

# **EXHIBIT Q**

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**Integra Realty Resources**  
**Caribbean**

**Appraisal of Real Property**

**Plaza Extra West**

Retail Property  
Plot No. 14 (Part) Estate Plessen  
Prince Quarter, St. Croix, Virgin Islands

**Prepared For:**

Dudley, Topper and Feuerzeig, LLP

**Effective Date of the Appraisal:**

April 30, 2014

**Report Format:**

Appraisal Report – Standard Format

**IRR - Caribbean**

File Number: 172-2015-0081





**Plaza Extra West**  
Plot No. 14 (Part) Estate Plessen  
Prince Quarter, St. Croix, Virgin Islands

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September 26, 2016

Gregory Hodges  
Dudley, Topper and Feuerzeig, LLP  
Law House, 1000 Frederiksberg Gade  
St. Thomas, VI 00802

SUBJECT:       Market Value Appraisal  
                  Plaza Extra West (Real Estate)  
                  Plot No. 14 (Part) Estate Plessen  
                  Prince Quarter, St. Croix, Virgin Islands  
                  IRR - Caribbean File No. 172-2015-0081

Dear Mr. Hodges:

Integra Realty Resources – Caribbean is pleased to submit the accompanying appraisal of the referenced property. The purpose of the appraisal is to develop an opinion of the retrospective market value of the fee simple interest in the property. In the course of preparing this appraisal, we have also provided an opinion of the retrospective market rent for the property and contrasted that with the rent being paid under a lease between interested parties that was executed in 2014. The client for the assignment is Dudley, Topper and Feuerzeig, LLP, and the intended use is for litigation purposes.

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, the Principles of Appraisal Practice and Code of Ethics of the American Society of Appraisers, the RICS Valuation Professional Standards, the International Valuation Standards, and applicable jurisdictional appraisal regulations.

To report the assignment results, we use the Appraisal Report option of Standards Rule 2-2(a) 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 Integra Realty Resources internal standards for an Appraisal Report –

Standard Format. This format summarizes the information analyzed, the appraisal methods employed, and the reasoning that supports the analyses, opinions, and conclusions.

The subject is an existing supermarket property containing 163,313 square feet of gross building area, which includes a retail/shopping area, a warehouse/storage area, and offices. The improvements were constructed in 1999, were previously owner occupied and are now 100% leased. The site area is 16.037 acres or 698,568 square feet.

Based on the valuation analysis in the accompanying report, and subject to the definitions, assumptions, and limiting conditions expressed in the report, our opinion of value is as follows:

<b>Final Value Conclusions</b>			
<u>Appraisal Premise</u>	<u>Interest Appraised</u>	<u>Date of Value</u>	<u>Value Conclusion</u>
Retrospective Market Value	Fee Simple	April 30, 2014	\$11,120,000
		<i>Eleven Million One Hundred Twenty Thousand Dollars</i>	

\*Values expressed in United States Dollars

#### **Extraordinary Assumptions and Hypothetical Conditions**

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. We were not able to inspect the entire interior of the subject nor the rear exterior of the improvements. We were only able to access the interior of the retail shopping area, but not the warehouse or office areas. We have assumed that the information provided by the client regarding the quality and condition of these areas is accurate.
2. The land area and description of the site is based on a survey of the subject property which has not yet been recorded. The survey denotes the subject site as Plot 14XX, and this denotation would change when/if the survey gets recorded in the Cadastral office for the territory.

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

1. No hypothetical conditions were employed in this analysis.



Gregory Hodges  
Dudley, Topper and Feuerzeig, LLP  
September 26, 2016  
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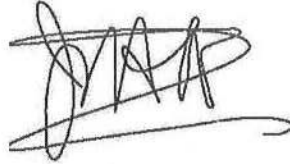
If you have any questions or comments, please contact the undersigned. Thank you for the opportunity to be of service.

Respectfully submitted,

**Integra Realty Resources - Caribbean**



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## Summary of Salient Facts and Conclusions

Property Name	Plaza Extra West
Address	Plot No. 14 (Part) Estate Plessen Prince Quarter, St. Croix, Virgin Islands
Property Type	Retail - Mixed Use
Owner of Record	Plessen Enterprises, Inc.
Parcel ID	4-06200-0408-00
Legal Description	Plot No. 14XX from Remainder Parcel No. 14 Estate Plessen, Prince Quarter, St. Croix, U.S. Virgin Islands
Land Area	16.04 acres; 698,568 SF
Gross Building Area	163,313 SF
Percent Leased	100%
Year Built; Year Renovated	1999; N/A
Zoning Designation	B-2, Business - Secondary
Highest and Best Use - As if Vacant	Retail use
Highest and Best Use - As Improved	Continued retail use
Exposure Time; Marketing Period	12-24 months; 12-24 months
Effective Date of the Appraisal	April 30, 2014
Date of the Report	September 26, 2016
Property Interest Appraised	Fee Simple
Market Value Indications	
Cost Approach	\$10,720,000
Sales Comparison Approach	Not Used
Income Capitalization Approach	\$11,250,000
Market Value Conclusion*	\$11,120,000

\*Values expressed in United States Dollars

The values reported above are subject to the definitions, assumptions, and limiting conditions set forth in the accompanying report of which this summary is a part. No party other than Dudley, Topper and Feuerzeig, LLP and Mr. Fathi Yusuf and any applicable civil courts of the U.S. Virgin Islands may use or rely on the information, opinions, and conclusions contained in the report. It is assumed that the users of the report have read the entire report, including all of the definitions, assumptions, and limiting conditions contained therein.

### Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. We were not able to inspect the entire interior of the subject nor the rear exterior of the improvements. We were only able to access the interior of the retail shopping area, but not the warehouse or office areas. We have assumed that the information provided by the client regarding the quality and condition of these areas is accurate.
2. The land area and description of the site is based on a survey of the subject property which has not yet been recorded. The survey denotes the subject site as Plot 14XX, and this denotation would change when/if the survey gets recorded in the Cadastral office for the territory.

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

1. No hypothetical conditions were employed in this analysis.



## General Information

### Identification of Subject

The subject is an existing supermarket property containing 163,313 square feet of gross building area, which includes a retail/shopping area, a warehouse/storage area, and offices. The improvements were constructed in 1999, were previously owner occupied and are now 100% leased. The site area is 16.037 acres or 698,568 square feet. The legal description of the property is show below.

#### Property Identification

Property Name	Plaza Extra West
Address	Plot No. 14 (Part) Estate Plessen Prince Quarter, St. Croix, Virgin Islands
Parcel ID	4-06200-0408-00
Owner of Record	Plessen Enterprises, Inc.
Legal Description	Plot No. 14XX from Remainder Parcel No. 14 Estate Plessen, Prince Quarter, St. Croix, U.S. Virgin Islands

### Sale History

The most recent closed sale of the subject is summarized as follows:

Sale Date	September 6, 2008
Seller	John W. Warlick
Buyer	Plessen Enterprises, Inc.
Sale Price*	\$580,000
Recording Instrument Number	document number 2008005467 of the U.S. Virgin Islands Recorder of Deeds office
Expenditures Since Purchase	Unknown

\*Note that the deed indicates a value worth not greater than \$580,000, which was included for tax purposes only.

It should also be noted that this transaction includes a total land area of 74.98 acres, of which the subject property contains only 16.037 acres according to a recent land survey. Based on discussions with ownership, this transaction was between related parties and does not represent a market oriented sale.

To the best of our knowledge, no sale or transfer of ownership has taken place within a three-year period prior to the effective appraisal date.

The entire subject property is currently subject to an active lease agreement between related parties. Pertinent lease terms are as follows.

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**Lease Synopsis**


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Lessor	Plessen Enterprises, Inc.				
Lessee	KAC357				
Leased SF	163,313				
Lease Type	Triple Net				
Tenant Paid Expenses	Property taxes, insurance, and all repairs and maintenance				
Owner Paid Expenses	General/Administrative costs, management expenses and gross receipts taxes				
Commencement	4/29/2014				
Expiration	4/28/2024				
Cancellation Clause	None				
Term	120	months	or	10.0	years
Remaining Term	120	months	or	10.0	years
Base Rent & Escalations	Period	Months	PSF/Yr	Annual Rent	
	Base Term	4/29/2014 - 4/28/2024	1 - 120	\$4.35	\$710,000
	Option Term	4/29/2024 - 4/28/2034	121 - 240	\$4.35	\$710,000
	Option Term	4/29/2034 - 4/28/2044	241 - 360	\$4.35	\$710,000
Current Contract Rent					\$710,000
Projected Market Rent - First Forecast Year					\$1,224,848

Comments                      The annual rent includes a \$50,000 annual fee due to the landlord for the tenant's use of the sewer servicing the building.

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Source: Lease

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The lease rate is below our estimated market rent conclusion. For the purposes of the report, we have disregarded the lease in this analysis.

### Pending Transactions

To the best of our knowledge, the property is not subject to an agreement of sale or an option to buy, nor is it listed for sale, as of the effective appraisal date.

### Purpose of the Appraisal

The purpose of the appraisal is to develop an opinion of the retrospective market value of the fee simple interest in the property as of the effective date of the appraisal, April 30, 2014. The date of the report is September 26, 2016. The appraisal is valid only as of the stated effective date or dates.

### Basis of 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 is 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 U.S. 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."

*(Source: Code of Federal Regulations, Title 12, Chapter I, Part 34.42[g]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472)*

### **Definition of Property Rights Appraised**

Fee simple estate is defined as, "Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."

*(Source: The Dictionary of Real Estate Appraisal, Fifth Edition, Appraisal Institute, Chicago, Illinois, 2010)*

The entire subject property is currently subject to an active lease agreement between related parties. Based on client instructions, we are only valuing the fee simple interest in the subject as if there were no lease.

### **Intended Use and User**

The intended use of the appraisal is for litigation purposes. The client and intended user is Dudley, Topper and Feuerzeig, LLP, and other intended users are Mr. Fathi Yusuf and any applicable civil courts of the U.S. Virgin Islands. The appraisal is not intended for any other use or user. No party or parties other than Dudley, Topper and Feuerzeig, LLP, Mr. Fathi Yusuf and any applicable civil courts of the U.S. Virgin Islands may use or rely on the information, opinions, and conclusions contained in this report.

### **Applicable Requirements**

This appraisal is intended to conform to the requirements of the following:

- Uniform Standards of Professional Appraisal Practice (USPAP);
- Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute;
- The Principles of Appraisal Practice and Code of Ethics of the American Society of Appraisers

- The RICS Valuation Professional Standards;
- The International Valuation Standards of the IVSC;
- Applicable jurisdictional regulations
- 

### **Prior Services**

USPAP requires appraisers to disclose to the client any other services they have provided in connection with the subject property in the prior three years, including valuation, consulting, property management, brokerage, or any other services. The RICS Red Book also contains requirements for valuers to disclose previous involvement with the subject property within twelve months. We have not performed any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

### **Competency**

We hereby confirm that we possess adequate knowledge and skills to perform the assignment competently, including an understanding area/regional market conditions, and factors which pertain to the property type in question.

### **Independence**

We hereby confirm that we have no conflicts of interest or material involvement in the property which is the subject of this valuation; and that we are acting as unbiased, independent, external valuers.

### **RICS Valuer Registration**

We confirm that we are in compliance with the RICS Valuer Registration program, which is mandatory for RICS members in the Caribbean region.

### **Currency**

Unless otherwise stated, all financial figures in this report are expressed in United States Dollars.

### **Scope of Work**

To determine the appropriate scope of work for the assignment, we considered the intended use of the appraisal, the needs of the user, the complexity of the property, and other pertinent factors. Our concluded scope of work is described below.

### **Valuation Methodology**

Appraisers usually consider the use of three approaches to value when developing a market value opinion for real property. These are the cost approach, sales comparison approach, and income capitalization approach. Use of the approaches in this assignment is summarized as follows:

<b>Approaches to Value</b>		
Approach	Applicability to Subject	Use in Assignment
Cost Approach	Applicable	Utilized
Sales Comparison Approach	Not Applicable	Not Utilized
Income Capitalization Approach	Applicable	Utilized

The **income capitalization approach** is the most reliable valuation method for the subject due to the following:

- The probable buyer of the subject would base a purchase price decision primarily on the income generating potential of the property and an anticipated rate of return.
- Sufficient market data regarding income, expenses, and rates of return, is available for analysis.

The **cost approach** is an applicable valuation method because:

- The subject is a special purpose property where there are limited alternative properties available for purpose.
- There is an active land market, making estimates of underlying land value reasonably reliable.

The **sales comparison approach** is not applicable to the assignment considering the following:

- There is not an active market for similar properties and sufficient sales data is not available for analysis.

### Research and Analysis

The type and extent of our research and analysis is detailed in individual sections of the report. This includes the steps we took to verify comparable sales, which are disclosed in the comparable sale profile sheets in the addenda to the report. Although we make an effort to confirm the arms-length nature of each sale with a party to the transaction, it is sometimes necessary to rely on secondary verification from sources deemed reliable.

### Inspection

Mark J. Weathers conducted an interior and exterior inspection of the property on June 16, 2015. James V. Andrews, MAI, CRE, FRICS, ASA, CVA, conducted an interior and exterior inspection on July 3, 2015.

We were not able to access the entire interior of the property. Due to client restrictions, we only inspected the retail shopping area in the building, but not the storage/warehouse areas or the office area. We have ascertained the quality and condition of these areas based on discussions with the client.

# Economic Analysis

## Area Analysis

### Location

The U.S. Virgin Islands are located in the Caribbean Sea and the Atlantic Ocean, about 90 miles (140 km) east of Puerto Rico and immediately west of the British Virgin Islands.



The territory consists of four main islands: Saint Thomas, Saint John, Saint Croix, and Water Island, as well as several dozen smaller islands. The combined land area of the islands is roughly twice the size of Washington, D.C.



A mild tropical climate, scenic beauty, and status as a U.S. territory make Virgin Islands appealing for vacationers from United States and Europe. The islands host over 2.5 million visitors per year, most of whom arrive by cruise ship, and tourism is the dominant economic engine of the islands, accounting for roughly 70 percent of the total gross territorial product.

Each district has its own distinct landscape, mix and intensity of land uses, cultural identity, and prospects for future development. St Thomas is home to the capital and the territory's largest city, Charlotte Amalie, which has an estimated population of roughly 19,000 persons. St Thomas is the primary center for resort tourism, government, finance, trade, and commerce, but its rugged landscape limits the land available for agriculture and other types of land-intensive development. Charlotte Amalie is also home to a major deepwater harbor that is along major shipping routes to the Panama Canal, and it is just east of the Cyril E King International Airport – one of the busiest airports in Caribbean. St. Thomas has two cruise ship docks, and is the most frequented cruise ship port in the Caribbean.

The island of St John is just under 3 miles to the east of St Thomas. Cruz Bay is located on the western coast of the island and serves as its primary port and link to St Thomas. Nearly two thirds of St John is owned by the National Park Service and is off-limits to commercial development.

St Croix is largest of the three islands, in both land area and population. It is roughly 45 miles to the south of St Thomas. Its primary towns are Christiansted and Frederiksted. Overall the island is flatter and has more land available for additional agricultural, commercial and residential development than St Thomas. St Croix is also the primary manufacturing center for the Virgin Islands, with rum distilleries, a major watch-assembly plant, and; until February 2012, one of the world's largest petroleum refineries (which recently ceased refining operations).

## History

The Virgin Islands were originally settled by the Ciboney, Carib, and Arawaks. The islands were named by Christopher Columbus on his second voyage in 1493 for Saint Ursula and her virgin followers. Over the next three hundred years, the islands were held by many European powers, including Spain, England, the Netherlands, France, and Denmark-Norway. The Danes developed the islands with plantation estates, and the estates boundaries are still used in legal descriptions for land to this day.

The U.S. took possession of the islands on March 31, 1917 and the territory was renamed the Virgin Islands of the United States. U.S. citizenship was granted to the inhabitants of the islands in 1927.

## Government

The U.S. Virgin Islands are an organized, unincorporated United States territory. Even though they are U.S. citizens, Virgin Islands residents cannot vote in presidential elections. Virgin Islands residents, however, are able to vote in presidential primary elections for delegates to the Democratic National Convention and the Republican National Convention.

The main political parties in the U.S. Virgin Islands are the Democratic Party of the Virgin Islands, the Independent Citizens Movement, and the Republican Party of the Virgin Islands. Additional candidates run as independents.

At the national level, the U.S. Virgin Islands elects a delegate to Congress from its at-large congressional district. However, the elected delegate, while able to vote in committee, cannot participate in floor votes.

At the territorial level, 15 senators—seven from the district of Saint Croix, seven from the district of Saint Thomas and Saint John, and one senator at-large who must be a resident of Saint John—are elected for two-year terms to the unicameral Virgin Islands Legislature. The U.S. Virgin Islands has elected a territorial governor every four years since 1970. Previous governors were appointed by the President of the United States.

### Population and Employment

In 2008, the residential population of the Virgin Islands peaked at an estimated 115,852 persons. This follows five years of slow but steady growth of 1.0%, slightly slower than the U.S. annual average of 1.15%. Since 2008, population levels have fallen each year, to the 2014 estimated population of 104,170 persons.

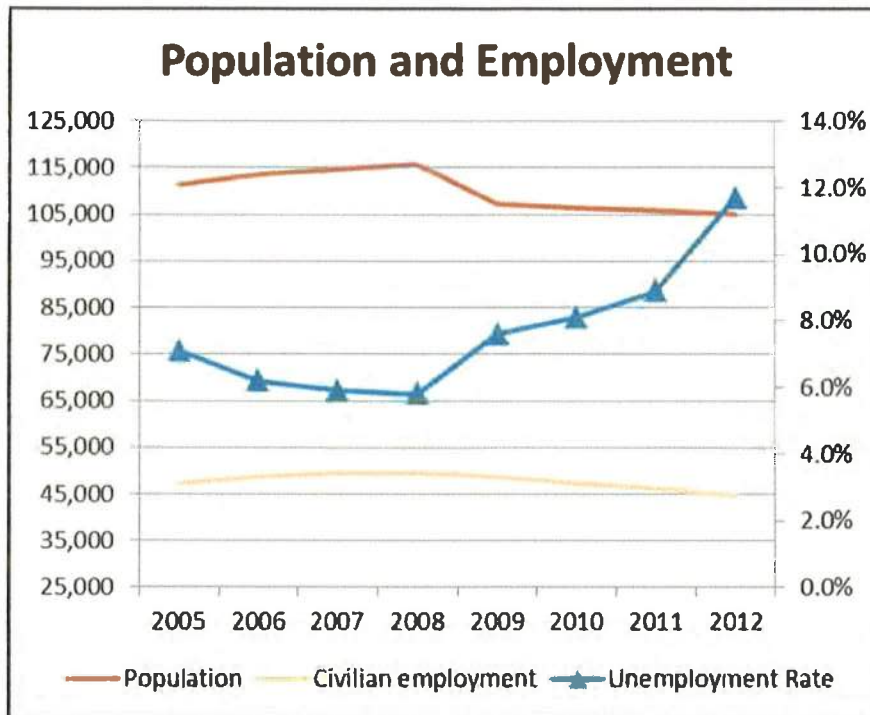
Among the three islands, St Croix and St Thomas are nearly equally populous with St John having less than 4 percent of the total population of the Virgin Islands.

USVI Economic Indicators									5 Yr Ann
	2005	2006	2007	2008	2009	2010	2011	2012	Growth
<b>Population</b>	111,470	113,689	114,743	115,852	107,343	106,405	105,784	105,169	-1.7%
St. Croix	54,635	55,722	56,239	56,783	52,612	50,601	50,247	50,005	-2.2%
St. Thomas	52,528	53,574	54,070	54,592	50,583	51,634	51,266	51,051	-1.1%
St. John	4,307	4,393	4,434	4,477	4,148	4,170	4,134	4,113	-1.4%
<b>Civilian labor force</b>	51,159	51,159	52,670	52,630	52,861	51,424	50,729	50,577	-0.8%
<b>Civilian employment</b>	47,301	48,640	49,547	49,589	48,863	47,272	46,121	44,659	-2.0%
<b>Unemployment rate (percent)</b>	7.1%	6.2%	5.9%	5.8%	7.6%	8.1%	8.9%	11.7%	19.7%
<b>Gross Territorial Product (GTP, Millions)</b>	\$4,457	\$4,635	\$4,836	\$4,851	\$4,583	\$4,660	\$4,351	\$3,778	-4.4%
<b>GTP Per Capita</b>	\$39,984	\$40,769	\$42,146	\$41,872	\$42,695	\$43,795	\$41,131	\$35,923	-3.0%
<b>Personal income (PI)</b>	\$2,723	\$2,777	\$2,964	\$2,606	\$2,602	\$2,704	\$2,661	\$2,586	-2.6%
<b>Per capita personal income (\$)</b>	\$24,424	\$24,425	\$25,835	\$22,493	\$24,242	\$25,408	\$25,153	\$24,586	-1.0%
<b>Total Exports (Millions of \$)</b>	\$10,476	\$11,627	\$12,962	\$17,249	\$9,728	\$11,930	\$13,314	\$2,263	-16.5%
Refined petroleum	\$9,376	\$10,463	\$11,242	\$13,592	\$8,327	\$9,759	\$10,486	\$932	-18.3%
<b>Value of construction permits (Millions \$)</b>	\$390.20	\$442.70	\$266.10	\$273.30	\$261.80	\$187.20	\$179.10	\$141.40	-9.4%
St. Thomas/St. John	\$274.30	\$217.70	\$172.90	\$183.80	\$79.00	\$80.60	\$87.90	\$85.10	-10.2%
St. Croix	\$115.90	\$225.00	\$93.20	\$89.50	\$175.90	\$106.50	\$91.10	\$56.20	-7.9%

Source: VI Bureau of Economic Research

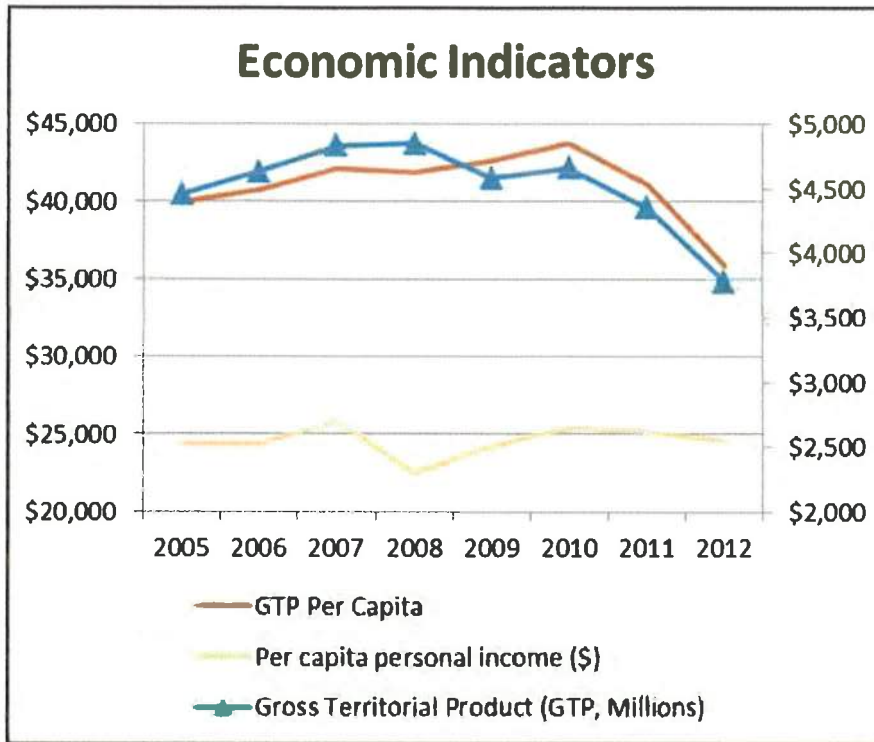
The territory's Labor Force has also declined slightly, and there has been a steady increase in the unemployment rate; which was further affected by the closure of the Hovensa oil and gas refinery in 2012.





