APPRAISAL REPORT OF:
Amerisound Recording Studio
5100 Transamerica Drive
Hilliard, Franklin County, Ohio

AS OF:
August 24, 2017

PREPARED ON:
August 29, 2017

PREPARED FOR:
Melinda Gouge
Riverdale Funding, LLC
207 Mockingbird Lane, Suite 402
Johnson City, Tennessee 37604

PREPARED BY:
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MAI
Kenneth A. Mollica, MAI

August 29, 2017

Melinda Gouge
Riverdale Funding, LLC
207 Mockingbird Lane, Suite 402
Johnson City, Tennessee 37604

Re: Appraisal Report
Amerisound Recording Studio
5100 Transamerica Drive
Hilliard, Franklin County, Ohio

Dear Ms. Gouge:

At your request, we have inspected the subject property and have gathered and analyzed applicable market and economic data for the purpose of forming an opinion of the **Market Value** of the ***fee simple interest*** inherent in the subject property, as a whole and in its present condition, as of August 24, 2017.

The subject site is presently improved with a 21 year old, 3,000 sq. ft., pre-engineered steel and concrete block office/audio recording studio. The subject is located within the Trabue-Walcutt Industrial Park which was developed by the Transamerica Building Company in the mid-1990s. The subject's neighborhood has developed significantly since the subject's development in the mid-1990s. Located less than 1/2 mile west of the subject is the Hilliard Rome Road/I-270 interchange and the subject is considered to have good freeway access.

The subject's special purpose use as a recording studio would most probably not be recognized by a typical buyer. It is the appraiser's opinion that the most typical buyer would be an office/warehouse user who would add a small warehouse to the subject's existing improvements.

The subject has a 0.91 acre site and a land-to-building ratio of 13.21-to-1, however due to the subject's very irregular configuration, only an approximate 3,000 to 5,000 square foot addition could be constructed at the rear (north) of the existing building.

As required by Standard Rule 1-1 of the Uniform Standards of Professional Appraisal Practice, I have made the necessary inspection and analysis to appraise the above reference property.

The report has been developed based on the guidelines set forth by The Appraisal Foundation, more specifically Standards Rule 2-2 of the Uniform Standards of Professional Appraisal Practice for an Appraisal Report.

The value being used in the accompanying report is the Market Value of the ***fee simple*** ownership of the entire property (land and building), and subject to normal easements and restrictions of record. The subject property has no significant scientific, cultural, or recreational value.

The accompanying report, including exhibits and addenda are subject to the attached assumptions and limiting conditions.

This Appraisal Report is prepared for the sole use of the ***client***, Riverdale Funding LLC. The intended use of this Appraisal Report is for mortgage lending purposes

As a result of our investigation and analysis, set forth in the following Appraisal Report and subject to the Assumptions and Limiting Conditions therein, it is our opinion the **Market Value** of the ***fee simple interest*** in the subject property, as a whole and in its present condition, in terms of cash or financial arrangements equivalent to cash, as of August 27, 2017 is:

$315,000
(Three Hundred and Fifteen Thousand Dollars)

Allocated: $105.00/SF GBA

As a result of my investigation and analysis, set forth in the preceding Appraisal Report, and subject to the assumptions and limiting condition herein, it is my opinion the **Insurable Value** of the ***fee simple interest*** inherent in the subject property, as whole and in its present condition, in terms of cash or financial arrangements equivalent to cash as of August 24, 2017, is:

$380,000

(Three Hundred and Eighty Thousand Dollars)

Allocated: $126.67/SF GBA

This Appraisal Report has been prepared in accordance with the Standards of Professional Practice and Code of Ethics of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation.

We hereby certify that we have no present or future contemplated interest in the subject property. My compensation is in no way contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

Unless otherwise stated, defined, and considered within this appraisal report, it is assumed that the subject property is in full compliance with the Americans with Disabilities Act of 1990 (ADA). We have neither the expertise to identify ADA barriers which require modification, nor knowledge of acceptable remedies. No adjustment is made as to ADA compliance, nor is any responsibility assumed for architectural expertise required to identify ADA non-conformities.

The appraisal is intended to conform with the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, applicable state appraisal regulations, and the appraisal guidelines of PNC Bank. The appraisal is also prepared in accordance with the appraisal regulations issued in connection with the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA).

To report the assignment results, we use the Appraisal Report option of Standards Rule 2-2(a) of the 2016-2017 edition of USPAP. As USPAP gives appraisers the flexibility to vary the level of information in an Appraisal Report depending on the intended use and intended users of the appraisal, we adhere to the Mollica Appraisal Company internal standards for an Appraisal Report – Standard Format. This type of report has a moderate level of detail. It summarizes the information analyzed, the appraisal methods employed, and the reasoning that supports the analyses, opinions, and conclusions. It meets or exceeds the former Summary Appraisal Report requirements that were contained in the 2014-2015 edition of USPAP.

The analysis and conclusion presented in this report have been prepared solely by the undersigned.

This report was based upon recommended methods and techniques of the Appraisal Institute, of which Mr. Kenneth A. Mollica, MAI, is a member.

Should you have further questions, please feel free to call. Thank you for this opportunity to be of service.

Respectfully submitted,

Ken a. Molli

Kenneth A. Mollica, MAI
State Certified General Appraiser, #391885

Amanda Major
Appraiser Assistant, #20130000117

MOLLICA APPRAISAL COMPANY
3040 Riverside Drive, Suite 115
Upper Arlington, OH 43221
614-486-6654 Office – 614-486-8256 FAX

SUMMARY OF SALIENT FACTS

Effective Date of Valuation:	August 24, 2017
Project:	Amerisound Recording Studio
Project Location:	5100 Transamerica Drive Columbus-Hilliard C.S.D., Franklin County, Ohio
Value Being Appraised:	Market Value of the Fee Simple interest
Present Owner of Record:	Daniel Green
Site Data:	
No. Parcels:	1
Site Size:	0.91 acres (39,640 sq. ft.)
Configuration:	Very Irregular
Topography:	Primarily level
Utilities:	All public
Zoning:	M-2 (Limited Industrial & Office) by the city of Columbus, Ohio
Land-to-Building Ratio:	13.21-to-1
Flood Plain ID:	Zone X, flood insurance rate map number 39049C 0282K, with no panel printed. The rear of the subject site is bisected by a small creek.
Building Data:	
No. Buildings:	1
Gross Building Area:	3,000 sq. ft.
Year Built:	1996 (21 years old)
Condition:	Average
Highest & Best Use*:*	
As If Vacant:	Light industrial category
As Improved:	As improved with existing improvements, with surplus land improved with a light industrial building

<u>SUMMARY OF SALIENT FACTS</u> - *(Continued)*

Tax Information

Parcel Number:	560-235122
Auditor's Appraised Value	
Land:	$ 67,900
Improvements:	<u>$237,100</u>
Total:	$305,000
Annual Taxes:	$10,280.90
Delinquent Taxes:	**$23,586.43**
Last Transfer	
Date:	September 1, 1995
Grantor:	Transamerica Building Co., Inc.
Instrument:	199509010170709
Sale Price:	$45,000 (land only)

