

APPRAISAL REPORT



**Macon County BDC
185 Industrial Park Road
Franklin, Macon County, NC, 28734**

Effective Date:

June 6, 2023

Date of Report:

June 15, 2023

Prepared For

Macon County
5 W. Main Street
Franklin, NC, 28734

Prepared By

BATSON COMPANY, INC.
2811 Brushy Creek Road
Easley, SC 29642

Company File Number:

23-092

Batson
C O M P A N Y



Batson Company, Inc.

**2811 Brushy Creek Road
Easley, SC 29642**

Office (864) 307-8282

www.batsonval.com

June 15, 2023

Ms. Tommy Jenkins
Economic Development Director
Macon County
5 W. Main Street
Franklin, NC 28734

Re: Appraisal Report
Macon County BDC
185 Industrial Park Road, Franklin
Macon County, NC, 28734
Batson Company, Inc. File No.: 23-092

Dear Mr. Jenkins:

At your request, I am pleased to present this Appraisal Report. The following report sets forth my opinions of market value along with supporting data and the reasoning which forms the basis of the opinions.

The subject is the Macon County Business Development Center located at 185 Industrial Park Road, Franklin, Macon County, North Carolina. The property is appraised "as is" in Fee Simple interest. The property is an industrial building owned by Macon County, and used as a multi-tenant business development space, built in 1984 and including a total of 17,560 square feet. The property is identified as Macon County Tax Map Parcel 6574-43-7543 with a total site of 2.72 acres. Although the improvements are currently leased, the leases expire within the next six months. As a result, I value the fee simple interest in the improvements. It is my understanding that the asset may be sold to a single user, but no details or potential prices were available as of the date of valuation.

Within this analysis, I use the Sales Comparison Approach to market value for both the land and the improvements. I include the Cost Approach as a check of reasonableness. The Income Approach is not completed as the asset is located in a small industrial market with mainly owner-users. The entire report, including all assumptions and limiting conditions contained in the Addendum, are inseparable from this letter. The data and analysis that formulated the value conclusions are incorporated in the report following this letter.

For this report, I make no hypothetical conditions, but include the following extraordinary assumptions and or disclosures

- The property is leased to a number of short term tenants, which expire in the next few months. I assume that the leases pose no undue encumbrance to the real estate, and appraise the fee simple interest in the real estate.

Based on my investigation and analysis, and subject to the attached assumptions and limiting conditions, I have formed the following value conclusion:

Final Opinion of Market Value				
Property	Appraisal Premise	Interest	Effective Date	Market Value
Macon County BDC	As Is	Fee Simple	June 6, 2023	\$740,000

The analyses, opinions, and conclusions developed and presented in this report have been prepared to conform with my interpretation of the requirements and recommendations established in the Uniform standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), and Title XI Regulations.

If there are any questions concerning the report or if I can be of further service, please feel free to contact me.

Best regards,



Keith Batson, MAI
NC Certified General Real Estate Appraiser
Certificate Number A6905
Expires June 30, 2024

Executive Summary

Subject Property Information	
Property Type	Industrial
Address	185 Industrial Park Road, Franklin, NC 28734
Tax Identification Numbers	6574-43-7543
Owner	Macon County, North Carolina
Date of Inspection	June 6, 2023
Site Summary	
Total Land Size	2.72 acres or 118,483 SF
Zoning	None
Flood Zone	X, 37113C6574J, May 4, 2009
Improvements Summary	
Gross Building Area (GBA)(total SF)	17,560- SF
Year Built	1984
Condition	average
Highest and Best Use	
As Vacant	industrial
As Improved	industrial

Summary of Market Value Indications	
Component	As Is June 6, 2023
Cost Approach	\$720,000
Sales Comparison Approach	\$740,000
Income Approach - Direct Capitalization	Not developed

Final Opinion of Market Value				
Property	Appraisal Premise	Interest	Effective Date	Market Value
Macon County BDC	As Is	Fee Simple	June 6, 2023	\$740,000

Certification Statement

I certify to the best of my knowledge and belief:

1. The statements of facts contained in this report are true and correct to the best of my knowledge.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and is my personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in or bias with respect to the property that is the subject of this report and have no personal interest in or bias with respect to the parties involved.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved in the assignment.
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. My compensation for completing this assignment is not contingent upon the development of 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.
7. Keith Batson , MAI, inspected the property.
8. No one provided professional real estate appraisal assistance to the persons signing this report.
9. Although several market participants may be contacted as a part of my routine market research investigation, absolute client confidentiality and privacy are maintained at all times with regard to this assignment without conflict of interest.
10. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation and the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
11. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
12. I have performed 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.
- 13.A. Keith Batson, MAI, has completed the requirements of the continuing education program for Designated Members of the Appraisal Institute.

A. Keith Batson



Keith Batson, MAI

NC Certified General Real Estate Appraiser

Certificate Number A6905

Expires June 30, 2024

Table of Contents

Executive Summary.....	4
Certification Statement.....	5
Table of Contents.....	6
Introduction	7
Scope of Appraisal.....	10
Neighborhood Analysis	11
Description of the Site.....	16
Description of the Improvements	22
Real Estate Taxes and Assessment	28
Highest and Best Use	28
Sales Comparison Approach.....	30
Land Valuation.....	38
Cost Approach	46
Final Reconciliation.....	51
Assumptions and Limiting Conditions	52
Addenda	56
Additional Property Data	57

Introduction

Identification of the Subject	Macon County BDC
Address	185 Industrial Park Road, Franklin, NC
Owner of Record	Macon County, North Carolina
Other Sales/listings in Past 3 years	See Introduction
Tax ID Number(s)	6574-43-7543
Date of Inspection	June 6, 2023
Intended User/Client	Macon County, North Carolina
Intended Use	for due diligence and potential marketing of the property
Report Type	Appraisal
Property Rights Appraised	Fee Simple
Purpose of the Appraisal	To form the following opinions of market value:
Market Value "As Is"	June 6, 2023
Exposure Time/Marketing Time	18 months /18 months
Personal Property, FF&E, Intangibles	None included

Market Value Defined

Market value means "the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated.
- Both parties are well informed or well advised, and acting in what they consider their own best interests.
- A reasonable time is allowed for exposure in the open market.
- Payment is made in terms of cash in 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."¹

Hypothetical Conditions

Referencing the **2022-2023 Uniform Standards of Professional Appraisal Practice**, a hypothetical condition is 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 the analysis.

¹ Federal Register, Vol. 55, No. 162, page 34228.9, Friday August 22, 1990, Rules and Regulations, 12 CFR Part 34.34 (f).

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 the analysis.

This appraisal has been made with no hypothetical conditions:

Extraordinary Assumptions

Referencing the **2022-2023 Uniform Standards of Professional Appraisal Practice**, an extraordinary assumption is an assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusion.

Extraordinary assumptions presume as fact otherwise uncertain information 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.

For this report, I make no hypothetical conditions, and the following extraordinary assumptions and or disclosures

- The property is leased to a number of short term tenants, which expire in the next few months. I assume that the leases pose no undue encumbrance to the real estate, and appraise the fee simple interest in the real estate.

Subject Property's History and Ownership Record

This property is owned by Macon County, North Carolina, and has been used as a business development center for many years. The concept is for smaller industrial users and/or startup businesses to use the building, leasing space from the county at generally low rates. The improvement is located in the Macon County Industrial Park, and is configured as up to 5 tenant units with a small common office component.

It is my understanding that the county has been approached about selling the property to a single user, but no details of the end user or price were available for my review as of the date of valuation.

No other offers, listings, or transfer of ownership were found or made known to the appraiser.

Personal Property, FF&E, Intangibles

No FF&E, personal property or intangible items are included in the valuation.

Exposure Time

According the USPAP Advisory Opinion 7 (AO-7) marketing time is "the time it would 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.” It is also a “function of price, time, use, and anticipated market conditions” going forward. The marketing time estimate is based on the same analysis as exposure time with the exception of a market conditions analysis for the immediate future.

I reviewed local records, MLS data, CoStar, and other sources for an idea of demand levels and sales in this region. Based on this data and information gathered on comparables, both an exposure time and marketing time of 18 months or less is concluded as reasonable and appropriate.

Scope of Appraisal

Scope of Work

I considered various factors in arriving at the scope of work for the assignment, including the intended use of the appraisal, the complexity of the valuation problem, and a discussion with the client to better determine specific needs. Therefore, the appraisers 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.

Valuation Methodology

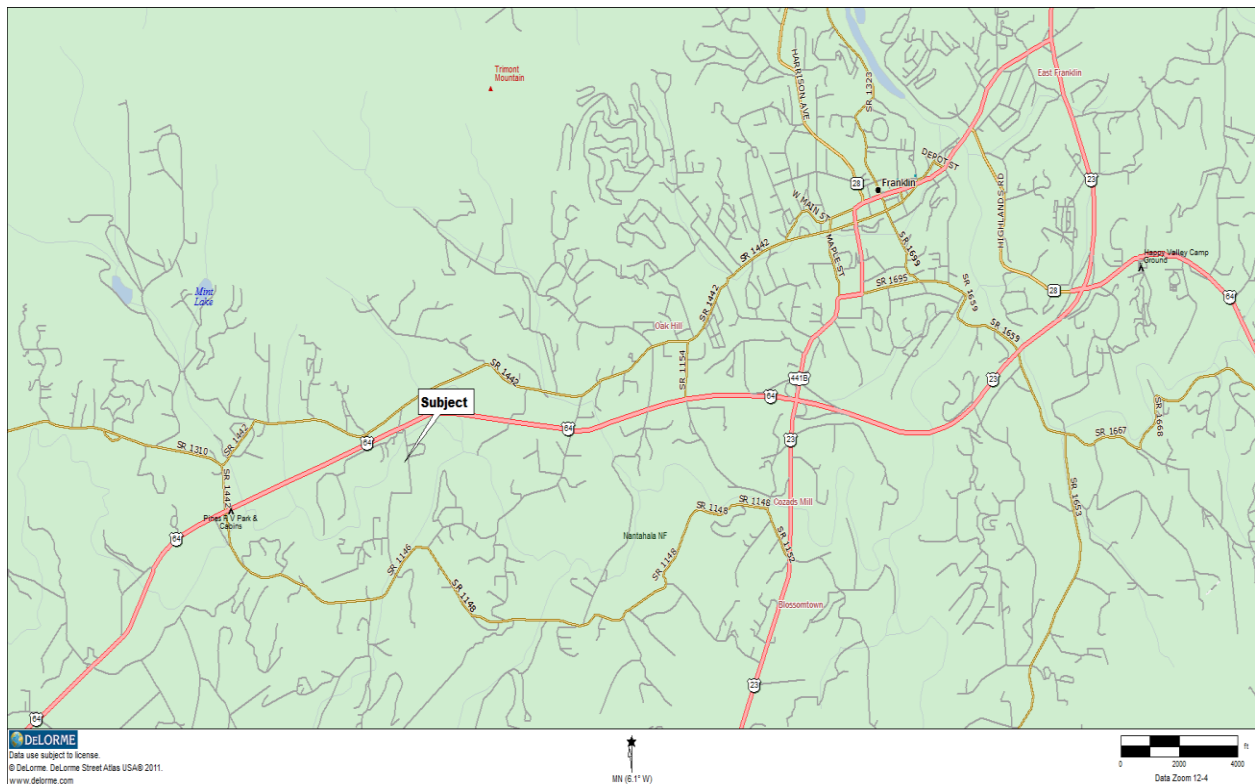
Appraisers usually consider the use of three approaches to value when developing a market value opinion for real property. These approaches are the Cost Approach, Sales Comparison Approach, and Income Capitalization Approach. The various approaches used in this assignment are summarized on the following chart:

APPROACHES TO VALUE		
Approach	Applicability to Subject	Use in Assignment
Cost Approach	Applicable	Used
Sales Comparison Approach	Applicable	Used
Income Capitalization Approach	Not Applicable	Not Used

Within this analysis, I use the Sales Comparison Approach to market value for both the land and the improvements. I include the Cost Approach as a check of reasonableness. I did not use the Income Approach as the subject is located in a small industrial market with nearly 100% owner-users.

