



THE McENERY COMPANY

VALUATION & ADVISORY SERVICES

PREPARED FOR:

Mr. Darrell Hollis
Upper Pontalba Condominium Association
800 Rue Rampart
Metairie, Louisiana 70005

PREPARED BY:

Baldwin R. Justice
The McEnergy Company
810 Union Street,
Fourth Floor
New Orleans, LA 70112
mceneryco.com

800 Rue Rampart
Metairie, LA 70005

EFFECTIVE DATE OF
INSURABLE VALUE: February 7, 2024



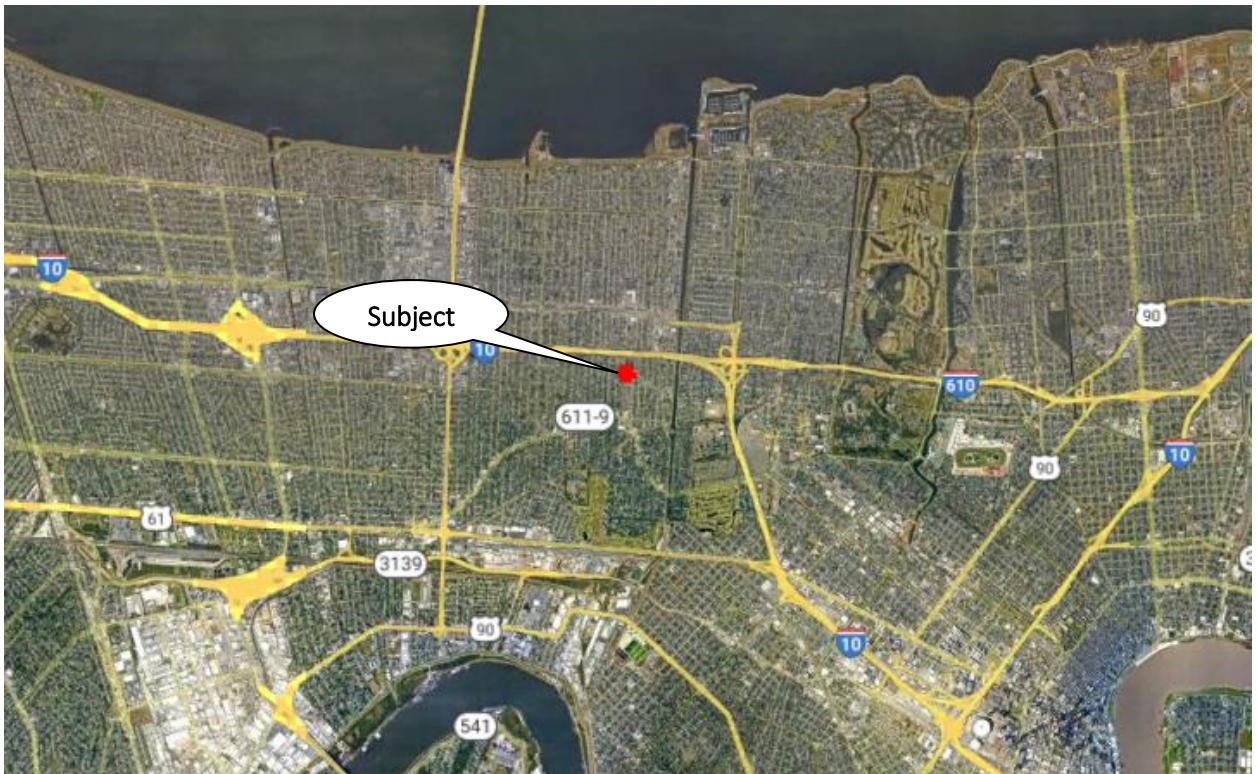
FILE # | 24-1017

Insurable Replacement Cost

(86) Unit Residential Condominium Complex



SUBJECT PHOTOGRAPHS



810 Union Street, Fourth Floor
New Orleans, Louisiana 70112

Telephone: 504-274-2701
Facsimile: 504-274-2702

170 Moores Road
Mandeville, Louisiana 70471

Telephone: 985-246-3900
Facsimile: 985-246-3901



(Unit 108)



(Unit 108)



(Unit 115)



(Unit 108)



(Unit 130)



(Unit 130)



(Unit 210)



(Unit 210)



(Unit 221)



(Unit 221)



(Unit 305)



(Unit 305)

April 3, 2024

Mr. Darrell Hollis
Upper Pontalba Condominium Association

Re: 800 Rue Rampart
Metairie, LA 70005

Our File Number:24-1017

Dear Mr. Hollis :

In accordance with your letter of engagement, we have examined the referenced property and analyzed matters applicable to the determination of the insurable replacement cost value of each of the subject's floorplans and unit types. Enclosed is our report that describes our method of approach and contains relevant data gathered and used to reach our final value estimates. This is an appraisal containing a total of 34 numbered pages.

Summary of Subject Property:

The subject of this report is (86) residential condominium units within the Upper Pontalba of Old Metairie condominium building situated at the corner of Canal Boulevard and Focis Avenue in Metairie, Louisiana. The structure, as a whole, comprises three stories and has a gross building area of 180,156 square feet, featuring multiple onsite amenities. The units vary in size and layout, providing a mixture of one to four bedrooms and total net rentable area of 144,775 square feet.

Firstly, the purpose of this report is to determine the insurable replacement value of the interior ONLY of each of the (10) unit types within the property. As will be explained within the scope of work of this report, the insurable replacement values are reflective of a base level or average quality finish for the subject units. We note that numerous units are improved with higher quality finishes, which would suggest a higher replacement cost value. At the request of the client, this insurable replacement cost report has been performed under the hypothetical condition that all the subject units are finished at an average quality level for residential condominium units within the New Orleans metropolitan area.

Next, we have considered the insurable replacement value for the structure as a whole, including the exterior, balconies, common elements, and several site improvements such as the onsite swimming pool and tennis court.

Values Reported:

- Insurable Replacement Value



Mr. Hollis
Page Two
April 3, 2024

USPAP Requirements Note:

This appraisal complies with the reporting requirements mandated by the 2024 Edition of the United Standards of Professional Appraisal Practice (USPAP) adopted by the Appraisal Standards Board of The Appraisal Foundation. Additionally, as per Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) minimum appraisal standards, we HAVE completed previous appraisals of condominium properties similar to the subject property in this area.

Client & Intended User: Upper Pontalba Condominium Association , as represented by Mr. Darrell Hollis

We are not responsible for the unauthorized use of this report.

Property Taxes Note: The subject property, operating as a condominium, places the responsibility for property taxes on the unit owners. According to the Jefferson Parish Sheriff's Office, each of the subject's (86) units is individually assessed, with each owner being responsible for their respective property taxes.

Mr. Hollis
Page Two
April 3, 2024

The following table summarizes our opinion(s) of the insurable replacement value as of February 7, 2024, under the hypothetical condition noted within the scope of work of the appraisal:

Interior Condominium Units Only:

UNIT TYPE	SIZE	# OF UNITS	COST PSF	VALUE	INDIVIDUAL REPLACEMENT COST	AGGREGATE REPLACEMENT COST
B (B-R)	1,255	9	\$108.86	\$136,619	\$137,000	\$1,233,000
C (C-R)	1,263	21	\$108.78	\$137,389	\$137,000	\$2,877,000
C (C-R) Combined	2,526	5	\$100.51	\$253,888	\$254,000	\$1,270,000
D	1,620	4	\$105.48	\$170,877	\$171,000	\$684,000
E (E-R)	1,623	8	\$105.46	\$171,162	\$171,000	\$1,368,000
F	1,784	4	\$104.33	\$186,125	\$186,000	\$744,000
G (G-R)	1,898	12	\$103.55	\$196,538	\$197,000	\$2,364,000
H (H-R)	1,791	12	\$104.28	\$186,766	\$187,000	\$2,244,000
J (J-R)	1,822	8	\$104.07	\$189,616	\$190,000	\$1,520,000
K (K-R)	2,961	3	\$98.82	\$292,606	\$293,000	\$879,000
TOTAL/AVERAGE		86				
<i>Average Cost/Unit</i>		\$176,547	<i>Average Cost/SF</i>	\$104.41	AGGREGATE TOTAL REPLACEMENT COST	\$15,183,000

Total Breakdown of Insurable Replacement Cost

Total Insurable Replacement Value - Upper Pontalba	
Component	Cost Rounded
<i>Total Insurable Replacement Cost</i>	\$29,055,000
<i>Interior Condominium Units Replacement Cost</i>	\$15,183,000
<i>Net Replacement Cost of Exterior & Common Areas</i>	\$13,872,000

This is to certify that we have no interest, present or contemplated, in the appraised property. Our opinions of value are subject to the General and Special Assumptions and Limiting Conditions, Certification, and Restriction Upon Disclosure and Use which are stated in the body of the report.

Respectfully submitted,



Baldwin R. Justice
Louisiana State Certified
General Real Estate Appraiser #G3000

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

GENERAL

Property Address: 800 Rue Rampart
Metairie, LA 70005

Property Type: Condominium development (86 Units)

Client: Upper Pontalba Condominium Association ,
as represented by Mr. Darrell Hollis

Ownership: Various (Condominium Association)

The subject is a condominium development, where the overall percentage share of each owner is contingent upon the sizes of their individual units. Despite searching through the subject's condominium declaration and related documents available at the Jefferson Parish Clerk of Court, we were unable to obtain any up-to-date documentation regarding the current ownership percentage split with respect to the provided unit sizes.

Type of Value: Insurable Replacement Value

Date of Report: April 3, 2024

Property Inspected By: Baldwin R. Justice

Intended Use: The intended use is to determine the insurable replacement cost for asset management purposes.

Intended User(s): The intended user is Upper Pontalba Condominium Association , as represented by Mr. Darrell Hollis

Land Summary - Parent Tract				
Parcel ID	Gross Land Area (Acres)	Gross Land Area (Sq Ft)	Topography	Shape
500 Rue St. Ann 501 Rue St. Peter 801 Rue Burgundy 800 Rue Rampart	4.51	196,473	Level	Irregular

Building Summary					
Building Name/ID	Condition	Number of Stories	Gross Building Area	Rentable Area	Number of Units
Upper Pontalba of Old Metairie	Good/Very Good	3.0	180,156	144,775	86

Unit Type Breakdown				
Unit Type	Size (SF)	# of Units	Total Sf per Unit Type	Layout
B (B-R)	1,255	9	11,295	1Br/1.5Ba
C (C-R)	1,263	21	26,523	2Br/2Ba
C (C-R) Combined	2,526	5	12,630	4Br/4Ba
D	1,620	4	6,480	2Br/2Ba
E (E-R)	1,623	8	12,984	2Br/2Ba
F	1,784	4	7,136	2Br/2Ba
G (G-R)	1,898	12	22,776	2Br/2.5Ba
H (H-R)	1,791	12	21,492	2Br/2Ba
J (J-R)	1,822	8	14,576	2Br/2Ba
K (K-R)	2,961	3	8,883	3Br/3Ba
Total / AVG	1,854	86	144,775	

(R represents reverse floor plan)

* A further breakdown of the subject's units by floor and unit numbers extracted from the subject's condominium declaration is shown below.

SCHEDULE OF UNITS		
PLAN	FLOOR	UNIT NUMBERS
B/B-R	1	131
"	2	204, 214, 221, 231
"	3	304, 314, 321, 331
C/C-R	1	101, 106, 107, 108, 109, 110, 111, 116 118, 123, 124, 125, 126, 127, 128
"	2	206, 207, 208, 211, 223, 224, 225, 228
"	3	306, 307, 308, 311, 323, 324, 325, 328
D	2	209, 226
"	3	309, 326
E/E-R	2	202, 215, 219, 232
"	3	302, 315, 319, 332
F	2	210, 227
"	3	310, 327
G/G-R	1	105, 112, 122, 129
"	2	205, 212, 222, 229
"	3	305, 312, 322, 329
H/H-R	1	103, 113, 120, 130
"	2	203, 213, 220, 230
"	3	303, 313, 320, 330
J/J-R	2	201, 216, 218, 233
"	3	301, 316, 318, 333
K/K-R	1	102, 115, 119

Legal Description:

86 Units situated in Plot C-1, Upper Pontalba of Old Metairie Condominium, DeLimon Subdivision, Jefferson Parish, State of Louisiana

Zoning:

R2 , Two-Family Residential
Jefferson Parish Planning and Zoning

Flood Zone:

X, AE

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CERTIFICATION

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

- The statements of fact contained in this report are true and correct.
- 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.
- We have no present or prospective interest in the property that is the subject of this appraisal report and we have no personal interest or bias with respect to the parties involved.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- 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.
- We **have** performed **no** other 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.
- The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- No one other than associates in this office or outside consultants as noted provided significant professional assistance in the preparation of this report.
- Baldwin R. Justice made a personal inspection of the property that is the subject of this report.
- Ryan D. Jack has provided significant real property appraisal assistance to the persons signing this certification. A summary of this assistance may be found within the Scope of the Appraisal.

Date Signed: April 3, 2024



Baldwin R. Justice
Louisiana State Certified
General Real Estate Appraiser #G3000



SCOPE OF WORK

According to the Uniform Standards of Professional Appraisal Practice, it is our responsibility to develop and report a scope of work that results in credible results that are appropriate for the appraisal problem and intended user(s). Therefore, we must identify and consider:

- the client and intended users;
- the intended use of the report;
- the type and definition of value;
- the effective date of value;
- assignment conditions;
- typical client expectations; and
- typical appraisal work by peers for similar assignments.

Client:	Upper Pontalba Condominium Association , as represented by Mr. Darrell Hollis
Intended Use:	The intended use is to determine the insurable replacement cost for asset management purposes .
Intended User(s):	The intended user is Upper Pontalba Condominium Association , as represented by Mr. Darrell Hollis
Type of Value:	Insurable Replacement Value
Effective Date of Value:	February 7, 2024
Inspection:	An interior and exterior inspection of the subject property has been made, and photographs were taken. Baldwin Justice inspected 8-10 units during the site inspection.



Valuation Summary

Valuation Analyses

In this report, we have used the Marshall and Swift Cost Estimator 2024, along with cost comparables from our files, to determine the insurable replacement cost value. We first calculated the value for the subject's unit types, followed by the structure as a whole, including site amenities.