SUBJECT PHOTOGRAPHS

View looking west on Transamerica Drive

View looking east on Transamerica Drive

SUBJECT PHOTOGRAPHS

South view of subject from Transamerica Drive

West view of subject

SUBJECT PHOTOGRAPHS

Northeast view of subject

Northwest view of subject

SUBJECT PHOTOGRAPHS

View of subject site

View of subject site

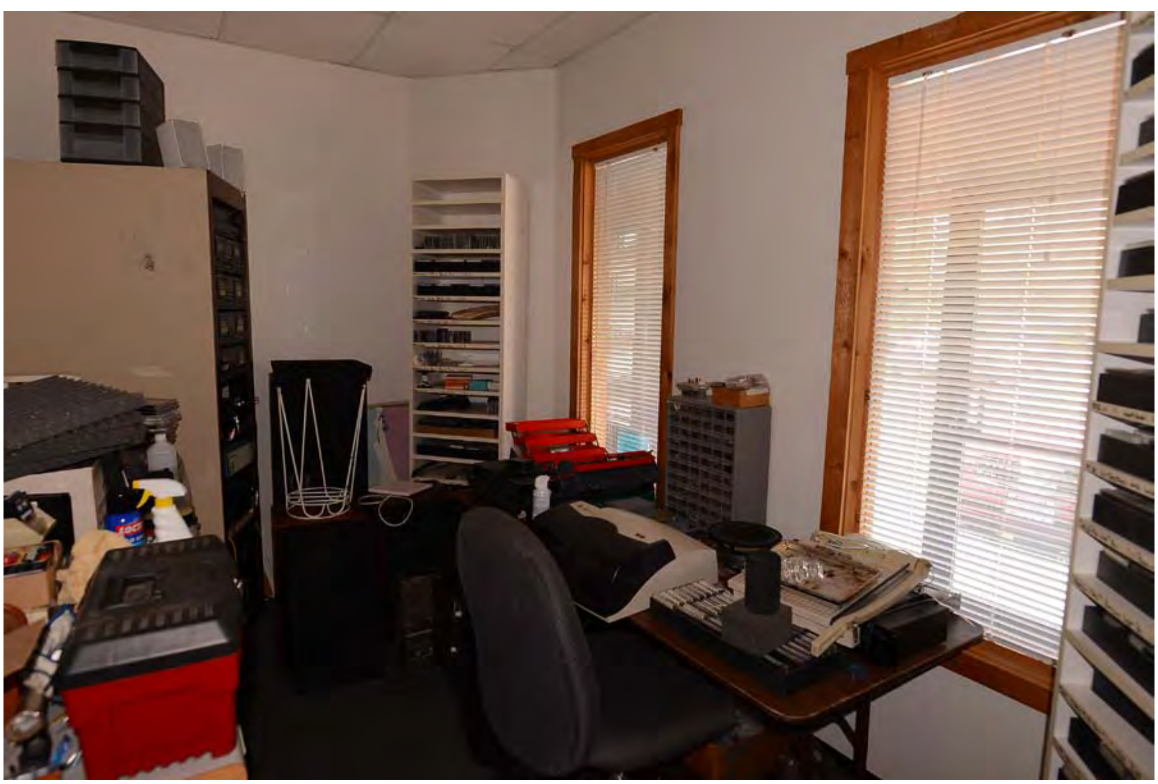
SUBJECT PHOTOGRAPHS

Interior view of reception area

Interior view of reception area

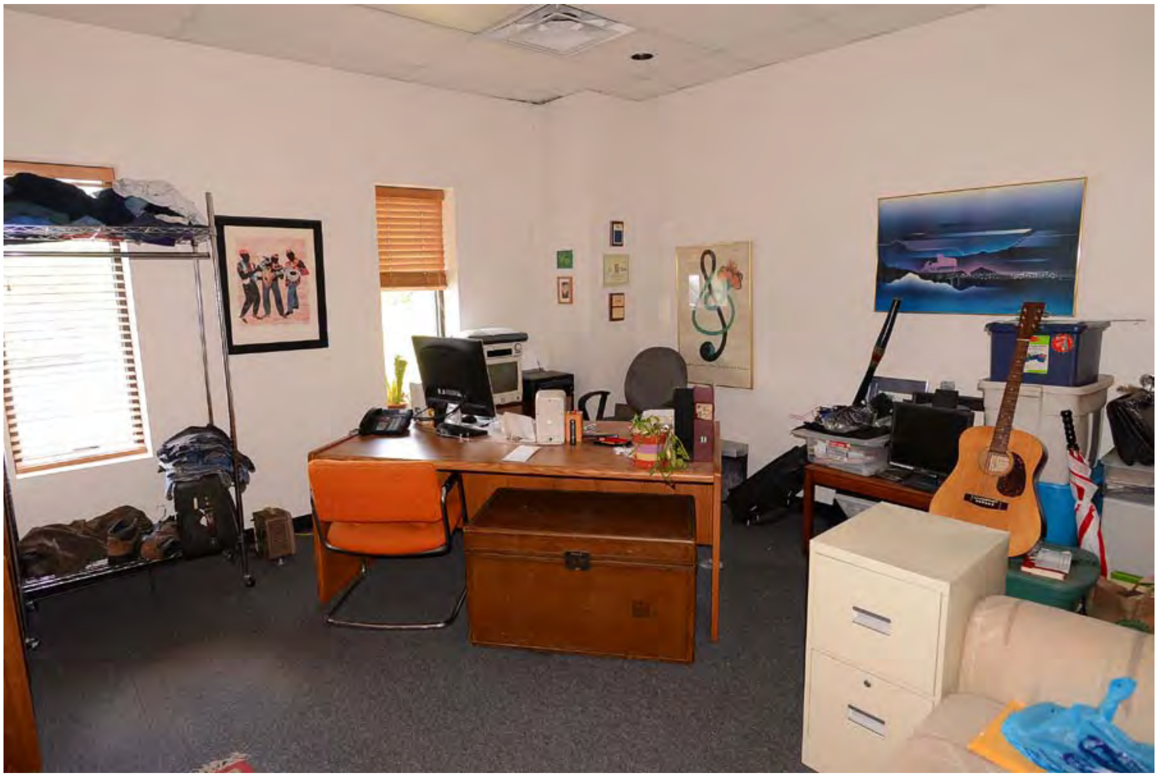
SUBJECT PHOTOGRAPHS

Interior view of reception area



Interior view of office area

SUBJECT PHOTOGRAPHS



Interior view of private office

Interior view of break area

SUBJECT PHOTOGRAPHS

Interior view of break area

Interior view of restroom

SUBJECT PHOTOGRAPHS

Interior view of full bath

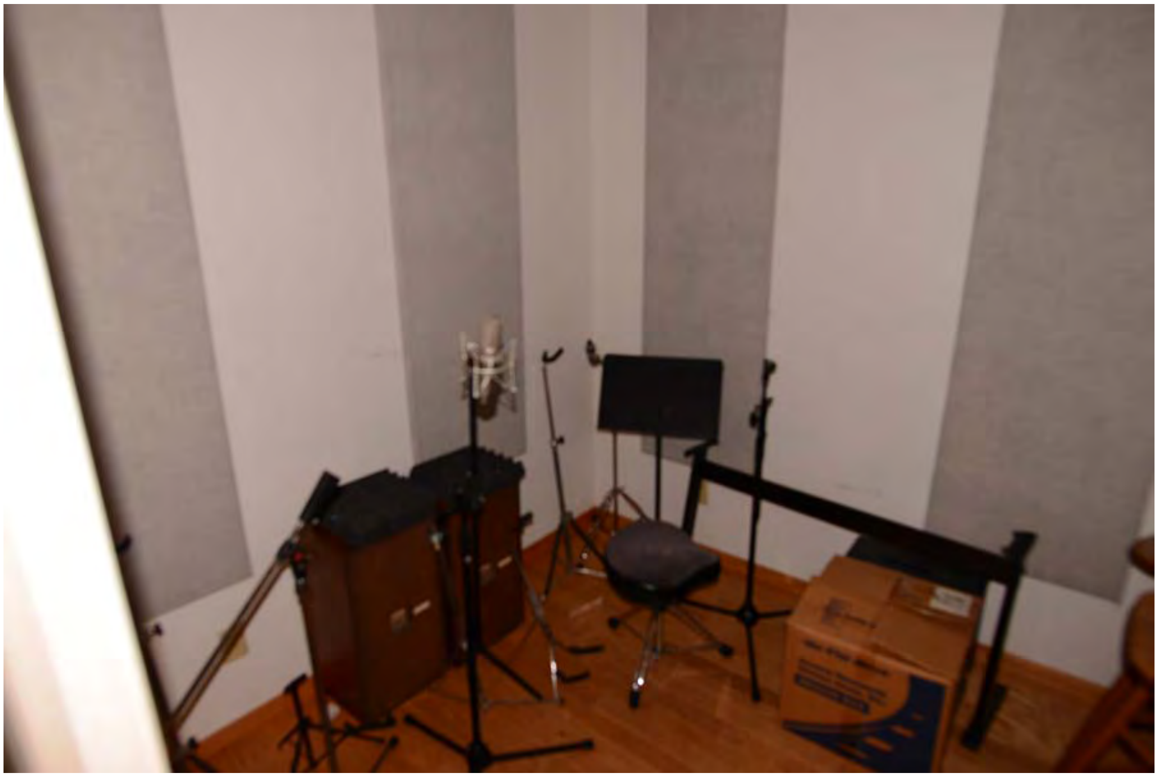
Interior view of full bath

SUBJECT PHOTOGRAPHS

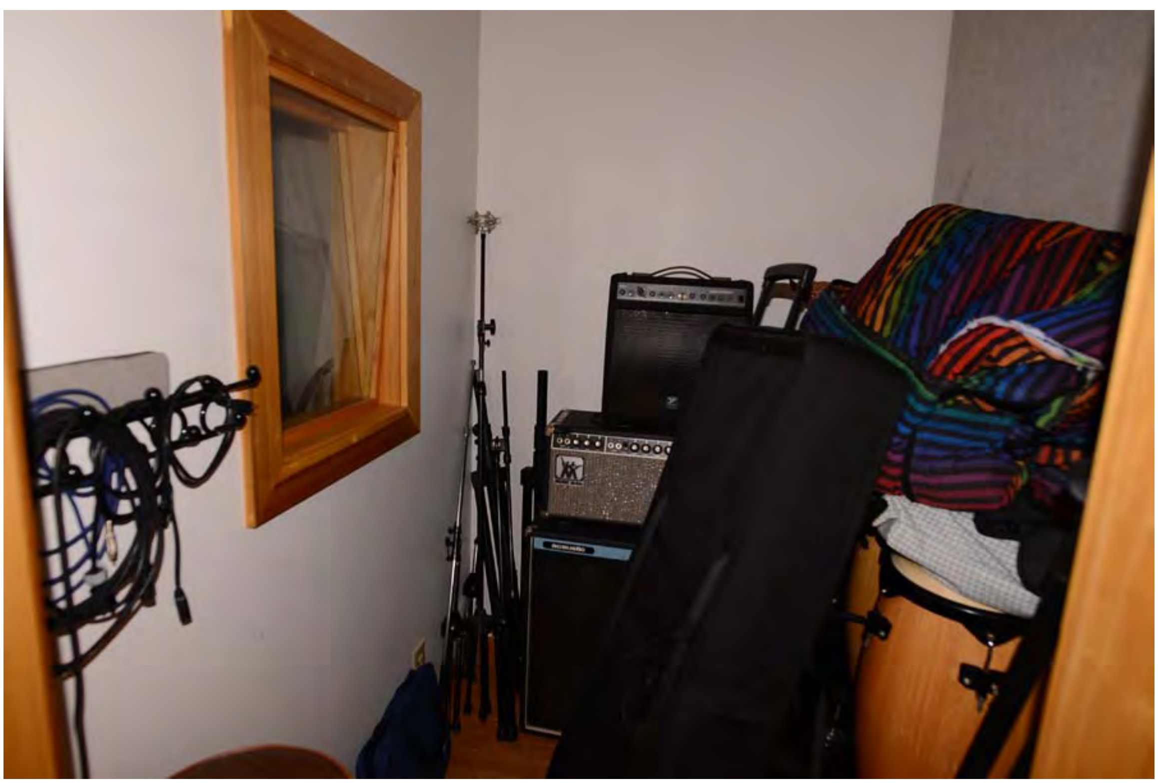
Interior view of recording studio

Interior view of recording studio

SUBJECT PHOTOGRAPHS



Interior view of sound booth in recording studio



Interior view of sound booth in recording studio

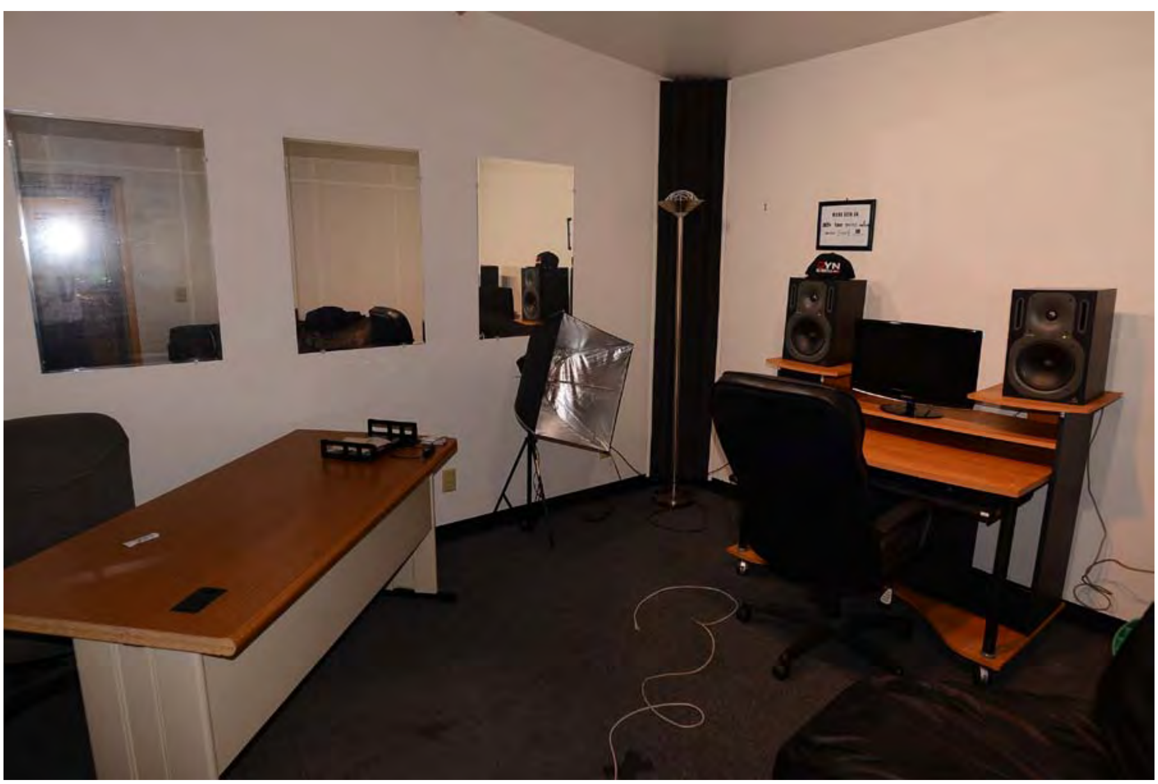
SUBJECT PHOTOGRAPHS

Interior view of sound engineering room

Interior view of sound engineering room

SUBJECT PHOTOGRAPHS

Interior view of sound mixing room



Interior view of sound mixing room

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Preface

Addenda

SCOPE OF WORK

The 2016-2017 edition of the Uniform Standards of Professional Appraisal Practice defines scope of work as the type and extent of research and analysis in an appraisal or appraisal review. For each appraisal and appraisal review assignment, an appraiser must:

1. identify the problem to be solved
2. determine and perform the scope of work necessary to develop credible assignment results; and
3. disclose the scope of work in the report.

An appraiser must properly identify the problem to be solved in order to determine the appropriate scope of work. The appraiser must be prepared to demonstrate that the scope of work is sufficient to produce credible results.

PROBLEM IDENTIFICATION

An appraiser must gather and analyze information about those assignment elements that are necessary to properly identify the appraisal problem to be solved. Those elements include:

1. client and any other intended user;
2. intended use of the appraiser's opinion and conclusions;
3. type and definition of value;
4. effective date of appraiser's opinions and conclusions;
5. subject of the assignment and its relevant characteristics; and
6. assignment conditions.

VALUE BEING USED IN THE REPORT

The interest being appraised in this Appraisal Report is the **Market Value** of the ***fee simple interest*** inherent in the subject property, as a whole and in its present condition, as of August 24, 2017, the effective date of this report.

DEFINITION OF INTEREST APPRAISED

The interest appraised in this report is the ***fee simple estate***, which is generally defined as:

absolute ownership, unencumbered by any other interest or estate; subject only to the limitations of eminent domain, escheat, police power and taxation.[1]

[1] *The Appraisal of Real Estate*, 14th Edition, The Appraisal Institute, 875 North Michigan Avenue, Chicago, IL 60611-1980, Page 69.

INTENDED USE OF THE REPORT

The ***intended use*** of this Appraisal Report is for the use of the ***client***, Riverdale Funding LLC. The intended use of this Appraisal Report is for mortgage lending purposes.

DATE OF REPORT

August 29, 2017

EFFECTIVE DATE OF VALUE

August 24, 2017

EXTENT OF COLLECTING, CONFIRMING, AND REPORTING DATA

The appraisal will cover an investigation of all matters considered pertinent by the appraiser to the valuation of the subject property. First, the appraiser inspected the interior and exterior of the subject's building improvements and environs. Next, the appraiser examined the subject's legal factors including current owner, real estate taxes, appraised and assessed values, transfer dates, sale prices, zoning, etc.

In this Appraisal Report, the appraiser will utilize the Sales Comparison and Income Capitalization Approaches to Value.

The ***Cost Approach*** will not be applied in this appraisal report, given the fact that the subject was constructed in 1996 and is 21 years old. The Cost Approach is most applicable when applied to proposed or newer properties, since from the date of construction, depreciation is set in motion. Also, the subject property is a special purpose building, as it was originally constructed as an audio recording studio with offices. Special purpose buildings typically suffer substantial functional and eternal obsolescence due to the lack of market for such properties, as well as the functional obsolescence due to super adequacy. The southern portion of the building is concrete block which was filled in with silica sand and the recording studio/engineering room had a floating ceiling and extra thick walls. A typical light industrial or office buyer would not pay a premium for these super adequate items. For the above reasons, the cost approach is not considered applicable when valuing the subject property and therefore will be used in this report.

Under the ***Sales Comparison Approach,*** the appraiser will conduct a thorough search of the subject' immediate and surrounding neighborhood in an effort to obtain recent sales information for light industrial and office properties considered comparable to the subject property.

The subject is a unique property in that it is a recording studio located within an industrial park. The vast majority of properties within the surround industrial park range in size from 5,000 to 20,000 sq. ft., and are "typical" light industrial properties with 10% to 30% finished office area. The appraiser is very familiar with the Trabue Walcutt Industrial Park as he prepared his demonstration appraisal report for his MAI designation on a property located within this park.

When valuing the subject property, the appraiser considered small light industrial buildings. If available the appraiser will utilize audio recording studio sales.

The appraiser will analyze the comparable sales on an overall sale price per square foot basis (including land), and adjusted to the subject for differences in location, size, age, quality and condition. The comparable sales will be verified by public records, as well as a related party to the transaction when possible. From the comparable sales, the appraiser will form an opinion of the per square foot value applicable to the subject property, as of August 24, 2017, the effective date of this report. The value indicated via the sales comparison approach will be a fee simple value.

Under the ***Income Capitalization Approach***, the appraiser will use the Direct Capitalization method. The subject property is currently owner occupied. The interior of the subject property most resembles an office building. Therefore, the appraiser will conduct a rental survey of the subject's immediate light industrial and office submarket in an effort to determine the market rent applicable to the subject property. Deducted from the estimated potential gross income will be vacancy and collection loss allowance applicable to the subject. Next, the appraiser will estimate expenses, based on his past experience, in order to arrive at a net operating income for the subject property. The estimated net operating income will then be capitalized at the applicable investor rate which will be based upon actual market abstracted rates.

It is the appraiser’s opinion that the omission of the Cost Approach to Value in no way reduces the reliability of the value opinion formed in this Appraisal Report.

EXPOSURE TIME

Exposure time, as defined in the *Dictionary of Real Estate Appraisal* (5th Edition, 2010), is: *"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. Exposure time is always presumed to occur prior to the effective date of the appraisal."*

Based on all factors, it is the appraiser's opinion that an exposure time of one year is applicable to the subject property, if listed at its current market value.

MARKETING TIME

Marketing time as defined in the *Dictionary of Real Estate Appraisal*, is: "an opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal."[4] Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal.

After considering all the factors, it is the appraiser's opinion that a marketing time of six months to one year is applicable to the subject property, if listed at its current market value.

CURRENT AGREEMENT OF SALE, OPTION OR LISTING OF THE PROPERTY

The appraiser was not provided with the purchase contract for the subject property. When speaking with the potential buyer, a purchase price of $550,000 was discussed. This purchase price would include the real estate, as well as all furniture, fixtures, and equipment and any business value. The potential buyer indicated that this was an "equity" deal and that the seller would be contributing $200,000 in furniture, fixtures and equipment and business value.

The buyer and seller had slightly different versions of the sale price, and the appraiser was not provided with any documentation.

[4] The Appraisal Institute, The Dictionary of Real Estate Appraisal, Fifth Edition, Pg. 121

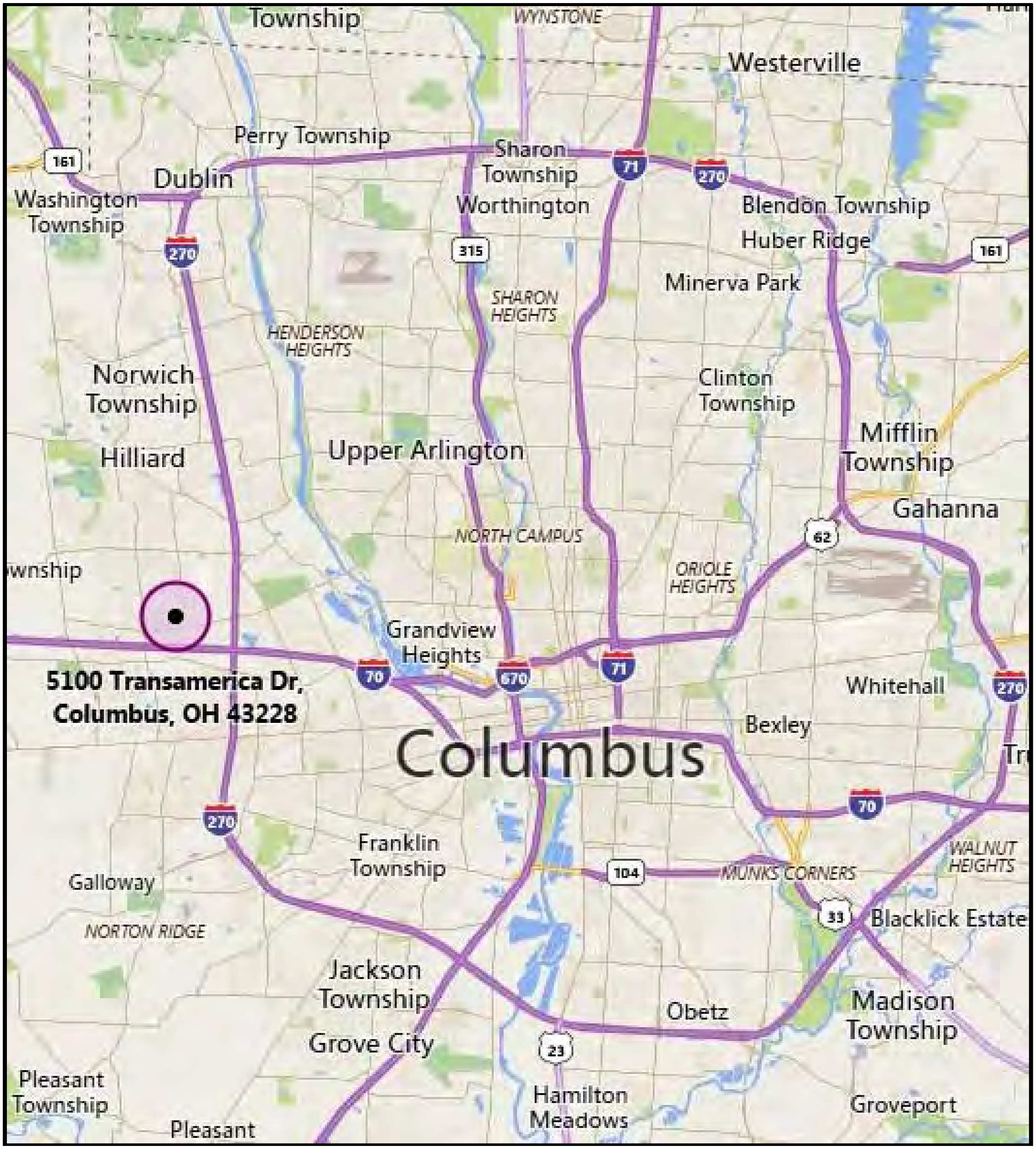
DEFINITION OF MARKET VALUE

Market value is defined as: *The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition 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 acting in what they consider their own best interests;
- a reasonable time is allowed for exposure in the open market;
- payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
- the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.[5]

[5] *Federal Register- Interagency Appraisal and Evaluation Guidelines; Notice Vol. 75, No. 237, pg. 77472.* Published by the Department of the Treasury Office of the Comptroller of the Currency and the Office of Thrift Supervision on December 10, 2010.

