll related items for all directly-employed administrative personnel such as building managers, secretaries, and bookkeepers. Leasing personnel are not included nor are the salaries or fees for off-site management firm personnel and services. This expense category also typically includes administrative expenses such as legal costs pertaining to the operation of the building, telephone, supplies, furniture, temporary help, etc. The comparable data and projections for the subject are summarized as follows:

<b>GENERAL OPERATING</b>		
Year	Total	\$/SF
2014	\$3,010	\$0.07
2015	\$5,860	\$0.14
2016	\$6,328	\$0.15
Expense Comparable 1	N/A	\$0.41
Expense Comparable 2	N/A	\$0.13
Expense Comparable 3	N/A	\$0.14
<b>CBRE Estimate</b>	<b>\$12,917</b>	<b>\$0.30</b>
Compiled by CBRE		

The subject's historic expense for this item appears low. Thus, we have estimated an amount that is within the comparable range and considered reasonable for the subject.

#### Repairs and Maintenance

Repairs and maintenance expenses typically include all payroll and payroll related items for all directly employed maintenance personnel. This expense category also typically includes all outside maintenance service contracts and the cost of maintenance and repairs supplies. The comparable data and projections for the subject are summarized as follows:

<b>REPAIRS &amp; MAINTENANCE</b>		
Year	Total	\$/SF
2014	\$36,929	\$0.86
2015	\$52,494	\$1.22
2016	\$45,443	\$1.06
Expense Comparable 1	N/A	\$0.43
Expense Comparable 2	N/A	\$1.58
Expense Comparable 3	N/A	\$1.19
<b>CBRE Estimate</b>	<b>\$40,902</b>	<b>\$0.95</b>
Compiled by CBRE		

The subject's projected figure is within the comparable range as well as the subject's historic figures and is considered reasonable.

#### Landscaping and Security

Landscaping and security expenses are typically handled through outside service contracts. The comparable data and projections for the subject are summarized as follows:

<b>LANDSCAPING &amp; SECURITY</b>		
Year	Total	\$/SF
2014	\$54,815	\$1.27
2015	\$66,108	\$1.54
2016	\$56,074	\$1.30
Expense Comparable 1	N/A	\$0.13
Expense Comparable 2	N/A	\$0.47
Expense Comparable 3	N/A	\$0.75
<b>CBRE Estimate</b>	<b>\$25,833</b>	<b>\$0.60</b>
Compiled by CBRE		

The subject's landscaping and security historic figures appear to be high when compared with the comparables. As the subject is part of a large business park, some of the costs tied to the subject may also be tied to other, adjacent properties under the same management. As such, we have selected an estimate that is within the comparable range but below the subject's historic figures.

#### Janitorial

Janitorial expenses typically include the outside service contract for cleaning. The comparable data and projections for the subject are summarized as follows:

<b>JANITORIAL</b>		
Year	Total	\$/SF
2014	\$34,020	\$0.79
2015	\$34,591	\$0.80
2016	\$27,221	\$0.63
Expense Comparable 1	N/A	\$1.05
Expense Comparable 2	N/A	\$0.91
Expense Comparable 3	N/A	\$0.90
<b>CBRE Estimate</b>	<b>\$38,750</b>	<b>\$0.90</b>
Compiled by CBRE		

We have estimated an amount that is within the comparable range, yet just about the subject's historic range.

#### Management Fee

Management expenses are typically negotiated as a percentage of collected revenues (i.e., effective gross income). The comparable data and projections for the subject are summarized as follows:

<b>MANAGEMENT FEE</b>		
Year	Total	% EGI
<b>CBRE Estimate</b>	<b>\$23,684</b>	<b>4.0%</b>
Compiled by CBRE		

Professional management fees in the local market range from  $\pm 3.0\%$  to  $6.0\%$  for comparable properties. Given the subject's size and the competitiveness of the local market area, we believe an appropriate management expense for the subject would be  $4.0\%$ .

#### Non-Reimbursable Landlord Expense

Landlord expenses that are not eligible for tenant reimbursement typically include marketing, administrative, and maintenance costs that cannot be recovered. The subject's expense is detailed as follows:

<b>NONREIMBURSABLE LANDLORD EXPENSE</b>		
<b>Year</b>	<b>Total</b>	<b>\$/SF</b>
2014	\$0	\$0.00
2015	\$0	\$0.00
2016	\$0	\$0.00
Expense Comparable 1	N/A	\$0.00
Expense Comparable 2	N/A	\$0.50
Expense Comparable 3	N/A	\$0.00
<b>CBRE Estimate</b>	<b>\$2,153</b>	<b>\$0.05</b>
Compiled by CBRE		

The subject and the comparables do not have a projected amount for this item. As such, we have chosen a figure in line with comparable information kept on file.

#### Reserves for Replacement

Replacement reserves represent a capital expense, not an operating expense. Consequently, by definition, reserves are deducted after net operating income. However, in practice, investors sometimes make this deduction above the net income line depending on geographic custom and property type. For the purposes of this analysis, we have not deducted reserves for our direct capitalization analysis. However, reserves of  $\$0.20$  per square foot are deducted as a capital expense in our discounted cash flow analysis. Capitalization rates from the improved sales were derived in a similar fashion.

#### OPERATING EXPENSE CONCLUSION

The comparable data and projections for the subject are summarized as follows:

<b>OPERATING EXPENSES</b>		
Year	Total	\$/SF
2014	\$326,881	\$7.59
2015	\$347,789	\$8.08
2016	\$303,020	\$7.04
Expense Comparable 1	N/A	\$6.22
Expense Comparable 2	N/A	\$7.56
Expense Comparable 3	N/A	\$7.36
<b>CBRE Estimate</b>	<b>\$303,456</b>	<b>\$7.05</b>
Compiled by CBRE		

The subject's per square foot operating expense pro forma is within the range presented by the expense comparables as well as the subject's historic operating figures. Therefore, it is considered reasonable and well supported.

### NET OPERATING INCOME CONCLUSION

The comparable data and projections for the subject are summarized as follows:

<b>NET OPERATING INCOME</b>		
Year	Total	\$/SF
2014	\$186,785	\$4.34
2015	\$182,351	\$4.24
2016	\$119,609	\$2.78
<b>CBRE Estimate</b>	<b>\$288,653</b>	<b>\$6.70</b>
Compiled by CBRE		

Our pro forma estimate is considered to be reasonable and reflects the subject property at stabilized occupancy.

### DIRECT CAPITALIZATION

Direct capitalization is a method used to convert a single year's estimated stabilized net operating income into a value indication. The following subsections represent different techniques for deriving an overall capitalization rate.

#### Comparable Sales

The overall capitalization rates (OARs) confirmed for the comparable sales analyzed in the sales comparison approach are as follows:



<b>COMPARABLE CAPITALIZATION RATES</b>				
Sale	Sale Date	Sale Price \$/SF	Occupancy	OAR
2	Jan-17	\$110.25	100%	8.00%
3	Oct-15	\$109.83	94%	7.82%
4	Feb-15	\$104.24	92%	9.50%
5	Jan-14	\$87.76	80%	8.00%
<b>Indicated OAR:</b>			84%	<b>7.82%-9.50%</b>
Compiled by: CBRE				

Comparables 2-3 are the most recent indicators and are similar to the subject in most physical aspects. Comparables 4-5 are slightly older sales but warrant some consideration as well. We have considered the following risk factors in our selection of an OAR for the subject.

**POSITIVE:**

- The subject is a quality, well-maintained building in a stable submarket;
- The subject is located within a desirable business park setting.

**NEGATIVE:**

- Many leases are short-term in nature;
- High dependence on volatile petrochemical industry, high employment volatility.

**Published Investor Surveys**

The results of the most recent investor surveys are summarized in the following chart.

<b>OVERALL CAPITALIZATION RATES</b>		
Investment Type	OAR Range	Average
<i>CBRE Suburban Office</i>		
Class A	5.00% - 9.00%	6.87%
Class B	6.50% - 10.50%	8.21%
Class C	7.50% - 13.00%	9.52%
<i>RealtyRates.com</i>		
Office	4.51% - 13.69%	10.08%
Suburban	4.51% - 12.45%	9.41%
CBD Office	5.64% - 13.69%	10.36%
Medical	5.88% - 13.21%	9.21%
<i>PwC Suburban Office</i>		
National Data	5.00% - 10.00%	6.64%
<b>Indicated OAR:</b>		<b>9.00%-10.00%</b>
Compiled by: CBRE		

The subject is considered to be most similar to a Class B/C property.

### Band of Investment

The band of the investment technique has been utilized as a crosscheck to the foregoing techniques. The Mortgage Interest Rate and the Equity Dividend Rate (EDR) are based upon current market yields for similar investments. The analysis is shown in the following table.

<b>BAND OF INVESTMENT</b>			
Mortgage Interest Rate	7.00%		
Mortgage Term (Amortization Period)	25 Years		
Mortgage Ratio (Loan-to-Value)	75%		
Mortgage Constant (monthly payments)	0.08481		
Equity Dividend Rate (EDR)	12%		
Mortgage Requirement	75%	x	0.08481 = 0.06361
Equity Requirement	25%	x	0.12000 = 0.03000
	100%		0.09361
<b>Indicated OAR:</b>			<b>9.40%</b>
Compiled by: CBRE			

### Debt Coverage Ratio

The debt coverage ratio (DCR) is the ratio of net operating income to annual debt service and measures the ability of a given property to meet its debt service out of net operating income. Utilizing data obtained from knowledgeable mortgage finance professionals, the subject's projected NOI can be tested for reasonableness against the market's typical loan parameters to determine whether or not the DCR is positive. This analysis is shown in the following table.

<b>DEBT COVERAGE RATIO ANALYSIS</b>	
Estimated As Stabilized Value	\$3,040,000
Mortgage Ratio (Loan-to-Value)	75%
Estimated Mortgage Loan Amount	\$2,280,000
Mortgage Interest Rate	7.00%
Mortgage Term (Amortization Period)	25 Years
Mortgage Constant (monthly payments)	0.08481
Annual Debt Service (monthly payments)	\$193,375
Estimated NOI	\$288,653
Estimated Debt Coverage Ratio (DCR)	1.49
Market Debt DCR	1.40
Positive DCR? (Y or N)	Yes
Compiled by: CBRE	

### Capitalization Rate Conclusion

The following chart summarizes the OAR conclusions.

<b>OVERALL CAPITALIZATION RATE - CONCLUSION</b>	
Source	Indicated OAR
Comparable Sales	7.82%-9.50%
Published Surveys	9.00%-10.00%
Band of Investment	9.40%
<b>CBRE Estimate</b>	<b>9.50%</b>
Compiled by: CBRE	

Primary emphasis was placed on comparable data. An OAR of 9.50% considers the inherent risk associated with this property at this time.

#### Direct Capitalization Summary

A summary of the direct capitalization is illustrated in the following chart.

**DIRECT CAPITALIZATION SUMMARY**

<b>Income</b>		<b>\$/SF/Yr</b>	<b>Total</b>
Potential Rental Income		\$16.13	\$694,531
Vacancy	15.00%	(2.42)	(104,180)
Credit Loss	1.00%	(0.16)	(6,945)
<b>Net Rental Income</b>		<b>\$13.55</b>	<b>\$583,406</b>
Expense Reimbursements		0.20	8,703
<b>Effective Gross Income</b>		<b>\$13.75</b>	<b>\$592,109</b>
<b>Expenses</b>			
Real Estate Taxes		\$1.00	\$42,969
Property Insurance		0.80	34,444
Utilities		1.90	81,805
General Operating		0.30	12,917
Repairs & Maintenance		0.95	40,902
Landscaping & Security		0.60	25,833
Janitorial		0.90	38,750
Management Fee	4.00%	0.55	23,684
Nonreimbursable Landlord Expense		0.05	2,153
<b>Operating Expenses</b>		<b>\$7.05</b>	<b>\$303,456</b>
<b>Operating Expense Ratio</b>			51.25%
<b>Net Operating Income</b>		<b>\$6.70</b>	<b>\$288,653</b>
<b>OAR</b>			<b>9.50%</b>
<b>Indicated Stabilized Value</b>			<b>\$3,038,450</b>
<b>Rounded</b>			<b>\$3,040,000</b>
Deferred Maintenance			-
Lease-Up Discount			(1,640,000)
<b>Indicated As Is Value</b>			<b>\$1,398,450</b>
<b>Rounded</b>			<b>\$1,400,000</b>
<b>Value Per SF</b>			<b>\$32.52</b>

Compiled by CBRE

**DISCOUNTED CASH FLOW ANALYSIS (DCF)**

The DCF assumptions for the subject are summarized as follows:

<b>SUMMARY OF DISCOUNTED CASH FLOW INPUT</b>	
<b>General</b>	
Start Date	Jul-17
Terms of Analysis	10 Years
Software	ARGUS
<b>Growth Rates</b>	
Income Growth	2.50%
Expense Growth	2.50%
Inflation (CPI)	2.50%
Real Estate Tax Growth	2.50%
<b>Market Leasing</b>	
Category	Office Space
Market Rent (\$/SF/Yr.)	\$16.00
Concessions	None
Reimbursements	Base Year Stop
Annual Escalation	\$0.25 PSF
Tenant Improvements (New Tenants)	\$6.00
Tenant Improvements (Renewals)	\$3.00
Average Lease Term	5 Years
Renewal Probability	70%
Leasing Commissions (Cashed-Out)	
New Leases	4.0%
Renewal Leases	2.0%
Down Time Before New Tenant Leases	6 Months
Blended Down Time Between Leases	2 Months
<b>Occupancy</b>	
Total Operating Expenses (\$/SF/Yr.)	\$7.05
Current Occupancy	15.00%
Stabilized Occupancy	85.00%
Credit Loss	1.00%
Stabilized Occupancy (w/Credit Loss)	84.00%
Estimated Lease-up Period	48 Months
<b>Financial</b>	
Discount Rate	10.00%
Terminal Capitalization Rate	9.75%
<b>Other</b>	
Cost of Sale	2.00%
Capital Expenses (Deferred Maintenance)	\$0
Compiled by CBRE	

Provided on the following pages is a discussion of additional assumptions used in the discounted cash flow analysis.

**General Assumptions**

The DCF analysis utilizes an 11-year projection period. This is consistent with current investor assumptions.

**Growth Rate Assumptions**

Published investor surveys are shown below.

<b>SUMMARY OF GROWTH RATES</b>			
Investment Type	Rent	Expenses	Inflation
U.S. Bureau of Labor Statistics (CPI-U)			
10-Year Snapshot Average as of May-17			1.64%
<i>PwC Suburban Office</i>			
National Data	2.03%	2.75%	n/a
<b>CBRE Estimate</b>	<b>2.50%</b>	<b>2.50%</b>	<b>2.50%</b>
Compiled by: CBRE			

The estimated growth rates indicated above are based primarily on market surveys.

**Leasing Assumptions**

The contract lease terms for the existing tenants are utilized within the DCF analysis, with market leasing assumptions applied for renewals and absorption tenants. The previously concluded pro forma income and expenses have been utilized as the basis for market leasing projected in Year 1 of the holding period. All subsequent years vary according to the growth rate assumptions applied to the Year 1 estimate.

**LEASING COMMISSIONS**

The following table presents the leasing commissions quoted for the subject, those prevalent in the market as derived through the comparable properties, and our pro forma estimate. In estimating the market rate for leasing commissions, primary emphasis has been placed on market participants.

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**LEASING COMMISSIONS**


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Category	Office Space
<b>Rent Comparables and/or Broker Data</b>	
New Tenants	4.0%
Renewals	2.0%
<b>CBRE Estimate</b>	
New Tenants	<b>4.0%</b>
Renewals	<b>2.0%</b>
Compiled by CBRE	

**RENEWAL PROBABILITY**

The renewal probability incorporated within the market leasing assumptions has been estimated at 70%. This rate is considered reasonable based on the rent comparable data and a survey of market participants.

**DOWNTIME BETWEEN LEASES**

The market leasing assumptions incorporate eight months of downtime at lease rollover. This considers the comparable data and subject's recent history with regard to absorption.

**Occupancy Assumptions**

The occupancy rate over the holding period is based on the subject's estimated stabilized occupancy rate and estimated lease-up period to achieve a stabilized occupancy position. It is noted that the specific capital expenditures provided by management have been utilized in our analysis.

**Financial Assumptions****DISCOUNT RATE ANALYSIS**

The results of the most recent investor surveys are summarized in the following chart.

<b>DISCOUNT RATES</b>		
Investment Type	Rate Range	Average
<i>RealtyRates.com</i>		
Office	5.59% - 13.87%	10.70%
Suburban	5.59% - 12.84%	10.14%
CBD Office	6.51% - 13.87%	10.88%
Medical	6.66% - 13.86%	9.93%
<i>PwC Suburban Office</i>		
National Data	6.00% - 11.50%	7.97%
<b>CBRE Estimate</b>		<b>10.00%</b>
Compiled by: CBRE		

After reviewing this data, the appraisers have selected a rate of 10.00% for the subject.

**TERMINAL CAPITALIZATION RATE**

The reversionary value of the subject is based on an assumed sale at the end of the holding period based on capitalizing the Year 11 NOI at a terminal capitalization rate. Typically, for properties similar to the subject, terminal capitalization rates are 25 to 100 basis points higher than going-in capitalization rates (OARs). This is a result of the uncertainty of future economic conditions and the natural aging of the property.

