

**Appraisal of Real Property**

**Kennedy Street Apartments - Land Appraisal**

Vacant Land  
169 East Kennedy Street  
Spartanburg, Spartanburg County, South Carolina 29306

**Prepared For:**  
SCG Development

**Date of the Report:**  
April 24, 2025

**Report Format:**  
Appraisal Report

**IRR - Charleston**  
File Number: 174-2025-0160



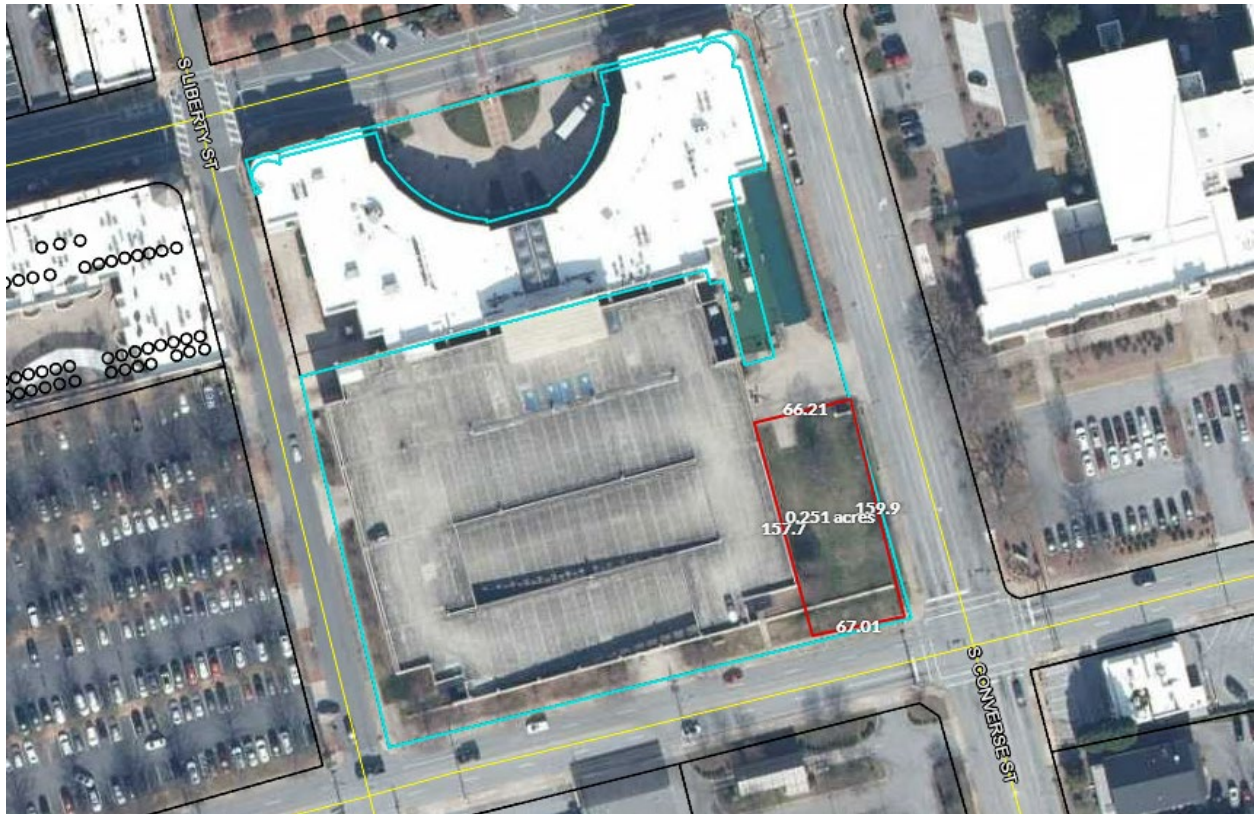
# Subject Photographs



**Kennedy Street Apartments - Land Appraisal**  
169 East Kennedy Street  
Spartanburg, South Carolina



## Aerial Photograph



The subject will be a portion of a larger tax parcel. The owner estimates the size of the subject site at 0.25 acre. An approximate shape, layout is shown in the above map.



April 24, 2025

Kennedy Street Apartments  
SCG Development  
8245 Boone Blvd,  
Tysons Corner, VA 22182

SUBJECT:       Market Value Appraisal  
                  Kennedy Street Apartments - Land Appraisal  
                  169 East Kennedy Street  
                  Spartanburg, Spartanburg County, South Carolina 29306  
                  IRR - Charleston File No. 174-2025-0160

Dear Mr. Enos:

Integra Realty Resources – Charleston is pleased to submit the accompanying appraisal of the referenced property. The purpose of the appraisal is to develop an opinion of the market value as is, pertaining to the fee simple interest in the property.

The client for the assignment is SCG Development. The intended users of this report are SCG Development and SC Housing Authority. The intended use of the report is for to satisfy the SC Housing Authority requirements for the 2025 9% Low-Income Housing Tax Credit (LIHTC) final application. No other party or parties may use or rely on the information, opinions, and conclusions contained in this report.

The subject is a parcel of vacant land containing an area of 0.25 acre or 10,890 square feet. The property is zoned DT-6, Urban Core District, which permits a variety of commercial and multifamily uses.

The appraisal conforms to the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute and applicable state appraisal regulations.

Standards Rule 2-2 (Content of a Real Property Appraisal Report) contained in the Uniform Standards of Professional Appraisal Practice (USPAP) requires each written real property appraisal report to be prepared as either an Appraisal Report or a Restricted Appraisal



Report. This report is prepared as an Appraisal Report as defined by USPAP under Standards Rule 2-2(a), and incorporates practical explanation of the data, reasoning, and analysis that were used to develop the opinion of value.

Based on the valuation analysis in the accompanying report, and subject to the definitions, assumptions, and limiting conditions expressed in the report, the concluded opinions of value are as follows:

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**Value Conclusion**

Value Type & Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value As Is	Fee Simple	April 22, 2025	\$160,000

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**Extraordinary Assumptions and Hypothetical Conditions**

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is 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.

1. The real estate taxes are based on the assumption that a purchaser will apply for the 25% ATI exemption.
2. We were provided the estimated land area by the buyer and assume it is correct. We were not provided with a site plan, survey, or legal description with the land area and assume what we were told by the buyer is correct.

The value conclusions are based on the following hypothetical conditions. 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 analysis.

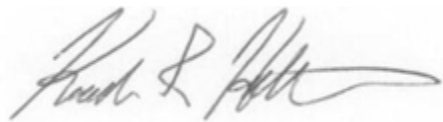
1. None

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

If you have any questions or comments, please contact the undersigned. Thank you for the opportunity to be of service.

Respectfully submitted,

**Integra Realty Resources - Charleston**



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# Quality Assurance

## IRR Quality Assurance Program

At IRR, delivering a quality report is a top priority. Integra has an internal Quality Assurance Program in which managers review material and pass an exam in order to attain IRR Certified Reviewer status. By policy, every Integra valuation assignment is assessed by an IRR Certified Reviewer who holds the MAI designation, or is, at a minimum, a named Director with at least ten years of valuation experience.

This quality assurance assessment consists of reading the report and providing feedback on its quality and consistency. All feedback from the IRR Certified Reviewer is then addressed internally prior to delivery. The intent of this internal assessment process is to maintain report quality.

## Designated IRR Certified Reviewer

An internal quality assurance assessment was conducted by an IRR Certified Reviewer prior to delivery of this appraisal report. This assessment should not be construed as an appraisal review as defined by USPAP.



## Executive Summary

Property Name	Kennedy Street Apartments - Land Appraisal	
Address	169 East Kennedy Street Spartanburg, Spartanburg County, South Carolina 29306	
Property Type	Land - Multifamily Land	
Owner of Record	City of Spartanburg	
Tax ID	Portion of 7-12-21-103.00	
Land Area	0.25 acres; 10,890 SF	
Zoning Designation	DT-6, Urban Core District	
Highest and Best Use	Mixed use	
Exposure Time; Marketing Period	6-12 months; 6-12 months	
Effective Date of the Appraisal	April 22, 2025	
Date of the Report	April 24, 2025	
Property Interest Appraised	Fee Simple	
Sales Comparison Approach		
Number of Sales	4	
Range of Sale Dates	May 22 to Sep 24	
Range of Prices per Acre (Unadjusted)	\$433,673 - \$629,723	
Market Value Conclusion	\$160,000	(\$640,000/Acre)

The values reported above are subject to the definitions, assumptions, and limiting conditions set forth in the accompanying report of which this summary is a part. No party other than SCG Development and SC Housing Authority may use or rely on the information, opinions, and conclusions contained in the report. It is assumed that the users of the report have read the entire report, including all of the definitions, assumptions, and limiting conditions contained therein.

### Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is 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.

1. The real estate taxes are based on the assumption that a purchaser will apply for the 25% ATI exemption.
2. We were provided the estimated land area by the buyer and assume it is correct. We were not provided with a site plan, survey, or legal description with the land area and assume what we were told by the buyer is correct.

The value conclusions are based on the following hypothetical conditions. 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 analysis.

1. None

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

# Identification of the Appraisal Problem

## Subject Description

The subject is a parcel of vacant land containing an area of 0.25 acre or 10,890 square feet. The property is zoned DT-6, Urban Core District, which permits a variety of commercial and multifamily uses. A legal description of the property was requested but not provided.

Property Identification	
Property Name	Kennedy Street Apartments - Land Appraisal
Address	169 East Kennedy Street Spartanburg, South Carolina 29306
Tax ID	Portion of 7-12-21-103.00
Owner of Record	City of Spartanburg
Census Tract Number	0212.00, Spartanburg County

## Sale History

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

Sale Date	August 1, 1990
Seller	Broadwalk Associates, Inc.
Buyer	City of Spartanburg
Sale Price	\$3
Recording Instrument Number	Deed Book 56-X, Page 244 of the Spartanburg County Register of Deeds
Expenditures Since Purchase	Unknown

Note the previous sale appears to have been between related parties.

## Pending Transactions

The property is under contract of sale as of the effective appraisal date. The contract is summarized as follows:

Contract Date	February 23, 2022
Seller	City of Spartanburg
Buyer	Blue Wall RE, LLC (assigned to Kennedy Street Owner, LP)
Sale Price	\$4,500
Comments	Contract price is approximately \$18,000 per acre

The property was assigned to Kennedy Street Owner, LP on February 15, 2024. The previous purchaser indicated that the city is considering the property effectively a donation and the sale price is not reflective of market value at all. The buyer will be acquiring the grassy lot adjacent to the parking

garage. The estimated land area is 0.25 acre. The proposed plans call for a multi-story, 48-unit low-income housing development with no on-site parking.

The contract price of \$4,500 is well below the market value of the subject property. Our market value conclusion is supported by recent market data, gathered and analyzed.

## Appraisal Purpose

The purpose of the appraisal is to develop the following opinion(s) of value:

- The market value as is of the fee simple interest in the subject property as of the effective date of the appraisal, April 22, 2025

The date of the report is April 24, 2025. The appraisal is valid only as of the stated effective date or dates.

## Value Type Definitions

The definitions of the value types applicable to this assignment are summarized below.

### Market Value

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently 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:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. 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.<sup>1</sup>

## Appraisal Premise Definitions

The definitions of the appraisal premises applicable to this assignment are specified as follows.

### As Is Market Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.<sup>2</sup>

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<sup>1</sup> Code of Federal Regulations, Title 12, Chapter I, Part 34.42[h]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472

<sup>2</sup> Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 7th ed. (Chicago: Appraisal Institute, 2022)



## Property Rights Definitions

The property rights appraised which are applicable to this assignment are defined as follows.

### 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.<sup>3</sup>

## Client and Intended User(s)

The client is SCG Development. The intended users are SCG Development and SC Housing Authority. No other party or parties may use or rely on the information, opinions, and conclusions contained in this report.

## Intended Use

The intended use of the appraisal is for to satisfy the SC Housing Authority requirements for the 2025 9% Low-Income Housing Tax Credit (LIHTC) final application. The appraisal is not intended for any other use.

## Applicable Requirements

This appraisal report conforms to the following requirements and regulations:

- Uniform Standards of Professional Appraisal Practice (USPAP);
- Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute;
- Applicable state appraisal regulations;

## Report Format

Standards Rule 2-2 (Content of a Real Property Appraisal Report) contained in the Uniform Standards of Professional Appraisal Practice (USPAP) requires each written real property appraisal report to be prepared as either an Appraisal Report or a Restricted Appraisal Report. This report is prepared as an Appraisal Report as defined by USPAP under Standards Rule 2-2(a), and incorporates practical explanation of the data, reasoning, and analysis used to develop the opinion of value.

## Prior Services

USPAP requires appraisers to disclose to the client any other services they have provided in connection with the subject property in the prior three years, including valuation, consulting, property management, brokerage, or any other services. We have prepared 1 appraisal of the subject property for the current client, and 1 appraisal for another client within a three-year period preceding this appraisal assignment. We have provided 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 the agreement to perform this assignment.

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<sup>3</sup> Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 7th ed. (Chicago: Appraisal Institute, 2022)

Our current value indication is slightly higher than our previous appraisal for the same client. However, it is reasonable considering recent market data gathered and analyzed.

### **Appraiser Competency**

No steps were necessary to meet the competency provisions established under USPAP. The assignment participants have appraised several properties similar to the subject in physical, locational, and economic characteristics, and are familiar with market conditions and trends; therefore, appraiser competency provisions are satisfied for this assignment. Appraiser qualifications and state credentials are included in the addenda of this report.

## Scope of Work

### Introduction

The appraisal development and reporting processes require gathering and analyzing information about the assignment elements necessary to properly identify the appraisal problem. The scope of work decision includes the research and analyses necessary to develop credible assignment results, given the intended use of the appraisal. Sufficient information includes disclosure of research and analyses performed and might also include disclosure of research and analyses not performed.

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

### Research and Analysis

The type and extent of the research and analysis conducted are detailed in individual sections of the report. The steps taken to verify comparable data are disclosed in the addenda of this report. Although effort has been made to confirm the arms-length nature of each sale with a party to the transaction, it is sometimes necessary to rely on secondary verification from sources deemed reliable.

### Subject Property Data Sources

The legal and physical features of the subject property, including size of the site, flood plain data, seismic zone designation, property zoning, existing easements and encumbrances, access and exposure, and condition of the improvements (as applicable) were confirmed and analyzed.

The financial data of the subject, including tax and assessment records was analyzed. This information, as well as trends established by confirmed market indicators, is used to forecast future performance of the subject property.

### Contacts

In addition to public records and other sources cited in this appraisal, information pertaining to the subject was obtained from the following party: Mr. Jon Enos, Assistant Vice President, SCG Development.

### Inspection

Details regarding the property inspection conducted as part of this appraisal assignment are summarized as follows:

Property Inspection		
Party	Inspection Type	Inspection Date
Kenneth R. Hollister	On-site	April 23, 2025
Cleveland A. Wright, Jr., MAI	None	N/A



**Valuation Methodology**

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

## Economic Analysis

### Spartanburg MSA Area Analysis

The subject is located in the Spartanburg, SC Metropolitan Statistical Area, hereinafter called the Spartanburg MSA, as defined by the U.S. Office of Management and Budget. The Spartanburg MSA is 808 square miles in size, and ranks 152 in population out of the nation's 384 metropolitan statistical areas.

### Population

The Spartanburg MSA has an estimated 2025 population of 398,984, which represents an average annual 2.3% increase over the 2020 census of 355,241. The Spartanburg MSA added an average of 8,749 residents per year over the 2020-2025 period, and its annual growth rate exceeded the State of South Carolina rate of 1.5%.

Looking forward, the Spartanburg MSA's population is projected to increase at a 1.7% annual rate from 2025-2030, equivalent to the addition of an average of 7,195 residents per year. The Spartanburg MSA's growth rate is expected to exceed that of South Carolina, which is projected to be 1.2%.

	Population			Compound Ann. % Chng	
	2020 Census	2025 Estimate	2030 Projection	2020 - 2025	2025 - 2030
Spartanburg, SC Metro	355,241	398,984	434,961	2.3%	1.7%
South Carolina	5,118,425	5,513,800	5,843,720	1.5%	1.2%
USA	331,449,281	337,643,652	345,735,705	0.4%	0.5%

Source: Claritas

### Employment

Total employment in the Spartanburg MSA was estimated at 178,700 jobs at year-end 2024. Between year-end 2014 and 2024, employment rose by 36,900 jobs, equivalent to a 26.0% increase over the entire period. There were gains in employment in nine out of the past ten years. The Spartanburg MSA's rate of employment growth over the last decade surpassed that of South Carolina, which experienced an increase in employment of 21.0% or 418,400 jobs over this period.

A comparison of unemployment rates is another way of gauging an area's economic health. Over the past decade, the Spartanburg MSA has had a 4.3% average unemployment rate, which is the same as the rate for South Carolina. The two areas are performing similarly according to this measure.

Recent data shows that the Spartanburg MSA has a 4.0% unemployment rate, which is the same as the rate for South Carolina.

