Advanced Appraisals

PO Box 401, Montrose, AL 36559 Phone: (850)341-7018
advancedappraisals@hotmail.com

June 10, 2019

RE: 93.16 acres Bon Secour River-Headwaters Parcel 05 61 03 06 0 000 005.000

Dear City of Foley

As requested, I have completed an appraisal of the above referenced property. The effective date of this assignment is June 10, 2019. The subject of the appraisal is a 93.16 acre undeveloped parcel of property along the Bon Secour River. The subject property contains 93.16 surveyed acres with 38.5 acres of Certified wetlands along the East line being the Bon Secour headwaters or what is considered the headwaters. The appraiser has completed several updates in the past 3 years of this property but the current 38.5 ACRES is certified by the USACE as wetlands
. The purpose of the appraisal is to develop an opinion of the market value of the property. A wetland study in 3 areas of South Baldwin put a per acres value of wetlands $ 2,500/Ac to $6,500/Ac, There are 38.5 Acres of wetlands at $ 2,500/Acre and 54.66 Acres of uplands at $ 19,790.50. The Land Value conclusion is 93.16 acres valued at an average of $ 12,645 per acre for a total value of $ 1,178,000.00
(ROUNDED)

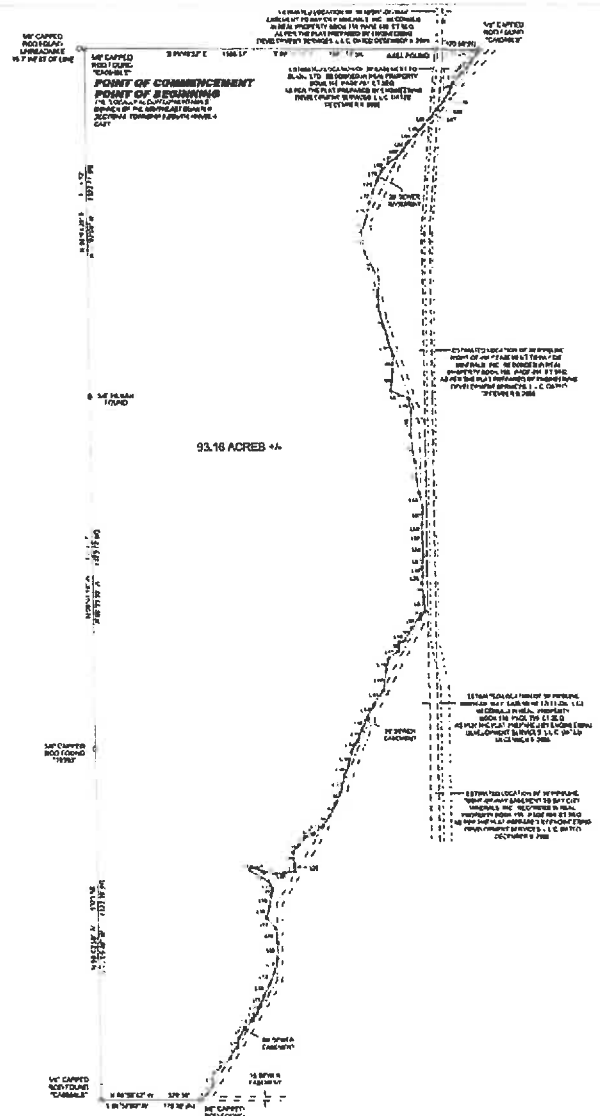
ONE MILLION ONE HUNDRED SEVENTY EIGHT THOUSAND DOLLARS

The intended use of the analysis is to assist in your purchase decision. I have relied on my investigation, information provided by the owner, and information obtained from public records. This appraisal relies on market data from a variety of sources. This appraisal report conforms to Standards 1 and 2 of the Uniform Standards of Professional Appraisal Practice (USPAP). The Interagency Appraisal and Evaluation Guidelines include a series of additional requirements for federally related transactions that are relevant in this assignment. The main body of the report contains an outline detailing the scope of work.

It is my conclusion that the market value of the property is $1,178,000. The effective date of this analysis is June 10, 2019. If I can be of any further assistance, please do not hesitate to call.
Sincerely,

Weldon Payne

Weldon Payne
Certified General Real Property Appraiser
AL License No. #G00253
Expires 9/30/2019



PLOT SIZE
18" X 24"
SCALE: (1"=200')

LEGEND:

NOTE:

1.) THE SOURCES OF INFORMATION SHOWN ARE: MONUMENTS FOUND, RECORD DRAWINGS, AND DEEDS AND PLATS RECORDED AS PUBLIC RECORD IN THE OFFICE OF THE JUDGE OF PROBATE COUNTY OF MOBILE COUNTY, ALABAMA, AND A PLAT PREPARED BY ENGINEERING DEVELOPMENT SERVICES, L.L.C. DATED DECEMBER 8, 2008.

2.) TYPE OF SURVEY: BOUNDARY

3.) BEARINGS AND DISTANCES SHOWN ARE BASED ON THE NORTH AMERICAN DATUM OF 1983, ALABAMA WEST ZONE, AND SHOWN IN U.S. SURVEY FEET. RECORD MEASUREMENTS ARE DENOTED WITH A (R). ALL OTHERS ARE FIELD MEASUREMENTS.

4.) NO INTERIOR BOUNDARY LINES WERE SURVEYED.

5.) THIS SURVEY DOES NOT REPRESENT NOR GUARANTEE OWNERSHIP.

6.) NO TITLE SEARCH, TITLE OPINION, OR ABSTRACT WAS PERFORMED OR PROVIDED FOR THIS PROJECT. THERE MAY BE DEEDS OF RECORD, UNRECORDED DEEDS, EASEMENTS, RIGHTS-OF-WAY, BUILDING SETBACKS, RESTRICTIVE COVENANTS, OR OTHER INSTRUMENTS WHICH COULD AFFECT THE BOUNDARIES, RIGHT OF WAY, AND USE OF THE SUBJECT PROPERTY.

LINE TABLE

LINE	LENGTH (R)	BEARING (R)	LENGTH	BEARING
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

I hereby certify that all parts of this survey and drawing have been completed in accordance with the current requirements of the Standards of Practice for Surveying in the State of Alabama to the best of my knowledge, information, and belief.

Surveyor's Signature: Wesley G. Bumpers, PLS

Alabama License No. 33948 Date [illegible]

WESLEY G. BUMPERS
No. 33948
PROFESSIONAL LAND SURVEYOR

BON SECOUR RIVER CONSTRUCTED WETLANDS
RETRACEMENT BOUNDARY SURVEY
CITY OF FOLEY

VOLKERT

Contents

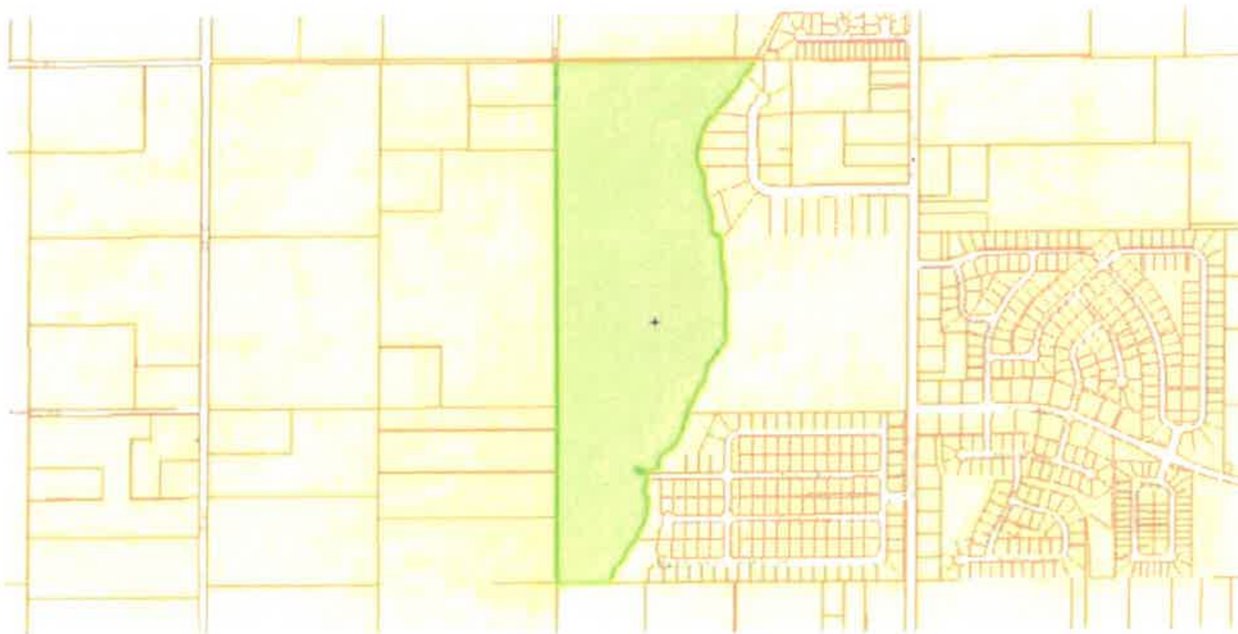
Executive Summary / Introduction

Address:	Barner Road Foley, AL 36535
Assignment Type:	Undeveloped acreage
County:	Baldwin
File #:	16-311
Date of Appraisal: Date of Report:	June 10, 2019 June 10, 2019
Owner of Record:	Bengston, Bill H Jr
Client:	The City of Foley
Intended User:	The City of Foley
Assessment Summary:	
Parcel Number:	05-61-03-06-0-000-005.000
2015 Estimated Value:	$206,800
:	
Legal Description:	93.16ASurveyed(C) BEGIN AT THE NW COR OF NE1/4 SEC 6 RUN S 3971.3', T H E 379.3' TO PT ON DELINEATED WETLANDS/L, TH N'LY 4728.6', TH DEPARTING SD DELINEATED WETLANDS/L RUN W 1507.1' TO THE POB IN THE CITY OF FOLEY LYING IN THE E1/2 OF SEC 6-T8S-R4E (SP WD)
Project Summary:	
Site Summary:	The site area is 93.16 acres. wetlands 38.5- acres certified
:	
Flood Zone:	X – Fema map # FM01003C0815L
Structure:	None
Highest and Best Use:	Speculative hold for future development.

Summary	Sales Comparison	Conclusion
Value Indication	$1,178,000	$ 1,178,000

Aerial Photo

Parcel Map



Aerial Map

Subject Photographs

Interagency Appraisal Guidelines[1]

The guidelines reflect revisions to the agencies' appraisal regulation, which reduced the number of supervisory appraisal standards. In general, these minimum standards require:

1) Compliance with the Uniform Standards of Professional Appraisal Practice,
    - **See appraisal report.**
2) Written appraisal reports that are sufficiently informative to support the institution's lending decision,
    - **See appraisal report.**
3) Analysis and reporting of deductions and discounts when appropriate,
    - **A discount is not required[2].**
4) A market value estimate, as defined by this appraisal regulation,
    - **Yes, the 12CFR definition is cited in this report.**
5) And appraisals are to be performed by Licensed or Certified appraisers,
    - **Yes, appraiser is certified**

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[1] **Interagency Appraisal and Evaluation Guidelines, December 2010**

[2] **A discount must be considered if the construction or lease-up period is extended. It is not needed in this case.**

Market Value Defined[3]

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus.

Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- *buyer and seller are typically motivated;*
- *both parties are well informed or well advised and each is acting in what he considers his own best interest;*
- *a reasonable time is allowed for exposure in the open market;*
- *payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto;*
- *the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with sale.*

The preceding definition contemplates an open market transaction.

Purpose of the Appraisal

The purpose of this analysis is to estimate the market value of the property. This assignment analyzes the fee simple ownership rights. The function of the appraisal is to assist the client user in its investment plan or possible purchase of the subject property.

Date of the Appraisal

The property visit occurred on June 10, 2019. The effective date of the assignment is the date of the property visit. Following the inspection and analysis, the report was written and is dated June 10, 2019

[3] FDIC Reg. 12 CFR part 323. Federal Register / Vol.55 No.161 /Monday, August 20, 1990 / Rules & Regulations Title XI of FIRREA. Subsection 323.2 definitions.

Appraisal Process / Scope of the Appraisal

The appraisal process has seven steps. The first step in the process is to identify the valuation question. Defining the question requires gathering the following assignment elements:

Assignment Elements

Client:	The client for this assignment is The City of Foley
Intended User(s):	The intended user of the report is to be the client.
Intended Use:	The anticipated use of the report is to assist the intended user during negotiations for possible purchase.
Property Rights:	Fee simple ownership rights are appraised.
Date of Appraisal:	June 10, 2019 is the effective date of the appraisal. The report is dated June 10, 2019
Definition of Value:	The definition of value used in this appraisal is from *FDIC Reg. 12 CFR part 323. Federal Register / Vol 55 No. 161 / Monday August 20, 1990 / Rules and Regulations Title XI of FIRREA. Subsection 323.2 definitions.*
Property Type:	The subject of this appraisal is undeveloped acreage
Conditions:	extraordinary assumptions are necessary for the completion of this appraisal assignment.

The second step in the process involves outlining a scope of work. The following outline describes the scope of work for this assignment:

Scope of Work:

Inspection:	The subject was physically inspected by Weldon Payne on June 1,5,9, 2019.
Research:	Site data was collected from public sources including Baldwin County Tax Assessor Maps and/or Baldwin County Probate Records. Market data was collected from legal records, local real estate brokers, the appraisal/review files of Weldon Payne, and data obtained from local appraisers. Data was collected from sources believed to be reliable and verification was made by a search of public records and verification with a party involved in the transaction, and/or the real estate broker.
Analysis:	In this appraisal, the sales comparison approach is the most applicable approach to value.
Report:	Appraisal Report is in a summary format.

The balance of the appraisal process involves completing the scope of work. The primary source of value in this property is in its ability to support the needs of the owner. The sales comparison approach is the most relevant.

Basic valuation principles guide the thought process, the data research, and the analytical phases of the appraisal. Highest and best use provides context for a market value appraisal. This principle applies to the land since it is unimproved. The approaches to value measure the contribution of the various components of a property.

The report communicates the results of the analysis.

Regional Data

Mobile is located in Southwest Alabama at the head of Mobile Bay, thirty-one miles from the Gulf of Mexico. It is the second largest metropolitan area in Alabama and the state's major port. The Mobile Bay Area, which includes Mobile and Baldwin Counties, covers an area of 2,828 square miles. The dominant urban area is the City of Mobile, which includes 158 square miles of the 1,238 square miles in Mobile County.

CLIMATE

Annual Average Temperature	67.5° F
January Average	49.9° F
July Average	82.3° F
Annual Average Rainfall	63.9"
Snowfall	0"

Source: NOAA

Municipality Populations

	1990 Census	2000 Census	2010 Census
Mobile County	378,643	399,843	412,992
Bayou La Batre	2,446	2,313	2,558
Chickasaw	6,747	6,364	6,106
Citronelle	3,695	3,659	3,905
Creola	1,961	2,002	1,926
Dauphin Island	622	1,371	1,238
Mobile	198,417	198,915	195,111
Mount Vernon	970	844	1,574
Prichard	33,711	28,633	22,659
Saraland	12,164	12,268	13,405
Satsuma	5,292	5,687	6,168
Baldwin County	98,280	140,415	182,265
Bay Minette	7,216	7,820	8,044
Daphne	11,725	16,581	21,570
Elberta	458	552	1,458
Fairhope	9,248	12,480	15,326
Foley	5,778	7,590	14,618
Gulf Shores	3,272	5,044	9,741
Loxley	1,161	1,348	1,632
Orange Beach	2,244	3,784	5,441
Robertsdale	2,485	3,782	5,276
Silverhill	565	616	706
Spanish Fort	2,696	5,423	6,798
Summerdale	552	655	862
2010 - U S Census			

Municipality Populations

Population Composition

	Mobile Bay Area	Baldwin County	Mobile County	City of Mobile
Total Population	595,257	182,265	412,992	195,111
% by Race				
American Indian	.5 %	1.1%	.3 %	.1%
Asian	1.3 %	.2 %	1.8 %	1.5 %
Black	31.0 %	10.4 %	34.6 %	49.4 %
White	64.2 %	84.4 %	60.2 %	47.1%
Hispanic	2.1 %	3.0 %	2.4 %	1.5 %
Other	.9%	.9 %	.7 %	.4 %

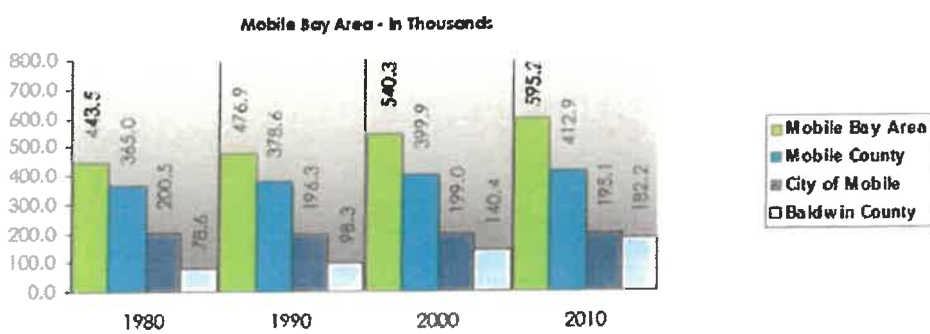
Source: U.S. Census 2010

Age Distribution

	City of Mobile	Mobile County	Baldwin County	Mobile Bay Area
Median Age	36.2	36.1	39.5	37.3
% by Age Groups				
Under 4	7.3	7.4	6.8	7.2
5 - 24	28.4	28.6	25.5	27.5
25 - 44	24.5	25.2	25.2	25.0
45 - 64	24.7	25.8	25.6	25.4
65 - 84	12.9	11.4	14.8	13.0
85 & Over	2.2	1.6	2.1	2.0

Source: U.S. Census 2010

Population Growth



Source: 1980, 1990, 2000, 2010 U.S. Census

Education

Public & Private Schools

	Schools	Teachers	Students
Elementary	56	2,357	28,645
Middle School	19	792	13,405
High School	13	1,091	18,896
Parochial & Private Schools	44	1,160	14,750

State Vo-Tech Schools

	Students
Enterprise-Ozark Community College/ Aviation Center at Mobile	300

Two-Year Colleges

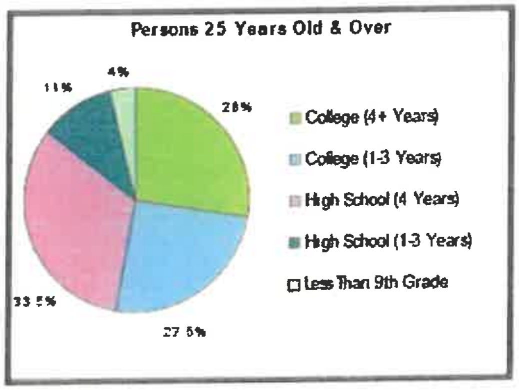
	Students
Bishop State Community College	3,729
Faulkner State Community College	4,622

Four-Year Colleges

	Students
Spring Hill College	1,439
University of Mobile	1,734
University of South Alabama	15,006

Source: Individual Institutions

Educational Levels



Source: Decision Data Resources 2012

Industries

Number & Type of Businesses

Category	MSA	Mobile County	Baldwin County
Total	13,614	9,004	4,610
Agricultural Services, Forestry, Fisheries	48	37	11
Mining	28	21	7
Construction	1,204	740	464
Manufacturing	530	386	144
Transportation and Public Utilities	478	361	117
Wholesale Trade	767	570	197
Retail Trade	2,502	1,573	929
Finance, Insurance & Real Estate	1,655	1,056	599
Services	6,189	4,107	2,082
Information	196	142	54
Unclassified Establishments	17	11	6

Source: US Census Bureau, County Business Patterns 2010

Mobile's New & Expanding Industries

2001-2013

42 new industries/ companies

86 expansions of existing companies

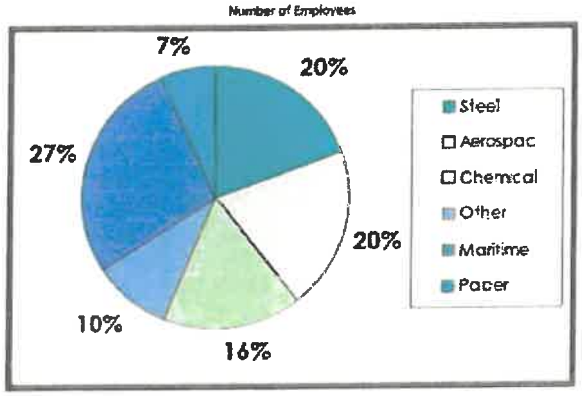
$8.5 billion in capital investment reported from new and expanded industries

17,414 new jobs as a result of new and expanding industries

Source: Alabama Development

Mobile's Manufacturing Profile

Number of Employees



Place of Work Basis / Source: Alabama Department of Industrial Relations

NEIGHBORHOOD DATA: Foley, AL

Introduction

Analysis of a neighborhood begins at the margins of the property and extends to a logical boundary that defines a general area having an impact on the subject neighborhood. A neighborhood is defined as "*a group of complementary land uses*".7[1.] The identification of a property's neighborhood depends substantially on the size and use of the existing or proposed improvements. Identifying relationships between the present or intended use of a property and its "*neighborhood*" can often prove difficult, especially if the use is of regional scope. As a result of these factors, it seems to be useful to consider the subject in two distinct ways, the economic neighborhood, and the physical neighborhood.

The "economic" neighborhood is that area on which the subject depends on for its economic viability and within which it must compete for potential purchasers. Generally, the economic neighborhood for a property similar to the subject is fairly broad and considers the characteristics and economic needs of the population that would most likely patronize it. In order to identify the subject's "*physical*" neighborhood, the areas surrounding the subject are observed as to transportation facilities, zoning, land uses, and how these factors relate to the subject. For purposes of this study, we will also consider statistics derived from the U.S. census and other public and private sources, within a 5.0 mile radius around the subject.

7[1] *The Appraisal of Real Estate*, Appraisal Institute, Thirteenth Edition, Page 54

Transportation

Most important of the neighborhood elements having a potential impact on the subject property are those in the immediate vicinity and the transportation system providing access in and out of the neighborhood. For the most part, this system provides a basic framework for defining the subject's neighborhood, although several major land uses also constitute key elements in its delineation.

