

2895

## SUMMARY APPRAISAL REPORT

### SUBJECT PROPERTY:

2445 Fourth St.  
Slidell, La.

FILE NUMBER: CML116-3383

PREPARED BY:  
STEPHEN J. CHAMPAGNE  
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### Section 3

Client:        **Tabernacle Baptist Church**  
                  **2445 Fourth St., Slidell, La. 70458**  
                  **Attn. Deacon Roy Black**

Re:             **2445 Fourth St.**  
                  **Slidell, La.**

Dear: Deacon Black,

In accordance with our prior discussions, and/or the written engagement enclosed herein, the undersigned has completed a site visit to determine the relevant physical characteristics of the subject property described above. The purpose of this appraisal is to render an opinion of Market Value as defined herein. This Summary Appraisal Report is intended to comply with the reporting requirements set forth in the Uniform Standards of Professional Appraisal Practice that are necessary to produce a credible report, consistent with its intended use. As such, it presents summary discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Additional supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.

Furthermore, the methodology of this report does comply with the requirements outlined in your appraisal policy memorandum, if one has been submitted. Based on the data and the appraisal procedures reported herein, the conclusions are as follows:

<b>INDICATED VALUE:</b>	<b>\$220,000.00</b>
<b>EFFECTIVE DATE OF APPRAISAL:</b>	<b>8/28/05</b>
<b>DATE OF REPORT:</b>	<b>8/22/07</b>

Respectfully submitted



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STEPHEN J. CHAMPAGNE  
WAYNE SANDOZ & ASSOCIATES, INC.  
LOUISIANA CERTIFIED GENERAL  
REAL ESTATE APPRAISER (CERTIFICATE #G0769)

## Section 4 – Summary of Salient Factors and Conclusions

**Client:** Tabernacle Baptist Church

**Requested by:** Ms. Deborah Doyle

**Address of Property:** 2445 Fourth St.  
Slidell, La.

**Owner of Property:** Tabernacle Baptist Church

**Type of Property:** Religious worship facility

### Site Data

**Zoning:** A-7

**Land Area:** 9000 sf

**Land Value:** \$32,000.00

**Gross Building Area:** 3738 sf

**Date of Appraisal:** 8/28/05

**Purpose of Appraisal:** To estimate market value

**Property Rights Appraised:** Fee simple

### Estimated Value

**Cost Approach:** Not applicable

**Sales Comparison Approach:** \$220,000.00

**Income Approach:** Not applicable

**Final Value Conclusion:** \$220,000.00

## Section 5 – Scope of Work

### I. Appraisal Purpose and Discussion of the Appraisal Problem:

The purpose of this report is to estimate the market value of a religious worship facility located on Fourth St. in Slidell, La. Because of the intended use of the report, the client has requested that an effective date of 8/28/05 be utilized. Based on discussions with the client, it was determined that a summary appraisal report is sufficient for her/his needs. Because of the age of the subject structure, the cost approach is not considered to be a primary approach to value and is omitted in this report. Because of the type of property involved, the income approach is not considered to be a primary approach to value and is omitted in this report.

### II. Methodology Employed:

#### 1. Relevant physical characteristics:

Physical information regarding the subject property was obtained via an inspection of the subject site and any improvements thereon. The purpose of the inspection was to determine the relevant physical characteristics of the subject necessary to produce a credible appraisal report. **This inspection is not to be construed as a professional building inspection to determine the subject's physical deficiencies.**

Any known deficiencies that are: 1. Obvious and apparent during the course of the appraisal inspection, and; 2. Relevant to the appraisal process, are reported herein. The client/reader is advised that other deficiencies or defects may exist. **A professional building inspection is recommended** to determine the property's physical condition.

#### 2. The following Approaches to Value were discussed with the client and considered for this report:

##### Cost Approach:

A method by which the replacement cost of the subject is estimated. All forms of depreciation are then deducted. To this is added the value of the land and site improvements, to yield an indicated value.

##### Sales Comparison Approach:

A method by which the subject is compared to the most recent, similar and proximate market sales. These sales are then analyzed, adjusted and reconciled to yield an indicated value of the subject.

##### Income Approach:

A method in which the projected net operating income, based on forecasted and/or actual rents, is capitalized into a total present value by means of an estimated rate of return (capitalization rate). These approaches are then analyzed and weighted according to their applicability to the subject to yield a final indicated value.

### **III. Property Rights Appraised:**

This appraisal is made assuming fee simple title to the subject property. Fee Simple is defined as "an absolute fee; a fee without limitations to any particular class of heirs or restrictions but subject to the limitation of eminent domain, escheat, police power and taxation".

### **IV. Definition of Market Value:**

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, knowledgeable 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:

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

Source: United States Treasury Department, Comptroller of the Currency 12 cfr 34, & 34.2 (f).

### **V. Statement of Assumptions and Limiting Conditions:**

The **Appraiser's Certification** that appears in the appraisal report is subject to the following conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.
2. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.

3. The appraiser has noted in the appraisal report any adverse conditions (such as, needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, expressed or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property (See addenda section for further discussion of Hazardous Material).
4. The appraiser obtained information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
5. The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice.
6. The appraiser must provide his or her prior written consent before the lender/client specified in the appraisal report can distribute the appraisal report (including conclusions about the property value, the appraiser's identity and professional designations, and references to any professional appraisal organizations or the firm with which the appraiser is associated) to anyone other than the borrower; the mortgagee or its successors and assigns; the mortgage insurer; consultants; professional appraisal organizations; any state or federally approved financial institution; or any department, agency, or instrumentality of the United States or any state or the District of Columbia; except that the lender/client may distribute the property description section of the report only to data collection or reporting service(s) without having to obtain the appraiser's prior written consent. The appraiser's written consent and approval must also be obtained before the appraisal can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.
7. Responsible ownership and competent property management are assumed unless otherwise stated in this report.
8. All engineering is assumed to be correct. Any plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
9. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in this report.
10. 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 appraisal report.

