



311 S. ROYAL OAKS BOULEVARD, SUITE 110  
FRANKLIN, TN 37064  
615.866.4863  
EVALS@BGJONESCOMPANY.COM  
WWW.BGJONESCOMPANY.COM

## EVALUATION

THIS IS NOT AN APPRAISAL. THE FOLLOWING REPORT IS AN EVALUATION AND IS INTENDED TO COMPLY WITH THE INTERAGENCY APPRAISAL AND EVALUATION GUIDELINES. THE FOLLOWING IS NOT INTENDED TO BE CONSTRUED AS AN APPRAISAL, DOES NOT COMPLY WITH USPAP, AND HAS NOT BEEN PREPARED BY, OR REVIEWED BY A LICENSED APPRAISER. THIS REPORT IS INTENDED FOR INTERNAL USE ONLY BY THE STATED CLIENT/INTENDED USER. B.G. JONES & COMPANY IS NOT LIABLE FOR ANY UNAUTHORIZED USE OF THIS REPORT.

**CLIENT ID No.:** 8675309  
**CLIENT/INTENDED USER:** [REDACTED]  
**INTENDED USE:** Loan underwriting and-or credit decisions by Pinnacle Bank and-or participants  
**ASSIGNMENT OBJECTIVE:** To develop an estimate of Market Value, as defined by the federal financial institution regulatory agencies, of the stated interest in the subject property.  
**BORROWER NAME:** [REDACTED]  
**EFFECTIVE DATE OF VALUATION:** 11/29/2014  
**DATE OF REPORT:** 12/5/2014  
**REAL PROPERTY INTEREST VALUED:** Fee Simple Estate

### IDENTIFICATION OF REAL ESTATE:

*Address:* [REDACTED]

*City:* [REDACTED]

*County:* Bedford

*State:* TN

*Zip:* 37091

*Map/Parcel:* [REDACTED]



**PROPERTY DESCRIPTION:**

*Land Area (Ac.):* 165.84

*Land Area (SF):* 7,223,990

*Source of Land Area:* Deed

*Floodplain:* None

*Other Significant Easements/Encumbrances:* Easement for private road along easterly boundary line\*

*\*See general assumptions & limiting conditions*

*Building Type:* Residential

*Exterior Construction:* Wood Siding: Average Quality (Residence) / Siding: Average Quality (Manufactured Homes)

*Building Size (SF):* 9,037

*Source of Building Area:* Public Record

*FAR:* 0.00

*Building Year Built:* 1998 (Manufactured Homes) / 2005 (Single Family Residence)

*Secondary Improvements:* Gravel covered driveway, 38' x 42' pole barn, 30' x 32' equipment shed; 30' x 36' equipment shed; 30' x 40' equipment shed/storage; 16' x 42' ancillary shed; Wooden Deck

*Overall Construction Quality:* Average

*Overall Property Condition:* Average

*Current Use:* Residential

*Projected Use:* N/a

*Zoning:* A1: Agriculture

*Zoning Compliance:* Legally Conforming

*Additional Comments:* The subject property consists of an irregular shaped 165.84 acre parcel of agricultural/residential land that features gently to moderately rolling, partially wooded topography. The site features public water and electric utilities, with private sewer and gas. The property features one (1) single family residence and three (3) separate manufactured homes which were built in 1998 and 2005. The residences feature average quality siding/wood siding, continuous footing foundations, and gable/hip roofing.



**OWNERSHIP/PREVIOUS SALE DATA:**

*Current Owner:* [REDACTED]

*Prior Sale Date:* 1/16/2009

*Prior Sale Price:* \$0.00

*Prior Sale Price/SF:* \$0.00

*Is Prior Sale Arms Length?:*No

*Comments/Other recent sales:*

N/a

**CURRENT LISTING/CONTRACT INFORMATION:**

*Pending Sale Price:* \$0.00

*Current List Price:* \$0.00

*Pending Sale Price/SF:* \$0.00

*Current List Price/SF:* \$0.00

*DOM:* 0

**LOCATION DESCRIPTION/MARKET ANALYSIS:**

The subject property is located along the west side of [REDACTED] Bedford County, Tennessee. The property features approximately 2000 ft. of street frontage along [REDACTED], with access provided from along the west side of the street. Surrounding property uses are primarily comprised of low-density residential uses, agricultural uses, and vacant land tracts. The subject neighborhood is considered to be rural in nature. The following market data was taken from a Site to Do Business Online survey of demographics from within a 3-mile radius of the subject location.