Property Inspection

Visual inspections of the subject and surrounding market area were completed in the analysis. Keith Batson, MAI inspected the subject improvements on June 6, 2023.



Location and Boundaries

The property is located in the Macon County Industrial Park; 3 miles west of the CBD of Franklin in an unincorporated area near US 64 (Murphy Road). The adjoining neighborhood is a transitional area in and near the county industrial park and mixed residential uses. The area is mainly suburban in character and approximately 40% developed. The neighborhood boundaries are the western outskirts of Franklin and the Murphy Road corridor.

Access and Linkages

The main routes to Franklin are US 23/441, which connect Franklin to Sylva and to the north Georgia/Atlanta area, and US 64, which connects Franklin and Highlands in southern Macon County. NC 28, or the Highlands Road, is an important route in the town. Franklin is located in the north central part of Macon County. The town is located between Sylva and Murphy, and is within a 2 hour drive of most parts of the Atlanta MSA and the Greenville MSA. The closest interstate access is to I-40 about 35 miles east in the Waynesville area.

Land Use

The subject is located along the US 64/Murphy Road corridor; basically along the west side of town and west of US 441. US 64 is accessible within a five minute drive of most parts of the neighborhood. Development in this area includes a mix of industrial uses; mainly to the south in an industrial park, and mixed residential and service uses. The Macon County Industrial Park includes users like DuoTek, TekTone, Harmony House, and Drake Enterprises as well as state agencies. Shopping and services may be found to the east along US 64 in and near Franklin, within a five minute drive of the subject neighborhood. Residential uses may be found off the main routes. As you move away from Franklin, development density drops and utilities access becomes scattered, but the immediate neighborhood has access to all public utilities.

Neighborhood Outlook and Conclusions

The subject neighborhood is a fairly stable area, with modest projected population growth and some new retail/services in the area. The demographic levels do not suggest that the market will add higher end retail, but the town has a retail draw of a wide area with relatively few competitors. County unemployment levels are currently about 4%. Macon County is growing at a moderate rate. For the immediate neighborhood, little change is expected within the next five years. I consider the neighborhood as stable with no expected changes in the short term, with typical demand for commercial real estate.

Demographic Summary

Radius	1 Mile	3 Mile	5 Mile
Population			
2028 Projection	1,071	6,809	17,483
2023 Estimate	1,023	6,478	16,668
2010 Census	988	6,088	15,882
Growth 2023 - 2028	4.69%	5.11%	4.89%
Growth 2010 - 2023	3.54%	6.41%	4.95%
2023 Population by Hispanic Origin	128	630	1,812
2023 Population	1,023	6,478	16,668
White	957 93.55%	6,059 93.53%	15,610 93.65%
Black	17 1.66%	156 2.41%	427 2.56%
Am. Indian & Alaskan	21 2.05%	80 1.23%	164 0.98%
Asian	9 0.88%	72 1.11%	179 1.07%
Hawaiian & Pacific Island	0 0.00%	5 0.08%	16 0.10%
Other	19 1.86%	105 1.62%	271 1.63%
U.S. Armed Forces	1	10	15
Households			
2028 Projection	445	2,924	7,432
2023 Estimate	423	2,773	7,067
2010 Census	400	2,573	6,684
Growth 2023 - 2028	5.20%	5.45%	5.16%
Growth 2010 - 2023	5.75%	7.77%	5.73%
Owner Occupied	317 74.94%	2,085 75.19%	5,201 73.60%
Renter Occupied	106 25.06%	688 24.81%	1,866 26.40%
2023 Households by HH Income	426	2,773	7,067
Income: <\$25,000	170 39.91%	984 35.49%	1,964 27.79%
Income: \$25,000 - \$50,000	83 19.48%	629 22.68%	1,991 28.17%
Income: \$50,000 - \$75,000	77 18.08%	578 20.84%	1,551 21.95%
Income: \$75,000 - \$100,000	31 7.28%	202 7.28%	645 9.13%
Income: \$100,000 - \$125,000	48 11.27%	192 6.92%	504 7.13%
Income: \$125,000 - \$150,000	11 2.58%	78 2.81%	190 2.69%
Income: \$150,000 - \$200,000	4 0.94%	62 2.24%	118 1.67%
Income: \$200,000+	2 0.47%	48 1.73%	104 1.47%
2023 Avg Household Income	\$49,765	\$53,635	\$54,918
2023 Med Household Income	\$36,617	\$37,827	\$41,368

Industrial Market Overview

Franklin/Macon County are a bit different than most of the region in that the county is the home of a large and diversified mainly IT firm, Drake Enterprises, and does not have a significant former textile or furniture industry nor the large plants associated with those industries. The local economy also benefits from high end residential markets such as Highlands and its developments. Franklin also offers a fairly wide geographic draw for certain specialty retail and service uses. Historically, Macon County has been a mainly services based economy, with a relatively large trade area.

I would classify this industrial market as a secondary market, and the local economy is mainly service and tourism based. Although the US 64 corridor allows good access, the location is away from interstates and is not likely to be viewed as a distribution or warehousing market. This industrial market is more likely to include some manufacturing and little if any spec product. A notable recent trend is the development of several breweries in this market, Sylva boasts five and Franklin has two.

Industrial development is limited in that there are few “entitled” sites available, and a very small inventory of available industrial buildings in the 10 county Western NC region outside the Asheville MSA. This industrial market is mainly an owner-user type market; most uses are service related and less than 10,000 SF improvements. I would estimate the total county industrial inventory at less than 500,000 SF total; most of which is in smaller owner-occupied improvements. Vacancy rates appear to be moderate, and again as Macon County did not have many legacy industrial uses the inventories appear to be in balance.

Macon County is classified as a Tier 2 county by the NC Department of Commerce; meaning that some state development incentives may be available in this industrial market.

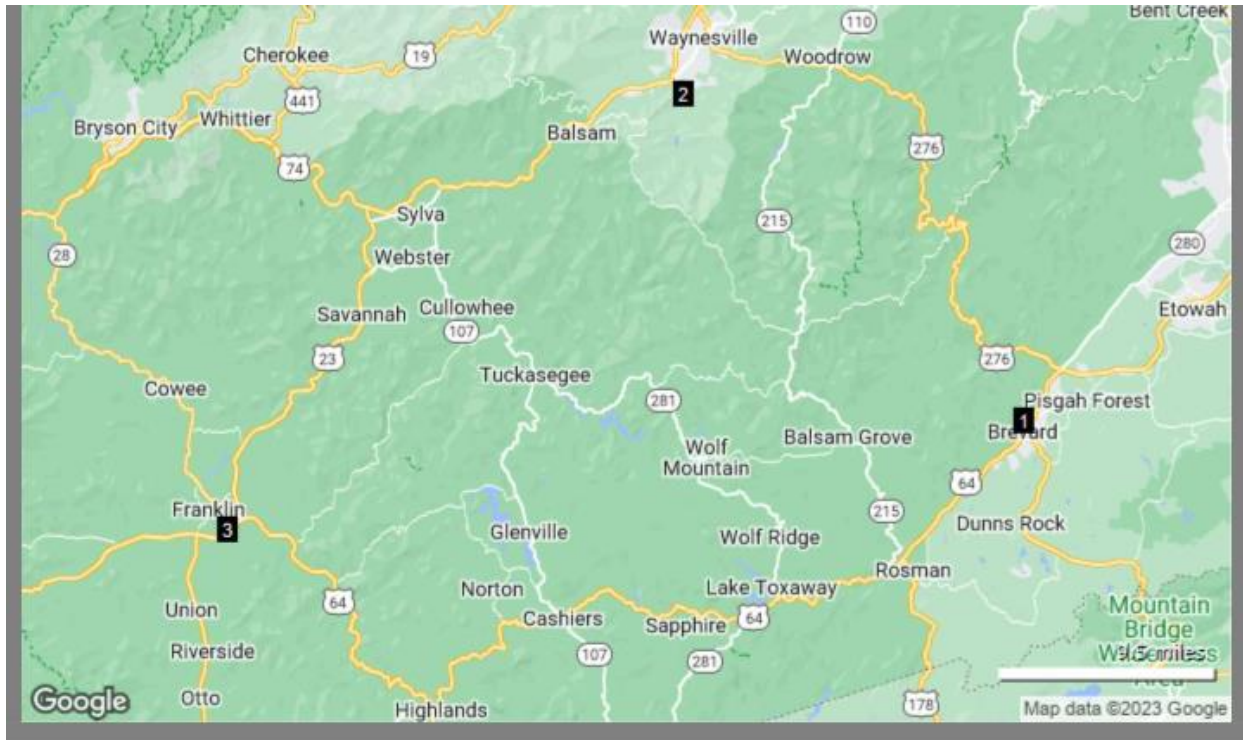
I checked the website edpnc.com, a portal for the state economic development agency, but the information on this portal is dated and incorrect.


Entitled industrial site availability is also limited. A few counties in this region have dedicated industrial parks, but generally speaking this economic development model is becoming obsolete in many areas. There are no existing available vacant industrial tracts in Macon County; the county park is full and there is no real availability on the Smith Grove tracts, the other mainly industrial use in the county.

I also researched in CoStar to find current offerings of improved industrial properties not available in the state/county databases. Once again, there are few offerings of the type. A few listings that illustrate the lack of inventory are shown below. The listing at 535 Wells Grove Road is multiple tenant, and included space ranging from flex to basic storage.


Conclusion

Although this is a small and secondary industrial market, there is little modern and functional improved inventory available. The existing development is largely decentralized and older, or a conversion of a legacy use. The closest easily developable sites are near Sylva, and there are few, if any, options for users needing more than a couple thousand SF of space.



1		15 Burrell Brevard, NC 28712 Transylvania County	Building Type: Industrial Status: Built 1979 Building Size: 41,600 SF Loading Docks: 3 ext (bldg. total) Drive Ins: 1 (total)	Sale Price: \$2,800,000 Price/SF: \$67.31 Cap Rate: - Sale Status: Under Contract Days On Market: 127
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This property is represented by Transylvania Economic Alliance - Hunter Jones, (828) 393-4130
This property is for sale individually

2		12 Cougar Ct Waynesville, NC 28786 Haywood County Haywood County Submarket	Building Type: Industrial Status: Built 1966, Renov 2008 Building Size: 4,865 SF Loading Docks: - Drive Ins: 2 (total)	Sale Price: \$389,000 Price/SF: \$79.96 Cap Rate: - Sale Status: Active Days On Market: 104
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This property is represented by NAI Beverly-Hanks - Brian K. Noland, (828) 452-5809
This property is for sale individually

3		535 Wells Grove Rd Franklin, NC 28734 Macon County	Building Type: Industrial Status: Built 1984 Building Size: 19,000 SF Loading Docks: - Drive Ins:	Sale Price: \$1,800,000 Price/SF: \$94.74 Cap Rate: - Sale Status: Active Days On Market: 219
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This property is represented by Re/Max Elite - Becky Ramey, (828) 349-4600
This property is for sale individually

Description of the Site

Site Summary Table	
Address	185 Industrial Park Road, Franklin, NC 28734
TMS Number	6574-43-7543;
Site Size	Gross 2.72 acres or 118,483 square feet
Land-Building Ratio	6.75 to 1
Overall Shape	Irregular
Primary Frontage	322 LF Industrial Park Road
Topography	Gentle roll to rear, at grade
Flood Panel Information	
Flood Zone	X, not in a flood plain
Panel Number and Date	37113C6574J, May 4, 2009
Utilities	All available
Site Improvements	
Parking Type	Lined paved asphalt
Number of Parking Spaces	50
Site Improvements	Parking, landscaping, signage

Location and Access

The site is at grade, and has two curb cuts and frontage on Industrial Park Road. US 64 is easily accessible within a 3 minute drive of the property.