The subject property is located at the west side of Highway 59, south of West Michigan Avenue, and east of County Road 65 in the city limits of Foley, Alabama. Highway 59 is a heavily traveled north-south roadway in Baldwin County for both residents and vacationers traveling to the beaches of Gulf Shores and Orange Beach. U.S. Highway 98 is a major east/west artery in southern Baldwin County that runs from Daphne and Fairhope on the eastern shore of Mobile Bay east through Elberta and Lillian to Pensacola, Florida. Highway 98 and State Highway 59 provide access to Interstate 10. East of Highway 59 is the Foley Beach Expressway, a toll road, opened in 2000 to alleviate traffic congestion on State Highway 59, and to assist hurricane evacuations. It branches off State Highway 59 north of Foley, and heads south to Orange Beach.

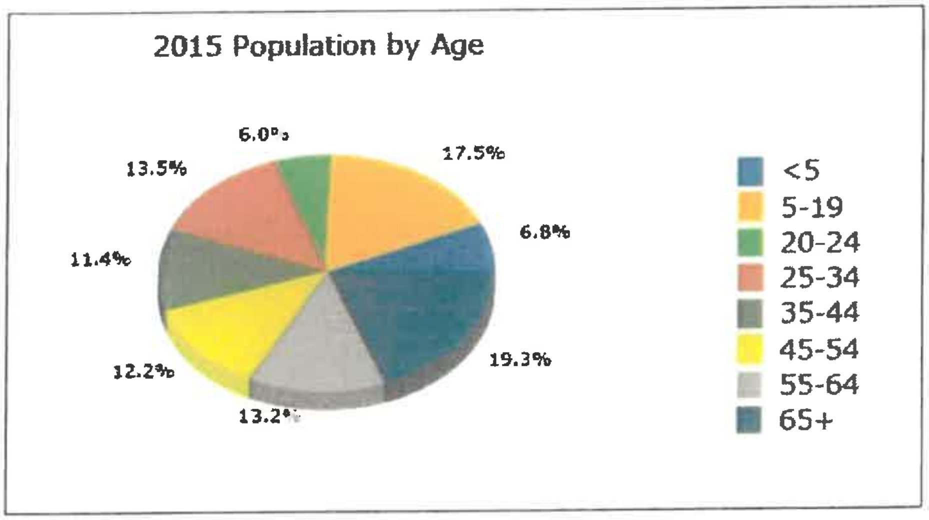
Population

In the area within a 15 minute drive, the population in 2015 was 30,211. The five-year projected population in the market area is 33,685, representing an increase of 2.20% annually from 2015 to 2020.

Population	15 Minute
2010 Population	17,506
2015 Population	30,211
2020 Population	33,685
2000 - 2010 Annual Growth Rate	4.42%
2010 - 2015 Annual Growth Rate	2.17%
2015 - 2020 Annual Growth Rate	2.20%

The median age in the 15 minute drive time around the subject is 40.6 years old as compared to 37.9 years old for the U.S.

The following graph shows the distribution of the population by age:



Households

The 2015 household count in a 15 minute drive time was 12,171. The five-year projection of households is 13,612, an increase of 2.26% annually.

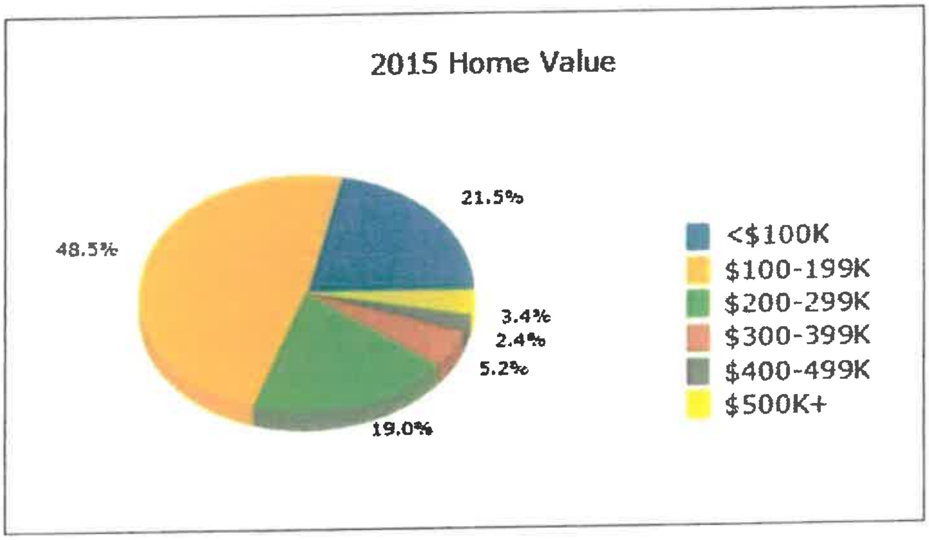
Households	15 Minute
2000 Households	6,937
2010 Households	10,781
2015 Households	12,171
2017 Households	13,612
2000 - 2010 Annual Growth Rate	4.51%
2010 - 2015 Annual Growth Rate	2.34%
2015 - 2020 Annual Growth Rate	2.26%
2012 Average Household Size	2.47

Housing

In 2015, 55.3% of the 14,548 housing units in a 15 minute drive time were owner occupied; 28.4%% renter occupied; and 16.3% were vacant.

	15 Minute
2015 Housing Units	14,545
Owner Occupied Housing Units	55.3%
Renter Occupied Housing Units	28.4%
Vacant Housing Units	16.3%

The 2015 value of owner occupied housing units in a 15 minute drive time is represented in the following graph. 21.5% are valued at less than $100,000, 48.5% are valued between
$100,000 and $199,999, 19% are valued between $200,000 and $299,999, 5.2% are valued between $300,000 and $399,999, and 2.4% are valued between $400,000 and $499,999 with the remaining 3.4% valued at $500,000 and above.

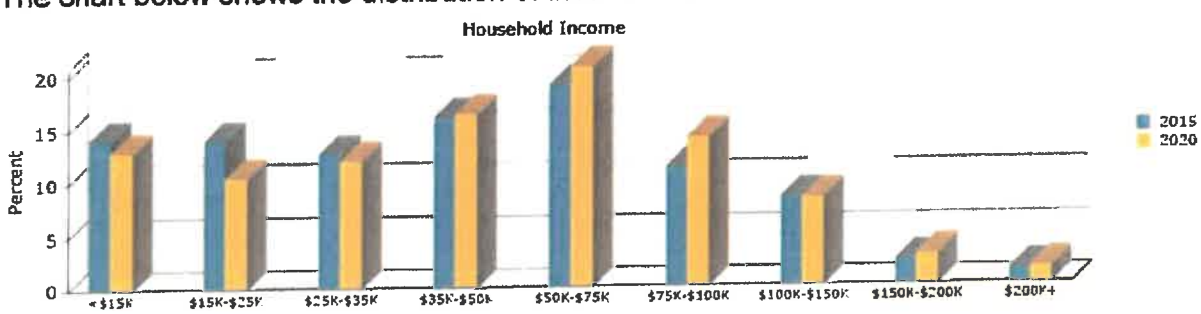


Income

2015 median household income was $42,005 within 15 minute drive time, compared to $53,217 for all U.S. households. Median household income is projected to increase by 2.46% annually to $47,429 in five years.

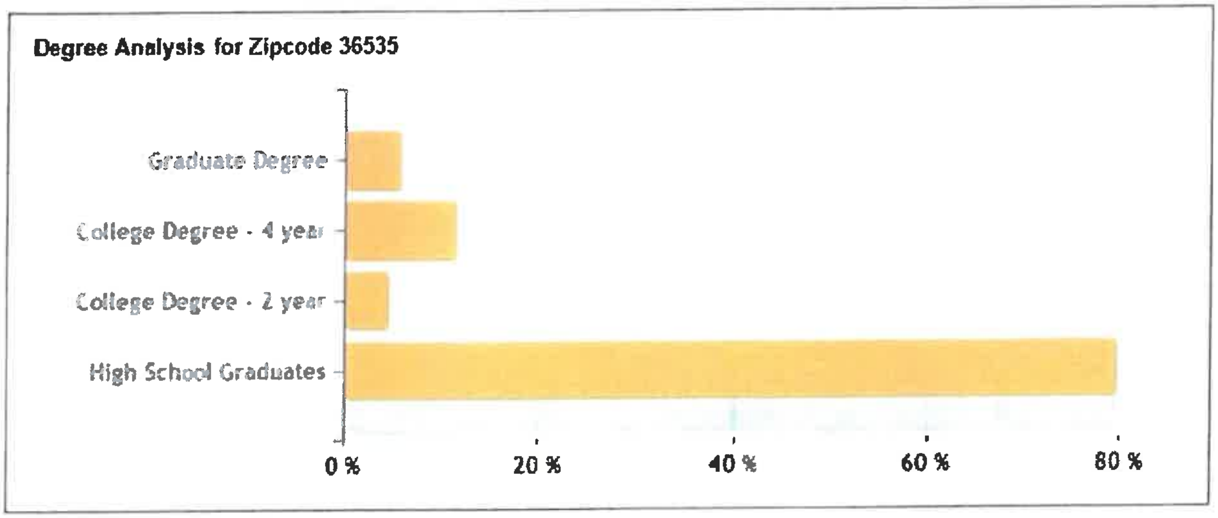
Median Household Income	15 Minute
2015	$42,005
2020	$47,429
2015 - 2020 Annual Growth Rate	2.46%

The chart below shows the distribution of income in the 15 minute radius of the subject:



Education

The population in the area has an average level of education. 79.5% of the population have a high school diploma or higher, compared to a national average of 80.8%. A graph of the educational attainment follows



SUMMARY OF CURRENT AND FUTURE SUPPLY

The subject neighborhood is predominantly used for agricultural and residential purposes with commercial development concentrated along Highway 59 approximately ½ mile east of subject. Old and new residential subdivisions are located on secondary roadways with good access and proximity to support facilities. Tracts immediately surrounding the subject have been developed for residential purposes. The subject's market area has experienced an increase in residential development as well as land acquisitions over the last five years. Likewise, commercial development is increasing. This follows a period of decline after the BP Oil Spill in Baldwin County. Development of single family subdivisions in the subject's area has increased and demand for large acreage sites for future residential development has likewise seen an increase.

Housing sales are improving and the appraiser is familiar with builders and building companies seeking land and lots for development. Building and sales have increased in the recent months. There are other tracts under contract that were not used because owner/realtor would not divulge information until closing. One 40 acre parcel is under contract for $25,000 per acre to be used as an RV Park. This is not included or an influence on the value assigned to the subject. The appraiser spoke with realtor and owner or seller of each sale included. One sale was discounted for owner financing.