<b>Employment Trends</b>						
Year	Total Employment (Year End)				Unemployment Rate (Ann. Avg.)	
	Spartanburg MSA	% Change	South Carolina	% Change	Spartanburg MSA	South Carolina
2014	141,800		1,990,000		6.4%	6.3%
2015	146,200	3.1%	2,046,400	2.8%	5.8%	5.9%
2016	151,800	3.8%	2,085,600	1.9%	4.7%	4.9%
2017	158,000	4.1%	2,124,500	1.9%	4.1%	4.2%
2018	164,200	3.9%	2,178,800	2.6%	3.1%	3.4%
2019	167,900	2.3%	2,212,100	1.5%	2.5%	2.8%
2020	165,700	-1.3%	2,136,300	-3.4%	6.5%	6.0%
2021	166,900	0.7%	2,208,900	3.4%	4.1%	3.9%
2022	170,000	1.9%	2,281,600	3.3%	3.2%	3.2%
2023	175,300	3.1%	2,347,000	2.9%	3.0%	3.0%
2024	178,700	1.9%	2,408,400	2.6%	4.2%	4.1%
Overall Change 2014-2024	36,900	26.0%	418,400	21.0%		
Avg Unemp. Rate 2014-2024					4.3%	4.3%
Unemployment Rate - December 2024					4.0%	4.0%

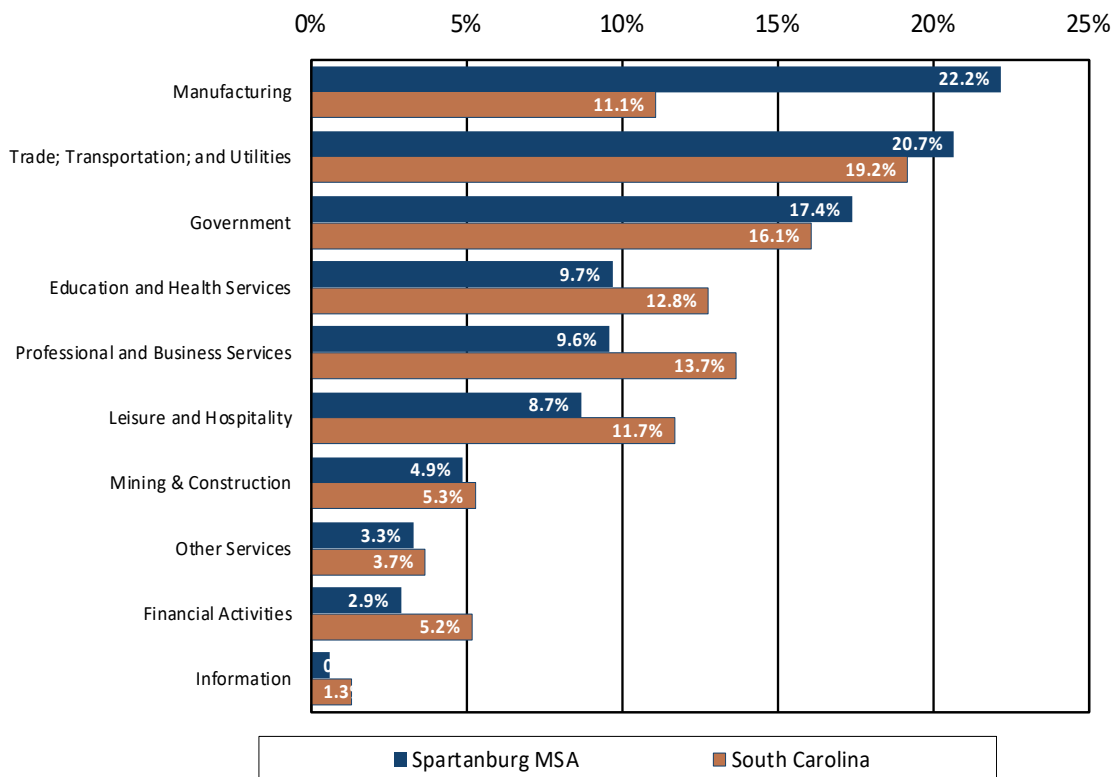
Source: U.S. Bureau of Labor Statistics and Moody's Analytics. Employment figures are from the Current Employment Survey (CES). Unemployment rates are from the Current Population Survey (CPS). The figures are not seasonally adjusted.

### Employment Sectors

The composition of the Spartanburg MSA job market is depicted in the following chart, along with that of South Carolina. Total employment for both areas is broken down by major employment sector, and the sectors are ranked from largest to smallest based on the percentage of Spartanburg MSA jobs in each category.



### Employment Sectors - 2024



Source: U.S. Bureau of Labor Statistics and Moody's Analytics

The Spartanburg MSA has greater concentrations than South Carolina in the following employment sectors:

1. Manufacturing, representing 22.2% of Spartanburg MSA payroll employment compared to 11.1% for South Carolina as a whole. This sector includes all establishments engaged in the manufacturing of durable and nondurable goods.
2. Trade; Transportation; and Utilities, representing 20.7% of Spartanburg MSA payroll employment compared to 19.2% for South Carolina as a whole. This sector includes jobs in retail trade, wholesale trade, trucking, warehousing, and electric, gas, and water utilities.
3. Government, representing 17.4% of Spartanburg MSA payroll employment compared to 16.1% for South Carolina as a whole. This sector includes employment in local, state, and federal government agencies.

The Spartanburg MSA is underrepresented in the following sectors:

1. Education and Health Services, representing 9.7% of Spartanburg MSA payroll employment compared to 12.8% for South Carolina as a whole. This sector includes employment in public and private schools, colleges, hospitals, and social service agencies.

2. Professional and Business Services, representing 9.6% of Spartanburg MSA payroll employment compared to 13.7% for South Carolina as a whole. This sector includes legal, accounting, and engineering firms, as well as management of holding companies.
3. Leisure and Hospitality, representing 8.7% of Spartanburg MSA payroll employment compared to 11.7% for South Carolina as a whole. This sector includes employment in hotels, restaurants, recreation facilities, and arts and cultural institutions.
4. Mining & Construction, representing 4.9% of Spartanburg MSA payroll employment compared to 5.3% for South Carolina as a whole. This sector includes construction of buildings, roads, and utility systems, as well as mining, quarrying, and oil and gas extraction.

### Major Employers

Major employers in the Spartanburg MSA are shown in the following table.

<b>Major Employers - Spartanburg, SC Metro</b>		
	<b>Name</b>	<b>Number of Employees</b>
1	BMW Manufacturing Co LLC	10,000+
2	Spartanburg Regional	5000-9999
3	Spartanburg Count Information	1000-4999
4	Milliken & Co	1000-4999
5	Greenville Spartanburg Intl	1000-4999
6	Sage Automotive Interiors	1000-4999
7	Spartanburg Medical Ctr-Mary	500-999
8	Lea Center	500-999
9	Pelham Medical Ctr	500-999
10	Spartanburg Community College	500-999

Source: <https://jobs.scworks.org>

### Gross Domestic Product

The Spartanburg MSA ranks 162 in Gross Domestic Product (GDP) out of the nation's 384 metropolitan statistical areas.

Economic growth, as measured by annual changes in GDP, has been somewhat higher in the Spartanburg MSA than South Carolina overall during the past decade. The Spartanburg MSA has grown at a 3.0% average annual rate while the State of South Carolina has grown at a 2.7% rate. However, the Spartanburg MSA has recently underperformed South Carolina. GDP for the Spartanburg MSA rose by 0.7% in 2023 while South Carolina's GDP rose by 3.1%.

The Spartanburg MSA has a per capita GDP of \$47,781, which is 2% less than South Carolina's GDP of \$48,813. This means that Spartanburg MSA industries and employers are adding relatively less value to the economy than their counterparts in South Carolina.

<b>Gross Domestic Product</b>				
Year	(\$,000s) Spartanburg MSA	% Change	(\$,000s) South Carolina	% Change
2013	12,675,229	—	200,147,300	—
2014	12,966,582	2.3%	206,077,900	3.0%
2015	13,508,517	4.2%	213,212,400	3.5%
2016	14,331,463	6.1%	220,559,300	3.4%
2017	14,976,954	4.5%	224,937,600	2.0%
2018	15,365,922	2.6%	231,663,300	3.0%
2019	16,205,216	5.5%	239,021,300	3.2%
2020	15,732,045	-2.9%	233,650,100	-2.2%
2021	16,677,209	6.0%	245,752,100	5.2%
2022	16,924,356	1.5%	254,504,500	3.6%
2023	17,043,342	0.7%	262,298,500	3.1%
Compound % Chg (2013-2023)		3.0%		2.7%
GDP Per Capita 2023	\$47,781		\$48,813	

Source: U.S. Bureau of Economic Analysis and Moody's Analytics; data released December 2024.

The release of state and local GDP data has a longer lag time than national data. The data represents inflation-adjusted "real" GDP stated in 2017 dollars.

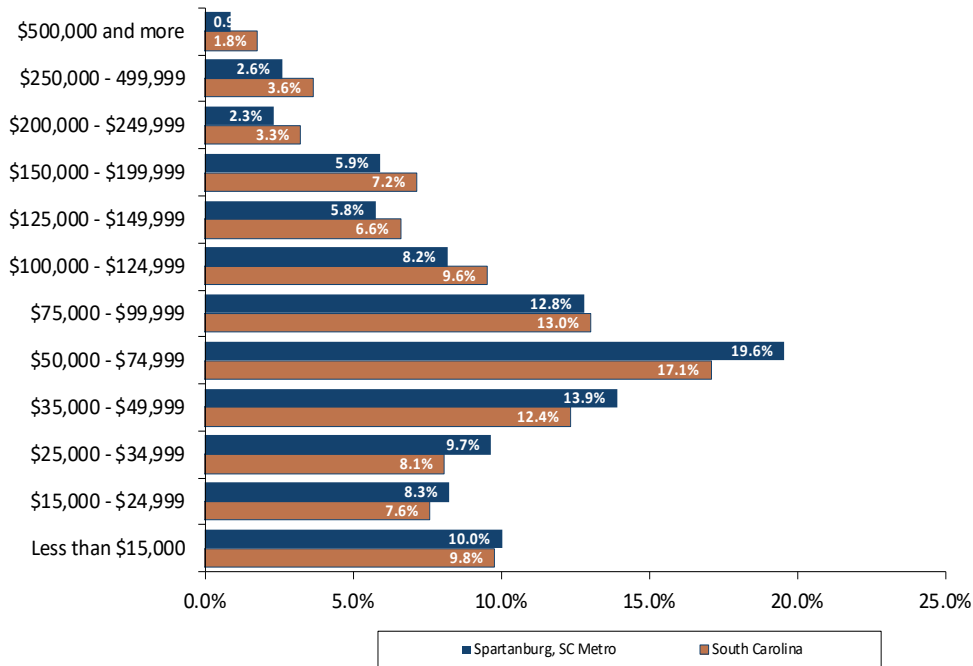
## Household Income

The Spartanburg MSA has a lower level of household income than South Carolina. Median household income for the Spartanburg MSA is \$59,517, which is 11.3% less than the corresponding figure for South Carolina.

<b>Median Household Income - 2025</b>	
	Median
Spartanburg, SC Metro	\$59,517
South Carolina	\$67,099
Comparison of Spartanburg, SC Metro to South Carolina	- 11.3%
Source: Claritas	

The following chart shows the distribution of households across twelve income levels. The Spartanburg MSA has a greater concentration of households in the lower income levels than South Carolina. Specifically, 42% of Spartanburg MSA households are below the \$50,000 level in household income as compared to 38% of South Carolina households. A lesser concentration of households is apparent in the higher income levels, as 12% of Spartanburg MSA households are at the \$150,000 or greater levels in household income versus 16% of South Carolina households.

## Household Income Distribution - 2025



Source: Claritas

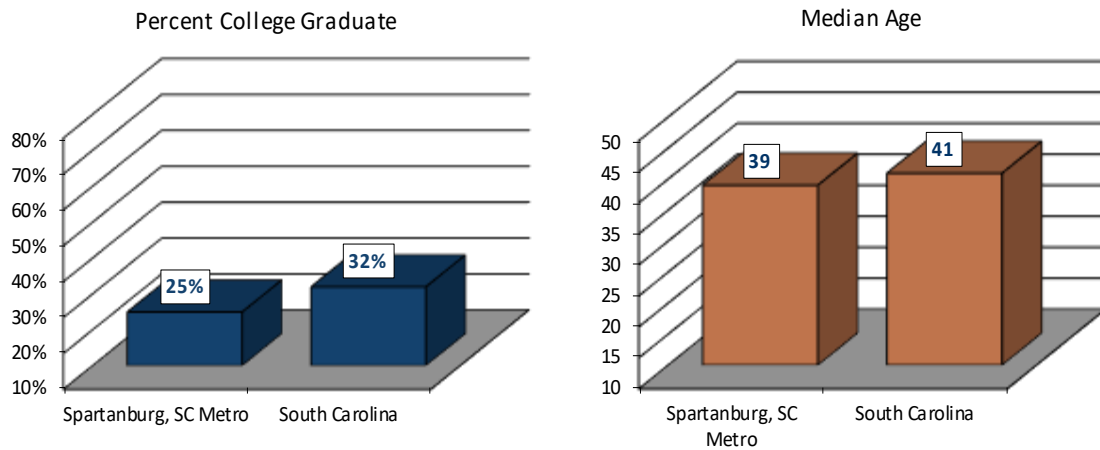
## Education and Age

Residents of the Spartanburg MSA have a lower level of educational attainment than those of South Carolina. An estimated 25% of Spartanburg MSA residents are college graduates with four-year degrees, versus 32% of South Carolina residents. People in the Spartanburg MSA are younger than their South Carolina counterparts. The median age for the Spartanburg MSA is 39 years, while the median age for South Carolina is 41 years.

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**Education & Age - 2025**

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Source: Claritas

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**Conclusion**

The Spartanburg MSA economy will be affected by a growing population base and lower income and education levels. The Spartanburg MSA experienced growth in the number of jobs over the past decade, and it is reasonable to assume that employment growth will occur in the future. Moreover, the Spartanburg MSA exhibits a higher rate of GDP growth than South Carolina overall. It is anticipated that the Spartanburg MSA economy will improve and employment will grow, strengthening the demand for real estate.

## Area Map



## **Surrounding Area Analysis**

### **Boundaries**

The subject is located at the northwest corner of the intersection of South Converse Street and East Kennedy Street in downtown Spartanburg.

### **Access and Linkages**

Primary access to the area is provided by Interstates 85 and Business 85 as well as US Highway 221, and US Highway 29. Overall, vehicular access is good.

Public transportation is provided by SPARTA and provides access to the Spartanburg metro area. The local market perceives public transportation as average compared to other areas in the region. However, the primary mode of transportation in this area is the automobile.

The Greenville-Spartanburg International Airport is located about 22 miles from the property; travel time is about 25 minutes, depending on traffic conditions. The subject is located within the Spartanburg CBD, the economic and cultural center of the region.

### **Demand Generators**

Major employers in the Spartanburg County area include, but are not limited to BMW Manufacturing, Spartanburg Regional Health System, Adidas, Sylvan Chemical, and Spartanburg County Government.

These demand generators support the demographic profile described in the following section.

## Demographics

A demographic profile of the surrounding area, including population, households, and income data, is presented in the following table.

Surrounding Area Demographics					
2025 Estimates	1-Mile Radius	3-Mile Radius	5-Mile Radius	Spartanburg, SC	
				Metro	South Carolina
Population 2020	7,216	46,036	97,052	355,241	5,118,425
Population 2025	7,790	49,595	105,599	398,984	5,513,800
Population 2030	8,292	52,854	113,246	434,961	5,843,720
Compound % Change 2020-2025	1.5%	1.5%	1.7%	2.3%	1.5%
Compound % Change 2025-2030	1.3%	1.3%	1.4%	1.7%	1.2%
Households 2020	2,581	18,251	38,548	137,458	2,048,912
Households 2025	2,886	19,705	42,056	154,596	2,226,844
Households 2030	3,129	21,019	45,147	168,632	2,373,170
Compound % Change 2020-2025	2.3%	1.5%	1.8%	2.4%	1.7%
Compound % Change 2025-2030	1.6%	1.3%	1.4%	1.8%	1.3%
Median Household Income 2025	\$34,539	\$44,762	\$48,290	\$59,517	\$67,099
Average Household Size	2.0	2.3	2.4	2.5	2.4
College Graduate %	30%	25%	28%	25%	32%
Median Age	29	36	37	39	41
Owner Occupied %	32%	48%	53%	71%	70%
Renter Occupied %	68%	52%	47%	29%	30%
Median Owner Occupied Housing Value	\$213,737	\$180,339	\$216,788	\$258,642	\$293,926
Median Year Structure Built	1968	1969	1978	1991	1992
Average Travel Time to Work in Minutes	22	24	24	27	28

Source: Claritas

As shown above, the current population within a 3-mile radius of the subject is 49,595, and the average household size is 2.3. Population in the area has grown since the 2020 census, and this trend is projected to continue over the next five years. Compared to the Spartanburg MSA overall, the population within a 3-mile radius is projected to grow at a slower rate.

Median household income is \$44,762, which is lower than the household income for the Spartanburg MSA. Residents within a 3-mile radius have a similar level of educational attainment to those of the Spartanburg MSA, while median owner-occupied home values are considerably lower.

## Land Use

In the immediate vicinity of the subject, predominant land uses include a mixture of office/retail, and multifamily uses.



## Development Activity and Trends

During the last five years, development has included both residential and commercial uses reflecting the growing population base. The pace of development has generally accelerated over this time.