Zoning and Legal Restrictions

The subject is not zoned. The industrial park dates from the 1960's and I was not able to find a recorded set of covenants for the park or the subject. However, a deed search of one of the more recent sales in the county park shows the following deed restrictions, and I assume that these would apply to the subject as well:

"The lands hereby conveyed are a portion of the lands developed by Macon County as an industrial park and are made subject to the following restrictions and conditions, which shall be covenants running with the land by whomsoever owned, to wit:

"1. Any manufacturing or processing plant established, maintained or permitted on said property which produces objectionable smoke, dust, noise, or odor, vibration, fly-ash, noxious, toxic or corrosive fumes or gases or unusual fire or explosion hazard shall immediately, upon the determination thereof, take such action as any be necessary to effectuate and maintain the minimum control available in that particular industry, and shall from time to time improve such controls as the state of the art permits.

"2. Any building erected, placed, maintained or permitted to remain on said lands shall conform to the following minimum front, side and rear setback requirements:

"(a) Front setback on principal streets or roads: 100 feet from right-of-way line to the front of the building;

"(b) Front setback on internal or secondary streets or roads: 50 feet from right-of-way line to the front of the building.

"(c) Side and rear yard setback requirements: 25 feet from property line to building, side and rear.

"3. For each building constructed on said lands, there shall be provided surface parking areas on the site, laid out in accordance with plans approved by a licensed North Carolina architect or engineer, selected by party of the second part, said parking areas to be maintained thereafter in good condition.

"Provision shall be made for one parking space for each two persons employed on the site and in no event shall there be less than one parking space for each five hundred (500) square feet of floor space in manufacturing areas, no less than one parking space for each two thousand (2,000) feet of floor space in storage areas, and one parking space for each three hundred (300) square feet of gross office floor area contained in any building on the site. Provided, however, that Macon County, its successors or assigns, specifically reserves the right to modify the requirements of this paragraph with respect to any particular site within the Macon County Industrial Park.

"In addition to the above, adequate visitor or transient employee parking space shall be provided in keeping with the nature of the anticipated use of the site.

"Parking shall not be permitted: (a) between public street pavement and property line; (b) closer than fifteen (15) feet to a street property line; (c) closer than five (5) feet to a side or rear property line.

"Areas for parking, maneuvering and unloading trucks shall be provided in addition to the space provided for employee parking. All loading and unloading facilities, including truck parking, maneuvering and loading space, will be so constructed that they are entirely within the building setback line and no loading or unloading shall be permitted outside of setback lines.

"4. All outside storage shall be limited to the rear two-thirds of the property and within the building setback lines. Fences, walls or hedges may not be constructed, planted or allowed to exist upon the property closer than 10- feet to any exterior property line.

"5. Signs, billboards and all objects of an unsightly nature are hereby prohibited, except, however, signs which properly identify the business or product of the owner or which provide necessary directions thereto shall be allowed, provided they are of the minimal size

"6. All lines, conduits, receptacles or other means for providing utilities to the improvements constructed on the lands hereby conveyed shall be installed underground and along easements provided therefor or along road and utility rights of way. It is the intention of this restriction that all such utility lines, pipes and conduits shall be concealed from public view.

"7. Party of the second part shall prevent the development of any unclean, unsightly or unkept conditions of either buildings or grounds upon the lands hereby conveyed and shall at all times maintain the same in a neat, orderly and maintained condition, including not by way of limitation but by way of example keeping shrubbery pruned, grass mown, buildings in a good state of repair and painted where applicable, and no trash or other debris shall be allowed to accumulate thereon.

"8. All vehicular repairs, all manufacturing processes, and all storage of parts, supplies and inventories shall be performed in or maintained within the structure or in an area to which the general view is blocked.

"The foregoing restrictions and conditions shall be covenants running with the lands and shall be binding on all parties and all persons claiming under them for a period of fifty (50) years from the 1st day of January, 1986, after which time said covenants shall be automatically extended for successive periods of ten (10) years unless an instrument signed by a majority of the then owners of tracts or parcels of land within Macon County Industrial Park have been recorded, agreeing to change said covenants in whole or in part.

"Enforcement shall be by proceedings at law or in equity against any person, firm or corporation violating or attempting to violate any covenant or restriction, either to restrain such violation or attempted violation or to recover damages therefor.

"The invalidation of any one of these covenants by judgment or court order shall in no wise affect any of the other provisions and all other provisions hereof shall remain in full force and effect."

Source: Macon County Deed Book I-37, pages 2485-2489 (Mirtek to Industrial Park), dated 6/10/16

These restrictions are typical for the type, and should not impose unusual development or use restrictions. No other easements or restrictions other than typical utility easements are known. I reserve the right to alter this report in the event that any adverse rights-of-way, easements, or encroachments, or the potential placements of any improvements over these easements are brought to my attention.

Parking Ratio

The site has roughly 50 lined paved parking spaces, as well as truck aprons in various parts of the site. The parking is adequate for the current uses.

Topography and Drainage

The site is at grade with a gentle slope to the rear/south. No drainage problems were observed during the inspection and none are presumed to exist.

Environmental Issues

An environmental report was not provided for this analysis. I am not qualified, nor do I imply expertise in the detection and identification of potentially hazardous materials that may exist on the site, within the improvements, or near the property. For this analysis, an explicit assumption is made assuming the property does not contain hazardous materials, or is located near a contaminated property.

Functional Adequacy of the Site

The site is considered functionally adequate for the existing improvements. No other adverse issues were discovered during the inspection or made known by the property owner.

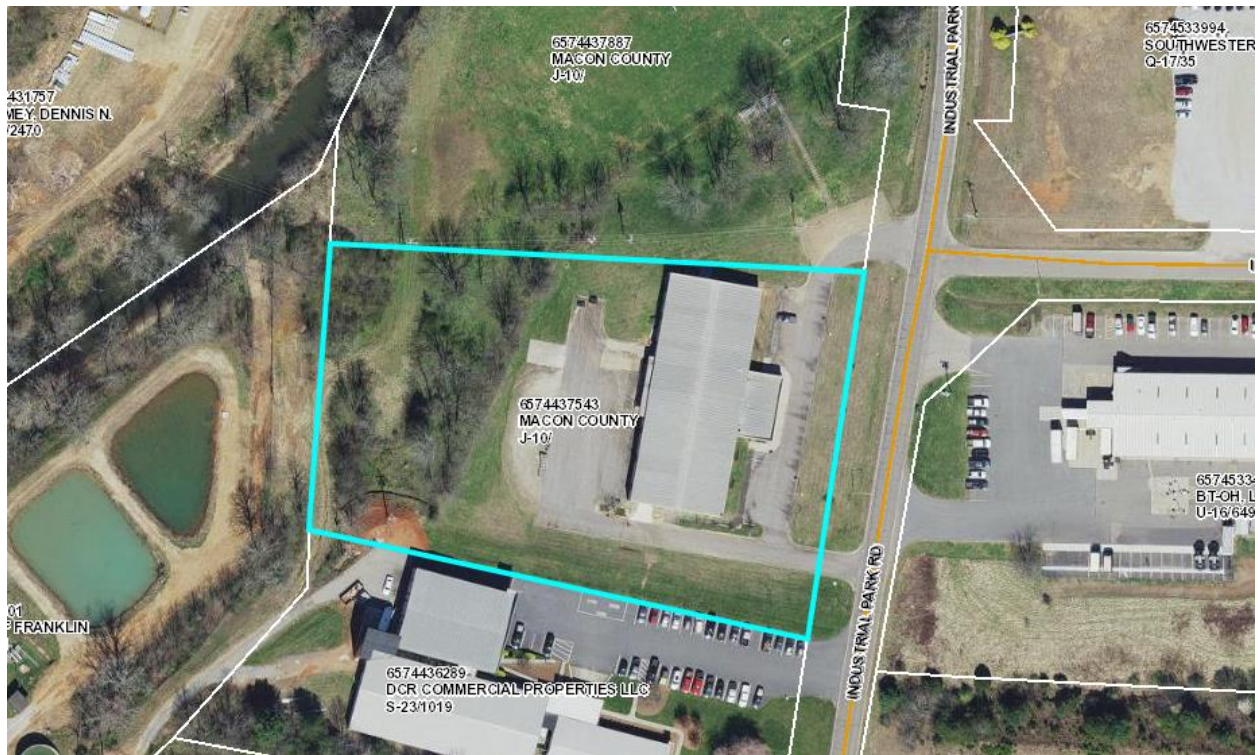
Conclusion

Overall the site has average economic utility and marketability as compared to other properties with similar uses in the area. It has relatively good and convenient access to main routes, and is located in an industrial park setting with typical covenants and restrictions.

Location Map



Aerial View Tax Map



Flood Map



Description of the Improvements

Component and Building Size Summary					
Component	Description	GBA (SF)	NRA (SF)	Restrooms	Notes
Macon County BDC	mostly small demised units	17,560	17,560	adequate	office totals 1,560 SF with multiple smaller units
Total		17,560	17,560		
Source: Field inspection & measurements					

General Comments

The subject was originally constructed in 1984 by the county as "incubator" space for small and start-up businesses. The existing layout includes a small office suite of 1,560 SF at the front of the improvement, a 7,360 SF bay with small tenant built offices, a 3,672 SF unit (Unit B) and three smaller demised units (Units C, D, E). The building has a central core with lounge and baths. The partitioning is mainly concrete block; all units are separately metered for power, are sprinklered and have full HVAC.

I previously appraised this asset in 2017. The physical condition is largely similar as the prior date. However, a couple of units were not open as of the date of my current inspection. I keep 2017 photos as shown below to help the reader understand the property.

GENERAL - MACON COUNTY BUSINESS DEVELOPMENT CENTER	
Building Identification:	Macon County Business Development Center
Building Class:	C
Construction:	S steel frame
Construction Quality:	average
Year Built:	1984
Renovations:	Unknown
Effective Age:	25 years
Remaining Useful Life:	20 years
Condition:	average
Appeal/Appearance:	Average, compartmented
Areas, Ratios & Numbers:	Number of Stories: 1.00 Gross Building Area: 17,560 square feet Building Efficiency Ratio: 100.0%
IMPROVEMENT COMPONENT BREAKDOWN - MACON COUNTY BUSINESS DEVELOPMENT CENTER	
<u>General Structure</u>	<u>Description</u>
Foundation:	concrete slab
Structural Frame:	metal
Exterior Walls:	masonry and metal
Windows:	fixed metal thermopanes
Roof/Cover:	double slope metal / metal
Docks and Doors:	The building is served by 2 drive in doors and a dock at rear.

HVAC:	Gas fueled package heat, electric package units
Electrical:	208/120v 3 phase
INTERIOR - MACON COUNTY BUSINESS DEVELOPMENT CENTER	
Interior Layout:	fair
Floor Cover:	concrete slab
Walls:	Painted concrete block
Ceilings & Ceiling Height:	grid and open to joists / 18 feet
Lighting:	mixed metal and fluorescent
Restrooms:	adequate
Other:	Dock at rear; two doors with ramp
Source:	Field inspection, plans, assessor
PROPERTY ANALYSIS	
Design & Functional Utility:	As it currently exists, the overall layout of the improvements is considered functional in utility for the current or follow-on uses. No renovation or conversion alterations are deemed necessary at this time. The improvement is compartmented and some users may remove interior walls as needed by process.
Deferred Maintenance:	No items of deferred maintenance were noted by or made known to the appraiser during the inspection.
Comments:	The improvement is currently used as business incubator space, and configured as multiple units.