As we noted, there are (10) different unit types within the Upper Pontalba Condominiums. While these units share a consistent level of quality, they vary in terms of size and layout. First, we have specifically focused on assessing the insurable replacement value of the interior components of each unit. To accomplish this, we have employed the tools and research methods mentioned above to ascertain the replacement cost value for each of the ten-unit types. Considering their assumed uniform quality, the adjustments to these values predominantly hinge on the difference in size among the units. For this analysis, the interior only insurable value assumes that the following existing improvements are in place and ready for interior build out/construction:

- Subflooring/slab
- Exterior walls/windows
- Unfinished ceiling
- Electrical/plumbing infrastructure ready for interior buildout of wiring, plumbing, fixtures, and HVAC systems

The insurable replacement costs reported herein reflect the following levels of finish and features:

- Electrical wiring, plumbing, and HVAC
- Fixtures for all mechanical systems
- Insulation
- Sheetrock walls and ceilings
- Base boards and crown molding
- Finished flooring
- Painted walls ceilings, and trim
- Appliances



- Kitchen Cabinets
- Countertops
- Bath Vanities

The scope of this assignment is to provide an insurable replacement cost for each unit type based on a forecasted average quality finish in congruence with typical condominium units within the subject development, as well as other similar condominium properties throughout the New Orleans Metropolitan Area. I note that several of the units inspected featured above average finishes including high-end wallpaper, appliances, plumbing and lighting fixtures, and flooring. We have not considered these above average finishes within the determination of the insurable replacement cost of this report, as these finishes are outside the scope of this assignment.

After determining the interior-only insurable value for each of the subject unit types, we have provided an insurable value for the entire structure. This value includes the structure as a whole, including the common elements, balconies, overhangs, brick perimeter fencing, swimming pool, and tennis court. This has been achieved using the Marshall and Swift Cost Estimator 2024, along with cost comparables from our files as further support.

Hypothetical Conditions:

- For purposes of this analysis, we have employed a hypothetical condition that all individual units share a uniform level of quality and condition that is considered typical or average for the marketplace.

Extraordinary Assumptions:

- It is an extraordinary assumption of this appraisal, that the provided floor plans and unit sizes are all accurate and reliable. Furthermore, it is assumed that all unit's feature, at a minimum, a base level of finish that is congruent with an average level of condominium unit finish for the marketplace. Should these assumptions provide to be inaccurate, we reserve the right adjust our opinions of value.



Insurable Replacement Cost Definition:

The Dictionary of Real Estate, 7th Edition defines insurable replacement cost as follows:

“The estimated cost to construct, at current prices, as of a specific date, a substitute for a building or other improvements, using modern materials and current standards, design, and layout.”

This report has provided an insurable replacement cost for each unit type based on the above definition. As noted, we have relied on a professional cost estimator service (Marshall and Swift 2024), as well as market extracted cost comparables, and interviews with contractors/cost estimators.

Inspection Note:

Baldwin R. Justice visited the subject property on February 7, 2024. A complete interior and exterior inspection of the subject property has been made, and photographs were taken.

Analysis Note:

In the process of concluding a value, data has been gathered and analyzed by the undersigned appraisers. Cost comparables have been analyzed.

The scope is further augmented by the applicable approaches to value employed in this assignment, the analyses resulting in value conclusion(s) rendered which is dependent upon all known information about the subject property and marketing conditions and available market data.

Assistance Note:

Ryan D. Jack is a licensed appraiser trainee in the State of Louisiana (#T5006) and provided the following:

- Marketing and sales history
- Ad Valorem taxes, zoning designation, legal description, flood zone
- Assistance with subject photos, sketch, aerial imagery
- Professional Assistance or Real Property Assistance in preparation of the report
- Comparable data research and confirmation
- Research on current market conditions and assistance in the determination of market value by the signatory appraiser

All pertinent property data has been verified by a signatory appraiser.




ZONING

According to the Jefferson Parish Planning and Zoning Department, the subject property is situated in a R2 , Two-Family Residential .

This district is composed of certain area where it is desirable to recognize a greater density of residential use by provision for the placement of two-family dwelling units, but not permitting multiple dwelling structures.

The current use of the subject property is a conforming use. A copy of the district regulations is located in the *Addenda* to this report. A zoning map is below.



 R2 Two-Family Residential District



SUBJECT PROPERTY DESCRIPTION



SITE ANALYSIS

- Location:** The subject property is located at the southwest corner of Canal Street and Focis Street in Metairie, Louisiana. The condominium development includes several addressed roadways, including Ruse St. Ann, Rue St. Peter, Rue Burgundy, and Rue Rampart.
- Current Use of Property:** Condominium development
- Site Size:** Total: 4.51 acres; 196,473 square feet
- *Given that the subject is a condominium development, ownership and site size is distributed among individual owners based on a proportional share of the overall parent tract, determined by the respective sizes of their units.
- Shape:** Irregular
- Frontage/Access:** The subject property has Very Good access with frontage as follows:
- Canal Street : 578 feet
 - Focis Street: 269 feet
- It is a corner lot.



Topography:	Level (Street Grade)
Utilities:	<p>Electricity: Entergy</p> <p>Sewer: City sewer</p> <p>Water: Municipal Supply</p> <p>Natural Gas: Atmos Energy</p> <p>Underground Utilities: The site is serviced by above-ground and underground utilities.</p> <p>Adequacy: The subject's utilities are typical and adequate for the market area.</p>
Flood Zone:	<p>The subject property is partially situated in a FEMA flood zone, encompassing both designations X and AE. It's important to note that the flood hazard zone AE specifically applies to a limited area, confined to the northwest section of the site.</p> <p>FEMA Map Number: 22005C0030E FEMA Map Date: August 16, 2007</p> <p>Zone X (areas outside of 100 Year flood plain and areas of 500 year flood plain) is the flood insurance rate zone that correspond to areas outside the 1-percent annual chance floodplain, areas of 1-percent annual chance sheet flow flooding where average depths are less than 1 foot, areas of 1-percent annual chance stream flooding where the contributing drainage area is less than 1 square mile, or areas protected from the 1-percent annual chance flood by levees. No base flood elevations or depths are shown within this zone. Insurance purchase is not required in this zone.</p>
Wetlands/Watershed:	The subject site does not appear to be encumbered by areas of wetlands based on the US Fish & Wildlife Service National Wetlands Inventory Map included in this report's Addenda.
Environmental Issues:	We were not provided a Phase I Environmental Impact Assessment. However, no adverse environmental conditions were noted upon inspection.
Encumbrance/Easements:	There are no known adverse encumbrances or easements. Please reference Limiting Conditions and Assumptions.
Opportunity Zone	The subject property is not located in an opportunity zone.
Comments/Conclusions:	The site has average and typical utility. The site is of adequate size and shape to accommodate a variety of large scale uses.



IMPROVEMENTS ANALYSIS

Property Name: *Upper Pontalba of Old Metairie*

Property Type: Condominium Complex

Overview:

The improvements consist of a 180,156 square foot residential condominium complex. The development was constructed in the 1980s and features 86 individually owned condominium units. In addition to the condominium units, there are several on-site amenities, including multiple lobbies, a fitness center, tennis courts (However, only one seems to operational), a swimming pool, gated parking, and 40 private garages. There are also four elevators throughout.

The structure is three stories high, situated atop a poured-in-place concrete slab, and has a mixture of wood and masonry framing. The exterior features a blend of brick and stucco walls, along with a multi-hipped pitched roof with composition shingles. The general building and the common elements are in overall good to very good condition.

As previously mentioned, the complex comprises 86 units, each with one of ten distinct layouts. These layouts range from one to four bedrooms, with some units featuring notable differences in rentable area. Because each unit is individually owned, owners have the freedom to renovate their units, leading to variations in quality and condition across the complex.

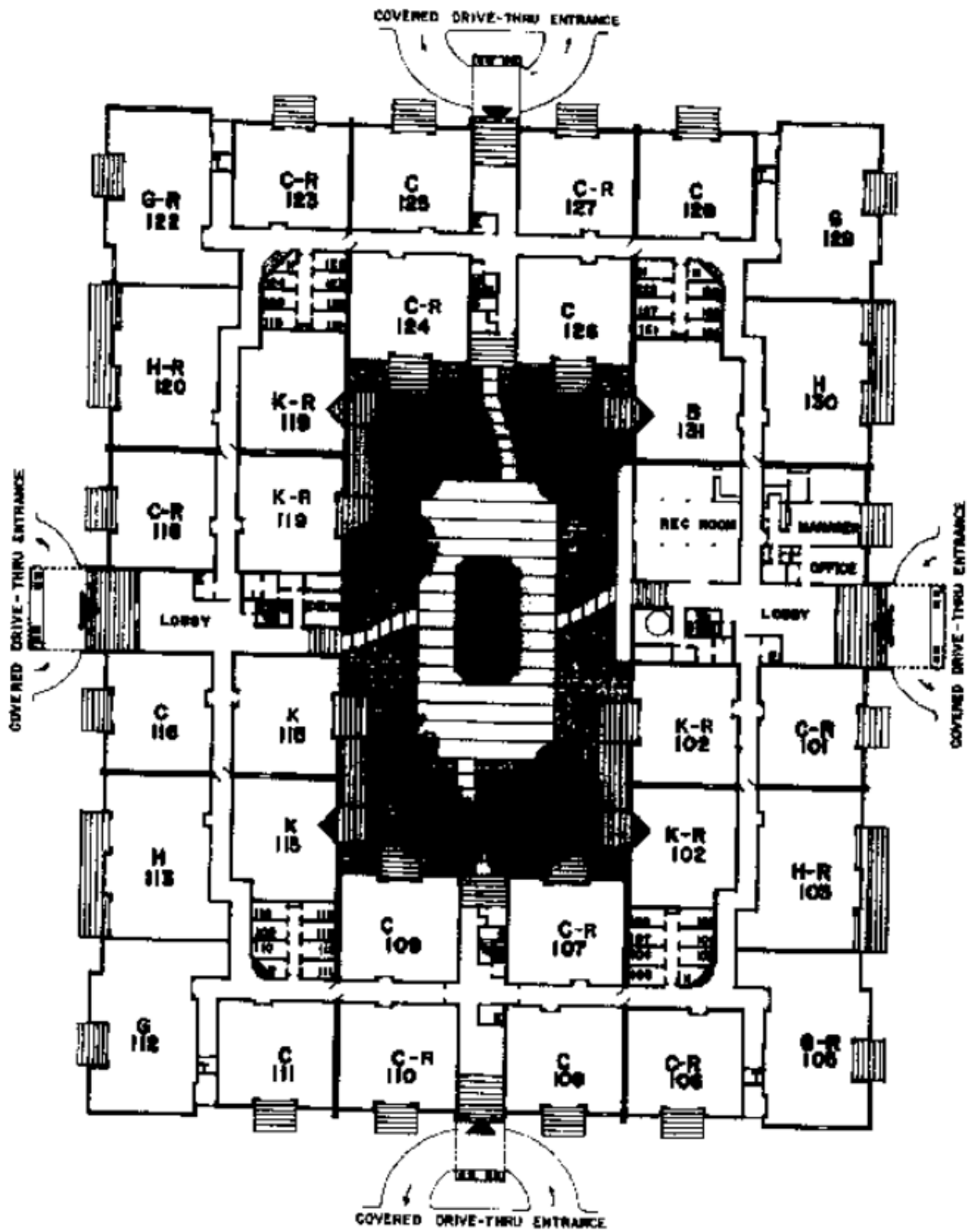
Each unit is separately metered for electricity and water and has its own heating and cooling systems. Additionally, each unit includes private outdoor space, such as patios, terraces, or balconies, which are located throughout the building. A breakdown of the unit counts, and layouts is provided below.

Unit Type Breakdown					
Unit Type	Size (SF)	# of Units	Total Sf per Unit Type	Layout	
B (B-R)	1,255	9	11,295	1Br/1.5Ba	
C (C-R)	1,263	21	26,523	2Br/2Ba	
C (C-R) Combined	2,526	5	12,630	4Br/4Ba	
D	1,620	4	6,480	2Br/2Ba	
E (E-R)	1,623	8	12,984	2Br/2Ba	
F	1,784	4	7,136	2Br/2Ba	
G (G-R)	1,898	12	22,776	2Br/2.5Ba	
H (H-R)	1,791	12	21,492	2Br/2Ba	
J (J-R)	1,822	8	14,576	2Br/2Ba	
K (K-R)	2,961	3	8,883	3Br/3Ba	
Total / AVG	1,854	86	144,775		

Building Summary					
Building Name/ID	Condition	Number of Stories	Gross Building Area	Rentable Area	Number of Units
<i>Upper Pontalba of Old Metairie</i>	Good/Very Good	3.0	180,156	144,775	86