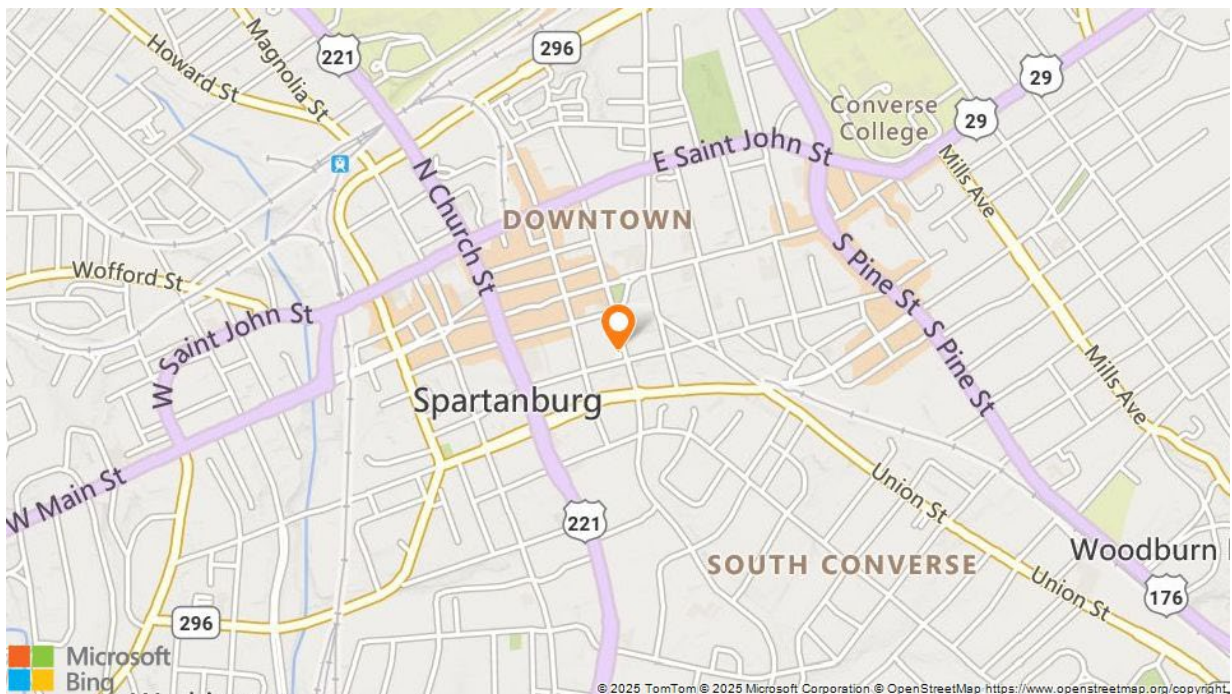
Notable downtown Spartanburg Development includes the construction of a new minor league baseball stadium (Fifth Third Park) which opened in April 2025. The baseball stadium is at the corner of S. Daniel Morgan Avenue and E. Henry Street, behind the AC Hotel (approximately 0.5 mile west of the subject).

Additionally, in 2022 a \$75 million re-development of 127-163 East Main Street was announced. The project would consist of ground level retail, with office, apartments and a parking garage. However, as of 2025 the project appears to be on hold with the developer citing rising interest rates and rising construction costs as the reason, but indicated they hope to move forward with the development in the near future.

## Outlook and Conclusions

The area is in the growth stage of its life cycle. Given the history of the area and the growth trends, it is anticipated that property values will increase in the near future, despite anticipated cooling of the overall real estate market on a macro level.

## Surrounding Area Map



## Multifamily Market Analysis

### Metro Area Overview

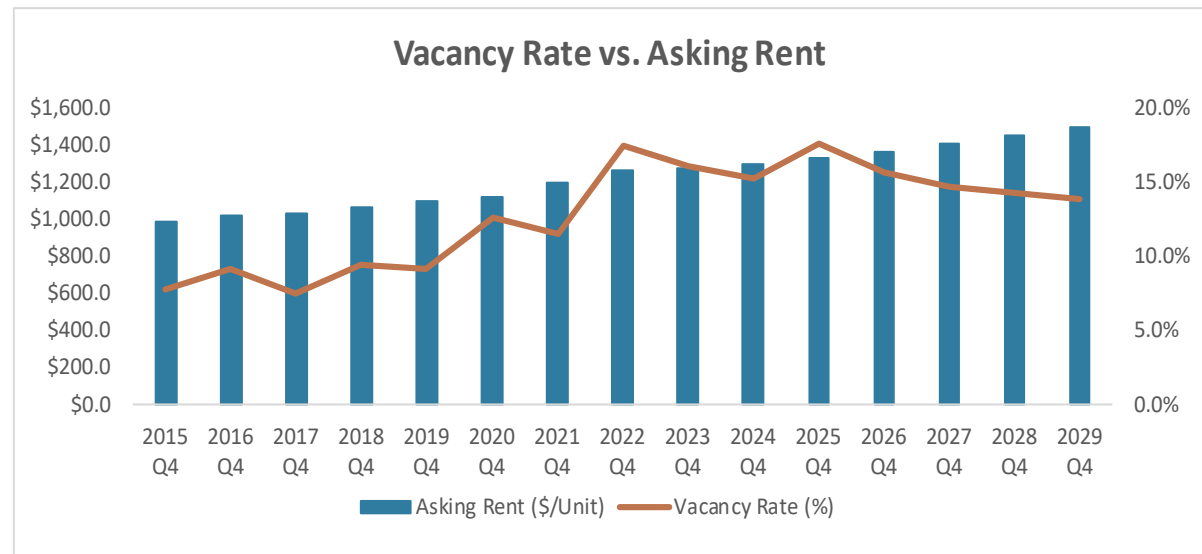
The subject is located in the Spartanburg - SC USA metro area as defined by CoStar. Trended supply and demand statistics, including inventory levels, absorption, vacancy, and rental rates for all classes of space are presented in the ensuing table.

**All Multifamily Spartanburg - SC USA Metro Trends**

Period	Stock	Demand	Vacancy	Net Completions 12 Months	Under Construction Stock	Net Absorption 12 Months	Asking Rent	Rent Growth 12 Month	Price Growth	Cap Rate
2015 Q4	9,414	8,674	7.86%	177	611	266	\$985	3.12%	9.73%	6.50%
2016 Q4	10,025	9,106	9.16%	611	93	432	\$1,020	3.51%	8.02%	6.36%
2017 Q4	10,025	9,273	7.50%	0	471	167	\$1,038	1.83%	9.35%	6.05%
2018 Q4	10,466	9,468	9.53%	441	738	196	\$1,068	2.87%	7.47%	5.90%
2019 Q4	10,782	9,788	9.22%	316	1,156	320	\$1,100	2.96%	8.14%	5.70%
2020 Q4	11,920	10,410	12.67%	1,138	1,318	623	\$1,123	2.13%	11.37%	5.32%
2021 Q4	12,793	11,322	11.50%	873	3,018	920	\$1,203	7.07%	19.74%	4.79%
2022 Q4	14,893	12,292	17.47%	2,100	1,732	972	\$1,270	5.58%	-0.49%	5.18%
2023 Q4	16,278	13,660	16.09%	1,385	1,010	1,367	\$1,278	0.65%	-6.18%	5.77%
2024 Q4	17,089	14,481	15.26%	811	1,005	821	\$1,298	1.53%	-0.72%	5.96%
2025 Q4	18,066	14,879	17.64%	977	0	398	\$1,330	2.47%	3.33%	5.90%
2026 Q4	18,136	15,288	15.70%	70	0	409	\$1,367	2.80%	6.09%	5.76%
2027 Q4	18,426	15,711	14.73%	290	0	424	\$1,409	3.12%	5.76%	5.66%
2028 Q4	18,830	16,128	14.35%	404	0	417	\$1,455	3.24%	5.93%	5.56%
2029 Q4	19,276	16,588	13.95%	446	0	460	\$1,495	2.72%	5.56%	5.44%

Source: CoStar, Inc.; compiled by Integra Realty Resources, Inc.

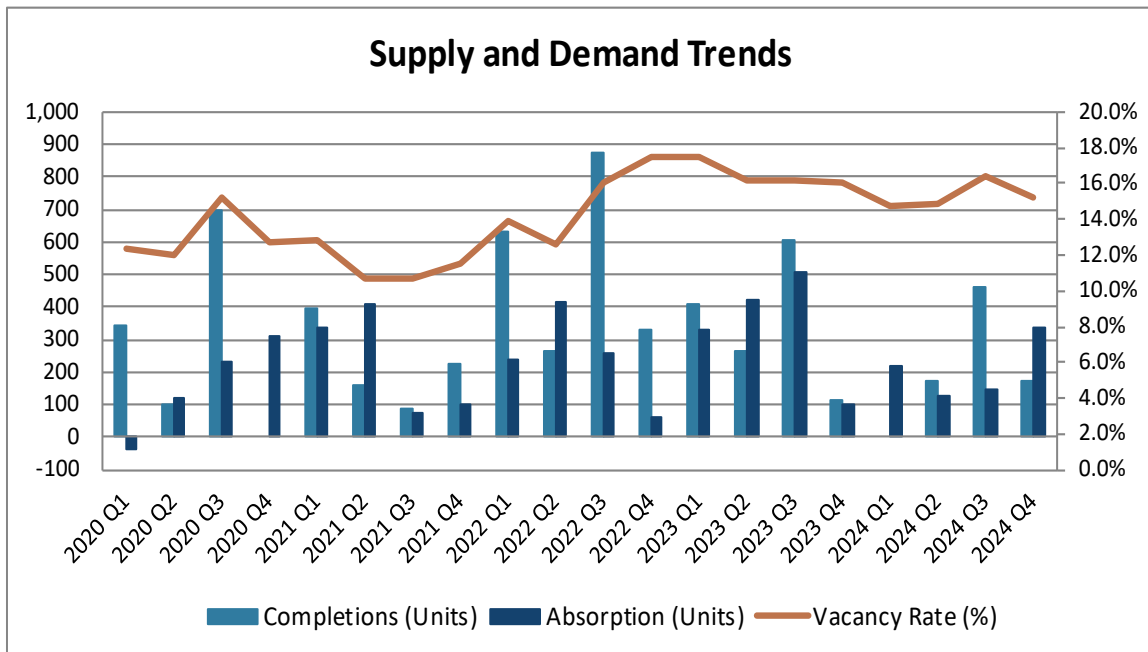
### Spartanburg - SC USA Metro Trends and Forecasts



Source: CoStar, Inc.; compiled by Integra Realty Resources, Inc.

- The current vacancy rate in the metro area is 15.26%; the vacancy rate has decreased by 220 bps from 2022 Q4.

- Two-year Base Case forecasts project a 15.70% vacancy rate in the metro area, representing an increase of 44 bps by 2026 Q4.
- Asking rent averages \$1,298/unit in the metro area, and values have increased by 2.17% from 2022 Q4.
- Two-year Base Case forecasts project a \$1,367/unit asking rent in the metro area, representing an increase of 5.35% by 2026 Q4.



Source: CoStar, Inc.; compiled by Integra Realty Resources, Inc.

- The total stock (units) has increased by 14.75% from 2022 Q4, while the demand has increased by 17.81%.
- Between 2020 Q1 and 2024 Q4, net completions in the metro area have averaged 1,261 units annually, and reached a peak of 872 units in 2022 Q3.
- Between 2020 Q1 and 2024 Q4, net absorption in the metro area has averaged 941 units annually, and reached a peak of 505 units in 2023 Q3.

### Submarket Overview

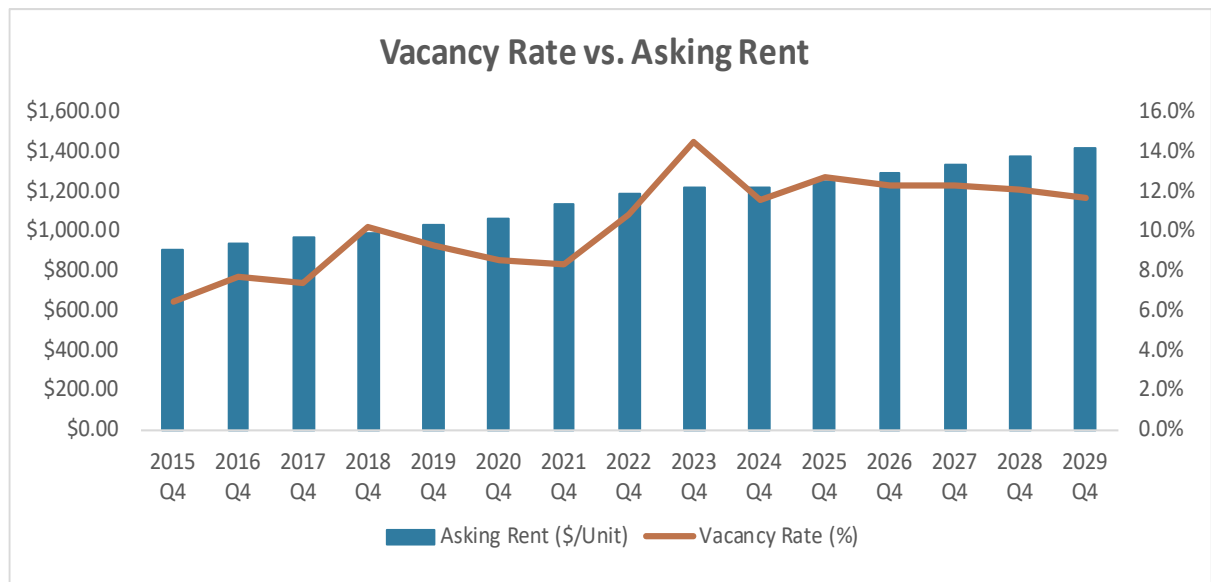
The subject is located in the Central Spartanburg submarket as defined by CoStar. Trended supply and demand statistics, including inventory levels, absorption, vacancy, and rental rates for all classes of space are presented in the following table.

**All Multifamily Central Spartanburg Submarket Trends**

Period	Stock	Demand	Vacancy	Net Completions 12 Months	Under Construction Stock	Net Absorption 12 Months	Asking Rent	Rent Growth 12 Month	Price Growth	Cap Rate
2015 Q4	4,103	3,837	6.48%	0	289	167	\$908	3.65%	10.22%	6.47%
2016 Q4	4,392	4,051	7.75%	289	93	213	\$941	3.57%	9.00%	6.27%
2017 Q4	4,392	4,069	7.35%	0	93	18	\$964	2.53%	9.28%	5.98%
2018 Q4	4,455	3,998	10.26%	63	206	-71	\$992	2.88%	6.54%	5.86%
2019 Q4	4,580	4,157	9.23%	125	119	159	\$1,027	3.55%	7.68%	5.67%
2020 Q4	4,681	4,279	8.59%	101	319	121	\$1,060	3.17%	12.03%	5.30%
2021 Q4	4,947	4,536	8.31%	266	1,088	265	\$1,132	6.76%	22.48%	4.68%
2022 Q4	5,445	4,856	10.82%	498	662	322	\$1,186	4.77%	6.22%	5.06%
2023 Q4	6,082	5,203	14.46%	637	384	346	\$1,218	2.75%	-6.56%	5.66%
2024 Q4	6,267	5,539	11.61%	185	199	337	\$1,218	-0.03%	-0.98%	5.88%
2025 Q4	6,440	5,621	12.72%	173	0	82	\$1,250	2.66%	3.39%	5.81%
2026 Q4	6,480	5,682	12.31%	40	0	61	\$1,288	2.99%	6.31%	5.67%
2027 Q4	6,579	5,770	12.31%	99	0	87	\$1,330	3.27%	5.92%	5.57%
2028 Q4	6,717	5,905	12.10%	138	0	134	\$1,375	3.38%	6.09%	5.47%
2029 Q4	6,870	6,069	11.66%	153	0	164	\$1,414	2.85%	5.74%	5.35%

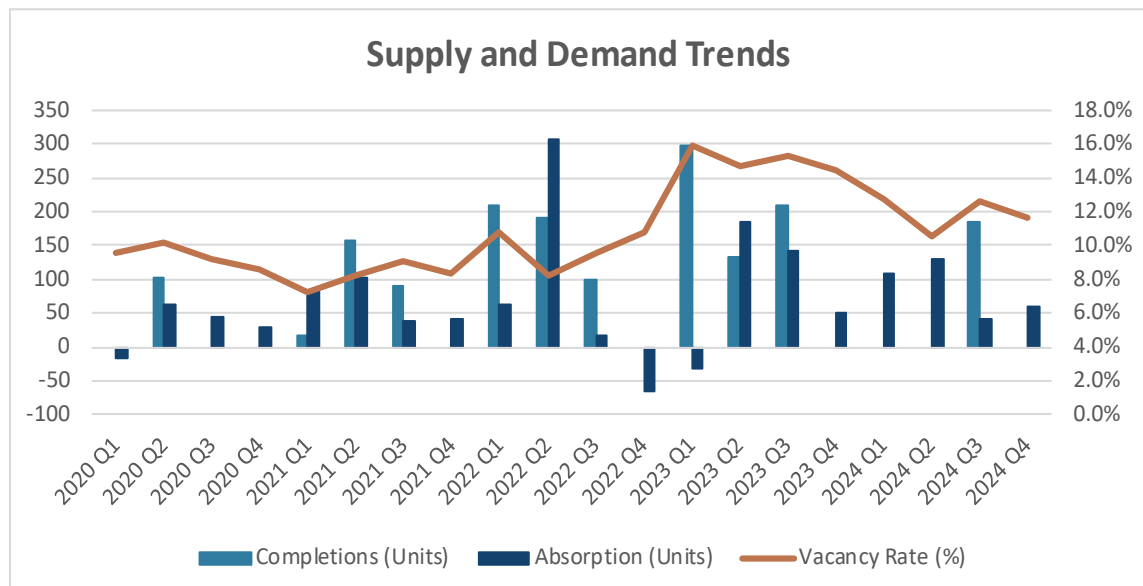
Source: CoStar, Inc.; compiled by Integra Realty Resources, Inc.