Location Map



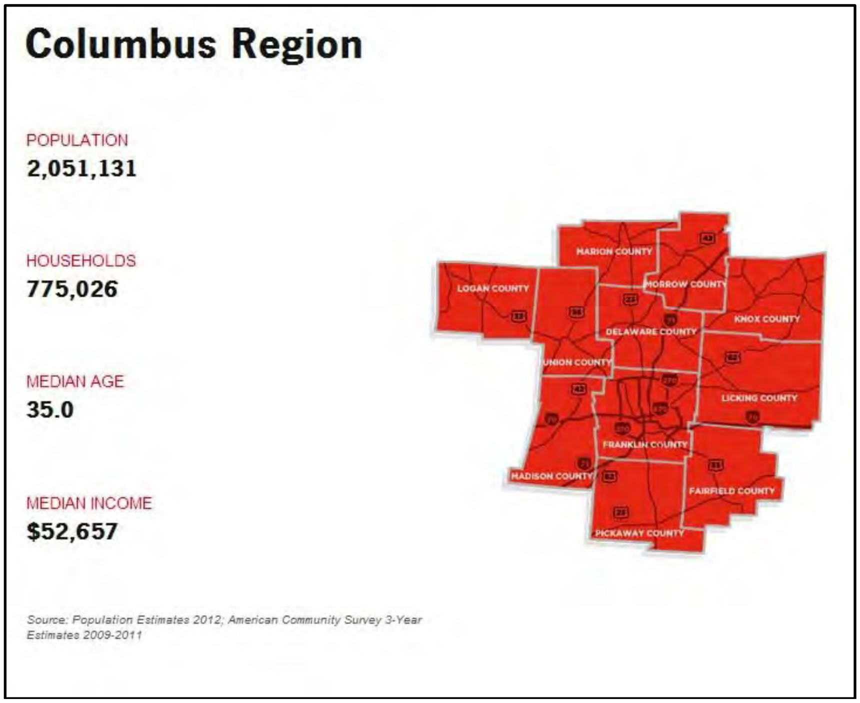
Location Map

Location Map

Aerial Photograph

REGIONAL ANALYSIS

The Columbus Region is an 11-county area comprising Delaware, Fairfield, Franklin, Knox, Licking, Logan, Madison, Marion, Morrow, Pickaway and Union counties. This region represents the coverage area of Columbus 2020s economic development activities.



Franklin County is at the heart of the Columbus region and has a population of more than 1.1 million people of the region's 2 million people. Franklin County is a metropolitan area with many of the area's major educational, shopping, dining and cultural attractions as well as the Port Columbus and Rickenbacker International Airports and the main campus of Ohio State University (OSU).

Transportation and Infrastructure

Located in the heart of the Midwest, the Columbus Region provides easy access to major national and global markets. In fact, Inbound Logistics ranked Columbus as one of the nation's logistics hotspots in 2010. The Region's transportation infrastructure allows the cost-effective delivery of products and services anywhere at any time. Central Ohio is located within a 10-hour drive or one-hour flight of nearly half the population of the U.S.

A well developed transportation system is a vital requirement for the economic well-being of a MSA. The Columbus MSA is the focal point of Ohio's interstate highway network. Interstate 70 (I-70), the primary east/west interstate, and Interstate 71 (I-71), the primary north/south interstate, pass through Columbus, making the area very accessible from all points of Ohio as well as the region. Both I-70 and I-71 have ample interchanges, providing the MSA's outlying residents with quick access to Columbus' downtown central business district (CBD).

I-70 traverses Columbus and is one of the nation's main east/west interstate freeways which runs from Baltimore, MD, west to Utah. I-71 proceeds north from Columbus to the City of Cleveland and south to Cincinnati, where it connects with Interstate 75 (I-75). I-75 proceeds south from Cincinnati to Atlanta, Georgia. It proceeds north from Cincinnati through western Ohio and the state of Michigan to the upper peninsula.

Interstate 270 (I-270) is the Columbus outer belt freeway which forms a 60-mile circle around the City of Columbus and the outlying suburban communities.

I-270 provides quick access to I-70 and I-71 from the outlying suburban communities of Hilliard, Dublin, Worthington, Westerville, New Albany, Reynoldsburg, Obetz, and Grove City.

State Route 315 (SR 315) is a limited access commuter highway which provides quick downtown access from the northwest suburbs of Grandview Heights, Upper Arlington, Dublin, and Powell. SR 315 provides excellent access to I-70, I-71, and I-670.

Columbus, Ohio Highway System

Source: *BuckeyeTraffic.org*

The eastern extension of I-670 was completed in 1995, providing a direct link from downtown Columbus to the Port Columbus International Airport and the eastern suburban communities of Gahanna and Reynoldsburg. The completion of I-670 has greatly reduced drive times to the airport from the northwest suburbs.

There have been two Columbus area freeway interchanges which were partially funded by the private sector. The first was the Polaris Parkway interchange, which is located along I-71, approximately four miles north of I-270. The Tuttle Crossing interchange is located along I-270 and was also built by the private sector. These two interchanges represent two of the most rapidly developing commercial neighborhoods in the MSA.

The Port Columbus International Airport is located seven miles northeast of downtown Columbus via I-670. Port Columbus has three concourses containing a total of 44 gates. In addition to passenger service, Port Columbus offers freight and cargo services. Port Columbus International Airport flies to 31 destination airports with over 120 daily flights. In the 12 months ending in June 2013, it served more than 6.3 million passengers. The Port Columbus Master Plan demonstrates capacity for future expansion and improvements to accommodate beyond 10 million passengers per year

Rickenbacker International Airport is a joint civil-military public airport located 10 miles south of the central business district of Columbus, in the extreme southern portion of Franklin County. Rickenbacker International Airport is a high-speed, international, multi-modal logistics hub and strategically planned cargo complex that serves several key business segments, including international airfreight, cargo airlines, freight forwarders, logistics companies, e-tailers, corporate aviation businesses, manufacturers, and distributors. Located just 10 miles south of Columbus, Rickenbacker contains two 12,000 ft. runways capable of handling any aircraft in the world. Rickenbacker gives businesses a key competitive advantage for gaining access to the global marketplace.

Bolton Field is a public airport 8 miles southwest of Columbus' central business district. It is a municipal general aviation airport which services corporate and private planes and acts as a reliever to Port Columbus Airport.

In 2003, Rickenbacker with Port Columbus and Bolton Field creating the Columbus Regional Airport Authority.

The new Heartland Corridor allows double-stacked freight trains to travel directly from the Port of Virginia (Norfolk International Terminals) to a state-of-the-art intermodal facility located at Rickenbacker International Airport in Franklin County.

Source: City of Columbus Chamber of Commerce Columbus Regional Factbook 2014

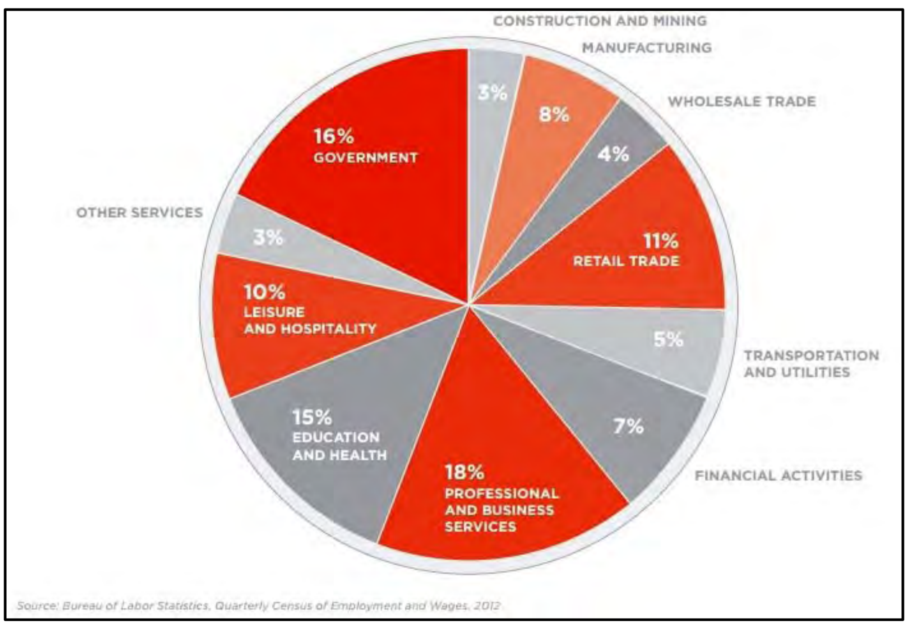
Industries and Employment

The Columbus area economy is diverse and is a key element of the area's stability and growth. No single activity or industry dominates the local economy. Columbus is home to a diverse mix of employers and industries based on education, insurance, banking, fashion, defense, aviation, food, logistics, steel, energy, medical research, health care, hospitality, retail, and technology. Columbus is Ohio's state capital as well as the county seat of Franklin County.

The outer counties of the Columbus MSA are primarily manufacturing strongholds, while Franklin, County, at the heart of the region and with 68% of the total MSA population, has a vibrant, diverse economy concentrated in business services, retail trade, financial services, government, education, and healthcare. Approximately 60% of the region's workers are in white-collar occupations, compared to the 51% nationwide.

Columbus is home to a number of national and international companies, including Abbott Foods, Inc., American Electric Power, Battelle Memorial Institute, Cardinal Health, Inc., Consolidated Stores, Inc., Huntington Bank, Limited Brands, Longaberger Co., Nationwide Insurance, Ross Laboratories, Wendy's International, Inc., White Castle System, Inc., CompuServe, Red Roof Inns, and Worthington Industries.

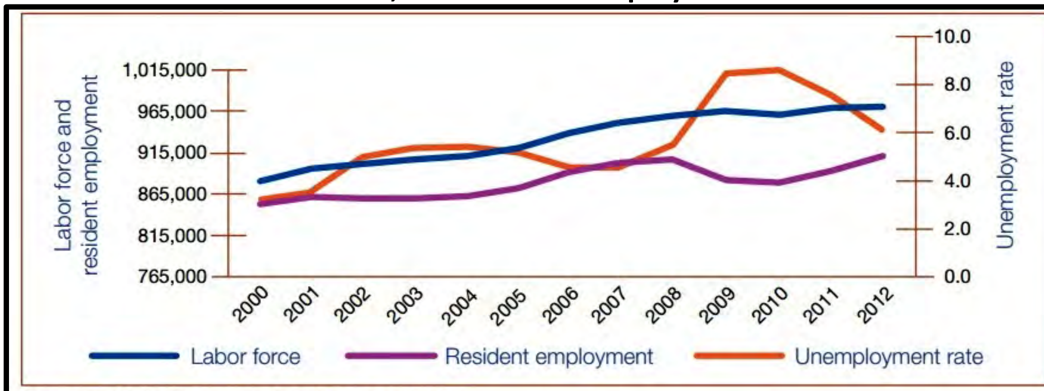
The Columbus Region has a diversified economy where no single major industry sector represents more than 18% of employment. Finance and insurance, advanced manufacturing, health, logistics and other industries are complemented by the presence of The Ohio State University and the state capital.



Source: City of Columbus Chamber of Commerce Columbus Regional Factbook 2014

The unemployment rate in the Columbus, Ohio MSA averaged 6% during the 12 months ending June 2013, down from 6.8 percent during the previous 12 months. By comparison, the unemployment rate averaged 5% from 2004 through 2007.

Columbus, Ohio MSA Unemployment Rate



Source: U.S. Bureau of Labor Statistics

Business Growth

In the past decade, the fastest growing sectors have been education and health (+40 percent), transportation and utilities (+21%), and leisure and hospitality (+10%). Continued investment in the Rickenbacker Global Logistics Park and other areas of the Region's logistics sector has been a major factor in the growth of transportation and utilities.

Battelle announced a $200 million expansion that will add, construct and renovate manufacturing, office, child care and laboratory facilities in Columbus, Dublin, and West Jefferson. The investment is expected to create more than 200 new jobs, high-paying science and research jobs.

As a result of JP Morgan Chase's purchase of Washington Mutual, the bank will add at least 1,150 new jobs to the region's workforce over the next three years. Chase is the region's largest private employer with nearly 15,000 employees in and around Columbus.

The Ohio State Medical Center announced a $1 billion expansion that will result in a new medical tower, expected to open in 2014. The medical center is projected to add 6,000 jobs with the expansion, while supportive businesses will likely add 4,000 jobs. Upon completion, the medical center will employ more than 17,000 people.

Residential Market Analysis

Following the dramatic downturn in the national economy during 2009, the Columbus's regional residential market is in the midst of a major "cooling off" period recognizing consumer demand is at historic lows while inventory levels remain high. The credit crunch is having the most profound effect on the housing market. The sub-prime crisis that has led to an alarmingly high national short sale/foreclosure rate has in turn caused for a strict lending environment.

During the 3-year forecast period, demand in the Franklin County submarket is expected for 12,750 new homes (chart below). The 780 homes currently under construction and a portion of the 17,700 other vacant units that may reenter the market will likely satisfy some of the forecast demand.

Table 1. Housing Demand in the Columbus HMA, 3-Year Forecast, July 1, 2013, to July 1, 2016

	Columbus HMA		Franklin County Submarket		Northwestern Counties Submarket		Remainder Counties Submarket	
	Sales Units	Rental Units	Sales Units	Rental Units	Sales Units	Rental Units	Sales Units	Rental Units
Total demand	16,055	7,030	12,750	6,650	2,525	380	780	0
Under construction	1,720	2,990	780	2,000	650	830	290	10

Source: U.S. Department of Housing and Urban Development Comprehensive Housing Market Analysis as of July 1, 2013

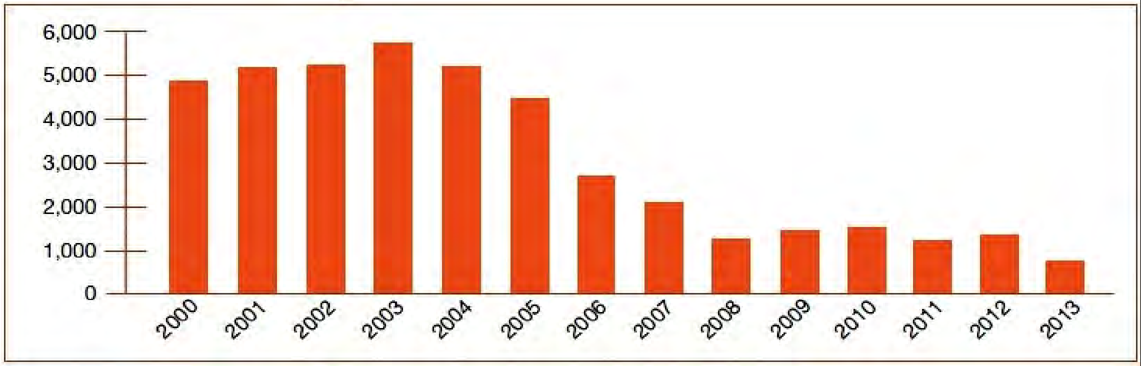
Sales housing market conditions in the Franklin County submarket are balanced, with a current sales vacancy rate estimated at 1.5%, improved from 2.9% in 2010. Approximately 18,750 new and existing home sales were reported for the 12 months ending June 2013, the highest rate of home sales since 2007 and more than 29 percent more sales than during the 12 months ending June 2012.

New and existing home sales in the Franklin County submarket have declined by more than 11% annually from 2005 through 2011 before starting to recover in 2012. Improved economic conditions in the HMA and historically low interest rates made home purchases more affordable. After 3 years of declining nonfarm payrolls, from 2008 through 2010, economic conditions have improved in the Columbus, Ohio housing market since 2011.

New home sales in the Franklin County submarket averaged 4,800 annually from 2005 through 2007, declined to average 2,050 annually from 2008 through 2010, and then dropped further to average 1,350 annually in 2011 and 2012.

However, the average sales price for new homes have been more consistent, averaging $213,600 from 2005 through 2008, before dropping to $188,100 in 2009, but then recovering to average $220,500 from 2010 through 2012. For the 12 months ending June 2013, 1,325 new home sales were reported in the Franklin County submarket, nearly 4 percent more than during the previous 12-month period, but the average new home sales price declined 7 percent, to $209,400 from $223,200. Local REALTORS® identify the decline in new construction with helping to maintain average sales prices.