### Industry

The territory relies heavily on tourism for economic stability. Additional industries include the production and export of rum; and until early 2012, the production of refined petroleum products (the Hovensa Refinery in St. Croix closed in early 2012). The Gross Domestic Product peaked in 2007 at \$4.85 million, and declined to \$4.14 million in 2012, and further declined to \$3.79 million for 2013. Personal income per capita has remained relatively steady at just over \$24,000, however, the Gross Territorial Product (similar to GDP) has also declined.

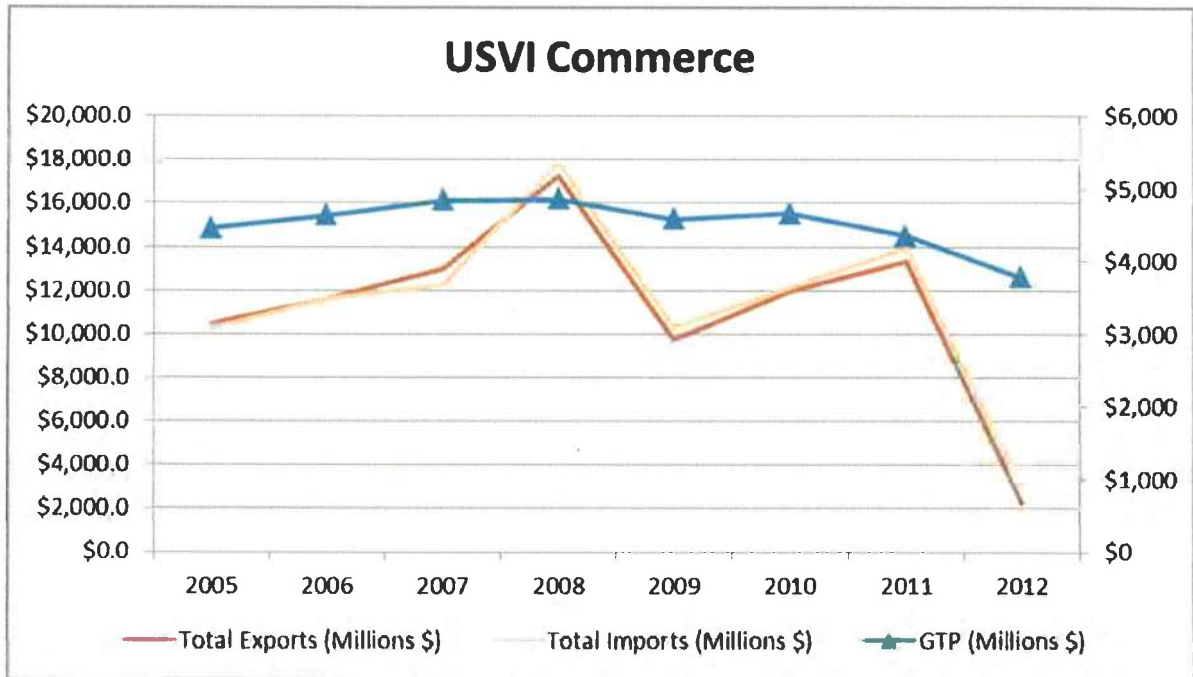


The closure of the Hovensa refinery, which was one of the territory's largest employers, also had a significant impact on exports which were previously dominated by petroleum products. Otherwise, the territory predominantly relies on the tourism industry to support the economy.

#### Commerce and Trade (Millions of \$ Unless Otherwise Noted)

	2005	2006	2007	2008	2009	2010	2011	2012	5-Yr Annual Growth
<b>Total exports</b>	\$10,476.3	\$11,626.6	\$12,961.8	\$17,249.4	\$9,728.3	\$11,929.5	\$13,313.5	\$2,263.2	-16.5%
To U.S.	\$9,954.1	\$11,047.4	\$12,182.2	\$14,496.3	\$8,495.3	\$9,992.5	\$10,994.8	\$1,377.7	-17.7%
Refined petroleum	\$9,375.7	\$10,462.8	\$11,242.1	\$13,591.9	\$8,327.3	\$9,759.4	\$10,486.1	\$932.4	-18.3%
Other	\$578.4	\$584.6	\$940.1	\$904.4	\$168.0	\$233.1	\$508.7	\$445.3	-10.5%
To foreign	\$522.2	\$579.2	\$779.6	\$2,753.1	\$1,233.0	\$1,937.0	\$2,318.7	\$885.5	2.7%
<b>Total Imports</b>	\$10,243.3	\$11,614.8	\$12,251.0	\$17,861.3	\$10,289.9	\$12,153.9	\$13,972.7	\$2,966.7	-15.2%
From U.S.	\$1,153.6	\$1,321.4	\$1,261.0	\$1,214.6	\$1,139.3	\$1,548.9	\$1,767.6	\$1,719.4	7.3%
Crude petroleum	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	
Other	\$1,153.6	\$1,321.4	\$1,261.0	\$1,214.6	\$1,139.3	\$1,548.9	\$1,767.6	\$1,719.4	7.3%
From foreign	\$9,089.7	\$10,293.4	\$10,990.0	\$16,646.7	\$9,150.6	\$10,605.0	\$12,205.1	\$1,247.3	-17.7%
Crude petroleum	\$8,739.6	\$9,502.4	\$8,204.7	\$12,045.8	\$7,085.9	\$7,721.7	\$10,340.9	\$660.3	-18.4%
Other	\$350.1	\$791.0	\$2,785.3	\$4,600.9	\$2,064.7	\$2,883.3	\$1,864.2	\$587.0	-15.8%
<b>Rum exports to U.S. (thous. of P.L.)</b>	\$25,241.8	\$27,917.9	\$28,725.1	\$31,478.7	\$38,445.3	\$40,045.1	\$35,801.2	\$62,570.0	23.6%
<b>Watch exports to U.S. (thousands)</b>	\$263.6	\$268.8	\$251.4	\$183.6	\$75.0	\$52.0	\$52.7	\$55.6	-15.6%
<b>Ocean freight imports (thousands of tons)</b>	\$1,023.0	\$1,013.0	\$1,092.0	\$1,080.0	\$1,065.0	\$1,091.0	\$1,157.0	\$1,975.0	16.2%
To St. Thomas/St. John	\$821.0	\$758.0	\$851.0	\$774.0	\$685.0	\$612.0	\$720.0	\$1,199.0	8.2%
To St. Croix (excluding petroleum)	\$202.0	\$247.0	\$241.0	\$306.0	\$380.0	\$479.0	\$436.0	\$776.0	44.4%

Source: VI Bureau of Economic Research



Over ninety percent of non-farm jobs are in the service providing industries, with the remaining jobs being in goods producing industries. Government, trade, transportation and utilities, and leisure and hospitality remain the industries with the largest number of jobs.

These three sectors account for 69 percent of all jobs. Professional and business services, construction and financial activities account for approximately 9 percent, 4 percent and 6 percent respectively. Manufacturing and information sectors account for about 2 percent each, while educational and health services account for 6 percent. Other services account for the remainder of jobs.

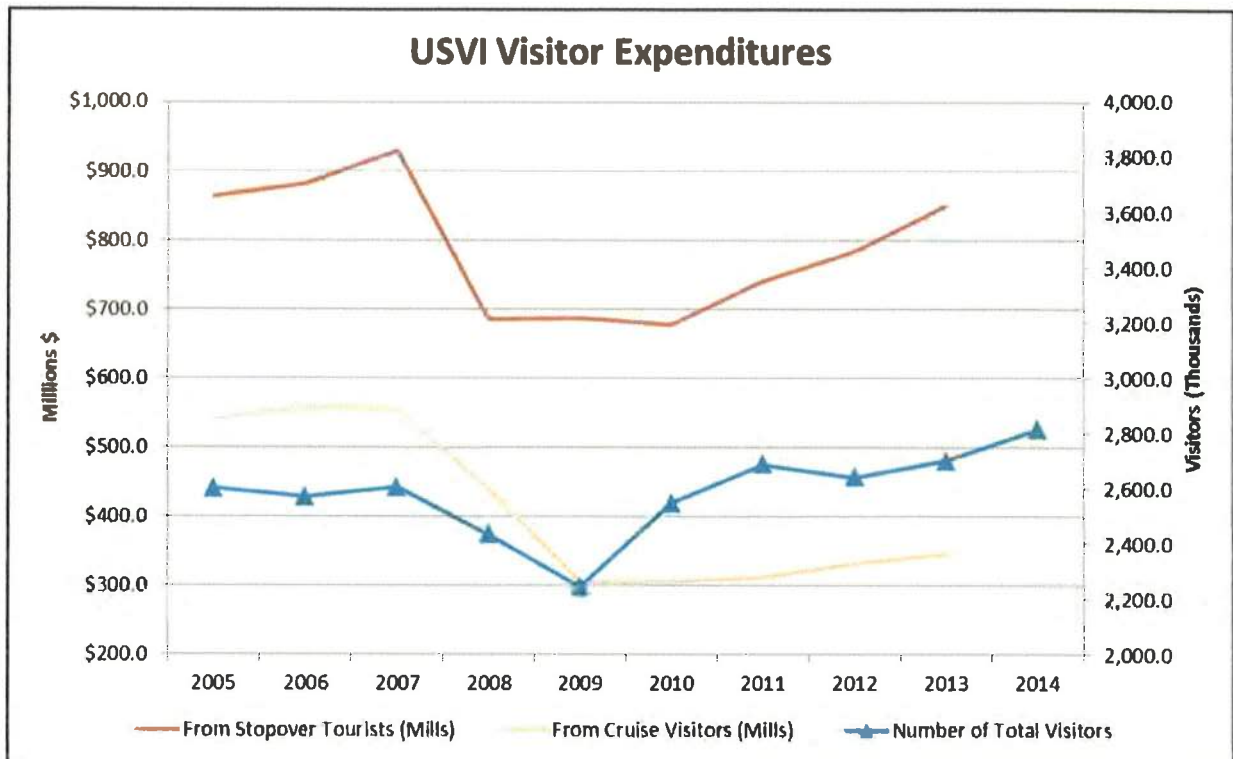
**Tourism**

The total number of visitor arrivals to the territory reached over 2.8 million in 2014, including both air and cruise ship arrivals. This represents 4.2% growth over the prior year. Total visitor expenditures are also growing, with annual growth in excess of 6% each of the last three years.

USVI Visitor Expenditures										
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Total Visitors (Thousands)</b>	2,601.9	2,570.7	2,606.2	2,435.2	2,245.0	2,548.7	2,687.9	2,642.1	2,701.5	2,814.7
Growth		-1.2%	1.4%	-6.6%	-7.8%	13.5%	5.5%	-1.7%	2.2%	4.2%
<b>Total Visitor Expenditures</b>	\$1,431.6	\$1,467.6	\$1,512.6	\$1,157.1	\$1,021.3	\$1,012.5	\$1,085.3	\$1,152.8	\$1,232.2	
Growth		2.5%	3.1%	-23.5%	-11.7%	-0.9%	7.2%	6.2%	6.9%	
From Stopover Tourists	\$863.8	\$883.2	\$929.8	\$686.4	\$687.4	\$678.2	\$740.6	\$784.7	\$851.0	
Day Trip Excursionists	\$27.2	\$25.6	\$27.7	\$29.7	\$28.6	\$28.0	\$35.4	\$35.4	\$36.1	
From Cruise Ship Passengers	\$540.6	\$558.8	\$555.2	\$441.0	\$305.3	\$306.3	\$311.8	\$332.7	\$345.1	

Source: VI Bureau of Economic Research



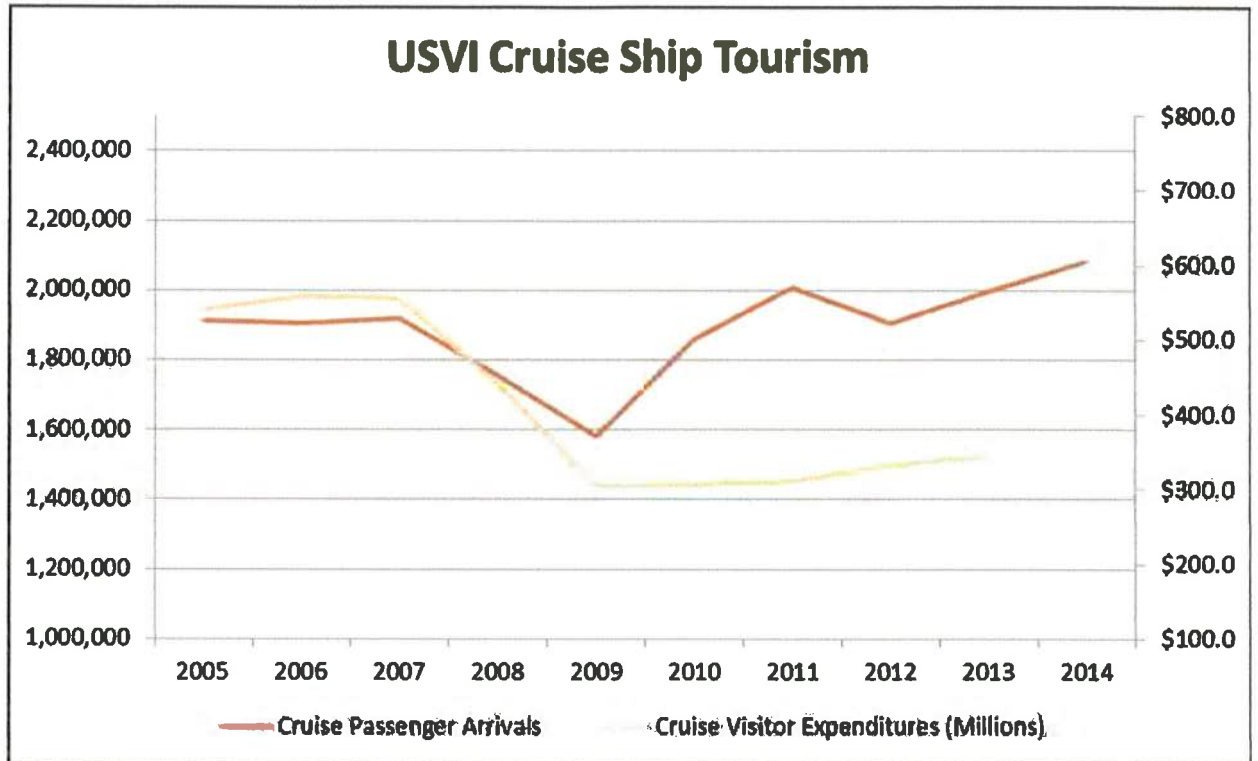


It is apparent, however, that the amount of visitor expenditures from cruise ship passengers has not increased linearly with arrivals since 2009; whereby the ratio was more linear in prior years. Cruise passenger arrivals grew 4.94% to over 2.08 million in 2014 following growth of 5.37% in the prior year. Total expenditures from cruise ship visitors grew 3.73% to over \$345 million in 2013, following growth of 6.7% in 2012.

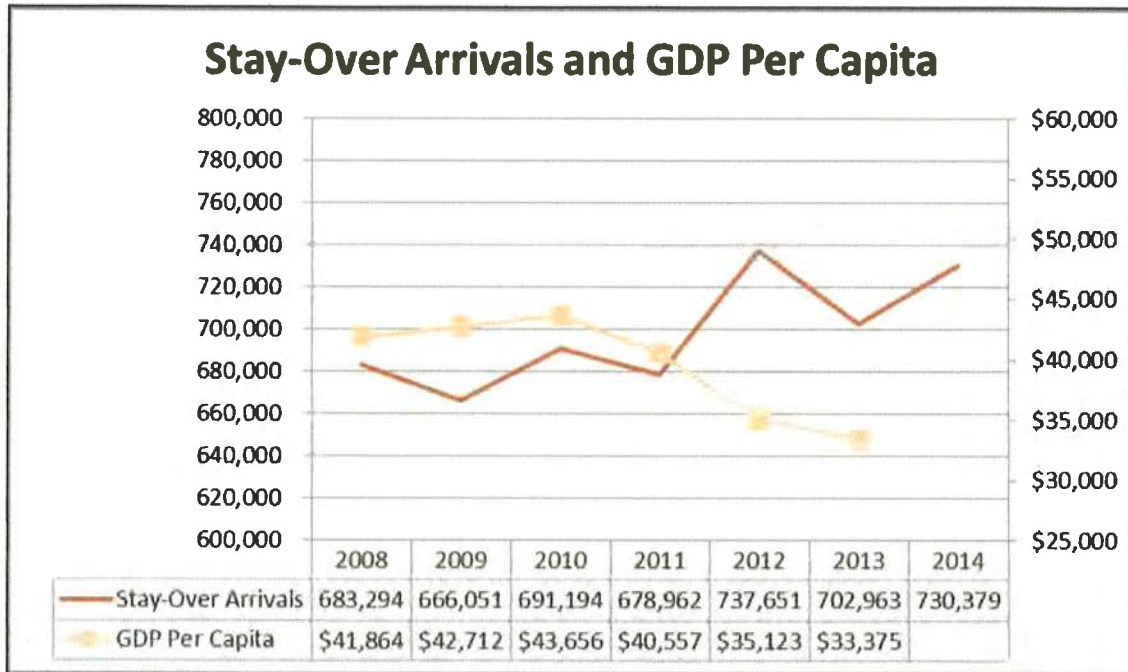
Cruise Ship Passenger Arrivals										
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
St. Thomas / St. John	1,909,984	1,901,275	1,917,371	1,754,557	1,507,623	1,751,328	1,887,096	1,790,550	1,886,647	1,979,926
Growth		-0.46%	0.85%	-8.49%	-14.07%	16.16%	7.75%	-5.12%	5.37%	4.94%
St. Croix	54,502	35,191	7,146	2,510	105,093	149,418	158,186	117,165	116,436	127,238
Growth		-35.43%	-79.69%	-64.88%	4086.97%	42.18%	5.87%	-25.93%	-0.62%	9.28%
<b>Total</b>	<b>1,912,539</b>	<b>1,903,533</b>	<b>1,917,878</b>	<b>1,757,067</b>	<b>1,582,264</b>	<b>1,858,946</b>	<b>2,008,991</b>	<b>1,904,468</b>	<b>1,998,579</b>	<b>2,083,890</b>
Growth		-0.47%	0.75%	-8.38%	-9.95%	17.49%	8.07%	-5.20%	4.94%	4.27%
<b>Cruise Visitor Expenditures (Millions)</b>	<b>\$540.6</b>	<b>\$558.8</b>	<b>\$555.2</b>	<b>\$441.0</b>	<b>\$305.3</b>	<b>\$306.3</b>	<b>\$311.8</b>	<b>\$332.7</b>	<b>\$345.1</b>	
		3.37%	-0.64%	-20.57%	-30.77%	0.33%	1.80%	6.70%	3.73%	

Source: VI Bureau of Economic Research

Totals for each island include 1st and 2nd ports of call; totals for USVI include only 1st port of call



In terms of stopover tourists, the U.S. Virgin Islands ranks 7<sup>th</sup> in the list of the top tourism markets in the Caribbean, with estimated year-end 2014 stay-over arrivals of about 730,000. The year 2014 indicated modest growth in arrivals, with 3.90% growth over the prior period based on data through November. The chart below illustrates the relationship between arrivals and GDP. We note that the continuing downturn in GDP is likely due to negative influences outside the tourism sector, such as the 2012 closure of the Hovensa oil refinery in St. Croix.



Source: Caribbean Tourism Association, WorldBank, Integra Realty Resources

### Hotel Performance

Data from Smith Travel Research indicates 2014 occupancy for reporting hotels of 67.8%, up 3.29% over the prior year. The reported average daily rate (ADR) was \$308.98 (up 0.51%), leading to Revenue Per Available Room Night (RevPar) of \$209.53 (up 5.63%).

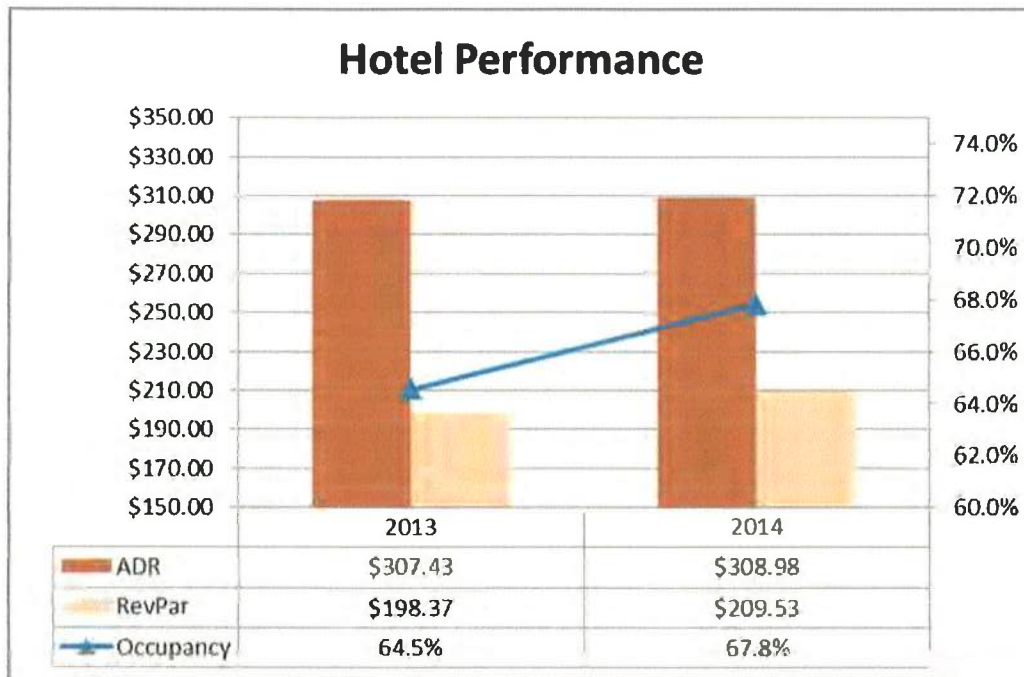
#### Hotel Performance by Country - USVI

	2013	2014	Growth
Sample Size (Rooms)		1504	
Room Nights Available (Supply)	\$1,775,819	\$1,750,284	-1.44%
Room Nights Sold (Demand)	\$1,145,860	\$1,186,924	3.58%
Occupancy	64.5%	67.8%	3.29%
Room Revenues	\$352,268,119	\$366,739,620	4.11%
ADR	\$307.43	\$308.98	0.51%
RevPar	\$198.37	\$209.53	5.63%
Rooms in Active Pipeline 12/31	0	453	

Note: Values in United States Dollars

Source: Smith Travel Research





Source: Smith Travel Research (STR Inc.)