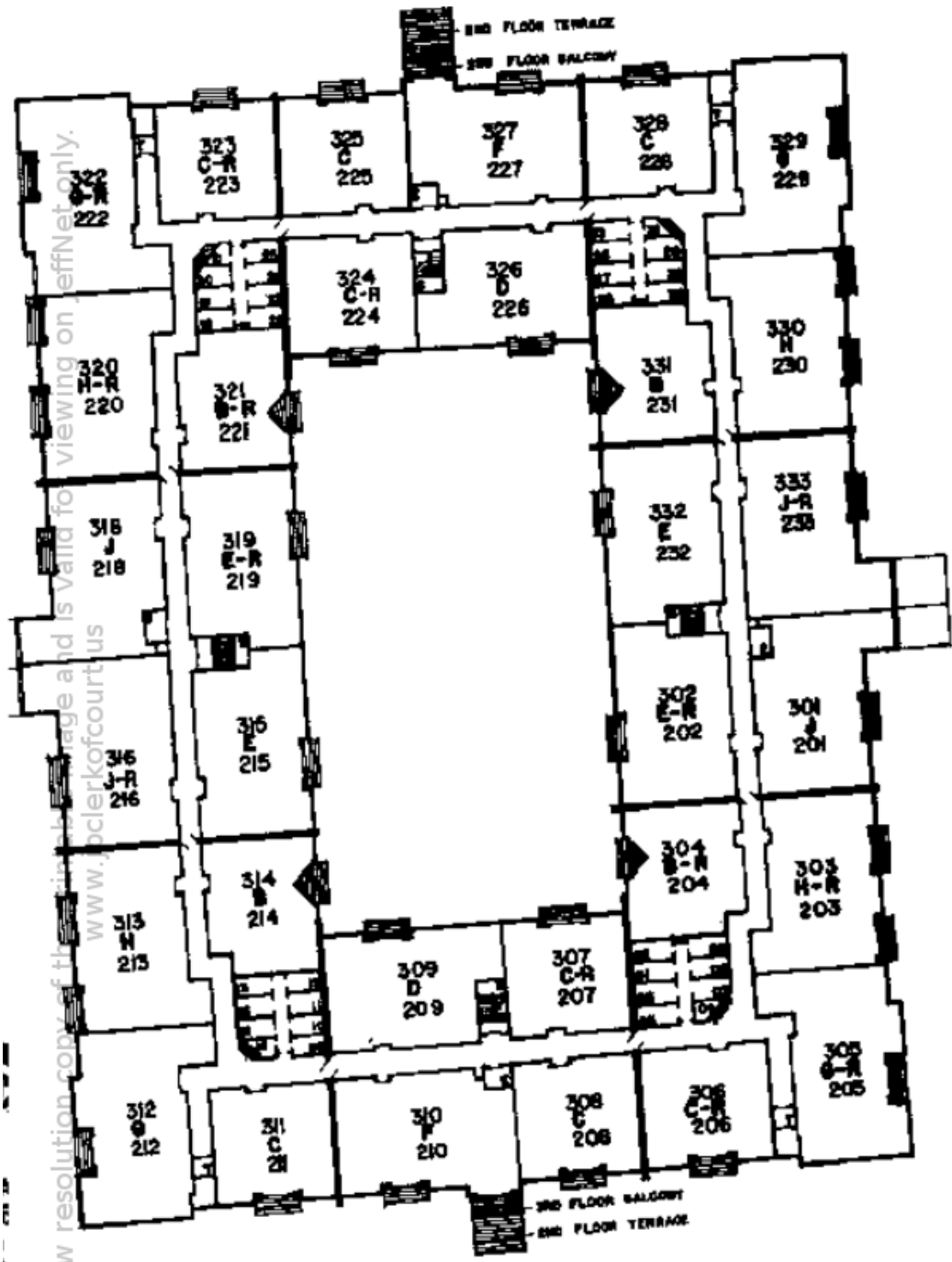


FLOOR PLANS



FLOOR PLAN 1





FLOOR PLAN 2 AND 3



GENERAL - UPPER PONTALBA OF OLD METAIRIE

Building Identification:	<i>Upper Pontalba of Old Metairie</i>
Building Description:	Residential Condominium
Construction:	Class D - wood framed
Construction Quality:	Good
Year Built:	1982
Renovations:	Several renovated units
Condition:	Good to Very Good
Gross Building Area:	180,156 square feet
Number of Stories:	3.00

FOUNDATION, FRAME & EXTERIOR - UPPER PONTALBA OF OLD METAIRIE

Foundation:	Poured pile foundation
Structural Frame:	Wood & steel with masonry reinforcing
Exterior:	Brick & Stucco
Roof/Cover:	Multi-hipped pitched roofing /Composite shingle

INTERIOR - UPPER PONTALBA OF OLD METAIRIE

Interior Layout:	(86) individual condominium unit with common elements
Floor Cover:	Carpet, ceramic tile
Walls:	Painted sheetrock
Ceilings & Ceiling Height:	Painted sheetrock/ 9' in units
Lighting:	A mix of fluorescent and incandescent lighting.
Restrooms:	Between 1 and 3 per unit



MECHANICAL SYSTEMS - UPPER PONTALBA OF OLD METAIRIE

Heating:	Central HVAC
Cooling:	Central HVAC
Electrical:	Assumed to be adequate as per code
Plumbing Condition:	Assumed to be adequate as per code
Security:	Several security cameras

PARKING

Parking Type:	Paved surface lot with additional garages
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INSURABLE REPLACEMENT COST – INTERIOR UNITS ONLY

The cost estimates relied upon herein reflect the construction cost new of the subject improvements or a similar, substitute facility. This cost is based upon the local cost of labor and materials within the subject development and was estimated by the segregated or calculator methods thorough application of cost reported in the *Marshall and Swift Valuation Service*, a national service, conversations with contractors, developers, and the appraisers' work files and personal experience and knowledge.

Replacement Cost per *The Appraisal of Real Estate, 14th Edition*, (page 570) is "the estimated cost to construct, at current prices as of the effective appraisal date, a substitute for the building being appraised, using modern materials and current standards, design, and layout."

As outlined in our scope of work, our assignment is to determine the insurable replacement value of the interior of each of the ten-unit types. The interior-only segments encompass the slab in place, exterior walls and studs, as well as feeder systems for electrical and plumbing. This cost estimate will also include all basic amenities found in residential condominium units, such as insulation, HVAC systems, walls, base boards, crown molding, ceilings, flooring, painting, lighting, countertops, appliances, bath vanities, and cabinets.

It's important to note that this portion of our analysis focuses solely on the interior of the units. Costs associated with common areas, site improvements, and any structural elements outside of the specified unit costs have not been included, as they are outside the scope of work of this assignment. Additionally, certain items within the replacement cost estimate, such as land value, equipment, and entrepreneurial profit, are not insurable and have not been considered to be part of the estimate of replacement cost new to determine the insurable replacement cost figure.

First, to establish a cost estimate, we have utilized the 2024 Marshall and Swift Valuation Service. Through a review of relevant occupancy codes, we have identified that this service provides an interior-only cost for apartment/condominium units, which includes the desired interior elements. Marshall and Swift occupancy code 989, Interior space, distinguishes between the shell of the structure and the interior build-out of multiple residence properties, focusing solely on the costs inside of the units.

Based on the described qualities, the subject's units would fall between good and excellent, corresponding to rankings 4.0 and 5.0 on the *Marshall and Swift's* scale. This scale assigns physical rankings to properties ranging from 1.0 to 5.0, with 5.0 representing the highest possible ranking. Quality descriptions and rankings are detailed on the following page.



Good	Plaster or drywall, good partitions, paneling, carpet, tile or vinyl, good room sizes, some good cabinetry and shelving	Good lighting, one bath per bedroom, TV jacks	Package AC
Excellent	High-cost partitions and wall and floor finishes, large dining area, kitchen, good master bedroom and bath, good cabinetry, closets, some extras	Good fixtures, many outlets, some extras, TV jacks	Warm and cool air

Given the characteristics of the subject's units, we consider the quality of the interiors to be consistent with ranking 4.0. The units are also classified as "Class D" wood construction with ceiling heights of 9 feet. We will apply these classifications to each of the ten-unit types. A breakdown is provided on the following pages.



Unit Type B

Unit type B offers 1,255 square feet of gross living area and comprises a 1-bedroom and 1.5-bathroom layout. The complex has a total of nine of these units, with one located on the first floor, four on the second floor, and four on the third floor. Below are images showcasing the interior of Unit 221, which features this floor plan.



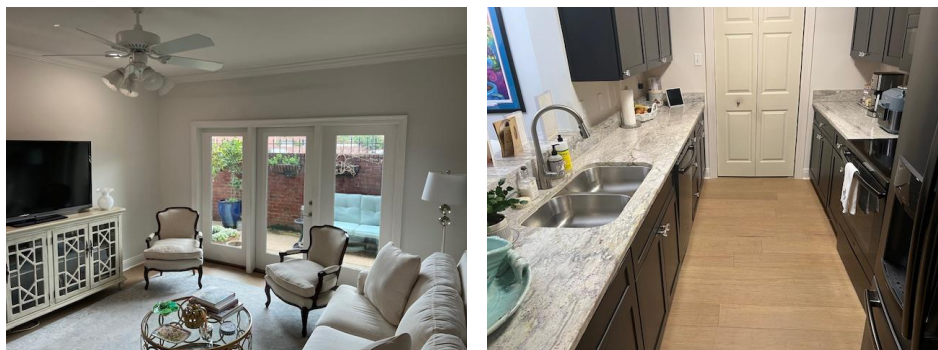
Using the *Marshal and Swift* ranking and classifications outlined above, the insurable cost estimate for this unit type is **\$136,619, which equates to \$108.86 per square foot**. Given that this unit is one of the smallest within the complex, its cost per square foot sets the upper end of our range.

UNIT TYPE	SIZE	COST PSF	VALUE	VALUE CONCLUSION
B (B-R)	1,255	\$108.86	\$136,619	\$137,000



Unit Type C

Unit type C offers 1,263 square feet of gross living area and comprises a 2-bedroom and 2-bathroom layout. There are twenty-one of these units throughout the complex and they are situated on all three stories. Below are images showcasing the interior of Unit 108, which features this floor plan.



Using the *Marshal and Swift* ranking and classifications outlined above, the insurable cost estimate for this unit type is **\$137,369 which equates to \$108.78 per square foot**. Given that this unit is one of the smallest within the complex, its cost per square foot also sets the upper end of our range.

UNIT TYPE	SIZE	COST PSF	VALUE	VALUE CONCLUSION
C (C-R)	1,263	\$108.78	\$137,389	\$137,000



Unit Type C (Combined)

Unit type C (Combined) is a unique offering, created by combining two individual unit type C units to form one of the largest layouts in the complex. It offers 2,526 square feet of gross living area and comprises a 4-bedroom and 4-bathroom layout. There is only a total of five of these units. We were unable to enter one of these units upon our inspection.

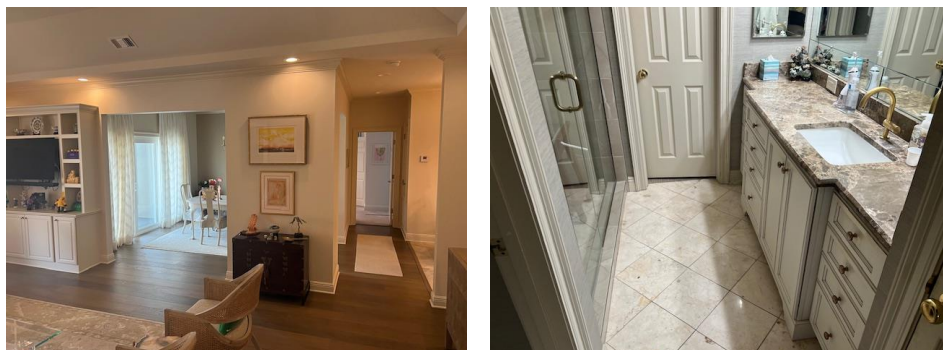
Using the *Marshal and Swift* ranking and classifications outlined above, the insurable cost estimate for this unit type is **\$253,888, which equates to \$100.51 per square foot**. Given that this unit is one of the largest within the complex, its cost per square foot is towards the lower end of range.

UNIT TYPE	SIZE	COST PSF	VALUE	VALUE CONCLUSION
C (C-R) Combined	2,526	\$100.51	\$253,888	\$254,000



Unit Type D

Unit type D offers 1,620 square feet of gross living area and comprises a 2-bedroom and 2-bathroom layout. There are four of these units throughout the complex with two on the second floor, and two on the third. Below are images showcasing the interior of Unit 326, which features this floor plan.



Using the *Marshal and Swift* ranking and classifications outlined above, the insurable cost estimate for this unit type is **\$170,877**, which equates to **\$105.48** per square foot.

UNIT TYPE	SIZE	COST PSF	VALUE	VALUE CONCLUSION
D	1,620	\$105.48	\$170,877	\$171,000



Unit Type E

Unit type E offers 1,623 square feet of gross living area and comprises a 2-bedroom and 2-bathroom layout. There are eight of these units throughout the complex with four on the second floor, and four on the third. We were unable to enter one of these units upon our inspection; however, this unit is very comparable to unit type D in layout and size.

Using the *Marshal and Swift* ranking and classifications outlined above, the insurable cost estimate for this unit type is **\$170,877, which equates to \$105.48 per square foot.**

UNIT TYPE	SIZE	COST PSF	VALUE	VALUE CONCLUSION
E (E-R)	1,623	\$105.46	\$171,162	\$171,000



Unit Type F

Unit type F features 1,784 square feet of gross living area and includes a 2-bedroom, 2-bathroom layout. These units are akin to types D and E but distinguish themselves with slightly larger rooms. There are four of these units throughout the complex with two on the second floor, and two on the third. Below are images showcasing the interior of Unit 210, which features this floor plan.



Using the *Marshal and Swift* ranking and classifications outlined above, the insurable cost estimate for this unit type is **\$186,125**, which equates to **\$104.33** per square foot.

UNIT TYPE	SIZE	COST PSF	VALUE	VALUE CONCLUSION
F	1,784	\$104.33	\$186,125	\$186,000



Unit Type G

Unit type G features 1,898 square feet of gross living area and includes a 2-bedroom, 2.5-bathroom layout. These unit are some of the larger in the complex with one of the highest bathroom counts. There are a total of twelve of these units with four on each floor. Below are images showcasing the interior of Unit 305, which features this floor plan.



Using the *Marshal and Swift* ranking and classifications outlined above, the insurable cost estimate for this unit type is **\$196,538**, which equates to **\$103.55** per square foot.

UNIT TYPE	SIZE	COST PSF	VALUE	VALUE CONCLUSION
G (G-R)	1,898	\$103.55	\$196,538	\$197,000



Unit Type H

Unit type H features 1,791 square feet of gross living area and includes a 2-bedroom, 2.-bathroom layout closely resembling unit type F. There is a total of twelve of these units with four on each floor. Below are images showcasing the interior of Unit 130, which features this floor plan.



Using the *Marshal and Swift* ranking and classifications outlined above, the insurable cost estimate for this unit type is **\$186,766**, which equates to **\$104.28** per square foot.

UNIT TYPE	SIZE	COST PSF	VALUE	VALUE CONCLUSION
H (H-R)	1,791	\$104.28	\$186,766	\$187,000



Unit Type J

Unit type J features 1,822 square feet of gross living area and includes a 2-bedroom, 2.-bathroom layout. There is a total of eight of these units with four on both floors three and four. We were unable to enter one of these units upon our inspection.

Using the *Marshal and Swift* ranking and classifications outlined above, the insurable cost estimate for this unit type is **\$189,616, which equates to \$104.28 per square foot.**

UNIT TYPE	SIZE	COST PSF	VALUE	VALUE CONCLUSION
J (J-R)	1,822	\$104.07	\$189,616	\$190,000



Unit Type K

Unit type K features 2,961 square feet of gross living area and includes a 3-bedroom,3.-bathroom layout. This unit is the largest by far within the complex. There are only three of these unit, all of which are located on the first floor. Below are images showcasing the interior of Unit 115, which features this floor plan.