<b>TERMINAL CAPITALIZATION RATES</b>		
Investment Type	Rate Range	Average
<i>PwC Suburban Office</i>		
National Data - OAR	5.00% - 10.00%	6.64%
National Data - Residual OAR	6.00% - 11.50%	7.45%
Spread: Basis Points (BP)	100 - 150	81
Concluded BP Spread		25
<b>CBRE Estimate</b>		<b>9.75%</b>
Compiled by: CBRE		

**Discounted Cash Flow Conclusion**

The DCF schedule(s) and value conclusions are depicted on the following page(s).





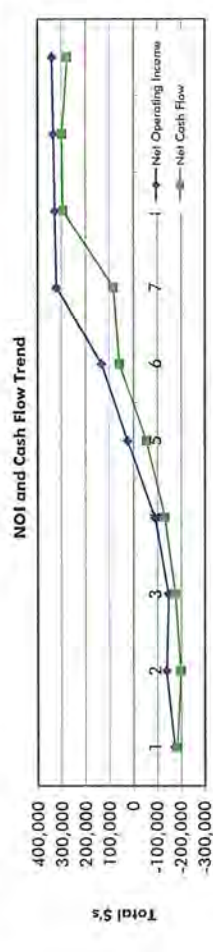
**ONE JAMES PARK - AS IS  
CASH FLOW REPORT BEGINNING JULY 1, 2017**

	Year 1 Jun-2018	Year 2 Jun-2019	Year 3 Jun-2020	Year 4 Jun-2021	Year 5 Jun-2022	Year 6 Jun-2023	Year 7 Jun-2024	Year 8 Jun-2025	Year 9 Jun-2026	Year 10 Jun-2027	Reversion Jun-2028
<b>For the Years Ending</b>											
Potential Gross Revenue	\$695,337	\$709,788	\$722,187	\$736,677	\$751,275	\$763,130	\$780,571	\$785,975	\$797,119	\$816,341	\$835,966
Base Rental Revenue	-585,568	-556,092	-569,997	-519,354	-409,612	-306,096	-19,966	-10,235	-10,488	-23,142	-21,451
Absorption & Turnover Vacancy	109,769	153,696	152,190	217,323	341,663	457,034	760,605	775,740	786,631	793,199	814,515
Scheduled Base Rental Revenue		807	939	1,614	3,228	6,579	7,466	15,809	20,116	18,666	16,909
Base Rental Step Revenue		652	939	1,981	4,655	8,703	11,872	14,819	16,721	17,592	19,719
Expense Reimbursement Revenue	109,769	154,348	153,936	220,918	349,546	472,316	779,943	806,368	823,468	829,757	851,143
Total Potential Gross Revenue	-565	-1,094	-989	-1,632	-2,868	-4,013	-100,020	-112,255	-114,605	-104,438	-109,438
General Vacancy	109,204	153,254	152,947	219,286	346,678	468,303	672,794	686,957	701,606	717,649	734,185
Collection Loss											
Effective Gross Revenue	42,969	44,043	45,144	46,273	47,430	48,615	49,831	51,077	52,354	53,662	55,004
Operating Expenses	34,444	35,305	36,188	37,092	38,020	38,970	39,944	40,943	41,967	43,016	44,091
Real Estate Taxes	81,805	83,850	85,946	88,095	90,297	92,555	94,869	97,240	99,671	102,163	104,717
Property Insurance	12,917	13,240	13,571	13,910	14,258	14,614	14,980	15,354	15,738	16,132	16,535
Utilities	40,902	41,925	42,973	44,047	45,148	46,277	47,434	48,620	49,835	51,081	52,358
General Operating	25,833	26,479	27,141	27,819	28,515	29,228	29,958	30,707	31,475	32,262	33,068
Repairs & Maintenance	38,750	39,719	40,712	41,730	42,773	43,842	44,938	46,062	47,213	48,393	49,603
Landscaping/Security	4,368	6,130	6,118	8,771	13,867	18,732	26,912	27,478	28,064	28,706	29,367
Janitorial	2,153	2,207	2,262	2,318	2,376	2,436	2,497	2,559	2,623	2,688	2,756
Management	284,141	292,898	300,055	310,055	322,684	335,269	351,363	360,040	368,940	378,103	387,499
Non-Reimb LL Exp	-174,937	-139,644	-147,108	-90,769	23,994	133,034	321,431	326,917	332,666	339,546	346,686
Total Operating Expenses	107,804	118,053	128,053	138,292	148,690	159,243	169,924	180,743	191,697	202,789	214,013
Net Operating Income	8,611	8,826	9,047	9,273	9,505	9,743	9,986	10,236	10,492	10,754	11,023
Leasing & Capital Costs	8,611	59,585	29,544	41,577	80,767	75,782	237,275	33,398	34,221	63,103	59,535
Cash Flow Before Debt Service & INCOME TAX	-183,548	-199,229	-176,652	-132,346	-56,773	57,252	84,156	293,519	298,445	276,443	287,151
IMPLIED OVERALL RATE	-14.59%	-11.65%	-12.27%	-7.57%	2.00%	11.10%	26.81%	27.27%	27.75%	28.32%	
CASH ON CASH RETURN	-15.31%	-16.62%	-14.73%	-11.04%	-4.74%	4.77%	7.02%	24.48%	24.89%	23.06%	

Sale / Yield	Terminal Capitalization Rate		
	9.50%	9.75%	10.00%
Discount Rate	\$1,271,722	\$1,235,553	\$1,201,193
9.75%	\$1,234,535	\$1,199,180	\$1,165,593
10.00%	\$1,198,292	\$1,163,730	\$1,130,897

Cost of Sale at Reversion: 2.00%  
 Building Size (SF): 43,055  
 Percent Residual: 112.0%

**Reconciled Value Indication (Rounded):**  
**Value Per Square Foot: \$1,199,000**  
**\$27.85**

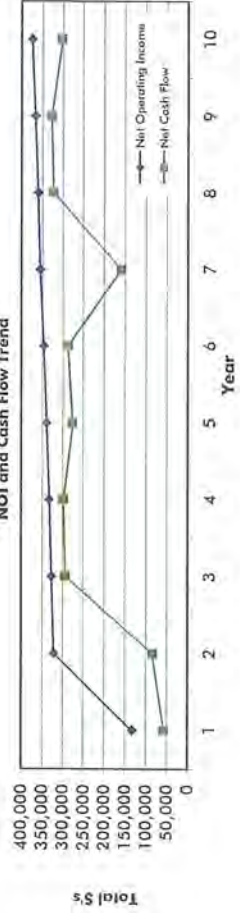




**ONE JAMES PARK - AS STABILIZED  
CASH FLOW REPORT BEGINNING JULY 1, 2022**

	Year 1 Jun-2023	Year 2 Jun-2024	Year 3 Jun-2025	Year 4 Jun-2026	Year 5 Jun-2027	Year 6 Jun-2028	Year 7 Jun-2029	Year 8 Jun-2030	Year 9 Jun-2031	Year 10 Jun-2032	Reversion Jun-2033
<b>For the Years Ending</b>											
Potential Gross Revenue	\$763,130	\$780,571	\$785,975	\$797,119	\$816,341	\$835,966	\$887,624	\$902,277	\$919,123	\$938,424	\$958,041
Base Rental Revenue	-306,096	-19,966	-10,235	-10,488	-23,142	-21,451	-81,751	-11,580	-11,866	-26,183	-24,270
Absorption & Turnover Vacancy											
Scheduled Base Rental Revenue	457,034	760,605	775,740	786,631	793,199	814,515	805,873	890,697	907,257	912,241	933,771
Base Rental Step Revenue	6,579	7,466	15,809	20,116	18,966	16,909					
Expense Reimbursement Revenue	8,703	11,872	14,819	16,721	17,592	19,719	6,816	9,698	12,230	13,932	15,629
Total Potential Gross Revenue	472,316	779,943	806,368	823,468	829,757	851,143	812,689	900,395	919,487	926,173	949,400
General Vacancy	-100,020	-100,020	-112,255	-114,605	-104,793	-109,438	-52,415	-125,216	-127,837	-116,670	-121,781
Collection Loss	-4,013	-7,129	-7,156	-7,257	-7,315	-7,520	-7,529	-8,229	-8,386	-8,428	-8,635
Effective Gross Revenue	468,303	672,794	686,957	701,606	717,649	734,185	752,745	766,950	783,264	801,075	818,984
<b>Operating Expenses</b>											
Real Estate Taxes	48,615	49,831	51,077	52,354	53,662	55,004	56,379	57,789	59,233	60,714	62,232
Property Insurance	38,970	39,944	40,943	41,967	43,016	44,091	45,194	46,323	47,481	48,668	49,885
Utilities	92,555	94,869	97,240	99,671	102,163	104,717	107,335	110,019	112,769	115,588	118,478
General Operating	14,614	14,980	15,354	15,738	16,132	16,535	16,948	17,372	17,806	18,251	18,708
Repairs & Maintenance	46,277	47,434	48,620	49,835	51,081	52,358	53,667	55,009	56,384	57,793	59,238
Landscaping/Security	29,228	29,958	30,707	31,475	32,262	33,068	33,895	34,743	35,611	36,501	37,414
Janitorial	43,842	44,938	46,062	47,213	48,393	49,603	50,843	52,114	53,417	54,753	56,122
Management	18,732	26,912	27,478	28,064	28,706	29,367	30,110	30,678	31,331	32,043	32,759
Non-Reimb. LL Exp	2,436	2,497	2,559	2,623	2,688	2,756	2,825	2,895	2,968	3,042	3,118
Total Operating Expenses	335,269	351,363	360,040	368,940	378,103	387,499	397,196	406,942	417,000	427,353	437,954
Net Operating Income	133,034	321,431	326,917	332,666	339,546	346,686	355,549	360,008	366,264	373,722	381,030
<b>Leasing &amp; Capital Costs</b>											
Tenant Improvements	42,659	146,856	14,969	15,339	33,846	31,372	119,562	16,936	17,354	38,293	35,494
Leasing Commissions	23,380	80,433	8,193	8,390	18,503	17,140	65,284	9,243	9,465	20,875	19,339
Capital Reserves	9,743	9,986	10,236	10,492	10,754	11,023	11,298	11,581	11,870	12,167	12,471
Total Leasing & Capital Costs	75,782	237,275	33,398	34,221	63,103	59,535	196,144	37,760	38,689	71,335	67,304
Cash Flow Before Debt Service & INCOME TAX	57,252	84,156	293,519	298,445	276,443	287,151	159,405	322,248	327,575	302,387	313,726
IMPLIED OVERALL RATE	4.68%	11.30%	11.49%	11.70%	11.94%	12.19%	12.50%	12.66%	12.88%	13.14%	
CASH ON CASH RETURN	2.01%	2.96%	10.32%	10.49%	9.72%	10.10%	5.60%	11.33%	11.52%	10.63%	

**NOI and Cash Flow Trend**



Cost of Sale at Reversion: 2.00%  
 Building Size (SF): 43,055  
 Percent Residual: 51.9%

Reconciled Value Indication (Rounded): \$2,844,000  
 Value Per Square Foot: \$66.06

Sale / Yield	Terminal Capitalization Rate	
	9.50%	9.75%
Discount Rate	\$2,935,277	\$2,895,526
10.00%	\$2,882,768	\$2,843,911
10.25%	\$2,831,429	\$2,793,444
		\$2,757,358

**CONCLUSION OF INCOME CAPITALIZATION APPROACH**

The conclusions via the valuation methods employed for this approach are as follows:

<b>INCOME CAPITALIZATION APPROACH VALUES</b>		
	As Is on June 15, 2017	As Stabilized on July 1, 2022
Direct Capitalization Method	\$1,400,000	\$3,040,000
Discounted Cash Flow Analysis	\$1,200,000	\$2,840,000
Reconciled Value	\$1,250,000	\$2,900,000
Compiled by CBRE		

Consideration has been given to both approaches to value. The DCF reflects the lease structure more accurately; however, the capitalization rates used in the Direct Capitalization are better supported by the market than the terminal capitalization rate and discount rates used in the DCF analysis.

Most emphasis has been placed on the DCF because it reflects actual lease terms over the next several years. The DCF analysis is considered more appropriate as it takes the substantial amount of lease up required for the subject into consideration as the property is currently well below stabilized occupancy (15% occupied).

## Reconciliation of Value

The value indications from the approaches to value are summarized as follows:

<b>SUMMARY OF VALUE CONCLUSIONS</b>		
	As Is on June 15, 2017	As Stabilized on July 1, 2022
Sales Comparison Approach	\$1,660,000	\$3,300,000
Income Capitalization Approach	\$1,250,000	\$2,900,000
Reconciled Value	\$1,250,000	\$2,900,000
Compiled by CBRE		

In the sales comparison approach, the subject is compared to similar properties that have been sold recently or for which listing prices or offers are known. The sales used in this analysis are considered somewhat comparable to the subject, yet the required adjustments were based on reasonable and well-supported rationale. In addition, market participants are currently analyzing purchase prices on investment properties as they relate to available substitutes in the market. Therefore, the sales comparison approach is considered to provide a reliable value indication, but has been given secondary emphasis in the final value reconciliation.

The income capitalization approach is applicable to the subject since it will be an income producing property leased in the open market. Market participants are primarily analyzing properties based on their income generating capability. Therefore, the income capitalization approach is considered a reasonable and substantiated value indicator and has been given primary emphasis in the final value estimate.

Based on the foregoing, the market values of the subject have been concluded as follows:

<b>MARKET VALUE CONCLUSION</b>			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
As Is	Leased Fee Interest	June 15, 2017	\$1,250,000
Prospective As Stabilized	Leased Fee Interest	July 1, 2022	\$2,900,000
Compiled by CBRE			

## Assumptions and Limiting Conditions

1. Unless otherwise specifically noted in the body of the report, it is assumed that title to the property or properties appraised is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. CBRE, Inc. is not aware of any title defects nor has it been advised of any unless such is specifically noted in the report. CBRE, Inc., however, has not examined title and makes no representations relative to the condition thereof. Documents dealing with liens, encumbrances, easements, deed restrictions, clouds and other conditions that may affect the quality of title have not been reviewed. Insurance against financial loss resulting in claims that may arise out of defects in the subject's title should be sought from a qualified title company that issues or insures title to real property.
2. Unless otherwise specifically noted in the body of this report, it is assumed: that the existing improvements on the property or properties being appraised are structurally sound, seismically safe and code conforming; that all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; that the roof and exterior are in good condition and free from intrusion by the elements; that the property or properties have been engineered in such a manner that the improvements, as currently constituted, conform to all applicable local, state, and federal building codes and ordinances. CBRE, Inc. professionals are not engineers and are not competent to judge matters of an engineering nature. CBRE, Inc. has not retained independent structural, mechanical, electrical, or civil engineers in connection with this appraisal and, therefore, makes no representations relative to the condition of improvements. Unless otherwise specifically noted in the body of the report: no problems were brought to the attention of CBRE, Inc. by ownership or management; CBRE, Inc. inspected less than 100% of the entire interior and exterior portions of the improvements; and CBRE, Inc. was not furnished any engineering studies by the owners or by the party requesting this appraisal. If questions in these areas are critical to the decision process of the reader, the advice of competent engineering consultants should be obtained and relied upon. It is specifically assumed that any knowledgeable and prudent purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems. Structural problems and/or building system problems may not be visually detectable. If engineering consultants retained should report negative factors of a material nature, or if such are later discovered, relative to the condition of improvements, such information could have a substantial negative impact on the conclusions reported in this appraisal. Accordingly, if negative findings are reported by engineering consultants, CBRE, Inc. reserves the right to amend the appraisal conclusions reported herein.
3. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property was not observed by the appraisers. CBRE, Inc. has no knowledge of the existence of such materials on or in the property. CBRE, Inc., however, is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

We have inspected, as thoroughly as possible by observation, the land; however, it was impossible to personally inspect conditions beneath the soil. Therefore, no representation is made as to these matters unless specifically considered in the appraisal.