Neighborhood Character:	Rural
2013 Population:	1,417
2018 Population Estimate:	1,489
Proj. Annual Population Change:	+1.00%
2013 Median Household Income:	\$46,425
2018 Median Household Income:	\$54,081
Proj. Annual Income Change:	+3.10%



**HIGHEST AND BEST USE CONCLUSION:**

*Highest & Best Use:* Single-family residential or agricultural use of the parcel

**SCOPE OF WORK:**

- Analyzed surrounding area/neighborhood and general market trends
- Gathered and analyzed data to determine the highest and best use of the property
- Gathered and analyzed comparable sale and cost data to estimate the as is market value of the property as of the effective date of report

*Level of Inspection:*

Exterior drive-by inspection by a representative of B.G. Jones & Company or a B.G. Jones & Company approved vendor. Given the exterior only inspection of the subject property, this report is subject to the extraordinary assumption that the quality and condition of the interior of the structure(s) is consistent with the character of the exterior and that, unless otherwise noted, the interior layout is functional for the intended use.

No inspection performed. Given the lack of inspection of the subject property, this report is subject to the extraordinary assumption that the quality and condition of the structure(s) is consistent with furnished information.

Walk-through inspection by a representative of B.G. Jones & Company or a B.G. Jones & Company approved vendor.

*Data Services Utilized:* CRS, Costar, Public Record

**ASSIGNMENT CONDITIONS:**

See extraordinary assumptions associated with the level of inspection, above. This report is not subject to any additional extraordinary assumptions or hypothetical conditions.



**LAND VALUATION:**

	<b>Comparable 1</b>	<b>Comparable 2</b>	<b>Comparable 3</b>
Address	Helton Road	Coffee Road	Hopkins Bridge Road
City/County	Wheel/Bedford	Unincorporated/Bedford	Unincorporated/Marshall
State	TN	TN	TN
Map/Parcel	82/27.01	123/11	32/10
Property Type	Land (Agricultural)	Land (Agricultural)	Land (Agricultural)
Sale Date	3/13/2012	3/6/2014	1/3/2014
Sale Price	\$200,000.00	\$275,000.00	\$196,622.00
Financing	Typical	Typical	Typical
Conditions of Sale	Typical	Typical	Typical
Site Area (Acres)	90.79	144.00	206.20
Site Area (SF)	3,954,797	6,272,615	8,982,072
Floodplain	None	None	Partial - Moderate
Zoning	A1 (Agriculture)	A1 (Agriculture)	A1 (Agriculture)
Topography	Moderately rolling	Moderately rolling	Moderately rolling
Vegetation	Partially Wooded	Mostly Wooded	Partially Wooded
Utilities	Electric	Electric	Electric
Other	N/a	N/a	N/a
Location Rating	Similar	Similar	Similar
Shape Rating	Similar	Similar	Similar
Price/Acre	\$2,202.88	\$1,909.72	\$953.55
Price/SF	\$0.05	\$0.04	\$0.02
Overall Comparability	Similar	Similar	Inferior

	<b>Comparable 4</b>	<b>Comparable 5</b>	<b>Comparable 6</b>
Address	Bethlehem Church Rd	Squire Jones Road	Parker Sain Road
City/County	Unincorporated/Bedford	Unincorporated/Bedford	Unincorporated/Bedford
State	TN	TN	TN
Map/Parcel	107/5	12/17	33/4.02
Property Type	Land (Agricultural)	Land (Agricultural)	Land (Agricultural)
Sale Date	5/6/2009	4/8/2014	11/13/2009
Sale Price	\$309,287.00	\$400,000.00	\$325,889.00
Financing	Typical	Typical	Typical
Conditions of Sale	Typical	Typical	Typical
Site Area (Acres)	199.54	126.00	185.17
Site Area (SF)	8,691,928	5,488,538	8,065,973
Floodplain	None	None	None
Zoning	A1 (Agriculture)	A1 (Agriculture)	A1 (Agriculture)
Topography	Moderately rolling	Mostly level	Moderately rolling
Vegetation	Partially Wooded	Mostly Cleared	Mostly Wooded
Utilities	Electric	Electric	Electric
Other	N/a	N/a	N/a
Location Rating	Similar	Similar	Similar
Shape Rating	Similar	Superior	Similar
Price/Acre	\$1,550.00	\$3,174.60	\$1,759.94
Price/SF	\$0.04	\$0.07	\$0.04
Overall Comparability	Inferior	Superior	Inferior