Using the *Marshal and Swift* ranking and classifications outlined above, the insurable cost estimate for this unit type is **\$292,606, which equates to \$98.82 per square foot**. Given that this is the largest unit type, its cost estimates stablish the low end of the range.

UNIT TYPE	SIZE	COST PSF	VALUE	VALUE CONCLUSION
K (K-R)	2,961	\$98.82	\$292,606	\$293,000




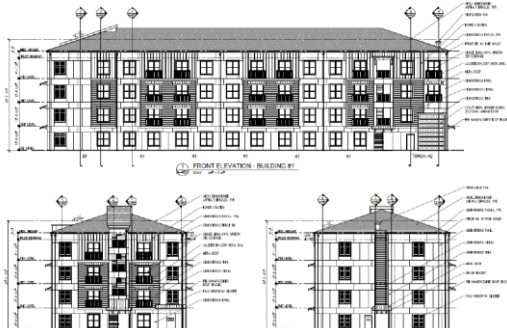

After utilizing *Marshall and Swift's* ranking of 4.0 with these classifications, we arrive at a cost estimate range of **\$98.82 per square foot to \$108.78 per square foot** for each of the unit types. The variances within this range are primarily due to the differing sizes among the unit types. A table detailing the breakdown of the estimates is provided below.

UNIT TYPE	SIZE	COST PSF	VALUE	VALUE CONCLUSION
B (B-R)	1,255	\$108.86	\$136,619	\$137,000
C (C-R)	1,263	\$108.78	\$137,389	\$137,000
C (C-R) Combined	2,526	\$100.51	\$253,888	\$254,000
D	1,620	\$105.48	\$170,877	\$171,000
E (E-R)	1,623	\$105.46	\$171,162	\$171,000
F	1,784	\$104.33	\$186,125	\$186,000
G (G-R)	1,898	\$103.55	\$196,538	\$197,000
H (H-R)	1,791	\$104.28	\$186,766	\$187,000
J (J-R)	1,822	\$104.07	\$189,616	\$190,000
K (K-R)	2,961	\$98.82	\$292,606	\$293,000

As a first check for these estimate costs, we have reviewed several cost comparables of similar quality multi-family properties from the region. These cost comparables typically pertain to the entire construction of the complexes. To isolate the interior costs associated with each comparable, we have once again turned to *Marshall and Swift*.

For this purpose, we have utilized occupancy code 587 (Shell, Multiple Residence) in *Marshall and Swift*. This cost estimate is intended to be used alongside the previously mentioned interior space occupancy code to "individually price and build the shell and the tenant improvement costs for multiple residence properties." By employing this cost estimate, we have extracted the exterior shell costs from the comparables, as shown on the following page, to isolate the costs related to their interior buildouts. When compared to the subject, the price per square foot metric is the most applicable given the subject's range of unit sizes.



Market Extracted Cost Comparables					
10411 Cassle Road, Denham Springs, LA	2817 Andover Street, Jefferson, LA	Lake Villa Drive, Metairie, LA			
					
Costs	\$43,614,875	Costs	\$7,857,493	Costs	\$31,740,000
GBA	280,608	GBA	34,803	GBA	225,247
# of Units	264	# of Units	50	# of Units	171
\$/SF	\$155.43	\$/SF	\$225.77	\$/SF	\$140.91
\$/Unit	\$165,208	\$/Unit	\$157,150	\$/Unit	\$185,614
Marshall & Swift Shell Cost	\$17,984,167	Marshall & Swift Shell Cost	\$2,410,804	Marshall & Swift Shell Cost	\$15,154,618
Interior Only Cost	\$25,630,708	Interior Only Cost	\$5,446,689	Interior Only Cost	\$16,585,382
Interior Cost per SF	\$91.34	Interior Cost per SF	\$156.50	Interior Cost per SF	\$73.63
Interior Cost per Unit	\$97,086	Interior Cost per Unit	\$108,934	Interior Cost per Unit	\$96,991
Year Proposed	2023	Year Proposed	2022	Year Proposed	2021



The interior build-out costs for each of the above comparables have been extracted using the *Marshall & Swift* cost estimator. All three comparables are similarly classed multi-family complexes, much like the subject property, and have been proposed within the last three years.

For each property, we have utilized a 4.0 ranking, along with their other property-specific classifications for height, number stories, and framing. Again, the cost estimates for the shell of each comparable have been isolated to determine the interior only costs. These comparables present a range of \$73.53 per square foot to \$156.50 per square foot, with an average of \$107.16. However, it should be noted that some of these cost comparables featured common areas and amenities, in which are included in the cost estimates.

Comp A is a recently proposed Class "A" multi-family development in the Denham Springs market. It is planned to comprise a total of 264 units ranging from one to three bedrooms. Notably, this property features the largest units in the comp dataset with some exceeding 1,300 square feet, which are most comparable to those of the subject property. Additionally, the development will include a garage building, a large clubhouse, and a maintenance building.

Despite its larger scale and inclusion of several common elements, the estimated total interior build-out cost for Comp A is \$91.34 per square foot. This cost is supportive of the provided costs for the subject property, as it accounts for the properties significant size and the inclusion of these common elements. This is a slightly inferior quality multi-family development and an interior replacement cost estimate above this indicator is justified and supportable.

Comp B is the smallest proposed development in the dataset, comprising only 50 units. The smaller scale of this development has inflated its cost per square foot. It was proposed to include only smaller one and two-bedroom units measuring below 1,000 square feet. Compared to the subject's units, which include larger units exceeding 1,000 square feet, a lower cost per square foot for the subject's units is well supported by this comparison. In all, this indicator also provides support of the subject's cost range of \$98.82 per square foot to \$108.78 per square foot.

Comp C is the oldest proposed development in the dataset, having been proposed in 2021. It consisted of a 171-unit complex along Lake Villa Drive in Metairie, Louisiana, known as Metairie Apartments. This Class "A" development had a development budget of \$31,740,000, which translates to \$140.91 or \$185,614 per unit.

After extracting the shell cost, the interior costs are estimated to be \$16,585,382, or \$73.63 per square foot, or \$96,991 per unit. While this is the lowest cost in the dataset, its older proposal date in 2021 has an effect on the cost, as costs dramatically rose in 2022. Therefore, it may not be reflective of current costs. Additionally, much like Comp A, Comp C is significantly larger than the subject property and includes common elements, which deflates its interior unit-only costs. For these reasons, a cost estimate above this cost is justified for the subject property.



Overall, isolating the interior build-out costs of each of the three provided cost comparables has provided additional support for the *Marshall & Swift* cost estimates. When analyzing the per square foot metric, each comparable effectively brackets and supports our estimated insurable costs. The price per unit cost falls above each of the comparables due to the subject property having above-market-standard unit sizes.

Based on the preceding analysis, our opinion is that an insurable replacement value aligned with the Marshall and Swift estimates for each unit type is well supported by the market-extracted comparable data and participant conversations. Below is a breakdown of our opinion of the insurable value of each unit type:

UNIT TYPE	SIZE	VALUE CONCLUSION
B (B-R)	1,255	\$137,000
C (C-R)	1,263	\$137,000
C (C-R) Combined	2,526	\$254,000
D	1,620	\$171,000
E (E-R)	1,623	\$171,000
F	1,784	\$186,000
G (G-R)	1,898	\$197,000
H (H-R)	1,791	\$187,000
J (J-R)	1,822	\$190,000
K (K-R)	2,961	\$293,000



INSURABLE REPLACEMENT COST – CONDOMINIUM COMPLEX (TOTAL)

As mentioned in our scope of work, at the request of the client, we have also been engaged to determine the insurable replacement value for the entire 180,156 square foot condominium building, including its common elements, balconies, parking structures, and onsite amenities. To achieve this, we have employed a similar method as provided above. This is redefined below.

The cost estimates relied upon herein reflect the construction cost new of the subject improvements or a similar, substitute facility. This cost is based upon the local cost of labor and materials within the subject development and was estimated by the segregated or calculator methods thorough application of cost reported in the *Marshall and Swift Valuation Service*, a national service, conversations with contractors, developers, and the appraisers' work files and personal experience and knowledge.

Replacement Cost per *The Appraisal of Real Estate, 14th Edition*, (page 570) is "the estimated cost to construct, at current prices as of the effective appraisal date, a substitute for the building being appraised, using modern materials and current standards, design, and layout."

First, we focused on the 180,156 square foot condominium structure. As described in this report, the structure is generally in good to very good condition with good quality construction, featuring three stories and a wood-framed construction. While the property is considered somewhat luxurious, it is slightly dated compared to newer and more modern luxury complexes currently on the market.

Based on its overall characteristics, we have classified the structure as comparable to a 3.5 ranking. Additional classifications include "Class D (wood-framed) construction," an average height of 10 feet (considering the interior units are 9 feet with an added foot between floors), and the property type being Multiple Res. (Low Rise).

The estimated replacement cost, based on these classifications, is \$28,016,059, which equates to \$155.51 per square foot and \$325,770 per unit.

Building Cost Estimate - Main Building						
Type	Size (SF)	Class	Rank	Height	Cost per SF	Cost
Multiple Res. (Low Rise)	180,156	D	4	10	\$155.51	\$28,016,059

To support this conclusion, we again reference the previously mentioned market-extracted cost comparables, which are detailed on the following page.



Market Extracted Cost Comparables					
10411 Cassle Road, Denham Springs, LA		2817 Andover Street, Jefferson, LA		Lake Villa Drive, Metairie, LA	
Costs*	\$43,614,875	Costs	\$7,857,493	Costs	\$31,740,000
GBA	280,608	GBA	34,803	GBA	225,247
# of Units	264	# of Units	50	# of Units	171
\$/SF	\$155.43	\$/SF	\$225.77	\$/SF	\$140.91
\$/Unit	\$165,208	\$/Unit	\$157,150	\$/Unit	\$185,614

As noted above, the estimated cost per square foot of \$155.51 is well in line with the two larger comparables in the dataset, #1 and #3, which are similar in gross building area but not in unit size. The subject's units are above average in size relative to the market standard, resulting in a cost per unit that exceeds the data.

One factor to consider is that the above Marshall & Swift cost provided does not include some general site costs, and the square footage of the upper floor units' balconies, which total 4,635 square feet.

The following are not included in the costs: Fireplaces, built-in appliances, balconies, furnishings, pools and equipment.

We have utilized a separate Marshall & Swift estimate for the balconies, and Porte Cocheres:

EXTERIOR BALCONIES – Apply to balcony area.				
Concrete	\$17.25	\$22.00	\$28.00	\$35.75
Steel	16.50	22.00	29.50	39.25
Wood	14.25	19.00	25.00	33.25
Add for ornate finishes, balustrades	14.50	18.00	22.00	27.25
CANOPIES OR MARQUEES – Apply to horizontal area. For light false-mansard structures, deduct 50%. For greater detail, see Section 56 or 57. Patio covers, see Section 66.				
Wood frame	\$18.50	\$22.75	\$28.25	\$34.75
Steel frame	22.25	28.25	35.75	45.50

The subject's balconies are concrete-based; therefore, we have utilized the highest-ranked concrete figure of \$35.75 per square foot. However, it should be noted that this cost estimate is slightly dated. As a result, we have adjusted this figure by 20% to better align it with today's costs. This adjustment is supported by costs within our files. The total cost per square foot, including the balconies, is estimated to be \$42.90 per square foot.

Building Cost Estimate - Balconies		
Size (SF)	Cost per SF	Cost
4,635	\$42.90	\$198,842



Next, we must consider the several onsite parking garage buildings situated through the site. There are a total of six detached parking garages with (40) sperate garages housed inside. We have provided a lump sum cost for the garages which have a total square footage of 7,894.

Utilizing Marshall & Swift, we have classified the garages structures as comparable to a 3.0 ranking. Additional classifications include "Class D (wood-framed) construction, a height of 9 feet and the property type being Detached Garage." This estimate is provided below:

Building Cost Estimate - Garages						
Type	Size (SF)	Class	Rank	Height	Cost per SF	Cost
Detached Garages	7,894	D	3	9	\$42.23	\$333,402

We have rounded each of these components, and based on their cost figures, we have concluded a total structural insurable replacement cost value of \$28,545,000:

Total Structural Replacement Value			
Component	Size	Cost PSF	Cost Rounded
Main Condominium Building	180,156	\$155.51	\$28,016,000
Balconies	4,635	\$42.93	\$199,000
Garages	7,894	\$41.80	\$330,000
Total	192,685	\$148.14	\$28,545,000

Site Improvements:

Lastly, we have provided a cost estimate for several of the site components, including the 1,310 linear feet of brick perimeter fencing, the swimming pool, and the tennis court. It is worth noting that there are two tennis courts, but only one is in functioning condition.

For the brick perimeter fencing, we estimate a cost of \$300.00 per linear foot to be reasonable. This is based on the fence's height of 6 feet. Costs located within our files, as well as national surveys, suggest a pricing range of \$200 to \$350 per linear foot. We have reconciled to the upper mid-end of the range given the thickness and height of the fence, as well as the fact that it is traditional brick, which tends to garner higher pricing.

Building Cost Estimate - Fencing		
Size (Linear Feet)	Cost per SF	Cost
1,310	\$300.00	\$393,000



Swimming Pool:

Commercial pool construction costs typically range from as low as \$50.00 per square foot up to \$75.00 per square foot depending on size and finishes. The subject's pool is only 820 square foot, shallow-to-deep depth concrete pool.

Commercial swimming pool construction cost estimates from Marshall and Swift Valuation are presented below.

SIZE (square feet)	POURED CONCRETE POOLS	TYPICAL COST RANGE (per square foot)
1,000 – 2,000	\$60.00 – \$76.75
2,000 – 4,000	57.25 – 72.00
4,000 – 6,000	55.50 – 69.00
6,000 – 8,000	54.50 – 67.50
Over 8,000	53.00 – 65.75
Add for tiled surfaces	8.25 – 27.50
Deduct 20% for gunite pools.		
In winter freeze zones, add 15% to 30% to pool cost.		