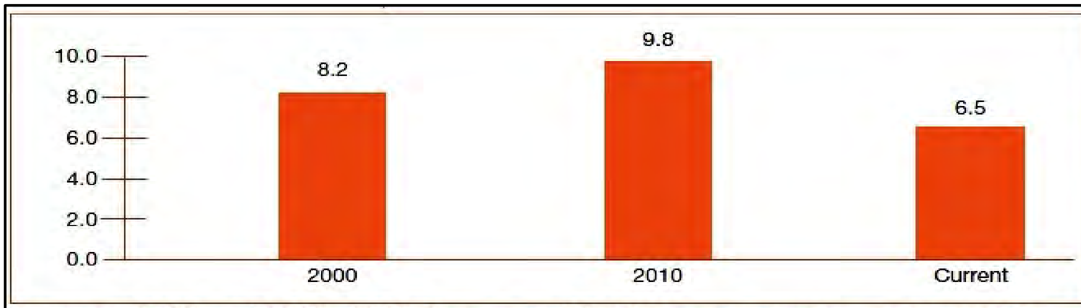
Between 2008 and 2012, through the economic downtown and recovery, the level of single-family home construction declined further, averaging 1,400 homes permitted annually, although migration into the submarket increased. For the 12 months ending June 2013, approximately 1,450 single-family homes were permitted in the submarket, nearly 21% more than the 1,200 homes permitted during the previous 12-month period (preliminary data). The chart below shows the number of single-family homes permitted in the submarket from 2000 through the current date.



Notes: Includes townhomes. Includes data through June 2013.

Source: U.S. Census Bureau, Building Permits Study

The rental housing market in the Franklin County submarket is currently slightly soft, with an estimated overall vacancy rate of 6.5%, down from 9.8% in April 2010 (Figure 10).



Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst

Source: U.S. Department of Housing and Urban Development Comprehensive Housing Market Analysis as of July 1, 2013

Apartment market conditions are somewhat stronger and were balanced to tight during the second quarter of 2013, with a vacancy rate of approximately 4%, down slightly from 4.5% in the second quarter of 2012 (MPF Research). Apartment rents in the submarket averaged $680 for a one-bedroom unit, $830 for a two-bedroom unit, and $1,050 for a three-bedroom unit during the second quarter of 2013. The average apartment rent in the submarket increased 4% from the second quarter of 2012 to the second quarter of 2013, to $790.

Central Business Activity

The downtown Columbus district has experienced many developments within the past 20 years. The majority of this development has occurred in the form of high-quality Class A office space. Some of the high-quality office towers in downtown include: Nationwide Plaza, Bank One, National City Bank Plaza and Galleria, Vern Riffe State Office Tower, Bureau of Worker's Compensation building, and Nationwide III complex.

The Greater Columbus Convention Center completed an $85 million expansion and renovation in February 2001 that added 120,000 square feet of exhibit space, a 15,000-square-foot ballroom, 11 new meeting rooms and more than 1,100 additional a parking spaces. The center now offers 426,000 square feet of exhibit space, two ballrooms and 61 meeting rooms.

After three years of construction, The Scioto Mile park has been completed. The Scioto Mile is a park running along the east bank of the Scioto River from the Arena District to the Whittier Peninsula. The goal is to bring the waterfront to life by providing walking trails and areas for relaxation, fountains, a riverfront Promenade, all-season performance/concert area, and restaurant/cafe with the river on one side and the city streets and buildings on the other. The estimated total cost of the project is $44 million; an expense to be shared among numerous corporations, community organizations and foundations.

Another recently completed downtown project is the Columbus Commons, a nine-acre park on the site of the former City Center. This "green space" in the heart of downtown has a goal of providing both a quite escape as well as an area for a variety of activities and events in the hub of the city. The estimated cost for this project is $15 to $20 million which will be funded by federal, state and local grants and corporate sponsorships.

Part of the Scioto Mile project was the redevelopment of the former 120-acre automotive impound yard into the Scioto Audubon Metro Park. Developed via a partnership effort between Metro Parks, the City of Columbus Recreation and Parks Department and Audubon Ohio, the park sits on the bank of the Scioto River on the Whittier peninsula in Columbus, already a magnet for shore birds and birds of prey. Seven wetland cells were created in the park, approximately five acres in total, to enhance the wildlife habitat. Wetland birds such as wood ducks, blue-winged teal and sand pipers have been attracted to the park, along with egrets, northern pintail ducks, pied-billed grebe, American bittern, herons and osprey.

Source: www.metroparks.net

IMMEDIATE SUBMARKET DISCUSSION

A thorough analysis of a property's immediate submarket, or neighborhood, is crucial in estimating the value of the subject property. The subject's neighborhood, or area of influence, is the area that the social, economic, governmental, and environmental forces positively or negatively affect the surrounding properties the same way they affect the subject property.

A submarket is defined as: *a division of total market that reflects the preferences of a particular set of buyers and sellers.*[6]

The appraiser has examined the subject area's physical and occupant characteristics, including terrain, street patterns, transportation arteries, land uses, and population characteristics. Based on these characteristics, the appraiser has defined the neighborhood boundaries. The purpose of the neighborhood analysis is to identify and forecast trends in the neighborhood that will influence the utility of the subject property and its ability to generate rental income.

The subject property is located on the north side of Transamerica Drive, in the Hilliard neighborhood of city of Columbus' west side. The subject property is located in an industrial neighborhood off of the north side of Trabue Road. Users in the subject's immediate neighborhood include Taliaferro Enterprises, Information Management, Commercial Parts & Services, Central Power Systems, Transmap Corp., Eyegouge Enterprises, Dee Printing Inc., CDC Distributers, Ohio Label, FST Logistics and others.

Located just east of the subject property at 4991 Transamerica Drive is a 10,000 sq. ft. multi-tenant office/warehouse having 5,200 sq. ft. of office/warehouse area available for lease. The available space is 52% finished and listed at an asking rent of **$11.00/sq. ft. on a modified gross basis**. This space has been available for over three years through CBRE.

4991 Transamerica Drive, Columbus, Ohio

[6] *The Appraisal of Real Estate*, 14th Edition, The Appraisal Institute, 695 Michigan Avenue, Chicago, IL, 60611, Page 164.

Located to the west of the subject property, at 1705 Atlas Street, is a 55,740 sq. ft. office/warehouse building having 37,120 sq. ft. vacant and available for lease. The available space can be split into a 10,000 sq. ft. office/warehouse unit and a 27,120 sq. ft. unit. The units are listed at an asking rent of **$3.95 to $4.50** per square foot on a **triple net basis, or $3.50/sq. ft.** for the entire space.

1705 Atlas Street, Columbus, Ohio

Located to the north of the subject property, along Atlas Street, the subject's neighborhood continues to be industrial in nature. Users in this area include International Specialty Products (a division of Ashland), Siteone, Toombs Truck & Equipment, Champion Strapping, FST Logistics, Metropolitan Environmental, and others.

Located approximately 1 mile north of the subject, on the northwest corner of Atlas Street and Nike Drive is a multi-tenant six building office/warehouse park. Users in this industrial park include Metal Formed Goods, Geo Shack, Atlas Machine & Supply, JH Architects, Camp Bow Wow, Clark Companies, Alloyd Supply, On-Site Fleet, Rogers Electric and others.

Hilliard-Rome Road also represents the subject neighborhood’s western boundary. Hilliard-Rome Road is the primary north/south artery through the neighborhood and has experienced explosive development over the past five years, primarily in the commercial and residential categories. Hilliard-Rome Road provides easy access from the Hilliard Rome Road/I-70 interchange to the City of Hilliard located approximately two miles north of the interchange. Hilliard Rome Road represents a land use boundary and separates the primarily commercial and industrial district on the east from the primarily residential properties to the west.

In summary, the subject’s neighborhood is in the stability stage of its life cycle, and has been steadily developing over the past thirty years. The neighborhood began to develop primarily as an industrial district and, over the past few decades, has experienced significant new development in the commercial, multi- and single-family, and industrial categories.

SITE DESCRIPTION

Location

The subject neighborhood is located on the north side of Transamerica Drive, in the Hilliard neighborhood of city of Columbus' west side. The reader's attention is directed to various locations maps located on the previous pages.

Site Size

The subject site is irregular in shape, and contains 0.91 acres (39,640 sq. ft.). The reader's attention is directed to a copy of the plat map located below.

Plat Map

Legal Description

The appraiser was not provided with a legal description of the subject site and, therefore, relied on public records when estimating the site's size. This information is assumed to be correct, however, no responsibility is taken by the appraiser without documentation.

Streets and Utilities

Transamerica Drive is a very lightly traveled, two-lane, asphalt street having concrete curbs and gutters.

The subject site is located within the city of Columbus, Ohio and has access to all public utilities including public water and sewer, electricity, natural gas, telephone, and cable.

Deed Restrictions

The subject site is restricted by right-of-way and utility easements of record. The appraiser is not aware of any additional deed restrictions that may negatively affect the value of the subject property.

Zoning

According to the city of Columbus zoning officials, the subject site is currently zoned M-2 (Limited Industrial & Office). The subject site's current use as a recording studio is a permitted use under the M-2 zoning classification.

Access - Ingress/Egress

The subject site has one ingress/egress point located off the north side of Transamerica Drive.

Topography

The subject site is primarily level and at grade with Transamerica Drive and the surrounding properties. There is a small creek which bisects the subject site from west to east at the rear. Drainage appears to be adequate.

Flood Zone

The appraiser has carefully reviewed flood insurance rate map number 39049C 0282K, effective June 17, 2008, and has determined that the subject site is located in Zone X. Zone X represents areas of minimal flooding and is not a known flood hazard area.

Hazardous Substances

Unless otherwise stated in this report, the existence of hazardous substances, including without limitation; asbestos, polychlorinated biphenyl, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of, nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property, unless otherwise stated. The appraiser, however, is not qualified to test such substances or conditions. If the presence of such substances, such as asbestos, urea formaldehyde foam insulation, or other hazardous substances or environmental conditions, may affect the value of the property, the value estimated is predicated on the assumption that there is no such condition on or in the property, or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them. **THE CLIENT IS URGED TO RETAIN AN ENVIRONMENTAL EXPERT FOR ADVICE IN THIS MATTER.**

Soil and Subsoil

No engineering or soil reports were provided the appraiser. The appraiser made no soil or subsoil investigations. This report is subject to the soil and subsoil conditions being adequate for the subject's proposed improvements.

DESCRIPTION OF IMPROVEMENTS

The subject site is presently improved with a 21 year old, 3,000 sq. ft., one-story, combination concrete block and pre-engineered steel office/warehouse having split-face concrete block and metal exterior, aluminum frame plate glass windows, and a flat rubber roof. The subject property has been owner occupied since its development and was built out as a recording studio.

There is one ingress/egress points located off the north side of Transamerica Drive providing access to the subject asphalt paved and striped parking area containing 14 spaces. The subject's parking area is in fair/average condition and is in need resealing and restriping. The far rear (north) portion of the subject site is bisected by west to east by a small creek.

The main entrance is located off the south side of the building via a single aluminum-framed plate glass door that opens into a reception area having carpeted floors, drywall walls, and drywall floating suspension ceiling.

Located off of the north side of the reception area are three private offices and a break room which are all finished similarly with carpeted floors, drywall walls, and drywall floating suspension ceiling.

Located within the break room is a laminate counter top having a double bowl stainless steel sink and average quality cabinetry above and below. Also located in the break room is an electric oven/range and a full sized refrigerator.

Located at the northeast corner of the subject property is a mechanicals room which houses two gas forced-air furnaces (only one operational), a hot water tank and the subject's electrical panels.

The south side of the subject consists of the recording and sound mixing rooms which consists of the recording studio with two iso booths, control room overlooking the recording studio, and two mixing rooms which wired to the control room and recording studio.

The south portion of the subject was constructed specifically to meet the needs of a of a recoding and sound mixing and engineering facility. The walls consist of concrete block walls with the hollow cores filled with silica sand for soundproofing. Interior walls are decoupled for additional sound absorption. Decoupling is meant to separate the attachment of walls from the studs, thereby breaking the direct path of sound, which can be done using resilient channel or resilient sound clips. This decoupling technique actually adds another component called resilience to the walls.

In addition to the decoupled walls the floors have been dampened. Damping is the process of turning barriers (drywall, sub floors) into dead panels that do not vibrate, which prevents sound from passing through them.

The recording studio has solid wood soundproofed doors

In summary, the subject site is presently improved with a 21 year old, 3,000 sq. ft., one-story, office/warehouse which was built-out as a recoding studio. The subject property is 100% finished. The subject is in overall average condition and there were no major items of deferred maintenance noted by the appraiser. The reader's attention is directed to interior and exterior photographs of the subject property following the Summary of Salient Facts.

HIGHEST AND BEST USE

Definition

Highest and Best Use is defined as: *the reasonably probable and legal use of vacant land or an improved property, that is physically possible, appropriately supported, and financially feasible, and that results in the highest value.*[7]

Implied in these definitions is that the determination of highest and best use takes into account the contribution of a specific use to the community and community development goals, as well as the benefits of that use to individual property owners. Hence, in certain situations the highest and best use of land may be for parks, greenbelts, preservation, conservation, wildlife habitats and the like.

For highest and best use of both land, as though vacant, and property, as improved, a use must meet four criteria. According to these four criteria, the highest and best use must be:

1. Legally permissible;
2. Physically possible;
3. Financially feasible; and
4. Maximally productive.

Highest and Best Use - As If Vacant

The subject site is irregular in shape, contains 0.91 acres (39,640 sq. ft.), has access to all public utilities, is zoned M-2 (Limited Industrial & Office) by the city of Columbus, and is not in a known flood hazard area.

Nearly all of the improved properties within the subject's immediate neighborhood are light industrial in nature.

After considering the subject site’s location, size, configuration, and zoning of the subject properties, as well as the surrounding land uses, it is the appraiser’s opinion that the highest and best use of the subject property, if vacant, is in the light industrial category.

Highest and Best Use - As Improved

It is the appraiser’s opinion that the highest and best use of the subject property, as improved, is to add warehouse space onto the north of the existing improvements and utilize the current office/audio recording space as typical office for a light industrial user.

[7] *The Appraisal of Real Estate*, 14th Edition, Page 42.

SALES COMPARISON APPROACH

The sales comparison approach to value is the appraisal procedure in which the market value estimate is predicated on prices paid, actual market transactions and current listings. This process analyzes sales of similar, recently sold properties in order to arrive at an indication of the most probable sales price of the property being appraised. The reliability of the sales comparison approach to value is dependent on the following factors:

A. The availability of comparable sales data,
B. The verification of sales data,
C. The degree of comparability or extent of adjustment necessary for time differences, and,
D. The absence of non-typical conditions affecting the sale price.

The sales comparison approach to value is based on the principle of substitution whereby a prospective purchase would not pay more for a property then would be paid to acquire a substitute property of similar utility and desirability. The principle of substitution implies that the reliability of the sales comparison approach is diminished if substitute properties are not available in the subject's marketplace.

As a basis for estimating the subject's value via the sales comparison approach, the appraiser conducted a thorough search of the Columbus, Ohio MSA in an effort to locate recent sales of industrial and office properties considered comparable to the subject.

The comparable sales transferred between June 2011 and October 2016. The sales range in size from 5,000 sq. ft. to 7,210 sq. ft. Based on the selling prices, the three sales indicate an unadjusted range in sale prices per square foot from **$79.17 to $90.15**. The comparable sales considered in this analysis are summarized below.

SUMMARY COMPARABLE SALES COLUMBUS, OHIO							
No.	**Location**	**Sale Date**	**Sale Price**	**Size (SF)**	**% Office**	**Yr Built**	**Price/SF**
1	1616 Transamerica Drive Columbus, Ohio	10/21/16	$399,000	5,000 SF	50%	1996	$79.80
2	1745 Atlas Street Columbus, Ohio	12/18/14	$475,000	6,000 SF	31%	2007	$79.17
3	1305 Holly Avenue Columbus, Ohio	6/27/11	$650,000	7,210 SF	100%	1946	$90.15

Sales 1 and 2 are located in the subject's immediate neighborhood and are light industrial in nature. Sale no. 3 is an older sale, however was an audio recording studio at the time of the transfer. The appraiser verified Sale no. 3 and visited the interior of the space back in 2011 when it transferred.