**LAND VALUATION ANALYSIS:**

The comparable sales indicate sale prices ranging between \$196,622 and \$400,000, with mean and median values of \$284,466 and \$292,144 respectively. From a price per acre standpoint, the comparable sales indicate values ranging between \$953.55/acre and \$3,174.60/acre, with mean and median values of \$1,925/acre and \$1,835/acre. To the best of our knowledge, all of the sales represent arm's length transactions between unrelated parties.

Based on the preceding comparable sales and available market data, a price per acre of \$ [REDACTED] will be applied to subject's site acreage. The as-is market value calculation is presented below:

\$ [REDACTED]/acre x 165.84 acres of land = \$ [REDACTED]

Rounded to: \$ [REDACTED]

**LAND VALUE CONCLUSION:** [REDACTED]

**COST APPROACH TO VALUE NOTE:**

We have applied an economic obsolescence percentage of 30% based upon obsolescence calculations from recent appraisal reports on rural properties and markets considered similar to the subject property and the subject property's area market. The obsolescence rates typically range from 20% to 50% based upon the functionality of the improvements and the market the property is located within.



**COST ESTIMATE: SINGLE FAMILY RESIDENCE**

*Construction Type (Marshall & Swift):* Single Family Residence: 2,665 sq. ft.

*Construction Class (Marshall & Swift):* D

*Construction Quality (Marshall & Swift):* Average

*Estimated Direct Costs:* \$223,114.00

*Estimated Indirect (Soft) Costs:* \$35,000.00 (15%)

*Estimated Total Direct & Indirect Costs:* \$258,114.00

**COST APPROACH VARIABLES:**

*Actual Age:* 9

*Overall Effective Age:* 10

*Economic Life:* 40

*Incurable Physical Depreciation:* 25% or \$63,279

*Economic/External Obsolescence:* \$58,075.65 (30% of Costs after Depreciation)

**MARKET VALUE BY COST APPROACH:**

<i>Total Replacement Cost:</i>	\$258,114.00
<i>Less: Incurable Physical Depreciation</i>	\$64,528.50
<i>Less: Economic/External Obsolescence:</i>	\$58,075.65
<i>Total Depreciated Replacement Cost:</i>	\$135,509.85
<i>Rounded:</i>	\$135,000.00



**COST ESTIMATE: MANUFACTURED HOME (1)**

*Construction Type (Marshall & Swift):* Manufactured Home: 2,016 sq. ft.

*Construction Class (Marshall & Swift):* D

*Construction Quality (Marshall & Swift):* Low Cost

*Estimated Direct Costs:* \$122,572.80

*Estimated Indirect (Soft) Costs:* \$18,385.92 (15%)

*Estimated Total Direct & Indirect Costs:* \$140,958.72

**COST APPROACH VARIABLES:**

*Actual Age:* 16

*Overall Effective Age:* 14

*Economic Life:* 25

*Incurable Physical Depreciation:* 56% or \$78,936.88

*Economic/External Obsolescence:* \$18,606.55 (30% of Costs after Depreciation)

**MARKET VALUE BY COST APPROACH:**

*Total Replacement Cost:* \$140,958.72

*Less: Incurable Physical Depreciation* \$78,936.88

*Less: Economic/External Obsolescence* \$18,606.55

*Total Depreciated Replacement Cost:* \$43,415.29

*Rounded:* \$43,000.00





**COST ESTIMATE: MANUFACTURED HOME (2)**

*Construction Type (Marshall & Swift):* Manufactured Home: 2,356 sq. ft.