11. It is assumed that all required licenses, certificates of occupancy or other legislative or administrative authority from any local, state, or national governmental 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 are based.
12. Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property. Maps and exhibits found in this report are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied unless otherwise stated in this report. No survey has been made for the purpose of this report.
13. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless otherwise stated in this report.
14. Unless otherwise stated in this report, the subject property is appraised without a specific compliance survey having been conducted to determine if the property is or is not in conformance with the requirements of the Americans with Disabilities Act. The presence of architectural and communications barriers that are structural in nature that would restrict access by disabled individuals may adversely affect the property's value, marketability, or utility.
15. Any proposed improvements are assumed to be completed in a good workmanlike manner in accordance with the submitted plans and specifications.
16. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
17. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written qualification and only in its entirety.
- 18. Extraordinary Assumptions: That the subject was in well maintained condition as of the effective date of the report. This assumption is based on discussions with members of the congregations board held at the time of inspection, which was on 7/12/07.**
- 19. Hypothetical Conditions: None.**

**VI. Appraiser's Certification:**

The Appraiser certifies and agrees that:

1. I have researched the subject market area and have selected a minimum of three recent sales of properties most similar and proximate to the subject property for consideration in the sales comparison analysis and have made a dollar adjustment when appropriate to reflect the market reaction to those items of significant variation. If a significant item in a comparable property is superior to, or more favorable than, the subject property, I have made a negative adjustment to reduce the adjusted sales price of the comparable and, if a significant item in a comparable property is inferior to, or less favorable than the subject property, I have made a positive adjustment to increase the adjusted sales price of the comparable.
2. I have taken into consideration the factors that have an impact on value in my development of the estimate of market value in the appraisal report. I have not knowingly withheld any significant information from the appraisal report and I believe, to the best of my knowledge, that all statements and information in the appraisal report are true and correct.
3. I stated, in the appraisal report, only my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the contingent and limiting conditions specified in this form.
4. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or the estimate of market value in the appraisal report on the race, color, religion, sex, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property.
5. I have no present or contemplated future interest in the subject property, and neither my current or future employment nor my compensation for performing this appraisal is contingent on the appraised value of the property.
6. I was not required to report a predetermined value or direction in value that favors the cause of the client or any related party, the amount of the value estimate, the attainment of a specific result, or the occurrence of a subsequent event in order to receive my compensation and/or employment for performing the appraisal. I did not base the appraisal report on a requested minimum valuation, a specific valuation, or the need to approve a specific mortgage loan.
7. I performed this appraisal in conformity with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place as of the effective date of this appraisal. I acknowledge that an estimate of a reasonable time for exposure in the open market is a condition in the definition of market value and the estimate I developed is consistent with the marketing time noted in the neighborhood section of this report, unless I have otherwise stated in the reconciliation section.

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

9. I personally prepared all conclusions and opinions about the real estate that were set forth in the appraisal report. I have not relied on significant professional assistance from any individual or individuals in the performance of the appraisal or the preparation of the appraisal report. I have not authorized anyone to make a change to any item in the report; therefore, if any unauthorized change is made to the appraisal report, I will take no responsibility for it.

#### **VII. Intended Use and Intended Users of the Appraisal Report:**

The intended use of this report is for the **sole** purpose of assisting the client in the evaluation of the subject property for use in conjunction with a grant application for repair assistance.

#### **VIII. Appraisal Development and Reporting process**

This is a Summary Appraisal Report which is intended to comply with the reporting requirements set forth by the Uniform Standards of Professional Appraisal Practice for a summary appraisal report. As such it might not include full discussions of the data, reasoning, and analysis that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning and analysis is retained in the appraiser's file. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.

Data were collected from a variety of sources, including but not limited to, The Local Multiple Listing Service, UNO Real Estate Data Center, Deedfax, Courthouse records, and the Appraiser's existing files.

The undersigned appraiser(s) performed an interior and exterior inspection on all accessible areas of the subject property, unless otherwise stated herein.

**IX. Additional Statements of Limiting Conditions and Appraisers Certifications**

1. This appraisal is in compliance with the guidelines established by the client's verbal approval and/or written letter of engagement regarding the minimum requirements for the appraisal of the subject property.
2. There were no sales, listings or options regarding the subject property within the past 36 months, except as follows: None.
3. The **estimated marketing period, and exposure period**, for the subject property is 6-12 months, which is typical for the subject property type in the current market, assuming reasonable pricing and professional marketing.
4. There was no personal property (Chattel) included in the valuation of the subject property.
5. **The signatory appraiser has completed previous appraisals on similar property types.**



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LOUISIANA CERTIFIED GENERAL  
REAL ESTATE APPRAISER (CERTIFICATE #G0769)

## **Section 6 - Title and Tax Data**

A full written legal description was not provided. Based on data provided by the owner, the legal description is as follows:

Lot 13, Square 28, City of Slidell

St. Tammany Parish, State of Louisiana

## Section 7- Area and Neighborhood Data

### New Orleans Metropolitan Area

On 8/29/05, the New Orleans Metropolitan area experienced catastrophic damages caused by Hurricane Katrina. Large portions of the Eastbank of Orleans, Southern portions of St. Tammany Parish, all of St. Bernard Parish, and all of lower Plaquemines Parish were inundated with flooding. Most other areas of the metropolitan area experienced wind damage of varying degrees. The city and surrounding area were all evacuated. The long range effects on population figures and employment data are unknown. It is expected that the area will experience a near term decline in population, as many residents will relocate due to lack of housing, limited availability of open schools, loss of employment, and other factors directly related to this event.

#### General

The metropolitan area of New Orleans is comprised of seven parishes (counties) that are contiguous to the Mississippi River from its mouth to a point up river toward, and well below, Baton Rouge, La.

The specific parishes - Orleans, Jefferson, Plaquemines, St. Bernard, St. Tammany, St. Charles and St. John the Baptist - are typically referred to as New Orleans and the River Region; as their historic, cultural, and business environments are closely related.

Orleans Parish is one and the same with the city of New Orleans. The metropolitan New Orleans area is comprised of the city, itself, and the contiguous parishes of Jefferson, Plaquemines, St. Bernard, and St. Tammany, St. John, and St. Charles.