Site Description

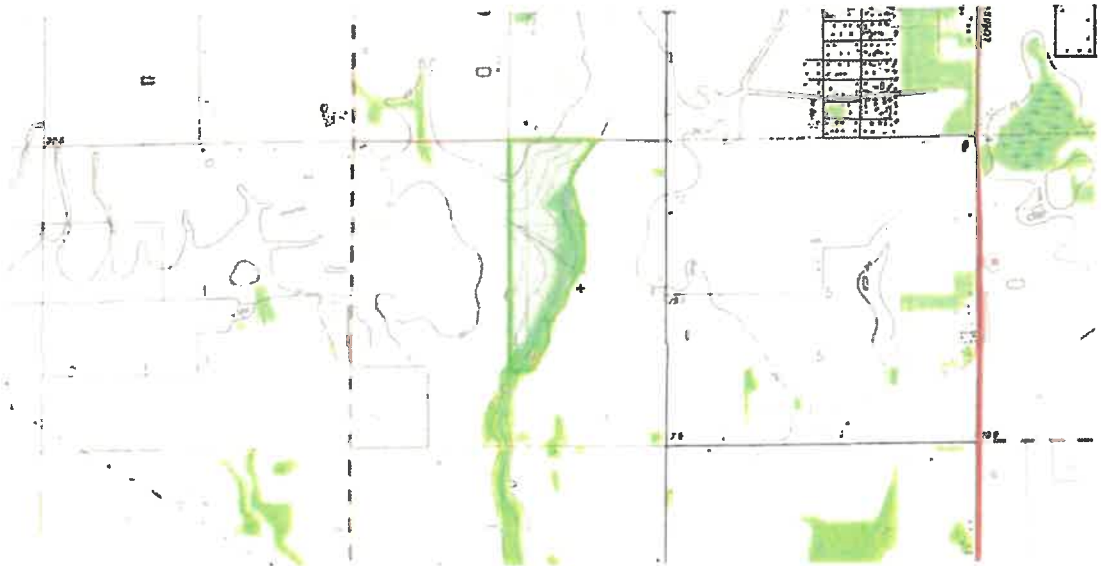
The subject property is located on Barner Rd in Foley, AL, between County Road 26 and County Rd 12. It is within the southeastern sector of the corporate limits of the city of Foley, Alabama. As can be seen on the preceding plat, the subject site is an irregular shaped parcel. The site contains 93.16 surveyed acres. The appraisers are not aware of any unusual deed restrictions regarding the subject property. Access and visibility to the subject site is via Barner Rd. The following table summarizes the important characteristics of the site.

94 Acres located in Foley, AL

Dimensions:	The site's shape is irregular. The approximate dimensions are 3,956' x 1,493' x 4,105' x 408'
Area:	The site's area is 93.16 acres
Orientation:	The property is on the eastside of the Barner Rd.
Wetlands:	The Northeast corner of the subject is thought to be where the headwaters of the Bon Secour River begins & continues in SW direction along the sector of the subject, exiting on the South line. There is 38.5 acres of wetlands (Certifed by the USACE)
Topography:	The site is basically level to gently sloping with some lowlands.
Shape:	The site is irregular
Utilities:	Public Utilities available
Parking:	undeveloped
Easement	SEE DEED AND TITLE
Flood Zone:	X -01003C0820L July 17, 2007

The subject site is presently used for agricultural purposes but has been approved for residential development.

Topo Map



Source: Baldwin County map viewer

Real Estate Taxes and Assessors Information

Assessment Summary:	93.16 Acres
Parcel Number:	05-61-03-06-0-000-005.000
2015 Estimated Value:	$206,800
Value per acre:	$2,200
Payable Taxes:	$121

Allocation:

Site Value:	$206,800
Building Value:	n/a
Legal Description:	93.16AC(C) BEGIN AT THE NW COR OF NE1/4 SEC 6 RUN S 3971.3', TH E 379.3' TO PT ON DELINEATED WETLANDS/L, TH N'LY 4728.6', TH DEPARTING SD DELINEATED WETLANDS/L RUN W 1507.1' TO THE POB IN THE CITY OF FOLEY LYING IN THE E1/2 OF SEC 6-T8S-R4E (SP WD) Survey
Source:	The source is the Baldwin County Tax records.

Ownership History

In 2006 Gooden Homes acquired the subject parcel from Southern Capital Development. In 2006, the subject parcel was valued by County Appraisers at $1,297,000. In 2007 it was valued at $2,205,200 and approved for residential development before bubble burst. In 2010 Columbus Bank foreclosed mortgage. In 2012 Columbus Bank (Operating as Synovus Bank) sold old assets. An offer was made by Bill Bengston Jr. (see attached) and bank accepted if paid by cash in two weeks. Bill H Bengston Jr, purchased on 09/15/2012 from Synovus Bank and has since farmed the parcel.

Prior Services

USPAP requires the appraiser to disclose any prior services regarding the subject property during the preceding 3 year period, as appraisers or in any other capacity. The appraisers signing this report have provided appraisal services on the subject property in the past three years.

MARKETINGTIME/EXPOSURETIME

Marketing time is defined by The Dictionary of Real Estate Appraisal, Fifth Edition as *an opinion of the amount of time it might take to sell a real of personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal.* Considering the information above, a possible marketing time of to one year would be likely to project. This marketing time assumes that the subject property would be offered for either sale or lease at or near the price and terms noted in this appraisal.

Exposure time is defined by The Dictionary of Real Estate Appraisal, Fifth Edition as *The time a property remains on the market, and the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market.* The current market conditions in the subject area have been somewhat stable over the last year. The market declined dramatically from 2006 to 2009, and has had a slower minimal decline since. Given these factors, the exposure time for the subject is also estimated to be one year.

Competency Disclosure

The appraisers have sufficient education and experience background in the appraisal of vacant land and or existing and proposed industrial, retail, and office properties within the Mobile and Baldwin County Marketplace to competently prepare the prescribed report.

Highest and Best Use

Highest and Best Use is defined in The Appraisal of Real Estate Textbook, Edition 12, as: "The reasonably probable and legal use of vacant land or an improved property, that is physically possible, appropriately supported, financially feasible, and that results in the highest value".

Highest and Best, or most probable use, is a critical part of any appraisal analysis. Highest and Best use analysis considers the site and the improved property at a Highest and Best or most probable use at a given point in time. The Highest and Best Use for the site may or may not be the same Highest and Best Use as the improved property. The Highest and Best Use for both the site and the improvements should be a reasonable use. It should be probable that this use could occur and it should occur within a reasonable time period. It does not have to be the present use of either the site or the improved property. It is critical to understand that Highest and Best Use can change over time and that is one of the reasons Highest and Best Use or most probable use is estimated on the valuation date.

The rationale of Highest and Best Use analysis basically considers a necessity for a property to create utility that is desirable in the market; the market directed use of the site definitely affects the ultimate value of the site. In the typical assignment, the normal purpose of the appraisal is to estimate the market value. The market value is based upon the use of the entire property that would create the highest value of the site. In considering Highest and Best Use, the appraiser should test for Highest and Best Use in four areas. The first test should be for possible physical uses. The second should be for legal or permissible uses considering current zoning or any future zoning problems that could deter conversion to Highest and Best Use. The third area is feasible or appropriate use as indicated by the market. The last test is the maximally productive program of utilization that would produce the highest land value.

As Vacant:
When determining the highest and best use of the subject property, four factors must be tested, they are as follows:

- *Legal Permissibility:* the first consideration relative to determination of the highest and best use "as vacant" is to determine whether or not a proposed use would be allowed under the zoning designation in which the subject property is situated. The subject property is zoned GPH1-Residential Garden Homes. This zoning designation allows for development of a garden home style subdivision.

- *Physical Possibility:* the next consideration relative to determination of the highest and best use "as vacant" is determine whether or not a proposed use would be physically possible relative to the shape and size of the subject site. The subject site has 93.16 acres. This is large enough to develop a residential subdivision.

- *Financial Feasibility:* this consideration is integral in determining the proposed use of a vacant site. This test determines whether or not construction costs and land acquisition are justified by the anticipated cash flows associated with a proposed subject property. Given the number of available large land tracts in the market area at the present time, and the currently depressed market conditions, development would not be financially feasible at this time. Thus, the site would be classified as a speculative land hold.

- *Maximum Productivity:* this test determines the land use that would attribute the highest value to the land. The maximally productive use of the site would be a speculative hold for future resale or development at a time at which the market could again support new development.

Thus, the highest and best use of the subject site "as vacant" is determined to be a speculative hold until such a time where a residential subdivision development is financially feasible.

The market participant(s) likely to purchase the subject property would be a local investor/developer. The most likely exposure and marketing time is estimated to be 12 months.

METHOD OF APPRAISAL

There are three approaches to value which can be used in appraising commercial properties of this type. The first is the Cost Approach and the basic purpose of the Cost Approach is to estimate the cost of the real estate. This is accomplished by adding the estimated land value to the depreciated reproduction cost of the improvements. The cost of the real estate, or the reproduction cost new plus land value, usually represents the upper limit of value, and depreciation is deducted from same to estimate market value.

In order to utilize the Cost Approach, it is first necessary to estimate the value of the land by the Comparison Method. The appraiser must search the market for recent sales of vacant sites which have some degree of comparability to the Subject. These elements of comparability include location, size, utility, and many others. After the appraiser finds and itemizes these sales, the next step is to compare and adjust each sale to the Subject for the various elements of comparability to arrive at an estimate of value for the Subject.

After the land value has been estimated, the next step in the Cost Approach is to estimate the value of the improvements, or the depreciated reproduction cost of the improvements. In order to estimate the reproduction cost of the improvements, the appraiser referred to recognized cost manuals such as *Marshall Valuation Service*, published by Marshall and Swift Publishing Company; the appraiser has also consulted with several contractors who have further enabled the appraiser to develop estimates of the building's reproduction cost. After the reproduction costs of the improvements have been determined, the next step is to deduct from same, all items of accrued depreciation. This depreciation not only includes physical deterioration but functional and external obsolescence, if any. The appraisers then add the land value back to the depreciated value of the improvements in order to arrive at a total value for the property through the Cost Approach.

The next approach to value is the Market Approach, which is a method of valuation based on the selling prices of comparable properties. The Market Approach is based on the premise of substitution as an informed purchaser should pay no more for property than it would cost them to buy an existing property that exhibited the same utility. This approach is based upon the analysis of the behavior of buyers and sellers in the marketplace utilizing market accepted criteria and considering all potential uses for the property. The process of the approach involves the accumulation of comparable sales that can be adjusted for differences to the subject property to arrive at an indication of value. Adjustments that could be made are for time, location, size, age, construction, condition, and any other market recognized adjustment that a prudent purchaser would consider.

The third and last approach to value is the Income Approach, which is very important in determining the value of income producing properties. The first step in this approach is to estimate the economic rent which the property would produce, if there are no long term leases encumbering the property. After the economic rent has been determined, the appraiser estimates a vacancy and credit loss which is deducted from the gross economic rent to arrive at an effective gross income for the property. The next step is to estimate the operating expenses incurred by the lessors, which includes management fees, ad valorem taxes, insurance, reserve for maintenance and repairs, utility and janitorial costs, and other miscellaneous items. After the operating expenses are deducted from the effective gross income, the appraiser arrives at a net income for the property. This net income is then capitalized into value by using a capitalization rate. The capitalization rate is the yield that the owner or prudent investor would require for this type of investment, plus enough to recapture the value of the improvements over the future economic life of same.

The final step in the appraisal process is to correlate the values arrived at through the approaches used into a final value for the subject. This is done under the heading of "Reconciliation".

The Income Approach and Cost Approach was not considered applicable, and was not utilized herein. The sales comparison is the only relevant approach in this appraisal and is included in this report.