According to STR, there are 453 rooms in the active pipeline, which would add 8.6% to the existing room stock of 4,818 rooms. These projects include the 153-room, proposed Embassy Suites in the mahogany Run area, and the 300-room, proposed Hyatt Regency in Mandal Bay. In addition, a hotel project was recently announced on Water Island; however, the developers have not yet announced a brand or number of proposed rooms.

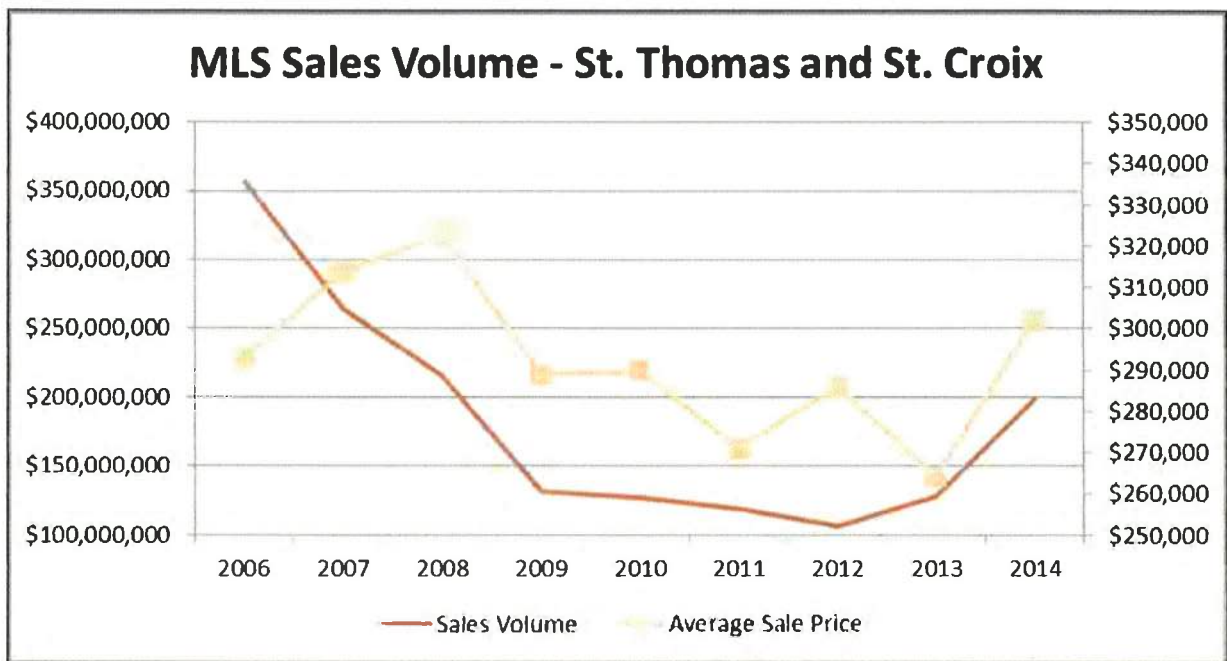
### Housing / Property

As the supply of housing has increased in the last two decades, homeownership rates have also increased, although only slightly. Rates increased 1.9 percentage points between 2000 and 2010, and increased an additional 3.8 percentage points from 2010 to 2012. Average home prices dropped by 11.8 percent in 2008, but then increased in 2009 and 2010 by 4 percent and 12.3 percent, respectively. In 2012, average home prices fell 17.4% and then rebounded in 2013 with an increase of 22.1%. The average sales price in 2013 was \$538,369. Presumably, much of the increased supply of new homes and condominiums has gone to non-residents and vacationers. Over the past decade, housing costs have accelerated at a far greater pace than resident incomes, putting home ownership beyond the reach of all but a few relatively wealthy islanders.

In 2013, St. Thomas and St. John had an average home sale price of \$713,183, while the average home sale price in St. Croix was \$306,083. While prices have not caught up with what they were in 2007, St. Thomas and St. John have seen some recovery in the overall housing market. St. Croix, however, continues to suffer from the closing of the Hovensa refinery. In 2014, the average single family home sales price in St. Croix was \$334,167, while in St. Thomas it was \$909,839.

The current situation is that the recovering housing market and general economic conditions on the US mainland is slowly having a positive impact in the US Virgin Islands’ real estate market in terms of overall average home prices as well as the number of homes sold. Home sales in the territory, while still lower than 2007 figures, have increased annually since 2012.

According to statistical data provided by the Multiple Listing Service, the value of real estate sales in the St. Thomas-St. Croix MLS grew by 54% in 2014 to nearly \$200 million on 883 transactions; volume seen since 2008 and sales pace not seen since 2007. This growth follows 20% growth in 2013 which came after six years of declines. The average sales price surpassed \$300,000, a level also not seen since 2008.



Source: St. Thomas/St. Croix MLS

### Real Estate Ownership and Taxation

Ownership is “fee simple”, under the U.S. flag. There are no restrictions against purchasing solely for investment, and no laws dictating when, if ever, you must build on undeveloped land. It should be noted that for 2006 there was a reassessment, and the tax rate changed to \$3.77 per \$1,000 based on 100% of assessed value (for residential property); however, there was an ongoing court challenge to the reassessment, and a federal injunction blocked tax bills until the issue could be resolved. As of December, 2013, the 2006, 2007, 2008, 2009, 2010, 2011 and 2012 tax bills have all been issued under the old 1999 assessed values and tax rates. This federal court injunction regarding the tax reassessment of VI property values had previously prevented the government from collecting property tax for at least four years, resulting in the government losing US\$25 million a month. New assessed values as well as amended tax rates were released in conjunction with the 2013 tax bills in August, 2014





All real estate transactions also require a Government Transfer Tax (stamp tax), which can be paid by the buyer or seller.

2% for property valued up to \$350,000

2.5% for property valued from \$350,001 to \$1,000,000

3% for property valued from \$1,000,001 to \$5,000,000

3.5% for property valued over \$5,000,001

### Notable News and Developments

- The US Virgin Islands senate has rejected the proposal that would allow the sale of the former HOVENSA oil refinery in St Croix to Atlantic Basin Refining (ABR). The legislature had voted not to approve the operating agreement between the USVI government and (ABR), which agreement was a pre-condition to the sale. The rejection was due to legal issues in the contract which some senators felt were of too much risk for the country. The territory's new governor also announced a lawsuit against Hovensa to attempt foreclosure of the property. The refinery was the largest employer in the territory until its closure in 2012.
- The US House of Representatives has passed the Coast Guard Reauthorization Act, which should help level the charter yacht industry playing field. Prior to 1993 and the imposition of a six-passenger limitation on US uninspected vessels, the charter yacht industry in the US Virgin Islands was thriving, contributing over \$100 million in annual revenue and hundreds of jobs to the local economy. A large chunk of the industry moved to the British Virgin Islands after the six-passenger rule limitation was initiated by the US Government. If the bill is adopted by the Senate and enacted into law, the ability of the USVI to compete in this industry should be significantly improved.
- Plans to build a new pier at the Havensight cruise terminal in St. Thomas are reportedly in the works. The new pier would enable the busy port to accommodate more ships, including the industry's largest ships. The project, known as Long Bay Landing, is for two 1,350-foot-long parallel berths that will be divided by a pier.
- After an extensive search and vetting process, the USVI Government has selected a group of local and regional investors to develop a hotel resort on Water Island, just off of St. Thomas. There are apparently eight hotel brands in discussions with the developers for branding the property.
- A Texas-based EB-5 Regional Center has announced an EB-5 funded commercial project known as the Port of Mandahl Caribbean Conference Resort. When completed, the development is reportedly planned to include two full-service hotels, a golf course, a state of the art conference center, retail and commercial space, and high-end residential units. EB-5 is a type of economic citizenship program whereby the United States grants citizenship to investors of certain approved projects in areas where the economic boost is needed. Regional Centers are tasked with selling the investments such as limited partnerships to international buyers.

- The Margaritaville (Wyndham) Vacation Club is under construction in Water Bay on the East End of the island of St. Thomas. The project is a renovation of the 290-room Renaissance Grand Beach Resort into 262 timeshare oriented condominium units.
- The University of the Virgin Islands has announced plans to develop a medical school on St. Thomas, which will be operated in collaboration between the hospitals on St. Thomas and St. Croix.

### **Conclusions**

Economic conditions in the U.S. Virgin Islands appear to be slower to recover than many areas of the region, particularly in St. Croix, where industrial development has been more of a focus than tourism. The closure of the Hovensa refinery and the inability of either the owners or the Government to facilitate a sale to a buyer who can re-open the facility as a refinery will continue to plague St. Croix until other new developments occur that can create new jobs. There appears to be some resurgence in tourism for St. Thomas and St. John, and real estate activity appears to be beginning to improve; however, many businesses – even those catering to cruise ship passengers – continue to struggle. Our forecast is for continued improvement in arrivals and hotel statistics, but only gradual economic improvement for the overall territory.

### Area Map



## Surrounding Area Analysis

### Location

The subject is in Estate Plessen, a relatively small estate situated along the north side of Centerline Road (highway 70). This general area is located in the southwest part of the island of St. Croix, just north of the airport and between Frederiksted and Christiansted, two main commercial centers on St. Croix. St. Croix is located 40 miles south of St. Thomas and St. John, and about 50 miles east of Puerto Rico.

### Access and Linkages

Primary access to the area is via Centerline Road, which the subject has significant frontage along. Secondary access is provided by Melvin Evans Highway. These two roads act as major arterials that cross the island in a northeast/southwest direction and are the primary routes between Christiansted and the town of Frederiksted, the two main towns on the island. Overall, vehicular access to the area is good.

The Henry E. Rholson International Airport is located about a mile south of the subject property, with a travel time of approximately 5-10 minutes depending on traffic conditions.

### Demand Generators

The economy of St. Croix was once dominated by agriculture, but there was rapid industrialization of the island's economy in the 1960s which changed this. As do many other Caribbean islands today, St. Croix relies on tourism as one of its main sources of revenue. There are, however, a number of other industries on the island to help support the economy.

The largest employer of the island, until 2012, was HOVENSA, one of the world's largest oil refineries. HOVENSA is owned and operated by Hess Oil Virgin Islands Corp. (HOVIC), a division of U.S.- based Hess Corporation, and Petroleos de Venezuela, SA (PDVSA), the national oil company of Venezuela.

On January 18, 2012, it was announced that the Hovensa refinery would be permanently shut down. This has had a major impact causing an economic downturn on the island, leaving 1,158 former Hovensa workers unemployed and many more employed by the company's contractors according to the United States Department of Labor.

As of September 15, 2014, it was announced that an agreement to purchase the refinery has been agreed to in principle with an undisclosed buyer. The Governor stated that the potential buyer was planning to re-open and operate the facility as a refinery; however, this agreement fell through as the Virgin Islands Legislature voted to reject the sale.

A recent decision by the Virgin Islands Legislature rejected a proposed amendment to the agreement between Hovensa and the Government of the Virgin Islands, and it appears that litigation between the two parties is inevitable. As of March 2015 the V.I. Government approved a request by the Governor for \$1,000,000 to fund legal counsel in an effort to sue Hovensa for past due payment as part of an earlier reached settlement agreement. During this time, the government has continued marketing the refinery in hopes of a potential buyer.

Also located in St. Croix is the Cruzan Rum Distillery, makers of Cruzan Rum and other liquors such as Southern Comfort. This distillery was founded in 1760, and at one time solely produced a single, "dark" style rum made from local sugar cane. Currently the sugar molasses used in their various products is imported mostly from the Dominican Republic.

In addition, the liquor producer Diageo completed construction in 2012 of a new distillery on a 26 acre industrial site next to the Hovensa Refinery for the purpose of producing Captain Morgan Rum. The events that caused Diageo's entrance into the U.S. Virgin Islands rum industry are controversial, however; as the USVI government (which is certainly in need of revenues) was able to secure \$250 million in bonds for the plant; a fact about which the Puerto Rican government has protested.

### **Land Use**

The area is suburban in character and approximately 50% developed.

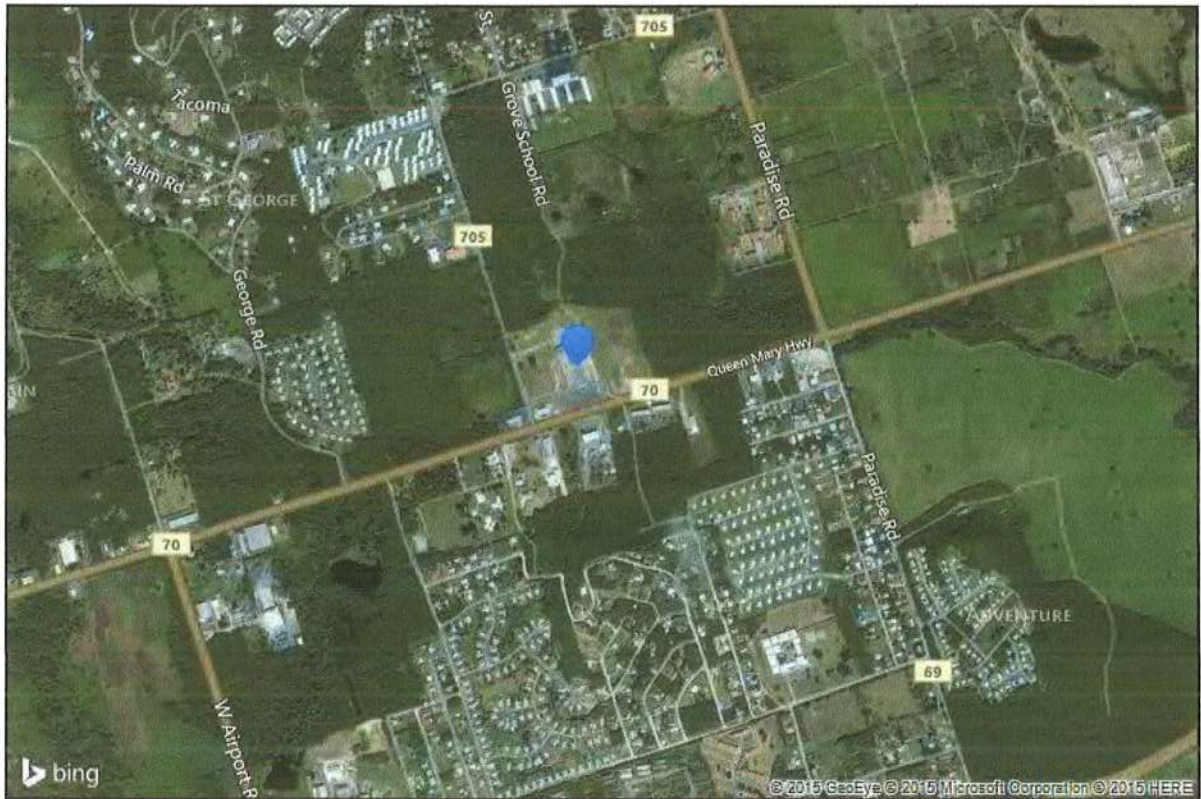
Land uses immediately surrounding the subject are predominantly vacant land, but include single family residential, commercial and some special purpose uses. Typical ages of building improvements range from 15 to 50 years. Specific land users in the area include the Loreign Village Apartments, Grace Baptist Church, Consumer Service Station, Centerline Cash and Carry, St. George Botanical Gardens, Espoire Business Center and vacant residential and agricultural land.

The subject is located about 1.5 miles east of the Sunshine Mall Shopping Center anchored by K-Mart. Sunny Isle Shopping Center, the largest retail center in St. Croix, is located approximately 7.5 miles west of the subject property.

### **Outlook and Conclusions**

The area is in the stable stage of its life cycle. Recent development activity has been intermittent. As the economy continues its recovery from the closing of the HOVENSA oil refinery, downward pressure on property values will likely continue. The area of the subject property is primarily residential, with supportive retail along Centerline Road. We anticipate that property values will remain stable in the near future.

### Surrounding Area Map



## Property Analysis

### Land Description and Analysis

#### Land Description

Land Area	16.04 acres; 698,568 SF
Source of Land Area	Land survey by Antillean Engineers Inc.
Primary Street Frontage	Centerline Road - 476 feet
Secondary Street Frontage	Hwy. 705 - 776 feet
Shape	Irregular
Corner	No
Water Frontage	No
Topography	Gently sloping towards the rear of the property and slightly below street grade
Drainage	No problems reported or observed
Environmental Hazards	None reported or observed
Ground Stability	No problems reported or observed
Flood Area Panel Number	7800000079G
Date	April 16, 2007
Zone	X
Description	Outside of 500-year floodplain
Insurance Required?	No

#### Zoning; Other Regulations

Zoning Jurisdiction	U.S. Virgin Islands Department of Planning and Natural Resources
Zoning Designation	B-2
Description	Business - Secondary
Legally Conforming?	Appears to be legally conforming
Zoning Change Likely?	No
Permitted Uses	Variety of business and commercial uses
Minimum Lot Area	5,000 sq. ft. for principally residential; no minimum for nonresidential
Minimum Street Frontage (Feet)	None
Minimum Lot Width (Feet)	None
Minimum Lot Depth (Feet)	None
Minimum Setbacks (Feet)	None
Maximum Building Height	No maximum except in historically certified areas, where the maximum height of any structure shall not exceed 3 stories.
Maximum Site Coverage	40% (for principally residential uses)
Maximum Density	80 persons/acre for residential, including hotels
Maximum Floor Area Ratio	1
Other Land Use Regulations	None

#### Utilities

Service	Provider
Water	WAPA
Sewer	WAPA
Electricity	WAPA
Natural Gas	N/A
Local Phone	Various providers

The subject site has three ingress/egress points. The main entrance to the property is located on the southeast portion of the site along Centerline Road. There are two additional points of access to the site along the western property line from Highway 705. The southernmost access point serves as the secondary ingress/egress to the Plaza Extra Supermarket. The other access point along the western property line services the rear of the property, designed for large shipping trucks to deliver supplies.

We are not experts in the interpretation of zoning ordinances. An appropriately qualified land use attorney should be engaged if a determination of compliance with zoning is required.

### **Easements, Encroachments and Restrictions**

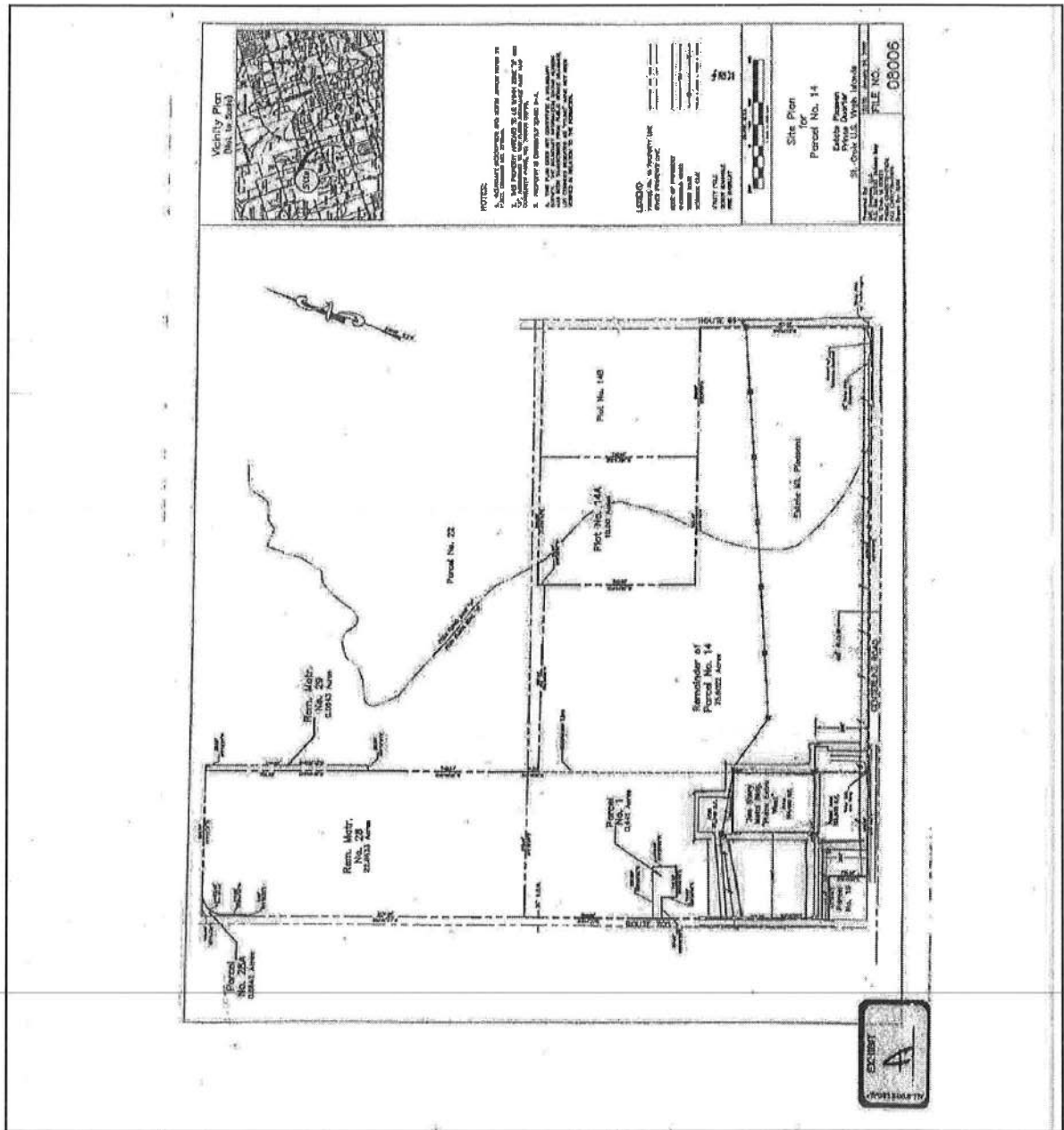
We were not provided a current title report to review. We are not aware of any easements, encroachments, or restrictions that would adversely affect value. Our valuation assumes no adverse impacts from easements, encroachments, or restrictions, and further assumes that the subject has clear and marketable title.