#### Geographical

The metropolitan area consists of +/- 3,200 square miles, of which the city of New Orleans encompasses +/- 365 square miles. The Mississippi River divides much of the metropolitan area into two sections known as the East and West banks. The Eastbank is virtually fully developed, with the exception of the eastern most section of Orleans parish, and contains approximately 2/3 of the total population. The Westbank has most of the remaining developable land and is, obviously, less densely populated.

The overall elevation of the area is very flat and is at or below mean sea level. The area was to be protected from flooding by a levee system. Most of the levee systems were successful. Several areas, however, were heavily flooded due to breaches in levee systems and tidal surge from Hurricane Katrina. The most heavily impacted areas were the east bank of the city of New Orleans, lower Plaquemines parish, and all of St. Bernard parish.

### Climate

The typical weather for the area features very mild winters and hot humid summers; with the summer daily temperatures frequently exceeding 90 degrees. Rainfall in the area is plentiful year round, with its highest concentration in the summer months. The combined temperature and humidity make air conditioned space necessary at home and the workplace.

### Recreation

The area is blessed with a number of natural resources which create a good environment for personal and family recreation. The abundance of water in the area provides the opportunity for fishing and water sports for both residents and visitors.

### Governmental Structure and Municipal Services

Orleans parish is governed by a Mayor/Council form of government. Jefferson, St. Bernard, Plaquemines, St. John, and St. Charles parishes have a Council/President government. St. Tammany parish is governed by a Public Jury type of government.

Each parish maintains its own water and sewerage systems. Electricity and natural gas services are available and provided by regional utility service companies. Telephone service is provided by Bellsouth. Rates vary somewhat within the region but not significantly. Utilities throughout the area are generally uniform and adequate.

### Population

The New Orleans statistical area (MSA) experienced an overall 6.4% gain in population between 1990 and 2000. The total population of the MSA is reported at 1,316,510: Orleans - 496, 938; Jefferson - 448,306, with the balance in the 4 remaining parishes, (information sources: U.S. Bureau of Census; U.N.O. Real Estate Market Data Center; U.N.O. Division of Business and Economic Research).

The overall increase in population from 1990-2000 is attributable to the increase of population in the Northshore area. Overall employment in the area has experienced moderate gains. The long range impact of losses incurred from Hurricane Katrina has yet to be determined. Many estimates call for the loss of over 100,000 jobs due to the shift of population.

The impact of the storm has yet to be determined. Population figures and employment rates are currently in a state of flux. While a large number of residents are homeless, areas which experienced no flooding are experiencing strong demand in terms of residential housing and neighborhood commercial use. It has been reported in the press that the area can expect to see a loss of several hundred thousand residents as a result of the devastation experienced in some areas because of the flooding experienced following this storm.

The intermediate and long term effect on the local real estate market caused by Hurricane Katrina cannot, as yet, be measured or quantified. Until there are: 1) a long term recovery and reconstruction plan; 2) some factual demographic data regarding re-population of and employment in the area; and 3) empirical market data of post flood sales/leasing activity applicable to the subject property, any predictions would be highly speculative.

For those properties, such as the subject, that were not materially damaged by the event, it seems reasonable to conclude that the short term outlook is reasonably good. Because of the many properties that were taken out of commerce, demand for properties that are physically and functionally viable appears to be substantially enhanced. Therefore, it seems reasonable to conclude that the value and marketability of the subject are at least equal to the levels experienced prior to the event, with moderate future increases likely.

However, the factors mentioned above could materially change those conclusions in the future. In the absence of post Katrina sales data, the value estimate herein can only be based on pre-Katrina comparable sales and when available, post-Katrina sales.

## **Components of the Economy**

The economic base of the area is fueled by three basic industries:

(i) The Port

The Port of New Orleans has historically thrived due to the city's location and access to the Gulf Intracoastal Waterway and the Mississippi River. The industry includes both international barge and steamship lines which conduct business in over 67,000 lineal feet of dock wharves and 22 million square feet of cargo holding area.

It is primarily a bulk cargo port with limited container business. Ancillary industries such as ship building and repair (Avondale Shipyards) are a function of the port industry. The Port has been re-opened and experiencing normal traffic levels.

(ii) The Oil and Gas Industry

This industry has historically been the largest segment of the local economy. The abundance of natural resources such as petroleum and natural gas has created a major industry for the metropolitan area and southern Louisiana. Following hurricanes Katrina and Rita, all drilling and exploration activity in the Gulf of Mexico were shut down. Many rigs were heavily damaged or destroyed. As the Gulf is a primary supplier of fuel for the entire country, this industry has made a quick recovery.

(iii) Tourism and Convention Trade

This area of the local economy will be particularly hard hit. Although the French Quarter did not experience flooding, motels and hotels are being utilized for housing for recovery workers.

This industry had been expanded by the construction of the Riverfront Aquarium and the major expansions to the New Orleans Convention Center. Since the storm, there has been a slow down in the tourism industry.

Summary

The metropolitan area has experienced a significant natural disaster. The long range implications of this event will likely remain unknown for years. There has been moderate market activity in the metropolitan area since the storm. There are no reliable estimates of the final damages, but the total losses are expected to be several hundred billion dollars. There have been no similar disasters in the history of the country. There have certainly been no recent natural disasters which could be utilized as a blueprint for the re-building of an entire city. It is unknown if large areas in the metropolitan area are fit for reconstruction. It is generally accepted that a major rebuilding effort will take place. This will require substantial funding by the federal government, which has pledged its support.

Residential areas not impacted by the flooding have seen substantial increases in demand. Many areas are experiencing value increases in the 5-15% range. This trend is expected to continue, as many displaced residents receive insurance settlements and make alternate plans for housing.

### Neighborhood Analysis

#### Location and boundaries:

The neighborhood is generally located on the Northshore of Lake Pontchartrain in the City of Slidell, La. on Fourth St. in an area of mainly residential use. The boundaries are described as follows:

North:	I-12	South :	Lake Pontchartrain
East:	I-10	West:	Hwy. 11 (Front St.)

#### Accessibility and transportation arteries:

The area has good accessibility. The subject is six blocks east of Front St., one of the major north/south arteries of Slidell. The location affords easy access to both I-10 and I-12 and access to surrounding areas.