The comparable sales have been analyzed on an overall sale price per square foot basis (including land), and adjusted to the subject for differences. The basic elements of comparison to be considered in this analysis include:

- Property rights conveyed
- Financing terms
- Conditions of sale
- Market conditions
- Location
- Size
- Year built
- Building design
- Quality
- Condition
- Land-to-building ratio
- Other adjustments

The subject has an average location within the Trabue-Walcutt Industrial Park. Sales 1 and 2 are also located in the Trabue-Walcutt Industrial Park and therefore were not adjusted for location. Sale 3 is located in the Grandview Heights neighborhood of northwest Columbus which has experienced explosive growth in the commercial and residential categories. Therefore Sale no. 3 was adjusted downwards 10% for its average/good location.

The subject is a very small building, containing only 3,000 sq. ft. Sales 1, 2 and 3 were larger and therefore adjusted upwards 10% for size.

The subject property has a land-to-building ratio of 13.21-to-1. Sale no. 3 was adjusted upwards 10% for much "tighter" land-to-building ratio.

The subject property is 100% finished, and has no warehouse space. Sales 1 and 2 were adjusted upwards 15% for their lower percentage of finished area.

Conclusion - Sales Comparison Approach

After adjustments, the three sales considered in this analysis indicate a range in per square foot values applicable to the subject property from **$101.45** to **$106.30**.

After considering all of the factors, including the three recently transferred comparable sales, it is the appraiser's opinion that **$105.00 per square foot**, is applicable to the subject property.

Applying **$105.00** per square foot times the subject property's 3,000 sq. ft. indicates the Market Value of the fee simple interest, in the subject property by the Sales Comparison Approach, to be $315,000.

Located on the following page is an improved sales adjustment grid chart where the applicable adjustments are indicted in red. Following the grid chart is an improved sales map and detailed write ups and photographs of the three improved sales.

INDICATED MARKET VALUE OF SUBJECT
BY SALES COMPARISON APPROACH: $315,000

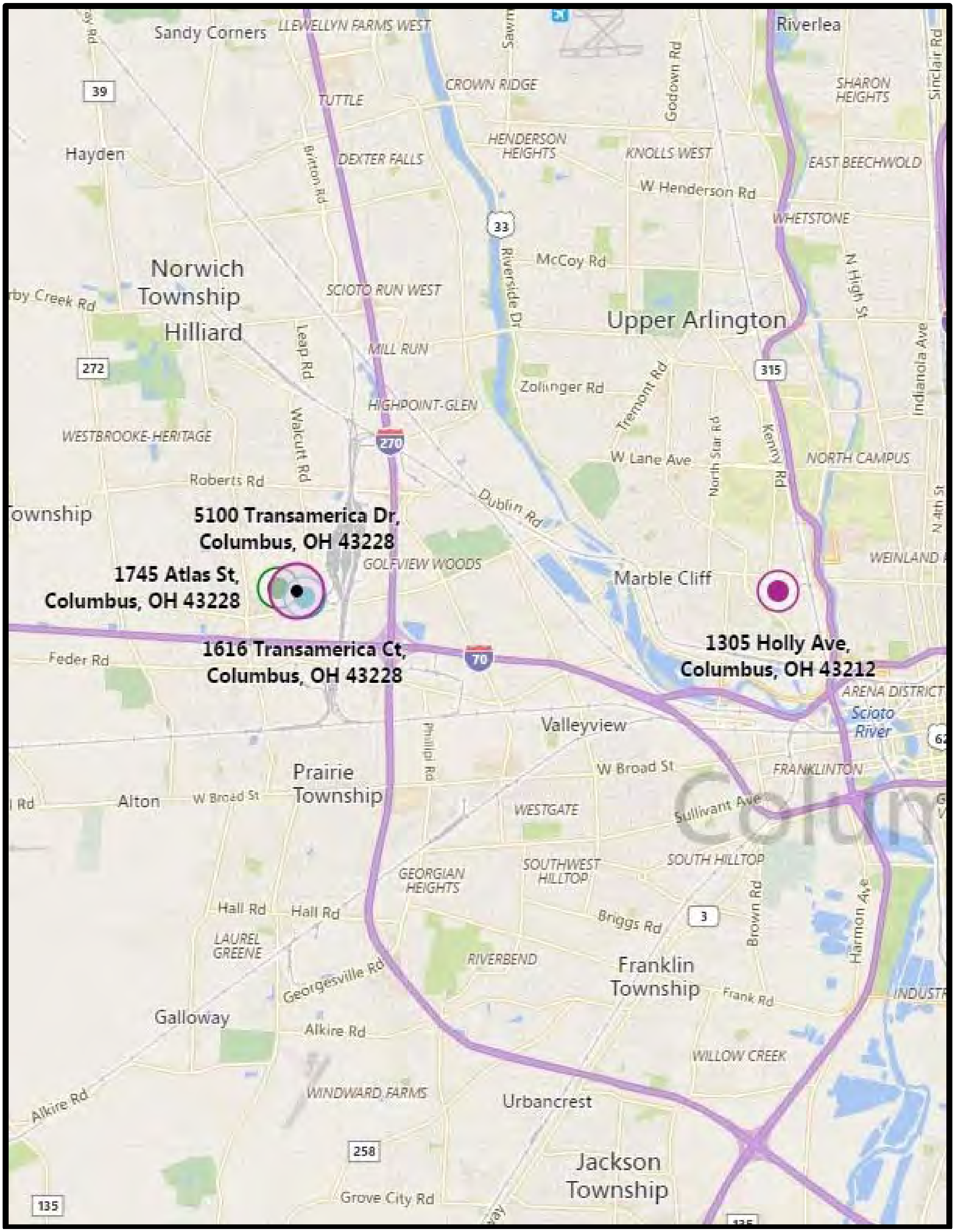
Allocated: $105.00/SF GBA

Improved Sales Adjustment Grid Chart

Office/Audio Recording Studio
5100 Transamerica Drive
Columbus, Ohio
("as is")

Date of Valuation: 08/24/17
Annual Time Adjust: 2.00%

ELEMENT	Subject	Improved Sale #1	Improved Sale #2	Improved Sale #3
Location	5100 Transamerica Dr. Columbus, Ohio	1616 Transamerica Dr. Columbus, Ohio	1745 Atlas Street Columbus, Ohio	1305 Holly Avenue Columbus, Ohio
Cash Equivilent Sale Price	N/A	$399,000	$475,000	$650,000
Building Size (sq.ft.)	3,000	5,000	6,000	7,210
Sale Price/sq.ft. of Building	N/A	$79.80	$79.17	$90.15
Property Rights Conveyed	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Adjustment:		$0	$0	$0
Adjusted Price		$399,000	$475,000	$650,000
Financing Terms	N/A	Market Rates	Market Rates	Market Rates
Adjustment:		$0	$0	$0
Adjusted Price		$399,000	$475,000	$650,000
Conditions of Sale	N/A	Arm's Length	Arm's Length	Arm's Length
Adjustment:		$0	$0	$0
Adjusted Price		$399,000	$475,000	$650,000
Expenditures after Purch.	N/A	None	None	None
Adjustment:		$0	$0	$0
Adjusted Price		$399,000	$475,000	$650,000
Market Conditions*	As of	10/21/16	12/18/14	06/27/11
Adjustment**:	8/24/17	1.70%	5.40%	12.30%
Adjusted Price		$405,783	$500,650	$729,950
Adjusted Price Per SF	N/A	$81.16	$83.44	$101.24
Cumulative Adjustments				
Location	Average/Industrial Park	Average/Industrial Park 0%	Average/Industrial Park 0%	Average/Good -10%
Size Difference	N/A	2000 sq.ft. 10%	3000 sq.ft. 10%	4210 sq.ft. 10%
Year Built/Age	Built 1996 (21 years)	Built 1996 (20 years) 0%	Built 2007 (7 years) 0%	Built 1946 (65 years) 0%
Building Design	Pre-engineered Steel	Pre-engineered Steel 0%	Pre-engineered Steel 0%	Concrete Block 0%
Quality	Average	Average 0%	Average 0%	Average 0%
Condition	Average	Average 0%	Average 0%	Average/Good -5%
Land to Building Ratio	13.21 to 1	9.23 to 1 0%	11.95 to 1 0%	2.68 to 1 10%
Finished Area	100%	50% 15%	31% 15%	100% 0%
Net Adjustments		25%	25%	5%
Adjusted Price Per Sq. Ft.		**$101.45**	**$104.30**	**$106.30**



Improved Sales Map

IMPROVED SALE NO. 1

LOCATION:	1616 Transamerica Court, Columbus, Franklin County, Ohio
GRANTOR:	SIC Leasing Ltd. (Mark Ralston)
GRANTEE:	The Norm Group LLC (Derek and Christine Atchley)
SALE DATE:	October 21, 2016
SALE PRICE:	$399,000
CASH EQUIVALENCY:	$399,000
INDICATION:	**$79.80/SF**
CONDITION OF SALE:	Arm's length
FINANCING:	Cash to seller
DEED REFERENCE:	201610210144774

VERIFICATION:	Public Records, the Haines Report, CoStar, and representative of Atchley Graphics, to Mollica Appraisal Company
SITE DESCRIPTION:	
Size:	1.06 acres (46,173 sq. ft.)
Configuration:	Irregular
Topography:	Level
Utilities:	All public
Parking Spaces:	13 spaces
BUILDING DESCRIPTION:	
Size:	5,000 sq. ft.
Finished Area:	50%
Ceiling Heights:	14'
Age:	Built 1996 (20 years old)
Construction:	One-story concrete block
Condition:	Average
LAND-TO-BUILDING RATIO:	9.23 -to-1

COMMENTS:

This sale is located on the east side of Transamerica Drive, just north of Trabue Road, in the Hilliard neighborhood of Columbus' west side.

This is the sale of 20 year old, 5,000 sq. ft. office/warehouse building having 2,500 sq. ft. (50%) finished area.

The warehouse has 16' ceiling heights and two 10' x 10' overhead drive-in doors located off of the west side of the warehouse.

This property was purchased for owner occupancy by Atchley Graphics.

IMPROVED SALE NO. 2

LOCATION:	1745 Atlas Street, Columbus, Franklin County, Ohio
GRANTOR:	Lunar Lighting LLC (Jason Cromley)
GRANTEE:	Bulk Brother Properties LLC (Michael Cotterman)
SALE DATE:	December 18, 2014
SALE PRICE:	$475,000
CASH EQUIVALENCY:	$475,000
BUILDING SIZE:	6,000 SF
INDICATION:	**$79.17/SF**
CONDITION OF SALE:	Arm’s length
FINANCING:	Cash to seller
DEED REFERENCE:	201412180168344

VERIFICATION:	Public Records, The Haines Report, Kenneth A. Mollica, MAI and Ray C. Boll, listing agent, to Mollica Appraisal Company
SITE DESCRIPTION:	
Size:	1.646 acres (71,700 sq. ft.)
Configuration:	Rectangular
Zoning:	M-2 (Light Industrial and Offices) by the city of Columbus, Ohio
Topography:	Level
Utilities:	All public
LAND-TO-BLDG. RATIO:	11.95-to-1.0
BUILDING DESCRIPTION:	
Size:	6,000 sq. ft.
Finished Area:	1,880 sq. ft. (31%)
Year Built:	2007 (7 years old)
Construction:	One-story pre-engineered steel
Condition:	Average

COMMENTS:

This sale is located on the off of the west side of Atlas Street, approximately 1 mile north of Trabue Road, in the Hilliard neighborhood of Columbus' west side.

This is the sale of a 7 year old, 6,000 sq. ft., one-story pre-engineered steel office/warehouse property. The office area consists of two private offices, conference room and an open work area having poured concrete floors, drywall walls, and dropped acoustical tile ceilings having ceiling mounted fluorescent lighting. Located off of the rear of the open office area is the break room with kitchenette area having a small laminate counter top with single bowl stainless steel sink.

The warehouse featured a 18' ceiling clearance height and three 14' x 16' overhead doors.

The subject property was purchased for owner occupancy. Mr. Kenneth A. Mollica, MAI appraised the property in February 2014.

IMPROVED SALE NO. 3

LOCATION:	1305 Holly Avenue, Columbus, Ohio
GRANTOR:	Crosby Company Ltd. (Mark and Antoinette Crosby)
GRANTEE:	1305 Building Group LLC (Fred Blitzer et al)
SALE DATE:	June 27, 2011
SALE PRICE:	$450,000
CASH EQUIVALENCY:	$650,000 (see comments)
BUILDING SIZE:	7,210 SF
INDICATION:	**$90.15/SF**
CONDITION OF SALE:	Arm’s length
FINANCING:	Cash to seller
INSTRUMENT:	201106270079564

VERIFICATION:	Public Records, The Haines Report and CoStar to Mollica Appraisal Company
SITE DESCRIPTION:	
Size:	0.443 acres (19,297 sq. ft.)
Configuration:	Rectangular
Zoning:	M (Manufacturing) by the city of Columbus
Topography:	Level
Utilities:	All public
LAND-TO-BLDG. RATIO:	2.68-to-1.0
BUILDING DESCRIPTION:	
Gross Building Area:	7,210 sq. ft.
Year Built:	1946 (65 years old)
Construction:	One-story concrete block
Condition:	Average to Good

COMMENTS:

This sale is located on the west side of Holly Avenue, between West Fifth and West Third avenues in the Grandview Heights neighborhood of Columbus' near northwest side.

This is the sale of a 65 year old, 7,210 sq. ft., one-story concrete block office/warehouse building having a flat rubber roof, aluminum frame plate glass and glass block windows, and aluminum frame plate glass and steel doors. There is a 12 ft. ceiling clearance height throughout and an 8 ft. x 8 ft. overhead drive-in door located off of the south side.

There are a total of 21 asphalt paved and striped parking space which are located along the east, south and west perimeter.

This sale was purchased for owner occupancy for a film/photo/music/web production company known as Vital Companies. According to Mr. Jason Clayton, managing partner, Vital Companies leased the property for approximately 4-5 years prior to the sale. The owner had made significant upgrades to the HVAC and electrical systems, however the building was rented as a warehouse with 1,000 sq. ft. (14%) of average quality finished office.

The tenants spent approximately $200,000 on building out the interior office space, sound, music and photography studio spaces. This indicates a cash equivalent sale price of $650,000.

INCOME CAPITALIZATION APPROACH

Introduction

The income capitalization approach to value is that procedure in appraisal analysis which converts anticipated future financial benefits to be derived from the ownership of a property into a value estimate. The income capitalization approach is based on the premise that the value of the property is determined by estimating the present worth of anticipated future financial benefits of ownership.

When using the income capitalization approach, appraisers employ one of two capitalization methods, direct capitalization and yield capitalization (discounted cash flow analysis).

The definition for the direct capitalization method is as follows:

> *Direct capitalization is a method used to convert an estimate of a single year's income expectancy into an indication of value in one direct step - either by dividing the income estimate by an appropriate rate, or by multiplying the income estimate by an appropriate factor.*[8]
>
> *Yield capitalization is a method used to convert future benefits into present value by discounting each future benefit at an appropriate yield rate or by developing an overall rate that explicitly reflect the investment's income pattern, value change, and yield rate.*[9]

The yield capitalization method considers several future years' cash flow and the reversion and converts the income stream into a present value using a market-driven discount and terminal, or future capitalization rate. The yield capitalization method is often referred to as a discounted cash flow analysis and is the most appropriate for destabilized properties, or properties which anticipate changes in cash flow over a typical holding period.

The direct capitalization method converts a single year's net operating income into an indication of value and is most appropriate for properties which are stabilized. The interest appraised in this report is the subject's fee simple estate as though stabilized, and therefore the direct capitalization method will be used in this income capitalization approach.

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[8] *The Appraisal of Real Estate*, 14th Edition, Page 491.

[9] *The Appraisal of Real Estate*, 14th Edition, Page 509.

When using the direct capitalization method, the following six steps must be completed.

- Calculate the subject's potential gross income by analyzing market rental rates through surveying actual and asking rental rates for similar quality buildings in the subject's market.
- Estimate vacancy and collection loss based on market data,
- Estimate the subject's operating expenses based on historical expense information (if available) and comparable properties,
- Estimate the subject's net operating income by subtracting the estimated expenses from the estimated effective gross income,
- Estimate an applicable overall capitalization rate for the subject which would attract a prudent investor to the subject, and
- Convert the estimated net operating income into an estimate of market value of the subject's fee simple estate using the selected overall capitalization rate.