Functional Utility

As is, the overall layout of the improvements is suitable for multi-tenant uses. However, the overall size is suitable for many single-users, and many users would remove or reconfigure the interior walls to improve the dock access. Units C, D and E in particular are very basic flex space with minimal finishes, and could be combined with Unit B to improve overall flow and functionality. The offices are not large, but they are dated and cannot be readily converted to other uses. The HVAC might require some reconfiguration if the improvement is converted to single-tenancy.

Environmental Issues

For this analysis, I make the specific assumption that any hazardous materials that may create a loss in market value are not located on the site or within the improvements. I make an assumption that there are no adverse environmental effects on the property. Additionally I reserve the right to alter the conclusions of this report in the event that any adverse environmental conditions are brought to my attention.

Remaining Economic Life-

The overall condition of the building is average, and it is well enough maintained. I estimate the effective age of the improvement at 25 years, with a 45 year total economic life.

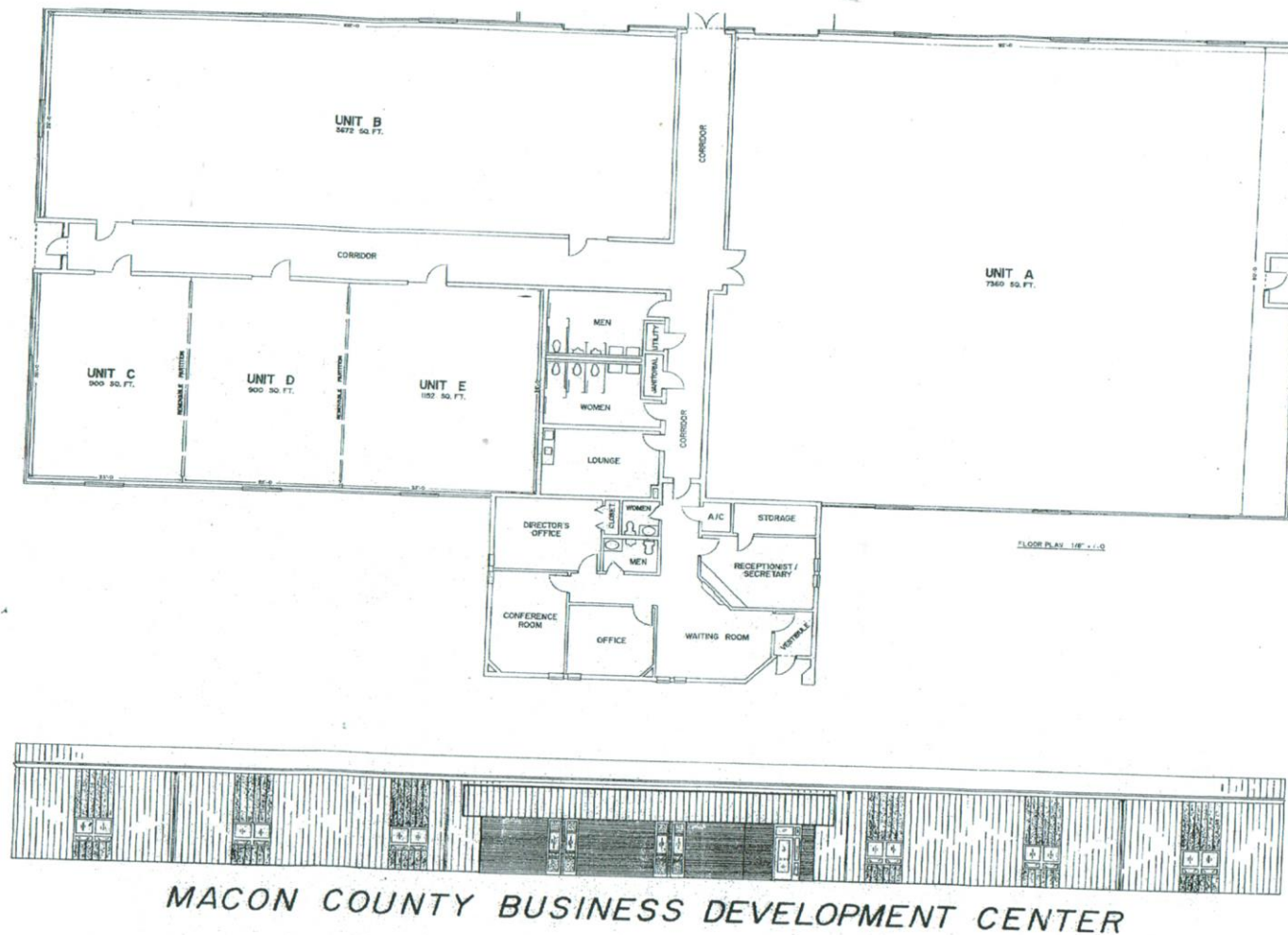
Conclusion

This improvement is in average condition, with fair functional utility due to the partitioning and door access. The clear heights are 18', suitable for many uses, but some users may find the full HVAC to be super adequate and the door access slightly below average. Aside from these items, the subject is one of only a handful of available buildings in this market, and many users would consider it for conversion as the basic shell and shape are functional and adaptable. Based on replacement costs, the building should draw a good amount of interest as compared to new construction for an owner-user.

I think in this case most buyers would consider the offices "as is" to be superadequate. They are dated in appearance, and not contiguous to the various bays. The interior hallways may also need to be removed for many single-users.

I am unaware of the potential user for this improvement, but it could be adapted to several uses such as for a production brewery with some modifications in the plumbing and slab layouts, or for general industrial uses with the alteration of the interior layout.

Floor Plan



Subject Photographs



Front View



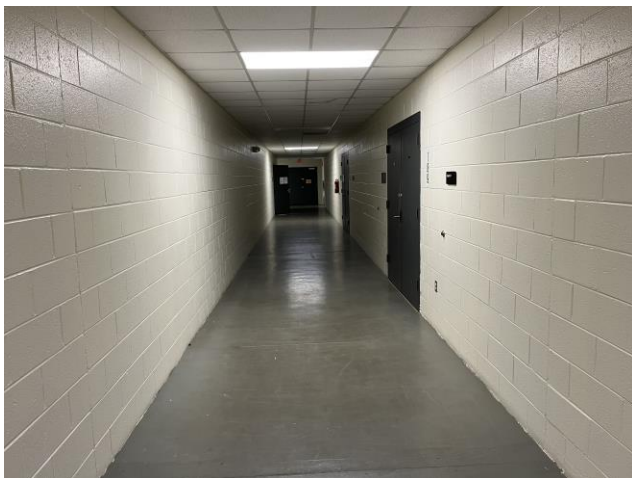
Rear view.



Front View



Unit B interior.



Interior walls and hallway.



Unit A interior (2017 pic).

Subject Photographs



Unit A interior (2017 pic).



Unit A interior 92017 pic).



Offices.



Offices.



Baths.



Unit D (2017 pic).

Real Estate Taxes and Assessment

The subject is owned by a county government, and is exempt from real estate taxation of any type.

Highest and Best Use

Purpose

Highest and Best Use is an analysis of the interaction of the four forces that create value in relation to a particular property. Those forces were identified in the Area Analysis sections. The analysis contained within this section assists in identifying the most appropriate or ideal use of the property and aids in the selection of appropriate sales and lease comparable properties in the valuation sections of the report.

Definition of Highest and Best Use

“That reasonable and probable use that will support the highest present value, as defined, as of the effective date of the appraisal. Alternatively, that use, from among reasonable, probable and legal alternative uses, found to be physically possible, appropriately supported, financial feasible, and which results in highest land value.”

Four Stages of Analysis

In estimating highest and best use, there are essentially four criteria of analysis:

1. Physically Possible Use - what use is physically possible to put the site and/or improvements?
2. Legally Permissible Use - what uses are permitted by zoning, deed, or other legal restrictions on the development of the site?
3. Financially Feasible (Supply and Demand) - which possible and permissible uses will produce a positive net return to the owner of the property?
4. Maximally Productive - among the feasible uses, which use will produce the highest net return or the highest present worth?

In addition to these four criteria, this analysis also seeks to determine:

- If the land should be developed immediately or left vacant
- The type of improvement that ought to be constructed on the site, and
- Whether the existing improvements continue to contribute to the overall market value, or should they be altered to increase market value or removed and the site redeveloped.

Definition of Highest and Best Use of Land or 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 property based on assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements.

Highest and Best Use as Vacant-

The property is located in an industrial park, and although it is not zoned I assume it has some deed restrictions limiting the potential uses to industrial uses. Most of the surrounding uses are industrial in nature. The site is relatively large for this area, and has access to all public utilities and is a developed site with good access to main routes.

If vacant, the concluded highest and best use is for industrial uses in compliance with the restrictions and development patterns in the area.

Definition of Highest and Best Use as Improved

The use that should be made of a property as it exists. An existing property 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 costs of demolishing the existing building and constructing a new one.

Highest and Best Use as Improved

The subject is improved with a county owned industrial building long used as an incubator space for multiple smaller users. The building is demised as five units ranging from 900 SF to 7,360 SF, with some interior partitioning and 18' overall clear heights. The improvement overall includes 17,560 SF of heated area, with two dock doors at rear. The condition and quality are average, and the improvement was built in 1984. The demising may be too much for some uses, but the partitions and walls could be removed fairly easily. The office percentage of 9% is not overly large, and although this area is dated in appearance it is not super-adequate in size or layout.

I use the sales comparison approach in this valuation, along with the cost approach. The main premise of the sales comparison method is that of substitution-a potential buyer may consider this improvement as well as others for a certain use. Based on the concluded land value, the improvements contribute value, and the value as completed is well above replacement costs of building a like kind asset from scratch.

The concluded highest and best use of the property as improved is for industrial uses. The most likely buyer is an owner-user.

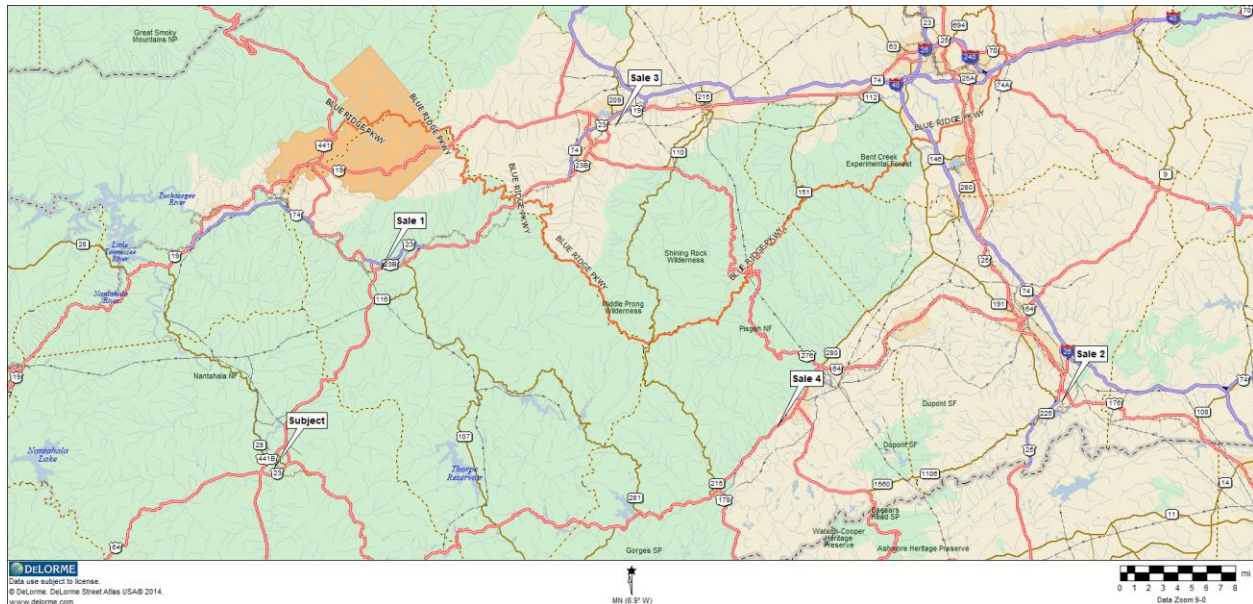
Sales Comparison Approach

Explanation of Approach

The Sales Comparison Approach involves the investigation of recent sales of similar properties and comparing them with the subject to arrive at an indication of value. A major premise of this approach is that the market value of the subject property is directly related to the prices of comparable and competitive properties. The most relevant sales for this analysis are presented below.