- The Central Spartanburg submarket comprises 36.7% of the metro building stock and 38.3% of the metro building demand.
- The vacancy rate in the Central Spartanburg submarket is 11.61%, which is less than the metro area's average of 15.26%.
- Central Spartanburg market rate is \$1,218/unit which is less than the metro area's average rate of \$1,298/unit.

**Central Spartanburg Submarket Trends and Forecasts**

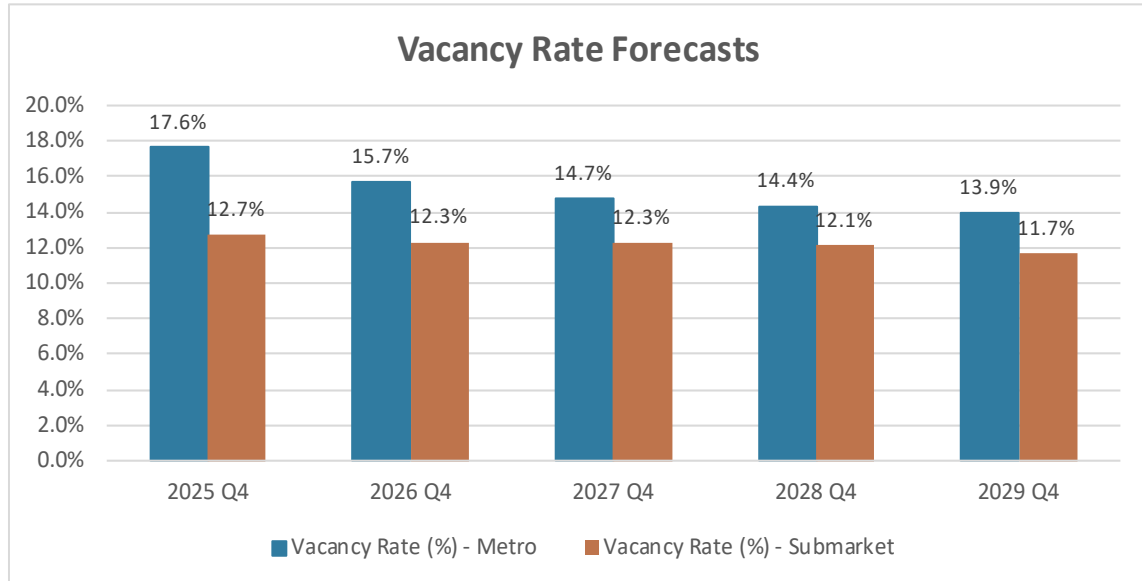
Source: CoStar, Inc.; compiled by Integra Realty Resources, Inc.

- The current vacancy rate in the submarket area is 11.61%; the vacancy rate has increased by 79 bps from 2022 Q4.
- Two-year Base Case forecasts project a 12.31% vacancy rate in the submarket area, representing an increase of 70 bps by 2026 Q4.
- Asking rent averages \$1,218/unit in the submarket area, and values have increased by 2.69% from 2022 Q4.
- Two-year Base Case forecasts project a \$1,288/unit asking rent in the submarket area, representing an increase of 5.73% by 2026 Q4.

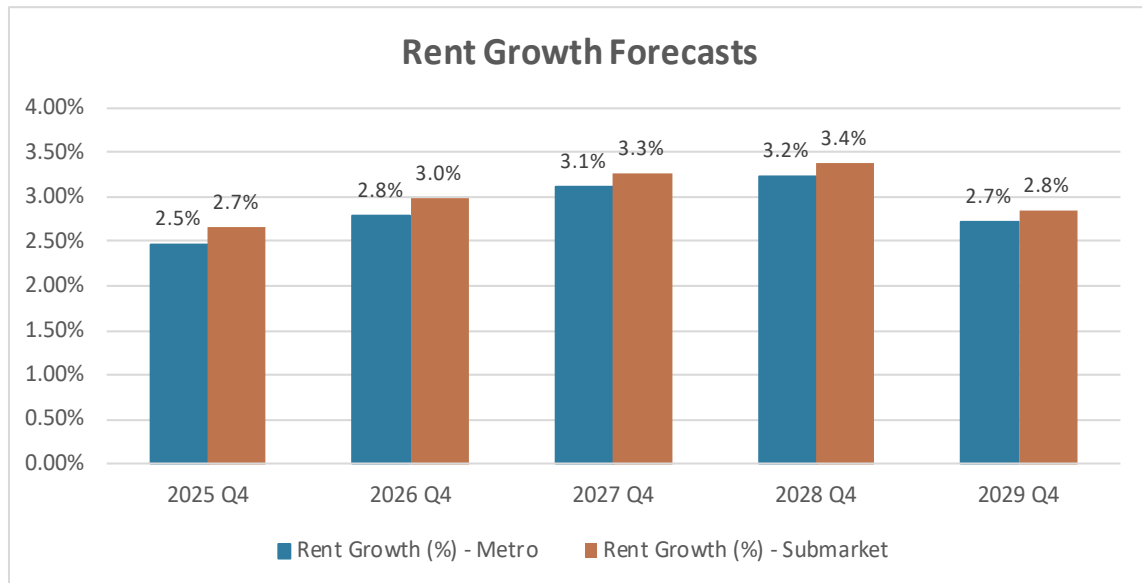


Source: CoStar, Inc.; compiled by Integra Realty Resources, Inc.

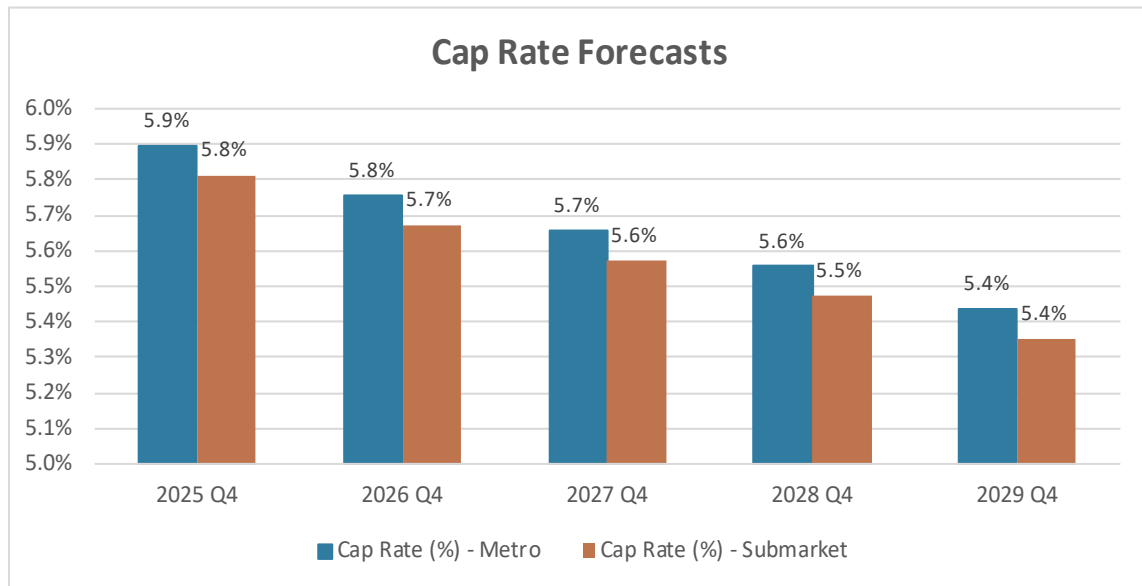
- The total stock (units) has increased by 15.10% from 2022 Q4, while the demand has increased by 14.08%.
- Between 2020 Q1 and 2024 Q4, net completions in the submarket area have averaged 337 units annually, and reached a peak of 297 units in 2023 Q1.
- Between 2020 Q1 and 2024 Q4, net absorption in the submarket area has averaged 278 units annually, and reached a peak of 306 units in 2022 Q2.

**Multifamily Market Forecast Comparisons**

Source: CoStar, Inc.; compiled by Integra Realty Resources, Inc.



Source: CoStar, Inc.; compiled by Integra Realty Resources, Inc.



Source: CoStar, Inc.; compiled by Integra Realty Resources, Inc.

### Multifamily Market Outlook and Conclusions

Based on the key metro and submarket area trends, construction outlook, and the performance of competing properties, IRR expects the mix of property fundamentals and economic conditions in the Spartanburg metro area to have a positive impact on the subject property's performance in the near-term.

## Property Analysis

### Land Description and Analysis

Land Description	
Land Area	0.25 acres; 10,890 SF
Source of Land Area	Owner
Primary Street Frontage	Kennedy - 67 feet
Secondary Street Frontage	South Converse Street - 160 feet
Shape	Rectangular
Corner	Yes
Topography	Generally level and at street grade
Drainage	No problems reported or observed
Environmental Hazards	None reported or observed
Ground Stability	No problems reported or observed
Flood Area Panel Number	45083C0258D
Date	January 6, 2011
Zone	X
Description	Outside of 500-year floodplain
Insurance Required?	No
Zoning; Other Regulations	
Zoning Jurisdiction	City of Spartanburg
Zoning Designation	DT-6
Description	Urban Core District
Legally Conforming?	Appears to be legally conforming
Zoning Change Likely?	No
Permitted Uses	A variety of commercial and multifamily uses.
Minimum Lot Area	None
Minimum Lot Width (Feet)	None
Minimum Setbacks (Feet)	6' max setback
Maximum Building Height	Between 2 and 10 stories
Maximum Floor Area Ratio	None
Parking Requirement	None
Other	Must conform with design standards set by review board
Rent Control	Yes
Other Land Use Regulations	None reported or observed
Utilities	
Service	Provider
Water	Spartanburg Water/Sewer
Sewer	Spartanburg Water/Sewer
Electricity	Duke Energy
Natural Gas	Piedmont Natural Gas
Local Phone	Various providers



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

**Easements, Encroachments and Restrictions**

A current title report was not provided for review. There are no apparent easements, encroachments, or restrictions that would adversely affect value. This valuation assumes no adverse impacts from easements, encroachments, or restrictions, and further assumes that the subject has clear and marketable title.

**Conclusion of Site Analysis**

Overall, the physical characteristics and the availability of utilities result in a functional site, suitable for a variety of uses including those permitted by zoning. Uses permitted by zoning include a variety of commercial and multifamily uses. No other restrictions on development are apparent.



Subject facing northwest



Subject facing northwest



Subject facing west



Subject facing southwest



Converse Street facing east



Converse Street facing west



Kennedy Street facing south



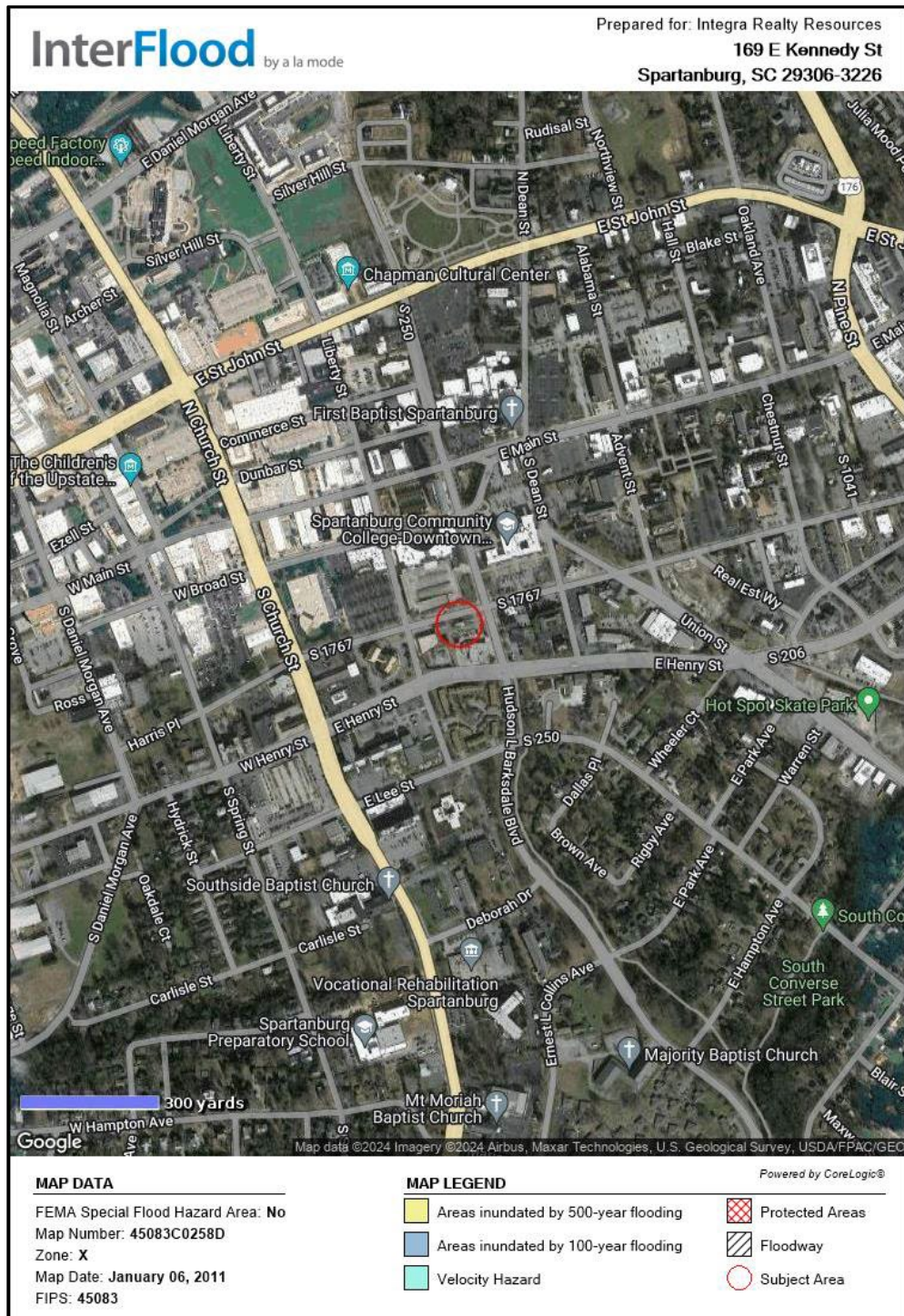
Kennedy Street facing north



## Aerial Photograph

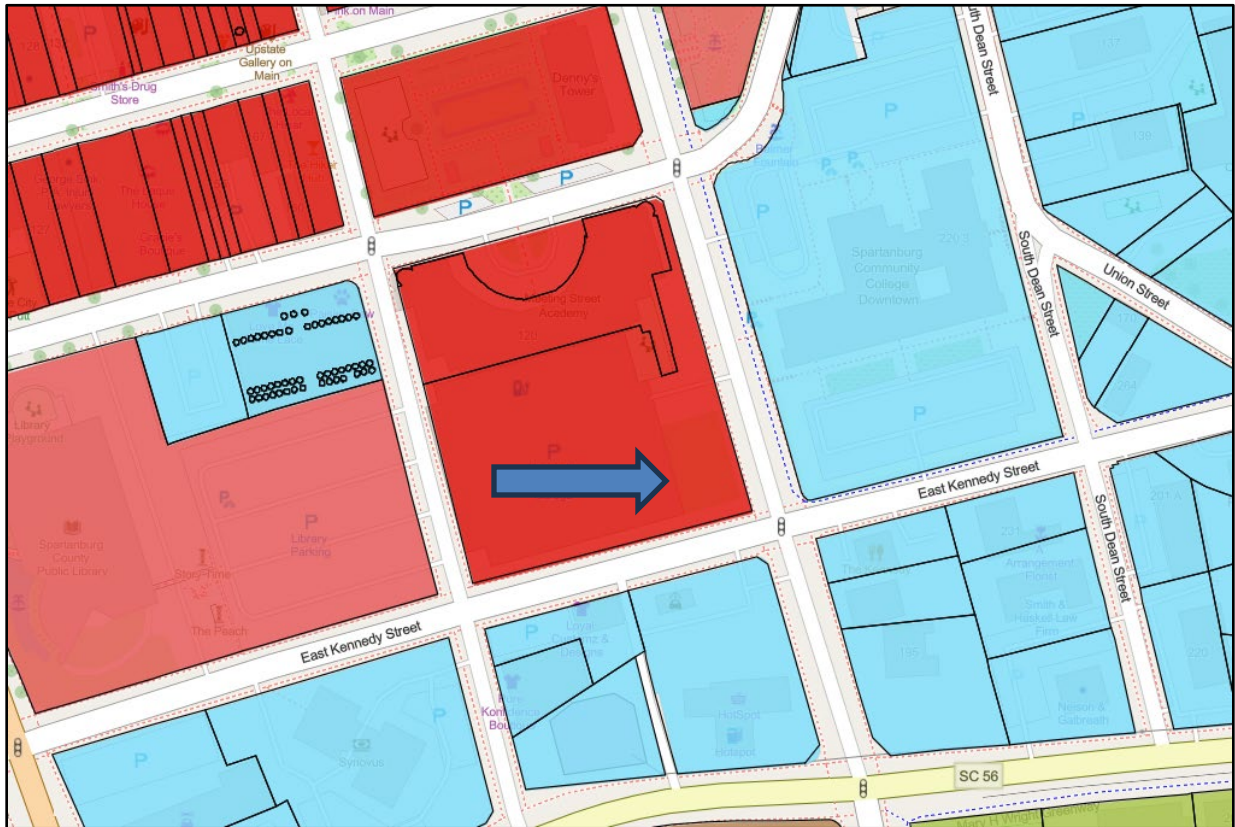


## Flood Hazard Map





## Zoning Map



## Real Estate Taxes

The real estate tax assessment of the subject is administered by the county. The South Carolina Real Property Valuation Reform Act of 2006 provides that any increase in the fair market value of real property attributable to the periodic countywide reassessment program is limited to fifteen percent of the prior year's fair market value. However, this limit does not apply to the fair market value of real property when an assessable transfer of interest (ATI) occurred in the year that the transfer value is first subject to tax. This means that all property sold during the year that is determined to be an ATI will be reassessed for the following year. Owners of such properties will receive a "Notice of Classification, Appraisal & Assessment of Real Estate" showing the ATI value for the year following the event with the reason for change being "ATI-Qualified Point of Sale".