#### Property use and typical occupancy:

The typical use and occupancy is residential use. It is located just east of an area of neighborhood commercial use. The subject is located just north of Old Spanish Trail and just east of Front St., which is a major commercial corridor in Slidell. Several contingent residential developments supply a good economic base to support these commercial developments.

Value trends:

This area is considered part of the greater New Orleans Metroplex. After experiencing a period of value declines in the late 1980's, both the residential and commercial markets have experienced a period of stability and in many cases a period of value increases. East St. Tammany has been a demand area for residents desiring an alternative to housing in the New Orleans area.

Consumer support amenities:

The neighboring residential areas supply an adequate economic base to maintain the visibility of the area.

Police, fire and hospital facilities:

Adequate services in the areas exist and are of sufficient size to accommodate the population of the area.

Schools and recreational facilities:

Public and private schools of good quality exist in the area. The causeway bridge makes access to other educational institutions reasonably available. Recreational facilities are adequate with the existence of public parks and waterways around Lake Pontchartrain.

Public utilities and transportation:

Adequate public utilities are available to the area. No public transportation facilities exist. This does not appear to have any adverse effect on local real estate values.

Financing environment:

The current environment is viewed as strong with most lenders aggressively seeking commercial business. Interest rates have been at low levels for several years and financing is readily available to qualified borrowers. This activity should remain stable as consumer demands for services continue to grow as a result of the large population increase.

Additional comments and conclusions:

The subject is located in Slidell La., an area which is in great demand for single family residential buyers.

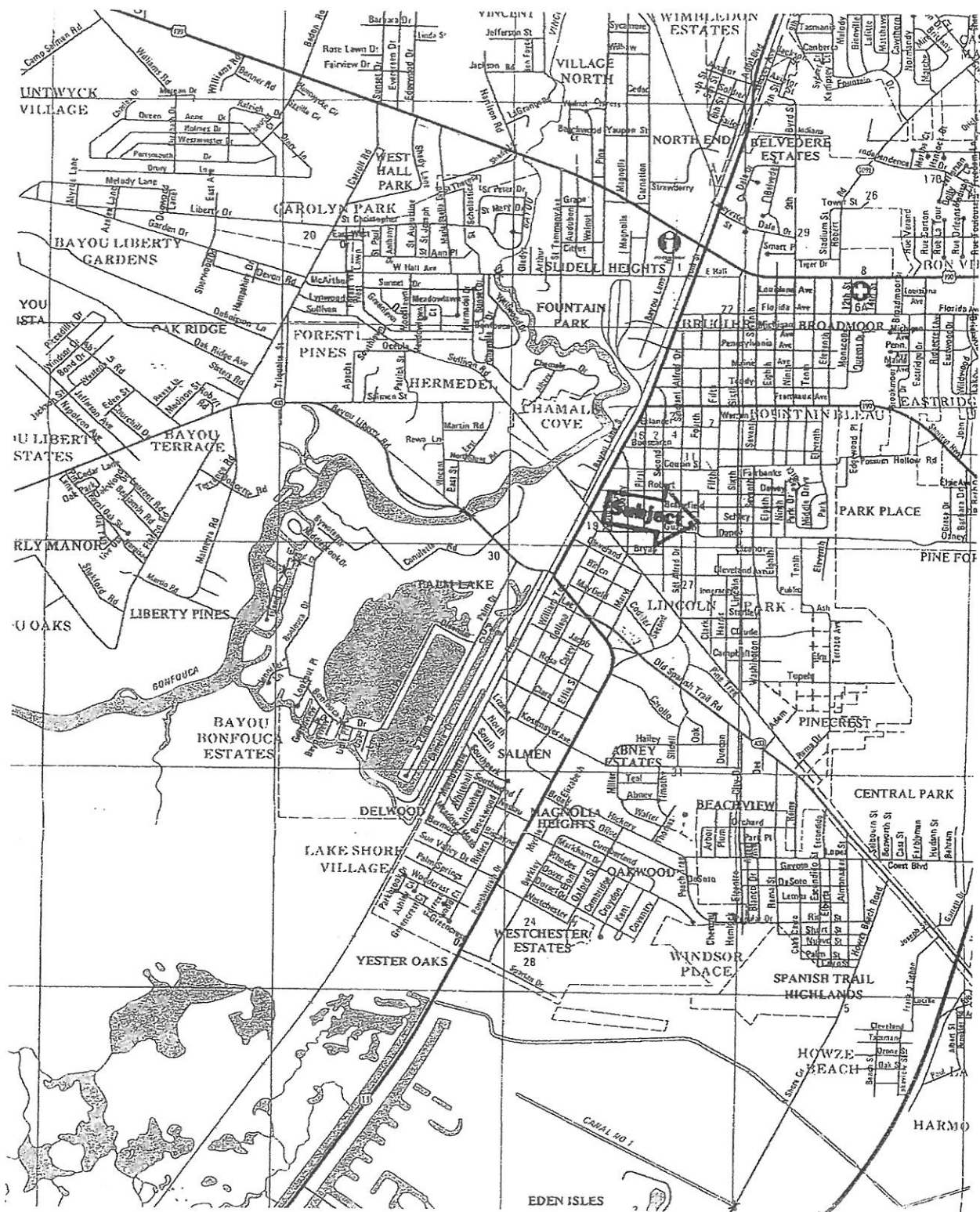
## Section 8 - Site Analysis

Dimensions:	60 x 150
Area:	9000 sf
Shape:	Rectangular
Topography:	Cleared and filled
Zoning:	A-7, multi-family urban
Utilities:	All public
Easements/servitudes/encroachments:	None apparent
Drainage:	Adequate
Street improvements:	Asphalt two lane roadway
Site improvements:	None

### Comments and conclusions:

The subject is a typical lot for the area. It is located in an area of residential and church and educational use in Slidell, La. No adverse physical or functional inadequacies were observed which would adversely impact potential development.