Potential Gross Income

Potential gross income is *the total potential income attributable to the real property at full occupancy before operating expenses are deducted.*[10]

The potential gross income for the subject is basically income derived from potential market rent. Market rent is defined as *the most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the typical lease agreement, including the rental adjustment and revaluation, permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options and tenant improvements.*[11]

The subject property has been owner occupied since its development in 1996. The subject would most likely be purchased for continuing owner-occupancy under the current economic conditions. However, a prospective buyer may also be interested in the subject's current and future ability to produce rental income. Therefore, in order to estimate the subject's potential income stream, the appraiser analyzed numerous actual office rent comparables within the subject's Hilliard Industrial submarket.

[10] *The Appraisal of Real Estate*, 14th Edition, Page 451.

[11] *The Appraisal of Real Estate*, 14th Edition, Page 447.

Rent Comparables

As a basis of forming an opinion of the market rent applicable to the subject property, if vacant and available for lease, the appraiser conducted a thorough search of the subject's industrial submarket, defined by the appraiser. The subject property contains 100% finished office area, however is located in a light industrial neighborhood and could easily be converted into an office/warehouse building. Therefore, the appraiser also considered actual rents for competing office and light industrial properties located within the subject's Hilliard submarket.

SUMMARY OFFICE/WAREHOUSE ACTUAL RENTS HILLIARD INDUSTRIAL SUBMARKET					
No.	**Address**	**Bldg Size**	**Unit Size**	**Unit Type**	**Rent/SF**
1	5548-5584 Hilliard Rome Office Park	12,500 SF	1,250 SF	Office	$12.96/SF MG
2	2349-2390 Advanced Business Ctr Dr	19,800 SF	4,640 SF	Office/warehouse	$8.00/SF NNN
3	4801-4821 Roberts Road	12,000 SF	1,800 SF	Office	$12.00/SF NNN
4	1745 Atlas Street	6,000 SF	6,000 SF	Office/warehouse	$9.00/SF NNN
5	5211 Trabue Road	10,039 SF	6,800 SF	Office/warehouse	$6.50/SF NNN
6	5500 Nike Drive	10,656 SF	1,500 SF	Office	$14.00/SF NNN
7	4078-4140 Anson Drive	38,400 SF	1,800 SF	Office/warehouse	$6.50/SF MG
8	2111-2191 International Street	103,362 SF	15,600 SF	Office/warehouse	$3.50/SF NNN
9	4519 Cemetery Road	11,312 SF	11,312 SF	Office	$11.00/SF NNN
10	3567 Trabue Road	2,200 SF	2,200 SF	Office	$10.91/SF NNN

MG/IG = Tenant is responsible for all utilities and minor maintenance and repairs
NNN = Triple Net with tenants being responsible for all expenses

Conclusion - Market Rent

The appraiser will utilize a market rental rate of $10.00/sq. ft. on a triple net basis.

Applying a market rental rate of $10.00 per square foot times the subject’s 3,000 sq. ft. indicates the potential gross income for the subject property to be $30,000.

Potential Gross Rental Income: $30,000

Vacancy and Collection Loss Allowance

Deducted from the estimated potential gross income is a vacancy and collection loss allowance that the owner will incur when leasing the subject property.

Vacancy and collection loss is *an allowance for reductions in potential gross income attributable to vacancies, tenant turnover, and non-payment of rent or other income.*[9]

In determining the current market conditions, the appraiser utilized a national real estate data collection company, CoStar. According to CoStar, there is a current vacancy rate of 6% among office properties within the subject's Hilliard office market. The CoStar report detailing the vacancy and rental rates is located below.

The appraiser estimates a stabilized vacancy and collection loss allowance of 6% ($1,800) as being applicable to the subject property, indicating the effective gross income to be $28,200.

Vacancy and Collection Loss Allowance:	**$1,800**
Effective Gross Income:	**$28,200**

[9] *The Appraisal of Real Estate*, 13th Edition, Page 483.

Owner's Expenses

The market rental rate assumes a ***triple net lease*** agreement whereby the tenants are responsible for a pro-rata share of property management fees, real estate taxes, property hazard insurance, utilities, grounds maintenance/snow removal and maintenance and repairs.

The estimated expenses are summarized below.

	Annual
Property Management Fee (5% EGI)	$1,410
Real Estate Taxes	Paid by Tenants
Property Hazard Insurance	Paid by Tenants
Utilities	Paid by Tenants
Maintenance and Repairs	Paid by Tenants
Reserves for Replacement ($0.25/sq. ft.)	$ 750
Miscellaneous (legal, accounting, etc.)	$1,500
Total Expenses	**$3,660**

Deducting the total expenses and reserves of $3,660 from the estimated effective gross income of $28,200, indicates the net operating income for the subject property to be $24,540.

Total expenses and reserves: **$3,660**

Net Operating Income: **$24,540**

Selection of Capitalization Rate

The final step in the income approach is to capitalize the estimated net operating income into a final property value. Typically, overall rates can be abstracted from sales when sufficient information is available with regard to the net operating income and the sale price.

The appraiser extracted overall capitalization rates from a number of recently transferred light industrial property sales located throughout central Ohio. The actual overall capitalization rates for office properties are summarized below.

SUMMARY OVERALL CAPITALIZATION RATES COLUMBUS, OHIO OFFICE PROPERTIES			
No.	**Address**	**Sale Date**	**Overall Rate**
1	2533 South Hamilton Road, Columbus, Ohio	6/16/17	6.85%
2	495 South High Street, Columbus, Ohio	5/23/17	7.75%
3	3840 East Main Street, Columbus, Ohio	5/19/17	7.4%
4	50 Old Village Road, Columbus, Ohio	3/3/17	12.03%
5	4241 Kimberly Parkway, Columbus, Ohio	1/27/17	8.08%
6	167 South State Street, Westerville, Ohio	12/16/16	9.90%
7	6241Riverside Drive, Dublin, Ohio	12/12/16	8.53%
8	1355 King Avenue, Columbus, Ohio	12/6/16	8.10%
9	2976West Broad Street, Columbus, Ohio	7/29/16	8.08%
10	132 North High Street, Gahanna, Ohio	12/28/15	9.5%
11	428 Beecher Road, Gahanna, Ohio	12/17/15	9.57%
12	1085 Beecher Crossing, Gahanna, Ohio	2/13/14	8%
13	1060 Georgesville Road, Columbus, Ohio	11/25/13	9.65%
14	5725 Perimeter Road, Dublin, Ohio	10/9/13	9.53%
15	4900 Reed Road, Columbus, Ohio	9/17/13	10%

After considering the subject's location, size, age, quality and condition, as well as the above capitalization rate comparables, it is the appraiser's opinion that an overall capitalization rate of 9% is applicable to the subject property.

Capitalizing the subject's estimated net operating income of $24,540 at a 9% overall capitalization rate indicates the value of the subject property by the Income Capitalization Approach to be $272,667 rounded to $275,000.

Located on the following page is a summary of the income approach to value.

INDICATED VALUE OF SUBJECT PROPERTY
BY INCOME CAPITALIZATION APPROACH: $275,000

Allocated: $91.67/SF GBA

Summary-Income Capitalization Approach to Value

Office/Audio Recording Studio
5100 Transamerica Drive
Columbus, Ohio
(At Market Rent)

Potential Gross Income:					
Office/Recording Studio	3,000	@	$10.00	=	$30,000
POTENTIAL GROSS RENTAL INCOME:					**$30,000**
Less- Vacancy and Collection Loss:			6%	=	$1,800
Effective Gross Rental Income:					**$28,200**

LESS: EXPENSES	**Annual Expenses**	**$ per SF**	
Real Estate Taxes:	Paid by Tenants	$0.00	
Property Hazard Insurance	Paid by Tenants	$0.00	
Property Management Fee (5% of E.G.I.):	$1,410	$0.47	
Utilities	Paid by Tenants	$0.00	
Minor Repairs & Maintenance	Paid by Tenants	$0.00	
Landscaping & Snow Removal	Paid by Tenants	$0.00	
Reserves for Replacement Allowence ($0.25/s.f.)	$750	$0.25	
Misc. (Legal, accounting, etc.):	$1,500	$0.50	
TOTAL EXPENSES & RESERVES:	**$3,660**	**$1.22**	
NET OPERATING INCOME:			**$24,540**

	NOI		*CAPITALIZATION RATE*		
DIRECT CAPITALIZATION:	*$24,540*	@	*9.00%*	=	*$272,667*

		$272,667
INDICATED VALUE OF SUBJECT PROPERTY BY INCOME CAPITALIZATION APPROACH:	**Rounded To:**	**$275,000**

Allocated: $91.67/sq.ft.

INSURABLE VALUE

The appraiser was instructed to estimate the subject property's insurable value based on the cost approach. Insurable value is defined as:

> *The value of the destructible portions of a property, which determines the amount of insurance that may, or should, be carried to indemnify the owner in the event of loss.*

As a basis for estimating the insurable value of the subject property via the cost approach, the appraiser considered information published in the *Marshall Valuation Cost Service* in Section 14, Page 19 for Broadcasting Facilities.

The appraiser considers the subject to be a average quality, class C facility, indicating a base cost of $129.29 per square foot.

The base cost has been adjusted using a number of multipliers including the local cost multiplier and current cost multiplier. Applying the multipliers to the base cost indicates the adjusted base cost to be $131.88 per square foot.

Applying $131.88 per square foot times the subject's 3,000 sq. ft. indicates the cost new for the subject's vertical improvements to be $395,640.

Added to the cost new is a 7.5% ($29,673) developer's overhead and profit, indicating the total estimated gross building cost to be $425,313.

Deducted from the gross building costs are 11% ($46,784) in insurance exclusions (below grade foundation and architect fees), indicating the total adjusted building cost to be $378,529 rounded to $380,000.

Located on the following page is a summary of the Cost Approach to Value. Following the Cost Approach to Value is the applicable page from the *Marshall Valuation Cost Service*.

INDICATED INSURABLE VALUE OF SUBJECT BY COST APPROACH: $380,000

Allocated: $126.67/SF GBA

INSURABLE VALUE SUMMARY		
IMPROVEMENTS (STRUCTURES)		
Description:		Recording Studio
Marshall & Swift - Improvement Type		Broadcasting Facilities
Building Class		C
Quality of Construction		Average
Marshall & Swift - Section		Section 14
Marshall & Swift - Page		Page 19
Date		24-Aug-17
Base SF Cost		$129.29
HEIGHT AND SIZE REFINEMENTS		
Number of Stories		1.000
Height Per Story		1.000
Perimeter		1.000
Adjusted Base Cost		$129.29
FINAL CALCULATIONS		
Current Cost Multiplier		1.000
Local Area Multiplier		1.020
Adjusted SF Cost		**$131.88**
TIMES: SF for Replacement Cost Purposes		3,000
Adjusted Cost		**$395,640**
REPLACEMENT COST SUMMARY (STRUCTURES)		
Adjusted Base Costs		$395,640
PLUS: Indirect Costs	7.50%	$29,673
		$425,313
Total includes all component/building costs as detailed above		
INSURABLE VALUE SUMMARY		
Insurable Value Type		AS IS
Replacement Cost new		$425,313
Insurance Exclusions		
Foundation Below Grade		(5.0%)
Piping Below Grade		0.00%
Architect Fees		(6.0%)
Total Insurance Exclusion Adjustment		**(11.0%)**
Total Insurance Exclusion Amount		**($46,784)**
Adjusted Cost (Structures)		**$378,529**
Rounded		**$380,000**
Total GBA (SF)		3,000
Conclusion PSF of GBA		**$126.67**

CALCULATOR METHOD

BROADCASTING FACILITIES (498)

CLASS	TYPE	EXTERIOR WALLS	INTERIOR FINISH	LIGHTING, PLUMBING AND MECHANICAL	HEAT	COST Sq. M.	COST Cu. Ft.	COST Sq. Ft.
A-B	Good	Good metal and glass, concrete, some good stone, good entrance	Special finishes, acoustic design, good presentation studios	Special lighting and electrical, good plumbing	Hot and chilled water (zoned)	2,769.79	18.38	257.32
	Average	Precast concrete, brick, limestone trim, decorative front and lobby	Acoustic design, some special finishes, good main studio, many offices	Studio lighting and electrical, adequate plumbing	Hot and chilled water (zoned)	2,115.45	14.04	196.53
	Low cost	Face brick, concrete, some ornamentation, plain entrance	Plaster or gypsum, suspended ceiling, finished lobby, offices, small studios	Adequate electrical, lighting and plumbing	Warm and cool air (zoned)	1,540.22	10.22	143.09
C	Excellent	Face brick, stone, architectural concrete, good entrance and lobby	Special finishes, acoustic design, high-cost finishes, good main studio	Special lighting and electrical, good plumbing	Hot and chilled water (zoned)	2,626.52	17.43	244.01
	Good	Face brick, stone, metal and glass, decorative front and lobby	Good interior finish and detail, good studios, many offices	Studio lighting, good electrical and plumbing	Warm and cool air (zoned)	1,885.31	12.51	175.15
	Average	Brick, block, concrete, plain front and lobby, some trim	Plaster or gypsum, suspended ceiling, some access floor, carpeted lobby	Adequate electrical, lighting and plumbing	Heat-pump system	1,391.68	9.24	129.29
	Low cost	Brick, block, tilt-up, very plain	Plain construction, small studios, vinyl composition, minimum facility	Minimum lighting, adequate electrical, minimum plumbing	Package A.C.	1,030.11	6.84	95.70
D	Excellent	Face brick or stone veneer, EIFS, good entrance and lobby	Special finishes, acoustic design, high-cost finishes, good main studio	Special lighting and electrical, good plumbing	Hot and chilled water (zoned)	2,536.21	16.83	235.62
	Good	Brick veneer, best stucco or siding with good front and lobby	Good interior finish and detail, good studios, many offices	Studio lighting and electrical, adequate plumbing	Warm and cool air (zoned)	1,812.87	12.03	168.42
	Average	Brick veneer, good stucco or siding, some trim, plain front and lobby	Plaster or gypsum, suspended ceiling, some access floor, carpeted lobby	Adequate electrical, lighting and plumbing	Heat-pump system	1,334.20	8.85	123.95
	Low cost	Stucco or siding, little trim, plain entry	Plain construction, small studios, vinyl composition, minimum facility	Minimum lighting, adequate electrical, minimum plumbing	Package A.C.	984.69	6.53	91.48
DPOLE	Average	Pole frame, good metal panels, finished inside, some trim	Plaster or gypsum, suspended ceiling, some access floor, carpeted lobby	Adequate electrical, lighting and plumbing	Heat-pump system	1,270.26	8.43	118.01
	Low cost	Metal panels on pole frame, finished interior, small entrance	Plain construction, small studios, vinyl composition, minimum facility	Minimum lighting, adequate electrical, minimum plumbing	Package A.C.	935.50	6.21	86.91
S	Good	Good sandwich panels, good entrance and trim	Good interior finish and detail, good studios, many offices	Studio lighting and electrical, adequate plumbing	Warm and cool air (zoned)	1,781.66	11.82	165.52
	Average	Sandwich panels, or finished interior, some ornamentation	Plaster or gypsum, suspended ceiling, some access floor, carpeted lobby	Adequate electrical, lighting and plumbing	Heat-pump system	1,304.06	8.65	121.15
	Low cost	Metal panels, finished interior, little trim, plain entry	Plain construction, small studios, vinyl composition, minimum facility	Minimum lighting, adequate electrical, minimum plumbing	Package A.C.	957.67	6.36	88.97

BROADCASTING BASEMENTS

A-B	Semifinished	Low-cost finishes	Finished lounge/restrooms, some utility and storage	Minimum lighting, adequate plumbing	Hot water	823.77	5.47	76.53
CDS	Semifinished	Low-cost finishes	Minimum lounge area, restrooms, some utility and storage	Minimum lighting, adequate plumbing	Forced air	577.38	3.83	53.64

CANOPIES – Large entrance marquees or carport canopies see page 37, or they may be computed from the Segregated Costs, Section 44, or from Unit-in-Place Costs.

MULTISTORY BUILDINGS – Add .5% (1/2%) for each story over three, above ground, to all base costs of the building, including basements, but excluding mezzanines.

ELEVATORS AND HANDICAPPED LIFTS – See Page 36.