In June of 2011, The SC Senate and House passed Point of Sale legislation that positively impacted the commercial real estate market in South Carolina. The approved Point of Sale legislation is applicable to all non-primary residential properties which are assessed at a six percent (6%) rate and include commercial properties, investment properties and second homes but excludes manufacturing properties assessed at 10.5% and owner-occupied residential that are assessed at 4%. Under the new law, properties will receive a 25% exemption from the sales value for taxation purposes.

An example of the change would be a commercial property is on the tax records and assessed at \$1,000,000 but the "Fair Market Value" according to the tax assessor's records is \$1,200,000. The property sells after December 31, 2010, for \$2,000,000. The sale value of \$2,000,000 is discounted by 25% to be \$1,500,000 which is established as the new Assessed Value. However, if the property sold for \$1,500,000, the 25% exemption would place the Assessed Value at \$1,125,000 which is below the Assessor's Fair Market Value of \$1,200,000 and therefore the Assessed Value would remain at \$1,200,000. The Assessor's "Fair Market Value" will be lowered if the property sells for less than the Assessor's Fair Market Value of record, provided it was an arm's length sale and the purchaser applies for a reduction.

**In all cases the property owner MUST apply for the new ATI exemption by January 30 for it to apply. If not applied for within the time frame noted, the purchaser loses the exemption.**

Taxes in South Carolina are based on:

$$\text{Taxable Value} \times \text{Assessment Ratio} = \text{Assessment}$$

$$\text{Assessment} \times \text{Millage Rate} = \text{Gross Taxes}$$

$$\text{Taxable Value times LOST Factor (if any)} = \text{LOST Credit}$$

$$\text{Gross Taxes Minus LOST Credit (if any)} = \text{Net Taxes}$$

The LOST factor is applied to the taxable value of a property. The LOST factor, available in some jurisdictions, is based on fiscal year retail sales and can change from year to year. In this analysis, we assume the LOST factor will remain the same as the prior year.

Projected real estate taxes for 2023 based on the current assessment are shown in the following chart. Note that once the subject property sells, it should trigger a reassessment subsequent to the transfer of the property. Therefore, we have also projected the subject's taxes based on the contract price and have applied the 25% exemption for the tax year 2024.

Taxes and Assessments - 2024									
Tax ID	Assessed Value			Equalization Factor	Equalized Value	Taxes and Assessments			
	Taxable Value	Assessment Ratio	Assessment			Ad Valorem Tax Rate	Taxes	Fees	Total
Portion of 7-12-21-103.00	Tax Exempt	6.0%	\$0	1.0000	\$0	48.280000%	\$0	\$0	\$0
Taxes and Assessments - 2025 - "If Sold" Scenario									
Tax ID	Assessed Value			Equalization Factor	Equalized Value	Taxes and Assessments			
	2025 Sale Price less 25% ATI Exemption	Assessment Ratio	Assessment			Ad Valorem Tax Rate	Taxes	Fees	Total
Portion of 7-12-21-103.00	\$3,375	6.0%	\$200	1.0000	\$200	49.728400%	\$99	\$0	\$99

Based on the concluded market value of the subject, the assessed value is low.



## Highest and Best Use

The highest and best use of a property is the reasonably probable use resulting in the highest value, and represents the use of an asset that maximizes its productivity.

### Process

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

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

### As Though Vacant

First, the property is evaluated as though vacant, with no improvements.

#### Physically Possible

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

#### Legally Permissible

The site is zoned DT-6, Urban Core District. Permitted uses include a variety of commercial and multifamily uses. There are no apparent legal restrictions, such as easements or deed restrictions, effectively limiting the use of the property. Given prevailing land use patterns in the area, only mixed use is given further consideration in determining highest and best use of the site, as though vacant.

#### Financially Feasible

Based on the accompanying analysis of the market, there is currently adequate demand for mixed use in the subject's area. It appears a newly developed mixed use on the site would have a value commensurate with its cost. Therefore, mixed use is considered to be financially feasible.

#### Maximally Productive

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

### Conclusion

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

**As Improved**

No improvements are situated on the subject. Therefore, a highest and best analysis as improved is not applicable.

**Most Probable Buyer**

Taking into account the characteristics of the site, as well as area development trends, the probable buyer is a developer.

# Valuation

## Valuation Methodology

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

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

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

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

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

The methodology employed in this assignment is summarized as follows:

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

## Sales Comparison Approach

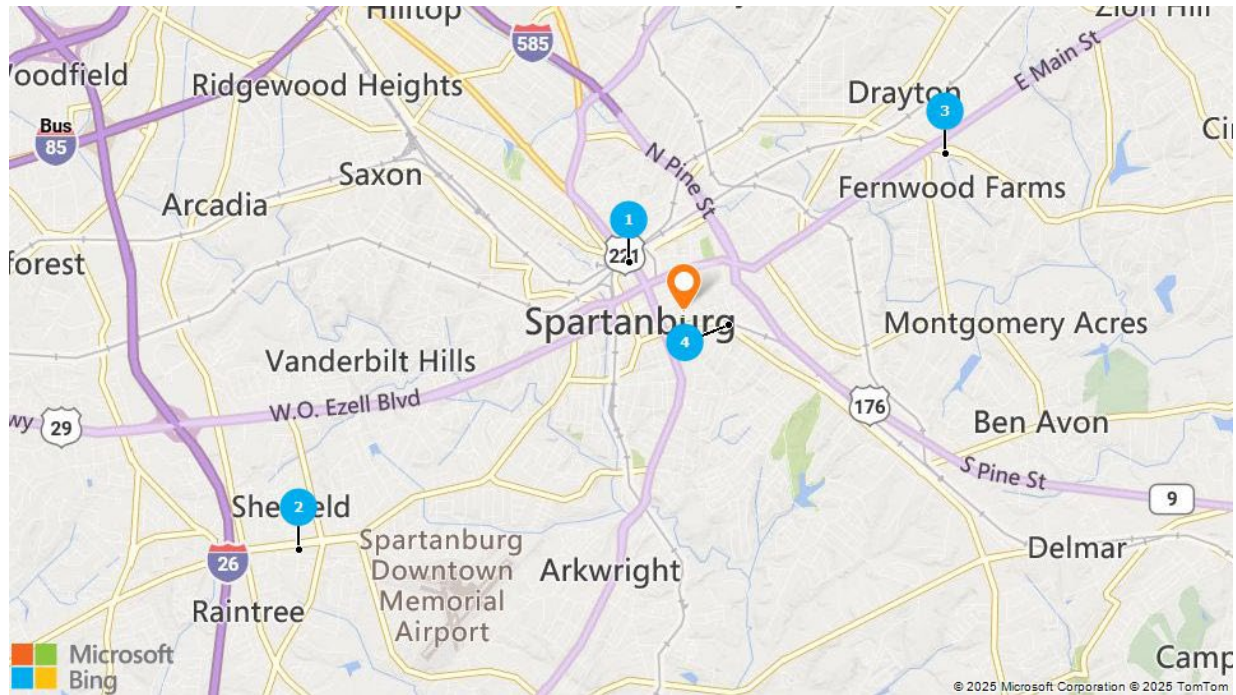
To develop an opinion of the subject's land value, as though vacant and available to be developed to its highest and best use, the sales comparison approach is used. This approach develops an indication of value by researching, verifying, and analyzing sales of similar properties. The research focused on transactions within the following parameters:

- Location: Spartanburg
- Size: Less than 2 acres (approximately)
- Use: Similar highest and best use
- Transaction Date: 2022 to present

For this analysis, price per acre is used as the appropriate unit of comparison because market participants typically compare sale prices and property values on this basis. The most relevant sales are summarized in the following table:

Summary of Comparable Land Sales							
No.	Name/Address	Sale Date; Status	Effective Sale Price	SF; Acres	Zoning	\$/SF Land	\$/Acre
1	Commercial Land 300 N. Church St. Spartanburg Spartanburg County SC Comments: Unknown development plans at this time.	Sep-24 Closed	\$150,000	10,375 0.24	DT-5	\$14.46	\$629,723
2	Vacant Land 1621 John B. White Sr. Blvd. Spartanburg Spartanburg County SC Comments: Former residence on-site to be demolished. Demo costs are estimated at \$15,000. Property will be re-developed with a Huey Magoo's Chicken Restaurant.	May-24 Closed	\$765,000	57,064 1.31	Unzoned	\$13.41	\$583,969
3	Vacant Land 1025 Fernwood Glendale Rd. Spartanburg Spartanburg County SC Comments: An adjacent property owner purchased this vacant lot for potential parking expansion.	Apr-23 Closed	\$425,000	42,689 0.98	PDD	\$9.96	\$433,673
4	0.747 Acre 307 Union St. Spartanburg Spartanburg County SC Comments: Former fast food restaurant site. The improvements had been demolished at the time of sale. The property is along the Mary Black Rail Trail. Unknown development plans but the site would be good for mixed-use development.	May-22 Closed	\$330,000	32,073 0.74	B-4	\$10.29	\$448,187
<b>Subject</b> Kennedy Street Apartments - Land Appraisal Spartanburg, SC				10,890 0.25	DT-6		

## Comparable Land Sales Map





Sale 1  
Commercial Land



Sale 2  
Vacant Land



Sale 3  
Vacant Land



Sale 4  
0.747 Acre

## **Analysis and Adjustment of Sales**

Adjustments are based on a rating of each comparable sale in relation to the subject. The adjustment process is typically applied through either quantitative or qualitative analysis, or a combination of both analyses. Quantitative adjustments are often developed as dollar or percentage amounts, and are most credible when there is sufficient data to perform a paired sales analysis.

While percentage adjustments are presented in the adjustment grid, they are based on qualitative judgment rather than empirical research, as there is not sufficient data to develop a sound quantitative estimate. Although the adjustments appear to be mathematically precise, they are merely intended to illustrate an opinion of typical market activity and perception. With the exception of market conditions, the adjustments are based on a scale, with a minor adjustment in the range of 1-5% and a substantial adjustment considered to be 20% or greater.

The rating of each comparable sale in relation to the subject is the basis for the adjustments. If the comparable is superior to the subject, its sale price is adjusted downward to reflect the subject's relative attributes; if the comparable is inferior, its price is adjusted upward.

Transactional adjustments are applied for property rights conveyed, financing, conditions of sale, expenditures made immediately after purchase, and market conditions. In addition, property adjustments include – but are not limited to – location, access/exposure, size, quality, effective age, economic and legal characteristics, and non-realty components of value. Adjustments are considered for the following factors, in the sequence shown below.

## **Transactional Adjustments**

### **Real Property Rights Conveyed**

The opinion of value in this report is based on a fee simple estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat, as well as non-detrimental easements, community facility districts, and conditions, covenants and restrictions (CC&Rs). All the comparables represent fee simple estate transactions. Therefore, adjustments for property rights are not necessary.

### **Financing Terms**

In analyzing the comparables, it is necessary to adjust for financing terms that differ from market terms. Typically, if the buyer retained third-party financing (other than the seller) for the purpose of purchasing the property, a cash price is presumed and no adjustment is required. However, in instances where the seller provides financing as a debt instrument, a premium may have been paid by the buyer for below-market financing terms, or a discount may have been demanded by the buyer if the financing terms were above market. The premium or discounted price must then be adjusted to a cash equivalent basis. The comparable sales represented cash-to-seller transactions and, therefore, do not require adjustment.

**Conditions of Sale**

Adverse conditions of sale can account for a significant discrepancy from the sale price actually paid, compared to that of the market. This discrepancy in price is generally attributed to the motivations of the buyer and the seller. Certain conditions of sale are considered non-market and may include the following:

- a seller acting under duress (e.g., eminent domain, foreclosure);
- buyer motivation (e.g., premium paid for assemblage, certain 1031 exchanges);
- a lack of exposure to the open market;
- an unusual tax consideration;
- a sale at legal auction.

None of the comparable sales had atypical or unusual conditions of sale. Thus, adjustments are not necessary.

**Expenditures Made Immediately After Purchase**

This category considers expenditures incurred immediately after the purchase of a property. Sale 4 reportedly had demolition costs after the sale.

**Market Conditions**

A market conditions adjustment is applied when market conditions at the time of sale differ from market conditions as of the effective date of value. Adjustments can be positive when prices are rising, or negative when markets are challenged by factors such as a deterioration of the economy or adverse changes in supply and/or demand in the market area. Consideration must also be given to when the property was placed under contract, versus when the sale actually closed.

In evaluating market conditions, changes between the comparable sale date and the effective date of this appraisal may warrant adjustment; however, if market conditions have not changed, then no adjustment is required.

The sales took place from May 2022 to September 2024. Market conditions have generally been strengthening over this period, though the effective date of value. We apply upward adjustments to account for improving market conditions.

**Property Adjustments****Location**

Factors considered in evaluating location include, but are not limited to, demographics, growth rates, surrounding uses and property values.

Sales 1, 3 and 4 are similar to the subject. No adjustments are necessary. Sale 2 is adjusted downward for superior location.



**Access/Exposure**

Convenience to transportation facilities, ease of site access, and overall visibility of a property can have a direct impact on property value. High visibility, however, may not translate into higher value if it is not accompanied by good access. In general, high visibility and convenient access, including proximity to major linkages, are considered positive amenities when compared to properties with inferior attributes.

All of the comparables are similar to the subject. No adjustments are necessary.

**Size**

Due to economies of scale, the market exhibits an inverse relationship between land area and price per square foot, such that larger sites generally sell for a lower price per square foot than smaller lots, all else being equal. To account for this relationship, applicable adjustments are applied for differences in land area. The comparables that are larger than the subject are adjusted upward, and vice versa.

Sale 1 is similar to the subject and requires no adjustment. Sales 2, 3 and 4 are larger than the subject and require upward adjustments.

**Shape and Topography**

This category accounts for the shape of the site influencing its overall utility and/or development potential, as well as the grade of the land.

Sales 1, 2 and 3 are similar to the subject and require no adjustment. Sale 4 is inferior to the subject. An upward adjustment is applied.

**Zoning**

This element of comparison accounts for government regulations that can affect the types and intensities of uses allowable on a site. Moreover, this category includes considerations such as allowable density or floor area ratio, structure height, setbacks, parking requirements, landscaping, and other development standards. The subject has a zoning designation of DT-6 - Urban Core District.

Sales 1 and 4 are similar to the subject and require no adjustment. Sale 2 is superior to the subject. A downward adjustment is applied. Sale 3 is inferior to the subject. An upward adjustment is applied.

**Utilities**

Sites with public utilities available are considered more desirable relative to properties requiring utility extensions, or those that need a private well and/or septic system. Properties without public utilities available typically require higher development costs, all else being equal.

All of the comparables are similar to the subject. No adjustments are necessary.

## Adjustments Summary

The sales are compared to the subject and adjusted to account for material differences that affect value. The following table summarizes the adjustments applied to each sale.

Land Sales Adjustment Grid					
	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Name	Kennedy Street Apartments - Land Appraisal	Commercial Land	Vacant Land	Vacant Land	0.747 Acre
Address	169 East Kennedy Street	300 N. Church St.	1621 John B. White Sr. Blvd.	1025 Fernwood Glendale Rd.	307 Union St.
City	Spartanburg	Spartanburg	Spartanburg	Spartanburg	Spartanburg
County	Spartanburg	Spartanburg	Spartanburg	Spartanburg	Spartanburg
State	South Carolina	SC	SC	SC	SC
Sale Date		Sep-24	May-24	Apr-23	May-22
Sale Status		Closed	Closed	Closed	Closed
Sale Price		\$150,000	\$750,000	\$425,000	\$330,000
Expenditures After Purchase		—	\$15,000	—	—
Effective Sale Price		\$150,000	\$765,000	\$425,000	\$330,000
Square Feet	10,890	10,375	57,064	42,689	32,073
Acres	0.25	0.24	1.31	0.98	0.74
Zoning Code	DT-6	DT-5	Unzoned	PDD	B-4
Topography	Level	Level	Level	Level	Gently Sloping
Water	Yes	Yes	Yes	Yes	Yes
Sewer	Yes	Yes	Yes	Yes	Yes
<b>Price per Acre</b>		<b>\$629,723</b>	<b>\$583,969</b>	<b>\$433,673</b>	<b>\$448,187</b>
<b>Transactional Adjustments</b>					
Property Rights		Fee Simple	Fee Simple	Fee Simple	Fee Simple
% Adjustment		—	—	—	—
Financing Terms		Cash to seller	Cash to seller	Cash to seller	Cash to seller
% Adjustment		—	—	—	—
Conditions of Sale		Arm's-length	Arm's-length	Arm's-length	Arm's-length
% Adjustment		—	—	—	—
Expenditures Made Immediately After Purchase		—	Demolition	—	—
\$ Adjustment		—	See Above	—	—
Market Conditions	4/22/2025	Sep-24	May-24	Apr-23	May-22
Annual % Adjustment	2%	1%	2%	4%	6%
<b>Cumulative Adjusted Price</b>		<b>\$636,020</b>	<b>\$595,649</b>	<b>\$451,020</b>	<b>\$475,078</b>
<b>Property Adjustments</b>					
Location		—	-5%	—	—
Access/Exposure		—	—	—	—
Size		—	15%	10%	10%
Shape and Topography		—	—	—	10%
Zoning		—	-5%	5%	—
Utilities		—	—	—	—
Net Property Adjustments (\$)		\$0	\$29,782	\$67,653	\$95,016
Net Property Adjustments (%)		0%	5%	15%	20%
<b>Final Adjusted Price</b>		<b>\$636,020</b>	<b>\$625,431</b>	<b>\$518,673</b>	<b>\$570,094</b>
<b>Range of Adjusted Prices</b>		<b>\$518,673 - \$636,020</b>			
<b>Average</b>		<b>\$587,555</b>			
<b>Indicated Value</b>		<b>\$620,000</b>			

### Land Value Conclusion

Prior to adjustments, the sales reflect a range of \$433,673 - \$629,723 per acre. After adjustment, the range is narrowed to \$518,673 - \$636,020 per acre, with an average of \$587,555 per acre. To arrive at an indication of value, primary weight is given to Sales 1 and 2, the most recent sales, and the sales requiring the least net adjustments.