### **Conclusion of Land Analysis**

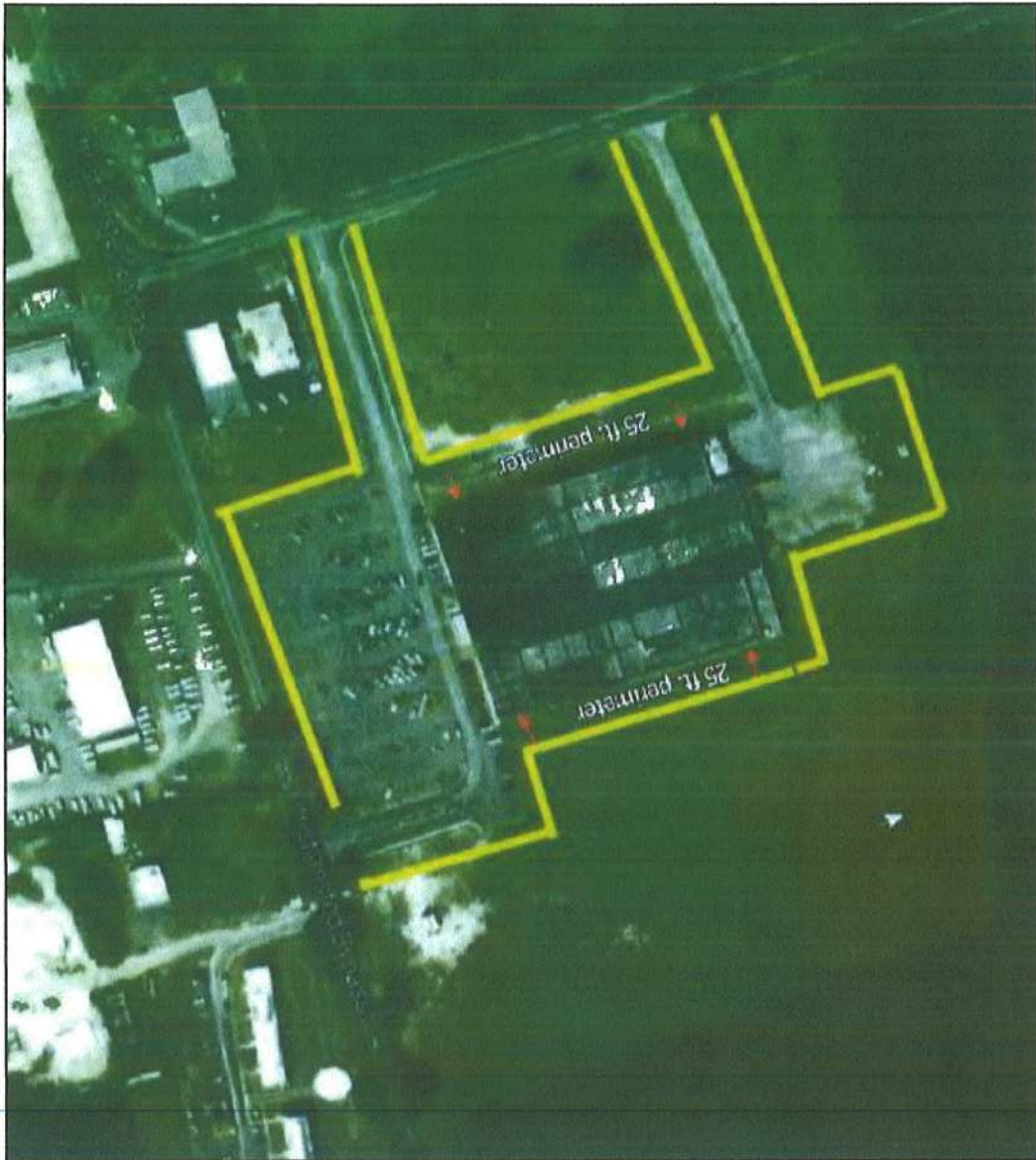
Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses including those permitted by zoning. The subject's access and frontage along two roads, one of which is a major thoroughfare (Centerline Road); is a major appeal of this site.



### Site Survey



### Aerial Photograph



## Improvements Description and Analysis

The subject is an existing supermarket property containing 163,313 square feet of gross building area, which includes a retail/shopping area, a warehouse/storage area, and offices. The improvements were constructed in 1999, were previously owner occupied and are now 100% leased. The site area is 16.037 acres or 698,568 square feet.

### Improvements Description

Name of Property	Plaza Extra West
General Property Type	Retail
Property Sub Type	Mixed Use
Competitive Property Class	B
Occupancy Type	Single Tenant
Percent Leased	100%
Number of Tenants	1
Tenant Size Range (SF)	163,313 - 163,313
Number of Buildings	1
Stories	One with a portion containing an upper level office area.
Construction Class	B
Construction Type	Reinforced concrete frame
Construction Quality	Good
Condition	Good
Gross Building Area (SF)	163,313
Percent Office Space	2.84%
Land Area (SF)	698,568
Floor Area Ratio (GBA/Land SF)	0.23
Building Area Source	Survey
Year Built	1999
Year Renovated	N/A
Actual Age (Yrs.)	15
Estimated Effective Age (Yrs.)	10
Estimated Economic Life (Yrs.)	40
Remaining Economic Life (Yrs.)	30
Number of Parking Spaces	210
Source of Parking Count	Inspection
Parking Type	Surface
Parking Spaces/1,000 SF GBA	1.29

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**Construction Details**


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Foundation	Reinforced concrete footings
Basement	None
Structural Frame	Reinforced concrete block
Exterior Walls	Synthetic stucco over masonry
Windows	Storefront has glass sliding doors; building has no other windows.
Roof	Unable to gain access but appears to be a flat, membrane roof
Dock Height Loading Doors	Unable to access; assumed typical of market
Drive-in Doors	Unable to access; assumed typical of market
Interior Finishes	The improvements are currently upfit for use as a full-service supermarket containing 163,313 total square feet of gross building area which includes 62,709 square feet of retail shopping area, 91,322 square feet of warehouse space and 4,641 square feet of office area which is located on the second floor. The ground floor retail space is upfit with typical supermarket build-out including open air coolers around the outer edges of the improvements, a pharmacy, a dining area with sandwiches, pizza and coffee, and a full service deli. The warehouse space contains two levels and is primarily used for storage.
Floors	Retail portion is vinyl composition tile. Unable to access the warehouse/storage portion or the office portion, but assumed exposed concrete floors and vinyl composition tile floors, respectively.
Walls	Combination of painted masonry and drywall in the retail portion; assumed masonry in the warehouse portion; assumed a combination of painted masonry and drywall in the office portion.
Ceilings	Drop down, accoustical tile in the retail portion; assumed exposed to rafters in warehouse portion; assumed drop down, accoustical tile in office portion.
Lighting	Fluorescent
Electrical	Assumed typical installation to codes
Plumbing	Assumed typical installation to codes
Air Conditioning	Central
Rest Rooms	Adequate
Sprinklers	100% wet in the retail portion; assumed 100% wet in the warehouse and office portions.
Security	Interior and exterior cameras throughout the improvements
Climate Control	Typical amount of cold storage for supermarket properties
<hr/> <b>Site Improvements</b> <hr/>	
Landscaping	None
No. of Customer Parking Spaces	210
Gates/Fencing	None
Paving	Typical, asphalt

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**Improvements Analysis**
**Quality and Condition**

The quality and condition of the subject is considered to be superior to that of competing properties. The subject improvements were constructed in 1999 and have been well maintained based on our

inspection. The ceiling in the retail shopping area features 20 foot ceiling heights with fluorescent lighting and average to good quality fixtures including a sit-down dining area.

#### **Functional Utility**

The improvements appear to be adequately suited to their current use, and there do not appear to be any significant items of functional obsolescence.

#### **Deferred Maintenance**

No deferred maintenance is apparent from our inspection, and none is identified as of the effective valuation date based on client discussions.

#### **ADA Compliance**

Based on our inspection and information provided, we are not aware of any ADA issues. However, we are not expert in ADA matters, and further study by an appropriately qualified professional would be recommended to assess ADA compliance.

#### **Hazardous Substances**

An environmental assessment report was not provided for review and environmental issues are beyond our scope of expertise. No hazardous substances were observed during our inspection of the improvements; however, we are not qualified to detect such substances. Unless otherwise stated, we assume no hazardous conditions exist on or near the subject.

#### **Conclusion of Improvements Analysis**

In comparison to other competitive properties in the region, the subject improvements are rated as follows:

<b>Improvements Ratings</b>	
Access	Above Average
Visibility/Exposure	Above Average
Design and Appearance	Average
Age/Condition	Above Average
Adaptability of Space to other Retail Users	Below Average
% Office	Average
Loading Docks	Average
% Sprinklered	Average

Overall, the quality, condition, and functional utility of the improvements are slightly above average for their age and location. The improvements are in average to good condition, and benefit from good access/exposure along a major thoroughfare in this area. The large size of the subject limits any benefit of alternate uses in this market.





Front exterior of improvements  
(Photo Taken on June 16, 2015)



Front and side exterior  
(Photo Taken on June 16, 2015)



Side exterior  
(Photo Taken on June 16, 2015)



Parking lot  
(Photo Taken on June 16, 2015)



Interior of retail shopping area  
(Photo Taken on June 16, 2015)



Interior of retail shopping area  
(Photo Taken on June 16, 2015)



Interior of retail shopping area  
(Photo Taken on June 16, 2015)



Dining area  
(Photo Taken on June 16, 2015)



View of upper level office area  
(Photo Taken on June 16, 2015)



Retail area bathroom  
(Photo Taken on June 16, 2015)

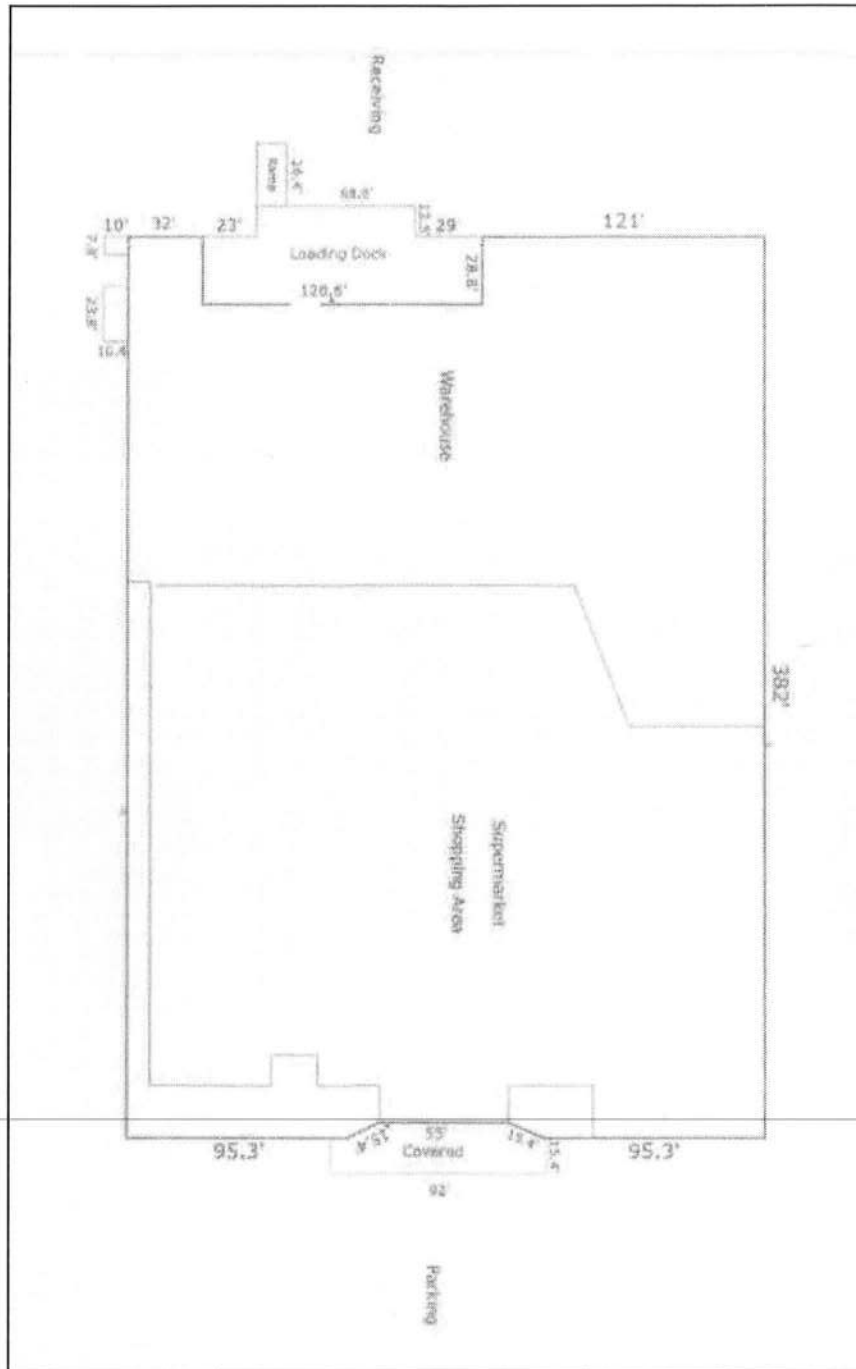


Street view of Centerline Road looking east  
(Photo Taken on June 16, 2015)



Street view of Highway 705 looking south  
(Photo Taken on June 16, 2015)

### Floor Plan – Main (Lower) Level





### Floor Plan – Upper Level



## Real Estate Taxes

The situation surrounding real estate taxes in the Virgin Islands has been in flux since 2006. At that time there had been a reassessment which resulted in a dramatic increase in property values and a significant increase in the tax rates (which went from 1.25% at 60% of value to 3.44% at 100% of value). This prompted a class action lawsuit and subsequent injunction that resulted in the 2006 tax bills being rescinded.

Several years went by without any tax bills being released, followed by two tax bills per year being issued based on the old assessments and tax rates. The 2013 bills were released in September of last year, using somewhat updated values from the 2006 reassessment. Most recently, the 2014 tax bills were released in February, 2015, using the new assessed values. In addition, new tax rates were announced for the year 2013 as follows.

### 2013 Tax Rates

Property Type	Tax Rate (per \$1 of assessed value)
Unimproved non-commercial real property	0.004946
Residential real property	0.003770
Commercial real property	0.007110
Timeshare real property	0.014070

Note that these rates are based on 100% of the assessed value. Real estate taxes and market value assessments for the 2015 tax year are shown in the following table. The property contains direct assessments of \$2,769 for a sewer fee

### Taxes and Assessments - 2015

Tax ID	Assessed Value			Tax Rate	Taxes and Assessments		
	Land	Improvements	Total		Ad Valorem Taxes	Direct Assessments	Total
4-06200-0408-00	\$105,468	\$4,521,500	\$4,626,968	0.711000%	\$32,898	\$2,769	\$35,667

It should be noted that the subject represents only a portion of the overall tax parcel, which contains 108.43 acres. The assessed land value for the entire parcel is \$713,100, or \$6,576.59 per acre. To estimate the subject's tax liability, we utilize the average assessed value per acre for the subject's land area and apply the subject's land area of 16.037 acres, which indicates an assessed value for the subject's land of \$105,468 ( $\$6,576.59 \times 16.037$ ). All of the improvements for this tax parcel were located on the subject's portion of land; therefore we utilize 100% of the assessed value for the improvements.

The property is currently under-assessed based on our opinion of market value. For the purposes of this report, we have assumed the 2015 tax bills will be issued by the end of the year based on the new tax rates and assessments, at which point the Virgin Islands will become current with regards to their property taxes.

## Highest and Best Use

### Process

Before a property can be valued, an opinion of highest and best use must be developed for the subject site, both as if vacant, and as improved or proposed. By definition, the highest and best use must be:

- Physically possible.
- Legally permissible under the zoning regulations and other restrictions that apply to the site.
- Financially feasible.
- Maximally productive, i.e., capable of producing the highest value from among the permissible, possible, and financially feasible uses.

### As If Vacant

#### Physically Possible

The physical characteristics of the site do not appear to impose any unusual restrictions on development. Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses.

#### Legally Permissible

The site is zoned B-2, Business - Secondary . Permitted uses include variety of business and commercial uses. To our knowledge, there are no legal restrictions such as easements or deed restrictions that would effectively limit the use of the property. Given prevailing land use patterns in the area, only retail use is given further consideration in determining highest and best use of the site, as though vacant.

#### Financially Feasible

In that the subject property is a grocery store, we have considered the feasibility of a new retail supermarket on the subject site. The St. Croix population stands at about 50,000 according to the 2010 census data (plus part time residents and tourists). This number has reportedly decreased over the past three years as the economic effects of the Hovensa Oil Refinery are felt, and people are moving from St. Croix as a result of lack of jobs; however there is no publically available data to support this. There are five major grocery stores that service this population which include:

- Pueblo – Golden Rock Shopping Center, Christiansted
- Pueblo – Villa Reine (mid-island)
- Plaza Extra East – Christiansted
- Plaza Extra West (subject)
- Cost-U-Less – (mid-island)

In addition to these major grocery stores, there are also two K-Mart's which both have limited grocery items, as well as other smaller, independent grocery stores including Stop & Save and Food Town. These stores are about 21,000 and 15,000 s.f. in size, and contain a full assortment of grocery items. The Stop & Save, located just outside of Frederiksted, opened in 2010 and the most direct competitor to the subject due to its location.

According to the 2010 Census data, there are 9 sub districts in St. Croix. The subject appears to be located near the border of the Northcentral, Northwest and Southcentral sub districts. Further west of are the Southwest and Frederiksted sub districts. These five districts contain approximately 50% of the island's population. Along with the subject, only Stop & Shop and K-Mart (limited grocery supply) are located in any of these five sub districts, meaning only two full-service grocery stores service 56% of the population, and the other five main stores service the remaining 44% of the population.

These figures would indicate an under-served population base in the area of the subject, particularly if the subject wasn't developed and consisted of vacant land. Based on this analysis of the market, there is currently adequate demand for retail (grocery/supermarket) use in the subject's area. It appears that a newly developed retail use on the site would have a value commensurate with its cost. Therefore, retail use is considered to be financially feasible.

#### **Maximally Productive**

There does not appear to be any reasonably probable use of the site that would generate a higher residual land value than retail use. Accordingly, it is our opinion that retail use, developed to the normal market density level permitted by zoning, is the maximally productive use of the property.

#### **Conclusion**

Development of the site for retail use is the only use that meets the four tests of highest and best use. Therefore, it is concluded to be the highest and best use of the property as if vacant.

#### **As Improved**

The subject site is developed with a retail supermarket that contains 163,313 square feet of gross building area, which is consistent with the highest and best use of the site as if it were vacant.

The existing improvements are currently leased and produce a positive cash flow that we expect will continue. Therefore, a continuation of this use is concluded to be financially feasible.

Based on our analysis, there does not appear to be any alternative use that could reasonably be expected to provide a higher present value than the current use, and the value of the existing improved property exceeds the value of the site, as if vacant. For these reasons, continued retail use is concluded to be maximally productive and the highest and best use of the property as improved.

#### **Most Probable Buyer**

Taking into account the size and characteristics of the property the likely buyer is an owner-operator.

# Valuation

## Valuation Methodology

Appraisers usually consider three approaches to estimating the market value of real property. These are the cost approach, sales comparison approach and the income capitalization approach.

The **cost approach** assumes that the informed purchaser would pay no more than the cost of producing a substitute property with the same utility. This approach is particularly applicable when the improvements being appraised are relatively new and represent the highest and best use of the land or when the property has unique or specialized improvements for which there is little or no sales data from comparable properties.

The **sales comparison approach** assumes that an informed purchaser would pay no more for a property than the cost of acquiring another existing property with the same utility. This approach is especially appropriate when an active market provides sufficient reliable data. The sales comparison approach is less reliable in an inactive market or when estimating the value of properties for which no directly comparable sales data is available. The sales comparison approach is often relied upon for owner-user properties.

The **income capitalization approach** reflects the market's perception of a relationship between a property's potential income and its market value. This approach converts the anticipated net income from ownership of a property into a value indication through capitalization. The primary methods are direct capitalization and discounted cash flow analysis, with one or both methods applied, as appropriate. This approach is widely used in appraising income-producing properties.

Reconciliation of the various indications into a conclusion of value is based on an evaluation of the quantity and quality of available data in each approach and the applicability of each approach to the property type.

The methodology employed in this assignment is summarized as follows:

<b>Approaches to Value</b>		
<b>Approach</b>	<b>Applicability to Subject</b>	<b>Use in Assignment</b>
Cost Approach	Applicable	Utilized
Sales Comparison Approach	Not Applicable	Not Utilized
Income Capitalization Approach	Applicable	Utilized

## Land Valuation

To develop an opinion of the subject's land value, as if vacant and available to be developed to its highest and best use, we utilize the sales comparison approach. Our search for comparable sales focused on transactions within the following parameters:

- Location: St. Croix
- Size: 1.5 – 20.0 acres
- Use: Commercial
- Transaction Date: Within five years of the effective appraisal date

For this analysis, we use price per acre as the appropriate unit of comparison because market participants typically compare sale prices and property values on this basis. Our search for land sales did not reveal any recent transactions of comparable properties as large as the subject. Therefore, we have utilized smaller land sales that contain the same highest and best use as the subject and have applied necessary adjustments for the difference in size in this analysis. The most relevant sales are summarized in the following table.