Area Map



## Section 9 - Description of Improvements

<u>Architectural design:</u>	Traditionally designed neighborhood religious worship facility
<u>Exterior construction:</u>	Brick veneer and weatherboard
<u>Foundation system:</u>	Brick piers
<u>Structural system:</u>	Wood frame
<u>Roof system:</u>	Composition shingle
<u>Parking:</u>	Six spaces
<u>Functional utility:</u>	Average
<u>Interior finish:</u>	Carpet, vinyl floors, drywall and paneled interior walls
<u>Bath description:</u>	Two half baths
<u>Gross building area:</u>	3738 sf
<u>Finished area:</u>	3738 sf

## Description of Improvements (continued)

<u>Number of units:</u>	One
<u>Heating and air conditioning system:</u>	Window air conditioning; gas heat
<u>Other amenities and features:</u>	Baptismal font.
<u>Actual age:</u> 100 yrs. (est)	<u>Effective age:</u> 10-12 yrs.
<u>Remaining economic life:</u>	38-40 yrs.
<u>Deferred maintenance:</u>	The subject is adequately maintained. No major deferred items were observed.
<u>Overall condition:</u>	Average

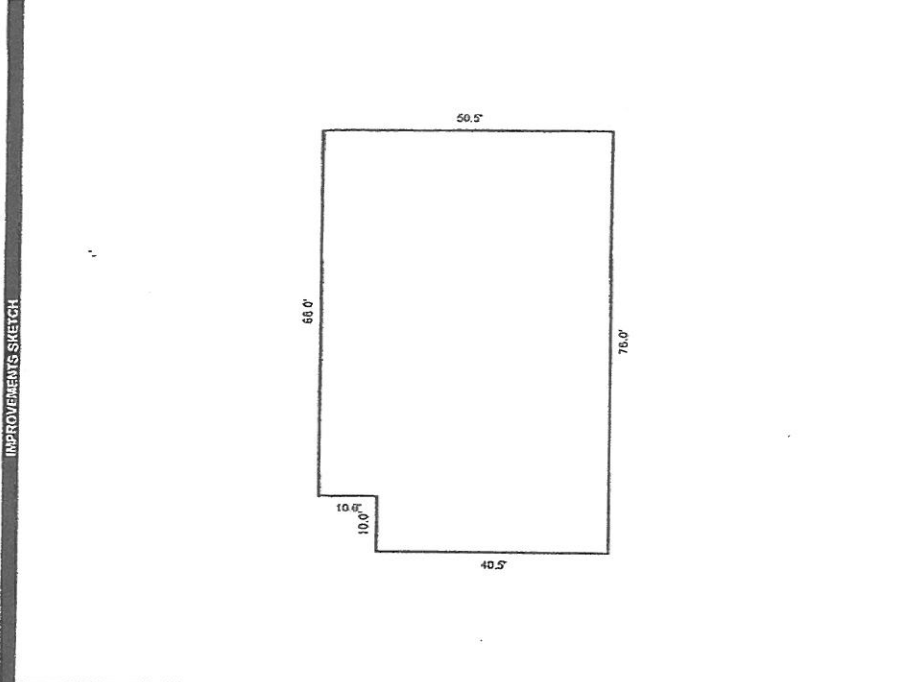
Additional comments:

The subject property is a 100 year old structure originally constructed as a school house. At some point in time, it was converted to church use. Construction is dated but functional for religious worship use. There is very limited off-street parking. No other adverse physical or functional inadequacies were observed.

SKETCH/AREA TABLE ADDENDUM

File No. CML116-3363

SUBJECT	Property Address: 2445 SECOND ST.	State: LA	Zip:
	City: SUDELL		
	Borrower:		
	Lender/Client:		
	Appraiser Name: Wayne Sandoz & Associates		



Comments:

AREA CALCULATIONS

AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
00AL	First Floor	3738.0	3738.0
Net BUILDING Area		( Rounded )	3738

BUILDING AREA BREAKDOWN		
Breakdown		Subtotals
First Floor:		
50.5	x 66.0	3333.0
10.0	x 40.5	405.0
2 Items		( Rounded ) 3738

APFS-502 TEMPLATE 8/20/04/0/0/0/0

APM119-4 April 02

## **Section 10 - Highest and Best Use Analysis**

Fundamental to the concept of value is the theory of highest and best use. This concept is defined as what reasonable and probable use that will support the highest present value, as defined, as of the effective date of the appraisal. In determining the highest and best use, the appraiser must first analyze the site as if vacant and ready for development with the ideal improvements for its highest and best use. When applicable, the appraiser must also determine the highest and best use of the site as it is currently improved, considering the benefits and detriments of the existing improvements. An analysis of highest and best use is made with these precepts in mind:

- 1) The use must be legally possible:  
Zoning regulations, deed restrictions, building codes, environmental restraints, and other applicable limitations are considered.
  
- 2) The use must be physically possible:  
Physical characteristics of the site such as size, frontage and depth proportions, soil and sub-soil conditions, and topography are considered. When improved, the existing structure's condition, architecture and floor plan are among the items considered.
  
- 3) The use must be economically feasible:  
A legitimate market demand for the use must exist.
  
- 4) The use must be the most profitable:  
The benefits derived from that use (financial and other) must be: 1) sufficient to justify any costs involved to implement that use, and 2) greater than those provided by any other physically possible, legally allowable, and economically feasible use.

## **Highest and Best Use as a Vacant Site**

### Zoning:

A-7, multi-family residential, allows for few alternate uses other than single and multi-family residential use. School, child care, and church use are all legal alternate uses.

### Location and predominant surrounding land use:

The predominant use of land in the area is single family residential use.

### Physical adaptability:

The subject's size, topography, and configuration are typical for the area.

### Conclusion:

Based on these factors, the highest and best use of the subject, as vacant, would be for single family residential development.

## **Highest and Best Use as Improved**

### Existing improvements:

The existing improvements consist of a religious worship structure. This is a legal conforming use.

### Predominant use of surrounding improvements:

The predominant use of surrounding improvements is single family residential use.

### Conclusion:

Based on these factors, the highest and best use of the subject, as improved, is its current use.

## **Section 11 - Sales Comparison Approach-Land only**

This section of the report is concerned with estimating the value of the land by a comparison of the subject site with other market land transactions in the vicinity and/or competing areas. There are various methods available in estimating the value of the site. The direct comparison method was used in this report. In this analysis, it is proper for the appraiser to use comparable sales of vacant land, or sales where the existing improvements were considered of no significant value to the buyer.