The subject's 820 square feet of total pool area will fall above the high end of the range. For the purpose of this analysis, we will reconcile to the average figure of \$90.00 per square foot. However, this figure is subject to a 0.90 location multiplier. The total cost is calculated below:

Building Cost Estimate - Swimming Pool			
Size (SF)	Cost per SF	Location Multiplier	Cost
820	\$90.00	0.90	\$66,420

The total swimming pool construction cost equates to \$66,420.



Tennis Court:

Lastly, we have considered the insurable cost on the one functioning tennis court on the site. Building costs for tennis courts per Marshall and Swift are presented below:

(Cost per playing court only, including design fees, excluding all building improvements)

TENNIS COURTS (60' x 120' = 7,200 Square Feet)	COST RANGE	
Concrete court, posts, net, striping	\$29,000	– \$44,750
Add for lighting	9,275	– 12,700
Add for fencing	7,900	– 11,675
Add for resilient cushioned layer, per square foot	1.15	– 4.10
Additional paved area, per square foot	3.55	– 5.20
Asphalt court (2" to 4"), per square foot	3.30	– 5.50
Clay court, per square foot	3.25	– 4.80
Umpire chair, each	515	– 780
add for roof	115	– 205
striping, cost per court	260	– 410

For detailed lighting, fencing, windscreen, net costs, etc., see Section 66.
NOTE: For two or more courts, deduct 5% per court.

The base costs for tennis court construction per Marshall and Swift are \$29,000 to \$44,750 per court, with an average base cost of \$36,875 per court. We will reconcile a cost of \$40,000 for our pre-production value. Next, we will also reconcile to the average lighting cost; there is no chain fencing around the court. Lighting costs average from \$9,275 to \$12,700. We will reconcile to the average cost of roughly \$11,000. The total construction cost is presented in the table below.

Building Cost Estimate - Tennis Court	
<u>Component</u>	<u>Cost</u>
Court	\$40,000
Lighting	\$11,000
Total	\$51,000

The total tennis court construction cost equates to \$51,000.

Based on the concluded cost estimates above, we have determined the total property insurable replacement value inclusive of structural and site costs to be \$25,061,000.

Total Replacement Value		
Component	Size	Cost Rounded
Main Condominium Building	180,156 (SF)	\$28,016,000
Balconies	4,635 (SF)	\$199,000
Garages	7,894 (SF)	\$330,000
Fencing	1,310 (LF)	\$393,000
Swimming Pool	820 (SF)	\$66,000
Tennis Court	N/A	\$51,000
Total		\$29,055,000



FINAL RECONCILIATION AND VALUE CONCLUSION

The process of reconciliation involves the analysis of each approach to value. The quality of data applied, the significance of each approach as it relates to market behavior, and the defensibility of each approach is considered and weighed. Finally, each is considered separately and comparatively with the others.

Insurable Replacement Cost

We have utilized the Marshall and Swift Cost Estimator 2024, alongside cost comparables stored within our files, and insights gathered from discussions with contractors to ascertain the insurable replacement cost value for the subject property.

The following table summarizes our opinion(s) of the insurable replacement value each of the subject's unit types as of February 7, 2024:

UNIT TYPE	SIZE	# OF UNITS	COST PSF	VALUE	INDIVIDUAL REPLACEMENT COST	AGGREGATE REPLACEMENT COST
B (B-R)	1,255	9	\$108.86	\$136,619	\$137,000	\$1,233,000
C (C-R)	1,263	21	\$108.78	\$137,389	\$137,000	\$2,877,000
C (C-R) Combined	2,526	5	\$100.51	\$253,888	\$254,000	\$1,270,000
D	1,620	4	\$105.48	\$170,877	\$171,000	\$684,000
E (E-R)	1,623	8	\$105.46	\$171,162	\$171,000	\$1,368,000
F	1,784	4	\$104.33	\$186,125	\$186,000	\$744,000
G (G-R)	1,898	12	\$103.55	\$196,538	\$197,000	\$2,364,000
H (H-R)	1,791	12	\$104.28	\$186,766	\$187,000	\$2,244,000
J (J-R)	1,822	8	\$104.07	\$189,616	\$190,000	\$1,520,000
K (K-R)	2,961	3	\$98.82	\$292,606	\$293,000	\$879,000
TOTAL/AVERAGE		86				
<i>Average Cost/Unit</i>		\$176,547	<i>Average Cost/SF</i>	\$104.41	AGGREGATE TOTAL REPLACEMENT COST	\$15,183,000

The following table summarizes our opinion(s) of the insurable replacement value the whole subject property as of February 7, 2024:

Total Insurable Replacement Value - Upper Pontalba	
Component	Cost Rounded
<i>Total Insurable Replacement Cost</i>	\$29,055,000
<i>Interior Condominium Units Replacement Cost</i>	\$15,183,000
<i>Net Replacement Cost of Exterior & Common Areas</i>	\$13,872,000



ASSUMPTIONS AND LIMITING CONDITIONS

This report is subject to the following conditions and such specifications and limiting conditions that also might be outlined in this report. These conditions affect the analyses; opinions, and value conclusions contained in this report.

1. It is assumed that the property is owned in Fee Simple Title. Fee Simple Title implies that the property is owned free and clear, unencumbered and unless otherwise specified. There are to be no leases, liens, easements, encroachments, or other encumbrances on the subject property that have not been specified in this report.
2. No responsibility is assumed for matters of a legal nature affecting the appraised property or title. This appraisal assumes that the subject property is presented with a good and marketable title unless otherwise specified. The appraiser has not rendered an opinion as to the title and does not have the expertise to do so. Data on ownership and legal descriptions were obtained from sources generally considered reliable.
3. The property is appraised assuming it is to be under responsible ownership and competent management. Unless otherwise specified, the property is assumed to be available for its highest and best use.
4. Any survey contained in this report is assumed to be true and correct, and it is also assumed that there are no hidden encroachments upon the property appraised except as noted. Any sketch prepared by the appraiser and included in this report may show approximate dimensions and is included to assist the reader in visualizing the property only. The appraiser has not surveyed the property and does not warrant any surveys or other presented plans or sketches.
5. The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or other structures, which would render it more or less valuable. The appraiser assumes no responsibility for such conditions or for engineering which might be required to discover these factors. This includes the presence of unusual/extraordinary mineral deposits or subsurface rights not typically transferred with normal comparable data (i.e., valuable mineral rights associated with oil/gas production, etc., are not part of this assignment).
6. Any distributions of the valuation of the report between land and improvements apply only under the existing program of utilization. The separate valuation for land and building must not be used in conjunction with any other appraisal and are invalid if used in conjunction with any other appraisal.
7. No responsibility is assumed for changes in matters that are legal, political, social, or economic which could affect real estate values that take place after the effective date of this evaluation.

8. Information, estimates, and opinions furnished to the appraiser, and contained in the report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for the accuracy of such information furnished to the appraiser during the appraisal process is warranted by the appraiser. The appraiser assumes no responsibility for the accuracy of such information as measurements, survey, title information, and other information furnished by comparable sales data found in courthouse records and information obtained from Realtors and other parties during any type of comparable survey.

9. This report is predicated upon the assumption that the property has reached a stabilized occupancy as of the date of valuation unless otherwise noted.

10. On all appraisals, subject to satisfactory completion, repairs, or alterations, the appraisal report and value conclusion are contingent upon completion of the improvements in a workmanlike manner and in accord with the referred to plans and specifications.

11. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question unless required to do so by a court.

12. Disclosure of the contents of this appraisal report is governed by the By-Laws and Regulations of the Appraisal Institute.

13. Neither all nor any part of the contents of this report, especially any conclusions as to value, the identity of the appraiser or the firm with which he (they) is connected or any reference to the Appraisal Institute shall be disseminated to the public through advertising media, public relations media, news media, sales media, or any other public means of communication without the prior consent of the undersigned.

14. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials or gases may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field if desired. This report further assumes that there are no under/above ground storage tanks of any kind on the property (unless otherwise noted). Possible leakage problems have not been addressed. The site history of the subject property has not been explored, nor has the historical land-use patterns of surrounding properties been investigated. Again, the appraiser has not addressed any environmental issues that might affect value. This report assumes that no such issues of any kind are present or affecting the Fee Simple Value in any manner (unless otherwise noted). The appraiser urges the client to retain an outside environmental expert to determine the subject property's status from this perspective.

15. We have personally inspected the property and found no obvious evidence of structural deficiencies except as stated in the report. However, no responsibility for hidden or unnoticed defects is assumed. No responsibility for conformity to specific governmental requirements (such as fire, building, and safety, earthquake, or occupancy codes) can be assumed without provisions of specific professional or governmental inspections.

16. We have personally inspected the subject property and found no evidence of termite damage or infestation (unless otherwise noted). No termite inspection report was made available to the appraiser; the appraiser is not responsible for damages resulting from any type of insect infestation whatsoever. This is beyond the scope of the appraisal assignment.

ACCEPTANCE OF AND USE OF THIS APPRAISAL REPORT CONSTITUTES ACCEPTANCE OF ABOVE

ADDENDA

Letter of Engagement
Qualifications of the Appraisers
Legal Description
Survey
Floor Plans
Zoning Ordinance
Flood Map
Wetlands Map
Regional Map
Neighborhood Map
Subject Photos

Letter of Engagement



THE McENERY COMPANY

www.mceneryco.com

ENGAGEMENT LETTER

January 12, 2023

Upper Pontalba Condominium Association
c/o Mr. Andre Montz
800 Rue Rampart,
Metairie, Louisiana 70005

BY EMAIL to asmmait@cox.net

Re: Insurable Replacement Cost Report

Dear Mr. Montz,

Please see attached hereto our Appraisal Services Engagement Agreement (the "Agreement") between Upper Pontalba Condominium Association, as represented by Mr. Andre Montz (hereafter referred to as "**Client**") and The McEnery Company (hereafter referred to as the "**Appraisers**" or "**McENERY**") to provide an insurable replacement cost report, for the subject property, pursuant to our discussions and the agreed upon Scope of Work as defined in the Agreement. Our total fee for the Report is **Four Thousand Five Hundred and no/100 (\$4,500)**; and the report shall be delivered within 3 weeks of engagement. The fee shall be delivered as follows: 50% of the fee due upon the executed engagement and the balance due upon completion.

Our complete scope of services, contract term and fee structures are detailed in the attached Appraisal Services Engagement Agreement. If this proposal meets with your authorized approval, please revert an executed copy to our attention.

Sincerely,

Baldwin R. Justice
Director of Valuation Services
The McEnery Company



THE McENERY COMPANY

www.mceneryco.com

INSURABLE REPLACEMENT COST ENGAGEMENT AGREEMENT

Section 1: "The Report": The undersigned Client (hereafter referred to as the "Client") desires real property appraisal services related to a certain legally described real property that will later be identified and attached as Exhibit A hereto, and hereafter referred to as "-----The Property".

The Owner desires to contract with **The McENERY Company**, hereafter referred to as the "Appraisers"; and The McENERY Company does agree to provide the real property appraisal services.

Section 2: "The Scope of Work": Client hereby agrees and acknowledges that the Appraisers are responsible an insurable replacement cost report for the subject property, equipment which shall be compliant with the most recent edition of Uniform Standards of Professional Appraisal Practice ("USPAP"), and including the following Scope of Work:

- The Report shall provide an insurable replacement cost for each floor type provided by the client. The insurable replacement cost will recognize that the condominium units are improved with a concrete slab and dividing walls, as well as facility plumbing/electrical infrastructure. The replacement cost will provide a total cost to improve the unit to a finished state with quality finishes and fixtures congruent with the current materials improved within each unit.
- Client, Intended Use and Intended User:

Client: The Client Upper Pontalba Condominium Association, as represented by Mr. Andre Montz

Intended User: The Client is the only named Intended User. The Client and the Appraisers may elect to name Additional Intended Users at a later date if the parties mutually agree to do so.

Intended Use: The Intended Use of the report is for asset management purposes.

The insurable replacement cost analysis will incorporate the following sources for reconciliation of a final replacement cost for each unit:

*Marshall and Swift Cost Estimator Service
Extracted Cost Comparable Market Data
Surveyed Market Data from Contractors*



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Section 3: Project Completion: The Client and Appraisers hereby agree and acknowledge that report shall be deemed “successfully completed” upon issuance of written work product detailing the findings rendered by the Appraisers through the Services detailed in Section 2. The report may be delivered via email transmission, and the client hereby acknowledges and accepts that should a hard copy of the reports be requested, they will be provided.

Section 4: “The Term”: The term of this agreement is that period commencing January 17/16/2024 and being completed upon Project Completion, which is estimated to be approximately 3 weeks from engagement.

Section 5: “The Client Deliverables”: Within **five (5) calendar days** following the executed date of this Agreement, the Client shall furnish all information requested by the Appraisers and identified by Exhibit B attached hereto. If any of the information included in Exhibit B has not been delivered by the Client within this specified time frame, the Appraisers reserve the right to delay the delivery of the Report by the corresponding period of delay.

Section 6: “The Report Fee”: The client and Appraisers hereby agree that the insurable replacement cost report fee shall be a total fee of **Four Thousand Five Hundred and no/100 (\$4,500)** of which fifty (50%) percent shall be due and payable upon execution of this Agreement with the remaining fifty (50%) percent due upon Projection Completion.

If additional services are required by the Client, following submittal of the Report, the Appraisers may elect to begin hourly billing services at a minimum rate of **Four Hundred Dollars and no/100 (\$400.00) per hour**. These additional fees will be billed monthly.

Section 7: “Additional Terms and Conditions”: This Agreement, as executed, is also subject to the following Additional Terms and Conditions:

A. Independent Contractor. Client acknowledges and agrees that Appraisers are independent contractors, and that neither Appraisers nor employees shall be considered employees of Client. Appraisers shall control the manner, means, and methods to accomplish its undertaking and shall determine in its sole discretion the time spent on the Report. Appraisers may, at its discretion, engage other Appraisers and subcontractors to work on the Report, but their compensation will be the responsibility of the Appraisers.

B. Professional Advice. Appraisers hereby advises Client to consult competent professionals with respect to legal, accounting, and tax matters. Appraisers will not provide legal, accounting or tax advice.

C. Confidentiality. Appraisers acknowledge and agree that confidential information may come into their possession in connection with this Agreement.

D. Appraisers agree to maintain the confidentiality of Client Confidential Information.



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E. Entire Agreement. This Agreement constitutes the entire agreement among the parties hereto and supersedes all prior agreements, understanding and arrangements oral or written, between the parties.