*Construction Class (Marshall & Swift):* D

*Construction Quality (Marshall & Swift):* Low Cost

*Estimated Direct Costs:* \$143,244.80

*Estimated Indirect (Soft) Costs:* \$21,486.72 (15%)

*Estimated Total Direct & Indirect Costs:* \$164,731.52

**COST APPROACH VARIABLES:**

*Actual Age:* 16

*Overall Effective Age:* 14

*Economic Life:* 25

*Incurable Physical Depreciation:* 56% or \$92,249.65

*Economic/External Obsolescence:* \$21,744.56 (30% of Costs after Depreciation)

**MARKET VALUE BY COST APPROACH:**

<i>Total Replacement Cost:</i>	\$164,731.52
<i>Less: Incurable Physical Depreciation</i>	\$92,249.65
<i>Less: Economic/External Obsolescence</i>	<u>\$21,744.56</u>
<i>Total Depreciated Replacement Cost:</i>	\$50,737.31
<i>Rounded:</i>	\$51,000.00



**COST ESTIMATE: MANUFACTURED HOME (3)**

*Construction Type (Marshall & Swift):* Manufactured Home: 2,000 sq. ft.

*Construction Class (Marshall & Swift):* D

*Construction Quality (Marshall & Swift):* Low Cost

*Estimated Direct Costs:* \$121,600.00

*Estimated Indirect (Soft) Costs:* \$18,240.00 (15%)

*Estimated Total Direct & Indirect Costs:* \$139,840.00

**COST APPROACH VARIABLES:**

*Actual Age:* 16

*Overall Effective Age:* 14

*Economic Life:* 25

*Incurable Physical Depreciation:* 56% or \$78,310.40

*Economic/External Obsolescence:* \$18,458.88 (30% of Costs after Depreciation)

**MARKET VALUE BY COST APPROACH:**

*Total Replacement Cost:* \$139,840.00

*Less: Incurable Physical Depreciation* \$78,310.40

*Less: Economic/External Obsolescence* \$18,458.88

*Total Depreciated Replacement Cost:* \$43,070.72

*Rounded:* \$43,000.00



**COST ESTIMATE: GENERAL PURPOSE BARN**

*Construction Type (Marshall & Swift):* General Purpose Barn: 1,596 sq. ft.

*Construction Class (Marshall & Swift):* D

*Construction Quality (Marshall & Swift):* Average

*Estimated Direct Costs:* \$35,558.88

*Estimated Indirect (Soft) Costs:* \$5,333.83 (15%)

*Estimated Total Direct & Indirect Costs:* \$40,892.71

**COST APPROACH VARIABLES:**

*Actual Age:* 34

*Overall Effective Age:* 10

*Economic Life:* 25

*Incurable Physical Depreciation:* 40% or \$16,357.08

*Economic/External Obsolescence:* \$7,360.69 (30% of Costs after Depreciation)

**MARKET VALUE BY COST APPROACH:**

<i>Total Replacement Cost:</i>	\$40,892.71
<i>Less: Incurable Physical Depreciation</i>	\$16,357.08
<i>Less: Economic/External Obsolescence</i>	<u>\$7,360.69</u>
<i>Total Depreciated Replacement Cost:</i>	\$17,174.94
<i>Rounded:</i>	\$17,000.00



**COST ESTIMATE: METAL SHOP/EQUIPMENT SHED**

*Construction Type (Marshall & Swift):* Light Commercial Equipment Shed: 1,200 sq. ft.

*Construction Class (Marshall & Swift):* S

*Construction Quality (Marshall & Swift):* Average

*Estimated Direct Costs:* \$24,072.00

*Estimated Indirect (Soft) Costs:* \$3,610.80 (15%)

*Estimated Total Direct & Indirect Costs:* \$27,682.80

**COST APPROACH VARIABLES:**

*Actual Age:* 24

*Overall Effective Age:* 10

*Economic Life:* 20

*Incurable Physical Depreciation:* 50% or \$13,841.40

*Economic/External Obsolescence:* \$4,152.42 (30% of Costs after Depreciation)

**MARKET VALUE BY COST APPROACH:**

*Total Replacement Cost:* \$27,682.80

*Less: Incurable Physical Depreciation* \$13,841.40

*Less: Economic/External Obsolescence* \$4,152.42

*Total Depreciated Replacement Cost:* \$9,688.98

*Rounded:* \$10,000.00



**COST ESTIMATE: METAL SHOP/EQUIPMENT SHED (2)**

*Construction Type (Marshall & Swift):* Light Commercial Equipment Shed: 960 sq. ft.