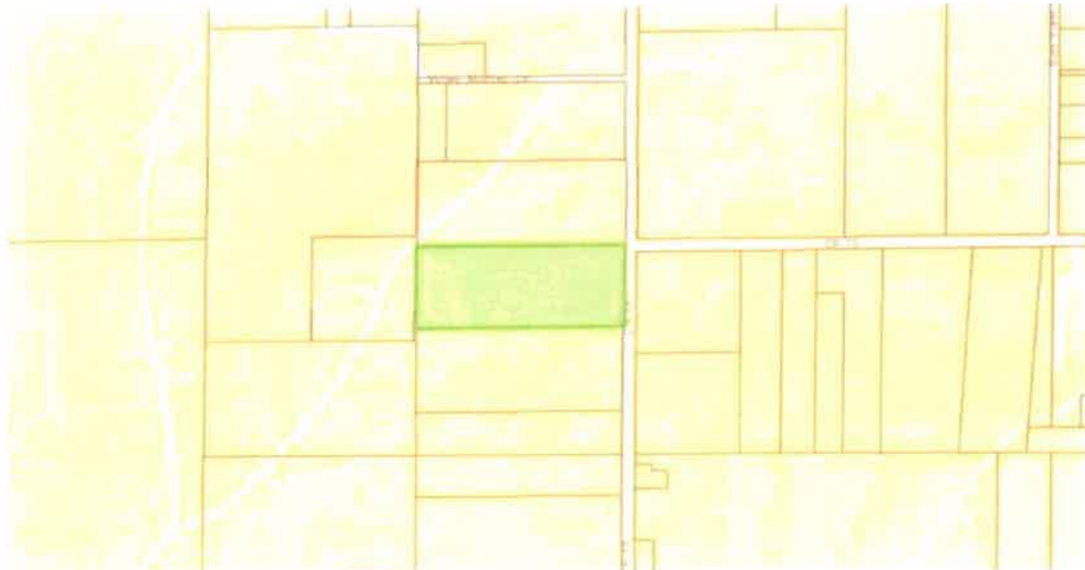
SITE VALUATION

In the valuation of vacant land, the Market Approach, or Land Sales Comparison Approach, is generally recognized as the most applicable approach to value when sufficient market data is available. The Market Approach is based on the premise of substitution, which states that an informed purchaser should pay no more for property than it would cost him to buy an existing property that exhibited the same utility. This approach is based upon analysis of the behavior of buyers and sellers in the marketplace utilizing market accepted criteria and considering all potential uses for the property. The process of the approach involves the accumulation of comparable sales that can be adjusted for physical and location differences to the subject property to arrive at an indication of value. The appraisers will search the market for recent sales of vacant sites that have an acceptable degree of comparability to the subject. These elements of comparability include location, size, topography, configuration/utility, and any other market recognized element of comparison that a prudent purchaser would consider.

After the appraisers find and verify these sales, the next step is to compare and adjust each sale to the subject for the various elements of comparability to arrive at an estimate of value for the subject. The adjusted sales prices provide a range of value indications for the subject, which are reconciled into a final opinion of value for the subject site.

COMPARABLE LAND SALES

Land Sale No. 1



Property Identification

Property Type	Agricultural
Property Name	Agricultural
Address	7409 County RD 19, Foley, AL 36535
Location	Foley, AL
Tax ID	05-60-06-38-0-000-012.000 Pin 041296
MSA	Mobile

Sale Data

Grantor	Carolyn Taylor
Grantee	Brenda Beeson
Sale Date	June 23, 2015
Property Rights	Fee Simple
Conditions of Sale	Arm's Length
Financing	Cash or CE
Instrument #	1520066

Sale Price	$155,100

Land Sale No. 1 (Cont.)

Cash Equivalent	$155,100

Land Data

Zoning	None
Topography	Level
Utilities	All Public
Dimensions	1314' x 522'
Shape	Rectangular

Land Size Information

Gross Land Size	16 Acres or 685,908 SF
Front Footage	522 ft Total Frontage

Indicators

Sale Price/Gross Acre	$9,693.75
Sale Price/Gross SF	$0.23
Sale Price/Front Foot	$297

Remarks

The property is located on County Rd 19 just south of the intersection of County Rd 10 on the West side of the road with 522 ft of road frontage on County Rd 19.

COMPARABLE LAND SALES - CONTINUED

Land Sale No. 2

Property Identification	
Property Type	Agricultural
Property Name	Agricultural
Address	10623 County Rd 65, Foley, AL 36535
Location	Foley, AL
Tax ID	05-60-01-01-0-000-005.008 Pin 243752
MSA	Mobile
Sale Data	
Grantor	Anna M Cox
Grantee	Marina Krishmar-Junker
Sale Date	January 6, 2015
Property Rights	Fee Simple
Conditions of Sale	Arms-length
Financing	Cash or CE
Instrument #	1493247
Sale Price	$300,000

Land Sale No. 2 (Cont.)

Cash Equivalent	$300,000

Land Data

Zoning	None
Topography	Level
Utilities	All Public
Shape	Irregular

Land Size Information

Gross Land Size	22 Acres or 1,000,973 SF
Front Footage	974 ft Total Frontage

Indicators

Sale Price/Gross Acre	$13,636.36
Sale Price/Gross SF	$0.30
Sale Price/Front Foot	$308

Remarks

22 acres of Agricultural land located on the West side of County Rd 65 between County Rd 12 and County Rd 26.

COMPARABLE LAND SALES - CONTINUED

Land Sale No. 3

Property Identification

Property Type	Multi-purpose land
Property Name	Commercial/Other
Address	Foley Beach Express West side North of Hwy 98
Location	Foley Beach Express
Tax ID	05-61-02-03-0-000-001.005 Pin 256520
MSA	Mobile

Sale Data

Grantor	United Bank
Grantee	Jacqueline Turner
Sale Date	December 29, 2014
Property Rights	Fee Simple
Conditions of Sale	Bank Owned
Financing	Cash or CE
Instrument #	1493798

Sale Price	$750,000

Land Sale No. 3 (Cont.)

Cash Equivalent	$750,000

Land Data

Zoning	B-1A, Extended Central Business
Topography	Level
Utilities	All Public
Shape	Irregular

Land Size Information

Gross Land Size	70 Acres or 2,952,198 SF
Front Footage	**1,576** ft Total Frontage

Indicators

Sale Price/Gross Acre	$10,714.29
Sale Price/Gross SF	$0.25
Sale Price/Front Foot	$475.89

Remarks

This property has very little interior access due to lowland water (see aerial photo). Property was used for agricultural pursuits.

Site Description Sale 3

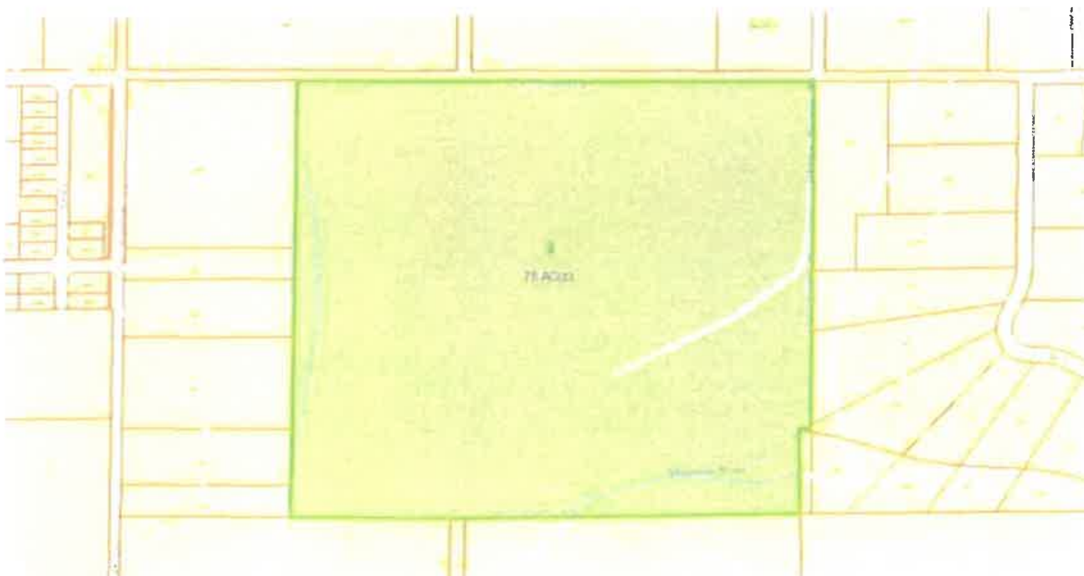
The property is located on the west side of the Foley Beach Expressway, between County Road 20 and Doc McDuffie Road. It is within the southeastern sector of the corporate limits of the city of Foley, Alabama. As can be seen on the preceding plat, the subject site is an irregular shaped parcel. The site contains approximately 3,049,200+/- square feet or 70+/- acres. The subject has about 1,566 total feet of frontage along the west side of the Foley Beach Express. Wolf Creek significantly limits the access from the highway. The appraiser estimates that only the north 771+/- feet and the south 110 feet of the road frontage is not hindered by the Wolf Creek wetlands. The Highway is a divided four-lane, county maintained highway with a 200-foot right-of-way. The appraisers are not aware of any unusual deed restrictions regarding the subject property. Access and visibility to the subject site is via the Foley Beach Express. The following table summarizes the important characteristics of the site.

70 Acres located on The Foley Beach Expressway

Dimensions:	The site's shape is irregular. The approximate dimensions are 3,956' x 1,493' x 4,105' x 408'
Area:	The site is 70- acres
Orientation:	The property is on the west side of the Foley Beach Express, a four lane street
Wetlands:	23.6+/- acres of wetlands. Wolf Creek enters the subject just North of its southeast corner and meanders within the southern sector of the subject, exiting just east of its southwest corner. Also, a tributary of this creek traverses the eastern sector of the subject and exits the northern boundary west of its northeast corner. The areas in and around this creek and tributary are designated Fresh Water Emergent Wetlands (PF 04/1C). See addenda and maps for description.
Topography:	The site is basically level to gently sloping with some lowlands.
Shape:	The site is irregular
Utilities:	Public Utilities available
Parking:	undeveloped
Zoning:	The site is zoned B-1A
Easements:	Refer to recorded deed
Flood Zone:	X -01003C0820L July 17, 2007

COMPARABLE LAND SALES - CONTINUED

Land Sale No. 4



Property Identification	
Property Type	Agricultural
Property Name	Pasture/Ranch
Address	13971 George Younce Rd, Foley, AL 36535
Location	Foley, AL
Tax ID	05-55-06-24-0-000-002.000 Pin 049908
MSA	Mobile
Sale Data	
Grantor	Rudy & Carol Koch
Grantee	Smartmallow Farms LLC
Sale Date	August 1, 2014
Property Rights	Fee Simple
Conditions of Sale	Arms-length
Financing	Cash or CE
Instrument #	1469965
Sale Price	$1,250,000

Land Sale No. 4 (Cont.)

Cash Equivalent	$1,250,000

Land Data

Zoning	B-1A, Extended Central Business
Topography	Level
Utilities	All Public
Shape	Regular
Wetlands	0+/- Acres

Land Size Information

Gross Land Size	75 Acres or 3,265,246 SF
Front Footage	1507 ft Total Frontage

Indicators

Sale Price/Gross Acre	$16,666.67
Sale Price/Gross SF	$0.38
Sale Price/Front Foot	$829

Remarks

75 acres of agricultural land located on George Younce Rd North of Highway 98 and West of Highway 59. Sale was owner financed per owner so adjustments were made.

COMPARABLE LAND SALES - CONTINUED

Land Sale No. 5

Property Identification	
Property Type	**Agricultural/** Multi-purpose land
Property Name	Multi-purpose land
Address	**County Rd 32**, Summerdale, AL
Location	Summerdale, AL
Tax ID	05-47-07-35-0-000-011.000 Pin 109171
MSA	Mobile
Sale Data	
Grantor	Joseph McAleer
Grantee	Jonathon & Samantha Simmons
Sale Date	July 6, 2015
Property Rights	Fee Simple
Conditions of Sale	Arms-length
Financing	Cash or CE
Instrument #	1522672
Sale Price	$105,000

Land Sale No. 5 (Cont.)