RADIO AND TV TOWERS – See Section 67, Page 6.

BALCONIES – Exterior balconies see Page 37, or they may be computed from the Segregated Costs, Section 44, or from the Unit-in-Place Costs.

SPRINKLERS – Systems are not included. Costs should be added from Page 37.

BASEMENTS – See Page 18.

MEZZANINES – See Page 27.

The data included on this page becomes obsolete after update delivery, scheduled for February 2018.

CONCLUSION AND RECONCILIATION

In the preceding sections of this report, value indications were developed by using two of the three traditional approaches to value, namely the Sales Comparison and Income Capitalization Approaches. By way of summary, the value indications are set forth as follows:

Cost Approach	Not Applicable
Sales Comparison Approach	$315,000
Income Capitalization Approach	$275,000
Final Market Value Estimate	**$315,000**
Insurable Value	**$380,000**

The two approaches to value considered in this Appraisal Report indicate a range in market values applicable to the subject property from $275,000 to $315,000.

The Sales Comparison Approach to Value was given the greatest weight in the final analysis, as the subject property is best suited for owner occupancy. The Sales Comparison Approach best reflects the recent activities of typical buyers and sellers of similar property types in the subject's market.

The Income Capitalization Approach was used primarily as a guide to judgment.

As a result of my investigation and analysis, set forth in the preceding Appraisal Report, and subject to the assumptions and limiting condition herein, it is my opinion the **Market Value** of the ***fee simple interest*** inherent in the subject property, as whole and in its present condition, in terms of cash or financial arrangements equivalent to cash as of August 24, 2017, is:

$315,000
(Three Hundred and Fifteen Thousand Dollars)

Allocated: $105.00/SF GBA

As a result of my investigation and analysis, set forth in the preceding Appraisal Report, and subject to the assumptions and limiting condition herein, it is my opinion the **Insurable Value** of the ***fee simple interest*** inherent in the subject property, as whole and in its present condition, in terms of cash or financial arrangements equivalent to cash as of August 24, 2017, is:

$380,000
(Three Hundred and Eighty Thousand Dollars)

Allocated: $126.67/SF GBA

ASSUMPTIONS & LIMITING CONDITIONS

The Certificate of Appraisal and report attached are made expressly subject to the conditions and stipulations following:

No responsibility is assumed by the appraiser for matters which are legal in nature, nor is any opinion or title rendered herein. This appraisal assumed good title. Any liens or encumbrances which may now exist have been disregarded and the property has been analyzed as though no delinquency in the payment of general taxes or special assessments exist, and as though free of indebtedness.

No responsibility is assumed by the appraiser for matters regarding Federal, State, City or local codes, ordinances or other legislation. The values herein are based on the assumption that the property is in compliance with all governmental and quasi-governmental codes, ordinances and other legislation.

The appraiser, herein by reason of employment to make this appraisal, agrees to give testimony and/or attend in court or any other governmental hearing with reference to the property in question, provided sufficient notice shall be given him. The client's attorney shall have the right to determine what is considered sufficient notice, subject to approval by the appraiser.

Possession of this report, or any copy thereof, does not carry with it the right of publication, nor may the same be used for any purpose by any but the applicant without the previous written consent of the appraiser or the applicant, and in any event, only in its entirety.

The appraiser herein has no present or future contemplated interest in the subject property analyzed.

Employment of Kenneth A. Mollica, MAI, to make this appraisal hereto attached is in no manner contingent upon the value reported.

The values for land and improvements as contained within the report, are constituent parts of the total value reported, and neither is to be used in making a summation appraisal by combination with values created by another appraiser. Either is invalidated if so used.

The current purchasing power of the dollar is the basis for the value reported.

No responsibility is assumed by the appraiser(s) for the presence of any toxic, caustic, noxious, or otherwise harmful materials (hereinafter referred to as "Hazardous Substances") which may now exist. Said "Hazardous Substances" can be of a solid, liquid, radioactive, or gaseous nature, and pertain to those presently known or those which are discovered in the future. This appraisal assumes that the property under appraisement is free of "Hazardous Substances," unless otherwise noted herein.

Neither all nor any part of the contents of this report, or copy thereof, shall be used for any purpose by any but the client or its assigns, without the previous written consent of the appraiser and/or the client or its assigns; nor shall it be conveyed by any, including the client, to the public through advertising, public relations, news, sales or other media, without the written consent and approval of the author, particularly as to valuation conclusions, the identity of the appraiser, or a firm with which he is connected, or any reference to any professional society or institute or any initialed designations conferred upon the appraiser.

CERTIFICATE OF APPRAISAL

• the statements of fact contained in this report are true and correct,

• the reported analyses, opinion, and conclusions are limited only by the reported assumptions and limiting conditions, and are my/our personal, unbiased professional analyses, opinions, and conclusions,

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

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

• my engagement in this assignment was not contingent upon developing or reporting predetermined results,

• my compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event,

• the report analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice and the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.

• I, Kenneth A. Mollica, MAI, have made a personal interior and exterior inspection of the property that is the subject of this report,

• I, Kenneth A. Mollica, MAI, have not prepared a prior appraisal report for the subject property within the last three years

• no one provided significant professional assistance to the person signing this report,

• that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives,

• and, as of the date of this report, I, Kenneth A. Mollica, MAI, have completed the requirements of the continuing education program of the Appraisal Institute.

Kenneth A. Mollica, MAI
General Real Estate Appraiser
State Certification #391885

CERTIFICATE OF APPRAISAL

• the statements of fact contained in this report are true and correct,

• the reported analyses, opinion, and conclusions are limited only by the reported assumptions and limiting conditions, and are my/our personal, unbiased professional analyses, opinions, and conclusions,

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

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

• my engagement in this assignment was not contingent upon developing or reporting predetermined results,

• my compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event,

• the report analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice and the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.

• I, Amanda Major, have made a personal interior and exterior inspection of the property that is the subject of this report,

• I, Amanda Major, have not prepared a prior appraisal report for the subject property within the last three years

• no one provided significant professional assistance to the person signing this report,

• that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives,

• and, as of the date of this report, I, Kenneth A. Mollica, MAI, have completed the requirements of the continuing education program of the Appraisal Institute.

Amanda M. Major
Registered Real Estate Appraiser Assistant
State Certification #2013000117

Owner Name	GREEN DANIEL	Prop. Class	I - Industrial
		Land Use	399 - OTHER INDUSTRIAL STRUC
Site Address	5100 TRANSAMERICA DR	Tax District	560 - COLUMBUS-HILLIARD CSD
		Sch. District	2510 - HILLIARD CSD
		App Nbrhd	X0500
LegalDescriptions	TRABUE-WALCUTT INDUSTRIAL PARK SECTION 2 LOT 12	CAUV	N
		Owner Occ Cred.	N
Mailing Address		Annual Taxes	10,280.90
		Taxes Paid	.00
Tax Bill Mailing	DANIEL GREEN	Board of Revision	No
		CDQ	2016
	5100 TRANSAMERICA DR COLUMBUS OH 43228-9269		

	Current Market Value			Taxable Value		
	Land	Improv	Total	Land	Improv	Total
BASE	$67,900	$237,100	$305,000	$23,770	$82,990	$106,760
TIF	$0	$0	$0	$0	$0	$0
Exempt	$0	$0	$0	$0	$0	$0
Total	$67,900	$237,100	$305,000	$23,770	$82,990	$106,760
CAUV	$0					

Sales

Date	Grantor	Convey No.	Convey Typ	# Parcels	Sales Price
01/01/0001	GREEN DANIEL			0	0

Land

Lot Type	Act Front	Eff Front	Eff Depth	Acres
A1-ACREAGE				.91

Site Characteristics

Property Status	Developed	Exccess Frontage	No
Neighborhood	X0500	Alley	No
Elevation	Street Level	Sidewalk	No
Terrain	Flat	Corner Lot	No
Street/Road	Paved	Wooded Lot	No
Traffic	Normal	Water Front	No
Irregular Shape	No	View	No

Building Data

Use Code	-	Rooms	
Style		Dining Rms	
Exterior Wall Typ	-	Bedrms	
Year Built		Family Rms	
Year Remodeled		Full Baths	
Effective Year		Half Baths	
Stories		Basement	
Condition		Unfin Area Sq Ft	
Attic		Rec Room Sq Ft	
Heat/AC			
Fixtures			
Wood Fire	0 / 0		
Garage Spaces			

Level 1
Level 2
Level 3+
Attic
Fin. Area Above Grd
Fin. Area Below Grd
Fin. Area

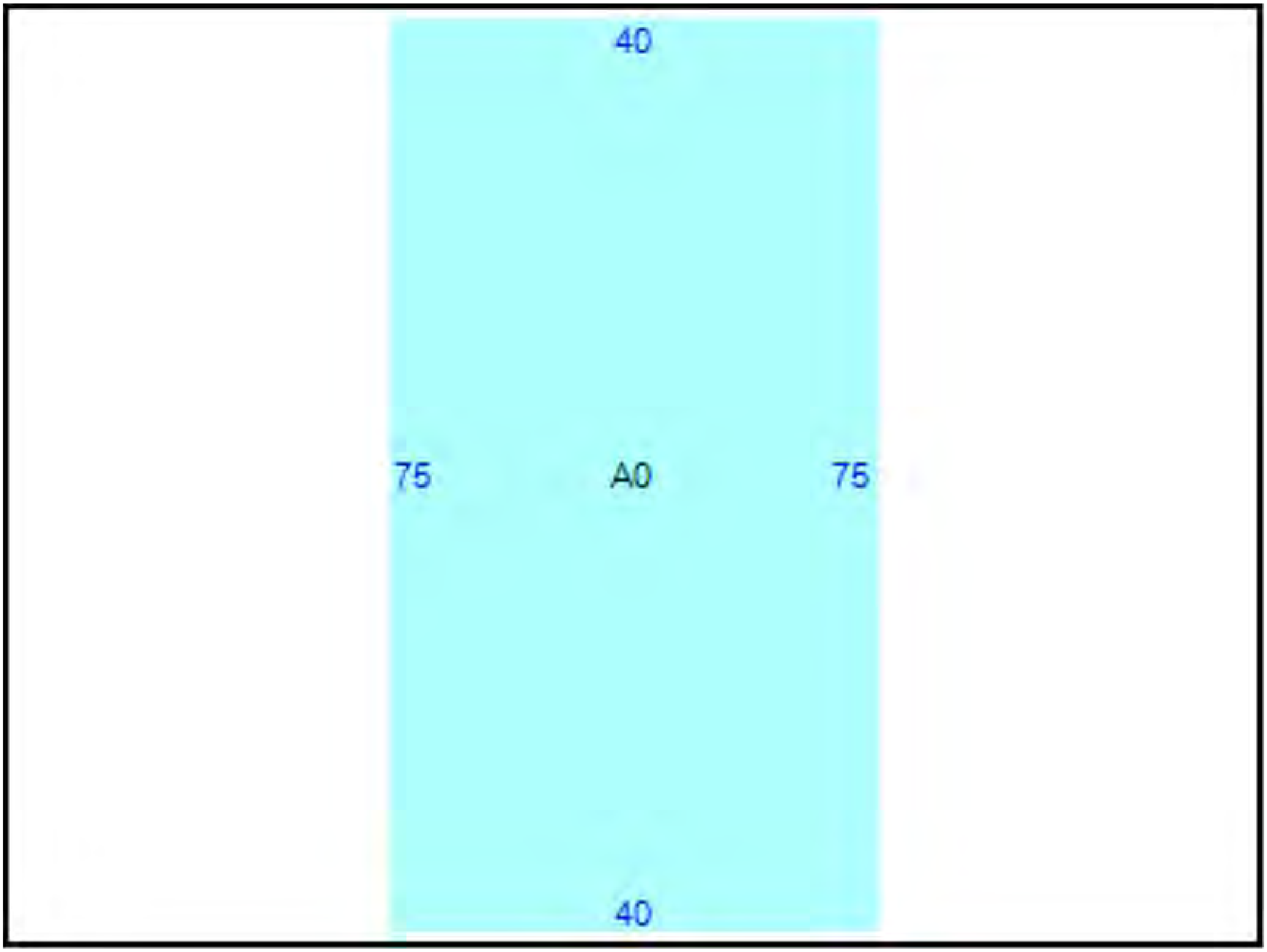
Improvements

Type	Year Blt	Eff Year Blt	Condition	Size	Area
PA1 - PAVING ASPHALT	1996		AVERAGE	X	5,000

Permits

Date	Est. Cost	Description
12/04/1995	$ 200,000	NEW BLDG

560-235122 06/11/2014



Sketch Legend

1 A0 - 082:MULTI-USE OFFICE 3000 Sq. Ft.
1 PAVING ASP - PA1:PAVING ASPHALT 5000 Sq. Ft.

Tax Status

Property Class	I - Industrial
Land Use	399 - OTHER INDUSTRIAL STRUCTU
Tax District	560 - COLUMBUS-HILLIARD CSD
Net Annual Tax	10,280.90
Taxes Paid	.00
CDQ Year	2016

Current Year Tax Rates

Full Rate	120.36
Reduction Factor	0.199907
Effective Rate	96.299197
Non Business Rate	0.094198
Owner Occ. Rate	0.023549

	Current Market Value			Taxable Value		
	Land	Improv	Total	Land	Improv	Total
BASE	$67,900	$237,100	$305,000	$23,770	$82,990	$106,760
TIF	$0	$0	$0	$0	$0	$0
Exempt	$0	$0	$0	$0	$0	$0
Total	$67,900	$237,100	$305,000	$23,770	$82,990	$106,760
CAUV	$0					

Tax Year Detail

	Annual	Adjustment	Payment	Total
Original Tax	12,849.64	0.00		
Reduction	-2,568.74	0.00		
Adjusted Tax	10,280.90	0.00		
Non-Business Credit	0.00	0.00		
Owner Occupancy Credit	0.00	0.00		
Homestead Credit	0.00	0.00		
Net Annual	10,280.90	0.00	0.00	10,280.90
Prior	9,786.70	0.00	0.00	9,786.70
Penalty	489.34	2,621.15	0.00	3,110.49
Interest	141.30	267.04	0.00	408.34
SA	0.00	0.00	0.00	0.00
Total	20,698.24	2,888.19	0.00	23,586.43
1st Half	15,557.79	1,027.60	0.00	16,585.39
2nd Half	5,140.45	514.05	0.00	5,654.50
Future				

Special Assessment (SA) Detail

Annual	Adjustment	Payment	Total

Payment History

Date	Tax Year	Bill Type	Amount
06/19/2015	2014	Tax	$ 10,305.02
11/26/2014	2014	Tax	$ 29,121.82

Tax Distribution

County	
General Fund	$156.93
Children's Services	$533.79
Alcohol, Drug, & Mental Health	$234.87
MRDD	$747.32
Metro Parks	$80.07
Columbus Zoo	$80.07
Senior Options	$138.78
School District	$7,504.11
School District (TIF)	$.00
Township	$.00
Township (TIF)	$.00
Park District	$.00
Vocational School	$170.81
City / Village	$335.22
City / Village (TIF)	$.00
Library	$298.93