The sales data utilized herein were researched and collected via the following sources:

- 1) Local Realtor multiple listing service.
- 2) Real estate transfers published in the local newspaper (Times Picayune).
- 3) Sales and listing data promulgated within the local brokerage community.
- 4) Deedfax and courthouse records.

These sales were also verified by either a principle to the transaction, and/or the real estate broker involved. This verification indicates that the transaction was conducted at "arms length" between the parties involved, unless otherwise indicated.

R115022

Land sales comparables

<u>Sale #:</u>	1
<u>Location:</u>	Lots 3 & 4 Terrace Ave. Slidell, La.
<u>Legal description:</u>	Lots 3 & 4, Square 4 Terrace Park SD, St. Tammany Parish, La.
<u>Sale price:</u>	\$12,500.00
<u>Vendor:</u>	V. Sennettee
<u>Vendee:</u>	Custom Affordable Builders
<u>Date of sale:</u>	3/05
<u>Terms &amp; condition of sale:</u>	Cash
<u>Recordation:</u>	1480/225
<u>Dimension:</u>	50 x 100
<u>Area:</u>	5,000 sf
<u>Zoning:</u>	A-8
<u>Map reference:</u>	115
<u>Unit price:</u>	\$2.50 per sf
<u>Comments:</u>	Wooded site needing fill in area of residential use on Terrace Ave. in Slidell, La.

R115023

Land sales comparables

Sale #: 2

Location: Lots 3, 4, 5, & 6 Terrace Ave.  
Slidell, La.

Legal description: Lots 3 -6, Square 17  
Terrace Park SD,  
St. Tammany Parish, La.

Sale price: \$21,000.00

Vendor: R. Parker

Vendee: T. White

Date of sale: 3/03

Terms & condition of sale: Cash

Recordation: 1353/607

Dimension: 100 x 100

Area: 10,000 sf

Zoning: A-8

Map reference: 115

Unit price: \$2.10 per sf

Comments: Wooded site needing fill in area of residential  
use on Terrace Ave. in Slidell, La.

Land sales comparables

Sale #: 3

Location: Lot 9a Rama St.  
Slidell, La.

Legal description: Lot 9A, Square 17  
Terrace Park SD,  
St. Tammany Parish, La.

Sale price: \$17,500.00

Vendor: D. Williams

Vendee: R. Matos

Date of sale: 8/04

Terms & condition of sale: Cash

Recordation: 1452/370

Dimension: 50 x 100

Area: 5,000 sf

Zoning: C-2 neighborhood commercial

Map reference: 115

Unit price: \$3.50 per sf

Comments: Wooded site needing fill in area of residential use on Rama St. just south of old Spanish Trail in an area of mixed use in Slidell, La.

C115087

Land sales comparables

Sale #: 4

Location: Lots 3 & 4 Terrace Ave.  
Slidell, La.

Legal description: Lots 3 & 4, Sq. 9  
Terrace Park SD,  
St. Tammany Parish, La.

Sale price: \$15,000.00

Vendor: Breland Real Estate

Vendee: K. Bordere

Date of sale: 4/05

Terms & condition of sale: Cash

Recordation: 1490/540

Dimension: 50 x 100

Area: 5,000 sf

Zoning: A-8

Map reference: 115

Unit price: \$3.00 per sf

Comments:

Wooded site needing fill in area of residential use on Terrace Ave. in Slidell, La.

### Comparable Sales Summary and Adjustment Grid

Comp no.	Price s/f	Time	Location	Clear/ Fill	Size	Adjusted Price S/F
1)	\$2.50	3/05 -	Infer. +20%	Infer. +10%	Equal -	\$3.25
2)	\$2.10	3/03 -	Infer. +20%	Infer. +10%	Equal -	\$2.73
3)	\$3.50	8/04 -	Equal -	Equal -	Equal -	\$3.50
4)	\$3.00	4/05 -	Infer. +20%	Infer. +10%	Equal -	\$3.90

#### Comments & Reconciliation of Sales:

- 1) Sale date (time) adjustments are made first. The remaining adjustments, if any, are made to the residual unit price after the time adjustment.
- 2) Adjustments are based on matched pairs of the comparable sales, whenever possible. However, simultaneous variables frequently make that process non conclusive. In these cases, adjustments are based on other market extracted data from similar, competing areas.
- 3) The comparable sales are all vacant lots located in relatively close proximity to the subject. All were acquired for new development. Sales 1 and 4 are the most recent and are given heaviest weighting in the final value analysis.

#### Indicated Value of Subject Site:

$$\$3.50 \text{ per sf} \times 9,000 \text{ sf} = \$32,000.00 \text{ Rd}$$

## Explanation of Adjustments

The adjustment shown in the land sales reflect those items which have historically been recognized in the marketplace by parties to typical transactions. They are explained as follows:

- Time: This reflects increasing or decreasing values based on market conditions at the time of the appraisal in comparison to those at the time of the comparable sale. This factor is derived from paired sales comparisons and/or other indicators such as lease rate changes over time.
- Clear/Fill: This indicates the approximate costs of these items. It is expressed either as a lump sum adjustment or a percentage of the sales price.
- Utility: This adjustment reflects the differential of net useable area and the relationship of price per square foot to the total area of the parcel, as well as front footage in comparison to depth. This adjustment also reflects the market's reaction to the unit price for larger or smaller parcels.
- Location: This adjustment reflects the relative demand and attractiveness of the subject site in comparison to the comparables. These adjustments are derived from direct sales data or extracted from other economic indicators such as area lease rate differential.

## **Section 12 - Cost Approach to Value**

The cost approach is not considered to be a primary indicator of value for the subject property. Although recent construction, estimates for physical depreciation would be necessary. The cost approach is generally utilized for new construction. The omission of this approach does not negatively impact the ultimate credibility of the final value estimate.

### **Section 13 - Sales Comparison Approach - Improved Sales**

This section of the report is concerned with estimating the value of the subject by comparison of the subject property with other market transactions in the vicinity. The comparables chosen represent the most recent, proximate and similar sales in the marketplace.

The sales data utilized herein were researched and collected via the following sources:

- 1) Local Realtor multiple listing service.
- 2) Real estate transfers published in the local newspaper (Times Picayune).
- 3) Sales and listing data promulgated within the local brokerage community.
- 4) Deedfax and courthouse records.