p	Property Name	Address City	Price Date	Price Per SF GBA	Year Built Condition
1	American Sewing Corp	95 Harold Street Sylva	\$500,000 9/30/2020	\$42 12,000	1986 fair-
2	Mountain Blue Industrial	116 S. Crossing Flat Rock	\$850,000 4/15/2021	\$53 16,000	1999 average
3	Haywood Appliance	56 Scates Street Waynesville	\$3,000,000 4/18/2023	\$37 80,351	1978 average
4	Rosman Warehouse	1989 Old Rosman Brevard	\$2,120,000 5/10/2022	\$43 48,872	1988 average

Sales Location Map



Comparable 1



Transaction			
ID	14498	Date	9/30/2020
Address	95 Harold Street	Price	\$500,000
City	Sylva	Price Per SF	\$41.67
State	NC	Transaction Type	Closed Sale
Tax ID	7641-49-0459	Book/Page or Reference Doc	2278/747-750
Grantor	Corps Style Inc.	Property Rights	Fee Simple
Grantee	Woodfin Creek LLC	Days On Market	
Financing Verification	Typical TS/Appraisal, Owner, Public record	Conditions of Sale	None
Site			
Acres	1.76	Land To Building Ratio	6.39
Land SF	76,666	Zoning	B-2
Parking		Vehicles Per Day	NA
Improvements & Financial Data			
Rentable Area	12,000	GBA	12,000
Condition	fair-average	Year Built	1986
Percent Office	24%	Cap Rate	6.86%
Improvement Comments	NA		

Comments

This is an older cut-and-sew facility in the town limits of Sylva. Building is 100% climate-controlled and includes 2,920 SF office space and 9,080 SF of production space with two 10'x 10' grade level doors plus mezzanine storage over the office. Leased by American Sewing Corp. for \$3,100/month MG and sold to a holding company affiliated with the tenant.

Comparable 2



Transaction

ID	16359	Date	4/15/2021
Address	116 S. Crossing Way	Price	\$850,000
City	Flat Rock	Price Per SF	\$53.13
State	NC	Transaction Type	Closed Sale
Tax ID	9586273471	Book/Page or Reference Doc	3704/152
Grantor	Wil-Kirt, Inc.	Property Rights	Fee Simple
Grantee	Mountain Blue, LLC	Days On Market	direct sale
Financing	cash to seller	Conditions of Sale	typical
Verification	TS/MLS, Public record		

Site

Acres	1.8	Land To Building Ratio	4.90
Land SF	78,408	Zoning	CC
Parking		Vehicles Per Day	NA

Improvements & Financial Data

Rentable Area	16,000	GBA	16,000
Condition	average	Year Built	1999
Percent Office	5%	Cap Rate	NA
Improvement Comments	NA		

Comments

This is a light industrial facility in a basic park setting and located just off Spartanburg Hwy (US 176) near US 25 (Exit 7), roughly 6 miles south of Hendersonville. The building contains 16,000 SF and is divided into three warehouse bays with a common shipping/receiving area featuring one 12' drive-in and two 12' dock high doors. Suite C contains 4,952 SF warehouse, 300 SF office with wet bar and one 2-fixture restroom, and allocated common area of 806 SF. property sold in direct sale in April 2021 at market rates, purchased for re-positioning with new tenants added shortly after sale.

Comparable 3



Transaction

ID	18084	Date	4/18/2023
Address	56 Scates Street	Price	\$3,000,000
City	Waynesville	Price Per SF	\$37.34
State	NC	Transaction Type	Closed Sale
Tax ID	8605-81-0728	Book/Page or	1084/1713
Grantor	Haywood Vocation	Reference Doc	
Grantee	RSH, Inc.	Property Rights	Fee Simple
Financing	market	Days On Market	189
Verification	KB-inspection, public records, selling broker	Conditions of Sale	typical

Site

Acres	5.1	Land To Building	
		Ratio	2.77
Land SF	222,853	Zoning	HBD
Parking		Vehicles Per Day	NA

Improvements & Financial Data

Rentable Area	80,351	GBA	80,351
Condition	average	Year Built	1978
Percent Office	25%	Cap Rate	NA
Improvement Comments	NA		

Comments

This improvement is the former Haywood Vocational Opportunities complex, located off Railroad Street and within 5 minutes of the Smoky Mountain Expressway in downtown Waynesville. Built in 1978, the improvements include some 25% offices, with much of the space used as classroom workshop spaces, resulting in about 80% full HVAC. Clean room included in prior use, but not useable at sale. Mixed masonry and metal, clear heights 16'-24', ESFR sprinklered, 4 docks. Mixed membrane roof at front, double slope metal at rear. Some compartmentalization due to the prior manufacturing and tech school use. The property had become surplus, and was marketed by Brian Noland at BH Commercial. Sold to a local owner-user, Haywood Appliance, as general warehouse in 189 days.

Comparable 4



Transaction

ID	14500	Date	5/10/2022
Address	1989 Old Rosman Hwy	Price	\$2,120,000
City	Brevard	Price Per SF	\$43.38
State	NC	Transaction Type	Closed Sale
Tax ID	8562-08-5718	Book/Page or Reference Doc	1036/319
Grantor	Mountain Industrial Properties, LLC	Property Rights	Fee Simple
Grantee	Thomas Mosey, et al	Days On Market	1232
Financing	market	Conditions of Sale	typical
Verification	TS/Broker, CoStar, Public record		

Site

Acres	13.8	Land To Building Ratio	12.30
Land SF	601,128	Zoning	NA
Parking		Vehicles Per Day	1,100

Improvements & Financial Data

Rentable Area	48,872	GBA	48,872
Condition	average	Year Built	1988
Percent Office	NA	Cap Rate	NA
Improvement Comments	NA		

Comments

Older manufacturing facility about 7.5 miles from Brevard and backing up to French Broad River. Remodeled in 2017 including new bathrooms, breakroom, and interior finishes; new dry sprinkler system; new roof insulation, LED lighting, and high speed internet. Layout includes distinct office, warehouse, and shipping/receiving areas; two 10' dock doors and two 16'x10' drive-in doors. Heavy power (480V & 277V, 3-phase). Listed for sale at \$2 million or for lease from \$2.61-\$7.50/SF (3,868 - 29,122 SF) with Andrew Riddle of Whitney CRE (828.665.9085, x.131). Sold as vacant in 2022 to an owner-user.

ANALYSIS OF THE COMPARABLE SALES

The following is a discussion of the adjustments that have been applied to the price indications of the comparable sales.

Market Conditions

Changes in market conditions may be necessary to reflect the market trends since the sales transaction dates. Ideally, a sale and re-sale of a property unaffected by other changes is considered a good indicator of appreciating or depreciating conditions. Replacement costs have been rising for the last 5 years, meaning there is an upward impact on pricing for existing buildings. I include a +3% annual market conditions adjustment for the data set.

Unit of Comparison

The price per square foot of gross building area method is chosen and used in comparing the market sales with the subject.





The adjustments for the comparable sales are presented within an adjustment grid found on a following page. Adjustments were based when possible on market extracted data, paired sales analysis, and data from previous appraisal assignments.

Adjustment Commentary

My main focus in comparable selection was to find industrial sales in western NC, particularly in outlying areas as this type of sale represents a similar buyer pool as would the subject. Adjustments were applied for location (underlying land value), size, age, condition, clear heights, percentage of offices, and functional utility.

Sale 1 is a former cut n sew near Sylva, a similar aged building with similar location requiring minimal adjustments. Sale 2 is near I-26 and just across the SC/NC state line, and is a newer building with better clear heights. Sale 3, the most recent sale, is a former tech school campus with nice finishes in a similar location but in a much larger building. Finally, Sale 4, near Brevard and a similar location overall, is a renovated older building with slightly inferior clear heights but nearly new finishes.

The adjustments to the comparable sales are summarized on the following grid:

Analysis Grid		Comp 1		Comp 2		Comp 3		Comp 4	
									
Address	185 Industrial Park Road	95 Harold Street		116 S. Crossing Way		56 Scates Street		1989 Old Rosman Hwy	
City	Franklin	Sylva		Flat Rock		Waynesville		Brevard	
State	NC	NC		NC		NC		NC	
Date	6/6/2023	9/30/2020		4/15/2021		4/18/2023		5/10/2022	
Price	\$5	\$500,000		\$850,000		\$3,000,000		\$2,120,000	
Price	\$0	\$0		\$0		\$0		\$0	
Adjusted Price	\$5	\$500,000		\$850,000		\$3,000,000		\$2,120,000	
Rentable Area	17,560	12,000		16,000		80,351		48,872	
Rentable Area Unit Price	\$0.00	\$41.67		\$53.13		\$37.34		\$43.38	
Transaction Adjustments									
Property Rights	Fee Simple	Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple	0.0%
Financing	Typical	Typical	0.0%	cash to seller	0.0%	market	0.0%	market	0.0%
Conditions of Sale	None	None	0.0%	typical	0.0%	typical	0.0%	typical	0.0%
Adjusted Rentable Area Unit Price		\$41.67		\$53.13		\$37.34		\$43.38	
Market Trends Through	6/6/2023	3.0%	8.3%	6.5%		0.4%		3.2%	
Adjusted Rentable Area Unit Price		\$45.10		\$56.60		\$37.48		\$44.78	
Location	Franklin	Sylva		Flat Rock		Waynesville		Brevard	
% Adjustment		0%		-10%		0%		0%	
GBA	17,560	12,000		16,000		80,351		48,872	
% Adjustment		0%		0%		5%		5%	
Year Built	1984	1986		1999		1978		1988	
% Adjustment		0%		-10%		5%		0%	
Condition	average	fair-average		average		average		average	
% Adjustment		5%		0%		0%		0%	
Construction	S	steel frame		steel frame		masonry/metal		masonry	
% Adjustment		0%		0%		0%		0%	
Land To Building Ratio	6.75	6.39		4.90		2.77		12.30	
% Adjustment		0%		0%		0%		0%	
Ceiling Height	18	10 to 12		24		16		14	
% Adjustment		5%		-5%		0%		5%	
Percent Office	9%	24%		5%		25%		0%	
% Adjustment		0%		0%		0%		0%	
Functional Utility	compartmented /full HVAC	open		open		better finish		new upfit	
% Adjustment		-5%		-5%		-10%		-10%	
Adjusted Rentable Area Unit Price		\$47.36		\$39.62		\$37.48		\$44.78	
Net									
Adjustments		5.0%		-30.0%		0.0%		0.0%	
Gross		15.0%		30.0%		20.0%		20.0%	

Conclusion

Although it is older, Sale 1 is the most proximate, and is given the most weight in the concluded as is unit value. The subject's age and compartmentalization suggest a unit value in the lower end of the range of the data set. The following table presents the indicated market value conclusion for the subject as is through the Sales Comparison Approach.