Cash Equivalent	$105,000

Land Data

Zoning	None
Topography	Level
Utilities	All Public
Shape	Regular

Land Size Information

Gross Land Size	11 Acres or 435,692 SF
Front Footage	52 ft Total Frontage

Indicators

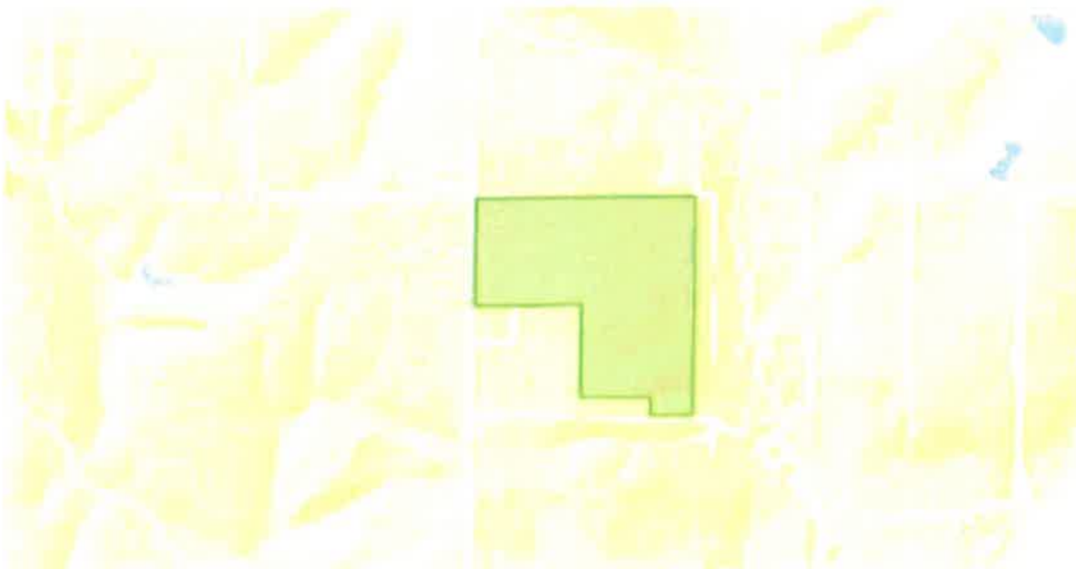
Sale Price/Gross Acre	$9,545.45
Sale Price/Gross SF	$0.24
Sale Price/Front Foot	$2019

Remarks

11 + acres off Hwy 32 near intersection of Hwy 55 & 32 Open land with 670' of deeded driveway to property. Great property to build on.

COMPARABLE LAND ACTIVE LISTINGS

Active Listing No. 1



Property Identification	
Property Type	Agricultural
Property Name	Multi-purpose Site
Address	Co Rd 33 & Red Barn Lane, Fairhope, AL
Location	Fairhope, AL
Tax ID	05-47-09-30-0-000-032.000 Pin 043232
MSA	Mobile
Sale Data	
Owner	Troup, William Alan
Property Rights	Fee Simple
Conditions of Sale	Arms-length
Financing	Cash or CE
Listing Price	$1,150,000

Active Listing No. 1 (Cont.)

Land Data

Zoning	None
Topography	Level
Utilities	Water, Electric
Shape	Irregular

Land Size Information

Gross Land Size	115 Acres or 5,028,752 SF
Front Footage	**3940** ft Total Frontage

Indicators

Sale Price/Gross Acre	$10,000
Sale Price/Gross SF	$0.23
Sale Price/Front Foot	$283

Remarks

This beautiful property is comprised of 50% agricultural land and 50% wooded land. It has road frontage on CR 33, Red Barn Road and Boone Lane making it very easy to develop with minimal up-front cost. It has excellent soils and 100% of this property is suitable for residential development. The property is located only 2 miles from Fairhope in one of the fastest growing areas of the State of Alabama. Don't miss this excellent investment opportunity!

COMPARABLE LAND ACTIVE LISTINGS - CONTINUED

Active Listing No. 2

<u>Property Identification</u>	
Property Type	Residential
Property Name	Multi-purpose Site
Address	9350 Highway 98, Fairhope, AL
Location	Fairhope, AL
Tax ID	05-56-05-22-0-000-021.00 Pin 003108
MSA	Mobile
<u>Sale Data</u>	
Owner	Billie LLC
Property Rights	Fee Simple
Conditions of Sale	Arms-length
Financing	Cash or CE
Listing Price	$318,000

Active Listing No. 2 (Cont.)

Land Data

Zoning	None
Topography	Level
Utilities	Water, Electric
Shape	Irregular

Land Size Information

Gross Land Size	20 Acres or 843,790 SF
Front Footage	670 ft Total Frontage

Indicators

Sale Price/Gross Acre	$15,900
Sale Price/Gross SF	$0.38
Sale Price/Front Foot	$475

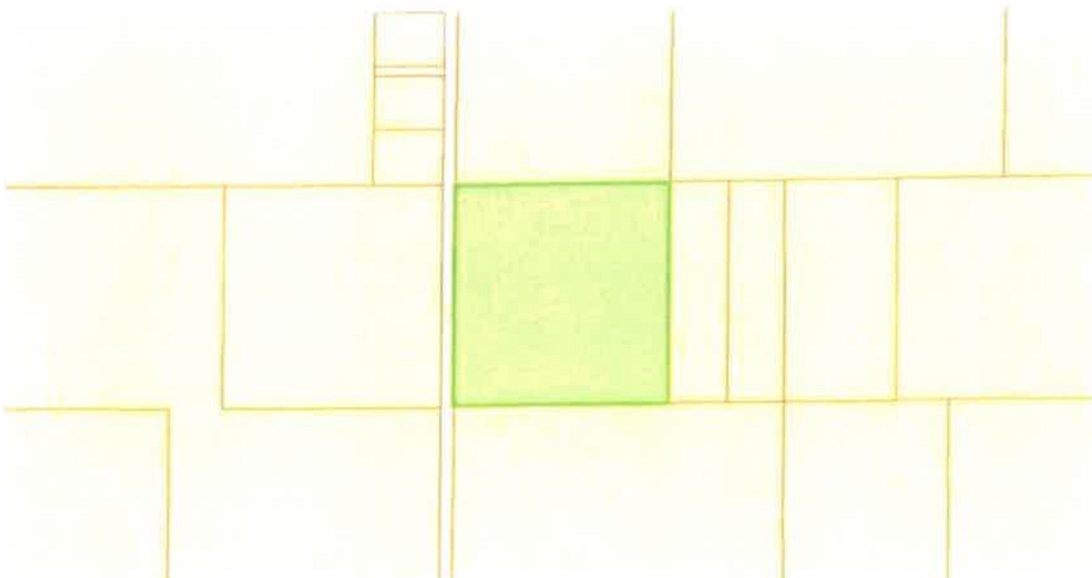
Remarks

20 acre corner parcel (rectangular) with 670 feet of frontage on Highway 98 and 1,300 feet of depth. The property features a pecan orchard. Suitable for commercial or residential development. No zoning, in county. Traffic count on Highway 98 is 4,875 vehicles per day.

Located on Highway 98 in Barnwell (Fairhope) in Baldwin County, Alabama. The property is in the southwest corner of Highway 98 and Keller Road. South of the City of Fairhope and west of the City of Foley.

COMPARABLE LAND ACTIVE LISTINGS - CONTINUED

Active Listing No. 3



Property Identification	
Property Type	Residential
Property Name	Multi-purpose Site
Address	Highway 181 South of 32, Fairhope, AL
Location	Fairhope, AL
Tax ID	05-56-01-11-0-001-006.000 Pin 034126
MSA	Mobile
Sale Data	
Owner	Creekwood LLC
Property Rights	Fee Simple
Conditions of Sale	Arms-length
Financing	Cash or CE
Listing Price	$475,000

Active Listing No. 3 (Cont.)

Land Data	
Zoning	None
Topography	Level
Utilities	Water, Electric
Shape	Rectangular

Land Size Information	
Gross Land Size	38 Acres or 1,674,368 SF
Front Footage	1310 ft Total Frontage

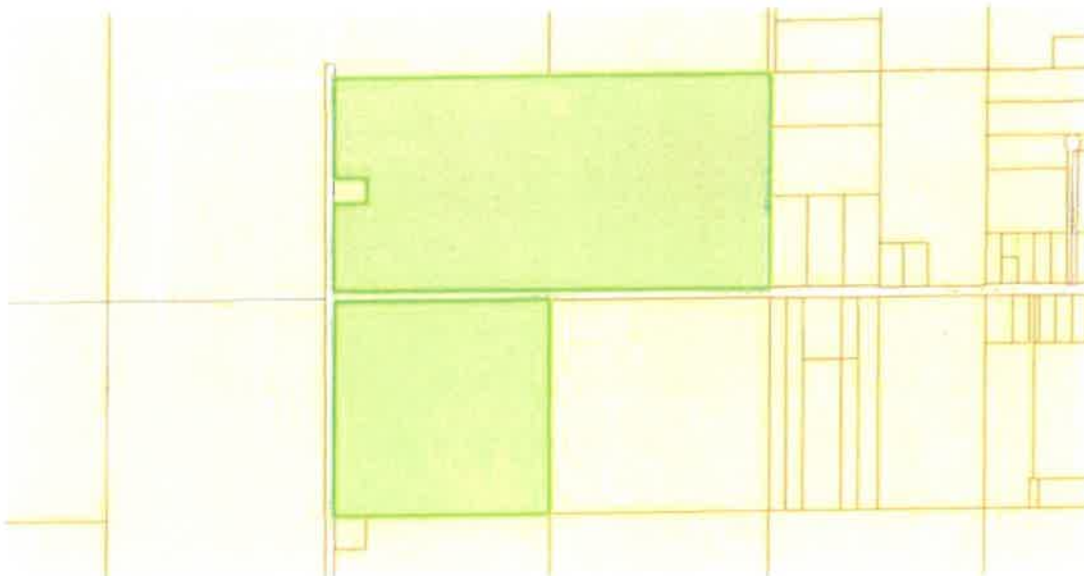
Indicators	
Sale Price/Gross Acre	$12,500
Sale Price/Gross SF	$0.28
Sale Price/Front Foot	$363

Remarks

Beautiful 38 acres of undeveloped land in a price location perfect for development.

COMPARABLE LAND ACTIVE LISTINGS - CONTINUED

Active Listing No. 4



Property Identification	
Property Type	Residential
Property Name	Multi-purpose Site
Address	Couch Plant Rd & McCarron Ln, Summerdale, AL
Location	Summerdale, AL
Tax ID	05-47-06-24-0-000-005.000 Pin 063324
MSA	Mobile
Sale Data	
Owner	SUMMERDALE INVESTMENT PROPERTIES L L C
Property Rights	Fee Simple
Conditions of Sale	Arms-length
Financing	Cash or CE
Listing Price	$1,224,958

Active Listing No. 4 (Cont.)

Land Data

Zoning	None
Topography	Level
Utilities	Water, Electric
Shape	Rectangular

Land Size Information

Gross Land Size	118 Acres or 5,148,124 SF
Front Footage	2650 ft Total Frontage

Indicators

Sale Price/Gross Acre	$10,381
Sale Price/Gross SF	$0.24
Sale Price/Front Foot	$462

Remarks

Approximately 118 acres. 80 Acres on N side of Couch Plant Rd, zoned M1 Light industrial. Owner will subdivide as small as 5 acre tract. Adjacent 40 acres available.