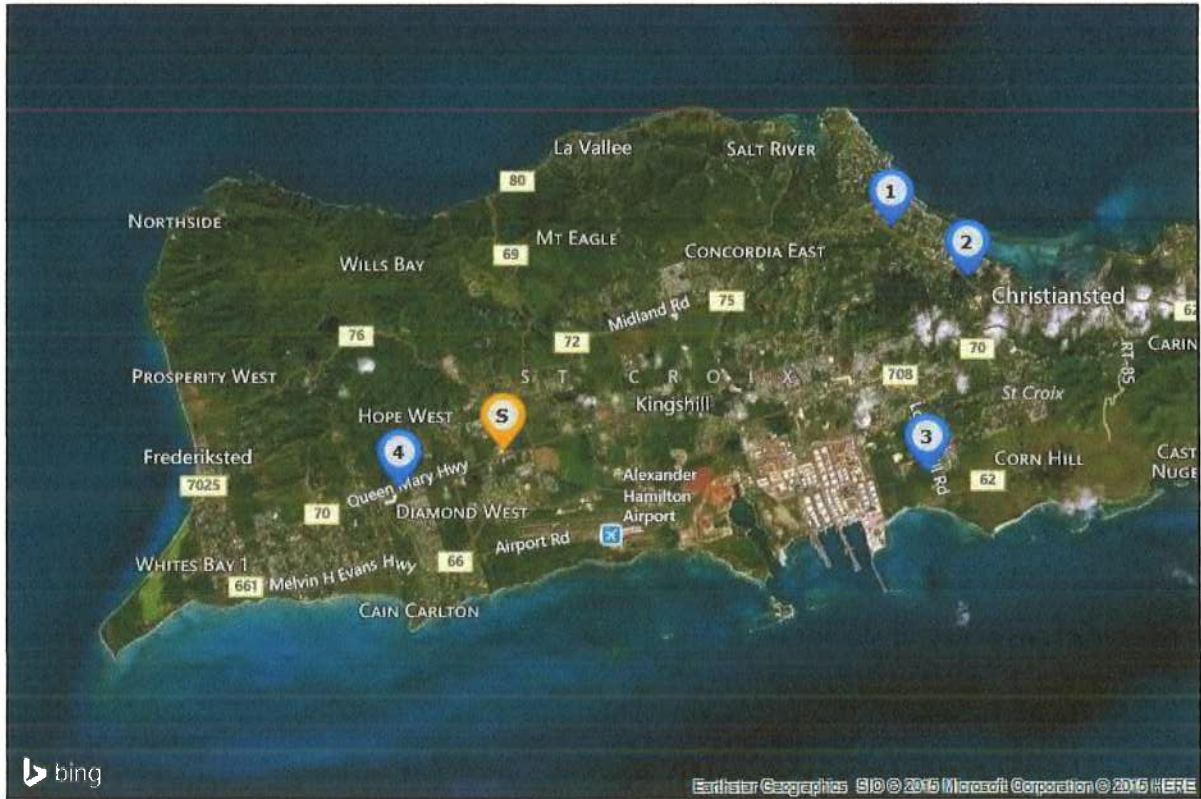
**Summary of Comparable Land Sales**

No.	Name/Address	Sale Date; Status	Sale Price	SF; Acres	Zoning	\$/SF Land	\$/Acre
1	35B & 35C Estate La Grande Princess 35B & 35C Estate La Grande Princess Company Quarter St. Croix VI Parcel ID: 2-02607-0103-00 <i>Comments: Although the property is zoned residential, buyer plans to attempt to re-zone and develop with a commercial use according to the selling broker.</i>	Feb-12 Closed	\$350,000	129,809 2.98	Residence - Medium Density	\$2.70	\$117,450
2	18, 19, 21, and 23 Golden Rock 18,19, 21, and 23 Golden Rock Company Quarter St. Croix VI Parcel ID: 2-02715-0109-00 <i>Comments: According to the listing agent, the sales price represented market value at the time of the transaction.</i>	Jul-11 Closed	\$505,000	155,509 3.57	Commercial	\$3.25	\$141,457
3	5 Estate Pearl 5 Estate Pearl Queen Quarter St. Croix VI Parcel ID: 2-08500-0106-00 <i>Comments: South central area of island, above average exposure</i>	Nov-10 Closed	\$470,000	305,791 7.02	Commercial	\$1.54	\$66,952
4	2A & 2B Estate Hogensberg 2A & 2B Hogensberg Prince Quarter St. Croix VI Parcel ID: 4-07800-0163-00, 4-07800-0129-00 (Part) <i>Comments: In middle of the island, across from K-Mart. I-2 allows many light industrial and business uses.</i>	Mar-10 Closed	\$280,000	81,893 1.88	Light Industrial/ Business	\$3.42	\$148,936
	<b>Subject</b> Plaza Extra West Prince Quarter, St. Croix, Virgin Islands			698,568 16.04	Business - Secondary		

\*Values expressed in United States Dollars



### Comparable Land Sales Map







Sale 1  
35B & 35C Estate La Grande Princess



Sale 2  
18, 19, 21, and 23 Golden Rock



Sale 3  
5 Estate Pearl



Sale 4  
2A & 2B Estate Hogensberg

### Analysis and Adjustment of Sales

The sales are compared to the subject and adjusted to account for material differences that affect value. Adjustments are considered for the following factors, in the sequence shown below.

Adjustment Factor	Accounts For	Comments
Effective Sale Price	Atypical economics of a transaction, such as demolition cost or expenditures by buyer at time of purchase.	No adjustments were necessary.
Real Property Rights	Fee simple, leased fee, leasehold, partial interest, etc.	No adjustments were necessary.
Financing Terms	Seller financing, or assumption of existing financing, at non-market terms.	No adjustments were necessary.
Conditions of Sale	Extraordinary motivation of buyer or seller, assemblage, forced sale.	No adjustments were necessary.
Market Conditions	Changes in the economic environment over time that affect the appreciation and depreciation of real estate.	Market conditions have steadily declined in St. Croix over the past two years since the closing of the HOVENSA oil refinery. As a result, downward adjustments were applied to sales two, three and four since they occurred prior to the closing of the refinery.
Location	Market or submarket area influences on sale price; surrounding land use influences.	Sale one is located in a similar area along a major thoroughfare and no adjustment was necessary. Sale two is located along a major thoroughfare in a superior area with more economic development and revitalization and a downward adjustment was applied. Sale three is located in an inferior area for commercial development. This sale is also located along a road with lower traffic counts than the subject, which is considered inferior for commercial properties. Therefore, an upward adjustment was applied to sale three. Sale four is located in proximity to the

Adjustment Factor	Accounts For	Comments
Access/Exposure	Convenience to transportation facilities; ease of site access; visibility; traffic counts.	<p>subject, along the same thoroughfare, and no adjustment was necessary.</p> <p>The subject is not located on a corner lot; however, it does have access from two roads, one of which is a major thoroughfare. Sale one is not located on a corner, but does benefit from access/exposure along two roads including a major thoroughfare. Therefore, no adjustment was necessary. Sales two and four have access from only one road and upward adjustments were applied. Sale three is located on a true corner and a downward adjustment was applied.</p>
Size	Inverse relationship that often exists between parcel size and unit value.	<p>All of the sales are smaller in size than the subject site. Typically, a smaller land lot will sell for a higher price per acre with all else equal based on economies of scale. Therefore, downward adjustments were applied to each sale based on their smaller size.</p>
Shape and Topography	Primary physical factors that affect the utility of a site for its highest and best use.	<p>Sale two is L-shaped which could limit some development potential and a downward adjustment was applied.</p>
Zoning	Government regulations that affect the types and intensities of uses allowable on a site.	<p>Sale one was zoned residential at the time of sale. Although the buyer of this property intends to rezone the site to a commercial or business designation, the process requires the owner to invest time and money to gain approval for rezoning. There is also a risk that the property will be denied the owner's request. Therefore, we have applied an upward adjustment to this sale for its inferior zoning designation. Sale four contains an industrial zoning</p>

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<b>Adjustment Factor</b>	<b>Accounts For</b>	<b>Comments</b>
		designation which is considered as desirable as a business or commercial designation due to the flexibility of allowable uses and no adjustment was necessary to this sale.
Entitlements	The specific level of governmental approvals attained pertaining to development of a site.	No adjustments were necessary.

The following table summarizes the adjustments we make to each sale.

<b>Land Sales Adjustment Grid</b>					
	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Name	Plaza Extra West	35B & 35C Estate La Grande Princess	18, 19, 21, and 23 Golden Rock	5 Estate Pearl	2A & 2B Estate Hogensberg
Address	Plot No. 14 (Part) Estate Plessen	35B & 35C Estate La Grande Princess	18,19, 21, and 23 Golden Rock	5 Estate Pearl	2A & 2B Hogensberg
City	Prince Quarter	Company Quarter	Company Quarter	Queen Quarter	Prince Quarter
County	St. Croix	St. Croix	St. Croix	St. Croix	St. Croix
State	Virgin Islands	VI	VI	VI	VI
Sale Date		Feb-12	Jul-11	Nov-10	Mar-10
Sale Status		Closed	Closed	Closed	Closed
Sale Price		\$350,000	\$505,000	\$470,000	\$280,000
Square Feet	698,568	129,809	155,509	305,791	81,893
Acres	16.04	2.98	3.57	7.02	1.88
Corner	No	No	No	Yes	No
Topography	Gently Sloping	Gently Sloping	Gently Sloping	Level	Level
Shape	Irregular	Rectangular	Irregular	Irregular	Rectangular
Zoning Code	B-2	R-3	B3 and C	C	I-2
Zoning Description	Business - Secondary	Residence - Medium Density	Commercial	Commercial	Light Industrial/ Business
<b>Price per Acre</b>		<b>\$117,450</b>	<b>\$141,457</b>	<b>\$66,952</b>	<b>\$148,936</b>
Property Rights		Fee Simple	Fee Simple	Fee Simple	Fee Simple
% Adjustment		-	-	-	-
Financing Terms		Cash to seller	Cash to seller	Cash to seller	Cash to seller
% Adjustment		-	-	-	-
Conditions of Sale		Arm's length	Arm's length	Arm's length	Arm's length
% Adjustment		-	-	-	-
Market Conditions	4/30/2014	Feb-12	Jul-11	Nov-10	Mar-10
Annual % Adjustment		-	-10%	-10%	-10%
<b>Cumulative Adjusted Price</b>		<b>\$117,450</b>	<b>\$127,311</b>	<b>\$60,256</b>	<b>\$134,043</b>
Location		-	-10%	50%	-
Access/Exposure		-	5%	-5%	5%
Size		-20%	-20%	-10%	-25%
Shape and Topography		-	-5%	-	-
Zoning		10%	-	-	-
Entitlements		-	-	-	-
Net \$ Adjustment		-\$11,745	-\$38,193	\$21,090	-\$26,809
Net % Adjustment		-10%	-30%	35%	-20%
<b>Final Adjusted Price</b>		<b>\$105,705</b>	<b>\$89,118</b>	<b>\$81,346</b>	<b>\$107,234</b>
Overall Adjustment		-10%	-37%	22%	-28%
<b>Range of Adjusted Prices</b>		<b>\$81,346 - \$107,234</b>			
<b>Average</b>		<b>\$95,851</b>			
<b>Indicated Value</b>		<b>\$105,000</b>			



**Land Value Conclusion**

Prior to adjustment, the sales reflect a range of \$66,952 - \$148,936 per acre. After adjustment, the range is narrowed to \$81,346 - \$107,234 per acre, with an average of \$95,851 per acre. We give greatest weight to sale one based on its more recent transaction date as well as its low net adjustments. Secondary emphasis was placed on sale four based on its proximity to the subject. The least emphasis was placed on sales two and three, and we arrive at a land value conclusion as follows:

**Land Value Conclusion \***

Indicated Value per Acre	\$105,000
Subject Acres	16.04
Indicated Value	\$1,683,875
Rounded	\$1,680,000

\*Values expressed in United States Dollars

## Cost Approach

The steps taken to apply the cost approach are:

- Develop an opinion of the value of the land as though vacant and available to be developed to its highest and best use, as of the effective date of the appraisal;
- Estimate the replacement cost new of the existing improvements using Marshall Valuation Service;
- Estimate depreciation from all causes and deduct this estimate from replacement cost new to arrive at depreciated replacement cost of the improvements; and
- Add land value to the depreciated replacement cost of the improvements to arrive at a market value indication for the property overall.

### Replacement Cost

Replacement cost is the current cost to construct improvements with equivalent utility to the subject, using modern materials and current standards, design, and layout. Estimates of replacement cost for the purpose of developing a market value opinion include three components: direct costs, indirect costs (also known as soft costs) and entrepreneurial profit.

#### Direct Costs

Direct costs are expenditures for labor, materials, equipment and contractor's overhead and profit. We use Marshall Valuation Service (MVS) as the basis of our direct cost estimate. In addition to direct costs, MVS includes certain indirect costs such as architectural and engineering fees, and interest on building loan funds during construction.

#### Indirect Costs

MVS does not include all of the indirect costs that are appropriate in a replacement cost estimate. Therefore, we add an allowance for the following indirect costs that are not contained within MVS: taxes and carrying costs on land during construction; legal and accounting fees; and marketing and finance costs prior to stabilization. We estimate that a 3% allowance for additional indirect costs is appropriate.

#### Entrepreneurial Profit

The final component of the replacement cost estimate is entrepreneurial profit, the financial reward that a developer would expect to receive in addition to recovering all direct and indirect costs. This is the expected compensation that would be necessary to motivate a developer to undertake the project. It is our estimate that an allowance of 6% of total direct and indirect costs is appropriate.

#### Replacement Cost New

The following tables show our replacement cost estimates for the subject building improvements and site improvements.



<b>Replacement Cost Estimate</b>							
<b>Building Improvements</b>							
<i>Bldg Name</i>	<i>MVS Building Type</i>	<i>MVS Class</i>	<i>Quality</i>	<i>Quantity</i>	<i>Unit</i>	<i>Unit Cost</i>	<i>Cost New</i>
Plaza Extra West	Supermarket	B	Good	163,313	SF	\$97.20	\$15,874,024
Subtotal - Replacement Cost New							\$15,874,024
Plus: Indirect Cost						3%	\$476,221
Subtotal							\$16,350,244
Plus: Entrepreneurial Profit						6%	\$981,015
<b>Total Replacement Cost New</b>							<b>\$17,331,259</b>
<b>Site Improvements</b>							
<i>Item</i>		<i>Quality</i>	<i>Quantity</i>	<i>Unit</i>	<i>Unit Cost</i>	<i>Cost New</i>	
Asphalt Parking Lot		Average	101,435	Square Feet	\$3.64	\$369,223	
Concrete Driveway/Parking Area		Average	48,385	Square Feet	\$6.44	\$311,599	
Subtotal - Replacement Cost New							\$680,823
Plus: Indirect Cost						3%	\$20,425
Subtotal							\$701,247
Plus: Entrepreneurial Profit						6%	\$42,075
<b>Total Replacement Cost New</b>							<b>\$743,322</b>
<b>Overall Property</b>							
Building Improvements							\$15,874,024
Site Improvements							\$680,823
Furniture, Fixtures & Equipment							\$0
Subtotal - Replacement Cost New							\$16,554,846
Plus: Indirect Cost						3%	\$496,645
Subtotal							\$17,051,492
Plus: Entrepreneurial Profit						6%	\$1,023,090
<b>Total Replacement Cost New</b>							<b>\$18,074,581</b>

Source: Marshall Valuation Service except for Indirect Costs and Entrepreneurial Profit, which are appraiser's estimates.

**Building Improvements - Unit Costs**

<b>Building 1 Name:</b>	<b>Plaza Extra West</b>				
MVS Building Type:	Supermarket	Unit	SF	Current Multiplier	1.020
Const Class:	B	Unit Cost	\$81.75	Local Multiplier	1.130
Quality:	Good	Sprinklers:	\$2.58	Story Ht Multiplier	1.000
Quality Rating:	Average	HVAC Adjust		Perimeter Multiplier	1.000
Section/Page	13/20	Other:			
Economic Life	40	Subtotal:	\$84.33	Final Unit Cost	\$97.20

Source: Marshall Valuation Service



**Site Improvements - Unit Costs**

<b>Site Improvement 1 Name:</b> Asphalt Parking Lot					
Quality:	Average	Unit Cost	\$3.13	Current Multiplier	1.030
Section:	66	Other:		Local Multiplier	1.130
Page:	2	Other:			
Unit:	Square Feet	Subtotal:	\$3.13	Final Unit Cost	\$3.64
<b>Site Improvement 2 Name:</b> Concrete Driveway/Parking Area					
Quality:	Average	Unit Cost	\$5.53	Current Multiplier	1.030
Section:	66	Other:		Local Multiplier	1.130
Page:	2	Other:			
Unit:	Square Feet	Subtotal:	\$5.53	Final Unit Cost	\$6.44

Source: Marshall Valuation Service

For comparison purposes, the following table shows replacement cost plus land value in relation to the concluded market value.

**Replacement Cost vs. Market Value**

	Including Entrepreneurial Profit	Excluding Entrepreneurial Profit
Replacement Cost New	\$18,074,581	\$17,051,492
Land Value	\$1,680,000	\$1,680,000
Replacement Cost New Including Land Value	\$19,754,581	\$18,731,492
Rounded	\$19,750,000	\$18,730,000
Market Value Conclusion	\$11,120,000	\$11,120,000
Market Value as % of RCN Including Land Value	56%	59%

We have also analyzed the cost estimate of a free-standing grocery store currently under construction in this market. This property will contain a 39,968 square foot free-standing grocery store consisting of average quality construction with an estimated completion date in 2015. Significant site work was necessary to allow for construction to begin, which has been deducted from the overall improvement cost estimate. Based on the estimates provided, the cost of the improvements excluding site work and all FF&E totals \$3,774,556, or \$94.44 per square foot of gross building area. This compares with our replacement cost new estimate for the subject of \$17,051,492, or \$104.41 per square foot of gross building area. Therefore, this comparable provides further support for our estimate of the replacement cost new.

**Depreciation**

Depreciation is the difference between the replacement cost new of the improvements and their contribution to overall property value on the effective date of the appraisal.

**Deferred Maintenance**

No items of deferred maintenance are identified; thus, no deductions for this form of depreciation are necessary.



**Age-Life Depreciation**

After deducting deferred maintenance, if any, we use the age-life method to estimate depreciation applicable to the remaining replacement costs. This method indicates the loss in value due to physical deterioration and some functional obsolescence based on the age and condition of the improvements. The age-life method is applied on a straight-line basis, by dividing the subject’s effective age by its economic life. Age-life depreciation for the site improvements is estimated separately from the building improvements, based on their shorter economic lives.

**Functional Obsolescence**

Functional obsolescence is a loss in value due to changes in market tastes and standards. In the case of the subject, it is not necessary to make a deduction for additional functional obsolescence over and above that accounted for in the age-life method.

**External Obsolescence**

External obsolescence is a loss in value due to external causes, such as imbalances in supply and demand or negative location influences. We have applied an adjustment to the replacement cost new of the subject for external obsolescence, which is appropriate based on the declining market in ST. Croix as indicated by our research of this market. It is our opinion that the achievable rental rates in this market would not be sufficient to justify new construction. This is demonstrated by the cost feasibility chart shown below.

<b>Cost Feasible Rent</b>		
Replacement Cost New per SF		\$97.20
Stabilized Land Value per Buildable SF		\$10.29
Replacement Cost New		\$107.49
Capitalization Rate		8.25%
NOI		\$8.87
Plus: Operating Expenses (Net of Reimbursements)		\$0.82
Effective Gross Income		\$9.69
Plus: Stabilized Vacancy & Collection Loss at	10.00%	\$1.08
Cost Feasible Rent (\$/SF/Year)		\$10.76
Typical Rent for New Space		\$7.75

\*Values expressed in United States Dollars

As shown above, the rental rate required to be achieved to justify the cost of new construction is \$10.72/sf; however, the subject would have a market rental rate new of only \$7.75/sf which is determined by adjusting the subject’s estimated market rental rate for new construction. This represents a difference of 27.71%, indicating an adjustment of 25% rounded for external obsolescence to the replacement cost new.

**Final Estimate of Depreciation**

Our estimate of depreciation and calculation of depreciated replacement cost are shown in the following tables.



<b>Estimate of Depreciation</b>		
<b>Building Improvements</b>		
Replacement Cost New		\$17,331,259
Less: Deferred Maintenance		\$0
Remaining Cost		\$17,331,259
Age-Life Depreciation	25.0%	-\$4,332,815
Additional Functional Obsolescence	0%	\$0
External Obsolescence	25%	-\$4,332,815
Total Depreciation		-\$8,665,629
<b>Depreciated Replacement Cost</b>		<b>\$8,665,629</b>
<b>Site Improvements</b>		
Replacement Cost New		\$743,322
Less: Deferred Maintenance		\$0
Remaining Cost		\$743,322
Age-Life Depreciation	50.0%	-\$371,661
Additional Functional Obsolescence	0%	\$0
External Obsolescence	0%	\$0
Total Depreciation		-\$371,661
<b>Depreciated Replacement Cost</b>		<b>\$371,661</b>
<b>Overall Property</b>		
Replacement Cost New		\$18,074,581
Deferred Maintenance		\$0
Remaining Cost		\$18,074,581
Age-Life Depreciation		-\$4,704,476
Additional Functional Obsolescence		\$0
External Obsolescence		-\$4,332,815
Total Depreciation		-\$9,037,291
<b>Depreciated Replacement Cost</b>		<b>\$9,037,291</b>
<b>Rounded:</b>		<b>\$9,040,000</b>

**Depreciation Worksheet - Building Improvements**

Bldg #	Bldg Name	Effective Age (Yrs)	Economic Life (Yrs)	S/L Deprec. %	Other Deprec. %	Replacement Cost New	% of Overall RCN	Wtd. Avg. S/L Deprec.	Wtd. Avg. Other Deprec.
1	Plaza Extra West	10	40	25.0%		\$17,331,259	100.0%	25.0%	0.0%
<b>Total</b>						<b>\$17,331,259</b>	<b>100.0%</b>	<b>25.0%</b>	<b>0.0%</b>

**Depreciation Worksheet - Site Improvements**

Site Imp #	Item	Effect Age (Yrs)	Life Expect (Yrs)	S/L Deprec. %	Depr. Override %	Replacement Cost New	% of Overall RCN	Wtd. Avg. S/L Deprec.	Wtd. Avg. Depr. Override
1	Asphalt Parking Lot	10	20	50.0%		\$403,118	54.2%	27.1%	0.0%
2	Concrete Driveway/Parking Are	10	20	50.0%		\$340,204	45.8%	22.9%	0.0%
<b>Total</b>						<b>\$743,322</b>	<b>100.0%</b>	<b>50.0%</b>	<b>0.0%</b>



**Value Indication**

By combining our land value conclusion with the depreciated replacement cost of the improvements, we arrive at a value indication by the cost approach as shown in the following table.