4. All furnishings, equipment and business operations, except as specifically stated and typically considered as part of real property, have been disregarded with only real property being considered in the report unless otherwise stated. Any existing or proposed improvements, on or off-site, as well as any alterations or repairs considered, are assumed to be completed in a workmanlike manner according to standard practices based upon the information submitted to CBRE, Inc. This report may be subject to amendment upon re-inspection of the subject subsequent to repairs, modifications, alterations and completed new construction. Any estimate of Market Value is as of the date indicated; based upon the information, conditions and projected levels of operation.
5. It is assumed that all factual data furnished by the client, property owner, owner's representative, or persons designated by the client or owner to supply said data are accurate and correct unless otherwise specifically noted in the appraisal report. Unless otherwise specifically noted in the appraisal report, CBRE, Inc. has no reason to believe that any of the data furnished contain any material error. Information and data referred to in this paragraph include, without being limited to, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any material error in any of the above data could have a substantial impact

- on the conclusions reported. Thus, CBRE, Inc. reserves the right to amend conclusions reported if made aware of any such error. Accordingly, the client-addressee should carefully review all assumptions, data, relevant calculations, and conclusions within 30 days after the date of delivery of this report and should immediately notify CBRE, Inc. of any questions or errors.
6. The date of value to which any of the conclusions and opinions expressed in this report apply, is set forth in the Letter of Transmittal. Further, that the dollar amount of any value opinion herein rendered is based upon the purchasing power of the American Dollar on that date. This appraisal is based on market conditions existing as of the date of this appraisal. Under the terms of the engagement, we will have no obligation to revise this report to reflect events or conditions which occur subsequent to the date of the appraisal. However, CBRE, Inc. will be available to discuss the necessity for revision resulting from changes in economic or market factors affecting the subject.
  7. CBRE, Inc. assumes no private deed restrictions, limiting the use of the subject in any way.
  8. Unless otherwise noted in the body of the report, it is assumed that there are no mineral deposit or subsurface rights of value involved in this appraisal, whether they be gas, liquid, or solid. Nor are the rights associated with extraction or exploration of such elements considered unless otherwise stated in this appraisal report. Unless otherwise stated it is also assumed that there are no air or development rights of value that may be transferred.
  9. CBRE, Inc. is not aware of any contemplated public initiatives, governmental development controls, or rent controls that would significantly affect the value of the subject.
  10. The estimate of Market Value, which may be defined within the body of this report, is subject to change with market fluctuations over time. Market value is highly related to exposure, time promotion effort, terms, motivation, and conclusions surrounding the offering. The value estimate(s) consider the productivity and relative attractiveness of the property, both physically and economically, on the open market.
  11. Any cash flows included in the analysis are forecasts of estimated future operating characteristics are predicated on the information and assumptions contained within the report. Any projections of income, expenses and economic conditions utilized in this report are not predictions of the future. Rather, they are estimates of current market expectations of future income and expenses. The achievement of the financial projections will be affected by fluctuating economic conditions and is dependent upon other future occurrences that cannot be assured. Actual results may vary from the projections considered herein. CBRE, Inc. does not warrant these forecasts will occur. Projections may be affected by circumstances beyond the current realm of knowledge or control of CBRE, Inc.
  12. Unless specifically set forth in the body of the report, nothing contained herein shall be construed to represent any direct or indirect recommendation of CBRE, Inc. to buy, sell, or hold the properties at the value stated. Such decisions involve substantial investment strategy questions and must be specifically addressed in consultation form.
  13. Also, unless otherwise noted in the body of this report, it is assumed that no changes in the present zoning ordinances or regulations governing use, density, or shape are being considered. The property is appraised assuming that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, nor national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report is based, unless otherwise stated.
  14. This study may not be duplicated in whole or in part without the specific written consent of CBRE, Inc. nor may this report or copies hereof be transmitted to third parties without said consent, which consent CBRE, Inc. reserves the right to deny. Exempt from this restriction is duplication for the internal use of the client-addressee and/or transmission to attorneys, accountants, or advisors of the client-addressee. Also exempt from this restriction is transmission of the report to any court, governmental authority, or regulatory agency having jurisdiction over the party/parties for whom this appraisal was prepared, provided that this report and/or its contents shall not be published, in whole or in part, in any public document without the express written consent of CBRE, Inc. which consent CBRE, Inc. reserves the right to deny. Finally, this report shall not be advertised to the public or otherwise used to induce a third party to purchase the property or to make a "sale" or "offer for sale" of any "security", as such terms are defined and used in the Securities Act of 1933, as amended. Any third party, not covered by the exemptions herein, who may possess this report, is advised that they should rely on their own independently secured advice for any decision in connection with this property. CBRE, Inc. shall have no accountability or responsibility to any such third party.
  15. Any value estimate provided in the report applies to the entire property, and any pro ration or division of the title into fractional interests will invalidate the value estimate, unless such pro ration or division of interests has been set forth in the report.

16. The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. Component values for land and/or buildings are not intended to be used in conjunction with any other property or appraisal and are invalid if so used.
17. The maps, plats, sketches, graphs, photographs and exhibits included in this report are for illustration purposes only and are to be utilized only to assist in visualizing matters discussed within this report. Except as specifically stated, data relative to size or area of the subject and comparable properties has been obtained from sources deemed accurate and reliable. None of the exhibits are to be removed, reproduced, or used apart from this report.
18. No opinion is intended to be expressed on matters which may require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers. Values and opinions expressed presume that environmental and other governmental restrictions/conditions by applicable agencies have been met, including but not limited to seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, licenses, etc. No survey, engineering study or architectural analysis has been made known to CBRE, Inc. unless otherwise stated within the body of this report. If the Consultant has not been supplied with a termite inspection, survey or occupancy permit, no responsibility or representation is assumed or made for any costs associated with obtaining same or for any deficiencies discovered before or after they are obtained. No representation or warranty is made concerning obtaining these items. CBRE, Inc. assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.
19. Acceptance and/or use of this report constitutes full acceptance of the Contingent and Limiting Conditions and special assumptions set forth in this report. It is the responsibility of the Client, or client's designees, to read in full, comprehend and thus become aware of the aforementioned contingencies and limiting conditions. Neither the Appraiser nor CBRE, Inc. assumes responsibility for any situation arising out of the Client's failure to become familiar with and understand the same. The Client is advised to retain experts in areas that fall outside the scope of the real estate appraisal/consulting profession if so desired.
20. CBRE, Inc. assumes that the subject analyzed herein will be under prudent and competent management and ownership; neither inefficient or super-efficient.
21. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined and considered in the appraisal report.
22. No survey of the boundaries of the property was undertaken. All areas and dimensions furnished are presumed to be correct. It is further assumed that no encroachments to the realty exist.
23. The Americans with Disabilities Act (ADA) became effective January 26, 1992. Notwithstanding any discussion of possible readily achievable barrier removal construction items in this report, CBRE, Inc. has not made a specific compliance survey and analysis of this property to determine whether it is in conformance with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the ADA. If so, this fact could have a negative effect on the value estimated herein. Since CBRE, Inc. has no specific information relating to this issue, nor is CBRE, Inc. qualified to make such an assessment, the effect of any possible non-compliance with the requirements of the ADA was not considered in estimating the value of the subject.
24. Client shall not indemnify Appraiser or hold Appraiser harmless unless and only to the extent that the Client misrepresents, distorts, or provides incomplete or inaccurate appraisal results to others, which acts of the Client approximately result in damage to Appraiser. Notwithstanding the foregoing, Appraiser shall have no obligation under this Section with respect to any loss that is caused solely by the active negligence or willful misconduct of a Client and is not contributed to by any act or omission (including any failure to perform any duty imposed by law) by Appraiser. Client shall indemnify and hold Appraiser harmless from any claims, expenses, judgments or other items or costs arising as a result of the Client's failure or the failure of any of the Client's agents to provide a complete copy of the appraisal report to any third party. In the event of any litigation between the parties, the prevailing party to such litigation shall be entitled to recover, from the other, reasonable attorney fees and costs.

Attachment B

IMPROVED SALE DATA SHEETS

**ADDENDA**



Addendum A

**IMPROVED SALE DATA SHEETS**

## Available/Listing

## Office - Multi Tenant

No. 1

Property Name 990 North Corporate  
 Address 990 North Corporate Drive  
 Harahan, LA 70123  
 United States

Government Tax Agency Jefferson  
 Govt./Tax ID 07000001382

### Site/Government Regulations

	Acres	Square feet
Land Area Net	3.668	159,778
Land Area Gross	N/A	N/A

Site Development Status Finished  
 Shape Rectangular  
 Topography Level, At Street Grade  
 Utilities All Available

Maximum Floor Area N/A  
 Maximum FAR N/A  
 Actual FAR 0.37

Zoning N/A  
 General Plan N/A



### Improvements

Gross Building Area	59,000 sf	Floor Count	3
Net Rentable Area (NRA)	56,065 sf	Parking Type	Open Asphalt
Usable Area	N/A	Parking Ratio	N/A
Load Factor	N/A	Condition	Average
Status	Existing	Exterior Finish	Masonry
Occupancy Type	Multi-tenant	Investment Class	B
Year Built	1985	Number of Buildings	N/A
Year Renovated	N/A		
Amenities	N/A		

### Sale Summary

Recorded Buyer	Confidential	Marketing Time	N/A
True Buyer	N/A	Buyer Type	N/A
Recorded Seller	Elman 880 990 Investors, LP	Seller Type	N/A
True Seller	N/A	Primary Verification	Broker
Interest Transferred	N/A	Type	Available/Listing
Current Use	Multi-Tenant Office	Date	3/7/2017
Proposed Use	Owner/User Office (Single Tenant)	Sale Price	\$6,500,000
Listing Broker	Steve Reisig, SRSA Commercial RE	Financing	N/A
Selling Broker	N/A	Cash Equivalent	\$6,500,000
Doc #	N/A	Capital Adjustment	\$0
		Adjusted Price	\$6,500,000

## Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Cash Equivalent Price/sf
03/2017	Available/Listing	Confidential	Elman 880 990 Investors, LP	\$6,500,000	\$115.94

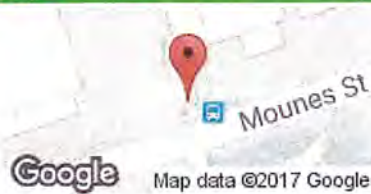
## Units of Comparison

Static Analysis Method	Pro Forma (Stabilized)	Eff Gross Inc Mult (EGIM)	6.81
Buyer's Primary Analysis	Static Capitalization Analysis	Op Exp Ratio (OER)	41.13%
Net Initial Yield/Cap. Rate	8.64%	Adjusted Price / sf	\$115.94
Projected IRR	N/A	Wtd. Avg. Lease Expiry	N/A
Actual Occupancy at Sale	0%		

## Financial

	Pro Forma Stabilized
Revenue Type	
Period Ending	N/A
Source	Appraiser
Price	\$6,500,000
Potential Gross Income	\$1,037,203
Economic Occupancy	92%
Economic Loss	\$82,976
Effective Gross Income	\$954,227
Expenses	\$392,455
Net Operating Income	\$561,772
NOI / sf	\$10.02
NOI / Unit	N/A
EGIM	6.81
OER	41.13%
Net Initial Yield/Cap. Rate	8.64%

## Map &amp; Comments



This building is three stories and contains 56,065 SF. It is a Class C and S construction suburban office building built in 1979 and features a pre-cast concrete structure with a concrete and glass exterior. Building services include card access security system, HVAC, a 120 and 220 volt electrical system, and janitorial. Amenities include personalized office design, fire protection sprinkler system, professional landscaping, proximity to restaurants, retail, banks, health clubs, business support services, hospitals, major traffic routes and a helipad.

Since its construction, the facility had historically been used as a multi-tenant office, though it is now currently vacant. It was reportedly under contract in Fall 2016 to be purchased for conversion to a single-tenant, owner/user office building for \$6,280,000, but that contract has fallen through and the building is again offered for sale in the open market. The property was relisted in March 2017. The building is in average/good condition. The property is also offered for lease for \$18.50 PSF with full Service lease structuring.

**Sale****Office - Multi Tenant****No. 2**

Property Name Metairie Centre  
 Address 2424 Edenborn Avenue  
 Metairie, LA 70001  
 United States

Government Tax Agency Jefferson Parish  
 Govt./Tax ID N/A

**Site/Government Regulations**

	Acres	Square feet
Land Area Net	1.310	57,064
Land Area Gross	1.310	57,064

Site Development Status Finished  
 Shape Rectangular  
 Topography Level, At Street Grade  
 Utilities All Available

Maximum Floor Area N/A  
 Maximum FAR N/A  
 Actual FAR 1.59

Frontage Distance/Street N/A Edenborn Avenue

Zoning BC-2  
 General Plan Office

**Improvements**

Gross Building Area	N/A	Floor Count	6
Net Rentable Area (NRA)	90,700 sf	Parking Type	Detached Garages
Usable Area	N/A	Parking Ratio	3.43/1,000 sf
Load Factor	0.00	Condition	Average
Status	Existing	Exterior Finish	Masonry
Occupancy Type	Multi-tenant	Investment Class	B+
Year Built	1986	Number of Buildings	N/A
Year Renovated	2012		
Amenities	N/A		

**Sale Summary**

Recorded Buyer	Bayou Verret Lands, LLC	Marketing Time	N/A
True Buyer	Joseph C. Marcello	Buyer Type	N/A
Recorded Seller	Edenborn Partners, LP	Seller Type	N/A
True Seller	N/A	Primary Verification	Courthouse Records, Seller Representative
Interest Transferred	Leased Fee	Type	Sale
Current Use	Office	Date	1/5/2017
Proposed Use	Office	Sale Price	\$10,000,000
Listing Broker	N/A	Financing	Cash to Seller
Selling Broker	N/A	Cash Equivalent	\$10,000,000
Doc #	11700600	Capital Adjustment	\$0
		Adjusted Price	\$10,000,000

## Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Cash Equivalent Price/sf
01/2017	Sale	Bayou Verret Lands, LLC	Edenborn Partners, LP	\$10,000,000	\$110.25

## Units of Comparison

Static Analysis Method	Pro Forma (Stabilized)	Eff Gross Inc Mult (EGIM)	N/A
Buyer's Primary Analysis	Yield Capitalization Analysis	Op Exp Ratio (OER)	N/A
Net Initial Yield/Cap. Rate	8.00%	Adjusted Price / sf	\$110.25
Projected IRR	N/A	Wtd. Avg. Lease Expiry	N/A
Actual Occupancy at Sale	100%		

## Financial

	Pro Forma Stabilized
Revenue Type	
Period Ending	N/A
Source	Broker
Price	\$10,000,000
Potential Gross Income	N/A
Economic Occupancy	100%
Economic Loss	N/A
Effective Gross Income	N/A
Expenses	N/A
Net Operating Income	\$800,000
NOI / sf	\$8.82
NOI / Unit	N/A
EGIM	N/A
OER	N/A
Net Initial Yield/Cap. Rate	8.00%

## Map &amp; Comments



This comparable represents a multi-tenant office building situated on 1.31 acres located at 2424 Edenborn Avenue. The Metairie Center was built in 1986 and is a six-story concrete frame suburban office building with 90,700 of rentable square feet of space. A five story concrete parking garage serves the parking needs of the tenants and visitors. The building has been well maintained and the interiors were updated in 2012. The same owner has managed and owned the building since inception. The building is centrally located in the suburban office market of Metairie, LA. The building has a good location along the South I-10 Service Road near Causeway Boulevard, with easy access to Interstate 10 and the suburban North Shore area. Nearby amenities include hotels, restaurants, and the Lakeside shopping center.

Property Name Severn Place  
 Address 2450 Severn Avenue  
 Metairie, LA 70001  
 United States

Government Tax Agency Jefferson  
 Govt./Tax ID 0820032784

**Site/Government Regulations**

	Acres	Square feet
Land Area Net	2.830	123,275
Land Area Gross	2.830	123,275

Site Development Status Finished  
 Shape Rectangular  
 Topography Level, At Street Grade  
 Utilities All Available

Maximum Floor Area N/A  
 Maximum FAR N/A  
 Actual FAR 0.70

Frontage Distance/Street N/A South I-10 Service Road  
 Frontage Distance/Street N/A North Arnould Road  
 Frontage Distance/Street N/A Severn Avenue

Zoning BC-2  
 General Plan N/A



**Improvements**

Gross Building Area	N/A	Floor Count	5
Net Rentable Area (NRA)	86,500 sf	Parking Type	Open Concrete
Usable Area	N/A	Parking Ratio	3.53/1,000 sf
Load Factor	N/A	Condition	Average
Status	Existing	Exterior Finish	N/A
Occupancy Type	Multi-tenant	Investment Class	B
Year Built	1982	Number of Buildings	1
Year Renovated	2013		
Amenities	N/A		

**Sale Summary**

Recorded Buyer	EIBRI LLC	Marketing Time	24 Month(s)
True Buyer	EIBRI Holding Company	Buyer Type	Private Investor
Recorded Seller	Severn Place Associates	Seller Type	Private Investor
True Seller	Bulliard, Connor, & McGlinchey Partnership	Primary Verification	Brandon Bulliard Broker, Jefferson Parish Clerk of Court
Interest Transferred	Leased Fee	Type	Sale
Current Use	Office Building	Date	10/9/2015
Proposed Use	N/A	Sale Price	\$9,500,000
Listing Broker	N/A	Financing	Cash to Seller
Selling Broker	Brandon Bulliard	Cash Equivalent	\$9,500,000
Doc #	3359-739	Capital Adjustment	\$0
		Adjusted Price	\$9,500,000

## Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Cash Equivalent Price/sf
10/2015	Sale	EIBRI LLC	Severn Place Associates	\$9,500,000	\$109.83

## Units of Comparison

Static Analysis Method	Trailing Actuals	Eff Gross Inc Mult (EGIM)	N/A
Buyer's Primary Analysis	Yield Capitalization Analysis	Op Exp Ratio (OER)	N/A
Net Initial Yield/Cap. Rate	7.82%	Adjusted Price / sf	\$109.83
Projected IRR	N/A	Wtd. Avg. Lease Expiry	N/A
Actual Occupancy at Sale	94%		

## Financial

	Trailing Actuals
Revenue Type	
Period Ending	N/A
Source	Broker
Price	\$9,500,000
Potential Gross Income	N/A
Economic Occupancy	94%
Economic Loss	N/A
Effective Gross Income	N/A
Expenses	\$622,997
Net Operating Income	\$743,000
NOI / sf	\$8.59
NOI / Unit	N/A
EGIM	N/A
OER	N/A
Net Initial Yield/Cap. Rate	7.82%

## Map &amp; Comments



This comparable sale represents a 86,175 square foot, five story class B suburban office building in Metairie, LA, situated on a 2.84 acre site. The building is named Severn Place and is located on the south I-10 Service Road and is highly visible from the interstate with easy access to the North Shore area via the Causeway. The property features wraparound parking with 305 parking spaces (1 per 300rsf). Nearby amenities include hotels, restaurants, and the Lakeside shopping district. The property is approximately ten minutes to Louis Armstrong International Airport as well as the New Orleans Central Business District. This comparable sold for \$9,500,000 or \$110.47 PSF on October 9, 2015. According to the broker, at the time of sale, the NOI was \$743,000, indicating a 7.82% cap rate.