COMPARABLE LAND ACTIVE LISTINGS - CONTINUED

Active Listing No. 5

Property Identification	
Property Type	Multi-purpose land
Property Name	Multi-purpose land
Address	Airport Dr., Foley, AL
Location	Foley, AL
Tax ID	05-54-04-18-0-000-011.000 Pin 064586 05-54-04-18-0-000-011.001 Pin 099551
MSA	Mobile
Sale Data	
Owner	FLOWERWOOD NURSERY INC
Property Rights	Fee Simple
Conditions of Sale	Arms-length
Financing	Cash or CE
Listing Price	$677,250

Active Listing No. 5 (Cont.)

Land Data

Zoning	None
Topography	Level
Utilities	Water, Electric
Shape	Rectangular

Land Size Information

Gross Land Size	78 Acres or 3,336,606 SF
Front Footage	1224 ft Total Frontage

Indicators

Sale Price/Gross Acre	$8,555
Sale Price/Gross SF	$0.20
Sale Price/Front Foot	$545

Remarks

78 +/- acres with 1224 front feet along Airport Drive which is potential for an Industrial Development with close proximity to the Foley Municipal Airport and is unzoned.

Comparable Sales Grid

	Subject	Sale #1	Sale #2	Sale #3	Sale #4	Sale #5
Location	Barner Road Foley, AL 36535	7409 County Rd 19 Foley, AL	10623 County Rd 65 Foley, AL	W/S Foley Beach Express	13971 George Younce Rd, Foley, AL	CO RD 32 Summerdale, AL
Sale Price		$155,100	$300,000	$750,000	$1,250,000	$105,000
Sale Date		Jun-15	Jan-15	Dec-14	Aug-14	Jul-15
Site Size (Acre)	94	16	22	70	75	11
Sale Price/Acre		$9,693.75	$13,636.36	$10,714.29	$16,666.67	$9,545.45
Condition of Sale Adjustment		Arms-Length	Arms-Length	REO	Owner Finance	Arms -Length
Market Conditions Adjustment	c.p	0.00%	0.00%	0.00%	-15%	0.00%
Adjusted Price		$9,693.75	$13,636.36	$10,714.29	$14,167	$9545.45
Location Adjustment	Average	+15% $1454.06	Average	Average	Average	+15% $1431.75
Site Size Difference Adjustment	0.00	-10% $969.38	-10% $1363.63	0.00%	0.00%	-10% $954.55
Usable Frontage Adjustment	771+/- FF	2650+/- FF	1320+/- FF	2483+/- FF	1449+/- FF	52+/- FF
Corner Influence Adjustment	None	None	None	None	None	None
Wetlands /Easements Adjustment	+/- acres Wetlands	-5% $484.69	-5% $681.82	23+/- acres Wetlands	-5% $833.33	-5% $477.27
Accessibility/Visibility Adjustment	New Maps 38.5 Ac Wetlands	Average+	Average	Average	Average	Average
Net Adjustment %		0	-0.15	0	-0.5	0
Value Indication		$14,249	$16,243	$14,243	$19,332	$14,732
Assigned=	$12,645					
The New Wetland Maps reflect 38.5 Acre wetlands						

Metro Sheets from the Original Report of June 2019 Reflect 2 sales of 87 Ac and 92 Ac $ 19,525/Ac and $ 22,726/ac are resells at 20% per year increase.. These are reported in prior report. The WETLAND MAP Certified NSACE attached show ~~38.5 ACRES Wetlands for the Subject. The adjusted Range for these sales~~ adjusting for Location was $ 12,000/Ac to $ 13,500 prior to new wetland adjustment. The larger amount wetlands modified PER ACRE VALUE AFTER WETLAND ADJUSTMENT i $ 12,645/Acre or $ 1,178,000

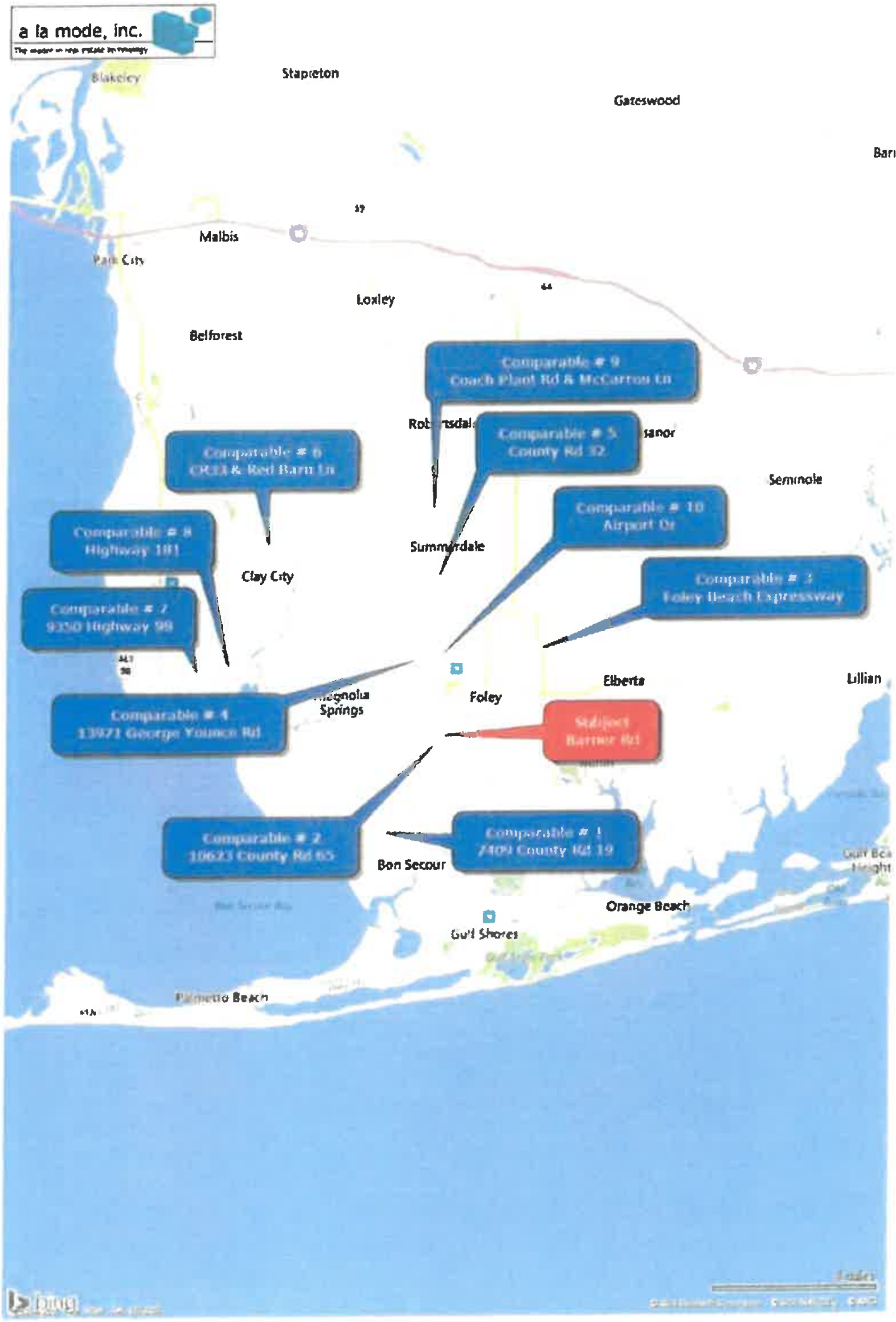
ONE MILLON ONE HUNDRED SEVENY EIGHT THOUSAND DOLLARS

Comparable Listings Grid

	Subject	Listing #1	Listing #2	Listing #3	Listing #4	Listing #5
Location	Barner Road Foley, AL 36535	CR33 & Red Barn Ln Fairhope, AL 36532	9350 Highway 98 Fairhope, AL 36532	Highway 181 Fairhope, AL 36532	Coach Plant Road & McCarron Ln Summerdale, AL 36580	Airport Dr Foley, AL 36535
Sale Price		$1,150,000	$318,000	$475,000	$1,224,958	$667,250
Sale Date		Active	Active	Active	Active	Active
Site Size (Acre)	94	115	20	38	118	78
Sale Price/Acre		$10,000.00	$15,900.00	$12,500.00	$10,381.00	$8,555.00
Condition of Sale Adjustment		Arms-Length	Arms-Length	Arms-Length	Arms -Length	Arms -Length
Market Conditions Adjustment		-10%	-10%	-10%	-10%	-10%
Adjusted Price		$9,000	$14,310	$11,250	$9,343	$7,700
Location Adjustment	Average	Average	Average	Average	Average	+25%
Site Size Difference Adjustment		0%	-10%	-10%	0%	0%
Usable Frontage Adjustment	771+/- FF	3940+/- FF	670+/- FF	1310+/- FF	2650+/- FF	1224+/- FF
Corner Influence Adjustment	None	None	None	None	None	None
Wetlands /Easements Adjustment	Wetlands	-5%	-5%	-5%	-5%	-5%
Accessibility/Visibility Adjustment	Average	Average	Average	Average	Average	Average
Net Adjustment %		-5%	-15%	-15%	-5%	+20%
Value Indication		**$8,550**	**$12,164**	**$9,563**	**$8,876**	**$9,240**

Housing sales are improving and the appraiser is familiar with builders and building companies seeking land and lots for development. Building and sales have increased in the recent months. There are other tracts under contract that were not used because owner/realtor would not divulge information until closing. One 40 acre parcel is under contract for $25,000 per acre to be used as an RV Park. This is not included or an influence on the value assigned to the subject. The appraiser spoke with realtor and owner or seller of each sale included. One sale was discounted for owner financing.

Comparable Sale/Listing Map



Land Sales Analysis

The value of a site tends to be quantified within certain limits by the amount which an equally desirable substitute parcel can be purchased. The preceding comparable land sales represent a compilation of some of the most recent sales of record considered to be similar to the subject and located within the subject's competitive market area. The appraisers have deemed the price per acre as the most applicable method of valuation for the subject. The comparables ranged in site size from 11± acres upward to 115± acres, and in price per acre from a low of $11,000 per acre upward to $16,666.67 per acre. The sales are located in Foley and surrounding competing areas in Baldwin County.

A comparative adjustment process is shown in the preceding Comparable Land Sales Summary and Adjustment Grid Table. Each sale was compared to the subject for dissimilarities including condition of sale, market conditions over time, location, site size, corner influence, frontage, corner influence, wetlands, and accessibility. Sales that could not be verified were not included. After making the adjustments, an adjusted range of value is indicated for the subject site from a low of $12,000 per acre to a high of $13,500 per acre. . The appraiser assigns the value of the subject as $12,645 per acre.

Based primarily on the best sales, the statistical averages, and all information available, it is the appraisers' opinion that the Market Value of the subject site, as of June 10, 2019, is as follows:

LAND VALUE CONCLUSION

93.16± ACRES @ $12,645/Acre = $1,178,000 Rounded

RECONCILIATION AND FINAL VALUE CONCLUSION

Final Conclusion of Value

The Market Approach valuation was used in determining an "As-Is" value for the subject property. In concluding a final value, consideration as to the composition and motivation of active participants in this category of property is necessary. Based on observations of active participants in this class of property, it is the appraisers' opinion that investors motivated primarily by the principle of substitution as outlined in the Market Approach would dominate the market. This observation provides the basis for selecting the Market Approach as the most appropriate means of analysis.