These sales were also verified by either a principle to the transaction, and/or the real estate broker involved. This verification indicates that the transaction was conducted at "arms length" between the parties involved, unless otherwise indicated.

Improved sales comparables

M203006

Sales #: 1

Address: 975 Hwy. 190 Service Rd.  
Covington, La.

Building type: Church structure

Price: \$1,050,000.00

Gross building area: 6,193 sf

Improved area: 6,193 sf

Vendor: Hosanna Lutheran Church

Vendee: Grace Disciples of Christ Church

Price per sf: \$169.55

Terms & condition of sale: Cash sale

Date of sale: 6/05

Recordation: 1498/859

Lot size: 252,648 sf - 5.80 acres

Map reference: 203

Comments: 15 year old well maintained one story church containing 6193 sf. In good condition with adequate off street parking. The lot was zoned C-1.

Analysis:

Gross sale	
Less land (\$3.00 sf)	\$1,050,000
Residual value of improvements	<u>\$ 758,000</u>
	\$ 292,000 (\$47.15 sf)

Improved sales comparables

<u>Sales #:</u>	2
<u>Address:</u>	625 Lotus Dr. North Mandeville, La.
<u>Building type:</u>	Church structure
<u>Price:</u>	\$585,902.00
<u>Gross building area:</u>	6,743 sf
<u>Improved area:</u>	6,743 sf
<u>Vendor:</u>	Three Rivers Presbyterian
<u>Vendee:</u>	Pentecostals of Lee Rd.
<u>Price per s.f. g.b.a.:</u>	\$86.89
<u>Terms &amp; condition of sale:</u>	Cash sale
<u>Date of sale:</u>	7/04
<u>Recordation:</u>	1445/775
<u>Lot size:</u>	196/176 x 225 x vd - 42,207 sf
<u>Map reference:</u>	204
<u>Comments:</u>	15 year old well maintained church structure with several offices, large kitchen, and assembly hall. Adequate parking facilities. The lot was zoned O/R, office residential district.
<u>Analysis:</u>	
Gross sale	
Less land (\$6.00 sf)	\$ 585,902
Residual value of improvements	<u>\$ 253,000</u>
	\$ 332,902 (\$49.37 sf)

Improved sales comparables

Sales #: 3

Address: 1403 N. Causeway Blvd.  
Mandeville, La.

Building type: Church structure

Price: \$851,000.00

Gross building area: 9,120 sf

Improved area: 9,120 sf

Vendor: Causeway Blvd. Church

Vendee: Northshore Jewish Congregation

Price per s.f. g.b.a.: \$93.31

Terms & condition of sale: Cash sale

Date of sale: 7/02

Recordation: 1315/669

Lot size: 83 x various dimensions – 38,000 sf +/-

Map reference: 204

Comments: 15 year old well maintained church structure with several offices, large kitchen, and assembly hall. Adequate parking facilities.

Analysis:

Gross sale	\$ 851,000
Less land (\$10.00 sf)	<u>\$ 380,000</u>
Residual value of improvements	\$ 471,000 (\$51.64 sf)

### Comparable Sales Summary and Adjustment Grid

Comp no.	Price s/f	Time	Condi- tion	Qual- ity	Utility/ Size	Adjusted Price S/F
1)	\$47.15	6/05 -	Equal -	Equal. -	Equal -	\$47.15
2)	\$49.37	7/04 -	Equal -	Equal -	Equal -	\$49.37
3)	\$51.64	7/02 -	Equal -	Equal -	Equal -	\$51.64

Comments & Reconciliation of Sales:

- 1) Sale date (time) adjustments are made first. The remaining adjustments, if any, are made to the residual unit price after the time adjustment.
- 2) Adjustments are based on matched pairs of the comparable sales, whenever possible. However, simultaneous variables frequently make that process non-conclusive. In these cases, adjustments are based on other market extracted data from similar, competing areas.
- 3) The comparable sales are all religious worship facilities located in St. Tammany parish. All are similar to the subject in terms of likely use and are considered to be reliable indicators of value. Comps weighted equally.

Indicated Value of Subject:

Improvements only - \$50.00 per sf x 3738 sf	=	\$186,900.00
Estimated land value	=	\$ 32,000.00
Estimated value Sales Comparison Approach	=	\$220,000.00 Rd.

### **Section 14 - Income Approach to value**

The subject does have income producing potential. However, this type of property is typically acquired for owner occupied use rather than for it's income producing capabilities. The income approach is therefore omitted from this report.

## **Section 15 - Value Summary and Correlation/Reconciliation**

Value summary:

Sales Comparison Approach:	\$220,000.00
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Correlation/Reconciliation:

Sales comparison approach:

This approach was given the exclusive weight in the analysis and appraisal of the subject property. Adequate land and improved sales data was available, giving this approach good reliability and provide the basis for the final value.

## Section 16 - Value Conclusion

Based on a careful analysis of all pertinent data as disclosed herein, and subject to the assumptions and limiting conditions contained in this report, my estimate of market value (as defined) as of 8/28/05 is \$220,000.00.

Respectfully Submitted,



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STEPHEN J. CHAMPAGNE  
WAYNE SANDOZ & ASSOCIATES, INC.  
LOUISIANA CERTIFIED GENERAL  
REAL ESTATE APPRAISER (CERTIFICATE #G0769)