# Sale

# Office - Multi Tenant

# No. 4

Property Name Sherwood Office Building  
 Address 4000 S. Sherwood Forest Boulevard  
 Baton Rouge, LA 70816  
 United States

Government Tax Agency East Baton Rouge  
 Govt./Tax ID N/A

### Site/Government Regulations

	Acres	Square feet
Land Area Net	4.860	211,658
Land Area Gross	4.859	211,658

Site Development Status Finished  
 Shape Irregular  
 Topography Generally Level  
 Utilities All Available

Maximum Floor Area N/A  
 Maximum FAR N/A  
 Actual FAR 0.45

Zoning N/A  
 General Plan N/A



### Improvements

Gross Building Area	95,000 sf	Floor Count	6
Net Rentable Area (NRA)	78,183 sf	Parking Type	Open
Usable Area	78,183 sf	Parking Ratio	N/A
Load Factor	N/A	Condition	Average
Status	Existing	Exterior Finish	Glass
Occupancy Type	N/A	Investment Class	A
Year Built	1985	Number of Buildings	1
Year Renovated	N/A		
Amenities	N/A		

### Sale Summary

Recorded Buyer	4000 Investors LLC	Marketing Time	N/A
True Buyer	N/A	Buyer Type	Private Investor
Recorded Seller	410 Sherwood LLC	Seller Type	Private Investor
True Seller	N/A	Primary Verification	Assignment / East Baton Rouge Clerk of Court
Interest Transferred	Leased Fee	Type	Sale
Current Use	Office	Date	2/2/2015
Proposed Use	Office	Sale Price	\$8,150,000
Listing Broker	Ty Gose, CCIM NAI/ Latter & Blum Commercial Baton Rouge	Financing	Cash to Seller
Selling Broker	N/A	Cash Equivalent	\$8,150,000
Doc #	337 - 12632	Capital Adjustment	\$0
		Adjusted Price	\$8,150,000



## Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Cash Equivalent Price/sf
02/2015	Sale	4000 Investors LLC	410 Sherwood LLC	\$8,150,000	\$104.24

## Units of Comparison

Static Analysis Method	Trailing Actuals	Eff Gross Inc Mult (EGIM)	N/A
Buyer's Primary Analysis	Static Capitalization Analysis	Op Exp Ratio (OER)	N/A
Net Initial Yield/Cap. Rate	9.50%	Adjusted Price / sf	\$104.24
Projected IRR	N/A	Wtd. Avg. Lease Expiry	N/A
Actual Occupancy at Sale	92%		

## Financial

Revenue Type	Trailing Actuals
Period Ending	N/A
Source	Broker
Price	\$8,150,000
Potential Gross Income	N/A
Economic Occupancy	N/A
Economic Loss	N/A
Effective Gross Income	N/A
Expenses	N/A
Net Operating Income	\$774,250
NOI / sf	\$9.90
NOI / Unit	N/A
EGIM	N/A
OER	N/A
Net Initial Yield/Cap. Rate	9.50%

## Map &amp; Comments

This comparable sale represents a Class A (1), six-story office building and (1), two-story office building totaling 78,183-square-feet and is located at 4000 South Sherwood Forest Boulevard in Baton Rouge Louisiana. The property was built in 1985 and is situated on a 4.859 acre site. At the time of sale the property was 91.54% occupied. Amenities include a landscaped courtyard, fountains, canopied sidewalks, second floor patio, balconies, and concierge desk.

Property Name Office Building  
 Address 2400 Veterans Memorial Boulevard  
 Kenner, LA 70062  
 United States

Government Tax Agency Jefferson  
 Govt./Tax ID 0920009953

**Site/Government Regulations**

	Acres	Square feet
Land Area Net	4.867	212,000
Land Area Gross	N/A	N/A

Site Development Status Finished  
 Shape Irregular  
 Topography Generally Level  
 Utilities N/A

Maximum Floor Area N/A  
 Maximum FAR N/A  
 Actual FAR 0.63

Frontage Distance/Street N/A Veterans Memorial Boulevard

Zoning Commercial  
 General Plan N/A



**Improvements**

Gross Building Area	N/A	Floor Count	5
Net Rentable Area (NRA)	133,312 sf	Parking Type	Surface
Usable Area	N/A	Parking Ratio	3.34/1,000 sf
Load Factor	N/A	Condition	Average
Status	Existing	Exterior Finish	Glass
Occupancy Type	Multi-tenant	Investment Class	B+
Year Built	1983	Number of Buildings	1
Year Renovated	2014		
Amenities	N/A		

**Sale Summary**

Recorded Buyer	Kingfish Development II, LLC	Marketing Time	N/A
True Buyer	Kingfish Development, LLC	Buyer Type	Private Investor
Recorded Seller	Metairie West, LLC	Seller Type	Private Investor
True Seller	Rault Resources Group	Primary Verification	Broker
Interest Transferred	Leased Fee	Type	Sale
Current Use	Multi-Tenant Office	Date	1/22/2014
Proposed Use	Multi-Tenant Office	Sale Price	\$11,700,000
Listing Broker	N/A	Financing	Market Rate Financing
Selling Broker	Transwestern	Cash Equivalent	\$11,700,000
Doc #	000011403820	Capital Adjustment	\$0
		Adjusted Price	\$11,700,000

## Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Cash Equivalent Price/sf
01/2014	Sale	Kingfish Development II, LLC	Metairie West, LLC	\$11,700,000	\$87.76

## Units of Comparison

Static Analysis Method	Pro Forma (Stabilized)	Eff Gross Inc Mult (EGIM)	N/A
Buyer's Primary Analysis	Static Capitalization Analysis	Op Exp Ratio (OER)	N/A
Net Initial Yield/Cap. Rate	8.00%	Adjusted Price / sf	\$87.76
Projected IRR	N/A	Wtd. Avg. Lease Expiry	N/A
Actual Occupancy at Sale	80%		

## Financial

	Pro Forma
Revenue Type	Stabilized
Period Ending	N/A
Source	Broker
Price	\$11,700,000
Potential Gross Income	N/A
Economic Occupancy	N/A
Economic Loss	N/A
Effective Gross Income	N/A
Expenses	N/A
Net Operating Income	\$936,000
NOI / sf	\$7.02
NOI / Unit	N/A
EGIM	N/A
OER	N/A
Net Initial Yield/Cap. Rate	8.00%

## Map &amp; Comments



This comparable represents the sale of a 133,312 square foot, 5-story office building located at 2400 Veterans Memorial Blvd. in Kenner, Louisiana. The building was reportedly 80% occupied when sold, and the buyer noted the high vacancy rate as the motivating factor in the acquisition. Kingfish Development II, LLC plans on renovating all of the common areas in 2014 as well as upgrade the available space with new carpet, paint, lighting, and ceiling grids, which will also be scheduled for 2014. Via broker, the sale employed a cap rate of 8%, implying a stabilized NOI of \$936,000. Expenses for the property were not provided.



Addendum B

**RENT COMPARABLE DATA SHEETS**

**Comparable****Office - Multi Tenant****No. 1**

Property Name Two James Park  
 Address 120 Mallard Street  
 St. Rose, LA 70087  
 United States

Government Tax Agency St. Charles  
 Govt./Tax ID N/A

**Site/Government Regulations**

	Acres	Square feet
Land Area Net	3.360	146,362
Land Area Gross	N/A	N/A

Site Development Status Finished  
 Shape Rectangular  
 Topography Level, At Street Grade  
 Utilities All Available

Maximum Floor Area N/A  
 Maximum FAR N/A  
 Actual FAR 0.37

Zoning N/A  
 General Plan N/A

**Improvements**

Primary Building Area	55,224 sf	Floor Count	3
Net Rentable Area (NRA)	53,440 sf	Parking Type	Surface
Usable Area	53,440 sf	Parking Ratio	0.00/1,000 sf
Load Factor	0.00	Condition	Average
Status	Existing	Exterior Finish	Masonry
Occupancy Type	Multi-tenant	Investment Class	N/A
Year Built	1980	Number of Buildings	1
Year Renovated	N/A		
Amenities	N/A		

**Contact**

Recorded Owner	N/A	Leasing Agent	N/A
True Owner	N/A	Company	N/A

**Rental Survey**

Occupancy	82%	Tenant Size	1,350 - 25,811 sf
Reimbursements	Base Year Stop	Lease Term	N/A
Rent Changes/Steps	N/A	Annual Base Rent	\$16.00 - \$24.61 per sf
Survey Date	06/2017	Free Rent	N/A
Survey Notes	Lease Type: Gross w/ Base Year Expense Stops;	TI Allowance	N/A
		Reimbursement Amount	N/A
		Total Oper. & Fixed Exp.	N/A

Actual Leases

Tenant Name	Tenancy Use Type	Size (sf)	Term (Mo.)	Type of Lease	Start Date	Annual Base Rate per sf	Reimbs.	Rent Changes / Steps	Free Rent (Mo.)	TI Allowance per sf
Willbros Engineers, LLC	Office	27,559	60	Renewal	8/1/2015	\$16.50	Base Year Stop	Two 5-yr options at TBD r	0	N/A
Sea Hawk Marine Logistics	Office	1,350	36	New	7/1/2015	\$16.50	Base Year Stop	N/A	N/A	N/A
Schenker, Inc.	Office	2,014	60	Renewal	1/1/2015	\$16.00	Base Year Stop	N/A	0	N/A
Kuehne & Nagel, Inc.	Office	1,873	12	Renewal	10/1/2014	\$18.00	Base Year Stop	N/A	0	N/A
Norton Lilly Internationa	Office	4,149	60	New	3/15/2012	\$16.75	Base Year Stop	Steps up \$0.25 PSF/yr	0	N/A

Map & Comments



This is a multi-tenant office building located on Mallard Street in James Business Park in St. Rose, LA. The improvements were constructed in 1981 and were found to be in average/good condition. The building is steel framed with masonry exterior walls with glass windows in metal frames and flat, built up roof. Interior build out features painted gypsum board walls with commercial grade carpet with some ceramic tiled flooring with acoustical tiled ceilings and recessed fluorescent lighting. Site improvements include asphalt paved parking/drives, subsurface drainage, landscaping, lighting, signage, etc.

The improvements are currently ±82% occupied. Leases are all gross in nature with base year expense stops (tenant responsible only for utilities). All units are leased in the \$16.00 to \$17.00 PSF range except for a government tenant, General Services Administration, who is paying \$25.88 PSF.

## Comparable

## Office - Multi Tenant

No. 2

Property Name Five James Park  
 Address 110 James Drive West  
 St. Rose, LA 70087  
 United States

Government Tax Agency St. Charles  
 Govt./Tax ID N/A

### Site/Government Regulations

	Acres	Square feet
Land Area Net	1.560	68,389
Land Area Gross	N/A	N/A

Site Development Status Finished  
 Shape Irregular  
 Topography Level, At Street Grade  
 Utilities All Available

Maximum Floor Area N/A  
 Maximum FAR N/A  
 Actual FAR 0.35

Zoning M-1, Light Manufacturing District  
 General Plan N/A



### Improvements

Primary Building Area	24,018 sf	Floor Count	2
Net Rentable Area (NRA)	24,018 sf	Parking Type	Open
Usable Area	N/A	Parking Ratio	N/A
Load Factor	0.00	Condition	Average
Status	Existing	Exterior Finish	Masonry
Occupancy Type	Multi-tenant	Investment Class	N/A
Year Built	1985	Number of Buildings	N/A
Year Renovated	N/A		
Amenities	N/A		

### Contact

Recorded Owner	N/A	Leasing Agent	N/A
True Owner	N/A	Company	N/A

### Rental Survey

Occupancy	46%	Tenant Size	927 - 7,338 sf
Reimbursements	Base Year Stop	Lease Term	24 - 60 Mo(s).
Rent Changes/Steps	N/A	Annual Base Rent	\$16.00 - \$16.50 per sf
Survey Date	06/2017	Free Rent	N/A
Survey Notes	N/A	TI Allowance	N/A
		Reimbursement Amount	N/A
		Total Oper. & Fixed Exp.	N/A

**Comparable**

**Office - Multi Tenant**

**No. 2**

**Actual Leases**

<u>Tenant Name</u>	<u>Tenancy Use Type</u>	<u>Size (sf)</u>	<u>Term (Mo.)</u>	<u>Type of Lease</u>	<u>Start Date</u>	<u>Annual Base Rate per sf</u>	<u>Reimbs.</u>	<u>Rent Changes / Steps</u>	<u>Free Rent (Mo.)</u>	<u>TI Allowance per sf</u>
Causey Enterprises	Office	2,780	12	N/A	1/1/2017	\$16.50	Base Year Stop	N/A	N/A	N/A
Apex Transportation, LLC	Office	1,341	26	New	3/1/2016	\$16.00	Base Year Stop	N/A	N/A	N/A
Barriere Construction Co.	Office	2,780	18	New	2/1/2016	\$16.00	Base Year Stop	N/A	N/A	N/A

**Map & Comments**



Five James Park is a multi-tenant office building in James Business Park, just west of the St. Charles/Jefferson Parish line and just south of Louis Armstrong International Airport. The improvements are approximately 30 years old and have been well-maintained (average/good condition). Current leases are in the \$16.00-\$16.50 PSF range on fully gross terms. All vacant units are being marketed at \$16.00 PSF asking with sizes ranging from 1,390 SF to 7,338 SF (four units).



**Comparable****Office - Multi Tenant****No. 3**

Property Name Elmwood Multi-Tenant Office  
 Address 800 Commerce Road West  
 Harahan, LA 70123  
 United States

Government Tax Agency Jefferson  
 Govt./Tax ID N/A

**Site/Government Regulations**

	Acres	Square feet
Land Area Net	N/A	N/A
Land Area Gross	N/A	N/A

Site Development Status Finished  
 Shape Irregular  
 Topography Level, At Street Grade  
 Utilities All Available

Maximum Floor Area N/A  
 Maximum FAR N/A  
 Actual FAR N/A

Zoning N/A  
 General Plan N/A

**Improvements**

Primary Building Area	N/A	Floor Count	5
Net Rentable Area (NRA)	88,662 sf	Parking Type	Open
Usable Area	88,662 sf	Parking Ratio	N/A
Load Factor	0.00	Condition	Average
Status	Existing	Exterior Finish	N/A
Occupancy Type	Multi-tenant	Investment Class	N/A
Year Built	1978	Number of Buildings	N/A
Year Renovated	N/A		
Amenities	N/A		

**Contact**

Recorded Owner	N/A	Leasing Agent	Kirsten Early, SRSA
True Owner	N/A	Company	N/A

**Rental Survey**

Occupancy	74%	Tenant Size	1,000 - 20,000 sf
Reimbursements	Base Year Stop	Lease Term	60 Mo(s).
Rent Changes/Steps	N/A	Annual Base Rent	\$18.50 - \$24.00 per sf
Survey Date	06/2017	Free Rent	N/A
Survey Notes	N/A	TI Allowance	N/A
		Reimbursement Amount	N/A
		Total Oper. & Fixed Exp.	N/A

Actual Leases

Tenant Name	Tenancy Use Type	Size (sf)	Term (Mo.)	Type of Lease	Start Date	Annual Base Rate per sf	Reimbs.	Rent Changes / Steps	Free Rent (Mo.)	TI Allowance per sf
Nurse's Registry Home Health	Office	3,345	60	N/A	10/1/2016	\$18.50	Base Year Stop	N/A	N/A	N/A
American Bureau of Shipping	Office	18,588	60	New	7/1/2014	\$19.39	Base Year Stop	N/A	N/A	N/A

Map & Comments



This building was constructed in 1978, is five stories and contains 91,333 SF/NRA. It is a Class C construction suburban office building featuring steel and concrete structural system and masonry and glass exteriors. Interior finishes include carpet and vinyl floors, drywall walls, acoustical tile ceilings and fluorescent lighting. The CAF is 15%. The typical tenant improvement allowance for a five-year lease is \$10.00 PSF. (Higher amounts are amortized over the term of the lease.) Amenities include central HVAC, elevators, convenient access and neighborhood retail businesses.

Units within this building are typically in the ±1,000 SF to ±20,000 SF range (most between 1,500 SF and 6,000 SF). Lease terms are typically 5 years. Occupancy is ±74%, according to the rent roll. Vacant units are being marketed for \$19.00 to \$19.50 PSF on fully serviced terms with most existing leases being in this range.