Based on all the aforementioned observations and conclusions and in consideration of current economic conditions prevalent in the marketplace at this time, it is the appraisers' opinion that as of June 10. 2019, the Market Value of the subject property is as follows:

$1,178,000

ONE MILLION ONE HUNDRED SEVENTY EIGHT Thousand Dollars

Addenda

Certification
Contingent and Limiting Conditions
Additional Subject Photos
Soils
Wetlands description
Flood Map
Bon Secour River Headwater Restoration
Tax Data
MLS Data from 2012 Sale of Subject
Appraisers License

CERTIFICATION OF Weldon R. Payne

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

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

2. The reported analysis, opinion, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinion, and conclusions.

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

4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.

6. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

7. My analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; the code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute; and 12 CFR Part 34 (Title XI of FIRREA).

8. The use of this report is subject to the requirements of the American Institute of Real Estate Appraisers relating to review by its duly authorized representatives.

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

10. No one provided significant professional assistance to the person(s) signing this report, except as noted in the report if applicable.

11 This assignment was made subject to regulations of the State of Alabama Real Estate Appraisers Board. The undersigned state certified appraiser has met the requirements of the board that allow this report to be regarded as a "certified appraisal". The appraiser is an Alabama State Certified General Real Estate Appraiser holding License No. #G00253

12. The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.

13. I have not provided any appraisal services, or any other type services, pertaining to the subject property over the preceding 3 year period.

As a result of this appraisal and based upon the analyses, conclusions, and opinions, it is my opinion that the Market Value of subject parcel described in this report, as of June 10, 2019, was **$1,178,000**

June10, 2019

Weldon Payne

Weldon R. Payne
Certified General Real Property Appraiser
AL License No. #G00253

Contingent and Limiting Conditions

The certification of the appraiser appearing in this report is subject to the following conditions and any other assumptions and conditions appearing in the appraisal.

1. I assume no responsibility for the legal description provided or for matters pertaining to legal or title considerations. I assume the title is good and marketable unless otherwise stated.

2. I appraised the property free and clear of any liens or encumbrances unless otherwise stated.

3. I assume responsible ownership and competent management.

4. I believe that information furnished by others is reliable, but I give no warranty for its accuracy.

5. I assume that all engineering studies are correct. The plot plans and illustrative material in this report are included only to help the reader visualize the property. Any sketch in the report may show approximate dimensions. I have not surveyed the property.

6. I assume that there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. I assume no responsibility for such conditions, or for obtaining the engineering studies, which might be required to discover such factors.

7. I assume that there is full compliance with all-applicable federal, state and local environmental regulations and laws unless noncompliance is stated, defined, and considered in this appraisal report. I assume that hazardous materials and waste are not present in the property.

8. I assume that the property complies with all applicable zoning and use regulations, unless a lack of conformity has been stated, defined, and considered in the appraisal report.

9. I assume that all required licenses, certificates of occupancy, or other legislative requirements have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

10. I assume that the use of the land and improvements is confined within the within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.

State of Alabama

This is to certify that

Weldon R. Payne

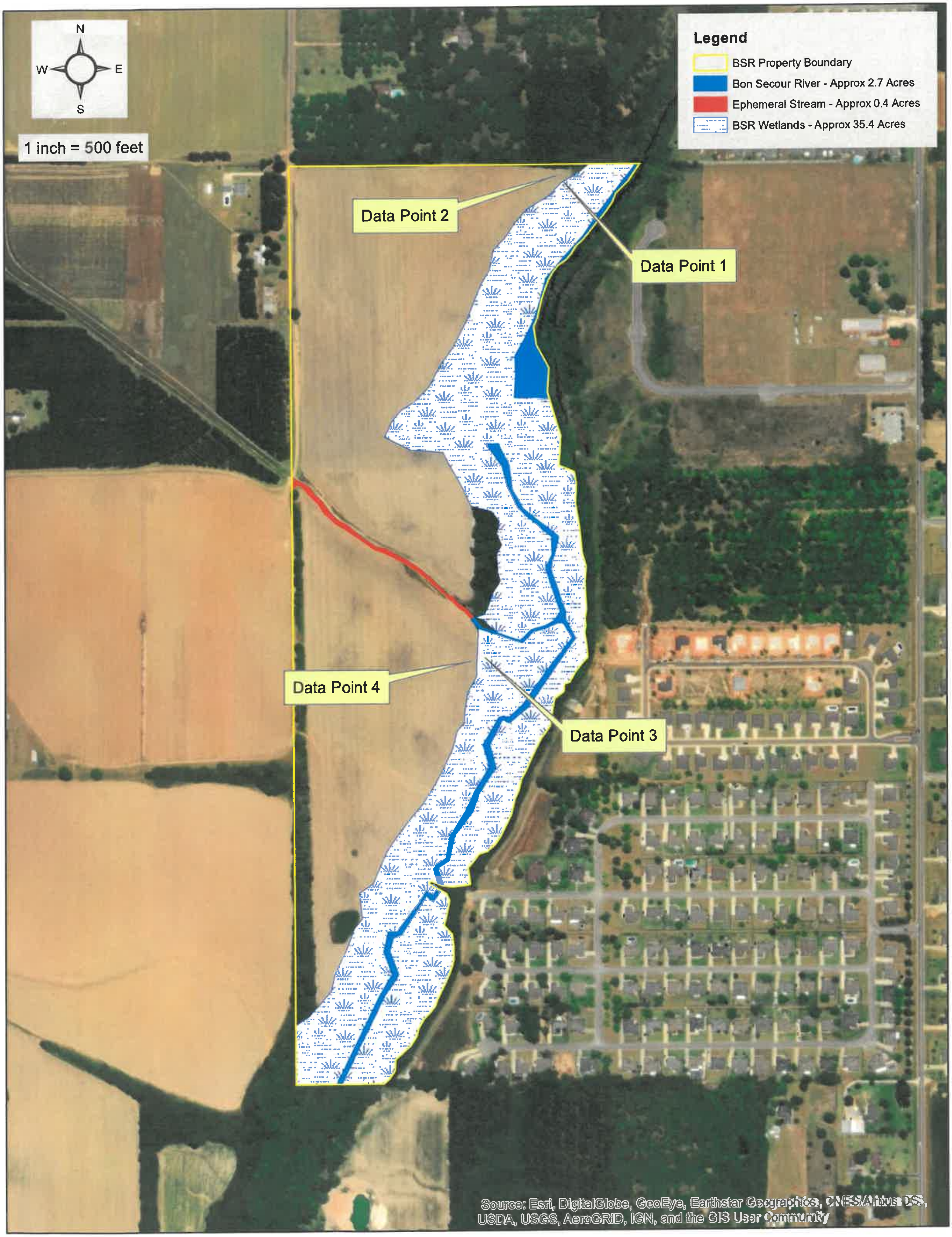
having given satifactory evidence of the necessary qualifications required by the laws of the State of Alabama is licensed to transact business in Alabama as a

Certified General Real Property Appraiser

With all rights, privileges and obligations appurtenant thereto.

LICENSE NUMBER: **G00253**
EXPIRATION DATE: **09/30/2021**

Lisa Brooks
Executive Director
ALABAMA REAL ESTATE APPRAISERS BOARD


N
W
E
S
1 inch = 500 feet
Legend
BSR Property Boundary
Bon Secour River - Approx 2.7 Acres
Ephemeral Stream - Approx 0.4 Acres
BSR Wetlands - Approx 35.4 Acres
Data Point 2
Data Point 1
Data Point 4
Data Point 3
Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community

N
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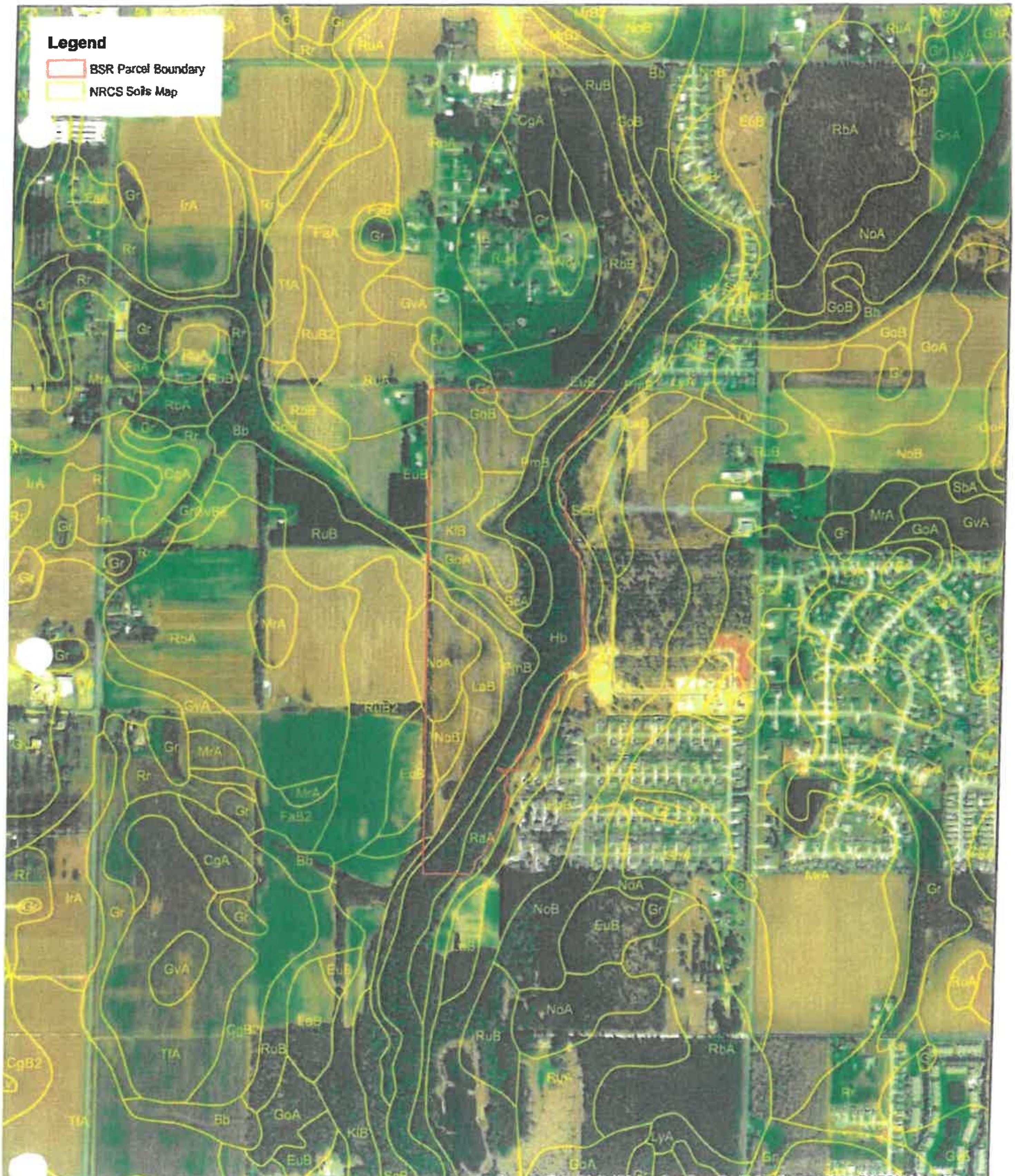
USFWS NWI Map
Bon Secour River Constructed Wetland Project
Foley, Alabama

1 inch = 1,000 feet



NRCS Soils Map
Bon Secour River Constructed Wetland Project
Foley, Alabama

1 inch = 1,000 feet