BOR Case Status

Rental Contact

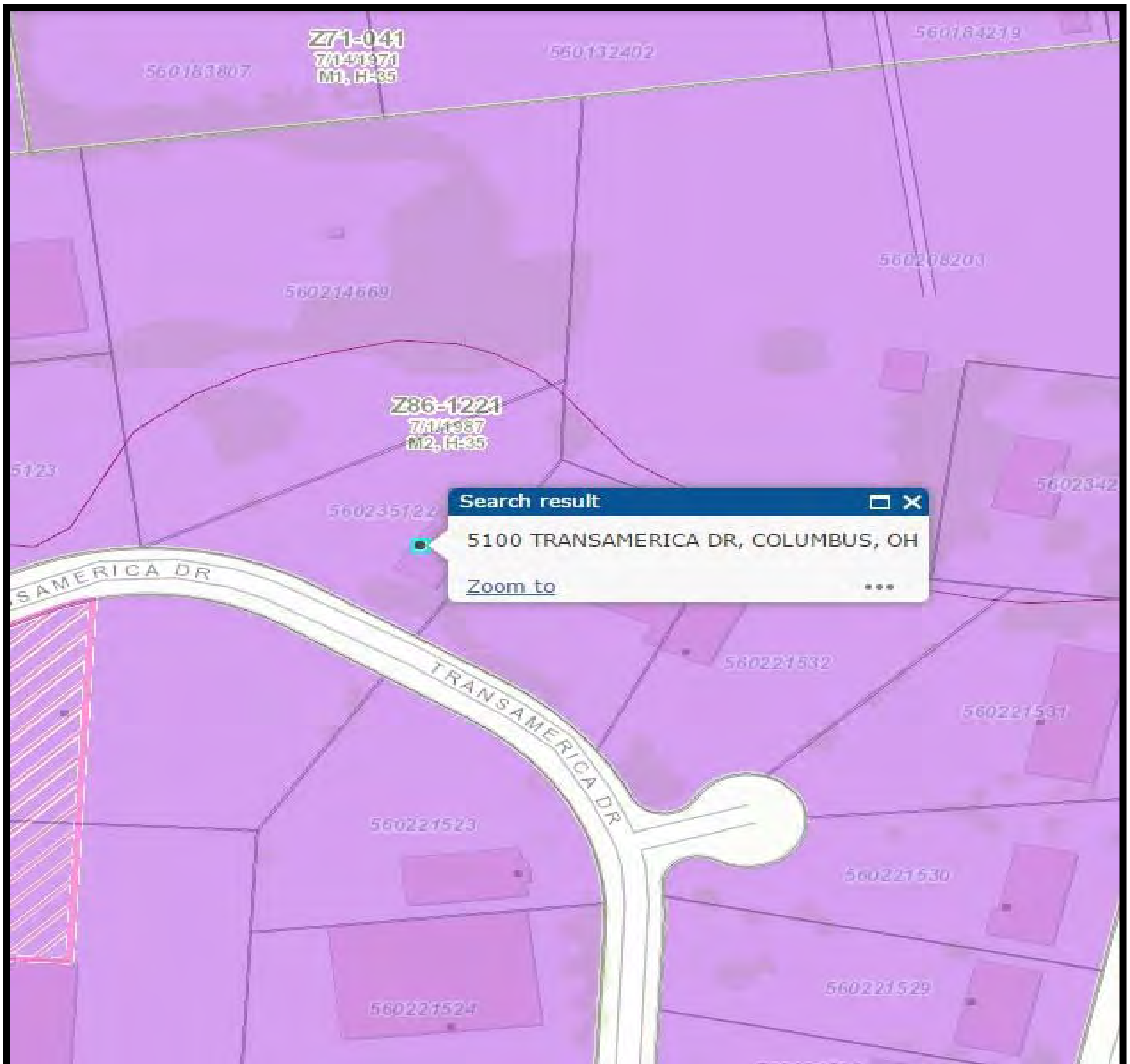
Owner / Contact Name
Business Name
Title
Contact Address1
Contact Address2
City
Zip Code
Phone Number

Last Updated

CAUV Status

CAUV Status	No
CAUV Application Received	No

Flood Plain Map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7/14/1971
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7/1/1987
M2, H-35
560235122
Search result
5100 TRANSAMERICA DR, COLUMBUS, OH
Zoom to
TRANSAMERICA DR
560221532
560221531
560221523
560221530
560221529
560221524


Base Zoning
Commercial
Downtown District
East Franklinton District
Excavation/Quarrying
Institutional
Manufactured Home
Manufacturing
Multi-family
Neighborhood Center
Neighborhood Edge
Neighborhood General
Parking
Research Park
Residential
Town Center

Zoning Map

RIVERDALE FUNDING, LLC

207 Mockingbird Lane Suite 402 Johnson City TN, 37601

Appraisal Engagement Letter

PLEASE ACKNOWLEDGE RECEIPT AND ACCEPTANCE OF THIS ASSIGNMENT/ENGAGEMENT BY SIGNING/DATING AND RETURNING.

Date August 23, 2017

Ken Mollica, Mollica Appraisal Company

3040 Riverside Dr, Ste 115

Upper Arlington, OH 43221

Per our prior conversations, and the pricing of your received invoice, Riverdale Funding would like to retain you to prepare an appraisal report as detailed below. You are hereby authorized to proceed under the following parameters:

- Loan Number:
- Property Address: 5100 Transamerica Dr, Columbus OH 43228
- Property Type: commercial
- Name of Borrower: Champions of Diversity Media, LLC
- Property Contact for entry: Orville Lynch
- Contact phone number: 614-326-9150
- Report Type/Format: Narrative (commercial property); or appropriate FNMA form (residential property)
- Date of Value = Date of inspection

Property contact person should be contacted within 24 hours of receipt of this engagement letter.

Please provide an appraisal report with **new** interior/exterior/street scene subject property photos and exterior photos of all comps. If possible, please provide photos of all exterior sides and ample interior views. We rely on your photos to give us a COMPLETE view of the property.

Please include **Market value, Income approach, and Cost approach** while placing more emphasis on the Market **VALUE** of the property "as-is".

If Cost Approach does not apply an estimated replacement cost (insurable value) must be given.

IF you note any needed repairs please indicate a "cost to cure"; nothing should be "subject to" unless specified in special instructions given below.

Please note in report that mechanical systems were checked to assure that they are operational.

Please complete your report with no "extraordinary assumptions" or "hypothetical conditions".

We are a nationwide lender and cannot be familiar with all market areas. Please comment freely to help us better understand your market and the subject property location. Please make reference to demographics and crime rate of the subject property area.

Please state estimated marketing time and current market conditions.

You must also send with report a cover letter with your contact information, a copy of your current license and a copy of your E&O coverage.

Please return your completed report to the email address below by the agreed date of 2 weeks . If you should encounter any difficulties or obstacles that would delay your completion of report, please contact us immediately to advise us of the situation and details of delay.

SPECIAL INSTRUCTIONS: this is a purchase-contract is attached

Intended user: Riverdale Funding, LLC ISAOA

Thank you,

Melinda Gouge

mgouge@riverdalefunding.com 423.930.8389

AGREED & ACCEPTED BY:

Ken A. Mollica — 8.23.17

Signature — Date

Kenneth A. Mollica

Printed Name

LIA Administrators & Insurance Services

ASPEN

APPRAISAL AND VALUATION PROFESSIONAL LIABILITY INSURANCE POLICY

DECLARATIONS

ASPEN AMERICAN INSURANCE COMPANY
(A stock insurance company herein called the "Company")
175 Capitol Blvd. Suite 100
Rocky Hill, CT 06067

Date Issued	Policy Number	Previous Policy Number
12/12/2016	AAI007564-02	ASI003513-01

THIS IS A **CLAIMS** MADE AND REPORTED POLICY. COVERAGE IS LIMITED TO LIABILITY FOR ONLY THOSE **CLAIMS** THAT ARE FIRST MADE AGAINST THE **INSURED** DURING THE **POLICY PERIOD** AND THEN REPORTED TO THE COMPANY IN WRITING NO LATER THAN SIXTY (60) DAYS AFTER EXPIRATION OR TERMINATION OF THIS POLICY, OR DURING THE **EXTENDED REPORTING PERIOD**, IF APPLICABLE, FOR A **WRONGFUL ACT** COMMITTED ON OR AFTER THE **RETROACTIVE DATE** AND BEFORE THE END OF THE **POLICY PERIOD**. PLEASE READ THE POLICY CAREFULLY.

Item

1. Customer ID: 141700
Named Insured:
MOLLICA APPRAISAL COMPANY
Kenneth A. Mollica, MAI
3040 Riverside Drive, Suite 115
Columbus, OH 43221

2. Policy Period: From: 01/01/2017 To: 01/01/2018
12:01 A.M. Standard Time at the address stated in 1 above.

3. Deductible: $1,000 **Each Claim**

4. Retroactive Date: 01/01/1998

5. Inception Date: 01/01/2016

6. Limits of Liability: **A.** $1,000,000 Each Claim
B. $1,000,000 Aggregate

7. Mail all notices, including notice of **Claim**, to:
LIA Administrators & Insurance Services
1600 Anacapa Street
Santa Barbara, California 93101
(800) 334-0652; Fax: (805) 962-0652

8. Annual Premium: $1,749.00

QUALIFICATIONS OF THE APPRAISER
KENNETH A. MOLLICA, MAI

3040 Riverside Drive, Suite 115
Upper Arlington, OH 43221
614-486-6654 Office – 614-486-8256 FAX

Company

Mollica Appraisal Company

Designations and Certifications

MAI Member of the Appraisal Institute as of October 2001 Ohio Certified General Appraiser, Certification Number 391885, January 1993

Educational Background

University of Kentucky Lexington, Kentucky

1985 - 1988 **Colorado State University** Fort Collins, Colorado Received Bachelor of Science Degree in Business Administration Major course study: Real estate and finance

Appraisal Experience

May 1987 - August 1987 Associate appraiser with Anthony F. Mollica and May 1988 - August 1988 Associates. Responsibilities included preparing real July 1990 - January 1991 estate appraisals for different property types including commercial,
industrial, multi-family and residential properties.

May 1991 Staff residential appraiser with Valuation Consultants, Inc., Steamboat Springs, Colorado

May 1991 - August 1993 Staff Commercial appraiser with Anthony F. Mollica and Associates

September 1993 - Present Self-employed Real Estate Appraiser and Consultant

Appraisal Institute Courses

1987	Course 1A-1	40 hours	Real Estate Appraisal Principles
	Course 1A-2	40 hours	Basic Valuation Procedures
1988	Course 1B-A	40 hours	Capitalization Theory and Techniques, Part A
	Course 1B-B	40 hours	Capitalization Theory and Techniques, Part B
1992	Course SPPA	15 hours	Standards of Professional Appraisal Practice, Part A
	Course SPPB	10 hours	Standards of Professional Appraisal Practice, Part B
1994	Course II 550	40 hours	Advanced Applications
1995	Course II 540	40 hours	Report Writing and Valuation Analysis
1997	Course II 520	40 hours	Highest and Best Use and Market Analysis
	Course II 530	4 hours	Advanced Sales Comparison and Cost Approaches
	Course I 320	3 hours	General Applications
	Course II 430	15 hours	Standards of Professional Practice, Part C
2001	Course II 510	40 hours	Advanced Income Capitalization

Continuing Education

1992	Ohio Real Estate Law	30 hours	Hondros Career Center
1998	Real Estate Ethics	3 hours	Hondros Career Center
	Civil Rights	3 hours	Hondros Career Center
1999	22nd Annual Real Estate Economic Seminar	7 hours	Appraisal Institute
2000	Comprehensive Appraisal Workshop	26 hours	Ted Whitmer, MAI
	Red Flags in Property Inspection	8 hours	Hondros Career Center
	Housing: Building from the Ground Up	8 hours	Hondros Career Center
2002	Civil Rights	3 hours	Hondros Career Center
	Ethics	3 hours	Hondros Career Center
	Core Law	3 hours	Hondros Career Center
	Course II 430	16 hours	Appraisal Institute
2003	National USPAP Update	7 hours	Hondros Career Center
	Site Valuation & Cost Approach	14 hours	Hondros Career Center

Continuing Education

2004	27th Annual Real Estate Seminar	8 hours	Appraisal Institute
2005	Commercial Specialist	15 hours	Hondros Career Center
	Cannons of Ethics	3 hours	Hondros Career Center
	Civil Rights Update	3 hours	Hondros Career Center
	Agency	3 hours	Hondros Career Center
	Blueprints and Specifications	7 hours	Hondros Career Center
	Principles and Procedures	14 hours	Hondros Career Center
2006	Course 110 Basic Appraisal Principles	30 hours	Appraisal Institute
	Course 420 Business Practices/Ethics	7 hours	Appraisal Institute
	National USPAP Update	7 hours	Appraisal Institute
	Course 120 Basic Appraisal Procedures	30 hours	Appraisal Institute
2007	Course 7 Hour National USPAP Update	7 hours	Appraisal Institute
	30th Annual Real Estate Economic Seminar	8 hours	Appraisal Institute
2008	Civil Rights Update	3 hours	Hondros Career Center
	Ohio Core Law Update	3 hours	Hondros Career Center
	Cannons of Ethics	3 hours	Hondros Career Center
	Sales Comparison Approach	7 hours	Hondros Career Center
	Income Approach: Overview	7 hours	Hondros Career Center
2009	National USPAP Update	7 hours	Appraisal Institute
	32nd Annual Real Estate Economic Seminar	7 hours	Appraisal Institute
2010	33rd Annual Real Estate Economic Seminar	7 hours	Appraisal Institute
	Business Practices and Ethics	7 hours	Appraisal Institute
2011	Introduction to Commercial Appraisal	3.5 hours	Hondros Career Center
	Civil Rights	3 hours	Hondros Career Center
	Agency Law	3 hours	Hondros Career Center
	Property Law Basics	3 hours	Hondros Career Center
	Real Estate Auction	3 hours	Hondros Career Center
	Title Environmental Issues	3 hours	Hondros Career Center
	Demystifying Real Estate Short Sales	3 hours	Hondros Career Center
	Foreclosures	3 hours	Hondros Career Center
	NAR Code & Ohio Canons	3 hours	Hondros Career Center
2013	National USPAP Equivalent Course	15 hours	Appraisal Institute
2014	Appraisal review of Residential Properties	7 hours	Hondros College
	Methodology of Sales Comparison Approach	7 hours	Hondros College

2015	Methodology of Sales Comparison Approach	7 hours	Hondros College
	Green in Residential Appraisals	7 hours	Hondros College
	2014-2015 USPAP Update	7 hours	Hondros College
2016	39th Annual Economic Summit	7 hours	Hondros College
	2016-2017 USPAP Update	7 hours	Hondros College

Clients Served by the Appraiser

Huntington National Bank; Arlington Bank; Benchmark Bank; Union Savings Bank; The State Bank & Trust Company; Delaware County Bank; City of Obetz; Columbus Builder's Supply; The Ohio State Bank; Commerce National Bank; Citizens National Bank of Urbana; Lennar Commercial Real Estate; Foxboro Management; Park National Bank; Fahey Bank; Telhio Credit Union; Chase Bank; PNC Bank ; and attorneys and private investors.

APPRAISER DISCLOSURE STATEMENT

In Compliance with Ohio Revised Code Section 4763.12 (c)

1. Name of Appraiser: Kenneth A. Mollica
2. Class of Certification/Licensure: X Certified General Licensed Residential Temp General Licensed

Certification/Licensure Number: 391885

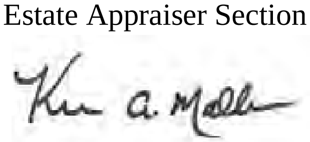
3. Scope: This report X is within the scope of my Certification or License. is not within the scope of my Certification or License.

4. Service Provided by: X Disinterested & Unbiased Third Party Interested and Biased Third Party Interested Third Party on Contingent Fee Basis

5. Signature of person preparing and reporting the appraisal.

This form must be included in conjunction with all appraisal assignments or specialized services performed by a state-certified or state-licensed real estate appraiser.

State of Ohio Department of Commerce Division
of Real Estate Appraiser Section Cleveland, OH
(216)



787-3100

STATE OF OHIO
DIVISION OF REAL ESTATE
AND PROFESSIONAL LICENSING

AN APPRAISER LICENSE/CERTIFICATE
has been issued under ORC Chapter 4763 to:

NAME: Kenneth A Mollica
LIC/CERT NUMBER: 000391885
LIC LEVEL: Certified General Real Estate Appraiser
CURRENT ISSUE DATE: 01/17/2017
EXPIRATION DATE: 01/26/2018
USPAP DUE DATE: 01/26/2019

Nº 2214

George V. Voinovich, Governor

State of Ohio

Nancy Chiles Dix, Director

Department of Commerce

ORIGINAL ISSUE DATE: 01/26/93

Division of Real Estate

CERTIFICATE NO.: 391885

CERTIFIED GENERAL REAL ESTATE APPRAISER

THIS IS TO ACKNOWLEDGE THAT

MOLLICA, KENNETH A.

HAS QUALIFIED UNDER THE LAWS AND REVISED CODE OF THE STATE OF OHIO AND THE REQUIREMENTS OF THE REAL ESTATE APPRAISER BOARD AND IS DULY CERTIFIED AND QUALIFIED TO ENGAGE IN THE PRACTICE OF GENERAL REAL ESTATE APPRAISAL.

Witness the seal of the Ohio Department of Commerce, Division of Real Estate and the signatures of this board this 9th day of December 1993.

Chairman

Superintendent

Member

Member

Member

Member

This certificate is not valid unless renewed in accordance with state requirements.