F. Severability. If any provision of this Agreement is held to be invalid or unenforceable in any respect, the validity and enforceability of the remaining terms and provisions of this Agreement will be construed as if such invalid or unenforceable provision had not been contained herein.

G. Waiver of Contractual Right. The failure of either party to enforce any provision of this Agreement shall not be construed as a waiver or limitation of the party's rights to subsequently enforce every provision of this Agreement.

H. Attorneys' Fees: If any action at law, in equity, or by arbitration is brought to enforce or interpret the provisions of this Agreement, the prevailing Party shall be entitled to reasonable attorneys' fees, including fees incurred in any appellate proceeding, in addition to any other relief for which such prevailing Party may be entitled.

I. Execution of Agreement. The Parties' execution of this Agreement hereby represents and warrants that they have the express authority to execute said Agreement.

J. Signatures. Signatures on this Agreement received by way of facsimile and/or email shall be deemed to be an executed contract.

K. Limitation of Liability. Appraisers shall perform services on a best-efforts basis and shall have no liability to Client for damages, injuries or losses which may in any way be related to the findings, use, misuse, or interpretations of the Report. The amount of any damages, injuries or losses owed by Appraisers shall not exceed the fees received from Client, whether arising in tort, contract, equity, statute, or any other manner whatsoever.

The parties have executed this Agreement on the dates reflected below, effective as of the 1/16/2024 day of January 2024, and by execution of this agreement also attest that the below signatories have authority to act on behalf of the respective parties.



THE McENERY COMPANY

www.mceneryco.com

CLIENT:

Upper Pontalba Condominium Association

DocuSigned by:
Darrell Hollis

By: _____
Mr. Andre Montz
Its: Authorized Signatory

Date: 1/16/2024

APPRAISER:

THE McENERY COMPANY

By: *Baldwin Justice*

Baldwin Justice
Its: Authorized Signatory

Date: January 12, 2024

CURRICULUM VITAE
BALDWIN R. JUSTICE

Primary Real Estate Business Experience:

- The McEnery Company, Inc., New Orleans, Louisiana – Director of Valuation Services
(April 2010 - Present)

Practical Real Estate Experience - Institutional Lending/Private Client Appraisal:

- Medical and Office Buildings
- Mixed-Use Buildings
- Industrial Warehouses, Office Warehouses, Warehouse Condominiums
- Land – Commercial Lots, Bulk Acreage and Subdivision Analyses
- Multi-family Buildings
- Special Use Properties (Marinas, RV Parks, Shipyards, Bowling Centers)
- Net Leased Properties
- Bed and Breakfast Properties/Hotel Properties
- Convenience Stores-Gasoline Stations
- Self-Storage Facilities
- Funeral Homes
- Subdivisions
- Acreage tracts
- Timberland
- Industrial Shipyards
- High-Rise Office Buildings

Memberships, Licenses, Etcetera:

- State of Louisiana Certified General Real Estate Appraiser #G3000
- State of Mississippi Certified General Real Estate Appraiser #GA-1208
- State of Alabama Certified General Real Estate Appraiser #G01336
- State of Florida Certified General Real Estate Appraiser #RZ4260
- State of Texas Certified General Real Estate Appraiser #TX1381113G
- Candidate for MAI Designation

Primary Education:

- University of Alabama – Tuscaloosa, Al
 - Culverhouse College of Commerce and Business Administration – (August 2005 – December 2009)
 - Department of Economics, Finance, and Legal Studies
 - Bachelor of Science (December 2009)

- Major: Finance / Concentration Areas: Real Estate
- Real Estate Related Courses: FI 331/Principles of Real Estate; FI 334/Introduction to Real Estate Property Management; FI 432/Real Estate Appraisal; FI 436/ Real Estate Finance

Real Estate Related Education:

- Appraisal Institute – Chicago, Illinois – 2010 – Present
 - Course 110 - Appraisal Principles (Nashville, TN – 2010)
 - Course 120 - Appraisal Procedures (Nashville, TN – 2010)
 - 15 Hour National USPAP (Nashville, TN – 2010)

 - Course 300 - Real Estate Finance, Statistics, and Valuation Modeling (Online – 2012)

 - Course 401G - General Appraiser Sales Comparison Approach (Dallas, TX – 2012)

 - Course 400G - General Appraiser Market Analysis and H & B Use (Ft. Lauderdale, FL – 2012)

 - Course 402G - General Appraiser Site Valuation & Cost Approach (Online – 2014)

 - Course 403G - General Appraiser Income Approach/Part 1 (Online - 2014)

 - General Appraiser Report Writing and Case Studies (Online - 2014)

 - General Appraiser Income Approach/ Part 2 (Online - 2015)

 - Advanced Market Area Analysis and Highest and Best Use (Atlanta, GA – September 2015)

 - Advanced Income Capitalization (Atlanta, GA – April 2018)

 - Quantitative Analysis (Houston, TX – August 2019)

 - Advanced Concepts & Case Studies (New Orleans, LA – February 2022)

Qualified as Expert Witness in Real Estate Appraising:

United States District Court Eastern District of Louisiana
United States Bankruptcy Court for the Southern District of Mississippi
24th Judicial District Court for the Parish of Jefferson, Louisiana
19th Louisiana Judicial District Court, Parish of East Baton Rouge, Louisiana
22nd Judicial District Court Parish of St. Tammany, Louisiana

Email: Baldwin@mceneryco.com

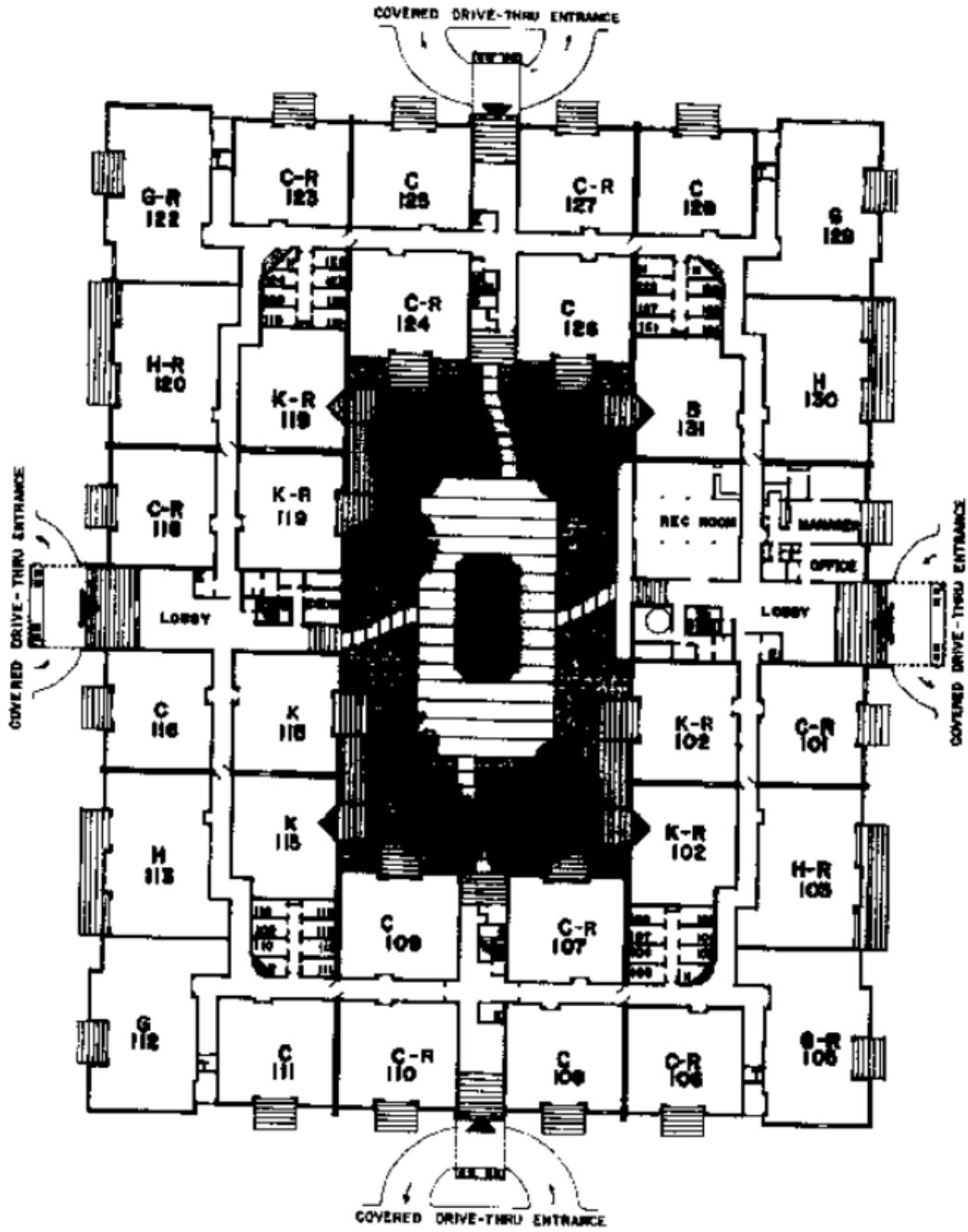


Legal Description

A CERTAIN PORTION OF GROUND, together with all the buildings and improvements thereon and all the rights, ways, privileges, servitudes and appurtenances thereunto belonging or otherwise appertaining, situated in the Parish of Jefferson, Louisiana, in that portion thereof known as DeLimon Place Subdivision, and, according to the resubdivision plan made by J. J. Krebs & Sons, Inc., and dated January 12, 1989, and approved by the Parish of Jefferson, Ordinance No. 17712, registered in C.O.B. 2172, Folio 318, said plot of ground is designated as C-1-A, and revised by Jefferson Parish Ordinance No. 17740, registered in C.O.B. 2207, Folio 9, and according to said revised resubdivision plan dated May 4, 1989, the said plot of ground is located and measures as follows: from a point on the westerly side of Canal Street, and common to Betz Place Subdivision and DeLimon Place, go, in a southeasterly direction, along a line forming an angle with the line common to DeLimon Place and Betz Place Subdivisions of $54^{\circ} 50' 30''$ a distance of 76.77 feet to the point of beginning, and said plot C-1-A measures thence 500.73 feet front on and along the line of Canal Street running in a southeasterly direction to a point, thence along a line forming a $125^{\circ} 03' 55''$ angle and running in a southwesterly direction 269.47 feet to a point, thence along a line common to plot B-1-A and forming a 90° angle and running in a northwesterly direction a distance of 69 feet to a point, thence along a line forming an angle of 90° and running in a northeasterly direction, a distance of 20 feet to a point, thence running along a line forming an outside angle of 90° in a northwesterly direction a distance of 85 feet to a point, thence along a line forming an outside angle of 90° and running in a southwesterly direction 20 feet to a point, then on a line forming a 90° angle and running in a northwesterly direction a distance of 150.49 feet to a point, thence on a line forming a 90° angle and running in a northeasterly direction a distance of 20 feet to a point, thence on a line forming an outside angle of 90° running in a northwesterly direction a distance of 167.25 feet to a point, thence on a line forming a $90^{\circ} 05' 35''$ angle with the line common to Betz Place Subdivision and running in a northeasterly direction a distance of 447.93 feet to a point, thence along a line forming a $144^{\circ} 50' 30''$ angle and running in a northeasterly direction along the boundary of Lot C-1-B a distance of 109 feet to the point of beginning.

Being the same property acquired by Crosby Land Company, Inc., and Gulf International Cinema Corporation, an act passed before Sharon A. Perlis, Notary Public, dated January 14, 1981, registered in C.O.B. 996, Folio 619 and recorded in M.O.B. 813, Folio 760; and further acquired by Crosby Development Corporation (formerly Crosby Land Company, Inc.) from Gulf International Cinema Corporation by act of partition executed before Jess R. Nelson, Notary Public, dated January 13, 1982, and registered in C.O.B. 1018, Folio 381.

Floor Plans



FLOOR PLAN

Zoning Ordinance

ARTICLE XII. - TWO-FAMILY RESIDENTIAL DISTRICT R-2

Sec. 40-201. - Description.

This district is composed of certain area where it is desirable to recognize a greater density of residential use by provision for the placement of two-family dwelling units, but not permitting multiple dwelling structures.

(Ord. No. 20783, § 3(VIII(1)), 9-22-99)

Sec. 40-202. - Permitted uses.

In R-2 Districts only the following uses of property shall be permitted:

- (1) Any use permitted in an R-1 Single-Family District.
- (2) Dwellings, two-family.
- (3) Cemeteries provided the following criteria are met:
 - a. No structure shall be permitted within the required yard area, however, in no case shall a structure be located closer than ten (10) feet to the front property line in any zoning district.
 - b. All required yard areas shall be landscaped and permanently maintained.
 - c. An opaque fence, living fence, or any combination thereof shall be provided at a minimum height of six (6) feet along common lot lines a living fence shall also require the construction of a chain-link fence at a minimum height of six (6) feet.
 - d. Approval is obtained from the Jefferson Parish Council in accordance with Article XL, Special Permitted Uses, however, any cemetery established and/or dedicated at the time of adoption of the ordinance from which this section is derived shall be considered conforming and shall not have to comply with the provisions of Article XL, Special Permitted Uses.
- (4) Condominiums.
- (5) Accessory buildings and uses customarily incidental to any of the permitted uses within this district when located on the same lot and not involved in the conduct of a business.

(Ord. No. 20783, § 3(VIII(2)), 9-22-99; Ord. No. [24807](#), § XXXIII, 8-27-14; Ord. No. [24823](#), § V, 9-17-14)

Sec. 40-203. - Height regulations.

No building shall exceed thirty-five (35) feet in height.

(Ord. No. 20783, § 3(VIII(3)), 9-22-99)

Sec. 40-204. - Area regulations.

(a) *Yard.*

(1) *Front yard.*

- a. There shall be a front yard having a depth of not less than twenty (20) feet, provided, however, that where the average depth of existing front yards on lots improved with buildings located within one hundred (100) feet of either side of such lot, and within the same block and zoning district, and fronting on the same street as such lot, is less than the

minimum required front yards, the front yard may be the average of the existing front yards, provided, however, that no front yard shall be less than ten (10) feet.

b. On through lots the required front yard shall be provided on both streets.