Based on the preceding analysis, the land value conclusion for the subject is presented as follows:

Land Value Conclusion	
Indicated Value per Acre	\$620,000
Subject Acres	0.25
Indicated Value	\$155,000
Rounded	\$160,000

Additionally, we have included the following land listings:

Land Listings				
Address	Asking Price	Size (ac)	Asking Price/Acre	Comments
W. St. John St, Spartanburg, SC	\$2,700,000	8.08	\$334,158	Zoned DT-5.
375 W. Main St, Spartanburg, SC	\$1,000,000	1.17	\$854,701	Corner lot, W. Main and N. Forest St. Some deed restrictions apply.
630 W. St. John St, Spartanburg, SC	\$39,999	0.15	\$266,660	Zoned CBD.
277 W. Main St, Spartanburg, SC	\$8,500,000	12.7	\$669,291	Located in close proximity to the new minor league baseball stadium.
W. St. John St, Spartanburg, SC	\$135,000	0.75	\$180,000	Could be utilized for commercial or multifamily development, limited frontage along W. St. John St.
Maximum			\$854,701	
Minimum			\$180,000	
Average			\$460,962	

Listings typically represent the high end of the range prior to negotiations between parties.

Nonetheless, the above listings bracket the concluded market value for the subject property and offer further support for our value conclusion.

## Reconciliation and Conclusion of Value

As discussed previously, only the sales comparison approach is used to develop an opinion of value for the subject. The cost and income approaches are not applicable, and are not used.

Based on the preceding valuation analysis and subject to the definitions, assumptions, and limiting conditions expressed in the report, the concluded value opinion follows:

Value Conclusion			
Value Type & Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value As Is	Fee Simple	April 22, 2025	\$160,000

### Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is 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.

1. The real estate taxes are based on the assumption that a purchaser will apply for the 25% ATI exemption.
2. We were provided the estimated land area by the buyer and assume it is correct. We were not provided with a site plan, survey, or legal description with the land area and assume what we were told by the buyer is correct.

The value conclusions are based on the following hypothetical conditions. 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 analysis.

1. None

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

The value conclusion(s) in this report consider the impact of COVID-19 on the subject property.

### Exposure Time

Exposure time is the length of time the subject property would have been exposed for sale in the market had it sold on the effective valuation date at the concluded market value. Based on the concluded market value stated previously, the probable exposure time is 6-12 months.

### Marketing Period

Marketing time is an estimate of the amount of time it might take to sell a property at the concluded market value immediately following the effective date of value. The subject's marketing period is estimated at 6-12 months.

## Certification

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. We have prepared 1 appraisal of the subject property for the current client, and 1 appraisal for another client within a three-year period preceding this appraisal assignment. We have provided 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 the agreement to perform this assignment.
5. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice as well as applicable state appraisal regulations.
9. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. Kenneth R. Hollister has made a personal inspection of the property that is the subject of this report. Cleveland A. Wright, Jr., MAI has not personally inspected the subject.
12. No one provided significant real property appraisal assistance to the persons signing this certification.
13. We have experience in appraising properties similar to the subject and are in compliance with the Competency Rule of USPAP.

14. As of the date of this report, Cleveland A. Wright, Jr., MAI has completed the continuing education program for Designated Members of the Appraisal Institute.
15. As of the date of this report, Kenneth R. Hollister has completed the continuing education program for Practicing Affiliates of the Appraisal Institute.



Kenneth R. Hollister  
South Carolina State Certified General Real  
Estate Appraiser #CG7380



Cleveland A. Wright, Jr., MAI  
South Carolina State Certified General Real  
Estate Appraiser #CG5913

## Assumptions and Limiting Conditions

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

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

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

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

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



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

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

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

28. The appraisal is also subject to the following:

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**Extraordinary Assumptions and Hypothetical Conditions**

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The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is 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.

1. The real estate taxes are based on the assumption that a purchaser will apply for the 25% ATI exemption.
2. We were provided the estimated land area by the buyer and assume it is correct. We were not provided with a site plan, survey, or legal description with the land area and assume what we were told by the buyer is correct.

The value conclusions are based on the following hypothetical conditions. 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 analysis.

1. None

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

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## **Addendum A**

### **Appraiser Qualifications**

# Kenneth R. Hollister

## Experience

Analyst with Integra Realty Resources - Columbia. Mr. Hollister began his appraisal career with Integra Realty Resources - Greensboro in January 2012 and joined Integra Realty Resources - Columbia in May 2016.

Valuation assignments have been completed on the following property types:

Residential: Agricultural land, single family residential, multifamily, mobile home parks

Office/Retail: Vacant land, condominiums, office buildings, medical offices, retail strip centers, mixed use retail/office, freestanding retail, convenience stores, auto repair facilities, restaurants, furniture showrooms

Industrial: Vacant land, light industrial, heavy industrial, multi tenant industrial parks, flex offices

Special Purpose: Car washes, landfills, churches, fraternal organizations, self-storage facilities

## Professional Activities & Affiliations

Practicing Affiliate: Appraisal Institute, January 2012

## Licenses

North Carolina, General Appraiser, A8072, Expires June 2025

South Carolina, State Certified General Real Estate Appraiser, 7380, Expires June 2026

Georgia, Certified General Real Property Appraiser, 377607, Expires February 2026

## Education

Bachelor of Arts Political Science, Clemson University, Clemson, SC (2011)

Appraisal courses completed as follows:

Basic Appraisal Principals

Basic Appraisal Principals

Basic Appraisal Procedures

Residential Market Analysis and Highest and Best Use

USPAP – 15 hour

USPAP Update – 7 Hour

2024-2025 USPAP Update

Statistics Modeling and Finance

Business Practices and Ethics

General Appraiser Income Approach Part 1

General Appraiser Income Approach Part 2

General Appraiser Sales Comparison Approach

General Appraiser Site and Cost Approach

General Appraiser Market Analysis and Highest and Best Use

General Report Writing and Case Studies

Commercial Appraisal Review – Subject Matter Electives

**Integra Realty  
Resources - Columbia**

1623 Lake Murray Blvd

Columbia, SC 29212

T 803.772.8282

F 803.772.0087

irr.com

**khollister@irr.com - 803.772.8282 x102**



# Kenneth R. Hollister

## Education (Cont'd)

Expert Witness for Commercial Appraisers – Subject Matter Electives  
Fundamentals of Affordable Housing  
Residential and Commercial Valuation of Solar  
Introduction to Green Buildings: Principles & Concepts  
Appraisal of Eminent Domain Acquisitions  
Uniform Appraisal Standards for Federal Land Acquisitions  
Regional & Local Verification Requirements for Yellow Book, USPAP, State Regulations & Various Clients  
How Tenants Create or Destroy Value: Leasehold Valuation and its Impact on Value Confirmation  
Residential Construction and the Appraiser  
Valuation Overview of Accessory Dwelling Units  
Getting It Right from the Start: A Workout Plan for Your Scope of Work  
Analyzing Operating Expenses  
ANSI Standards Review and Update  
Aerial Inspections for Real Estate Appraisers

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**NORTH CAROLINA  
APPRAISAL BOARD**

**APPRAISER QUALIFICATION CARD**

REGISTRATION / LICENSE / CERTIFICATE HOLDER

**KENNETH R HOLLISTER**

**A8072**

APPRAISER NUMBER

**G**

TYPE

**Y**

NATIONAL REGISTRY

*Kenneth R. Hollister*  
Appraiser's Signature

*Donald M. Kelly*  
Executive Director

**EXPIRES JUNE 30, 2025**

South Carolina Department of Labor, Licensing and Regulation  
**Real Estate Appraisers Board**



CERTIFIES THAT:

**KENNETH ROBERT HOLLISTER**  
IS AUTHORIZED TO PRACTICE  
**Certified General Appraiser**

LICENSE NO.  
**AB .7380 CG**

EXPIRATION DATE: 06/30/2026

To verify current license status, go to <http://verify.llronline.com/LicLookup/LookupMain.aspx>

**KENNETH ROBERT HOLLISTER**

# **377607**

Status **ACTIVE**

**END OF RENEWAL**  
**02/28/2026**

**CERTIFIED GENERAL REAL PROPERTY  
APPRAISER**

THIS LICENSE EXPIRES IF YOU FAIL TO PAY  
RENEWAL FEES OR IF YOU FAIL TO COMPLETE ANY  
REQUIRED EDUCATION IN A TIMELY MANNER.

State of Georgia  
Real Estate Commission  
Suite 1000 - International Tower  
229 Peachtree Street, N.E.  
Atlanta, GA 30303-1605



**LYNN DEMPSEY**  
Real Estate Commissioner

1604353172214452



# Cleveland "Bud" A. Wright, Jr., MAI

## Experience

Senior Managing Director of Integra Realty Resources - Charleston. Actively engaged in real estate since 2006 in the fields of real estate valuation and consulting as well as ownership of investment real estate. Mr. Wright has a broad range of experience in valuation and analysis of all types of real estate including apartments; hotels/motels; offices; medical offices; adaptive reuse projects; manufacturing facilities; warehouses; bulk distribution facilities; mini-warehouses; shopping centers; residential subdivisions; planned unit developments; vacant land; churches; restaurants; marinas and special purpose properties. Other services include consultation, market studies, feasibility studies, condemnation, and tax appeals.

## Professional Activities & Affiliations

Member: Appraisal Institute, February 2012

Member: Charleston Trident Association of Realtors

## Licenses

South Carolina, State Certified General Real Estate Appraiser, CG5913, Expires June 2026

Georgia, State Certified Real Estate Appraiser, 355676, Expires August 2025

North Carolina, State Certified Real Estate Appraiser, A7896, Expires June 2025

## Education

B.A. - Managerial Economics, Hampden-Sydney College, Hampden-Sydney, VA 2000

Appraisal courses completed are as follows:

L1: Fundamentals and Principles of Real Estate Appraisals

L2: Valuation Methods for Real Estate Appraisals

L3: USPAP Standard Course

CR: Applied Residential Case Study

C1: Basic Income Property Appraising

C2: Advanced Income Property Appraising

C3: Applied Income Property Valuation

420: Business Practices and Ethics

520: Market Analysis and Highest and Best Use

540: Report Writing and Valuation Analysis

510: Advanced Income Capitalization

530: Advanced Sales Comparison & Cost Approaches

550: Advanced Application

General Demonstration Report Writing

7 Hour National USPAP Equivalent Course

Eminent Domain and Condemnation

Appraisal of Medical Office Buildings

Appraising Automobile Dealerships

Forecasting Revenue

Analyzing Operating Expenses

Appraising Convenience Stores

Feasibility, Market Value, Investment Timing: Option Value

Integra Realty  
Resources - Charleston

11-C Isabella Street

Charleston, SC 29403

T 843.718.2125

F 843.718.2058

irr.com



State of South Carolina  
Department of Labor, Licensing and Regulation  
Real Estate Appraisers Board

**CLEVELAND A WRIGHT JR**

Is hereby entitled in practice as a:

**Certified General Appraiser**

License Number: **5913**

Expiration Date: 06/30/2026

**POCKET CARD**

*Laura L. Smith*  
**Board Executive**

CLEVELAND WRIGHT JR

# 355676  
Status ACTIVE

END OF RENEWAL  
08/31/2025

CERTIFIED GENERAL REAL PROPERTY  
APPRAISER

THIS LICENSE EXPIRES IF YOU FAIL TO PAY  
RENEWAL FEES OR IF YOU FAIL TO COMPLETE ANY  
REQUIRED EDUCATION IN A TIMELY MANNER.

State of Georgia  
Real Estate Commission  
Suite 1000 - International Tower  
229 Peachtree Street, N.E.  
Atlanta, GA 30303-1605



LYNN DEMPSEY  
Real Estate Commissioner

1540150720404731



NORTH CAROLINA  
APPRAISAL BOARD

**APPRAISER QUALIFICATION CARD**

REGISTRATION / LICENSE / CERTIFICATE HOLDER

**CLEVELAND A WRIGHT JR**

24

A7896  
APPRAISER NUMBER

G  
TYPE

Y  
NATIONAL REGISTRY

25

*Cleveland A. Wright Jr.*  
Appraiser's Signature

*Donald H. Kelly*  
Executive Director

EXPIRES JUNE 30, 2025

## About IRR

Integra Realty Resources, Inc. (IRR) provides world-class commercial real estate valuation, counseling, and advisory services. Routinely ranked among leading property valuation and consulting firms, we are now the largest independent firm in our industry in the United States, with local offices coast to coast and in the Caribbean.

IRR offices are led by MAI-designated Senior Managing Directors, industry leaders who have over 25 years, on average, of commercial real estate experience in their local markets. This experience, coupled with our understanding of how national trends affect the local markets, empowers our clients with the unique knowledge, access, and historical perspective they need to make the most informed decisions.

Many of the nation's top financial institutions, developers, corporations, law firms, and government agencies rely on our professional real estate opinions to best understand the value, use, and feasibility of real estate in their market.

*Local Expertise...Nationally!*

# irr.com



## **Addendum B**

### **IRR Quality Assurance Survey**

## IRR Quality Assurance Survey

### **We welcome your feedback!**

At IRR, providing a quality work product and delivering on time is what we strive to accomplish. Our local offices are determined to meet your expectations. Please reach out to your local office contact so they can resolve any issues.

### **Integra Quality Control Team**

Integra does have a Quality Control Team that responds to escalated concerns related to a specific assignment as well as general concerns that are unrelated to any specific assignment. We also enjoy hearing from you when we exceed expectations! You can communicate with this team by clicking on the link below. If you would like a follow up call, please provide your contact information and a member of this Quality Control Team will call contact you.

Link to the IRR Quality Assurance Survey: [quality.irr.com](https://quality.irr.com)

## **Addendum C**

### **Property Information**

RECORDED  
1990 AUG 29 PM 3:53

DEED 56-X PG 244

RMC  
SPARTANBURG, S.C.

Block Map No. 7-12-21-102  
7-12-21-103  
7-12-21-121

Grantees' address:  
Broadwalk Associates  
P.O. Box 3126  
Spartanburg, SC 29304

STATE OF SOUTH CAROLINA )  
COUNTY OF SPARTANBURG )

CORRECTIVE  
TITLE TO REAL ESTATE

WHEREAS, the City of Spartanburg, a municipal corporation, conveyed the property herein described to Broadwalk Associates, Inc. by deed dated July 12, 1990, and recorded July 17, 1990 in Deed Book 56-T, page 629, RMC Office for Spartanburg County; and

WHEREAS, the City of Spartanburg conveyed the property to grantee, Broadwalk Associates, Inc., subject to certain easements as more fully described in the original deed and this corrective deed; and

WHEREAS, question has arisen as to ownership of the fee title to property comprised within the easements and the parties desire to eliminate any question of fee ownership to the easement.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that the City of Spartanburg, a Municipal Corporation organized and existing under the laws of the State of South Carolina, in the State aforesaid, in consideration of the sum of Three and no/100 Dollars (\$3.00) to it in hand paid at and before the sealing of these presents by Grantee (the receipt of which is hereby acknowledged) and the preambles, has granted, bargained, sold and released, and by these presents, does grant, bargain, sell and release the following described real estate unto the said BROADWALK ASSOCIATES, INC., a South Carolina corporation:

All that certain piece, parcel or lot of land shown as the Broadwalk Retail and Office Complex Footprint, containing 1.038 acres as shown on plat by Lavender, Smith & Associates, Inc., for City of Spartanburg - Broadwalk, dated June 27, 1990, recorded in Plat Book 110, page 562, RMC Office for Spartanburg County. Said property being located at the intersection of Broad Street at its intersection with South Converse Street, with the City of Spartanburg multilevel parking garage to the south, and South Liberty Street to the west.



DEED 56-X PAGE 245

This parcel was acquired by the City of Spartanburg from numerous sources, and a derivation is impractical.

SUBJECT TO Easements 2, 3 and 4 as shown on the plat above described.

Said property conveyed subject to the following easements:

City of Spartanburg retains Easements 2, 3 and 4 as set forth in the Tri-Party Agreement for Easements between City of Spartanburg, Broadwalk International Inc. and Spartan Realty, Inc. for itself, its successors and assigns, perpetually, which shall be used for ingress and egress and are specifically retained by the City of Spartanburg, all of which is shown on the plat of the property, said Agreement being recorded in Deed Book 56-T, page 633, RMC Office for Spartanburg County.

This conveyance is further subject to the following covenants which shall run with the land:

The Grantee agrees for itself, its successors and assigns, to or of the property or any part thereof, that if any of the following events, default or breach occur prior to completion of the Improvements as certified by the City:

(a) The Grantee (or successor in interest) shall default in or violate its obligations with respect to the construction of the improvements (including the nature and the dates for the beginning and completion thereof), or shall abandon or substantially suspend construction work, and any such default, violation, abandonment, or suspension shall not be cured, ended or remedied within ninety (90) days.