Value Ranges & Reconciled Value				
Number of Comps:	4	Unadjusted	Adjusted	% Δ
Low:		\$37.34	\$37.48	0%
High:		\$53.13	\$47.36	-11%
Average:		\$43.88	\$42.31	-4%
Median:		\$42.52	\$42.20	-1%
Reconciled Value/Unit Value:			\$42.00	
Subject Size:			17,560	
Indicated Value As Is:			\$737,520	
Rounded:			\$740,000	

Checks of Reasonableness

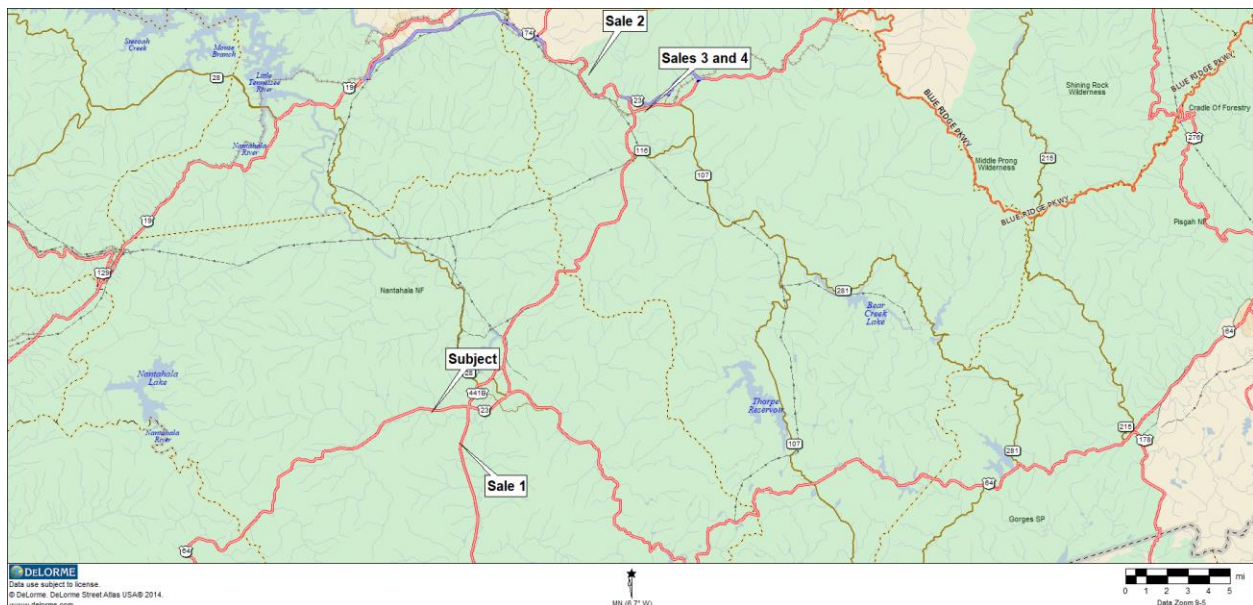
I present a number of listings in the area in the market analysis section of this report. The three most similar listings bracket the concluded value.

Land Valuation

The first part of developing the Cost Approach is to determine the value of the underlying land. I conducted a search of public records and proprietary data sources to identify recent land sales in proximity to the subject and having a similar highest and best use. The following are the most similar sales for the subject land.

Comp	Address City	Date Price	Acres Price Per Acre	Land SF Price Per
1	Lowery Lane Franklin	12/18/2019 \$200,000	4.80 \$41,641	209,219 \$0.96
2	2219 N US 441 Highway Whittier	3/23/2022 \$800,000	15.22 \$52,562	662,983 \$1.21
3	6918 US 441 S Sylva	4/1/2021 \$90,000	8.00 \$11,250	348,480 \$0.26
4	15 Mayflower Lane Sylva	10/1/2021 \$100,000	2.23 \$44,763	97,313 \$1.03

Land Sales Map



Tract is located just west of US-441 behind Carolina Motel and across Lowery Lane from Fastop C-store. Not formally marketed, buyer approached seller directly, seller was firm on \$200K land price. Contract dated 10/7/19 with 60 days DD and closing within 90 days. True buyer is William Smith of WS Paving, owner/operator of Panther Storage on Cunningham Road in Franklin. This will be his second location.

Land Comparable 2



Transaction			
ID	16637	Date	3/23/2022
Address	2219 N US 441	Price	\$800,000
City	Whittier	Price Per Acre	\$52,562
State	NC	Tax ID	7614-55-6160
Grantor	Mary Helen Clement	Property Rights	Fee Simple
Grantee	Eastern Band of Cherokee Indians	Days on Market	197
Book/Page or Reference Doc	2330/529	Verification	SS/MLS/Deed/Cou nty Records
Site			
Acres	15.22	Topography	level-rolling,
Land SF	662,983	Zoning	None
Usable Acres	15.22	Utilities	all available
Shape	irregular	Road Frontage	700' US 441
Current Use	vacant land	Proposed Use	--
Comments			

This is the sale of +/-15 acres located along the 441 Corridor in Whittier. Over 700' of road frontage. Property is level to gently rolling and is easily buildable. Close to Hwy 74 and the Casino. City Water and Sewer available. Originally listed for \$800,000 by Randall Rogers, Beverly Hanks Waynesville, 828-734-8862.

Land Comparable 3



Transaction

ID	17989	Date	4/1/2021
Address	6918 US 441 S	Price	\$90,000
City	Sylva	Price Per Acre	\$11,250
State	NC	Tax ID	7528-49-8453
Grantor	Tommy William Sutton, et al	Property Rights	Fee Simple
Grantee	Allie Mae's Way, LLC	Days on Market	
Book/Page or Reference Doc	2297/1419-1423	Verification	TS/Buyer, Public record

Site

Acres	8.00	Topography	sloping
Land SF	348,480	Zoning	unzoned
Usable Acres	8.00	Utilities	E, T
Shape	irregular	Road Frontage	55
Current Use	vacant	Proposed Use	light industrial

Comments

This is a portion of an estate tract on the north side of US 441 in the Savannah township south of incorporated Sylva. Darrell Bryson is the true buyer and purchased to construct an owner-occupied metal building for his business, Bryson Refrigeration. It has cross-easement access from the highway at a median break but lies partly above a rock face with minimal visibility. The tract is moderately sloping from west to east with an elevation change of roughly 300' and is bisected by a transmission line across the lower one-third. A billboard lease is of nominal contributory value. It was an off-market sale but appears to have been at market.

Land Comparable 4



Transaction			
ID	16401	Date	10/1/2021
Address	15 Mayflower Lane	Price	\$100,000
City	Sylva	Price Per Acre	\$44,763
State	NC	Tax ID	7529-87-6188
Grantor	Stillwell Realty, LLC	Property Rights	Fee Simple
Grantee	Robert Hunt	Days on Market	486
Book/Page or Reference Doc	2315/1413	Verification	KB-inspection, public records,
Site			
Acres	2.23	Topography	see comments
Land SF	97,313	Zoning	None
Usable Acres	0.75	Utilities	E,T
Shape	irregular	Road Frontage	780
Current Use	vacant	Proposed Use	unknown
Comments			

This tract is at the corner of Mayflower and US 441 roughly 4 miles south of Dillsboro. US 441 frontage has been partly graded, but the rear of the site slopes upward 20' or more. I estimate about 0.75 acres of useable land due to shape and topography. No zoning, no sewer and well water available. Drive access from Mayflower but no curb cut to US 441. Offered at \$119,000 by Mary Johnson at Johnson Realty; sold to an owner-user for cash in 486 days.

Analysis of Comparable Sales

Unit of Comparison

The price per acre method is chosen and used in comparing the market sales with the subject. The adjustments for the comparable sales are presented within an adjustment grid found on a following page. Adjustments were based when possible on market extracted data, paired sales analysis, and data from previous appraisal assignments.

Summary of Adjustments





The adjustment process attempts to replicate the analysis of the typical purchaser for this type of property. The degree of adjustments may or may not be equivalent to the decision process of the various market participants. In some instances where market data could not be reasonably extracted, I relied upon my best judgment to make appropriate adjustments.

Market Conditions

I applied a +3% annual market conditions adjustments as it appears that the value of land has remained risen moderately in this market since 2019, and demand levels are higher. On the other hand, there are few developed and cleared sites available, and even fewer for industrial uses. This market is relatively land constrained.

Land Sale 1 is the most recent land sale for an industrial use in the Franklin market. Sale 2 is a mixed use tract with good access and visibility; representative of the local land markets. Sales 3 and 4 are smaller service type sites in nearby Sylva.

Adjustments were considered or applied for location, size, topography, utilities, access and visibility. The adjustments for the comparable sales are presented within an adjustment grid found on the following page.

Land Analysis Grid		Comp 1	Comp 2	Comp 3	Comp 4
					
Address	185 Industrial Park Road	Lowery Lane	2219 N US 441 Highway	6918 US 441 S	15 Mayflower Lane
City	Franklin	Franklin	Whittier	Sylva	Sylva
State	NC	NC	NC	NC	NC
Date	6/6/2023	12/18/2019	3/23/2022	4/1/2021	10/1/2021
Price	\$5	\$200,000	\$800,000	\$90,000	\$100,000
Acres	2.72	4.80	15.22	8.00	2.23
Acre Unit Price	\$2	\$41,641	\$52,562	\$11,250	\$44,763
Transaction Adjustments					
Property Rights	Fee Simple	Fee Simple	0.0%	Fee Simple	0.0%
Financing	Typical	Typical	0.0%	Cash	0.0%
Conditions of	None	None	0.0%	none	0.0%
Adjusted Acre Unit Price		\$41,641	\$52,562	\$11,250	\$44,763
Market Trends Through	6/6/2023	3.0%	10.8%	3.6%	6.7%
Adjusted Acre Unit Price		\$46,136	\$54,469	\$11,999	\$47,041
Location	Franklin	similar	similar	similar	similar
% Adjustment		0%	0%	0%	0%
Acres	2.72	4.80	15.22	8.00	2.23
% Adjustment		5%	5%	5%	0%
Topography	Level, at street grade	lightly rolling	level-rolling, cleared,	sloping	see comments
% Adjustment		0%	5%	10%	20%
Shape	Roughly rectangular	irregular	irregular	irregular	irregular
% Adjustment		5%	0%	0%	0%
Utilities	All Available	all available	all available	E, T	E,T
% Adjustment		0%	0%	10%	10%
Zoning	None	unzoned	None	unzoned	None
% Adjustment		0%	0%	0%	0%
Road Frontage	322	604	700' US 441	55	780
% Adjustment		0%	0%	10%	0%
Visibility	Good	similar	similar	similar	similar
% Adjustment		0%	0%	0%	-20%
Access	Average	Similar	better	Similar	better
% Adjustment		0%	-10%	0%	-10%
Adjusted Acre Unit Price		\$50,750	\$54,469	\$16,199	\$47,041
Net		10.0%	0.0%	35.0%	0.0%
Gross		10.0%	20.0%	35.0%	60.0%

Land Conclusion

None of the sales are zoned industrially, and the subject likely has some restrictions from its location in the county industrial park. Nevertheless, if vacant it would be one of the few available developed sites available. The concluded land value is summarized below:

Land Value Ranges & Reconciled Value				
umber of Comparables:	4	Unadjusted	Adjusted	% Δ
Low:		\$11,250	\$16,199	44%
High:		\$52,562	\$54,469	4%
Average:		\$37,554	\$42,115	12%
Median:		\$43,202	\$48,895	13%
Reconciled Value/Unit Value:			\$50,000	
Subject Size:			2.72	
Indicated Value:			\$136,000	
Reconciled Final Value:			\$135,000	

Cost Approach

Sources of Direct Improvement Costs

This approach is based on the premise that an informed purchaser would pay no more for an improved property than the cost of producing a substitute property of similar design and functional utility, and without undue delay. The typical steps in the Cost Approach are as follows:

- Form an opinion of the site as though vacant and available for development.
- Estimate the replacement (or reproduction cost if applicable) cost new of all the building components that include direct and indirect costs.
- Support and apply an appropriate entrepreneurial incentive or profit
- Calculate the accrued depreciation of the improvements from the three primary causes identified as physical depreciation, functional obsolescence, and external obsolescence.
- Deduct the total accrued depreciation from the replacement cost new indication
- Calculate the cost new of any miscellaneous structures and the site improvements and deduct their estimated accrued depreciation.
- Add the site's market value estimate to the total depreciated cost estimate, which results in the indicated market value.