*Construction Class (Marshall & Swift):* S

*Construction Quality (Marshall & Swift):* Average

*Estimated Direct Costs:* \$19,257.60

*Estimated Indirect (Soft) Costs:* \$2,888.64 (15%)

*Estimated Total Direct & Indirect Costs:* \$22,146.24

**COST APPROACH VARIABLES:**

*Actual Age:* 18

*Overall Effective Age:* 8

*Economic Life:* 20

*Incurable Physical Depreciation:* 40% or \$8,858.50

*Economic/External Obsolescence:* \$3,986.32 (30% of Costs after Depreciation)

**MARKET VALUE BY COST APPROACH:**

<i>Total Replacement Cost:</i>	\$22,146.24
<i>Less: Incurable Physical Depreciation</i>	\$8,858.50
<i>Less: Economic/External Obsolescence</i>	<u>\$3,986.32</u>
<i>Total Depreciated Replacement Cost:</i>	\$9,301.42
<i>Rounded:</i>	\$9,000.00



**COST ESTIMATE: METAL SHOP/EQUIPMENT SHED (3)**

*Construction Type (Marshall & Swift):* Light Commercial Equipment Shed: 1,080 sq. ft.

*Construction Class (Marshall & Swift):* S

*Construction Quality (Marshall & Swift):* Average

*Estimated Direct Costs:* \$21,664.80

*Estimated Indirect (Soft) Costs:* \$3,249.72 (15%)

*Estimated Total Direct & Indirect Costs:* \$24,914.52

**COST APPROACH VARIABLES:**

*Actual Age:* 24

*Overall Effective Age:* 10

*Economic Life:* 20

*Incurable Physical Depreciation:* 50% or \$12,457.26

*Economic/External Obsolescence:* \$3,737.18 (30% of Costs after Depreciation)

**MARKET VALUE BY COST APPROACH:**

<i>Total Replacement Cost:</i>	\$24,914.52
<i>Less: Incurable Physical Depreciation</i>	\$12,457.26
<i>Less: Economic/External Obsolescence</i>	<u>\$3,737.18</u>
<i>Total Depreciated Replacement Cost:</i>	\$8,720.08
<i>Rounded:</i>	\$9,000.00



**TOTAL MARKET VALUE BY COST APPROACH:**

<i>Total Replacement Cost: Residence</i>	\$135,000.00
<i>Total Replacement Cost: Manufactured Home (1)</i>	\$43,000.00
<i>Total Replacement Cost: Manufactured Home (2)</i>	\$51,000.00
<i>Total Replacement Cost: Manufactured Home (3)</i>	\$43,000.00
<i>Total Replacement Cost: General Purpose Barn</i>	\$17,000.00
<i>Total Replacement Cost: Light Comm. Equipment Shed (1)</i>	\$10,000.00
<i>Total Replacement Cost: Light Comm. Equipment Shed (2)</i>	\$9,000.00
<i>Total Replacement Cost: Light Comm. Equipment Shed (3)</i>	\$9,000.00
<i>Total Depreciated Replacement Cost:</i>	\$317,000.00
<i>Plus Land Value:</i>	██████████
<i>Total Value via Cost Approach:</i>	██████████
<i>Rounded:</i>	██████████

***Indicated Market Value by Cost Approach:*** ██████████

**VALUE CONCLUSION:** ██████████



**CERTIFICATION:**

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 analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, unbiased professional analyses, opinions 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 evaluation.
7. My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Interagency Appraisal and Evaluation Guidelines, effective December 10, 2010.
8. In addition to any coursework and prior working experience, I have been trained by B.G. Jones & Company with regard to valuation methodology and am considered reasonably competent to perform this evaluation, given the scope of work of the assignment.

A handwritten signature in black ink that reads "Seth Jones". The signature is written in a cursive, flowing style.

Seth S. Jones  
B.G. Jones & Company  
Banking Services  
615.866.4863  
evals@bgjonescompany.com





#### **GENERAL ASSUMPTIONS & LIMITING CONDITIONS:**

This evaluation report and resulting estimate of value is subject to the following assumptions and limiting conditions. Where stated throughout, B.G. Jones & Company includes but is not limited to, ownership, staff, and independent contractors conducting business through B.G. Jones & Company, including the signing evaluator.