(2) *Side yard.*

a. There shall be two (2) side yards, one (1) on each side of the building having a combined width of not less than twenty (20) percent of the width of the lot, provided that in no case shall either side yard be less than five (5) feet and provided further, that the combined width of the two (2) side yards need not exceed ten (10) feet.

b. On a corner lot, the side yard on the side of the lot abutting the side streets shall not be less than ten (10) feet except an accessory building which is not part of the main building, may locate as near as five (5) feet from the side of the lot abutting the side street provided the lot in the rear of the corner lot does not front the side street.

c. The required setback of buildings for a nonresidential principal use, except for accessory buildings less than five hundred (500) feet, shall be a minimum distance of ten (10) feet when abutting residentially zoned property unless a more restrictive use-specific setback applies.

(3) *Rear yard.*

a. There shall be a rear yard having a depth of not less than twenty (20) percent of the depth of the lot, provided, however, that the depth of such rear yard shall be not less than fifteen (15) feet and need not exceed twenty-five (25) feet.

(b) *Lot area.*

(1) Lots occupied by single-family dwellings shall contain an area of not less than four thousand (4,000) square feet, a width of not less than forty (40) feet and a depth of not less than seventy-five (75) feet, except on cul-de-sac lots the frontage may be measured at the front yard set back line.

(2) Lots occupied by two-family dwellings shall contain an area of not less than twenty-five hundred (2,500) square feet per family.

(Ord. No. 20783, § 3(VIII(4)), 9-22-99; Ord. No. [24807](#), § XXIV, 8-27-14)

Sec. 40-205. - Sign regulations.

Signs shall be permitted in accordance with section 40-80 of this chapter.

(Ord. No. 24364, § XV, 11-7-12; Ord. No. [24807](#), § XXV, 8-27-14)

Sec. 40-206. - Off-street parking and clear vision area requirements.

Shall be provided as set forth in Article XXXV, Off-Street Parking, Loading, and Clear Vision Area Regulations.

(Ord. No. 20783, § 3(VIII(5)), 9-22-99; Ord. No. 23330, § IV, 6-11-08; Ord. No. 24364, § XV, 11-7-12)

Sec. 40-207. - Exterior wall materials.

(a) *Residential dwellings.*

(1) Dwellings shall meet the requirements set forth in section 40-46 of this Code.

(2) Manufactured and mobile homes shall meet the requirements set forth in section 40-720 of this Code.

- (b) Nonresidential buildings and nonresidential accessory buildings shall be compatible as defined in section 40-46 of this Code, except when the building is less than five hundred (500) square feet in area.
- (c) A variance may be granted for exterior wall materials under the provisions set forth in section 40-792 of this Code.

(Ord. No. 24240, § VII, 3-28-12; Ord. No. 24364, § XV, 11-7-12)

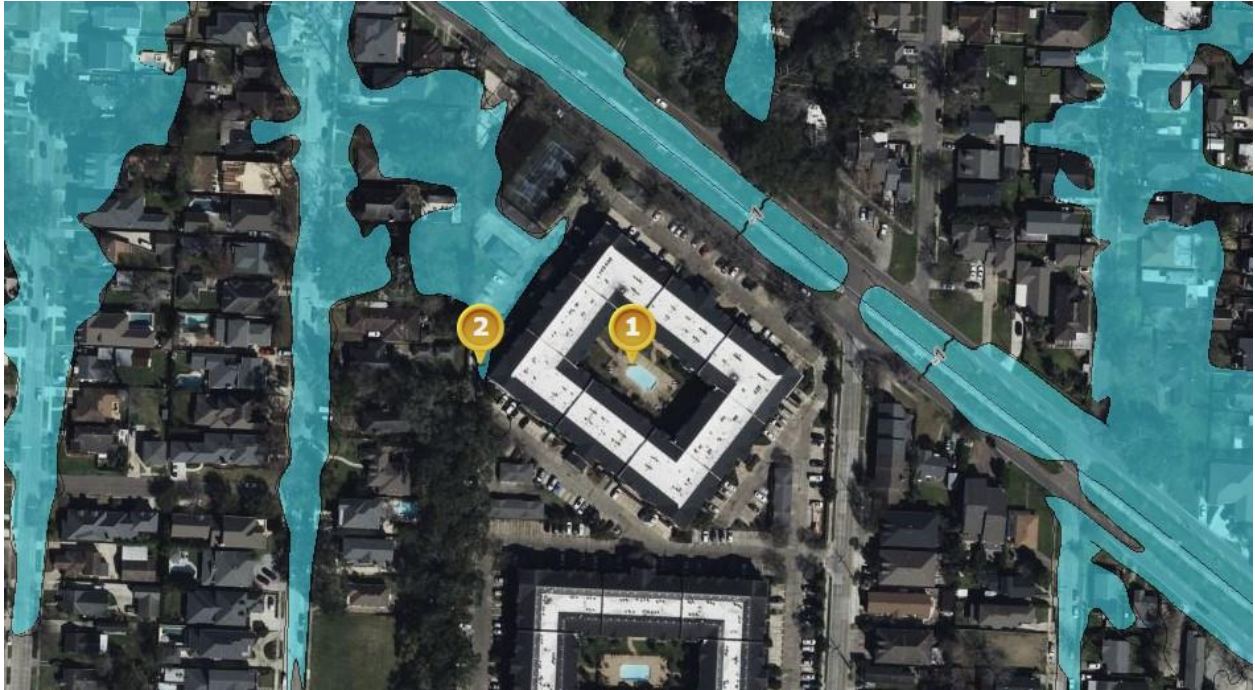
Sec. 40-208. - Landscaping standards.

The development site or campus of a nonresidential use shall be landscaped in accordance with section 40-84 of this chapter.

(Ord. No. [24807](#), § XXVI, 8-27-14)

Secs. 40-209—40-215. - Reserved.

Flood Map



Pt. 1 (29.9940, -90.1308)

Community: Metairie

Effective FIRM (Effective: 2/2/2018)

Flood Zone: X-AREA WITH REDUCED FLOOD RISK DUE TO LEVEE

FIRM Panel ID: 22051C0185F

FIRM Panel Date: 2/2/2018

Ground Elevation¹: 1.4 ft

Pt. 2 (29.9940, -90.1315)

Community: Metairie

Effective FIRM (Effective: 2/2/2018)

Flood Zone: AE, EL -1

FIRM Panel ID: 22051C0185F

FIRM Panel Date: 2/2/2018

Ground Elevation¹: -1.1 ft

Wetlands Map



Subject Property



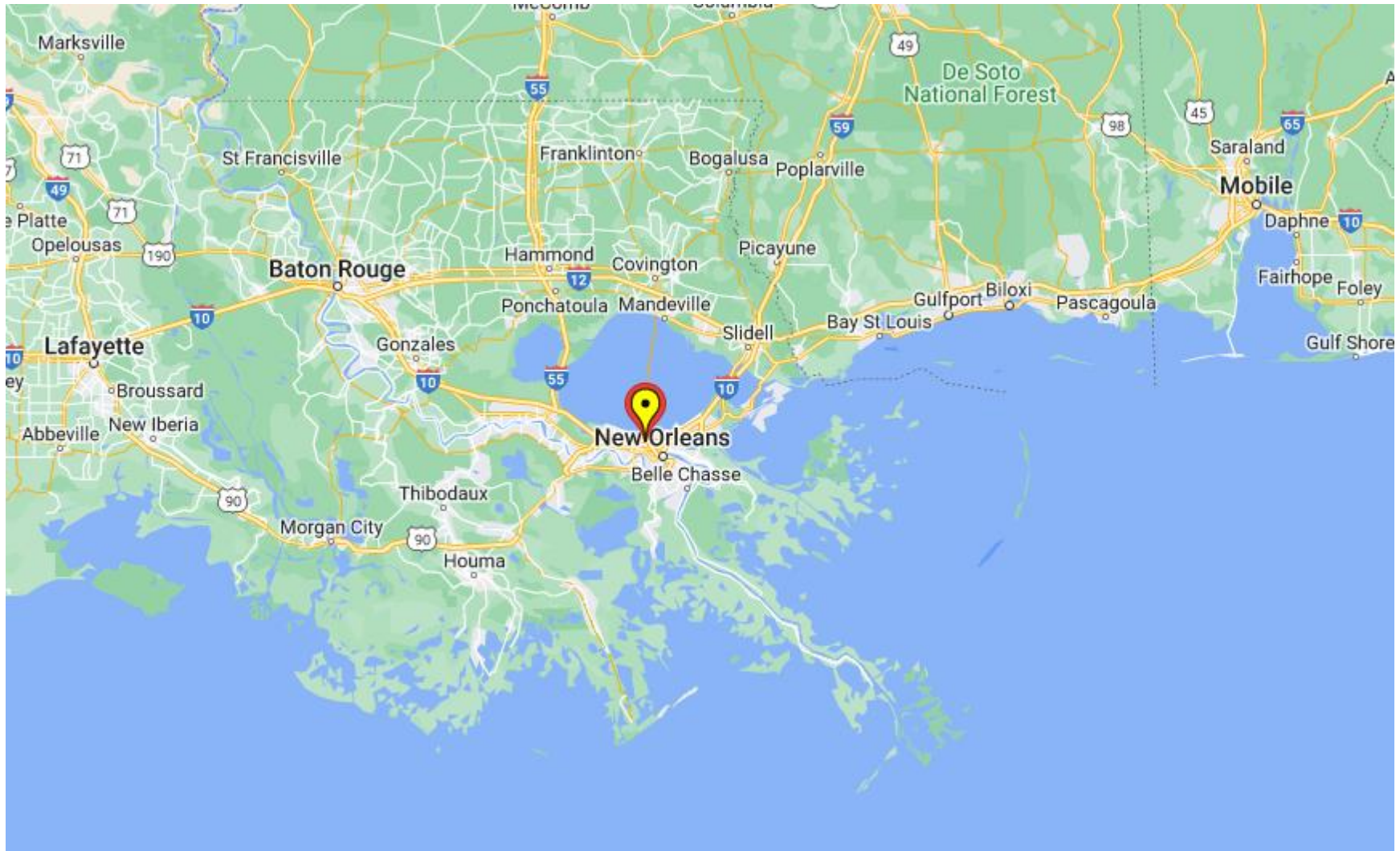
January 29, 2024

Wetlands

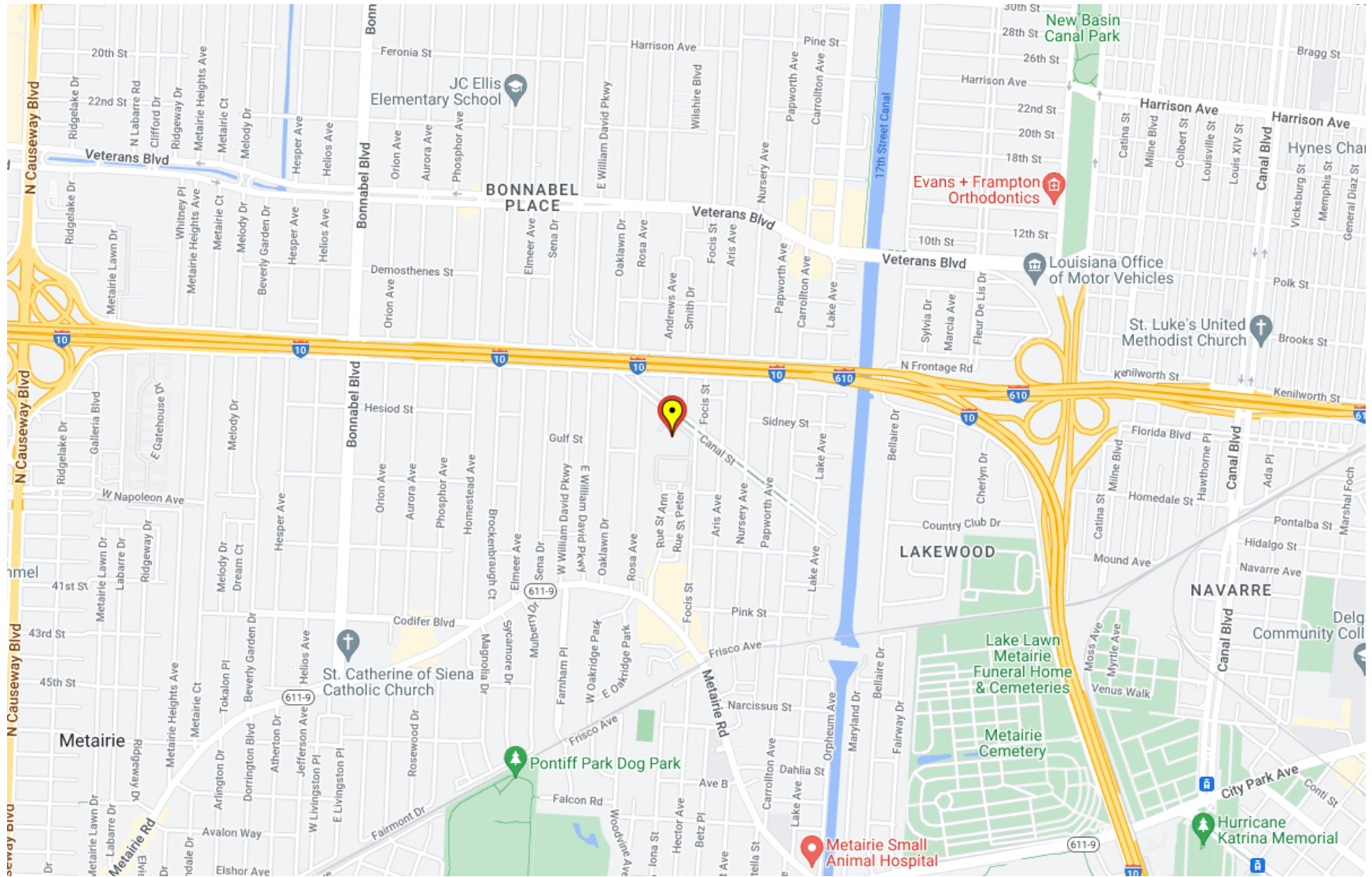
- | | | |
|--------------------------------|-----------------------------------|----------|
| Estuarine and Marine Deepwater | Freshwater Emergent Wetland | Lake |
| Estuarine and Marine Wetland | Freshwater Forested/Shrub Wetland | Other |
| | Freshwater Pond | Riverine |

This map is for general reference only. The US Fish and Wildlife Service is not responsible for the accuracy or currentness of the base data shown on this map. All wetlands related data should be used in accordance with the layer metadata found on the Wetlands Mapper web site.