### Inspection certification

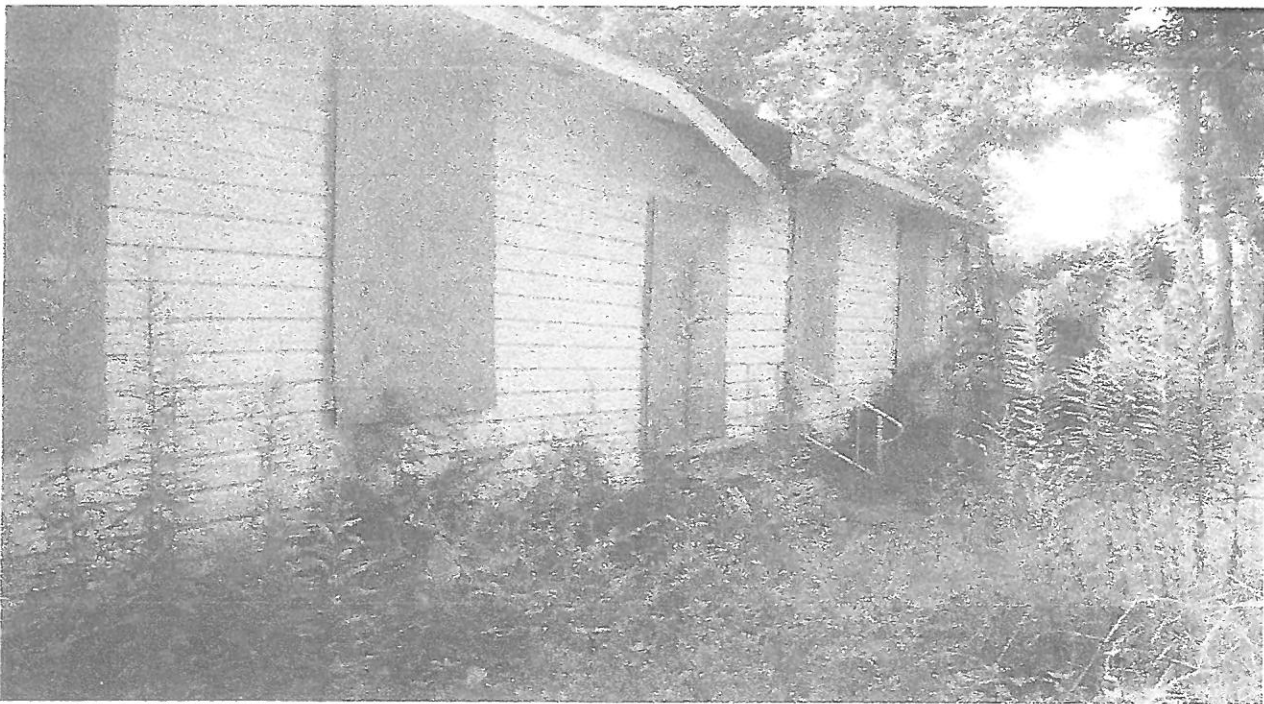
- 1) Mr. Champagne performed an interior and exterior inspection of the property (unless otherwise stated herein).
- 2) All comparables were inspected from the exterior. An interior inspection of the comparables was also performed whenever possible. Access to improved comparable data is not always available.

**Section 17 - Addenda**

**PHOTOGRAPH ADDENDUM**



**FRONT VIEW OF SUBJECT**



**REAR VIEW OF SUBJECT**

PHOTOGRAPH ADDENDUM



STREET SCENE VIEWING NORTH



STREET SCENE VIEWING SOUTH

**PHOTOGRAPH ADDENDUM**

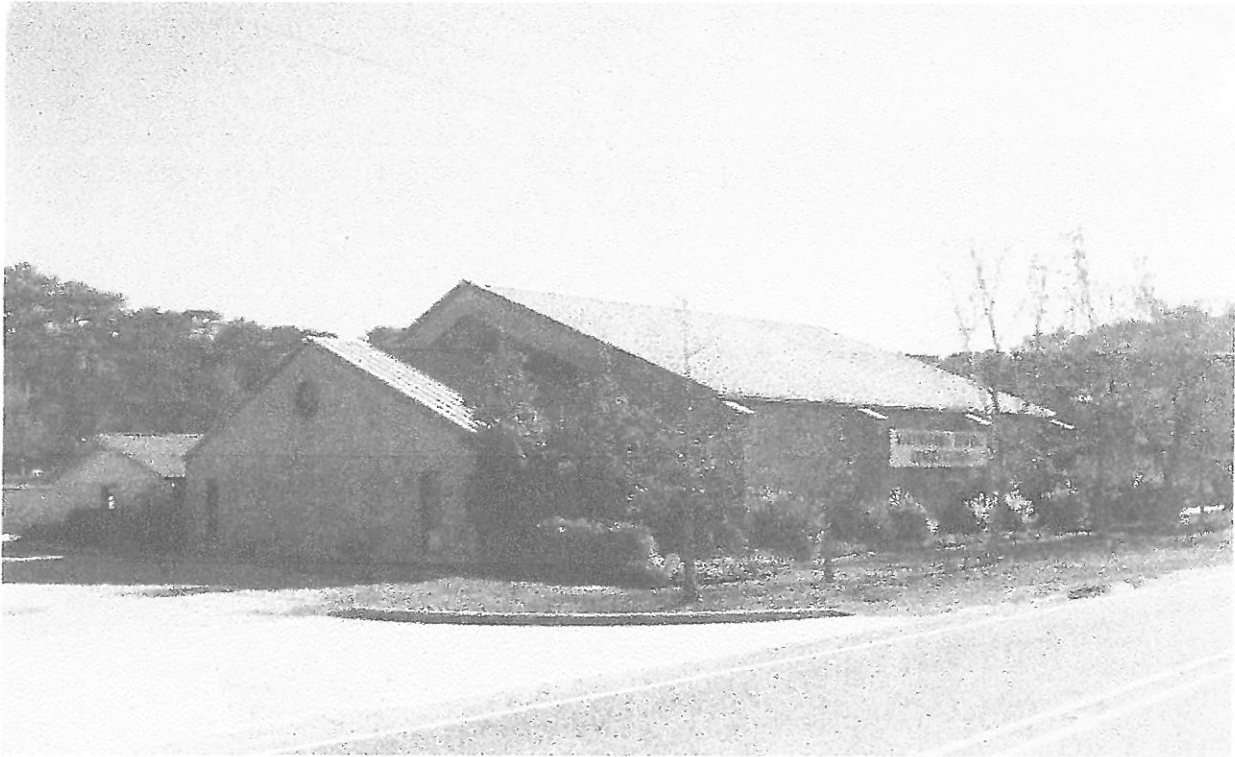


IMPROVED COMPARABLE SALE #1



IMPROVED COMPARABLE SALE #2

**PHOTOGRAPH ADDENDUM**



**IMPROVED COMPARABLE SALE #3**