Property Name 880 West Commerce  
 Address 880 West Commerce  
 Harahan, LA 70123  
 United States

Government Tax Agency Jefferson  
 Govt./Tax ID 07000006568

**Site/Government Regulations**

	Acres	Square feet
Land Area Net	0.000	0
Land Area Gross	N/A	N/A

Site Development Status Finished  
 Shape Rectangular  
 Topography Generally Level  
 Utilities All Available

Maximum Floor Area N/A  
 Maximum FAR N/A  
 Actual FAR N/A

Zoning M-2, Industrial District  
 General Plan N/A



**Improvements**

Primary Building Area	93,892 sf	Floor Count	5
Net Rentable Area (NRA)	92,892 sf	Parking Type	Open Asphalt
Usable Area	0 sf	Parking Ratio	N/A
Load Factor	100.00	Condition	Average
Status	Existing	Exterior Finish	Masonry
Occupancy Type	N/A	Investment Class	B
Year Built	1985	Number of Buildings	N/A
Year Renovated	2013		
Amenities	N/A		

**Contact**

Recorded Owner	N/A	Leasing Agent	SRSA
True Owner	N/A	Company	N/A

**Rental Survey**

Occupancy	75%	Tenant Size	1,397 - 13,360 sf
Reimbursements	Full Service	Lease Term	36 Mo(s).
Rent Changes/Steps	None	Annual Base Rent	\$18.50 - \$19.00 per sf
Survey Date	06/2017	Free Rent	N/A
Survey Notes	Expense Pass Thru: Base Year	TI Allowance	N/A
		Reimbursement Amount	N/A
		Total Oper. & Fixed Exp.	N/A

Actual Leases

Tenant Name	Tenancy Use Type	Size	Term (Mo.)	Type of Lease	Start Date	Annual Base Rate	Reimbs.	Rent Changes / Steps	Free Rent (Mo.)	TI Allowance
No actual leases available for this property.										

Map & Comments



This building is five stories and contains 92,892 SF/NRA. It is a Class C construction suburban office building built in 1985 and features a pre-cast concrete structure with a concrete and glass exterior. Building services include card access security system, central HVAC, a 120 and 220 volt electrical system, janitorial and on site leasing, management and maintenance offices. Though negotiable, the tenant improvement allowance is generally \$10.00 PSF with a five-year lease. The CAF is 15%.

Units within this building are typically in the ±1,000 SF to ±20,000 SF range. Occupancy is currently 75%, according to leasing agent Steve Reisig. The most recent leases in this development have been signed for \$19.00 PSF on full service terms with base year expense stops. Current asked rents are \$18.50 PSF on full service terms. Lease terms are typically 5 years. All common areas and elevators have recently been updated.

Addendum C

**COST/PROJECTED OPERATING DATA**

Database: MRI\_PROD  
 Report ID: REV\_BUDACTAN  
 PROJ: 8003  
 Basis: Accrual, Finance, \\  
 RT-ASSTMGAPR

Net Operating Income  
 Cash Basis  
 Asset Management  
 Sealy REIT  
 Total Square Foot for Sealy REIT:1,006,861

Page: 1  
 Date: 6/22/2017  
 Time: 09:29 AM

	05/17 Actual Thru 05/17 Cash	12/16 Actual Thru 12/16 Cash
<b>Revenue</b>		
<b>Rental Income</b>		
Minimum Rent	1,990,768	4,460,396
<b>Total Rental Income</b>	<b>1,990,768</b>	<b>4,460,396</b>
<b>Tenant Recoveries</b>		
CAM Recoveries	228,094	512,256
Real Estate Tax Recoveries	198,626	517,061
Insurance Recoveries	75,339	161,399
Utilities Recoveries	5,631	16,826
Directly Reimbursed Income	21	0
<b>Total Tenant Recoveries</b>	<b>507,711</b>	<b>1,207,541</b>
<b>Other Income</b>		
Lease Buyout Income	106,923	25,185
Late Fees	11,670	26,825
Storage Rent	6,733	29,677
Interest Income	6,810	10,152
<b>Total Other Income</b>	<b>132,136</b>	<b>91,840</b>
<b>Total Revenue</b>	<b>2,630,616</b>	<b>5,759,777</b>
<b>Provision for Bad Debt</b>		
Bad Debts Expense/Recovery	16,029	(94,389)
<b>Total Provision for Credit Losses</b>	<b>16,029</b>	<b>(94,389)</b>
<b>Total Revenue net of Bad Debt</b>	<b>2,646,645</b>	<b>5,665,389</b>
<b>Property Operating Expenses</b>		
Utilities	111,920	315,018
Insurance	161,487	410,626
Security	23,789	52,133
Janitorial	28,588	87,554
Landscaping	77,402	202,254
Repairs and Maintenance	188,923	351,871
Property Taxes	329,119	868,890
Management Fees	101,231	230,178
<b>Total CAM Operating Expenses</b>	<b>1,022,460</b>	<b>2,518,524</b>
<b>Non-CAM Operating Expenses</b>		
Utilities	30,303	76,114
Advertising and Promotion	11,590	13,818
Professional Fees	13,544	316
Other Non-CAM Expenses	49,907	24,736
<b>Total Non-CAM Expenses</b>	<b>105,343</b>	<b>114,984</b>
<b>Total Operating Expense</b>	<b>1,127,802</b>	<b>2,633,508</b>

	05/17 Actual Thru 05/17 Cash	12/16 Actual Thru 12/16 Cash
<b>Net Operating Income / (Loss)</b>	<b>1,518,843</b>	<b>3,031,880</b>
Other Expenses		
Corp/G&A	97,390	235,649
Non-Recurring Expenses	0	0
<b>Total Other Expenses</b>	<b>97,390</b>	<b>235,649</b>
Other Non Operating Income		
Miscellaneous/other income	12,286	4,840
<b>Total Other Non Operating Income</b>	<b>12,286</b>	<b>4,840</b>
Capital Items		
Building/ Capital Expenditures	33,986	304,265
Tenant Allow/ Tenant Impr	227,799	591,000
Leasing Commiss/Legal Leasing	160,083	640,892
<b>Total Capital Items</b>	<b>421,868</b>	<b>1,536,157</b>
<b>Cash Flow before Debt Service</b>	<b>1,011,870</b>	<b>1,264,914</b>
Debt Service		
Mortgage Principal	0	319,988
Mortgage Interest	1,227,689	2,980,284
<b>Total Debt Service</b>	<b>1,227,689</b>	<b>3,300,272</b>
<b>Cash Flow after Debt Service</b>	<b>(215,818)</b>	<b>(2,035,358)</b>
Other Interest		
Other Interest Expense	196,996	399,597
<b>Total Other Interest Expense</b>	<b>196,996</b>	<b>399,597</b>
Escrows (net effect)	0	4
<b>Cash Flow</b>	<b>(412,815)</b>	<b>(2,434,959)</b>
Distributions		
<b>Total Distributions</b>	<b>0</b>	<b>0</b>

Addendum D

**ARGUS SUPPORTING SCHEDULES**



One James Park  
 100 James Drive  
 St. Rose, Louisiana 70087

Software : ARGUS Ver. 15.0.0.53 (Build: 15000-A)  
 File : 17-361HO-3651-9\_One James Park, St.Rose, LA  
 Property Type : Office & Retail  
 Portfolio :

Supporting Schedule – Detailed Lease Expiration Schedule (First Term Only)

No.	Tenant	Suite	Market Leasing	Base Rent /SqFtYr	Expiration Date	Square Feet	Percent of Total
1	Enterprise Products	100	Office	13.71	11/18	3,228	7.5
	Total for Year Ending Jun					3,228	7.5%
2	Hexion, Inc.	170	Office	14.24	10/19	3,229	7.5
	Total for Year Ending Jun					3,229	7.5%
3	Vacant Unit 130	Mo 13	Office	16.40	6/23	3,228	7.5
	Total for Year Ending Jun					3,228	7.5%
4	Vacant Unit 150	Mo 37	Office	17.23	6/25	3,228	7.5
	Total for Year Ending Jun					3,228	7.5%
5	Vacant Unit 200	Mo 49	Office	17.66	6/26	6,949	16.1
	Total for Year Ending Jun					6,949	16.1%
6	Vacant Unit 300	Mo 61	Office	18.10	6/27	6,284	14.6
	Total for Year Ending Jun					6,284	14.6%
7	Vacant Unit 350	Mo 73	Office	18.56	6/28	16,909	39.3
	Total for Year Ending Jun					16,909	39.3%
	Building Total					43,055	100.0%

Supporting Schedule -- Square Feet Expiring -- (All Terms)

Tenant	Month One Occupied Area	Lease Start	First Expiration	Year 1 Jun-2018	Year 2 Jun-2019	Year 3 Jun-2020	Year 4 Jun-2021	Year 5 Jun-2022	Year 6 Jun-2023	Year 7 Jun-2024	Year 8 Jun-2025	Year 9 Jun-2026	Year 1 Jun-2027
Enterprise Products Op	3,228	12/13	11/18		3,228					3,228	3,229		
Hexion, Inc.	3,229	11/16	10/19			3,229			3,228				
Vacant Unit 130		7/18	6/23										
Vacant Unit 150		7/20	6/25										
Vacant Unit 200		7/21	6/26										
Vacant Unit 300		7/22	6/27										
Vacant Unit 350		7/23	6/28										6,284
<b>Total SqFt Expiring</b>	<b>6,457</b>				<b>3,228</b>	<b>3,229</b>			<b>3,228</b>	<b>3,228</b>	<b>6,457</b>	<b>6,949</b>	<b>6,284</b>

<b>Percent Of Total Expirin</b>					<b>7.5%</b>	<b>7.5%</b>			<b>7.5%</b>	<b>7.5%</b>	<b>15.0%</b>	<b>16.1%</b>	<b>14.6%</b>
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One James Park  
 100 James Drive  
 St. Rose, Louisiana 70087

Software : ARGUS Ver. 15.0.0.53 (Build: 15000-A)  
 File : 17-361HO-3651-9\_One James Park, St.Rose, LA  
 Property Type : Office & Retail  
 Portfolio :

Supporting Schedule -- Square Feet Expiring -- (All Terms)

For the Years Ending	Tenant	Suite	Month One Occupied Area	Lease Start	First Expiration	Year 11 Jun-2028
	Enterprise Products Op	100	3,228	12/13	11/18	
	Hexion, Inc.	170	3,229	11/16	10/19	
	Vacant Unit 130	Mo 13		7/18	6/23	
	Vacant Unit 150	Mo 37		7/20	6/25	
	Vacant Unit 200	Mo 49		7/21	6/26	
	Vacant Unit 300	Mo 61		7/22	6/27	
	Vacant Unit 350	Mo 73		7/23	6/28	
	<b>Total SqFt Expiring</b>		<b>6,457</b>			<b>16,909</b>
	<b>Percent Of Total Expirin</b>					<b>39.3%</b>

Supporting Schedule - Occupancy & Absorption Rates  
 Physical Occupancy Based on Absorption & Turnover Vacancy Assumptions

For the Years Ending	Year 1 Jun-2018	Year 2 Jun-2019	Year 3 Jun-2020	Year 4 Jun-2021	Year 5 Jun-2022	Year 6 Jun-2023	Year 7 Jun-2024	Year 8 Jun-2025	Year 9 Jun-2026	Year 10 Jun-2027	Year 11 Jun-2028
SqFt Occupied											
July	6,457	9,685	9,685	12,913	19,862	26,146	39,827	43,055	39,827	36,106	36,771
August	6,457	9,685	9,685	12,913	19,862	26,146	39,827	43,055	39,827	36,106	36,771
September	6,457	9,685	9,685	12,913	19,862	26,146	43,055	43,055	43,055	43,055	43,055
October	6,457	9,685	9,685	12,913	19,862	26,146	43,055	43,055	43,055	43,055	43,055
November	6,457	9,685	6,456	12,913	19,862	26,146	43,055	43,055	43,055	43,055	43,055
December	6,457	6,457	6,456	12,913	19,862	26,146	43,055	43,055	43,055	43,055	43,055
January	6,457	9,685	9,685	12,913	19,862	26,146	39,827	39,826	43,055	43,055	43,055
February	6,457	9,685	9,685	12,913	19,862	26,146	39,827	39,826	43,055	43,055	43,055
March	6,457	9,685	9,685	12,913	19,862	26,146	39,827	43,055	43,055	43,055	43,055
April	6,457	9,685	9,685	12,913	19,862	26,146	43,055	43,055	43,055	43,055	43,055
May	6,457	9,685	9,685	12,913	19,862	26,146	43,055	43,055	43,055	43,055	43,055
June	6,457	9,685	9,685	12,913	19,862	26,146	43,055	43,055	43,055	43,055	43,055
Average Occupied For The Year	6,457	9,147	9,147	12,913	19,862	26,146	41,979	42,517	42,517	41,897	42,008

Net Absorption	Year 1 Jun-2018	Year 2 Jun-2019	Year 3 Jun-2020	Year 4 Jun-2021	Year 5 Jun-2022	Year 6 Jun-2023	Year 7 Jun-2024	Year 8 Jun-2025	Year 9 Jun-2026	Year 10 Jun-2027	Year 11 Jun-2028
Annual Square Feet Absorbed	3,228	3,228	3,228	3,228	6,949	6,284	16,909				
Average Monthly Absorption	269	269	269	269	579	524	1,409				

For the Years Ending	Year 1 Jun-2018	Year 2 Jun-2019	Year 3 Jun-2020	Year 4 Jun-2021	Year 5 Jun-2022	Year 6 Jun-2023	Year 7 Jun-2024	Year 8 Jun-2025	Year 9 Jun-2026	Year 10 Jun-2027	Year 11 Jun-2028
Percentage Occupancy											
July	15.00%	22.49%	22.49%	29.99%	46.13%	60.73%	92.50%	100.00%	92.50%	83.86%	85.40%
August	15.00%	22.49%	22.49%	29.99%	46.13%	60.73%	92.50%	100.00%	92.50%	83.86%	85.40%
September	15.00%	22.49%	22.49%	29.99%	46.13%	60.73%	100.00%	100.00%	100.00%	100.00%	100.00%
October	15.00%	22.49%	22.49%	29.99%	46.13%	60.73%	100.00%	100.00%	100.00%	100.00%	100.00%
November	15.00%	22.49%	14.99%	29.99%	46.13%	60.73%	100.00%	100.00%	100.00%	100.00%	100.00%
December	15.00%	15.00%	14.99%	29.99%	46.13%	60.73%	100.00%	100.00%	100.00%	100.00%	100.00%
January	15.00%	15.00%	22.49%	29.99%	46.13%	60.73%	100.00%	100.00%	100.00%	100.00%	100.00%
February	15.00%	22.49%	22.49%	29.99%	46.13%	60.73%	92.50%	92.50%	100.00%	100.00%	100.00%
March	15.00%	22.49%	22.49%	29.99%	46.13%	60.73%	92.50%	92.50%	100.00%	100.00%	100.00%
April	15.00%	22.49%	22.49%	29.99%	46.13%	60.73%	100.00%	100.00%	100.00%	100.00%	100.00%
May	15.00%	22.49%	22.49%	29.99%	46.13%	60.73%	100.00%	100.00%	100.00%	100.00%	100.00%
June	15.00%	22.49%	22.49%	29.99%	46.13%	60.73%	100.00%	100.00%	100.00%	100.00%	100.00%
Average Occupancy For The Year	15.00%	21.24%	21.24%	29.99%	46.13%	60.73%	97.50%	98.75%	98.75%	97.31%	97.57%

Net Absorption	Year 1 Jun-2018	Year 2 Jun-2019	Year 3 Jun-2020	Year 4 Jun-2021	Year 5 Jun-2022	Year 6 Jun-2023	Year 7 Jun-2024	Year 8 Jun-2025	Year 9 Jun-2026	Year 10 Jun-2027	Year 11 Jun-2028
Annual Percentage Absorbed	7.50%	7.50%	7.50%	7.50%	16.14%	14.60%	39.27%				
Average Monthly Percentage	0.62%	0.62%	0.62%	0.62%	1.34%	1.22%	3.27%				



One James Park  
 100 James Drive  
 St. Rose, Louisiana 70087

Supporting Schedule -- Average Square Feet Occupancy

Tenant	Suite	Month One Occupied Area	Lease Start	First Expiration	Year										
					Year 1 Jun-2018	Year 2 Jun-2019	Year 3 Jun-2020	Year 4 Jun-2021	Year 5 Jun-2022	Year 6 Jun-2023	Year 7 Jun-2024	Year 8 Jun-2025	Year 9 Jun-2026	Year 1 Jun-202	
Enterprise Products Op	Suite 100	3,228	12/13	11/18	3,228	2,690	3,228	3,228	3,228	3,228	2,690	3,228	3,228	3,228	3,228
Vacant Unit 130	Mo 13		7/18	6/23	3,228	3,228	3,228	3,228	3,228	3,228	2,690	3,228	3,228	3,228	3,228
Vacant Unit 150	Mo 37		7/20	6/25	3,228	3,228	3,228	3,228	3,228	3,228	3,228	3,228	3,228	3,228	3,228
Hexion, Inc.	170	3,229	11/16	10/19	3,229	3,229	2,691	3,229	3,229	3,229	3,229	2,691	3,229	3,229	3,229
Vacant Unit 300	Mo 61		7/22	6/27	6,284	6,284	6,284	6,284	6,284	6,284	6,284	6,284	6,284	6,284	6,284
Vacant Unit 200	Mo 49		7/21	6/26	6,949	6,949	6,949	6,949	6,949	6,949	6,949	6,949	6,949	6,949	6,949
Vacant Unit 350	Mo 73		7/23	6/28	16,909	16,909	16,909	16,909	16,909	16,909	16,909	16,909	16,909	16,909	16,909
<b>Total Amount Per Year</b>		<b>6,457</b>			<b>6,457</b>	<b>9,147</b>	<b>9,147</b>	<b>12,913</b>	<b>19,862</b>	<b>26,146</b>	<b>41,979</b>	<b>42,517</b>	<b>42,517</b>	<b>41,897</b>	<b>41,897</b>
<b>Average Percent Occupanc</b>					<b>15.00%</b>	<b>21.24%</b>	<b>21.24%</b>	<b>29.99%</b>	<b>46.13%</b>	<b>60.73%</b>	<b>97.50%</b>	<b>98.75%</b>	<b>98.75%</b>	<b>97.31%</b>	<b>97.31%</b>