<b>Value Indication by Cost Approach*</b>	
Depreciated Replacement Cost	\$9,040,000
Land Value	<u>\$1,680,000</u>
Indicated Property Value	\$10,720,000
Rounded	\$10,720,000

\*Values expressed in United States Dollars

## Income Capitalization Approach

The income capitalization approach converts anticipated economic benefits of owning real property into a value estimate through capitalization. The steps taken to apply the income capitalization approach are:

- Analyze the revenue potential of the property.
- Consider appropriate allowances for vacancy, collection loss, and operating expenses.
- Calculate net operating income by deducting vacancy, collection loss, and operating expenses from potential income.
- Apply the most appropriate capitalization method, either direct capitalization or discounted cash flow analysis, or both, to convert anticipated net income to an indication of value.

The two most common capitalization methods are direct capitalization and discounted cash flow analysis. In direct capitalization, a single year's expected income is divided by an appropriate capitalization rate to arrive at a value indication. In discounted cash flow analysis, anticipated future net income streams and a future resale value are discounted to a present value at an appropriate yield rate.

In this analysis, we use only direct capitalization because investors in this property type typically rely more on this method.

### Leased Status of Property

The property is leased to a single tenant. Pertinent lease terms are shown below.

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**Lease Synopsis**


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Lessor	Plessen Enterprises, Inc.				
Lessee	KAC357				
Leased SF	163,313				
Lease Type	Triple Net				
Tenant Paid Expenses	Property taxes, insurance, and all repairs and maintenance				
Owner Paid Expenses	General/Administrative costs, management expenses and gross receipts taxes				
Commencement	4/29/2014				
Expiration	4/28/2024				
Cancellation Clause	None				
Term	120	months	or	10.0 years	
Remaining Term	120	months	or	10.0 years	
Base Rent & Escalations	Period	Months	PSF/Yr	Annual Rent	
	Base Term	4/29/2014 - 4/28/2024	1 - 120	\$4.35	\$710,000
	Option Term	4/29/2024 - 4/28/2034	121 - 240	\$4.35	\$710,000
	Option Term	4/29/2034 - 4/28/2044	241 - 360	\$4.35	\$710,000
Current Contract Rent					\$710,000
Projected Market Rent - First Forecast Year					\$1,224,848
Comments	The annual rent includes a \$50,000 annual fee due to the landlord for the tenant's use of the sewer servicing the building.				

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Source: Lease

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This lease is in dispute and is the reason for litigation which is the purpose of the valuation. In addition, the lease is well below market rent levels. As such, the existing lease has been disregarded in the valuation.

### Market Rent Analysis

Contract rents typically establish income for leased space, while market rent is the basis for estimating income for current vacant space and future speculative re-leasing of space due to expired leases. To estimate market rent, we analyze comparable rentals most relevant to the subject in terms of location, property type, size, and transaction date. The subject represents the largest supermarket in the U.S. Virgin Islands and very few comparable properties exist in this market. Our research did not reveal any recent, comparable leases of similar size and use to the subject in the U.S. Virgin Islands. As a result, we have expanded our search to include comparable regional data, as well as lease information from this market that is older than what would normally be considered. In addition, we have analyzed industry reports indicated rental rates as a percentage of revenue and have applied these figures to the subject property. Utilizing these methods, we develop a reliable estimate of market rent for the subject as follows.



## Summary of Comparable Rentals - Retail

No.	Property Information	Description	Tenant	SF	Lease Start	Term (Mos.)	Rent/SF	Escalations	Lease Type
1	Morrisville Market 3560 Davis Dr. Morrisville Wake County NC	Yr Blt. 2005 Stories: 1 GBA: 77,516 Parking Ratio: -	Wal Mart	45,868	Jun-13	180	\$11.00	None	Triple Net
<i>Comments: Tenant pays \$1/SF CAM, along with pro-rated taxes and insurance. No tenant improvement allowance, space leased as is. Former Ace Hardware and shell space.</i>									
2	Winn Dixie 815 Pelham Rd. S. Jacksonville Calhoun County AL	Yr Blt. 1994 Stories: 1 GBA: 56,132 Parking Ratio: 4.1 /1,000	Winn Dixie	42,049	May-13	60	\$6.30	-	Triple Net
<i>Comments: 5-year lease extension of Winn-Dixie to May 2018. Property on market as of June 2013 for \$3,312,500, or at 8.0% capitalization rate.</i>									
3	Winn Dixie - Ponchartrain 3030 Pontchartrain Drive Slidell Saint Tammany County LA	Yr Blt. 1996 Stories: 1 GBA: 44,780 Parking Ratio: 6.3 /1,000	Winn Dixie	44,780	Jan-13	117	\$9.97	-	Absolute Net
<i>Comments: Extension of original 20-year lease with Winn Dixie, originally 1995 - 2015. Includes 5, five-year renewal options. Flat rent, tenant to pay 1% of retail sales in excess of base rent. Landlord contributes \$5.58/SF TI.</i>									
4	Walmart Neighborhood 2750 NC Highway 55 Cary Wake County NC	Yr Blt. 2005 Stories: 1 GBA: 54,500 Parking Ratio: 5.2 /1,000	Wal-Mart Stores, Inc.	54,500	May-12	180	\$9.50	None	Triple Net
<i>Comments: Former Kroger store that is being leased to Wal-Mart for 15 years with (6) 5-year options. Rent increasing \$0.50/sf/yr with each option period. No TI allowance was given. Space leased "as is".</i>									

### Comparable Rentals Map



**Rental Analysis Factors**

The following elements of comparison are considered in our analysis of the comparable rentals.

**Rental Analysis Factors**

Expense Structure	Division of expense responsibilities between landlord and tenants.
Conditions of Lease	Extraordinary motivations of either landlord or tenant to complete the transaction.
Market Conditions	Changes in the economic environment over time that affect the appreciation and depreciation of real estate.
Location	Market or submarket area influences on rent; surrounding land use influences.
Access/Exposure	Convenience to transportation facilities; ease of site access; visibility from main thoroughfares; traffic counts.
Size	Difference in rental rates that is often attributable to variation in sizes of leased space.
Building Quality	Construction quality, amenities, market appeal, functional utility.
Age/Condition	Effective age; physical condition.
Economic Characteristics	Variations in rental rate attributable to such factors as free rent or other concessions, pattern of rent changes over lease term, or tenant improvement allowances.

**Analysis of Comparable Rentals**

The comparable rentals are compared to the subject and adjusted to account for material differences that affect market rental value. The following table summarizes our analysis of each comparable.

**Rental Analysis Summary - Retail**

No.	Property Name; Tenant	Leased SF	Rent/SF	Overall Comparison to Subject	Comments
1	Morrisville Market Wal Mart	45,868	\$11.00	Superior	Comparable is smaller in size than the subject and is superior in age/condition.
2	Winn Dixie Winn Dixie	42,049	\$6.30	Similar	Comparable is smaller in size than the subject but is of inferior age/condition.
3	Winn Dixie - Ponchartrain Winn Dixie	44,780	\$9.97	Superior	Comparable is smaller in size than the subject.
4	Walmart Neighborhood Wal-Mart Stores, Inc.	54,500	\$9.50	Superior	Comparable is smaller in size than the subject and is superior in age/condition.

We have also analyzed several large retail leases in the Virgin Islands and Puerto Rico shown in the following table. As discussed earlier, there is a limited amount of retail space available that is comparable to the subject in size in this market, and many of these spaces have had long term tenants in place for many years. Therefore, we have included some leases below which have significantly older commencement dates. In addition, we were unable to determine more detailed information on some of these properties in order to provide full property write ups. Nevertheless, these leases are comparable in use, physical characteristics and location and provide further support for our market rent conclusion.

**U.S. Virgin Islands and Puerto Rico Retail Lease Comparables**

No.	Name	Location	Tenant	SF	Lease Start	Term	Rent/SF	Lease Type
1	Plaza Extra	St. Thomas - Tutu Park	United Corporation d/b/a Plaza Extra	50,250	*Oct-92	300	\$7.25	Triple Net
2	Pueblo Supermarket	St. Thomas - Long Bay	Pueblo	37,144	Jun-99	240	\$9.84	Triple Net
3	K-Mart	St. Croix - Sunshine Mall Shopping Center	Kmart Corporation	104,231	*Mar-98	300	\$6.75	Net
4	K-Mart	St. Thomas - Lockhart Gardens	Kmart Corporation	60,000	Mar-98	240	\$5.59	Triple Net
5	Selectos Supermarket	Puerto Rico - Plaza Los Palacios	Selectos Supermarket	25,200	Nov-12	240	\$8.50	Triple Net
6	Marshall's	Puerto Rico - Santa Isabel	Marshall's	28,000	*Jun-10	120	\$9.00	Triple Net
7	Burlington Coat	Puerto Rico - Canovanas	Burlington Coat Factory	60,306	*Jun-10	60	\$13.50	Triple Net
8	Marshall's	Puerto Rico - Canovanas	Marshall's	30,000	*Jun-10	120	\$13.50	Triple Net
		<b>Minimum</b>					<b>\$5.59</b>	
		<b>Maximum</b>					<b>\$13.50</b>	
		<b>Average</b>					<b>\$9.24</b>	

\* Exact commencement date was unavailable, but was estimated based on leases data provided.

Note that the rental rates shown above represent only the base rents for each property. Overage rent as a percentage of revenue is sometimes included in leases of this property type. However, in grocery stores and similar retail property leases, overage rent typically kicks in when the lease is dated and the market rent is well above the contract (base) rent which was established at the beginning of the lease. It is therefore common for appraisers to estimate market rent on a rent per square foot (base rent) basis, and not to estimate actual overage rent in dollars.

The Plaza Extra – Tutu Park store has an overage rent of 1.5% of revenues above a breakpoint of \$25 million. We have obtained the historical operating statements for this store, which has averaged \$30,558,402 in total revenues over the past three years. This indicates an average of \$83,376, or \$1.66 per square foot, in overage rent paid annually over the past three years. Added to the base rent of \$7.25 for this store, a total annual rental rate of \$8.91 per square foot was paid over the past three years.

In addition to the lease comparables, we have considered data from multiple national supermarket industry reports which relate typical operational expenses as a percentage of revenues. As such, there is data which indicates what grocery stores typically pay in rent as a percentage of sales. We have consulted the June 2015 IBISWorld industry report for Supermarkets & Grocery Stores in the US which indicates that the benchmark for rent and utilities expense as a business owner combine for a cost of about 4.8% of revenue. After researching average electricity costs in the US, we have estimated that approximately 1.5% of revenues is attributable to utilities expenses, indicating a cost estimate for rent of about 3.3% of revenue.

This compares with an estimate from the online source BizStats which indicates rent costs for Food-Beverage Retail Stores as a sole proprietorship would be about 3.18% of revenue. Based on this industry data, an estimate of 3.25% of revenue would be considered appropriate for the subject property. This estimate is applied to historical revenues at the subject, indicating a market rental rate as follows.

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#### Rental Rate Estimate as a Percentage of Revenue

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	2013	2014
Gross Revenue	\$32,519,846	\$31,289,507
Percentage Rent Estimate	3.25%	3.25%
Indicated Annual Rental Rate	\$1,056,895	\$1,016,909
Indicated Rental Rate per SF	\$6.47	\$6.23

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#### Market Rent Conclusion

Based on the preceding analysis of comparable rentals, we conclude market lease terms for the subject as follows:

**Concluded Market Lease Terms**

Space Type	SF	Market Rent	Measure	Rent Escalations	Lease Type	Lease Term (Mos.)
Retail	163,313	\$7.50	\$/SF/Yr	None	Triple Net	120

\*Values expressed in United States Dollars

## Stabilized Income and Expenses

### Potential Gross Rent

Potential gross rent is based on contract rent from the existing lease in place. Income is projected for the 12-month period following the effective date of the appraisal. In the following table, we compare potential income from contract rent to potential income from market rent.

#### Potential Gross Rent

Space Type	SF	Potential Rent at Contract (1)		Potential Rent at Market		Contract as % of Market
		Annual	\$/SF/Yr	\$/SF/Yr	Annual	
Retail	163,313	\$660,000	\$4.04	\$7.50	\$1,224,848	54%
Total Subject	163,313	\$660,000	\$4.04	\$7.50	\$1,224,848	54%

<sup>1</sup> Contract rent for leased space; vacant space at market.

### Expense Reimbursements

Reimbursement income is based on market lease terms that require the tenant to reimburse the owner for all operating expenses except general/administrative costs, management expenses and gross receipts taxes.

### Vacancy & Collection Loss

Stabilized vacancy and collection loss is estimated at 10.0% based on an estimated vacancy period of 12 months every 10 years.

### Effective Gross Income

Based on the preceding estimates, effective gross income is calculated at \$1,465,172, or \$8.97 per square foot.

### Analysis of Operating Expenses

In this analysis we estimate the operating expenses that would be attributable to the owner of the real estate if the property were leased to an operator. We were only provided with historical expense information for the operating business which is relevant to two expense categories. To develop projections of stabilized operating expenses, we analyze operating statements for the subject's operating business, comparable data and industry benchmarks. The following table summarizes our analysis.



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**Operating History and Projections**


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	IRR Projection
<b>Income</b>	
Base Rent	\$1,224,848
Expense Reimbursements	403,121
Potential Gross Income*	\$1,627,969
Vacancy & Collection Loss @ 10.0%	-162,797
Effective Gross Income	\$1,465,172
<b>Expenses</b>	
Real Estate Taxes	\$35,667
Insurance	122,485
Repairs and Maintenance	244,970
General/Administrative	16,331
Management	43,955
Gross Receipts Tax	73,259
Total Expenses	\$536,666
<b>Net Operating Income</b>	<b>\$928,506</b>
Operating Expense Ratio	36.6%
*IRR projected income is the total potential income attributable to the property before deduction of vacancy and collection loss.	
**Values expressed in United States Dollars	

Although complete historical expenses were not provided for the subject, we were able to determine the historical insurance and repairs/maintenance expenses based on the operating statements from the operating business, which is responsible for these costs since the property was owner occupied.

Historical insurance expenses totaled \$126,347.72 and \$118,455.35, or \$0.77 and \$0.73 per square foot, in 2013 and 2014, respectively. This compares with our year one projection of this expense of \$0.75 per square foot shown in the table below.

Historical repairs and maintenance expenses totaled \$437,015.02 and \$245,591.82, or \$2.68 and \$1.50 per square foot, in 2013 and 2014, respectively. This compares with our year one projection of this expense of \$1.50 per square foot shown in the table below.

Note that real estate taxes are based on the actual tax bill for the subject property. The other expenses were estimated based on expenses at comparable properties with adjustments as appropriate.

**Expense Analysis per Square Foot**

	Comp Data*			Subject
	Comp 1	Comp 2	Comp 3	Historical and Projected Expenses
Year Built	1994	2003	2006	1999
SF	44,984	44,271	82,905	163,313
Prevailing Lease Type				Triple Net
Operating Data Type	In Place	In Place	In Place	
Year	2012	2013	2013	IRR Projection
Real Estate Taxes	\$0.53	\$0.88	\$1.25	\$0.22
Insurance	\$0.19	\$0.27	\$0.43	\$0.75
Repairs and Maintenance	\$0.00	\$1.45	\$1.27	\$1.50
General/Administrative	\$0.01	\$0.02	\$1.14	\$0.10
Management	\$0.23	\$0.43	\$0.47	\$0.27
Gross Receipts Tax	\$0.00	\$0.00	\$0.00	\$0.45
Total	\$0.97	\$3.06	\$4.57	\$3.29
Operating Expense Ratio	16.5%	28.1%	37.8%	36.6%

\*Comp 1: Winn Dixie, 815 Pelham Rd. S. , Jacksonville, AL

Comp 2: Huntsville Publix, 12796 Bailey Cove Rd. SE. , Huntsville, AL

Comp 3: Armstrong Birmingham Publix, 980 Birmingham Rd. , Alpharetta, GA

\*Values expressed in United States Dollars

**Replacement Reserves**

For the subject property type and local market, it is not customary to include replacement reserves as an expense item when estimating net operating income.

**Total Operating Expenses**

Total operating expenses are projected at \$536,666 overall, or \$3.29 per square foot.

**Net Operating Income**

Based on the preceding income and expense projections, stabilized net operating income is estimated at \$928,506, or \$5.69 per square foot.

**Capitalization Rate Selection**

A capitalization rate is used to convert net income into an indication of value. Selection of an appropriate capitalization rate considers the future income pattern of the property and investment risk associated with ownership. We consider the following data in selecting a capitalization rate for the subject.

<b>Capitalization Rate Comparables</b>								
No.	Property Name	State	Year Built	Gross Building		Sale Price	Price/SF	Cap Rate
				Area	Sale Date			
1	Ralph's	CA	1960/1998	69,649	Apr-14	\$22,000,000	\$315.87	5.04%
2	Winn-Dixie	AL	1994	56,132	May-14	\$2,900,000	\$51.66	8.50%
3	Reasor's Grocery	OK	2012	75,451	Jun-13	\$10,600,000	\$140.49	7.25%
4	Reasor's Grocery	OK	2009	80,336	Sep-13	\$11,400,000	\$141.90	8.00%
5	Mi Pueblo Foods	CA	2000/2009	50,173	Jul-11	\$11,242,000	\$224.06	6.72%
6	Festival Foods Grocery	WI	2005	82,746	Apr-14	\$9,852,777	\$119.07	7.20%
7	Shop n' Save	IL	1981	86,065	Jun-13	\$4,200,000	\$48.80	8.60%
8	Marsh Supermarket	IN	1995	84,064	Dec-12	\$5,720,762	\$68.05	10.00%
9	Winn-Dixie	AL	2001	58,037	Jan-13	\$6,305,300	\$108.64	8.75%
10	Giant Eagle	OH	2001	116,248	Oct-11	\$19,510,000	\$167.83	8.04%
11	Dillons Store	KS	1966	54,980	Feb-11	\$5,075,000	\$92.31	7.80%
12	Giant Eagle	PA	2004	87,052	May-14	\$15,491,422	\$177.96	6.73%
	<b>Minimum</b>						<b>\$48.80</b>	<b>5.04%</b>
	<b>Maximum</b>						<b>\$315.87</b>	<b>10.00%</b>
	<b>Average</b>						<b>\$138.05</b>	<b>7.72%</b>

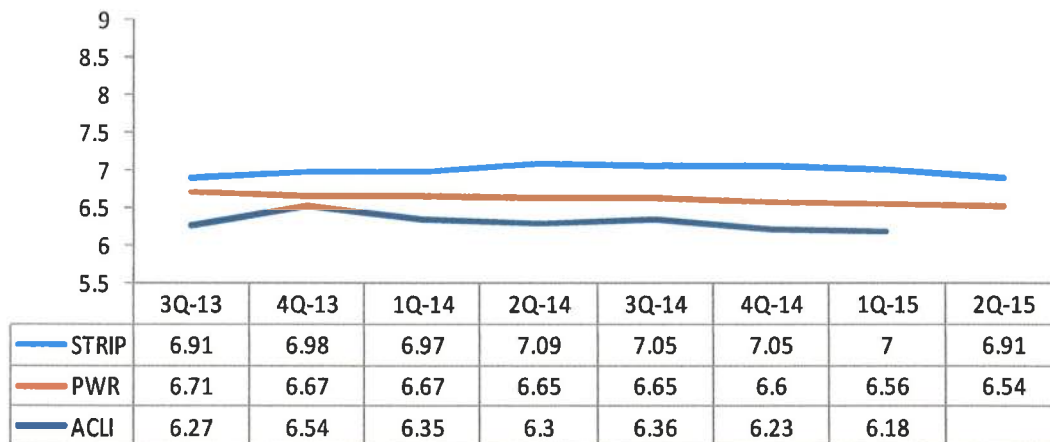
The capitalization rate comparables for free-standing grocery stores in the United States range from 5.04% to 10.00%, with an average of 7.72%.

#### Capitalization Rate Surveys – Retail Properties

	IRR-Viewpoint Year End 2014 Natl Neighbor Retail	IRR-Viewpoint Year End 2014 Natl Community Retail Center	PwC 2Q-2015 National Strip Shopping Center	PwC 2Q-2015 National Power Center	ACLI 1Q-2015 National Retail
Range	5.50% - 9.0%	5.25% - 8.55%	4.50 - 10.00	5.50% - 8.00%	NA
Average	7.33%	7.17%	6.91%	6.54%	6.18%

Source: IRR-Viewpoint 2014; PwC Real Estate Investor Survey; American Council of Life Insurers Investment

## Retail Capitalization Rate Trends



STRIP - PwC Real Estate Investor Survey - National Strip Shopping Center Market

PWR - PwC Real Estate Investor Survey - National Power Center Market

ACLI - American Council of Life Insurers Investment Bulletin - Retail Properties

The PwC survey indicates that going-in capitalization rates for Retail properties range from 4.50% to 10.00% and average 6.91%. Rates for retail properties have been remained relatively flat over the past few quarters. These rates, unlike the subject, are more representative of investment or institutional grade properties. The subject is not considered to be institutional, which would add an additional 134 basis points on average as dictated by the most recent PwC information. Adjusting for the subject's non-institutional grade would result in an adjusted range of 5.84% to 11.34% with an adjusted average of 8.25%. Based on the age as well as the uncertainty with the subject's market, it is our opinion that a rate above the average would be reasonable. Accordingly, based on the survey data, a capitalization rate within a range of 8.25% to 9.25% could be expected for the subject.

<b>Band of Investment Method</b>				
<b>Lender Survey</b>				
Realty Rates Investor Survey	Low	High	Average	Used
Loan To Value	60%	90%	75%	75%
Interest Rate	3.11%	9.67%	5.47%	5.50%
Amortization (Years)	15	40	28	30
Equity Dividend Rate	8.03%	17.41%	12.25%	12.50%
Debt Coverage Ratio	1.18	1.83	1.50	1.50
<b>Mortgage/Equity Assumptions</b>				
Loan To Value Ratio	75%			
Interest Rate	5.50%			
Amortization (Years)	30			
Mortgage Constant	0.0681			
Equity Ratio	25%			
Equity Dividend Rate	12.50%			
<b>Weighted Average of Mortgage and Equity Requirements</b>				
Mortgage Requirement	75%	x	6.81% =	5.11%
Equity Requirement	25%	x	12.50% =	3.13%
<b>Indicated Capitalization Rate</b>				<b>8.24%</b>
<b>Rounded</b>				<b>8.25%</b>

<b>Debt Coverage Ratio Method</b>				
Mortgage Constant	LTV Ratio	DCR	Overall Rate	
0.06813	x 75%	x 1.50	=	7.67%
<b>Rounded</b>				<b>7.75%</b>

Based on an analysis of the preceding data, a going-in capitalization rate for the subject is indicated within a range of 7.75% to 9.25%. To reach a capitalization rate conclusion, we consider each of the following investment risk factors to gauge its impact on the rate. The direction of each arrow in the following table indicates our judgment of an upward, downward, or neutral influence of each factor.