Regional Map



Neighborhood Map



Subject Photographs























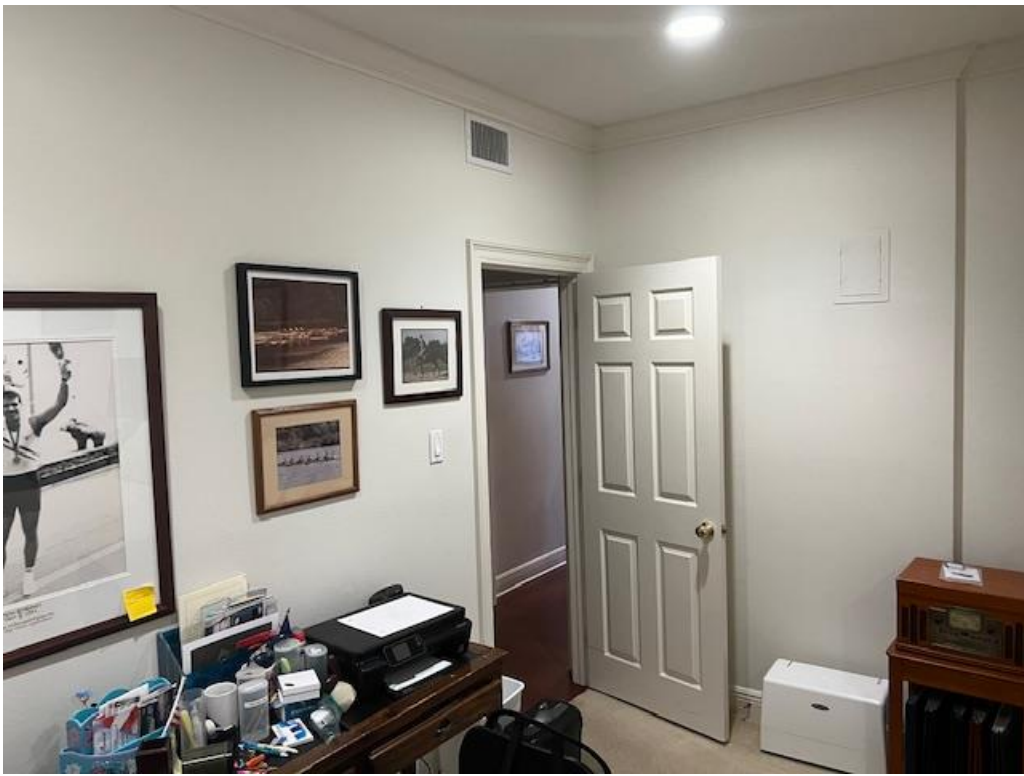


























































GLOSSARY

This glossary contains the definitions of common words and phrases, used throughout the appraisal industry, as applied within this document. Please refer to the publications listed in the **Works Cited** section below for more information.

Works Cited:

- Appraisal Institute. *The Appraisal of Real Estate*. 13th ed. Chicago: Appraisal Institute, 2008. Print.
- Appraisal Institute. *The Dictionary of Real Estate Appraisal*. 7th ed. 2022. Print.

Band of Investment

A technique in which the capitalization rates attributable to components of capital investment are weighted and combined to derive a weighted-average rate attributable to the total investment (i.e., debt and equity, land and improvements). (Dictionary, 7th Edition)

tenant pays for shared services and facilities such as electricity, security, and maintenance of parking lots. Items charged to common area maintenance may include cleaning services, parking lot sweeping and maintenances, snow removal, security, and upkeep. (ICSC) (Dictionary, 7th Edition)

Common Area

1. The total area within a property that is not designed for sale or rental but is available for common use by all owners, tenants, or their invitees, e.g., parking and its appurtenances, malls, sidewalks, landscaped areas, recreation areas, public toilets, truck and service facilities.
2. In a shopping center, the walkways and areas onto which the stores face and which conduct the flow of customer traffic. (ICSC) (Dictionary, 7th Edition)

Debt Coverage Ratio (DCR)

The ratio of net operating income to annual debt service ($DCR = NOI/Im$), which measures the relative ability of a property to meet its debt service out of net operating income; also called debt service coverage ratio (DSCR). A larger DCR typically indicates a greater ability for a property to withstand a reduction of income, providing an improved safety margin for a lender. (Dictionary, 7th Edition)

Common Area Maintenance (CAM)

1. The expense of operating and maintaining common areas; may or may not include management charges and usually does not include capital expenditures on tenant improvements or other improvements to the property.
2. The amount of money charged to tenants for their shares of maintaining a center's common area. The charge that a

Discount Rate

A rate of return on capital used to convert future payments or receipts into present value; usually considered to be a synonym for *yield rate*. (Dictionary, 7th Edition)

Effective Age

The age of property that is based on the amount of observed deterioration and obsolescence it has sustained, which may be

different from its chronological age. (Dictionary, 7th Edition)

Effective Date

1. The date to which an appraiser's analyses, opinions, and conclusions apply; also referred to as the date of value. (2022-2023 USPAP)
2. The date that a lease goes into effect (Dictionary, 7th Edition)

Exposure Time

An opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the open market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. (2022–2023 USPAP)

Excess Land

Land that is not needed to serve or support the existing use. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land may have the potential to be sold separately and is valued separately. (Dictionary 7th Edition)

External Obsolescence

A type of depreciation; a diminution in value caused by negative external influences and generally incurable on the part of the owner, landlord, or tenant. The external influence may be either temporary or permanent. There are two forms of external obsolescence: economic and locational (Dictionary, 7th Edition)

Extraordinary Assumption

An assignment-specific assumption as of the effective date regarding uncertain Information used in an analysis which, if

found to be false, could alter the appraiser's opinions or conclusions. Comment: Uncertain information might include physical, legal, or economic characteristics of the subject property, or conditions external to the property, such as market conditions or trends, or about the integrity of data used in an analysis. (USPAP, 2022-2023 ed.) (Dictionary, 7th Edition)

Fee Simple Estate

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. (Dictionary, 7th Edition)

Functional Obsolescence

The impairment of functional capacity of improvements according to market tastes and standards. (Dictionary, 7th Edition)

Functional Utility

The ability of a property or building to be useful and to perform the function for which it is intended according to current market tastes and standards; the efficiency of a building's use in terms of architectural style, design and layout, traffic patterns, and the size and type of rooms. (Dictionary, 7th Edition)

Going-Concern Value

An outdated label for the market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the market value of the going concern or market value of the total assets of the business. (Dictionary, 7th Edition)

Gross Building Area (GBA)

1. Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved.
2. Gross leasable area plus all common areas.
3. For residential space, the total area of all floor levels measured from the exterior of the walls and including the super-structure and substructure basement; typically does not include garage space. (Dictionary, 7th Edition)

Gross Leasable Area (GLA)

Total floor area designed for the occupancy and exclusive use of tenants, including basements and mezzanines; measured from the center of joint partitioning to the outside wall surfaces. (Dictionary, 7th Edition)

Highest & Best Use

1. The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.
2. The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid. (IVS)

3. [The] highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future. (Uniform Appraisal Standards for Federal Land Acquisitions)

4. [For fair value determination] The use of a nonfinancial asset by market participants that would maximize the value of the asset or the group of assets and liabilities (for example, a business) within which the asset would be used. (FASB Glossary) The highest and best use of a nonfinancial asset takes into account the use that is physically possible, legally permissible, and financially feasible. (FASB 820-10-35-10B). The highest and best use of a nonfinancial asset establishes the valuation premise used to measure the fair value of the asset, as follows: (a) The highest and best use of a nonfinancial asset might provide maximum value to market participants through its use in combination with other assets as a group (as installed or otherwise configured for use) or in combination with other assets and liabilities (for example, a business). (b) The highest and best use of the asset might provide maximum value to market participants on a standalone basis. (FASB 820-10-35-10E) (Dictionary, 7th Edition)

Highest and Best Use of Land or a Site as Though Vacant

Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements. (Dictionary, 5th Edition)

Highest and Best Use of Property as Improved

The use that should be made of a property as it exists. An existing improvement should be renovated or retained as is so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one. (Dictionary, 5th Edition)

Hypothetical Condition

1. A condition that is presumed to be true when it is known to be false. (SVP)
2. A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2022-2023 ed.) (Dictionary, 7th Edition)

Investment Value

1. The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market.
2. The value of an asset to the owner or a prospective owner for individual investment or operational objectives. (may also be known as worth) (IVS) (Dictionary, 7th Edition)

Leased Fee Interest

The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires. (Dictionary, 7th Edition)

Leasehold Estate

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease. (Dictionary, 7th Edition)

Market Area

The geographic region from which a majority of demand comes and in which the majority of competition is located. Depending on the market, a market area may be further subdivided into components such as primary, secondary, and tertiary market areas, or the competitive market area may be distinguished from the general market area. (Dictionary, 7th Edition)

Market Rent

The most probable rent that a property should bring in a competitive and open market under all conditions requisite to a fair lease transaction, the lessee and lessor each acting prudently and knowledgeably, and assuming the rent is not affected by undue stimulus. Implicit in this definition is the execution market support of a lease as of a specified date under conditions whereby

- Lessee and lessor are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their best interests;
- Payment is made in terms of cash or in terms of financial arrangements comparable thereto; and

- The rent reflects specified terms and conditions typically found in that market, such as permitted uses, use restrictions, expense obligations, duration, concessions, rental adjustments and revaluations, renewal and purchase options, frequency of payments (annual, monthly, etc.), and tenant improvements (TIs). (Dictionary, 7th Edition)

Market Value

A type of value that is the major focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined, such as the following.

1. The most widely accepted components of market value are incorporated in the following definition: The most probable price, as of a specified date, in cash, or in terms of equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress.
2. Market value is described in the Uniform Standards of Professional Appraisal Practice (USPAP) as follows: A type of value, stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the value definition that is identified by the appraiser as applicable in an appraisal. (USPAP, 2022-2023 ed.)

USPAP also requires that certain items be included in every appraisal report. Among

these items, the following are directly related to the definition of market value:

- Identification of the specific property rights to be appraised.
 - Statement of the effective date of the value opinion.
 - Specification as to whether cash, terms equivalent to cash, or other precisely described financing terms are assumed as the basis of the appraisal.
 - If the appraisal is conditioned upon financing or other terms, specification as to whether the financing or terms are at, below, or above-market interest rates and/or contain unusual conditions or incentives. The terms of above—or below-market interest rates and/or other special incentives must be clearly set forth; their contribution to, or negative influence on, the value must be described and estimated; and the market data supporting the opinion of value must be described and explained.
3. The following definition of market value is used by agencies that regulate federally insured financial institutions in the United States: The most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and the 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 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. (12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994)
4. The International Valuation Standards Council defines market value for the purpose of international standards as follows: The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion. (International Valuation Standards, 8th ed., 2007)
 5. The Uniform Standards for Federal Land Acquisitions defines market value as follows: Market value is the amount in cash, or on terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of the appraisal, after a reasonable exposure of time on the open competitive market, from a willing

and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the property at the time of the appraisal. (Uniform Standards for Federal Land Acquisitions) (Dictionary, 7th Edition)

Marketing Time

An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Appraisal Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions" address the determination of reasonable exposure and marketing time.) (Dictionary, 7th Edition)

Net Operating Income (NOI)

The actual or anticipated net income that remains after all operating expenses are deducted from effective gross income but before mortgage debt service and book depreciation are deducted. Note: This definition mirrors the convention used in corporate finance and business valuation for EBITDA (earnings before interest, taxes, depreciation, and amortization). (Dictionary, 7th Edition)

Obsolescence

One cause of depreciation; an impairment of desirability and usefulness caused by new inventions, changes in design, improved

processes for production, or external factors that make a property less desirable and valuable for a continued use; may be either functional or external. (Dictionary, 7th Edition)

Parking Ratio

A ratio of parking area or parking spaces to an economic or physical unit of comparison. Minimum required parking ratios for various land uses are often stated in zoning ordinances. (Dictionary, 7th Edition)

Prospective Opinion of Value

A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy. (Dictionary, 7th Edition)

Rentable Area

For office buildings, the tenant's pro-rata portion of the entire office floor, excluding elements of the building that penetrate through the floor to the areas below. The rentable area of a floor is computed by measuring to the inside finished surface of the dominant portion of the permanent building walls, excluding any major vertical penetrations of the floor. Alternatively, the amount of space on which the rent is based; calculated according to local practice (Dictionary, 7th Edition)

Replacement Cost

The estimated cost to construct, at current prices as of a specific date, a substitute for a building or other improvement, using

modern materials and current standards, design, and layout. (Dictionary, 7th Edition)

Retrospective Value Opinion

A value opinion effective as of a specified historical date. The term retrospective does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion." (Dictionary, 7th Edition)

Scope of Work

1. The type of data and the extent of research and analyses. (SVP)
2. The type and extent of research and analyses in an appraisal or appraisal review assignment. (USPAP, 2022-2023 ed.) (Dictionary, 7th Edition)

Stabilized Occupancy

1. The occupancy of a property that would be expected at a particular point in time, considering its relative competitive strength and supply and demand conditions at the time, and presuming it is priced at market rent and has had reasonable market exposure. A property is at stabilized occupancy when it is capturing its appropriate share of market demand.
2. An expression of the average or typical occupancy that would be expected for a property over a specified projection period or over its economic life. (Dictionary, 7th Edition)

Surplus Land

Land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel. (Dictionary 7th Edition)

Tenant Improvements (TIs)

1. Fixed improvements to the land or structures installed and paid for use by a lessee.
2. The original installation of finished tenant space in a construction project; subject to periodic change for succeeding tenants. (Dictionary, 7th Edition)

Vacancy and Collection Loss

A deduction from potential gross income (PGI) made to reflect income reductions due to vacancies, tenant turnover, and nonpayment of rent; also called vacancy and credit loss or vacancy and contingency loss. (Dictionary, 7th Edition).



THE McENERY COMPANY

VALUATION & ADVISORY SERVICES

The McEnery Company
810 Union Street,
Fourth Floor
New Orleans, LA 70112
mceneryco.com