One James Park  
 100 James Drive  
 St. Rose, Louisiana 70087

Software : ARGUS Ver. 15.0.0.53 (Build: 15000-A)  
 File : 17-361HO-3651-9\_One James Park, St Rose, LA  
 Property Type : Office & Retail  
 Portfolio :

Supporting Schedule -- Average Square Feet Occupancy

For the Years Ending	Tenant	Suite	Month One Occupied Area	Lease Start	First Expiration	Year 11 Jun-2028
	Enterprise Products Op	100	3,228	12/13	11/18	3,228
	Vacant Unit 130	Mo 13		7/18	6/23	3,228
	Vacant Unit 150	Mo 37		7/20	6/25	3,228
	Hexlon, Inc.	170	3,229	11/16	10/19	3,229
	Vacant Unit 300	Mo 61		7/22	6/27	5,237
	Vacant Unit 200	Mo 49		7/21	6/26	6,949
	Vacant Unit 350	Mo 73		7/23	6/28	16,909
	<b>Total Amount Per Year</b>		<b>6,457</b>			<b>42,008</b>

Average Percent Occupanc  
 =====  
 97.57%



One James Park  
 100 James Drive  
 St. Rose, Louisiana 70087

Software : ARGUS Ver. 15.0.0.53 (Build: 15000-A)  
 File : 17-361HO-3651-9\_One James Park, St Rose, LA  
 Property Type : Office & Retail  
 Portfolio :

Supporting Schedule -- Scheduled Base Rental Revenue

Tenant	Suite	Month One Occupied Area	Lease Start	First Expiration	Year 11		Total
					Jun-2028		
Enterprise Products Op	100	3,228	12/13	11/18	62,519	608,426	
Vacant Unit 130	Mo 13		7/18	6/23	62,989	561,722	
Vacant Unit 150	Mo 37		7/20	6/25	64,408	458,544	
Hexion, Inc.	170	3,229	11/16	10/19	63,296	619,257	
Vacant Unit 300	Mo 61		7/22	6/27	107,254	676,034	
Vacant Unit 200	Mo 49		7/21	6/26	140,301	869,642	
Vacant Unit 350	Mo 73		7/23	6/28	313,748	1,568,740	
Total Amount Per Year					814,515	5,362,365	
Weighted Average Per SqF					18.92		



Supporting Schedule -- Absorption & Turnover Vacancy

For the Years Ending	Month One Occupied Area	Lease Start	First Expiration	Year																
				Year 1 Jun-2018	Year 2 Jun-2019	Year 3 Jun-2020	Year 4 Jun-2021	Year 5 Jun-2022	Year 6 Jun-2023	Year 7 Jun-2024	Year 8 Jun-2025	Year 9 Jun-2026	Year 10 Jun-2027							
Tenant	Suite																			
Enterprise Products Op	100	12/13	11/18																	
Vacant Unit 130	Mo 13	7/18	6/23	51,648	8,823															
Vacant Unit 150	Mo 37	7/20	6/25	51,648	52,939	54,263														
Hexion, Inc.	170	11/16	10/19			9,047														
Vacant Unit 300	Mo 61	7/22	6/27	100,544	103,058	105,634	108,275													
Vacant Unit 200	Mo 49	7/21	6/26	111,184	113,964	116,813	119,733													
Vacant Unit 350	Mo 73	7/23	6/28	270,544	277,308	284,240	291,346													
<b>Total Amount Per Year</b>				585,568	556,092	569,997	519,354	409,612	306,096	19,966	10,235	10,488	23,144							
<b>Weighted Average Per SqF</b>				13.60	12.92	13.24	12.06	9.51	7.11	0.46	0.24	0.24	0.54							



One James Park  
 100 James Drive  
 St. Rose, Louisiana 70087

Software : ARGUS Ver. 15.0.0.53 (Build: 15000-A)  
 File : 17-361HO-3651-9\_One James Park, St Rose, LA  
 Property Type : Office & Retail  
 Portfolio :

Supporting Schedule -- Absorption & Turnover Vacancy

Tenant	Suite	Month One Occupied Area	Lease Start	First Expiration	Year 11 Jun-2028	Total
Enterprise Products Op	100	3,228	12/13	11/18		18,806
Vacant Unit 130	Mo 13		7/18	6/23		61,631
Vacant Unit 150	Mo 37		7/20	6/25		169,338
Hexion, Inc.	170	3,229	11/16	10/19		19,282
Vacant Unit 300	Mo 61		7/22	6/27	21,451	549,944
Vacant Unit 200	Mo 49		7/21	6/26		484,836
Vacant Unit 350	Mo 73		7/23	6/28		1,728,164
<b>Total Amount Per Year</b>		<b>6,457</b>			<b>21,451</b>	<b>3,032,001</b>
<b>Weighted Average Per SqF</b>					<b>0.50</b>	

Supporting Schedule -- Base Rental Step Revenue

Tenant	Month One Occupied Area	Lease Start	First Expiration	Year 1 Jun-2018	Year 2 Jun-2019	Year 3 Jun-2020	Year 4 Jun-2021	Year 5 Jun-2022	Year 6 Jun-2023	Year 7 Jun-2024	Year 8 Jun-2025	Year 9 Jun-2026	Year 10 Jun-2027
Enterprise Products Op	3,228	12/13	11/18			807	1,614	2,421	3,228	2,421	3,228	3,228	
Vacant Unit 130		7/18	6/23					807	1,614	2,421	3,228	3,228	
Vacant Unit 150		7/20	6/25						1,614	2,421	3,228	3,228	
Hexion, Inc.	3,229	11/16	10/19						1,737	1,571	3,142	4,713	6,284
Vacant Unit 300		7/22	6/27						1,737	3,474	5,212	6,949	
Vacant Unit 200		7/21	6/26							7,466	4,227	8,454	
Vacant Unit 350		7/23	6/28										12,682
<b>Total Amount Per Year</b>	<b>6,457</b>					<b>807</b>	<b>1,614</b>	<b>3,228</b>	<b>6,579</b>	<b>7,466</b>	<b>15,809</b>	<b>20,116</b>	<b>18,966</b>

Weighted Average Per SqF  
 =====  
 0.47  
 =====



One James Park  
 100 James Drive  
 St. Rose, Louisiana 70087

Software : ARGUS Ver. 15.0.0.53 (Build: 15000-A)  
 File : 17-361HO-3651-9\_One James Park, St Rose, LA  
 Property Type : Office & Retail  
 Portfolio :

Supporting Schedule -- Base Rental Step Revenue

Tenant	Suite	Month One Occupied Area	Lease Start	First Expiration	Year 11 Jun-2028	Total
Enterprise Products Op	100	3,228	12/13	11/18		
Vacant Unit 130	Mo 13		7/18	6/23		8,070
Vacant Unit 150	Mo 37		7/20	6/25		8,070
Hexion, Inc.	170	3,229	11/16	10/19		
Vacant Unit 300	Mo 61		7/22	6/27		15,710
Vacant Unit 200	Mo 49		7/21	6/26		17,372
Vacant Unit 350	Mo 73		7/23	6/28	16,909	42,272
<b>Total Amount Per Year</b>		<b>6,457</b>			<b>16,909</b>	<b>91,494</b>
<b>Weighted Average Per SqF</b>					<b>0.39</b>	

Supporting Schedule -- Expense Reimbursement Revenue

For the Years Ending	Month One Occupied Area	Lease Start	First Expiration	Year 1 Jun-2018	Year 2 Jun-2019	Year 3 Jun-2020	Year 4 Jun-2021	Year 5 Jun-2022	Year 6 Jun-2023	Year 7 Jun-2024	Year 8 Jun-2025	Year 9 Jun-2026	Year 1 Jun-2027
Tenant													
Enterprise Products Op	3,228	12/13	11/18			272	751	1,419	2,077	1,745	350	711	1,084
Vacant Unit 130		7/18	6/23			272	751	1,419	2,077		350	711	1,084
Vacant Unit 150		7/20	6/25					669	1,327	2,241	2,593	360	374
Hexion, Inc.	3,229	11/16	10/19		652	395	479	1,148	1,805	2,720	1,536	360	733
Vacant Unit 300		7/22	6/27							1,780	2,463	3,166	3,890
Vacant Unit 200		7/21	6/26						1,417	3,386	4,142	4,917	
Vacant Unit 350		7/23	6/28								3,385	6,856	10,426
<b>Total Amount Per Year</b>	<b>6,457</b>				<b>652</b>	<b>939</b>	<b>1,981</b>	<b>4,655</b>	<b>8,703</b>	<b>11,872</b>	<b>14,819</b>	<b>16,721</b>	<b>17,592</b>
<b>Weighted Average Per SqF</b>					<b>0.02</b>	<b>0.02</b>	<b>0.05</b>	<b>0.11</b>	<b>0.20</b>	<b>0.28</b>	<b>0.34</b>	<b>0.39</b>	<b>0.4*</b>



One James Park  
 100 James Drive  
 St. Rose, Louisiana 70087

Software : ARGUS Ver. 15.0.0.53 (Build: 15000-A)  
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 Property Type : Office & Retail  
 Portfolio :

Supporting Schedule – Expense Reimbursement Revenue

For the Years Ending	Month One Occupied Area	Lease Start	First Expiration	Year 11 Jun-2028	Total
Tenant					
Enterprise Products Op	3,228	12/13	11/18	1,466	9,875
Vacant Unit 130		7/18	6/23	1,466	8,130
Vacant Unit 150		7/20	6/25	755	7,957
Hexion, Inc.	3,229	11/16	10/19	1,116	10,944
Vacant Unit 300		7/22	6/27		11,289
Vacant Unit 200		7/21	6/26	822	14,684
Vacant Unit 350		7/23	6/28	14,094	34,764
<b>Total Amount Per Year</b>	<b>6,457</b>			<b>19,719</b>	<b>97,653</b>

Weighted Average Per SqF  
 =====  
 0.46  
 =====





One James Park  
 100 James Drive  
 St. Rose, Louisiana 70087

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 Property Type : Office & Retail  
 Portfolio :

Supporting Schedule -- Tenant Improvements

Tenant	Suite	Month One Occupied Area	Lease Start	First Expiration	Year 11 Jun-2028	Total
Enterprise Products Op	100	3,228	12/13	11/18		27,504
Vacant Unit 130	Mo 13		7/18	6/23		34,452
Vacant Unit 150	Mo 37		7/20	6/25		36,196
Hexlon, Inc.	170	3,229	11/16	10/19		28,200
Vacant Unit 300	Mo 61		7/22	6/27	31,372	74,031
Vacant Unit 200	Mo 49		7/21	6/26		79,868
Vacant Unit 350	Mo 73		7/23	6/28		117,656
<b>Total Amount Per Year</b>		<b>6,457</b>			<b>31,372</b>	<b>397,907</b>
<b>Weighted Average Per SqF</b>					<b>0.73</b>	





Supporting Schedule -- Leasing Commissions

For the Years Ending	Month One Occupied Area	Lease Start	First Expiration	Year 1 Jun-2018	Year 2 Jun-2019	Year 3 Jun-2020	Year 4 Jun-2021	Year 5 Jun-2022	Year 6 Jun-2023	Year 7 Jun-2024	Year 8 Jun-2025	Year 9 Jun-2026	Year 1 Jun-2027
Tenant	Suite												
Enterprise Products Op	100	12/13	11/18		7,092					7,996			
Vacant Unit 130	Mo 13	7/18	6/23		10,911					7,996			
Vacant Unit 150	Mo 37	7/20	6/25									8,390	
Hexion, Inc.	170	11/16	10/19			7,266	11,447				8,193		
Vacant Unit 300	Mo 61	7/22	6/27					25,240	23,380				
Vacant Unit 200	Mo 49	7/21	6/26										
Vacant Unit 350	Mo 73	7/23	6/28							64,441			
<b>Total Amount Per Year</b>					18,003	7,266	11,447	25,240	23,380	80,433	8,193	8,390	18,500
<b>Weighted Average Per SqF</b>					0.42	0.17	0.27	0.59	0.54	1.87	0.19	0.19	0.40



One James Park  
 100 James Drive  
 St. Rose, Louisiana 70087

Software : ARGUS Ver. 15.0.0.53 (Build: 15000-A)  
 File : 17-361HO-3651-9\_One James Park, St Rose, LA  
 Property Type : Office & Retail  
 Portfolio :

Supporting Schedule -- Leasing Commissions

Tenant	Suite	Month One Occupied Area	Lease Start	First Expiration	Year 11 Jun-2028	Total
Enterprise Products Op	100	3,228	12/13	11/18		15,088
Vacant Unit 130	Mo 13		7/18	6/23		18,907
Vacant Unit 150	Mo 37		7/20	6/25		19,837
Hexion, Inc.	170	3,229	11/16	10/19		15,459
Vacant Unit 300	Mo 61		7/22	6/27	17,140	40,520
Vacant Unit 200	Mo 49		7/21	6/26		43,743
Vacant Unit 350	Mo 73		7/23	6/28		64,441
<b>Total Amount Per Year</b>		<b>6,457</b>			<b>17,140</b>	<b>217,995</b>

Weighted Average Per SqF  
 =====  
 0.40  
 =====

Addendum E

**LEASE UP DISCOUNT**

Addendum F

**LEGAL DESCRIPTION**

**Legal**

LOT 15A, SQ. 4, JAMES BUSINESS PARK.  
(JAMES I LOCATED ON THIS PROPERTY)

STRENGTHS

Well positioned for a strong end year  
Solid performance in the energy and  
chemicals sectors

WEAKNESSES

Highly volatile earnings  
Highly volatile earnings  
Highly volatile earnings

Addendum G

# PRÉCIS METRO REPORT - ECONOMY.COM, INC.

UPSIDE

Strong performance in the energy and  
chemicals sectors

DOWNSIDE

Highly volatile earnings  
Highly volatile earnings

<b>ECONOMIC DRIVERS</b> LOGISTICS TOURIST DESTINATION MEDICAL CENTER			<b>EMPLOYMENT GROWTH RANK</b> 2016-2018: <b>262</b> (4th quintile) 2016-2021: <b>212</b> (3rd quintile) <small>Best=1, Worst=408</small>		<b>RELATIVE COSTS</b> LIVING: <b>101%</b> BUSINESS: <b>89%</b> <small>U.S.=100%</small>		<b>VITALITY</b> RELATIVE: <b>64%</b> RANK: <b>388</b> <small>U.S.=100% Best=1, Worst=401</small>	
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**BUSINESS CYCLE STATUS**

Expansion

**RECOVERY**

At Risk

Moderating Recession

In Recession

**ANALYSIS**

**Recent Performance.** Weakness in the energy industry is plaguing New Orleans-Metairie, which is holding up better than the rest of the state but is underperforming the South and the nation by a larger margin. While benchmark revisions to employment reveal a few thousand more jobs in NEO, payroll employment is little changed since the first quarter of 2015. The unemployment rate is back down, but at just over 5%, it exceeds the U.S. average and is about a percentage point above its prerecession nadir. Fewer hours worked are weighing on weekly earnings, which, coupled with a dearth of net new jobs, is keeping income growth well below average. Fortunately, troubles in the labor market have not seeped into housing. Thanks to more rapid household formation, home sales and prices are on the move; year-ago growth in prices exceeds the Louisiana and U.S. averages and is the highest since 2006.

**Energy.** Rising fossil fuel prices will slow layoffs in energy, a primary driver of weakness in NEO, but this part of the economy will be slow to turn up. Benchmark revisions reveal 13% fewer mining jobs at the end of 2016, and a quick resurgence in industry jobs is unlikely unless energy prices rise a lot more than what is baked into the forecast. Most mining jobs in NEO are back-office positions that support high-cost offshore drilling, and shale drillers in other parts of the country have lower break-even costs and will ramp up production at lower prices than those in Louisiana.

Refining will not provide much support either. Planned refinery outages on the Gulf Coast for the first half of 2017 are higher than average, but, due to adequate inventories, such outages are not expected to cause a shortfall in the supply of petroleum. Refineries will at best hold their own, and energy overall will hamper growth, albeit to a lesser extent than in recent quarters.