This approach is most applicable for newly constructed properties, and when the site's market value, direct and indirect costs, depreciation, and entrepreneurial profit are well supported from market data and reliable cost data. As a property increases in age or loses its functional utility, the approach generally diminishes in reliability as an indicator or supporter of market value. That is due to the difficulty in quantifying, and the subjectivity of estimating the various forms of accrued depreciation as the property ages.

When developing this approach, the appropriate cost basis must be used, either the replacement cost or the reproduction cost. We use the replacement cost for the subject.

Replacement Cost - an estimate using the current costs to construct the building with an equivalent utility.

Reproduction Cost - an estimate to construct an exact replica, using the same building materials and including the same functional in-utilities or obsolescence.

Replacement Cost New

The replacement cost new is completed for this approach using the comparative unit method. Direct building costs are estimated using the Marshall Valuation Service (MVS) cost data. Direct costs are summarized in the Cost Approach Summary table on a following page. Direct costs from the MVS manual include, but are not limited to the following:

- architect's and engineer's, building permits, and site survey to establish the building lines
- building materials, labor costs, and applicable sales taxes
- normal interest, processing fee, and service charge on the actual building funds during the construction period.
- typical site excavation and grading
- extension of utilities from building to the utility stubs typically near the site boundary line
- typical contractor's profit and overhead (job supervision, workmen's compensation, fire and liability insurance, temporary facilities, security, etc.)
- various site improvements such as parking and landscaping

Refinements

Often it is necessary to adjust the direct costs to reflect the physical characteristics of the subject.

Area Refinements

Note that the "height per story Multiplier" uses the average story height of the various areas of the building.

Cost Multipliers

The appropriate cost multipliers were obtained from Section 99 of the MVS using the closest reported local data.

It is noted that the subject's estimated cost per unit is inclusive of refinements for perimeter and story height. The story height multiplier is a composite figure based on the subject's average height.

Site Additions

Additions are those items that are not included in the direct building cost estimate and may include such elements as parking, landscaping, site improvements, etc.

Marshall & Swift					
Cost Source: Marshall & Swift					
MVS Section/Page: 14/14		Date: Feb-22		Class/Type: S/average	
No. of Stories Multiplier: 1.000				Local Multiplier: 1.000	
Height/Story Multiplier: 1.000				Current Cost Multiplier: 1.100	
Perimeter Multiplier: 0.943				Combined Multipliers: 1.037	

Building Improvements						
Item	Unit Type	Cost	Quantity	Multiplier	Total	
Building	Sq. Ft.	\$60.50	17,560	1.037	\$1,102,007	
Sprinklers	Sq. Ft.	\$3.54	17,560	1.037	\$64,481	
HVAC	Sq. Ft.	\$5.00	17,560	1.037	\$91,075	
Total Building Improvement Costs					\$1,257,563	
Price per SF Gross Building Area						\$71.62

Site Improvements						
Item	Unit Type	Cost	Quantity		Total	
Asphalt Paving	Sq. Ft.	\$1.75	35,000		\$61,250	
Concrete Walkways, Curbs, Gutters	Lump Sum	\$15,000	1		\$15,000	
Landscaping	Lump Sum	\$10,000	1		\$10,000	
Dock	Lump Sum	\$25,000	1		\$25,000	
Total Site Improvement Costs					\$111,250	
Subtotal: Building & Site Costs					\$1,368,813	
Price per SF Gross Building Area						\$78

Indirect Costs/Soft Costs

Several indirect cost items are not included in the direct building cost figures derived through the MVS cost guide. These items include developer overhead (general and administrative costs), property taxes, legal and insurance costs, local development fees and contingencies, and miscellaneous costs. Research from previous appraisal assignments led to the conclusion that an average property requires an allowance of 5% to 15% of the total direct costs, depending upon the property type and location.

Based on historical data for this property type, a 7.0% figure was concluded as the best indication and is used in this analysis.

Entrepreneurial Incentive/Profit

For this analysis, I include entrepreneurial profit at 10% as the improvement is to be sold for a for profit use.

Indirect/Soft Costs		
Item	Percent Type	Total
Indirect/Soft Costs	7.0%	% Bld. & Site Cost
		\$95,817
	Total Soft Costs	\$95,817
Total Costs		
	Subtotal: Building, Site & Soft Costs	\$1,464,630
	Developer's Profit 10.0%	\$146,463
	Total Cost	\$1,611,093
	Price per SF Gross Building Area	\$91.75

DEPRECIATION

Physical Depreciation

The buildings are in average condition for its chronological age. I estimate the effective age of the improvements at 25 years with a 45 year life for 56% implied level of depreciation. The site improvements are mostly depreciated.

Functional Obsolescence

After a review of the building's design, layout, and multiple components against what is typically found in the market, I include a -10% deduction for functional obsolescence based on the layout and compartmentalization of the improvement.

External Obsolescence

After a review of the building's design, layout, components, and materials against what is typically found in the market, no forms of external obsolescence are concluded.

Cost Approach Conclusion

The indicated market value of the subject through the Cost Approach is summarized in the following tables.

Marshall & Swift					
Cost Source: Marshall & Swift					
MVS Section/Page: 14/14		Date: Feb-22		Class/Type: S/average	
No. of Stories Multiplier: 1.000				Local Multiplier: 1.000	
Height/Story Multiplier: 1.000				Current Cost Multiplier: 1.100	
Perimeter Multiplier: 0.943				Combined Multipliers: 1.037	

Building Improvements					
Item	Unit Type	Cost	Quantity	Multiplier	Total
Building	Sq. Ft.	\$60.50	17,560	1.037	\$1,102,007
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Total Building Improvement Costs					\$1,257,563
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Site Improvements					
Item	Unit Type	Cost	Quantity		Total
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Landscaping	Lump Sum	\$10,000	1		\$10,000
Dock	Lump Sum	\$25,000	1		\$25,000
Total Site Improvement Costs					\$111,250
Subtotal: Building & Site Costs					\$1,368,813
Price per SF Gross Building Area					\$78

Indirect/Soft Costs			
Item		Percent Type	Total
Indirect/Soft Costs	7.0%	% Bld. & Site Cost	\$95,817
Total Soft Costs			\$95,817

Total Costs		
Subtotal: Building, Site & Soft Costs		\$1,464,630
Developer's Profit 10.0%		\$146,463
Total Cost		\$1,611,093
Price per SF Gross Building Area		\$91.75

Depreciation: Section 1 of 1					
Component	Eff. Age	Life	Percent		Amount
Physical Depreciation: Building	25	45	56%		\$827,065
Physical Depreciation: Site	6	15	40%		\$48,950
Functional Obsolescence Building			10%		\$148,872
External Obsolescence Building			0%		\$0
Total Depreciation					\$1,024,887
Depreciated Value of Improvements					\$586,206
Cost Per Square Foot Gross Building Area					\$33.38

Land Value	
Land Value	\$135,000
As Is Cost Approach Value Indication	\$721,206
As Is Cost Approach Value Indication (Rounded):	\$720,000
As Completed Value/SF	\$41.00

Final Reconciliation

The subject is an industrial use in a smaller market, but in a location with few competing properties. The Cost Approach is particularly useful for this type of asset, and the Sales Comparison Approach includes recent and proximate sales. I place the most weight on the Sales Comparison Approach in the concluded as is value.

Summary of Market Value Indications	
Component	As Is June 6, 2023
Cost Approach	\$720,000
Sales Comparison Approach	\$740,000
Income Approach - Direct	Not developed

Final Opinion of Market Value				
Property	Appraisal Premise	Interest	Effective Date	Market Value
Macon County BDC	As Is	Fee Simple	June 6, 2023	\$740,000

For this report, I make no hypothetical condition, and the following extraordinary assumptions and or disclosures

- The property is leased to a number of short term tenants, which expire in the next few months. I assume that the leases pose no undue encumbrance to the real estate, and appraise the fee simple interest in the real estate.

Assumptions and Limiting Conditions

1. **Acceptance of Report/Limit of Liability:** The client's acceptance and/or use of this report also establishes the complete acceptance of all contingencies, assumptions, limiting conditions, etc., as stated within the report. The client is responsible to become familiar with these assumptions and limiting conditions. If placed in the possession of anyone other than the client, the client shall make such party aware of these assumptions and limiting conditions. The appraiser(s) assume no liability for the client or third party's lack of familiarization and comprehension of the same. The appraiser(s) have no responsibility or liability to correct any deficiencies of any type in the property, or any costs incurred to correct such deficiencies whether legal, physical, or financial. Clients bear the responsibility of consulting and retaining experts outside the appraisal profession as required by the situation.
2. **Post Appraisal Services:** The contract for appraisal, consultation, or other service is fulfilled upon completion of the assignment. The appraiser(s) or others assisting in this report will not be required to provide testimony in court or other hearing, and will not participate in post appraisal services other than routine questions with the client or third parties so designated by the client without a separate engagement and for an additional fee. If testimony or deposition is required due to subpoena, the client shall become responsible for the incursion of fees and charges for any additional time, regardless of the party.
3. **Duplication and Dissemination of Report or Report Contents:** This appraisal has been completed for the client's specific use and the appraiser(s) have no liability, accountability, or obligation to any third party. The appraiser(s) retain copyright of the data, discussions, and conclusions contained herein. Possession of this report does not constitute the right of publication either in whole or in part. The client may only disseminate complete final copies to third parties engaged in the course of underwriting and loan securitization. Duplication and dissemination of selected sections of this report to third parties without express written consent of the signatories of the report are prohibited. This report in whole or in part may not be distributed to the general public by use of advertising media, public relations, new outlets, etc. without the written consent of the signatories. Exemptions from this restriction include duplication for the client's internal use, dissemination to accountants, attorneys, or advisors of the client. The exemption also extends to any court, governmental authority, or regulatory agency that has jurisdiction or subpoena power over the individuals or parties for whom the appraisal has been prepared or for ethics enforcement, provided that the report will not be published in whole or in part in any public document or medium. This report shall not be advertised to the public to make a "sale" or any "security" as defined by the Securities Act of 1933. The report has been prepared for the client and the client's intended use. The appraiser(s) have no liability to any third party.
4. **Right to Amend Report:** Through the course of this assignment the appraiser(s) collected data from numerous sources deemed reliable, but not guaranteed. No liability is assumed for the inaccuracies of data supplied by the various sources either public or private. Data relied upon in this report has been confirmed with one or more parties involved in the comparable transactions, considered reliable and/or reasonable, and appropriate for inclusion in the analysis. Although there were no reasons to doubt the general accuracy of such data, unimpeachable verification or affidavits of all data is an impractical and an uneconomic expenditure of time and resources and/or may involve legal or confidentiality issues. The appraiser(s) reserve the right to amend, modify, alter, or correct any and all statements, analysis, and conclusions of the value indications in the event that incorrect data was supplied, withheld, altered, or that any other pertinent data unknown, not disclosed, or revealed to the appraiser(s), whether intentionally or unintentionally, during the course of this assignment subsequently becomes available. Examples of such data that could impact the opinions of market value include but are not limited to: street addresses, Assessor's Parcel Numbers, site area, site dimensions, gross building area, net rentable area, usable area, common area, number of units, number of room, rent rolls, historical operating statements and budgets, sales data, etc. The client is requested to immediately contact the appraiser(s) with errors, discrepancies, alterations to the proposed properties or land parcels to determine the impact on the opinion(s) of market value.
5. **Market Dynamic and Valuation Fluctuations:** The opinions of market value expressed within the report are subject to change over time as a result of market dynamics. Market values are highly susceptible to both macro and micro economic forces that influence the property. Such forces include but are not limited to exposure on the market, length of time, marketing efforts, motivations and preferences of market participants, productivity of the property, the property's market appeal, changes

in investor requirements regarding income and yields, etc. The opinions of market value and made as of the report date and subject to fluctuations over time as a result of natural market forces.