<b>Risk Factor</b>	<b>Issues</b>	<b>Impact on Rate</b>
Income Characteristics	Credit strength of tenant, escalation pattern, above/below market rent, rollover risk.	↔
Competitive Market Position	Construction quality, appeal, condition, effective age, functional utility.	↓
Location	Market area demographics and life cycle trends; proximity issues; access and support services.	↔
Market	Vacancy rates and trends; rental rate trends; supply and demand.	↑

Highest & Best Use	Upside potential from redevelopment, adaptation, expansion.	↔
Overall Impact		↔

Accordingly, we conclude a capitalization rate as follows:

#### Capitalization Rate Conclusion

Going-In Capitalization Rate	8.25%
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#### Direct Capitalization Analysis

Net operating income is divided by the capitalization rate to indicate the stabilized value of the subject. Valuation of the subject by direct capitalization is shown in the following table.

#### Direct Capitalization Analysis\*

		Annual	\$/SF Bldg.
<b>Income</b>			
Potential Gross Rent		\$1,224,848	\$7.50
Expense Reimbursements		\$403,121	\$2.47
Potential Gross Income		\$1,627,969	\$9.97
Vacancy & Collection Loss	10.00%	-\$162,797	-\$1.00
Effective Gross Income		\$1,465,172	\$8.97
<b>Expenses</b>			
Real Estate Taxes		\$35,667	\$0.22
Insurance		\$122,485	\$0.75
Repairs and Maintenance		\$244,970	\$1.50
General/Administrative		\$16,331	\$0.10
Management	3.00%	\$43,955	\$0.27
Gross Receipts Tax		\$73,259	\$0.45
Total Expenses		\$536,666	\$3.29
<b>Net Operating Income</b>		<b>\$928,506</b>	<b>\$5.69</b>
Capitalization Rate		8.25%	
<b>Indicated Value</b>		<b>\$11,254,613</b>	<b>\$68.91</b>
<b>Rounded</b>		<b>\$11,250,000</b>	<b>\$68.89</b>

\* Values expressed in United States Dollars

## Reconciliation and Conclusion of Value

The values indicated by our analyses are as follows:

<b>Summary of Value Indications*</b>	
Cost Approach	\$10,720,000
Sales Comparison Approach	Not Used
Income Capitalization Approach	\$11,250,000
Reconciled	\$11,120,000

\*Values expressed in United States Dollars

The income capitalization approach is given the greatest weight because it is the most reliable valuation method for the subject. The cost approach is given less weight because it does not directly consider the income characteristics of the property. The sales comparison approach is not applicable to the subject and is not used. Accordingly, our value opinion follows.

<b>Final Value Conclusions</b>			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Retrospective Market Value	Fee Simple	April 30, 2014	\$11,120,000
		<i>Eleven Million One Hundred Twenty Thousand Dollars</i>	

\*Values expressed in United States Dollars

### Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. We were not able to inspect the entire interior of the subject nor the rear exterior of the improvements. We were only able to access the interior of the retail shopping area, but not the warehouse or office areas. We have assumed that the information provided by the client regarding the quality and condition of these areas is accurate.
2. The land area and description of the site is based on a survey of the subject property which has not yet been recorded. The survey denotes the subject site as Plot 14XX, and this denotation would change when/if the survey gets recorded in the Cadastral office for the territory.

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of an analysis.

1. No hypothetical conditions were employed in this analysis.

### Exposure Time

Exposure time is the length of time the subject property would have been exposed for sale in the market had it sold on the effective valuation date at the concluded market value. Based on the

concluded market values stated previously, it is our opinion that the probable exposure time is 12-24 months.

**Marketing Period**

Marketing time is an estimate of the amount of time it might take to sell a property at the concluded market value immediately following the effective date of value. We estimate the subject's marketing period at 12-24 months.



## Certification

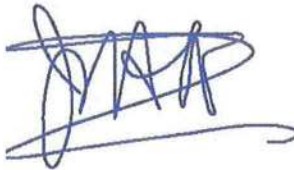
We certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. We have not performed any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice as well as applicable state appraisal regulations.
9. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Principles of Appraisal Practice and Code of Ethics of the American Society of Appraisers.
12. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the RICS Valuation Professional Standards as well as the International Valuation Standards as promulgated by the International Valuation Standards Council.
13. Mark J. Weathers made a personal inspection of the property that is the subject of this report. James V. Andrews, MAI, CRE, FRICS, ASA, CVA, has also personally inspected the subject.

14. No one provided significant real property appraisal assistance to the person(s) signing this certification.
15. We confirm we have the knowledge and skills to undertake the valuation competently. As such, we are also in compliance with the Competency Rule of USPAP.
16. As of the date of this report, James V. Andrews, MAI, CRE, FRICS, ASA, CVA has completed the continuing education program for Designated Members of the Appraisal Institute.
17. As of the date of this report, Mark J. Weathers, has completed the Standards and Ethics Education Requirements for Candidates/Practicing Affiliates of the Appraisal Institute.
18. The American Society of Appraisers has a mandatory recertification program for all of its Senior members. As of the date of this report, James V. Andrews, MAI, CRE, FRICS, ASA, CVA, is in compliance with this program.



Mark J. Weathers  
Certified General Real Estate Appraiser  
VI Certificate # 1-21738-1B



James V. Andrews, MAI, CRE, FRICS, ASA, CVA  
Certified General Real Estate Appraiser  
VI Certificate # 0-14194-1B

## Assumptions and Limiting Conditions

This appraisal and any other work product related to this engagement are limited by the following standard assumptions, except as otherwise noted in the report:

1. The title is marketable and free and clear of all liens, encumbrances, encroachments, easements and restrictions. The property is under responsible ownership and competent management and is available for its highest and best use.
2. There are no existing judgments or pending or threatened litigation that could affect the value of the property.
3. There are no hidden or undisclosed conditions of the land or of the improvements that would render the property more or less valuable. Furthermore, there is no asbestos in the property.
4. The revenue stamps placed on any deed referenced herein to indicate the sale price are in correct relation to the actual dollar amount of the transaction.
5. The property is in compliance with all applicable building, environmental, zoning, and other federal, state and local laws, regulations and codes.
6. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

This appraisal and any other work product related to this engagement are subject to the following limiting conditions, except as otherwise noted in the report:

1. An appraisal is inherently subjective and represents our opinion as to the value of the property appraised.
2. The conclusions stated in our appraisal apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events.
3. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.
4. No environmental impact studies were either requested or made in conjunction with this appraisal, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the appraisal assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
5. Unless otherwise agreed to in writing, we are not required to give testimony, respond to any subpoena or attend any court, governmental or other hearing with reference to the property without compensation relative to such additional employment.
6. We have made no survey of the property and assume no responsibility in connection with such matters. Any sketch or survey of the property included in this report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal

covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.

7. No opinion is expressed as to the value of subsurface oil, gas or mineral rights, if any, and we have assumed that the property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in our appraisal.
8. We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic considerations such as soils and seismic stability; and civil, mechanical, electrical, structural and other engineering and environmental matters. Such considerations may also include determinations of compliance with zoning and other federal, state, and local laws, regulations and codes.
9. The distribution of the total valuation in the report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. The appraisal report shall be considered only in its entirety. No part of the appraisal report shall be utilized separately or out of context.
10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the persons signing the report.
11. Information, estimates and opinions contained in the report and obtained from third-party sources are assumed to be reliable and have not been independently verified.
12. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute predictions of future operating results.
13. If the property is subject to one or more leases, any estimate of residual value contained in the appraisal may be particularly affected by significant changes in the condition of the economy, of the real estate industry, or of the appraised property at the time these leases expire or otherwise terminate.
14. Unless otherwise stated in the report, no consideration has been given to personal property located on the premises or to the cost of moving or relocating such personal property; only the real property has been considered.
15. The current purchasing power of the dollar is the basis for the values stated in the appraisal; we have assumed that no extreme fluctuations in economic cycles will occur.
16. The values found herein are subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.
17. The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic

conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.

18. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of the property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. We claim no expertise in ADA issues, and render no opinion regarding compliance of the subject with ADA regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.
19. The appraisal report is prepared for the exclusive benefit of the Client, its subsidiaries and/or affiliates. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.
20. No studies have been provided to us indicating the presence or absence of hazardous materials on the subject property or in the improvements, and our valuation is predicated upon the assumption that the subject property is free and clear of any environment hazards including, without limitation, hazardous wastes, toxic substances and mold. No representations or warranties are made regarding the environmental condition of the subject property. Integra Realty Resources – Caribbean, Integra Realty Resources, Inc., Integra Strategic Ventures, Inc. and/or any of their respective officers, owners, managers, directors, agents, subcontractors or employees (the "Integra Parties"), shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the subject property.
21. The persons signing the report may have reviewed available flood maps and may have noted in the appraisal report whether the subject property is located in an identified Special Flood Hazard Area. We are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property, and the value conclusion is predicated on the assumption that wetlands are non-existent or minimal.
22. Integra Realty Resources – Caribbean is not a building or environmental inspector. Integra Caribbean does not guarantee that the subject property is free of defects or environmental problems. Mold may be present in the subject property and a professional inspection is recommended.
23. The appraisal report and value conclusions for an appraisal assume the satisfactory completion of construction, repairs or alterations in a workmanlike manner.
24. It is expressly acknowledged that in any action which may be brought against any of the Integra Parties, arising out of, relating to, or in any way pertaining to this engagement, the

appraisal reports, and/or any other related work product, the Integra Parties shall not be responsible or liable for any incidental or consequential damages or losses, unless the appraisal was fraudulent or prepared with intentional misconduct. It is further acknowledged that the collective liability of the Integra Parties in any such action shall not exceed the fees paid for the preparation of the appraisal report unless the appraisal was fraudulent or prepared with intentional misconduct. Finally, it is acknowledged that the fees charged herein are in reliance upon the foregoing limitations of liability.

25. Integra Realty Resources – Caribbean, an independently owned and operated company, has prepared the appraisal for the specific intended use stated elsewhere in the report. The use of the appraisal report by anyone other than the Client is prohibited except as otherwise provided. Accordingly, the appraisal report is addressed to and shall be solely for the Client's use and benefit unless we provide our prior written consent. We expressly reserve the unrestricted right to withhold our consent to your disclosure of the appraisal report or any other work product related to the engagement (or any part thereof including, without limitation, conclusions of value and our identity), to any third parties. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the appraisal report (even if their reliance was foreseeable).
26. The conclusions of this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public records, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. The Integra Parties are not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we assume competent and effective management and marketing for the duration of the projected holding period of this property.
27. All prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraph, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to changes in the economy, interest rates, and capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.
28. The appraisal is also subject to the following:

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**Extraordinary Assumptions and Hypothetical Conditions**

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The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. We were not able to inspect the entire interior of the subject nor the rear exterior of the improvements. We were only able to access the interior of the retail shopping area, but not the warehouse or office areas. We have assumed that the information provided by the client regarding the quality and condition of these areas is accurate.
2. The land area and description of the site is based on a survey of the subject property which has not yet been recorded. The survey denotes the subject site as Plot 14XX, and this denotation would change when/if the survey gets recorded in the Cadastral office for the territory.

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

1. No hypothetical conditions were employed in this analysis.
-

**Addendum A**  
**Appraiser Qualifications**



# Mark J. Weathers

## Experience

Analyst with Integra Realty Resources - Caribbean. Mr. Weathers has been working in the real estate industry since 2008 and began his appraisal career in March 2009, working for Integra Realty Resources - Charlotte after employment as a research assistant for Piedmont Properties. He moved to the Island of St. Thomas in January 2013 to work for the Caribbean office of Integra Realty Resources.

Mr. Weathers gained experience by valuing a variety of real estate including office, retail, industrial, multifamily, and mixed use properties. His education and expertise in appraising such a wide range of properties helped him achieve his General Certification license from North Carolina in 2012, where he used this license to specialize in a variety of residential and commercial condemnation valuations for local government bodies while still performing valuation services for private clients such as banks and individual property owners.

Since recently moving to the Caribbean, Mr. Weathers has already utilized his knowledge of the valuation process to appraise retail, office, industrial and residential properties in the U.S. Virgin Islands, the British Virgin Islands, and The Bahamas.

## Licenses

North Carolina, General Certification, A7674, Expires June 2015  
Virgin Islands, General Certification, 1-21738-1B, Expires December 2015

## Education

B. S. Degree, Marketing & Real Estate, University of South Carolina, Columbia, SC (2007)

Appraisal courses completed are as follows:

Basic Appraisal Principles (R-1)  
SC Chapter of the Appraisal Institute, Greenville, SC

Basic Appraisal Procedures (R-2)  
SC Chapter of the Appraisal Institute, Greenville, SC

15-Hour USPAP Course  
SC Chapter of the Appraisal Institute, Greenville, SC

General Appraiser Sales Comparison Approach  
NC Chapter of the Appraisal Institute

General Appraiser Site Valuation and Cost Approach  
NC Chapter of the Appraisal Institute, Greensboro, NC

General Appraiser Income Approach  
FL Chapter of the Appraisal Institute, Ft. Lauderdale, FL  
TX Chapter of the Appraisal Institute, Dallas, TX

General Appraiser Report Writing and Case Studies  
NC Chapter of the Appraisal Institute

Advanced Market, Analysis and Highest and Best Use  
Mingle Institute, Louisville, KY

Advanced Income Capitalization  
NC Chapter of the Appraisal Institute, Greensboro, NC

mweathers@irr.com - (340) 714-7325

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Caribbean

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St. Thomas, VI 00802

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C (803) 917-8317  
F (345) 946-2001

irr.com



# Mr. James V. Andrews, MAI, CRE, FRICS, ASA, CVA

## Experience

James Andrews is the Managing Director of the Caribbean office of Integra Realty Resources. Mr. Andrews has been actively engaged in valuation and consulting since 1987; in the Caribbean since 1997.

Based in the Cayman Islands, James worked with the firm Cardiff & Co. before co-founding Andrews Key Ltd. in 2007 which became the IRR Caribbean office in 2012. He expanded the IRR Caribbean presence to include branch offices in the US Virgin Islands and the Bahamas in 2013.

Mr. Andrews has valued a variety of commercial property types, but concentrates on hotels and resorts. He is also qualified in business valuation and regularly performs valuation and consulting assignments regarding businesses and going concern properties such as hotels, marinas, golf courses, quarry/mining operations, restaurants and hospitality related entities. He has performed a variety of consulting assignments including regional market and feasibility studies to support the decision making of resort developers, as well as litigation support.

Some of the countries in which James has experience include the Cayman Islands, The Bahamas, Turks and Caicos Islands, British Virgin Islands, U.S. Virgin Islands, Puerto Rico, the Dominican Republic, Anguilla, St. Barth, St. Kitts and Nevis, Sint Maarten, Barbados, and St. Vincent and The Grenadines.

## Professional Activities & Affiliations

Appraisal Institute, Member (MAI) , October 1992  
Counselor of Real Estate (CRE) , August 2014  
American Society of Appraisers (ASA) , March 2014  
Royal Institute of Chartered Surveyors, Member (MRICS) , April 2005 - September 2008  
Royal Institute of Chartered Surveyors, Fellow (FRICS) , September 2008  
Member: National Association of Certified Valuers and Analysts, August 2014  
Member: International Relations Committee (Appraisal Institute), January 2013  
RICS Americas Valuation Standards Board, January 2012 - December 2014  
IRR Certified Reviewer, December 2013

## Licenses

North Carolina, State Certified General, A2285, Expires June 2015  
Virgin Islands, State Certified General, 0-14194-1B, Expires December 2015

## Education

Bachelor of Business Administration, Belmont University, Nashville, TN (1985)  
Appraisal Institute - Various Qualifying, Advanced and CE Courses  
American Society of Appraisers - Various Courses in Business Valuation  
NACVA: CVA Certification Courses In Business Valuation

**Integra Realty Resources**  
Caribbean

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Cayman Business Park Ste A5,  
Grand Cayman, KY1-9006  
Cayman Islands

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# Integra Realty Resources, Inc.

## Corporate Profile

Integra Realty Resources, Inc. offers the most comprehensive property valuation and counseling coverage in the United States with 61 independently owned and operated offices in 34 states and the Caribbean. Integra was created for the purpose of combining the intimate knowledge of well-established local firms with the powerful resources and capabilities of a national company. Integra offers integrated technology, national data and information systems, as well as standardized valuation models and report formats for ease of client review and analysis. Integra's local offices have an average of 25 years of service in the local market, and virtually all are headed by a Senior Managing Director who is an MAI member of the Appraisal Institute.

A listing of IRR's local offices and their Senior Managing Directors follows:

ATLANTA, GA - Sherry L. Watkins, MAI, FRICS  
AUSTIN, TX - Randy A. Williams, MAI, SR/WA, FRICS  
BALTIMORE, MD - G. Edward Kerr, MAI, MRICS  
BIRMINGHAM, AL - Rusty Rich, MAI, MRICS  
BOISE, ID - Bradford T. Knipe, MAI, ARA, CCIM, CRE, FRICS  
BOSTON, MA - David L. Cary, Jr., MAI, MRICS  
CHARLESTON, SC - Cleveland "Bud" Wright, Jr., MAI  
CHARLOTTE, NC - Fitzhugh L. Stout, MAI, CRE, FRICS  
CHICAGO, IL - Eric L. Enloe, MAI, FRICS  
CINCINNATI, OH - Gary S. Wright, MAI, FRICS, SRA  
CLEVELAND, OH - Douglas P. Sloan, MAI  
COLUMBIA, SC - Michael B. Dodds, MAI, CCIM  
COLUMBUS, OH - Bruce A. Daubner, MAI, FRICS  
DALLAS, TX - Mark R. Lamb, MAI, CPA, FRICS  
DAYTON, OH - Gary S. Wright, MAI, FRICS, SRA  
DENVER, CO - Brad A. Welman, MAI, FRICS  
DETROIT, MI - Anthony Sanna, MAI, CRE, FRICS  
FORT WORTH, TX - Gregory B. Cook, SR/WA  
GREENSBORO, NC - Nancy Tritt, MAI, SRA, FRICS  
GREENVILLE, SC - Michael B. Dodds, MAI, CCIM  
HARTFORD, CT - Mark F. Bates, MAI, CRE, FRICS  
HOUSTON, TX - David R. Domlry, MAI, CRE, FRICS  
INDIANAPOLIS, IN - Michael C. Lady, MAI, SRA, CCIM, FRICS  
JACKSON, MS - J. Walter Allen, MAI, FRICS  
JACKSONVILLE, FL - Robert Crenshaw, MAI, FRICS  
KANSAS CITY, MO/KS - Kenneth Jagers, MAI, FRICS  
LAS VEGAS, NV - Charles E. Jack IV, MAI  
LOS ANGELES, CA - John G. Ellis, MAI, CRE, FRICS  
LOS ANGELES, CA - Matthew J. Swanson, MAI  
LOUISVILLE, KY - Stacey Nicholas, MAI, MRICS  
MEMPHIS, TN - J. Walter Allen, MAI, FRICS  
MIAMI/PALM BEACH, FL - Anthony M. Graziano, MAI, CRE, FRICS  
MINNEAPOLIS, MN - Michael F. Amundson, MAI, CCIM, FRICS  
NAPLES, FL - Carlton J. Lloyd, MAI, FRICS  
NASHVILLE, TN - R. Paul Perutelli, MAI, SRA, FRICS  
NEW JERSEY COASTAL - Halvor J. Egeland, MAI  
NEW JERSEY NORTHERN - Matthew S. Krauser, CRE, FRICS  
NEW YORK, NY - Raymond T. Cirz, MAI, CRE, FRICS  
ORANGE COUNTY, CA - Larry D. Webb, MAI, FRICS  
ORLANDO, FL - Christopher Starkey, MAI, MRICS  
PHILADELPHIA, PA - Joseph D. Pasquarella, MAI, CRE, FRICS  
PHOENIX, AZ - Walter "Tres" Winlus III, MAI, FRICS  
PITTSBURGH, PA - Paul D. Griffith, MAI, CRE, FRICS  
PORTLAND, OR - Brian A. Glanville, MAI, CRE, FRICS  
PROVIDENCE, RI - Gerard H. McDonough, MAI, FRICS  
RALEIGH, NC - Chris R. Morris, MAI, FRICS  
RICHMOND, VA - Kenneth L. Brown, MAI, CCIM, FRICS  
SACRAMENTO, CA - Scott Beebe, MAI, FRICS  
ST. LOUIS, MO - P. Ryan McDonald, MAI, FRICS  
SALT LAKE CITY, UT - Darrin W. Liddell, MAI, CCIM, FRICS  
SAN DIEGO, CA - Jeff A. Greenwald, MAI, SRA, FRICS  
SAN FRANCISCO, CA - Jan Kleczewski, MAI, FRICS  
SARASOTA, FL - Carlton J. Lloyd, MAI, FRICS  
SAVANNAH, GA - J. Carl Schultz, Jr., MAI, FRICS, CRE, SRA  
SEATTLE, WA - Allen N. Safer, MAI, MRICS  
SYRACUSE, NY - William J. Kimball, MAI, FRICS  
TAMPA, FL - Bradford L. Johnson, MAI, MRICS  
TULSA, OK - Owen S. Ard, MAI  
WASHINGTON, DC - Patrick C. Kerr, MAI, SRA, FRICS  
WILMINGTON, DE - Douglas L. Nickel, MAI, FRICS  
CARIBBEAN/CAYMAN ISLANDS - James Andrews, MAI, FRICS

### Corporate Office

Eleven Times Square, 640 Eighth Avenue, 15th Floor, Suite A, New York, New York 10036  
Telephone: (212) 255-7858; Fax: (646) 424-1869; E-mail [info@irr.com](mailto:info@irr.com)  
Website: [www.irr.com](http://www.irr.com)



**Addendum B**

**Financials and Property Information**

**Property Tax View Screen**

**PLESSEN ENTERPRISES INC**

Location  Mail

*No mailing address specified.  
Location address used for mailing.*

Contact ID: 197584  
Status: Active  
Type: Corporation

Account List  
Property List  
Parcel  
Property Data

**Property Tax**

Account #	0002350543.2014.RE	Status	Billable
	<b>Property Tax</b>	Tax District	4
Parcel #	4-06200-0408-00	Tax Jurisdiction	4 - St Croix, Frederiksted
Legal Description:	MTR 28 & 29 PLESSEN		

**Property Tax Information**

**Assessment**

Land Assessed Value	713,100		
Improved Assessed Value	4,521,500	Tax Rate	7.110
Credit Amount	0		
Amount Due	39,987.26		

**Tax Notices**

Bill # - Rev	Notice Type	Reason Code	Amount Billed	Amount Due	Date Billed	Date Printed
17589065-00	Primary Tax Bill	Annual Tax Bill	39,987.28	39,987.26	02/25/2015	
<b>Totals</b>			<b>\$ 39,987.26</b>	<b>\$ 39,987.26</b>		

**DETAILED PROPERTY INFORMATION**

**GENERAL INFORMATION AND PROPOSED VALUE**

Parcel Number	Description	Total Land Sq Ft	Value Neighborhood
4-06200-0408-00	GROcery SUPPLY	472211	GENERAL
View	Topography		Entrance
FAIR	GENtLE SLOPE		EXTERIOR ONLY
Proposed Value	Total Value	Land Value	Building Value
	4521500	713100	4521500
Most Recent Sale	Date	Price	Document Number

**RESIDENCE INFORMATION**

Gross Tot Ltr Area	House Style	House Quality	House Condition
0			
Year Built	Number Bedrooms	Total Rooms	Full Baths
	2	2	0
Half Baths	Roofing Material	Exterior Walls	
0			

**CONDOMINIUM AND TIMESHARE INFORMATION**

Condo Complex Name	Unit Number	Pool Common Int
Living Area	Floor Number	Total Rooms
		Full Baths
		Half Baths
Timeshare Interval Number	Timeshare Interval Type	

**COMMERCIAL BUILDING INFORMATION**

Gross Fin Sq Feet	Construction Class	Building Quality	Building Condition
10000	MASONRY WALL	AVERAGE	AVERAGE
Number Stories	Year Built	Exterior Walls	Roofing Material
2	1999	STUCCO	ASPH

Property data information updated on 02/21/2015



Doc# 2008005467

65,831

QUITCLAIM DEED

18,063-  
100 penalty

INDENTURE made this 9<sup>th</sup> day of September, 2008, NUNC PRO TUNC December 23, 1992, by and between **JOHN W. WARLICK** of P.O. Box 222567, Christiansted, St. Croix, U.S. Virgin Islands 00822 (hereinafter referred to as "GRANTOR"), and **PLESSEN ENTERPRISES, INC.** of P.O. Box 763, Christiansted, St. Croix, U.S. Virgin Islands 00822 (hereinafter referred to as "GRANTEE").