- 1 The forecasts, projections, or operating estimates contained herein are based upon current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. Therefore, these forecasts are subject to changes in future conditions. Value estimates in this evaluation report are stated in United States currency as of the date of evaluation.
- 2 No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable and in Fee Simple, unless otherwise stated in the report.
- 3 The property is valued free and clear of all existing liens and encumbrances, including deed restrictions and developers agreements, unless otherwise stated in this evaluation report.
- 4 Information furnished by others is believed to be true, correct, and reliable. B.G. Jones & Company assumes no responsibility for the accuracy of information provided by others, including but not limited to third party database records, public record, and/or that provided by parties related to the transaction, including the client.
- 5 Maps, plats, and exhibits included in this appraisal report are for illustration only, as an aid in visualizing matters discussed within the report. They should not be considered as surveys or relied upon for any other purpose. B.G. Jones & Company has not made a survey of the property, and no responsibility is assumed in connection with such matters.
- 6 Unless noted otherwise, the physical condition of the improvements described herein was based on a visual, drive-by exterior inspection. No liability is assumed for the soundness of structural members, building components, mechanical equipment, plumbing, or electrical components as no professional tests were made of the same. B.G. Jones & Company assumes that no hidden or unapparent conditions of the property, subsoil, or structures exist, which would render the property more or less valuable. B.G. Jones & Company assumes no responsibility for such conditions, or for engineering which might be required to discover such factors.
- 7 Unless additional information is provided by the client and noted herein, easements and encumbrances (other than flood plain) are based upon visual inspection only.
- 8 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 this report.
- 9 It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in this report. A survey may be required to determine legal conformity (including but not limited to setbacks and/or encroachments), and as determinations herein are based on visual inspection, aerial photographs, and other public record, no responsibility is assumed for its accuracy.
- 10 It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate(s) contain in this report is based.
- 11 It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that no encroachment or trespass exists, unless noted in this report.



- 12 Value estimates in this report apply only to the entire property, and cannot be prorated to individual portions or fractional interests. Any proration or division of interest will invalidate the value estimate(s), unless such proration or division of interests is set forth in this report.
- 13 No representative of B.G. Jones & Company is required to give testimony or attendance in court by reason of this evaluation, with reference to the property in question, unless arrangements have been made previously therefore. The fee charged for this evaluation does not include payment for court testimony or for further consultation.
- 14 Unless otherwise stated in this appraisal report, B.G. Jones & Company did not observe the existence of hazardous material, which may or may not be present on the property. B.G. Jones & Company has no knowledge of the existence of such materials on or in the property. Representatives of B.G. Jones & Company, however, are not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. Value estimates within this report are 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 expertise or engineering knowledge required to discover them. B.G. Jones & Company recommends that appropriate experts be retained to investigate and determine to what extent, if any, such substances are present and what risks, if any, are involved.
- 15 The determination concluded in this evaluation, as to whether or not the subject property is located within a Flood Hazard Zone, is based solely on an inspection of available Flood Insurance Rate Map(s) (FIRM) which are distributed by the National Flood Insurance Program (NFIP) and local GIS records (where available). Although these maps are the basis for flood hazard determination, the map scale is typically not adequate for accurate comparisons with other maps and/or surveys. Therefore, the determination presented herein regarding location of the subject property outside or within a flood hazard zone should not be construed as a guarantee or certification. Certification of this can only be provided by a qualified engineer and/or surveyor. If there is any possibility that the subject is within an identified flood hazard zone, we recommend that the property should be covered by adequate flood insurance.
- 16 Unless otherwise noted in this report, no consideration in the valuation process has been given to subsurface rights (minerals, oil, water, etc.) that may be found on the subject property.
- 17 B.G. Jones & Company reserves the right to alter estimates of value contained in this evaluation on the basis of information withheld or not discovered in the normal course of a diligent investigation.
- 18 The Americans with Disability Act (ADA) became effective July 26, 1992. B.G. Jones & Company has not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis would reveal the need for renovations to comply with that statute. Such a requirement could have an adverse impact on the market value of the property. Because B.G. Jones & Company has no direct evidence relating to this issue, B.G. Jones & Company did not consider possible noncompliance with the requirements of the ADA in this report.
- 19 The evaluation format has a limited scope which may be inappropriate for certain transactions. B.G. Jones & Company assumes no responsibility for any possible loss due to the use of an evaluation. The client accepts the inherent risk associated with the use of an evaluation in support of a credit decision.

**PHOTOGRAPHS: DELETED FOR CONFIDENTIALITY**