6. **Date of Value, Dollar Values, and Purchasing Power:** The date of the report and the effective date of the market value opinions are stated in the letter of transmittal or with the appropriate sections of the report. All dollar amounts are based on the purchasing power of the United States Dollar (USD). The analyses and conclusions of the appraisal are based upon the known market conditions as of the date of report. Changes in market conditions or purchasing power may warrant a new appraisal assignment. The appraiser(s) are available for consultations regarding changes in the economic conditions.
7. **Exhibits:** Maps, plats, sketches, photographs, and other exhibits are intended for illustration, visualization, and assistance in describing and analyzing the property in full context. Such exhibits may not be removed, reproduced, or separately used beyond this report.
8. **Fixtures, Furniture, and Equipment (FF&E) and Business Concerns:** Personal property, FF&E, intangibles, going concerns, etc., unless specifically stated as a component of the real estate, is excluded from the market value estimates.
9. **Proposed Improvements, Renovations, and Repairs:** For the purposes of this analysis, the proposed improvements, renovations, and/or repairs are presumed to be completed in a workman-like manner, and according to the detail, plans, and specifications supplied to the appraiser(s). The market value opinions for such construction, renovations, and repairs are subject to an inspection of the improvements to determine completion as per plans and specifications.
10. **Divisions or Fractional Interests:** The opinions of market value apply to the entire property unless specifically identified and established within the conclusions and analyses of the report. Division of fractional interests by the client or third party will render this report invalid.
11. **Component Values:** The distribution of total valuation between the land and the building improvements in this report are applicable only under the existing program or utilization of the property. The component values between land and building are not intended, nor are they to be used in conjunction with any other appraisal assignment, and are rendered invalid if used.
12. **Clear Title:** It is specifically assumed, unless otherwise indicated, that the title to the property is clear and marketable, that there are no recorded, unrecorded, or potential liens, defaults, encumbrances, etc. that would adversely affect the marketability and transfer of ownership. The appraiser(s) do not imply expertise in determining defects in the title, nor has the appraiser(s) been informed of such adversities. Specific questions regarding the title, including title insurance should be directed to a well qualified real estate title company. The legal description provided by title report, surveyor, government records, etc. is assumed to be correct.
13. **Survey:** Site plans, sketches, or other illustrations are not surveys unless specifically identified as an exhibit from a licensed survey. Surveys of the site boundaries were not completed, nor does (do) the appraiser(s) imply such expertise. Dimensions and areas of the site were obtained from sources deemed reliable but not guaranteed. Additionally, it is further assumed that no encroachments exist.
14. **Subsurface Rights, Avigation Easements, and Transferable Development Rights (TDR's):** The market value opinion(s) specifically assume that there are no mineral deposit rights or other subsurface rights, avigation easements, or transferable development rights associated with the property unless explicitly stated within the report.
15. **Private Deed Restrictions:** The appraiser(s) make the explicit assumption that there are no private deed restrictions that in any way limit the use of the subject property.
16. **Americans with Disabilities Act (ADA):** The ADA became effective on January 26, 1992. The appraiser(s) do not imply expertise in the interpretation of the ADA, nor has a compliance survey been completed. The potential exists that if a compliance survey is completed combined with a detailed analysis of the ADA requirements, deficiencies may be revealed that could adversely impact the market value conclusion(s). No specific information regarding any non-compliance issues have provided to the appraiser(s) and the possibility of non-compliance was not considered in the developing the opinions of value contained herein. Specific compliance questions should be directed to the appropriate governing jurisdictional agency.

17. **Zoning Ordinances:** It is assumed that no changes to the current zoning code/ordinances or other regulations regarding the use of the property, density of development, construction components and/or quality of components, etc. are imminent or under consideration by the jurisdictional governing body, unless otherwise noted in the report. The property is appraised under the assumption that the improvements are approved, that certificates of occupancy or permits have been or will be issued, and that all other applicable national, state, local, or other administrative requirements have successfully been, or will be obtained or renewed for any use considered in the opinion(s) of market value.
18. **Adverse Governmental Controls:** Unless otherwise stated, the appraiser(s) are unaware of any governmental controls on the property, public initiative issues, rent or price controls, or any other adverse governmental or public controls contemplated regarding the legal use of the property.
19. **Property Compliance:** The appraiser(s) express no opinions or warranties that may require legal expertise or specialized investigations beyond the methods and investigations typically employed by real estate appraisers. Market value opinion(s) and conclusions contained within the report assume that the property is compliant with all environmental and government regulations such as building permits, fire department approvals, occupancy permits, building codes, licenses, etc. If the appraiser(s) have not been supplied with a termite inspection, occupancy permit, etc., no responsibility or representation is assumed for correction costs associated with obtaining those items or deficiencies discovered before or after they were obtained. The appraiser(s) assume no responsibility for costs incurred to obtain flood hazard determination, flood hazard insurance, or consequences arising for failure to obtain flood hazard insurance. Although the appraiser(s) has searched publicly available FEMA maps, a flood certification should be obtained from a qualified agent for the Federal Flood Insurance Program.
20. **Structural Integrity and System Components:** No advice or warranty of any kind are expressed or implied regarding the condition or adequacy of the mechanical systems, structural integrity of the improvements, soils, settlements, drainage, or other factors regarding the integrity and adequacy of the component systems of the improvements. The appraiser(s) is not a qualified engineer, nor is expertise implied with respect to engineering matters. Client may desire to retain the services of a qualified licensed contractor, civil engineer, structural engineer, architect, or other expert in determining the quality, condition, and adequacy of the improvements prior to the disbursement of funds. It is assumed that the existing improvements are structurally sound and constructed to the applicable federal, state, and local building codes and ordinances. That assumption includes, but is not limited to the superstructure, roofing, electrical, plumbing, mechanical, HVAC, elevator, etc. The opinion(s) of market value are based upon no hidden or unapparent adverse conditions of the improvements, the site, or the subsoil which would cause a loss in value. No responsibility or liability is assumed for any adverse conditions or for the expertise and retention of experts in discovery, detection, and cost to cure. In the event that professional consultations or reports reveal negative factors that would create a loss in value, the appraiser(s) reserve the right to amend the opinion(s) of market value and other conclusions contained herein.
21. **Environmental Hazards:** Unless specifically stated, the appraiser(s) have no knowledge regarding the presence or absence of toxic materials including but not limited to asbestos, urea-formaldehyde insulation, leaking underground storage tanks, contaminated groundwater, or other potentially hazardous materials and substances that would adversely affect the market value and marketability of the property. The appraiser(s) do not imply expertise and no liability is assumed for the detection or remediation of such materials or substances whether above or below the ground surface. Although a perfunctory observation was made during the inspection, the client is referred to an environmental expert for further details, if so desired. If environmental hazards are discovered, the market value opinion(s) may be negatively affected, requiring a re-appraisal of the property for an additional fee.
22. **Environmental Compliance:** Unless otherwise noted, the appraiser(s) make the assumption that the property is in compliance with all applicable national, state, or local environmental regulations.
23. **Competent Property Management:** It is assumed that the subject property analyzed currently is, or will be under efficient and competent management and that said management is not, or will not be inefficient or super-efficient.
24. **Cash Flow Projections:** The cash flow projections presented in this report are forecasts of future performance characteristics based upon the macro and micro economic data detailed in the analysis. The income, vacancy, expenses, and general economic conditions presented are not to be construed as predictions of the future, but rather reasonable expectations of future performance. Actual results will

vary and are affected by fluctuating economic conditions and efficiency of management. The appraiser(s) make no warranty, express or implied, that the forecasts will occur as outlined. Additionally, future economic projections may be adversely affected by unforeseen circumstances and economic repercussions beyond the realm of knowledge or control, such as the events of September 11, 2001.

25. **Asset Recommendations and Consultations:** No statements contained within the report shall constitute recommendations with regard to the acquisition, disposition, or holding of the asset at the stated market value indication(s). Such decisions warrant significant research and strategy, with specific investment questions requiring additional consultations and financial analysis.

Addenda

Additional Property Data

[illegible]

Engagement Letter



APPRAISAL FEE PROPOSAL

To: Mr. Tommy Jenkins
Macon County EDC
Sent via email to tommyjenkins@maconnc.org

Date: May 23, 2023

Property Identification: Macon County Business Development Center
185 Industrial Park Road, Franklin, Macon County, NC (Macon County TMS 6574437543)

Scope of Work: Narrative appraisal (likely sales/income)

Purpose: Establish basis for potential sale

Interest Appraised: Fee Simple, real property only

Date of Value: Current date or as instructed

Appraisal Standards: Uniform Standards of Professional Appraisal Practice (USPAP)

Fee: \$2,700; due at delivery

Retainer: None

Delivery Date: about 4 weeks from acceptance.

Special Provisions: I understand this appraisal may be used by the county for negotiations with a potential buyer.

Litigation Rates: None known or anticipated

AGREED AND ACCEPTED

A. Keith Batson

A. Keith Batson, MAI
NC Certification A6905
Director
Tel.: 864.307-8282

E-mail: kbatson@batsonval.com

Tommy Jenkins

Client Signature

Tommy Jenkins

Date 05/23/23

Macon County Economic Development Commission
Company

2811 Brushy Creek Road ▪ Easley, South Carolina 29642
Phone: 864-307-8282 ▪ www.batsonval.com

Qualifications

Qualifications of the Appraiser

A. Keith Batson, MAI

Mr. Batson is the principal of Batson Company, Inc. He entered the appraisal profession in 1992 with The Robinson Company in Greenville, South Carolina. He is a former associate director of Integra Realty Resources, and the former principal of Sage Valuation, Inc. Mr. Batson received the MAI designation in the year 2002.

Partial Client List

- US Department of the Treasury
- US Department of Justice
- Anderson, Pickens, Greenville, Aiken, Richland Counties, South Carolina
- Clemson University
- Commercial Banks including First Citizens Bank, TD Bank, PNC Bank and many others nationally, regionally and locally
- Duke Energy and Crescent Resources
- Federal Deposit Insurance Corporation (FDIC)
- SC Budget and Control Board
- South Carolina Department of Administration

Education:

B.S. Degree, Clemson University, Clemson, South Carolina (1986).

Appraisal Institute course work includes:

- Basic Valuation Procedures
- Standards of Professional Practice
- Basic Income Capitalization Procedures
- Advanced Income Capitalization Procedures
- Advanced Applications (Case Studies)
- Report Writing and Valuation Analysis
- Standards of Professional Practice Parts A&B
- Highest and Best Use
- Valuation of Conservation Easements Certificate Program

Professional Licenses and Affiliations:

Member: MAI member of the South Carolina Chapter of the Appraisal Institute, SC Chapter Board of Director 2015-2017.

Professional Licenses:

- South Carolina Certified General Appraiser #CG1627
- North Carolina Certified General Appraiser #A6905
- Georgia Certified General Real Property Appraiser 336939