(b) The Grantee (or the successor in interest) shall fail to pay real estate taxes or assessments on the property or any part thereof when due, or shall place thereon any encumbrance or lien except for the purposes of obtaining (i) funds only to the extent necessary for making the improvements and (ii) such additional funds, if any, in an amount not to exceed the purchase price paid by the Grantee to the City; or shall suffer any levy or attachment to be made, or any materialmen's or mechanic's lien, or any unauthorized encumbrance or lien to attach, and such taxes or assessments shall not have been paid, or the encumbrance or lien removed or discharged or provision satisfactory to the City made for such payment, removal, or discharge, within ninety (90) days after written demand by the City so to do;

DEED 56--X PG 246

City shall have the right to re-enter and take possession of the property and terminate the estate conveyed herein and all rights and interests in and to the property reverting back to City.

The rights of the Grantor, with respect to re-entering, taking possession of the property, and terminating the estate conveyed herein, and all rights and interest in and to the property reverting back to City, shall always be subject to, limited by, and shall not defeat, render invalid, or limit in any way, (a) the lien of any mortgage authorized by that certain Contract for Sale of Land for Private Development dated December 12, 1989, as amended March 27, 1990 and May 31, 1990, between the City of Spartanburg, the Redevelopment Commission of the City of Spartanburg, and Broadwalk Associates, Inc. (herein "the Contract"); and (b) any rights or interests provided in the Contract for the protection of the holders of such mortgages.

TOGETHER with all and singular the rights, members, hereditaments and appurtenances to the said premises belonging, or in anywise incident or appertaining.

TO HAVE AND TO HOLD, all and singular the said premises before mentioned unto the said Grantee, its successors and assigns, forever.

And, the said City does hereby bind itself and its successors, to warrant and forever defend all and singular the said premises unto the said Grantee, its successors and assigns, against the Grantor and its successors lawfully claiming or to claim the same or any part thereof except as to the easements, rights of way, and restrictions and conditions affecting the property.

SIGNED, SEALED AND DELIVERED, this 17<sup>th</sup> day of August, 1990.

Signed, sealed and delivered  
in the presence of:

City of Spartanburg

Norma Dunham BY Wayne Bowers (SEAL)  
Wayne Bowers  
City Manager

Gualdine M. Wilson Attest: Oles C. Womick (SEAL)  
Oles C. Womick  
City Clerk

DEED 56-X PG 247

STATE OF SOUTH CAROLINA )  
COUNTY OF SPARTANBURG )

Personally appeared before me Norma Dunham  
and made oath that (s)he saw the within named City of  
Spartanburg, by Wayne Bowers, City Manager, as attested by  
Oles C. Womick, City Clerk, sign, seal and as its act and  
deed, deliver the within written deed, and that (s)he with  
Geraldine M. Wilson, witnessed the execution  
thereof.

Norma Dunham

Sworn to before me this 17th  
day of August, 1990.

Geraldine M. Wilson (SEAL)  
Notary Public for South Carolina.

My commission expires:  
6-23-96

February 15, 2024

**VIA E-MAIL AND FEDEX**

Spartanburg City Offices  
187 W Broad Street  
Spartanburg, SC 29306  
Attn: Chris Story, City Manager  
*Via e-mail to: cstory@cityofspartanburg.org*

Re: Notice of first extension of Due Diligence Period and notice of assignment pursuant to that certain Agreement of Sale and Purchase between City of Spartanburg ("**Seller**") and Blue Wall RE LLC ("**Buyer**") dated February 23, 2022, as amended by that certain First Amendment to Agreement of Sale and Purchase dated February 20, 2023 (as amended, the "**Agreement**")

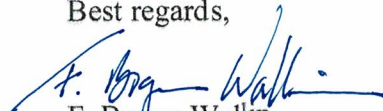
Dear Mr. Story:

In accordance with Section 6(c) of the Agreement, this letter shall serve as Buyer's notice to Seller of Buyer's election to exercise Buyer's first sixty (60) day extension of the Due Diligence Period. For the avoidance of confusion, unless otherwise extended, the Due Diligence Period shall extend until 5:00 p.m. eastern standard time on April 19, 2024.

Furthermore, in accordance with Section 19(d) of the Agreement, this letter shall serve as Buyer's notice to Seller that Buyer hereby assigns all of Buyer's right, title, and interest in and to the Agreement to Kennedy Street Owner, LP, a South Carolina limited partnership.

Please do not hesitate to contact me if you have any questions or concerns.

Best regards,

  
F. Bogue Wallin

**AGREEMENT OF SALE AND PURCHASE**

**CITY OF SPARTANBURG ("SELLER")**

**&**

**BLUE WALL RE LLC ("BUYER")**

**PROPERTY: Converse Street land, Spartanburg, South Carolina**

THIS AGREEMENT OF SALE AND PURCHASE is made this 23 day of FEBRUARY, 2022, between The City of Spartanburg, a South Carolina municipality having an address at 145 W. BROAD ST., SPARTANBURG ("Seller") and BLUE WALL RE LLC a South Carolina limited liability company having an address at P.O. Box 26462 Greenville, SC, 29616, or its assignee ("Buyer"). This Agreement is to be effective as of the date on which this Agreement has been fully executed and delivered by Buyer and Seller, and such later date shall be entered above (the "Effective Date").

In consideration of the covenants and provisions contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Agreement to Sell and Purchase.** Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, subject to the terms and conditions of this Agreement, that certain tract of vacant land on the southeast corner of tax parcel number 7-12-21-103 fronting both Converse and Kennedy street (to be subdivided out of said tax parcel by seller prior to closing) in the City of Spartanburg in Spartanburg County, South Carolina as more fully described in the legal description attached hereto as Exhibit "A", together with all right, title and interest of Seller in and to any land lying in the bed of any highway, street, road or avenue, opened or proposed, in front of or abutting or adjoining such tract or piece of land and any easements and appurtenances pertaining thereto (the "Property").

2. **Purchase Price.** The purchase price for the Property is Four thousand five hundred Dollars (\$4,500.00) (the "Purchase Price"), payable as follows:

(a) Five hundred and no/100 Dollars (\$500) (the "Deposit") by wire transfer payable to ("Escrow Agent") within seventy-two (72) hours following the Effective Date. The Deposit shall be held in a non-interest bearing, federally insured account, by Escrow Agent to be held and disbursed in accordance with the terms of this Agreement.

(b) Four thousand five hundred (\$4,500), less the Deposit and prorated for closing costs, of the Purchase Price shall be paid to Seller at Settlement (as defined below) in cash by wire transfer of immediately available federal funds.

3. **Settlement.** Settlement shall be held on or before the date which is sixty (60) days after expiration of the Due Diligence Period (as defined below, and as it may be extended) (or on



the next business day thereafter if such date is not a business day) at the offices of Buyer's attorney or at such other time and place as may be mutually agreed upon by the parties.

4. **Condition of Title; Property Boundaries.**

(a) Title to the Property shall be good and marketable (i) free and clear of all liens, restrictions, easements, encumbrances, claims or liens by contractors, subcontractors, mechanics and materialmen, leases, financing statements or other personal property liens or encumbrances and other title objections, other than such title exceptions as may be approved by Buyer within the Due Diligence Period, (ii) affirmatively insured as contiguous with no gaps or gores and (iii) insurable as aforesaid at ordinary rates by Chicago Title Insurance Company or any other title insurance company selected by Buyer. There shall be no exception for possible mechanics liens or possible unsettled taxes of any kind against Seller or the Property. Seller shall pay and discharge all liens at or before Settlement; if Seller fails to do so, Buyer shall have the option, at its election, to pay and discharge such liens, and all such amounts paid by Buyer shall be a credit against the Purchase Price. Between the time period commencing on the Effective Date and ending on the earlier of Settlement or termination of this Agreement, Seller agrees that it will take no action to convey any interest in the Property to anyone other than Buyer.

(b) If title to the Property cannot be conveyed to Buyer at Settlement in accordance with the requirements of this Agreement, Seller shall take appropriate action to cure the defect, and at Buyer's option Settlement may be postponed for a reasonable time, not exceeding thirty (30) days, to permit Seller to correct the title deficiency. If the title deficiency is of such a nature that it is not capable of being corrected by Seller, Buyer shall have the option (i) of taking such title as Seller can convey with abatement of the Purchase Price, or (ii) of terminating Buyer's obligations under this Agreement, having the Deposit returned to it and being reimbursed by Seller for all reasonable out-of-pocket costs and expenses incurred by Buyer in connection with this Agreement and the Property, including but not limited to title company charges, engineering fees, environmental consultants' fees, architects' fees, legal fees and other similar charges ("Buyer's Reasonable Costs").

(c) Buyer acknowledges that Buyer is responsible for verifying the boundaries and size of the Property through an independent survey and, since the Property is being subdivided from a larger parcel upon which Seller shall retain ownership of an existing operating public parking garage that Seller shall review a conceptual survey of the tract within 30 days of this agreement provided by Buyer to Seller. If Seller and Buyer cannot agree on the conceptual Survey then Buyer may elect to terminate the Agreement per Article 6 (b) below.

5. **Representations and Warranties.** Except as otherwise provided in this Agreement, Buyer acknowledges and agrees that Seller has not made, does not make and disclaims any representations, warranties, promises, agreements or guaranties of, as to, concerning or with respect to (i) the value, nature, quality or physical condition of the Property, including without limitation, the water, soil and geology, (ii) the income to be derived from the Property, (iii) the habitability, merchantability, marketability, or fitness for a particular purpose of the Property. Buyer acknowledges and agrees that having been given the opportunity to inspect the Property, the Buyer



is relying primarily on its own investigation of the Property and information provided by Seller, and at the Settlement arising from or related to the matters set forth above in items (i) through (iii) of this Section. Seller, to induce Buyer to enter into this Agreement and to complete the sale and purchase of the Property hereunder, represents warrants and covenants to Buyer as follows:

(a) Seller has no knowledge of, and has received no notice from, any governmental authority asserting any violation of any federal, state, county or municipal laws, ordinances, codes, orders, regulations, or requirements affecting any portion of the Property, including, without limitation, any applicable environmental laws or regulations. There is no action, suit or proceeding pending or, to the knowledge of Seller, threatened against or affecting Seller's interest in the Property or the Property or any portion thereof or relating to or arising out of the ownership of the Property, in any court or before or by any federal, state, county or municipal department, commission, board, bureau or agency or other governmental instrumentality.

(b) To the knowledge of Seller there are no assessments or charges for any public improvements have been made against the Property which remain unpaid, no improvements to the Property or any roads or facilities abutting the Property have been made or ordered for which a lien, assessment or charge can be filed or made, and Seller has no knowledge of any plans for improvements by any governmental or quasi-governmental authority which might result in a special assessment against the Property. Seller has incurred no obligations relating to the installation of or connection to any sanitary sewers or storm sewers which shall be enforceable against the Property, and all public improvements ordered, advertised, commenced, or completed prior to the date of this Agreement shall be paid for in full by Seller prior to Settlement. Provided Settlement is completed hereunder and there is no breach of the warranties contained in this subparagraph, Buyer will be responsible for payment of assessments or notices of assessments for any public improvement made after the Effective Date.

(c) Seller has no knowledge of and has received no notice of any present or threatened ban, moratorium, or other limitation of any kind on new connections or additional flows to the sewage treatment plant serving or to serve the Property or the conveyance facilities leading to such sewage treatment plant.

(e) In the event Buyer shall discover such hazardous wastes, toxic substances, tanks or other unsatisfactory (in Buyer's sole discretion) environmental conditions on the Property at any time prior to Settlement, in addition to its other rights and remedies at law or equity or under this Agreement, Buyer shall have the right to terminate this Agreement upon written notice thereof to Seller, whereupon Escrow Agent shall return the Deposit to Buyer, and thereafter this Agreement shall be deemed void and neither party shall have any further rights or obligations hereunder; provided, however, that if Seller had actual knowledge of such environmental condition and failed to disclose same to Buyer in breach of this Agreement, Seller shall immediately reimburse Buyer for Buyer's Reasonable Costs. The foregoing reimbursement obligation of Seller shall survive termination of this Agreement. Notwithstanding anything to the contrary herein, the effect of the representations made in this subparagraph shall not be diminished or deemed to be waived by any inspections, tests or investigations made by Buyer or its agents.



(f) There are no management, employment, service, equipment, supply, maintenance, water, sewer, or other utility or concession agreements or agreements with municipalities (including improvement or development escrows or bonds) with respect to or affecting the Property which will burden the Property or Buyer after Settlement in any manner whatsoever, except for instruments of record.

(g) Seller holds fee simple title to the Property. Seller is a duly existing corporation and has the power and authority to enter into this Agreement and to consummate the transactions herein contemplated.

(h) To Seller's knowledge, no party has any right or option to acquire the Property or any portion thereof.

(i) The Property does not constitute fifty percent (50%) or more of the assets or the real property owned by Seller located in the state in which the Property is located.

(j) No representation, statement or warranty by Seller contained in this Agreement or in any exhibit attached hereto contains or will contain any untrue statements or omits or will omit a material fact necessary to make the statement of fact therein recited not misleading. If, after Seller's execution hereof, any event occurs or condition exists which renders any of the representations contained herein untrue or misleading, Seller shall promptly notify Buyer.

(k) Neither the execution and delivery of this Agreement, nor compliance with the terms and conditions of this Agreement by Seller, nor the consummation of the sale, constitutes or will constitute a violation or breach of the Articles of Incorporation or By-Laws of Seller, or of any agreement or other instrument to which it is a party, to which it is subject or by which it is bound.

(l) The execution and delivery of this Agreement have been approved by the authorized representatives of Seller and no further corporate action is required on the part of Seller to consummate the transaction contemplated hereby. The corporate officers executing this Agreement on behalf of Seller have all requisite authority to execute this Agreement, and this Agreement, as executed, is valid, legal, and binding upon Seller. There are no proceedings pending or threatened by or against Seller in bankruptcy, insolvency, or reorganization in any state or federal court.

(m) Seller acknowledges that Buyer is pursuing Low Income Housing Tax Credits (LIHTC) to develop affordable housing and that Buyer is working diligently to pursue such LIHTC from the appropriate State and Federal authorities. The Buyer is competing for LIHTC and that the Seller's cooperation can be beneficial to winning the LIHTC. Seller agrees to cooperate and support Buyer's efforts to secure LIHTC and without LIHTC Buyer may not be able to complete the Purchase of the Property.

6. **Conditions of Buyer's Obligations.** The obligation of Buyer under this Agreement to purchase the Property from Seller is subject to the satisfaction at Settlement of each of the following conditions (any one of which may be waived in whole or in part by Buyer at or prior to Settlement):

(a) All of the representations and warranties by Seller set forth in this Agreement shall be true and correct at and as of Settlement in all respects as though such representations and warranties were made at and as of Settlement, and Seller shall have performed, observed and complied with all covenants, agreements and conditions required by this Agreement to be performed on its part prior to or as of Settlement.

(b) Buyer shall have three hundred and (360) day period (the "Due Diligence Period") beginning the day after the Effective Date to conduct due diligence investigations and analysis of the Property (including, but not limited to such tests, inspections, and studies as Buyer desires, including but not limited to environmental testing), secure capital commitments (both debt and equity) and gain land development approvals, if any, and a building permit for the development of the Property. Said privileges shall include the right to market and access the Property for purposes of identifying, showing, and negotiating for the use, lease and occupancy of the Property. If Buyer, in its sole discretion, determines that it does not desire to acquire the Property, with or without reason, and notifies Seller by 5:00 p.m. local time in the state in which the Property is located on the last day of the Due Diligence Period of its election to terminate this Agreement, the Deposit shall be returned to Buyer, this Agreement thereupon shall become void and there shall be no further obligation or liability on either of the parties hereto.

(c) Buyer may extend the Due Diligence Period for up to sixty (180) days in three 60-day increments by providing Seller notice of the extension prior to 5:00 p.m. on the last business day of the Due Diligence Period.

(d) Seller pledges its efforts to recommend the project for up to \$450,000 subordinate debt from the Spartanburg Housing Trust.

(e) Within three days of the Effective Date, Seller shall deliver or otherwise make available to Buyer all the following materials that are in the Seller's possession or control (collectively, the "Inspection Materials"):

(i) the latest plans or surveys of the Property prepared by a registered and licensed surveyor.

(ii) copies of all service contracts with respect to the Property.

(iii) copies of the latest soil studies, tests results, and environmental reports with respect to the Property.

(iv) copies of the latest title commitment and title policy with respect to the Property.

(v) copies of all leases and tenant information relating to the Property;  
and

(vi) copies of all licenses and permits relating to the Property.



(f) At Settlement, Seller shall deliver to Buyer duly executed originals of the following:

(i) A limited warranty deed to the Property duly executed and acknowledged by Seller and in proper form for recording (the "Deed").

(ii) A Nonforeign Person Certification in the form attached hereto as Exhibit "B", as required under Section 1445 of the Internal Revenue Code.

(iii) An assignment in form and substance mutually satisfactory to Seller and Buyer, duly executed by Seller, assigning to Buyer all of Seller's right, title and interest in and to any permits, licenses, plans, authorizations and approvals relating to ownership, operation or occupancy of the Property.

(iv) Originals of the following instruments, all certified by Seller as true and complete to the best knowledge of Seller:

(A) All licenses, plans, permits, authorizations and approvals required by law and issued by all governmental authorities having jurisdiction over the Property;

(B) Each bill of current real estate taxes, together with proof of payment thereof (to the extent same have been paid); and

(C) All plans, specifications, surveys, site plans, in the possession of Seller or any property manager(s).