**Port.** An increase in shipping volumes in 2017 will not be enough to spur hiring in logistics. As home to the largest export hub by volume in the nation, NEO is highly dependent on trade. With weakness in emerging markets and an appreciating dollar reducing foreign demand for domestically made goods, shipping payrolls in the metro area have suffered. Export volumes have continued to rise at NEO's ports, but overcapacity at regional export hubs is limiting shippers' pricing power and keeping profitability low. The strain will ease as overseas economies strengthen, but the industry still faces headwinds. The dollar will remain strong due to Federal Reserve rate hikes and potentially protectionist economic policies. This will make domestically produced goods more expensive on foreign markets, reducing demand.

**Healthcare.** Healthcare will be the primary driver of growth in 2017. Job growth in the industry has exceeded that in the state, region and nation for the last few years, and last year the industry performed better than previously believed. A new Veterans Affairs hospital will generate the bulk of the new jobs, but a freeze on hiring new federal employees could slow growth. The freeze exempts most VA medical positions, but could delay hiring in lower-paying administrative roles. Healthcare also faces risks from declining state funding. In dealing with a severe budget deficit, Louisiana is cutting funding to the Department of Health and Hospitals and to public-private partnership hospitals. NEO is home to one such hospital, but cuts will do more damage in rural areas.

**STRENGTHS & WEAKNESSES**

**STRENGTHS**

- Well-developed port, pipeline and rail infrastructure.
- Large-scale investments in energy and manufacturing.

**WEAKNESSES**

- Large number of low-paying gaming and tourism jobs; very few high-tech jobs.
- Susceptibility to boom-bust cycle in energy; employment volatility well above average.

**FORECAST RISKS**

SHORT TERM

LONG TERM

**RISK EXPOSURE 2017-2022** **98** 2nd quintile Highest=1 Lowest=402

**UPSIDE**

- Stronger than expected state and local tax collections end public sector layoffs sooner.
- More professional, scientific and technical jobs diversify private service employment.

**DOWNSIDE**

- Concerns about China and Europe keep export growth weak, hurting port activity.
- Slow rebound of oil prices mutes interest in gulf oil exploration and extraction.

**MOODY'S RATING**

**A3** CITY AS OF SEP 07, 2016

**New Orleans-Metairie will expand in 2017, but progress will be slow. Hiring at hospitals will bolster private services, but persistent woes in the energy industry will forestall more robust job growth. Over the long term, unfavorable demographics and susceptibility to climate disasters will limit NEO's potential.**

Thomas Nichols  
March 2017

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help@economy.com

2011	2012	2013	2014	2015	2016	INDICATORS	2017	2018	2019	2020	2021	2022
61.2	61.4	60.8	62.4	65.1	66.7	Gross metro product (C09\$ bil)	68.8	70.2	71.1	72.1	73.6	75.5
-6.9	0.5	-1.1	2.6	4.3	2.6	% change	3.0	2.1	1.3	1.3	2.2	2.5
539.4	545.3	555.1	566.4	576.3	576.4	Total employment (ths)	582.6	589.9	595.2	599.5	602.3	606.2
1.2	1.1	1.8	2.0	1.8	0.0	% change	1.1	1.2	0.9	0.7	0.5	0.6
7.6	7.0	6.5	6.2	6.0	5.7	Unemployment rate (%)	6.3	6.8	7.1	7.3	7.5	7.6
1.3	7.1	-0.1	5.6	4.9	1.7	Personal income growth (%)	5.9	5.9	5.9	6.5	6.2	6.6
44.8	44.8	45.7	47.0	48.3	50.2	Median household income (\$ ths)	52.1	54.2	56.7	59.8	62.9	66.2
1,214.1	1,228.0	1,241.2	1,251.7	1,262.4	1,267.2	Population (ths)	1,276.0	1,283.7	1,289.6	1,294.1	1,298.1	1,304.2
1.5	1.1	1.1	0.8	0.9	0.4	% change	0.7	0.6	0.5	0.3	0.3	0.5
12.4	8.7	8.6	5.5	5.9	0.2	Net migration (ths)	4.3	3.5	1.7	0.4	0.1	2.4
2,071	2,062	2,494	2,440	2,093	2,491	Single-family permits (#)	2,643	3,255	3,569	3,434	3,559	3,842
385	278	175	551	402	429	Multifamily permits (#)	1,084	675	359	188	232	303
187.3	190.5	194.5	199.3	211.0	223.7	FHFA house price (1995Q1=100)	234.5	238.7	238.7	240.2	245.5	253.2

### ECONOMIC HEALTH CHECK

3-MO MA

	Sep 16	Oct 16	Nov 16	Dec 16	Jan 17	Feb 17
Employment, change, ths	0.3	0.3	0.3	0.0	0.0	0.1
Unemployment rate, %	5.7	5.7	5.7	5.7	5.5	5.4
Labor force participation rate, %	59.9	59.5	59.3	59.3	59.2	59.2
Employment-to-population ratio, %	56.4	56.1	55.9	55.9	55.9	56.0
Average weekly hours, #	34.0	34.2	34.2	34.2	34.2	ND
Industrial production, 2007=100	101.3	101.1	101.0	101.2	101.7	ND
Residential permits, single-family, #	2,559	2,489	2,286	2,345	2,623	2,648
Residential permits, multifamily, #	1,051	1,103	338	285	325	299
	Better than prior 3-mo MA	Unchanged from prior 3-mo MA	Worse than prior 3-mo MA	Worse than prior 3-mo MA	Better than prior 3-mo MA	Better than prior 3-mo MA

Sources: BLS, Census Bureau, Moody's Analytics



### CURRENT EMPLOYMENT TRENDS

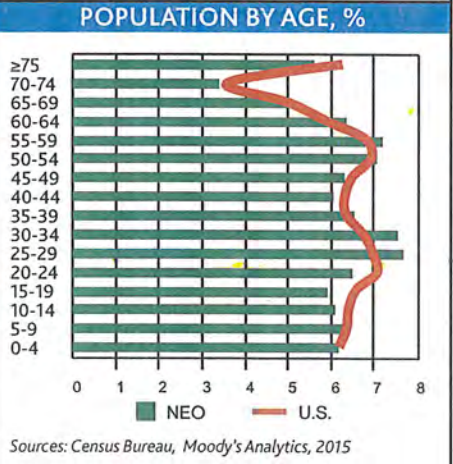
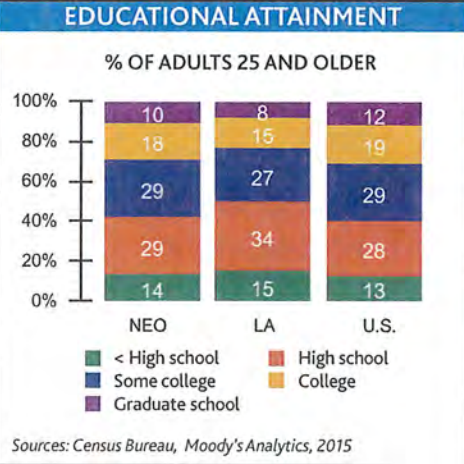
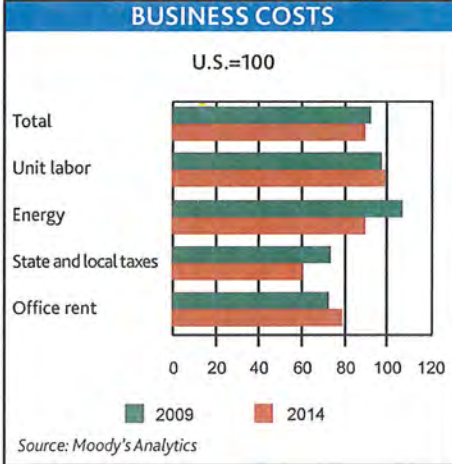
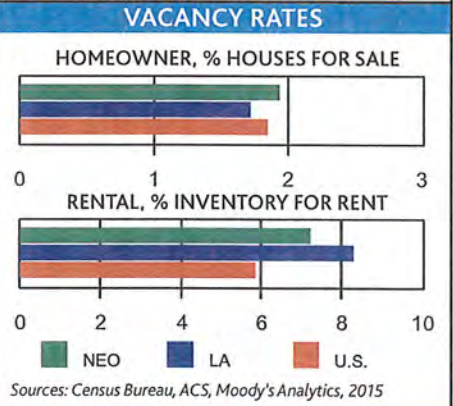
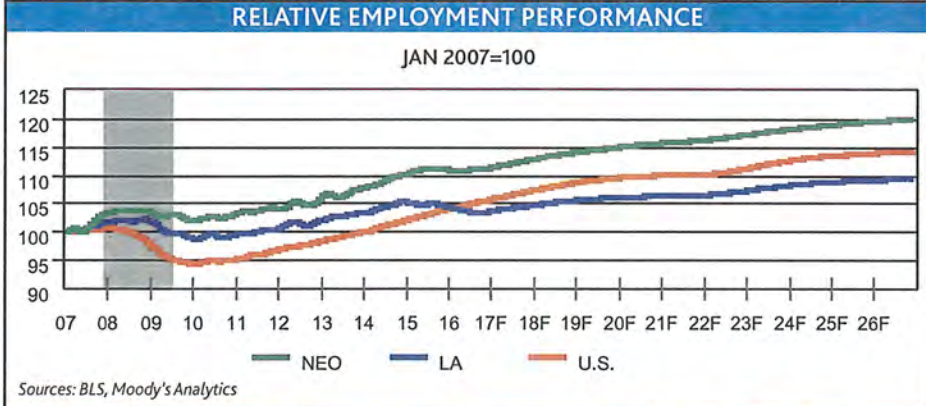
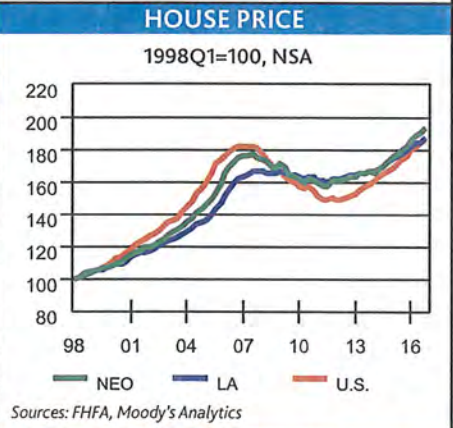
#### % CHANGE YR AGO

Sources: BLS, Moody's Analytics

#### % CHANGE YR AGO, 3-MO MA

	Jun 16	Oct 16	Feb 17
Total	-0.2	-0.1	0.1
Mining	-22.1	-18.5	-14.6
Construction	-8.0	-6.1	-0.7
Manufacturing	-1.6	-3.0	0.5
Trade	0.1	-0.2	1.7
Trans/Utilities	-2.7	-3.0	-2.7
Information	-25.6	-16.7	-22.8
Financial Activities	0.9	2.4	3.4
Prof & Business Svcs.	-0.0	1.0	1.2
Edu & Health Svcs.	4.8	4.7	3.7
Leisure & Hospitality	2.7	2.6	-0.5
Other Services	0.3	0.2	1.6
Government	-0.9	-2.8	-3.4

Sources: BLS, Moody's Analytics





EMPLOYMENT & INDUSTRY			MIGRATION FLOWS																																																																																																																																													
<p><b>TOP EMPLOYERS</b></p> <table border="1"> <tr><td>Ochsner Health System</td><td>14,500</td></tr> <tr><td>Naval Air Station Joint Reserve Base New Orleans</td><td>7,200</td></tr> <tr><td>Louisiana State University Health</td><td>7,000</td></tr> <tr><td>Northrop Grumman</td><td>6,000</td></tr> <tr><td>Charity Hospital of Louisiana</td><td>5,000-9,999</td></tr> <tr><td>Medical Center - Louisiana in New Orleans</td><td>5,000-9,999</td></tr> <tr><td>University Hospital</td><td>5,000-9,999</td></tr> <tr><td>Tulane University</td><td>5,000</td></tr> <tr><td>ACME Truck Line Inc.</td><td>3,150</td></tr> <tr><td>University of New Orleans</td><td>3,114</td></tr> <tr><td>East Jefferson General Hospital</td><td>3,000</td></tr> <tr><td>Harrah's Entertainment Inc.</td><td>2,700</td></tr> <tr><td>North Oaks Health System</td><td>2,700</td></tr> <tr><td>Lockheed Martin Space Systems Co.</td><td>2,160</td></tr> <tr><td>Touro Infirmary</td><td>2,018</td></tr> <tr><td>NASA Michoud Assembly Facility</td><td>2,000</td></tr> <tr><td>West Jefferson Medical Center</td><td>2,000</td></tr> <tr><td>Dow Chemical Co.</td><td>1,700</td></tr> <tr><td>Chevron Production</td><td>1,500</td></tr> <tr><td>U.S. Army Corps of Engineers</td><td>1,300</td></tr> </table> <p><i>Sources: Greater New Orleans Regional Economic Alliance, 2012, Guide to Military Installations, 2011, Jefferson Parish Economic Development Commission, 2016, New Orleans Book of Lists, 2010</i></p> <p><b>PUBLIC</b></p> <table border="1"> <tr><td>Federal</td><td>12,393</td></tr> <tr><td>State</td><td>12,195</td></tr> <tr><td>Local</td><td>46,843</td></tr> </table> <p>2016</p>			Ochsner Health System	14,500	Naval Air Station Joint Reserve Base New Orleans	7,200	Louisiana State University Health	7,000	Northrop Grumman	6,000	Charity Hospital of Louisiana	5,000-9,999	Medical Center - Louisiana in New Orleans	5,000-9,999	University Hospital	5,000-9,999	Tulane University	5,000	ACME Truck Line Inc.	3,150	University of New Orleans	3,114	East Jefferson General Hospital	3,000	Harrah's Entertainment Inc.	2,700	North Oaks Health System	2,700	Lockheed Martin Space Systems Co.	2,160	Touro Infirmary	2,018	NASA Michoud Assembly Facility	2,000	West Jefferson Medical Center	2,000	Dow Chemical Co.	1,700	Chevron Production	1,500	U.S. Army Corps of Engineers	1,300	Federal	12,393	State	12,195	Local	46,843	<p><b>INDUSTRIAL DIVERSITY</b></p> <p>Most Diverse (U.S.)</p> <p>Least Diverse</p> <p><b>EMPLOYMENT VOLATILITY</b></p> <table border="1"> <tr> <th>Due to U.S. fluctuations</th> <th>Relative to U.S.</th> </tr> <tr> <td>16</td> <td>238</td> </tr> <tr> <td>100</td> <td>100</td> </tr> </table> <p>Legend: Not due to U.S. (Green), Due to U.S. (Orange), NEO (Dark Green), U.S. (Red)</p>			Due to U.S. fluctuations	Relative to U.S.	16	238	100	100	<p><b>INTO NEW ORLEANS LA</b></p> <table border="1"> <tr><th>Location</th><th>Number of Migrants</th></tr> <tr><td>Baton Rouge LA</td><td>3,003</td></tr> <tr><td>Houston TX</td><td>1,945</td></tr> <tr><td>Hammond LA</td><td>1,369</td></tr> <tr><td>Gulfport MS</td><td>865</td></tr> <tr><td>Houma LA</td><td>840</td></tr> <tr><td>Atlanta GA</td><td>768</td></tr> <tr><td>Dallas TX</td><td>654</td></tr> <tr><td>New York NY</td><td>518</td></tr> <tr><td>Lafayette LA</td><td>494</td></tr> <tr><td>Los Angeles CA</td><td>391</td></tr> <tr><td><b>Total in-migration</b></td><td><b>36,544</b></td></tr> </table> <p><b>FROM NEW ORLEANS LA</b></p> <table border="1"> <tr><th>Location</th><th>Number of Migrants</th></tr> <tr><td>Baton Rouge LA</td><td>3,027</td></tr> <tr><td>Houston TX</td><td>2,485</td></tr> <tr><td>Hammond LA</td><td>1,495</td></tr> <tr><td>Gulfport MS</td><td>1,148</td></tr> <tr><td>Houma LA</td><td>1,102</td></tr> <tr><td>Austin TX</td><td>995</td></tr> <tr><td>Atlanta GA</td><td>711</td></tr> <tr><td>Dallas TX</td><td>693</td></tr> <tr><td>Lafayette LA</td><td>459</td></tr> <tr><td>Fort Worth TX</td><td>320</td></tr> <tr><td><b>Total out-migration</b></td><td><b>35,006</b></td></tr> </table> <p><b>Net migration</b> 1,538</p>			Location	Number of Migrants	Baton Rouge LA	3,003	Houston TX	1,945	Hammond LA	1,369	Gulfport MS	865	Houma LA	840	Atlanta GA	768	Dallas TX	654	New York NY	518	Lafayette LA	494	Los Angeles CA	391	<b>Total in-migration</b>	<b>36,544</b>	Location	Number of Migrants	Baton Rouge LA	3,027	Houston TX	2,485	Hammond LA	1,495	Gulfport MS	1,148	Houma LA	1,102	Austin TX	995	Atlanta GA	711	Dallas TX	693	Lafayette LA	459	Fort Worth TX	320	<b>Total out-migration</b>	<b>35,006</b>																																				
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LOW	ML Total Military Personnel	1.2	9.0																																																																																																																																													
	7225 Restaurants and other eating places	1.3	51.0																																																																																																																																													
	7211 Traveler accommodation	2.0	14.5																																																																																																																																													
	5613 Employment services	0.8	12.0																																																																																																																																													
6113 Colleges, universities & prof. schools	1.7	11.7																																																																																																																																														

## About Moody's Analytics

Moody's Analytics helps capital markets and credit risk management professionals worldwide respond to an evolving marketplace with confidence. With its team of economists, the company offers unique tools and best practices for measuring and managing risk through expertise and experience in credit analysis, economic research, and financial risk management. By offering leading-edge software and advisory services, as well as the proprietary credit research produced by Moody's Investors Service, Moody's Analytics integrates and customizes its offerings to address specific business challenges.