**WITNESSETH:**

That GRANTOR does hereby REMISE, RELEASE and QUITCLAIM unto the GRANTEE, its successors and assigns, all right, title and interest of GRANTOR in and to the following real property situate in St. Croix, U.S. Virgin Islands, to wit:

9000

Remainder of Matricular 39, Estate Diamond, Prince Quarter, St. Croix, U.S. Virgin Islands, consisting of 74.98 U.S. Acres more or less, as more fully described on OLG No. 4537, dated April 30, 1989, revised April 3, 1996.

TOGETHER WITH all the tenements, buildings, hereditaments and appurtenances and easements thereunto belonging;

9063

SUBJECT, HOWEVER, to easements, right of ways, conditions, covenants, agreements, and restrictions of public record; all zoning, building, environmental and other laws and regulations affecting their the use or occupancy of the Property; and

TO HAVE AND TO HOLD the premises hereby granted unto the GRANTEE, its successors and assigns, in fee simple, forever.

9063

IN WITNESS WHEREOF, GRANTOR has duly executed this instrument as of the day and year first above written.

WITNESS:

GRANTOR:

*[Signature]*  
Debra Ann Muoio

*[Signature]*  
JOHN W. WARLICK

ACKNOWLEDGMENT

STATE OF Florida  
COUNTY OF Palm Beach

On this 9<sup>th</sup> day of September, 2008, before me came and personally appeared JOHN W. WARLICK, to me known or known to me to be the individual described in and who executed the foregoing instrument, and he acknowledged that he signed the same freely and voluntarily for the purposes therein contained.



*[Signature]*  
Notary Public  
My commission expires: 1/25/2012



Quit Claim Deed  
Warlick to Plessen; Rem Matr. 39 Est. Diamond  
Page 2 of 2

IT IS HEREBY CERTIFIED that the value of the property described herein did not exceed \$580,000.00 at the time of sale and conveyance. The 1998 total tax assessed value was \$722,507.

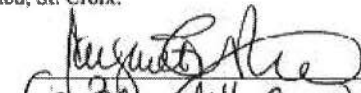
  
GRANTEE

**CERTIFICATE OF PUBLIC SURVEYOR**

IT IS HEREBY CERTIFIED that, according to the records in the Public Surveyor's Office, the property described in the foregoing instrument has not undergone any change with respect to boundary and area.

Office of the Public Surveyor, Christiansted, St. Croix.

DATED: SEP 23 2008  
FEE: 765<sup>00</sup>

  
for: Bernadette C. Williams  
Assistant Tax Assessor

Book: 200805467  
Page: 108  
Filed & Recorded: 11/09/2008 11:07AM  
REORDER OF DEEDS  
SI EX01X  
RECORDING FEE  
PER PAGE FEE  
DEED DOC. STAMP  
PENALTY FEE  
592.88  
2.00  
10,863.00  
189.98  
*Attorney*  
Reorder

H:\United\Plessen Ent\quitclaim deed.wpd



CASH  OTHER   
CHECK OR M/O \_\_\_\_\_

PA OCT 08 2008 ID

COLLECTOR NO. \_\_\_\_\_  
COLLECTORS INITIALS \_\_\_\_\_



GOVERNMENT OF  
THE VIRGIN ISLANDS OF THE UNITED STATES  
0

OFFICE OF THE LIEUTENANT GOVERNOR

TAX CLEARANCE LETTER

TO: THE RECORDER OF DEEDS  
FROM: OFFICE OF THE TAX COLLECTOR

IN ACCORDANCE WITH TITLE 25, SECTION 121 AS AMENDED,  
THIS IS CERTIFICATION THAT THERE ARE NO REAL PROPERTY

TAXES OUTSTANDING FOR: PLESSEN ENTERPRISES, INC.  
(NAME OF TAXPAYER ON RECORD)

Matricular 39 & 5-B Estate Diamond 4-07900-0140-00  
(LEGAL DESCRIPTION) (PARCEL NUMBER)

Carl A. Beckstedt III, Esq.  
Bryant, Barnes, Moss, Beckstedt & Blair 340-773-2788  
(REQUESTED BY) (TELEPHONE NUMBER)

TAXES HAVE BEEN RESEARCHED UP TO AND INCLUDING 2005 ONLY.

RESEARCHED BY:

*Jacqueline Kosario*  
JACQUELINE KOSARIO  
Property Tax Collector

TITLE:

DATE:

October 24, 2008

VERIFIED BY:

*Roger M. Adams*  
ROGER M. ADAMS

TITLE:

Supervising, RPT Enf. Off.

DATE:

October 24, 2008





**Addendum C**  
**Comparable Data**

**Land Sale Comparables**



## Location & Property Identification

Property Name: 35B & 35C Estate La Grande Princess

Address: 35B & 35C Estate La Grande Princess

City/State/Zip: Company Quarter, VI 00823

County: St. Croix

Market Orientation: Coastal-Waterfront

IRR Event ID: 629217



## Sale Information

Sale Price: \$350,000

Eff. R.E. Sale Price: \$350,000

Sale Date: 02/09/2012

Sale Status: Closed

\$/Acre(Gross): \$117,450

\$/Land SF(Gross): \$2.70

\$/Acre(Usable): \$117,450

\$/Land SF(Usable): \$2.70

Case Study Type: None

Grantor/Seller: David Dawod

Grantee/Buyer: 051469 Real Estate Holdings, LLC

Property Rights: Fee Simple

% of Interest Conveyed: 100.00

Exposure Time: 553 (months)

Financing: Cash to seller

Document Type: Deed

Recording No.: 2012000492

Verified By: Mark J. Weathers

Verification Date: 3/13/13

Verification Source: Esther Joseph - Calabash Realtors

Verification Type: Confirmed-Seller Broker

Legal/Tax/Parcel ID: 2-02607-0103-00

Acres(Usable/Gross): 2.98/2.98

Land-SF(Usable/Gross): 129,809/129,809

Usable/Gross Ratio: 1.00

Shape: Rectangular

Topography: Gently Sloping

Corner Lot: No

Frontage Feet: 200

Frontage Desc.: Northshore Rd.

Zoning Code: R-3

Source of Land Info.: Public Records

## Comments

Although the property is zoned residential, buyer plans to attempt to re-zone and develop with a commercial use according to the selling broker.

## Improvement and Site Data

**35B & 35C Estate La Grande Princess**



## Location & Property Identification

Property Name: 18, 19, 21, and 23 Golden Rock  
 Sub-Property Type: Specialty, Other  
 Address: 18,19, 21, and 23 Golden Rock  
 City/State/Zip: Company Quarter, VI 00820  
 County: St. Croix  
 Market Orientation: Suburban  
 IRR Event ID: 707235



## Sale Information

Sale Price: \$505,000  
 Eff. R.E. Sale Price: \$505,000  
 Sale Date: 07/14/2011  
 Contract Date: 05/07/2010  
 Sale Status: Closed  
 \$/Acre(Gross): \$141,457  
 \$/Land SF(Gross): \$3.25  
 \$/Acre(Usable): \$141,457  
 \$/Land SF(Usable): \$3.25  
 Grantor/Seller: Staci D. Giske, individually and as trustee  
 Grantee/Buyer: The Supreme Court of the Virgin Islands  
 Property Rights: Fee Simple  
 % of Interest Conveyed: 100.00  
 Financing: Cash to seller  
 Document Type: Deed  
 Recording No.: 2011002575  
 Verified By: Jason Crump  
 Verification Date: 2/12/14  
 Verification Source: Kelli Barton, listing broker  
 Verification Type: Confirmed-Seller Broker

Acres(Usable/Gross): 3.57/3.57  
 Land-SF(Usable/Gross): 155,509/155,509  
 Usable/Gross Ratio: 1.00  
 Shape: Irregular  
 Topography: Gently Sloping  
 Corner Lot: No  
 Frontage Feet: 210  
 Frontage Desc.: Northside Road  
 Zoning Code: B3 and C  
 Zoning Desc.: Commercial  
 Date: 01/01/1900  
 Source of Land Info.: Broker

## Comments

According to the listing agent, the sales price represented market value at the time of the transaction.

## Improvement and Site Data

Legal/Tax/Parcel ID: 2-02715-0109-00

**18, 19, 21, and 23 Golden Rock**



## Location & Property Identification

**Property Name:** 5 Estate Pearl  
**Sub-Property Type:** Specialty, Coastal/Island  
**Address:** 5 Estate Pearl  
**City/State/Zip:** Queen Quarter, VI 00820  
**County:** St. Croix  
  
**Market Orientation:** Suburban  
**Property Location:** Southside Road  
**IRR Event ID:** 535294



## Sale Information

**Sale Price:** \$470,000  
**Eff. R.E. Sale Price:** \$470,000  
**Sale Date:** 11/17/2010  
**Sale Status:** Closed  
**\$/Acre(Gross):** \$66,952  
**\$/Land SF(Gross):** \$1.54  
**\$/Acre(Usable):** \$66,952  
**\$/Land SF(Usable):** \$1.54  
**Case Study Type:** None  
**Grantor/Seller:** Richard and Maria Herbert  
**Grantee/Buyer:** Rambally's Funeral Parlor, LLC

**Property Rights:** Fee Simple  
**% of Interest Conveyed:** 100.00  
**Financing:** Cash to seller  
**Document Type:** Deed  
**Recording No.:** 2010004447  
**Verification Type:** Confirmed-Seller Broker

## Improvement and Site Data

**Legal/Tax/Parcel ID:** 2-08500-0106-00  
**Acres(Usable/Gross):** 7.02/7.02  
**Land-SF(Usable/Gross):** 305,791/305,791  
**Usable/Gross Ratio:** 1.00  
**Shape:** Irregular  
**Topography:** Level  
**Zoning Code:** C

**Zoning Desc.:** Commercial  
**Flood Plain:** No  
**Utilities:** Electricity, Water Public, Sewer, Telephone, CableTV  
**Source of Land Info.:** Public Records

## Comments

South central area of island, above average exposure

## Location & Property Identification

Property Name: 2A & 2B Estate Hogensberg  
 Sub-Property Type: Commercial, Industrial  
 Address: 2A & 2B Hogensberg  
 City/State/Zip: Prince Quarter, VI 00820  
 County: St. Croix

Market Orientation: Suburban

IRR Event ID: 535060



## Sale Information

Sale Price: \$280,000  
 Eff. R.E. Sale Price: \$280,000  
 Sale Date: 03/16/2010  
 Sale Status: Closed  
 \$/Acre(Gross): \$148,936  
 \$/Land SF(Gross): \$3.42  
 \$/Acre(Usable): \$148,936  
 \$/Land SF(Usable): \$3.42  
 Case Study Type: None  
 Grantor/Seller: Louis Armstrong  
 Grantee/Buyer: Ilford Phillip  
 Property Rights: Fee Simple  
 % of Interest Conveyed: 100.00  
 Financing: Cash to seller  
 Document Type: Deed  
 Recording No.: 2010002774  
 Verification Type: Confirmed-Other

Zoning Desc.: Light Industrial/Business  
 Flood Plain: No  
 Utilities: Electricity, Water Public, Telephone, CableTV  
 Source of Land Info.: Public Records

## Comments

In middle of the island, across from K-Mart. I-2 allows many light industrial and business uses.

## Improvement and Site Data

Legal/Tax/Parcel ID: 4-07800-0163-00,  
 4-07800-0129-00 (Part)  
 Acres(Usable/Gross): 1.88/1.88  
 Land-SF(Usable/Gross): 81,892/81,892  
 Usable/Gross Ratio: 1.00  
 Shape: Rectangular  
 Topography: Level  
 Zoning Code: I-2



**Regional Lease Comparables**



## Location & Property Identification

Property Name: Morrisville Market  
 Sub-Property Type: Freestanding, Grocery Store  
 Address: 3560 Davis Dr.  
 City/State/Zip: Morrisville, NC 27560  
 County: Wake  
  
 Market Orientation: Suburban  
  
 IRR Event ID: 599500



## Lease Information

Lessor: Morrisville Market, LLC  
 Lessee: Wal Mart  
 Init Year Contract Rate: \$11.00 /\$/SF/YR  
 Effective Lease Rate: \$11.00 /\$/SF/YR  
 Lease Commencement: 06/01/2013  
 Lease Expiration: 05/31/2028  
 Term of Lease: 180 months  
 Lease Type: Local  
 Space Type: Retail:Anchor  
 Escalations: None  
 Verified with: Charles Kane  
 Transaction Reliability: Confirmed  
 Leased Area: 45,868  
 Full Building Lease: No

Usable/Gross Ratio: 1.00  
 Year Built: 2005  
 Exterior Walls: Brick  
 Air-Conditioning Type: Central  
 Shape: Irregular  
 Topography: Gently Sloping  
 Corner Lot: Yes  
 Frontage Feet: 1176  
 Frontage Desc.: Davis Drive  
 Bldg. to Land Ratio FAR: 0.12  
 Zoning Code: GB  
 Flood Plain: Yes  
 Utilities: Electricity, Water Public, Sewer, Gas, Telephone  
  
 Utilities Desc.: All Available  
 Improve. Info. Source: Public Records  
 Source of Land Info.: Public Records

## Lease Expense Information

Lease Reimburse. Type: Triple Net

## Improvement and Site Data

MSA: Raleigh-Cary, NC Metropolitan Statistical Area  
  
 Legal/Tax/Parcel ID: 0745-52-7674  
 GBA-SF: 77,516  
 GLA-SF: 77,516  
 Acres(Usable/Gross): 13.93/13.93  
 Land-SF(Usable/Gross): 606,791/606,791

## Comments

Tenant pays \$1/SF CAM, along with pro-rated taxes and insurance. No tenant improvement allowance, space leased as is. Former Ace Hardware and shell space.



## Location & Property Identification

Property Name:	Winn Dixie
Sub-Property Type:	Freestanding, Grocery Store
Address:	815 Pelham Rd. S.
City/State/Zip:	Jacksonville, AL 36265
County:	Calhoun
Market Orientation:	Suburban
Property Location:	NWC Pelham Rd. S. and Greenleaf St. SW
IRR Event ID:	658778



## Lease Information

Lessor:	JKA Enterprises
Lessee:	Winn Dixie
Init Year Contract Rate:	\$6.30 /\$/SF/YR
Effective Lease Rate:	\$6.30 /\$/SF/YR
Lease Commencement:	05/01/2013
Term of Lease:	60 months
Lease Type:	Local
Space Type:	Retail:In-Line Large
Verified with:	Robert James 212-972-7457
Transaction Reliability:	Confirmed
Leased Area:	42,049

Exterior Walls:	Block
No. of Buildings/Stories:	1/1
Total Parking Spaces:	230
Park. Ratio 1000 SF GLA:	4.10
No. Surface Spaces:	230
Park. Ratio 1000 SF GBA:	4.10
Shape:	Irregular
Topography:	Level
Corner Lot:	No
Frontage Feet:	185
Frontage Type:	2 way, 2 lanes each way
Traffic Control at Entry:	None
Traffic Flow:	Moderate
Visibility Rating:	Average
Bldg. to Land Ratio FAR:	0.37
Improve. Info. Source:	Public Records
Source of Land Info.:	Public Records

## Lease Expense Information

Lease Reimburse. Type:	Triple Net
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## Improvement and Site Data

Legal/Tax/Parcel ID:	12-06-14-4-001-068.005
GBA-SF:	56,132
GLA-SF:	56,132
Acres(Usable/Gross):	3.52/3.52
Land-SF(Usable/Gross):	153,331/153,331
Usable/Gross Ratio:	1.00
Year Built:	1994
M&S Class:	C
Construction Quality:	Good
Improvements Cond.:	Good

## Comments

Freestanding Winn Dixie Marketplace grocery store.  
5-year lease extension of Winn-Dixie to May 2018. Property on market as of June 2013 for \$3,312,500, or at 8.0% capitalization rate.

## Location & Property Identification

Property Name: Winn Dixie - Ponchartrain Dr.  
 Sub-Property Type: Freestanding, Grocery Store  
 Address: 3030 Pontchartrain Drive  
 City/State/Zip: Slidell, LA 70458  
 County: Saint Tammany  
 Market Orientation: Suburban  
 IRR Event ID: 635900



## Lease Information

Lessee: Winn Dixie  
 Init Year Contract Rate: \$9.97 /\$/SF/YR  
 Effective Lease Rate: \$9.97 /\$/SF/YR  
 Lease Commencement: 01/07/2013  
 Term of Lease: 117 months  
 Space Type: Retail  
 Verified with: Lease  
 Transaction Reliability: IRR Confirmed  
 Leased Area: 44,780  
 Base Tenant Improv.: \$5.58

M&S Class: C  
 Construction Quality: Average  
 Improvements Cond.: Good  
 Exterior Walls: Stucco  
 No. of Buildings/Stories: 1/1  
 Total Parking Spaces: 280  
 Park. Ratio 1000 SF GLA: 6.25  
 No. Surface Spaces: 280  
 Park. Ratio 1000 SF GBA: 6.25  
 Bldg. to Land Ratio FAR: 0.16  
 Source of Land Info.: Public Records

## Lease Expense Information

Lease Reimburse. Type: Absolute Net

## Comments

Extension of original 20-year lease with Winn Dixie, originally 1995 - 2015. Includes 5, five-year renewal options. Flat rent, tenant to pay 1% of retail sales in excess of base rent. Landlord contributes \$5.58/SF TI.

## Improvement and Site Data

MSA: New Orleans-Metairie-Kenner, LA Metropolitan Statistical Area  
 GBA-SF: 44,780  
 GLA-SF: 44,780  
 Acres(Usable/Gross): 6.47/6.47  
 Land-SF(Usable/Gross): 281,833/281,833  
 Usable/Gross Ratio: 1.00  
 Year Built: 1996  
 Most Recent Renovation: 2011

## Location & Property Identification

Property Name:	Walmart Neighborhood Market
Sub-Property Type:	Freestanding, Grocery Store
Address:	2750 NC Highway 55
City/State/Zip:	Cary, NC 27519
County:	Wake
Market Orientation:	Suburban
IRR Event ID:	504634



## Lease Information

Lessor:	The Crown Companies, LLC
Lessee:	Wal-Mart Stores, Inc.
Init Year Contract Rate:	\$9.50 /\$/SF/YR
Effective Lease Rate:	\$9.50 /\$/SF/YR
Lease Commencement:	05/20/2012
Lease Expiration:	05/19/2027
Term of Lease:	180 months
Space Type:	Retail
Escalations:	None
Transaction Reliability:	IRR Confirmed
Leased Area:	54,500
Renewal Options:	Yes
Desc. of Options:	(6) 5-year options

GBA-SF:	58,000
GLA-SF:	54,500
Acres(Usable/Gross):	8.18/8.18
Land-SF(Usable/Gross):	356,236/356,236
Usable/Gross Ratio:	1.00
Year Built:	2005
Most Recent Renovation:	2012
M&S Class:	C
Construction Quality:	Good
Improvements Cond.:	Good
Exterior Walls:	Brick
Construction Desc.:	Steel frame with masonry (partial brick) exterior walls.

No. of Buildings/Stories:	1/1
Ceiling Height Minimum:	24.00
Ceiling Height Maximum:	24.00
Total Parking Spaces:	281
Park. Ratio 1000 SF GLA:	5.16
No. Surface Spaces:	281
Park. Ratio 1000 SF GBA:	4.84
No. Of Elevators:	None
Fire Sprinkler Type:	Yes
Roof Comments:	Roof-fiberglass shingles, metal decking with rigid insulation, single-ply roof membrane, gravel ballast. HVAC adequate.

## Lease Expense Information

Lease Reimburse. Type:	Triple Net
Landlord Pays:	Structural Repairs
Tenant Pays:	RE Taxes, Property Insurance, Management Fees, CAM

## Improvement and Site Data

MSA:	Raleigh-Cary, NC Metropolitan Statistical Area
Legal/Tax/Parcel ID:	0734-80-5956

Shape:	Irregular
Topography:	Level
Corner Lot:	No



## Improvement and Site Data (Cont'd)

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Frontage Feet:	476
Frontage Desc.:	395' NC Highway 55, 81' High House Road
Traffic Count:	44,000 VPD (2007)
Bldg. to Land Ratio FAR:	0.16
Zoning Code:	PDD Major
Zoning Desc.:	Planned Development District
Encumbrance/Easements:	No
Environmental Issues:	No
Flood Plain:	No
Utilities:	Electricity, Water Public, Sewer, Gas
Utilities Desc.:	All public and available.
Improve. Info. Source:	Other
Source of Land Info.:	Other

## Comments

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Former Kroger store that is being leased to Wal-Mart for 15 years with (6) 5-year options. Rent increasing \$0.50/sf/yr with each option period. No TI allowance was given. Space leased "as is".

**Addendum D**  
**Engagement Letter**

Provided upon request