Concise and timely economic research by Moody's Analytics supports firms and policymakers in strategic planning, product and sales forecasting, credit risk and sensitivity management, and investment research. Our economic research publications provide in-depth analysis of the global economy, including the U.S. and all of its state and metropolitan areas, all European countries and their subnational areas, Asia, and the Americas. We track and forecast economic growth and cover specialized topics such as labor markets, housing, consumer spending and credit, output and income, mortgage activity, demographics, central bank behavior, and prices. We also provide real-time monitoring of macroeconomic indicators and analysis on timely topics such as monetary policy and sovereign risk. Our clients include multinational corporations, governments at all levels, central banks, financial regulators, retailers, mutual funds, financial institutions, utilities, residential and commercial real estate firms, insurance companies, and professional investors.

Moody's Analytics added the economic forecasting firm Economy.com to its portfolio in 2005. This unit is based in West Chester PA, a suburb of Philadelphia, with offices in London, Prague and Sydney. More information is available at [www.economy.com](http://www.economy.com).

Moody's Analytics is a subsidiary of Moody's Corporation (NYSE: MCO). Further information is available at [www.moodyanalytics.com](http://www.moodyanalytics.com).

## About Moody's Corporation

Moody's is an essential component of the global capital markets, providing credit ratings, research, tools and analysis that contribute to transparent and integrated financial markets. **Moody's Corporation** (NYSE: MCO) is the parent company of Moody's Investors Service, which provides credit ratings and research covering debt instruments and securities, and **Moody's Analytics**, which encompasses the growing array of Moody's nonratings businesses, including risk management software for financial institutions, quantitative credit analysis tools, economic research and data services, data and analytical tools for the structured finance market, and training and other professional services. The corporation, which reported revenue of \$3.5 billion in 2015, employs approximately 10,400 people worldwide and maintains a presence in 36 countries.

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Addendum H

## **CLIENT CONTRACT INFORMATION**

**Smith, Barb @ Seattle**

17-222 NW-1149  
17-361 HD-3651

**From:** Stacey Bernal <[sbernal@cwcapital.com](mailto:sbernal@cwcapital.com)>  
**Sent:** Tuesday, June 06, 2017 12:52 PM  
**To:** CWCapital Special Servicing Operations; Haucke, Whitney @ Seattle; Smith, Barb @ Seattle  
**Cc:** Carlos Barrios; Nadine Headley  
**Subject:** RE: 199-20 Sealy C Pool - (LOAN & REO) APPRAISAL UPDATE ENGAGEMENT

**Importance:** High

Borrower contact is not Jim Quilty. See below:

Akiva Elazary  
[aelazary@lightstonegroup.com](mailto:aelazary@lightstonegroup.com)  
212-616-9984

Thanks,

Stacey Glick-Bernal  
CWCapital Asset Management LLC  
7501 Wisconsin Avenue, Suite 500 West  
Bethesda, MD 20814  
[sbernal@cwcapital.com](mailto:sbernal@cwcapital.com)

**From:** CWCapital Special Servicing Operations  
**Sent:** Tuesday, June 6, 2017 3:44 PM  
**To:** 'Haucke, Whitney @ Seattle' <[Whitney.Haucke@cbre.com](mailto:Whitney.Haucke@cbre.com)>; 'Smith, Barb @ Seattle' <[Barb.Smith@cbre.com](mailto:Barb.Smith@cbre.com)>  
**Cc:** Stacey Bernal <[sbernal@cwcapital.com](mailto:sbernal@cwcapital.com)>; Carlos Barrios <[cbarrios@cwcapital.com](mailto:cbarrios@cwcapital.com)>; Nadine Headley <[nheadley@cwcapital.com](mailto:nheadley@cwcapital.com)>  
**Subject:** 199-20 Sealy C Pool - (LOAN & REO) APPRAISAL UPDATE ENGAGEMENT

**REPORT DELIVERY:** Please e-mail electronic version (PDF) to CWCapital SS Operations ([cwspecialservicing@cwcapital.com](mailto:cwspecialservicing@cwcapital.com)) & assigned CW Asset Manager/Analyst. Hard copies are no longer required. \*All submissions MUST include in the Subject Field: CWC Loan # & Property Name & whether the report being submitted is a Draft or Final.

**NOTE:** Please do not forget to include INSURABLE VALUE and place it towards the front of the report, right under As-Is & Stabilized Values.

**Congratulations! Your bid has been selected. Please proceed.**

CWC #	Loan Name	Property Address	City	State	Zip Code	Property Type	Year Built	Net Measure	Unit of Measure
1	Sealy C Pool	7402-7648 REINDEER TRAIL	SAN ANTONIO	TX - Texas	78238	Industrial	1985	251,125	Sq. Feet
2	Sealy C Pool	520-524 ELMWOOD PARK BLVD	HARAHAN	LA - Louisiana	70123	Industrial	1986	102,209	Sq. Feet
3	Sealy C Pool	5405 BANDERA ROAD	LEON VALLEY	TX - Texas	78238	Industrial	1982	145,394	Sq. Feet
4	Sealy C Pool	1700 GRANDSTAND DRIVE	SAN ANTONIO	TX - Texas	78238	Industrial	1986	59,754	Sq. Feet
5	Sealy C Pool	150 TEAL STREET	NEW ORLEANS	LA - Louisiana	70087	Industrial	2000	53,544	Sq. Feet
6	Sealy C Pool	120 MALLARD STREET	NEW ORLEANS	LA - Louisiana	70087	Industrial	1981	53,520	Sq. Feet
7	Sealy C Pool	11441 INDUSTRIPLEX BLVD	BATON ROUGE	LA - Louisiana	70809	Industrial	1987	35,596	Sq. Feet
8	Sealy C Pool	11301 INDUSTRIPLEX BLVD	BATON ROUGE	LA - Louisiana	70809	Industrial	1985	38,396	Sq. Feet
9	Sealy C Pool	100 JAMES DRIVE	NEW ORLEANS	LA - Louisiana	70087	Industrial	1980	43,055	Sq. Feet
10	Sealy C Pool	7042 ALAMO DOWNS PARKWAY	SAN ANTONIO	TX - Texas	78238	Industrial	1982	27,987	Sq. Feet
11	Sealy C Pool	143 MALLARD STREET	NEW ORLEANS	LA - Louisiana	70087	Industrial	1982	23,436	Sq. Feet
12	Sealy C Pool	150 CANVASBACK DRIVE	NEW ORLEANS	LA - Louisiana	70087	Industrial	1986	40,500	Sq. Feet

**\$42,000**  
**Due: 6.29.2017**

**AM:** Stacey Glick [sglick@cwcapital.com](mailto:sglick@cwcapital.com) 202-715-9638  
**Analyst:** Carlos Barrios [cbarrios@cwcapital.com](mailto:cbarrios@cwcapital.com) 202-715-4324  
**Portfolio Administrator:** Nadine Headley [nheadley@cwcapital.com](mailto:nheadley@cwcapital.com) 202-715-9507

**Contact Information:**  
Lightstone Group - Jim Quilty  
773.904.0402  
[jquilty@lightstonegroup.com](mailto:jquilty@lightstonegroup.com)

Thanks!

**LISA AIRALL**  
Compliance | CWCapital Asset Management, LLC  
7501 Wisconsin Avenue, Suite 500 West, Bethesda, MD 20814  
direct: 202.715.9564  
main: 202.715.9500  
fax: 202.715.9699  
email: [cwspecialservicing@cwcapital.com](mailto:cwspecialservicing@cwcapital.com)

**INVOICING INSTRUCTIONS:**

- **EFFECTIVE IMMEDIATELY**, please do not mail hard copies of invoices anymore. All invoices must be compiled in one PDF document and emailed to CWCapital SS Accounts Payable ([ssaccounts payable@cwcapital.com](mailto:ssaccounts payable@cwcapital.com)) and CWCapital SS Operations ([cwspecialservicing@cwcapital.com](mailto:cwspecialservicing@cwcapital.com)), on a weekly basis. For example, if there are 20 invoices, please email one PDF with all 20 invoices in it (1 PDF document, 20 pages). Not, 20 separate PDFs. This will help our AP department process the invoices and enter them into our system faster.
- Separate invoices are needed for properties with different loan numbers, even when engaged together. The ONLY time we can accept one invoice for multiple properties is if they are part of the same portfolio and share the same loan number.
- Multiple projects (not part of the same portfolio) engaged together can have the same invoice number but must be differentiated by A, B and C or 1, 2 and 3. (For example, if three projects were engaged together and your system assigned invoice number 3012554832 to that contract, all three invoices CANNOT be invoice number 3012554832. They must not be identical because our system will NOT pay the same invoice number twice. 3012554832-A, 3012554832-B, 3012554832-C or 3012554832-1, 3012554832-2, 3012554832-3 is acceptable.

Addendum I

**QUALIFICATIONS**

## **QUALIFICATIONS OF**

**RYAN M. GAY, MAI**  
**Vice President**

**CBRE, Inc.**  
**VALUATION & ADVISORY SERVICES**  
**601 Poydras Street, Suite 2225**  
**New Orleans, Louisiana 70130**  
**T: 504.410.8402**  
**F: 504.410.8394**  
**ryan.gay@cbre.com**

## **FORMAL EDUCATION**

Louisiana State University, Baton Rouge – B.S. Business Administration, Marketing

## **CONTINUING EDUCATION**

Completed required coursework and successfully passed examinations for the following courses:

Appraisal Institute - Basic Appraisal Principles  
Appraisal Institute - Basic Appraisal Procedures  
15 Hour National USPAP Course & 7 Hour Update  
Appraisal Institute - Real Estate Finance, Statistics, and Valuation Modeling  
Appraisal Institute - General Appraiser Market Analysis & Highest and Best Use  
Appraisal Institute - General Appraiser Sales Comparison Approach  
Appraisal Institute - General Appraiser Site Valuation & Cost Approach  
Appraisal Institute - General Appraiser Income Approach/ Part I  
Appraisal Institute - General Appraiser Income Approach/ Part II  
Appraisal Institute - General Appraiser Report Writing & Case Studies  
Appraisal Institute - Advanced Income Capitalization  
Appraisal Institute - Advanced Concepts & Case Studies

## **PROFESSIONAL AFFILIATIONS**

Designated Member (MAI)  
Certified General Appraiser

Appraisal Institute  
State of Louisiana (G2927)  
State of Mississippi (GA-1209)

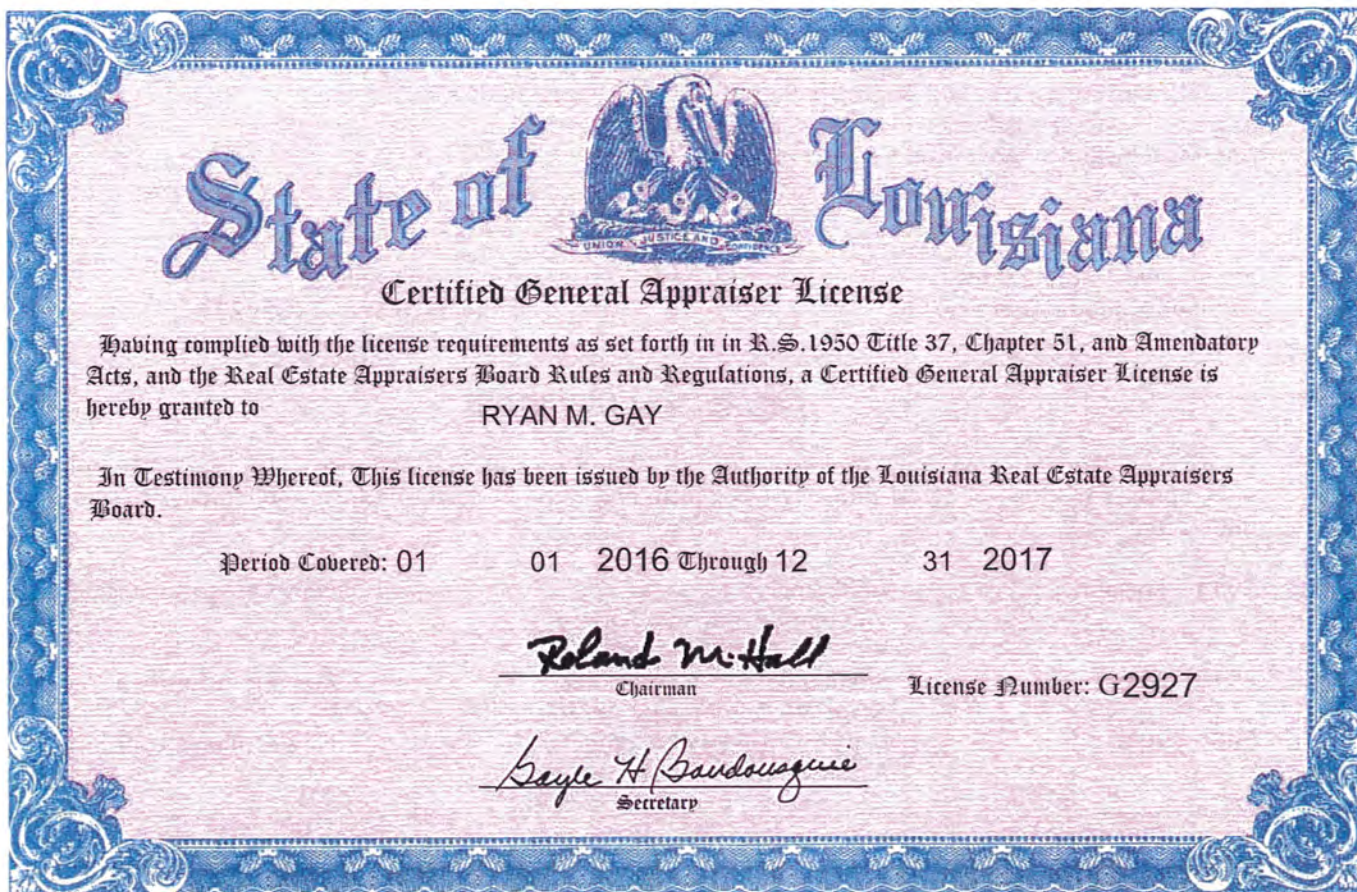
## **EMPLOYMENT EXPERIENCE**

Over seven years of commercial real estate appraisal and consulting experience in Louisiana. Experience encompasses a wide variety of property types including retail, industrial, office, multifamily, special use, and vacant land.

2014 – Present	CBRE, Inc. Valuation & Advisory Services Vice President, Sr. Appraiser	New Orleans, Louisiana
2010 - 2014	Stegall, Benton & Associates Associate Commercial Appraiser	Metairie, Louisiana
2009 - 2010	Murphy, McEnery & Company Associate Commercial Appraiser	New Orleans, Louisiana



2927  
CGA



## **QUALIFICATIONS OF**

**BRUCE BAILEY, MAI**  
Managing Director

**CBRE, Inc.**  
**VALUATION & ADVISORY SERVICES**  
2700 Post Oak Boulevard, Suite 250  
Houston, Texas 77056  
(713) 888-4701 Direct Line  
(713) 840-6649 Fax  
bruce.bailey@cbre.com

### **FORMAL EDUCATION**

Sam Houston State University – B.F.A., 1979

### **CONTINUING EDUCATION**

All current requirements have been completed for each of the state's certifications as well as the Appraisal Institute for the MAI designation.

### **PROFESSIONAL AFFILIATIONS & DESIGNATIONS ATTAINED**

Designated Member (MAI)	Appraisal Institute (9646)
Certified Real Estate Appraiser	State of Texas (TX-1321412-G)
Licensed Real Estate Broker	State of Texas (0375297)
Certified Real Estate Appraiser	State of Kansas (G-2057)
Certified Real Estate Appraiser	State of Missouri (2004029145)
Certified Real Estate Appraiser	State of Arkansas (CG2909N)
Certified Real Estate Appraiser	State of Oklahoma (12671CGA)
Certified Real Estate Appraiser	State of Louisiana (G2222)

### **EMPLOYMENT EXPERIENCE**

Senior real estate professional with over 25 years experience in valuations, management, finance and real estate lending. Thorough knowledge of complex real property valuations, real estate financing and regulatory guidelines.

September 2003 – Present	CBRE, Inc. Valuation & Advisory Services Managing Director	Houston, Texas
2001 – 2003	Wells Fargo Bank Vice President/Senior Appraiser	Houston, Texas
1991 – 2001	Bank United Vice President/Chief Appraiser	Houston, Texas
1989 – 1990	Barletta, Mushinski & Associates Senior Appraiser	Houston, Texas
1985 – 1989	George E. Simms & Associates Commercial Real Estate Appraiser	Houston, Texas

2222

CGA