(D) An affidavit of title in favor of Buyer and Buyer's title insurer in the form used by such title insurance company.

(E) Such other documents as reasonably may be required by Buyer's title company and as necessary to consummate this transaction in accordance with this Agreement.

Unless all the foregoing conditions contained in this Paragraph 6 are satisfied within the time period specified, or if no time period is specified, prior to or at Settlement, Buyer, at its election, may, either (i) extend the date for Settlement until such conditions are satisfied, or (ii) terminate this Agreement and have the Deposit refunded (provided, however, that termination and refund of the Deposit shall not be Buyer's exclusive remedy) or (iii) waive in writing the satisfaction of any such conditions, in which event this Agreement shall be read as if such conditions no longer existed.

7. **Possession.** Possession of the Property shall be given to Buyer at Settlement unoccupied and free of any leases, other claims to or rights of possession by delivery of the Deed. The Deed shall be prepared by Seller at Seller's expense and shall be submitted to Buyer for Buyer's approval no less than five (5) business days prior to Settlement hereunder. Prior to Settlement

hereunder, Seller shall clean the Property of trash, debris, equipment, vehicles, known toxic waste, signs and billboards, whether on the surface or buried below.

8. **Apportionments; Taxes; Taxes and Insurance After December 29, 2016.**

(a) Real estate taxes and other apportionable income and expenses paid or payable by Seller shall be apportioned pro rata on a per diem basis as of 12:01 A.M. on the date of Settlement. Taxes shall be apportioned based on the fiscal year of the taxing authority.

(b) All realty transfer taxes, if any, imposed on or in connection with this transaction shall be paid by Seller.

(c) In the event that all or any portion of the Property is subject to rollback taxes, Seller shall be responsible for payment thereof. The provisions hereof shall survive Settlement under this Agreement.

9. **Condemnation.** Seller covenants and warrants that Seller has not heretofore received any notice of any condemnation proceeding or other proceeding in eminent domain in connection with the Property. If prior to Settlement any such proceeding is commenced or any change is made, or proposed to be made, to the current means of ingress and egress to the Property or to the roads or driveways adjoining the Property, or to change such ingress or egress or to change the grade thereof, Seller agrees immediately to notify Buyer thereof. Buyer then shall have the right, at Buyer's option, to terminate this Agreement by giving written notice to Seller within thirty (30) days after receipt of such notice. If Buyer does not so terminate this Agreement, Buyer shall proceed to Settlement hereunder as if no such proceeding had commenced and will pay Seller the full Purchase Price in accordance with this Agreement; Seller shall assign to Buyer all of its right, title and interest in and to any compensation for such condemnation, Seller shall not negotiate or settle any claims for compensation prior to Settlement, and after Settlement Buyer shall have the sole right (in the name of Buyer or Seller or both) to negotiate for, to agree to and to contest all offers and awards.

10. **Default by Buyer.** If Buyer, without the right to do so and in default of its obligations hereunder, fails to complete Settlement, the Deposit shall be paid to Seller. Such payment of the Deposit to Seller shall be deemed to be liquidated damages for Buyer's default and the receipt of same shall be Seller's exclusive and sole remedy, and Seller hereby waives any right to recover the balance of the Purchase Price, or any part thereof, and the right to pursue any other remedy permitted at law or in equity against Buyer.

11. **Default by Seller.** If Seller, without the right to do so and in default of its obligations hereunder, fails to complete Settlement, the Deposit shall be returned to Buyer and Seller shall reimburse Buyer for all of Buyer's Reasonable Costs. In addition, Buyer may exercise any remedies available to it at law or in equity, including, but not limited to, specific performance.

12. **Risk of Loss.** Seller shall bear the risk of all loss or damage to the Property from all causes until Settlement.



13. **Brokerage.** Seller represents and warrants to Buyer and Buyer represents and Warrants to Seller that neither Buyer or Seller is represented by a Broker and that to both Buyer and Seller there is not commission or other fee owed to any intermediary as a result of the Agreement.

14. **Operation of the Property Prior to Settlement.** Prior to Settlement:

(a) The Property shall be operated, managed, and maintained in a reasonable, professional and prudent manner, and kept in reasonably good condition at all times.

(b) At reasonable times following reasonable notice, Buyer, its accountants, architects, attorneys, engineers, contractors and other representatives shall be afforded reasonable access (i) to make surveys of, and inspect, measure, appraise, and test, the Property, including without limitation, soil tests, environmental studies, building tests and (ii) to all books, records and files relating to the Property. Buyer shall have the right, at Buyer's expense, to make copies of all such books and records; provided, however, that Buyer shall return all copies of such books and records if Settlement does not occur under this Agreement. Buyer shall restore any area on the Property disturbed during Buyer's testing to the conditions existing prior to any tests conducted by Buyer. Any tests, inspections, or reports performed by, or at the direction of, Buyer shall be at Buyer's sole cost and expense and Buyer agrees to indemnify Seller for damage to the Property caused by Buyer's or Buyer's agents' inspection of the Property. Seller shall cooperate with Buyer's reasonable requests in connection with Buyer's inspection of the Property and review of the books, records and files relating to the Property.

(c) Seller promptly shall notify Buyer of Seller's receipt of any notice from any party alleging that Seller is in default of its obligations under any permit or agreement affecting the Property, or any portion thereof.

(d) No contract for or on behalf of or affecting the Property shall be negotiated or entered into which cannot be terminated by Seller prior to Settlement without charge, cost, penalty or premium.

15. **Notice.** All notices, requests and other communications under this Agreement shall be in writing and shall be delivered (i) by recognized overnight delivery service providing positive tracking of items (for example, Federal Express), or (ii) by e-mail provided that notice is given simultaneously by the method described in (i) above, addressed as follows or at such other address of which Seller or Buyer shall have given notice as herein provided:

If intended for Seller:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attn: \_\_\_\_\_

E-mail: \_\_\_\_\_

with a copy to:

\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_

Facsimile: \_\_\_\_\_

If intended for Buyer:  
Blue Wall REI LLC  
PO Box 26462  
Greenville, SC 29616  
Attn: F. Bogue Wallin  
E-mail: bogue.wallin@bluewallre.com

with a copy to:

All such notices, requests and other communications shall be deemed to have been sufficiently given for all purposes hereof only upon receipt by the party to whom such notice is sent or on the next business day if delivered by overnight delivery service. Notices by the parties may be given on their behalf by their respective attorneys.

16. **Indemnity by Seller.** Provided that Settlement has taken place hereunder, Seller agrees to indemnify and hold harmless Buyer from and against, and to reimburse Buyer with respect to any and all claims, demands, causes of action, losses, damages, liabilities, costs and expenses (including attorney's fees and court costs) asserted against or incurred by Buyer by reason of or arising out of (a) a breach of any representation or warranty of Seller as set forth in this Agreement and (b) the failure of Seller to perform any obligation required by this Agreement to be performed.

17. **Settlement Costs.** Seller shall pay for the costs of deed preparation, deed recording fees pursuant to Title 12, Chapter 24, S.C. Code of Laws and/or documentary stamps applicable to real estate transfers, all costs (if any) associated with obtaining the release of the Property from any applicable mortgage liens or other liens and encumbrances, and all fees and commissions relating to the listing and sale of the Property. Buyer shall pay all recording fees, all environmental inspections, appraisals, engineering fees, survey charges, other inspection fees, insurance premiums, title insurance premiums, and title examination charges. Each party shall pay its own attorney's fees, regardless of whether Settlement occurs, and all other settlement costs of whatever nature and kind incurred by such party in connection herewith.

18. **Further Assurances.** After Settlement, at Buyer's sole cost and expense, Seller shall execute, acknowledge, and deliver, for no further consideration, all assignments, transfers, deeds and other documents as Buyer may reasonably request to vest in Buyer and perfect Buyer's right, title and interest in and to the Property.

19. **Miscellaneous.**



(a) All of the representations and warranties contained in this Agreement, all covenants, agreements, and indemnities made herein, and all obligations to be performed under the provisions hereof shall survive Settlement.

(b) This Agreement shall be void and of no force or effect if not executed by Seller and delivered to Buyer or Buyer's attorney within five (5) days after execution by Buyer and delivery to Seller.

(c) The captions in this Agreement are inserted for convenience of reference only and in no way define, describe, or limit the scope or intent of this Agreement or any of the provisions hereof.

(d) Buyer shall have the right to assign this Agreement to an entity of which Buyer holds a controlling interest, and upon notice from Buyer, Seller agrees to convey the Property directly to Buyer's assignee if Buyer and/or assignee have fulfilled Buyer's obligations under this Agreement.

(e) This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

(f) This Agreement, including the exhibits attached hereto, contains the whole agreement as to the Property between Seller and Buyer and there are no other terms, obligations, covenants, representations, statements, or conditions, oral or otherwise of any kind whatsoever concerning this sale and purchase. This Agreement shall not be altered, amended, changed or modified except in writing executed by the parties hereto.

(g) This Agreement shall be construed in accordance with the laws of the State of South Carolina.

(h) Both parties to this Agreement having participated fully and equally in the negotiation and preparation hereof, this Agreement shall not be more strictly construed, or any ambiguities within this Agreement resolved, against either party hereto.

20. **Non-Disclosure.** Neither party shall make public disclosure with respect to this transaction before the Settlement except:

(a) as may be required by law; and

(b) to such prospective tenants of the Property, local authorities, attorneys, accountants, present or prospective sources of financing, partners, directors, officers, employees and representatives of either party or of such party's advisors who need to know such information for the purpose of evaluating and consummating the transaction, including the financing of the transaction; and

(c) as may be permitted specifically by the terms of this Agreement.

IN WITNESS WHEREOF, intending to be legally bound, the parties have caused this Agreement to be duly executed, under seal, as of the day and year first written above.

**SELLER:**

**CITY OF SPARTANBURG**

By: Chris Story  
Name: Chris Story  
Title: City Manager

**BUYER:**

**BLUE WALL REI LLC**

By: F. Bogue Wallin  
Name: F. BOGUE WALLIN  
Title: MANAGER



**EXHIBIT "A"**

**LEGAL DESCRIPTION**

Spartanburg County Tax Map Number 7-12-21 -103.00 as further subdivided by the Agreement.

## EXHIBIT "B"

### NONFOREIGN PERSON CERTIFICATION

Section 1445 of the Internal Revenue Code provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. To inform the transferee that withholding of tax is not required upon the disposition of a U.S. real property interest by First South Bank ("Transferor"), the undersigned hereby certifies the following on behalf of Transferor:

1. Transferor is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and income tax regulations);

2. The correct U.S. taxpayer identification number for Transferor is \_\_\_\_\_; and

3. The correct office address for Transferor is:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Transferor understands that this certification may be disclosed to the Internal Revenue Service by the transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalties of perjury, I declare that I have examined this certification and to the best of my knowledge and belief, it is true, correct and complete, and I further declare that I have authority to sign this document on behalf of Transferor.

FIRST SOUTH BANK

By: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

21. **Like Kind Exchanges.** Buyer or Seller may elect to exchange the Property for other real estate of a like kind in accordance with Section 1031 of the Internal Revenue Code of 1986 as amended (the "Code"). To the extent possible, the provisions of this Section shall be interpreted consistently with this intent. To exercise any rights under this Section, the party electing to exchange the Property shall provide the other with a written statement stating its intent to enter into an exchange at least five days prior to Settlement. Either party's election to exchange, rather than sell or buy, the Property for other real estate of a like kind shall be at no cost or liability to the other. Should this Agreement become part of a 1031 transaction, the party electing to exchange the Property (the "Exchanger") hereby agrees that the other party may enforce any and all representations, warranties, covenants and other obligations of the Exchanger under this Agreement directly against Exchanger, and the other party agrees that Exchanger may enforce any and all representations, warranties, covenants and other obligations of the other party under this Agreement directly against the other party.

22. **Disclosure and Waiver of Conflict of Interest.** Seller and Buyer hereby acknowledge that Buyer's attorney will act as Escrow Agent in the transaction contemplated by this Agreement, and that such consent follows full disclosure that Escrow Agent currently represents Buyer in connection with Buyer's acquisition of the Property from Seller. Seller and Buyer hereby consent to Buyer's attorney acting both as Escrow Agent and as Buyer's attorney and waive any conflict of interest that may exist. In the event of any dispute between Buyer and Seller, Buyer and Seller specifically agree that Escrow Agent may represent Buyer in connection with any such dispute, including without limitation representing Buyer in any mediation or litigation proceedings.

23. **Cooperation of Seller.** Seller acknowledges that Buyer will be negotiating with public authorities in connection with the redevelopment of the Property. Seller agrees to cooperate in good faith with Buyer in order to assist in such negotiations.

*Remainder of page intentionally left blank  
Signature page follows*

### **First Amendment to Agreement of Sale and Purchase**

This First Amendment to Agreement of Sale and Purchase (the “**Amendment**”) is entered into to be effective as of February 20, 2023, by and between **The City of Spartanburg**, a South Carolina municipality (“**Seller**”) and **BLUE WALL RE LLC**, a South Carolina limited liability company (“**Buyer**”).

#### **Recitals:**

**A.** Seller and Buyer previously entered into that certain Agreement of Sale and Purchase dated February 23, 2022 regarding real property located on Converse Street in Spartanburg County, South Carolina (the “**Agreement**”), as is more fully described in the Agreement.

**B.** Seller and Buyer now desire to amend the Agreement upon the terms and conditions contained herein.

NOW, THEREFORE, in consideration of the terms, conditions and covenants contained in the Agreement and in this Amendment, and of other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Buyer and Seller agree as follows:

- 1. Recitals.** The Recitals are hereby incorporated as if full set forth herein.
- 2. Defined Terms.** Any defined term used in this Amendment that is not specifically or otherwise defined herein shall have the meaning given to such term in the Agreement.
- 3. Due Diligence Period.** The first sentence of Section 6(b) is hereby deleted and replaced with the following:

(b) Buyer shall have a seven hundred and twenty-five (725) day period (the “**Due Diligence Period**”) beginning the day after the Effective Date to conduct due diligence investigations and analysis of the Property (including, but not limited to such tests, inspections, and studies as Buyer desires, including but not limited to environmental testing), secure capital commitments (both debt and equity) and gain land development approvals, if any, and a building permit for the development of the Property.
- 4. No Further Changes.** Except as amended hereby, the Agreement shall remain in full force and effect.
- 5. Counterparts.** This Amendment may be executed in any number of identical counterparts, any or all of which may contained the signatures of fewer than all of the parties but all of which shall be taken together as a single instrument.
- 6. Electronic Transmission.** Counterparts to this Amendment may be executed and delivered by electronic transmission, and for purposes of this Amendment signatures transmitted by e-mail shall be deemed to be original signatures.
- 7. Entire Agreement.** This Amendment represents the entirety of the parties’ agreement with respect to the subject matter hereof.
- 8. Governing Law.** This Amendment shall be governed by the laws of the State of South Carolina.
- 9. Controlling Agreement.** In the event of a conflict between the terms and provisions of this Amendment and the terms and provisions of the Agreement, the terms and provisions of this Amendment shall control.

[signature pages follow]

**IN WITNESS WHEREOF**, intending to be legally bound, the parties have caused this Amendment to be duly executed, under seal, to be effective as of the day and year first written above.

**SELLER:**

**CITY OF SPARTANBURG**

By: \_\_\_\_\_

Chris Story, City Manager

[signatures continue on the following page]

**IN WITNESS WHEREOF**, intending to be legally bound, the parties have caused this Amendment to be duly executed, under seal, to be effective as of the day and year first written above.

**BUYER:**

**BLUE WALL RE LLC**

By: Bogue Wallin

F. Bogue Wallin, Manager

### **Third Amendment to Agreement of Sale and Purchase**

This Third Amendment to Agreement of Sale and Purchase (the “**Amendment**”) is entered into to be effective as of December 20, 2024, by and between **The City of Spartanburg**, a South Carolina municipality (“**Seller**”) and **Kennedy Street Owner, LP**, a South Carolina limited partnership (“**Buyer**”).

#### **Recitals:**

**A.** Seller and Blue Wall RE, LLC previously entered into that certain Agreement of Sale and Purchase dated February 23, 2022, as amended by that certain First Amendment to Agreement of Sale and Purchase dated February 20, 2023 and that certain Second Amendment to Agreement of Sale and Purchase dated August 19, 2024, regarding real property located on Converse Street in Spartanburg County, South Carolina as assigned to Buyer pursuant to Assignment of Agreement of Purchase and Sale dated February 15, 2024 (the “**Agreement**”), as is more fully described in the Agreement.

**B.** Seller and Buyer now desire to amend the Agreement upon the terms and conditions contained herein.

NOW, THEREFORE, in consideration of the terms, conditions and covenants contained in the Agreement and in this Amendment, and of other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Buyer and Seller agree as follows:

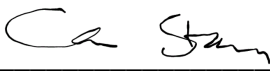
- 1. Recitals.** The Recitals are hereby incorporated as if full set forth herein.
- 2. Defined Terms.** Any defined term used in this Amendment that is not specifically or otherwise defined herein shall have the meaning given to such term in the Agreement.
- 3. Due Diligence Extension.** Buyer and Seller agree that the Due Diligence Period shall be extended until 5:00 p.m. eastern standard time on December 31, 2025.
- 4. No Further Changes.** Except as amended hereby, the Agreement shall remain in full force and effect.
- 5. Counterparts.** This Amendment may be executed in any number of identical counterparts, any or all of which may contained the signatures of fewer than all of the parties but all of which shall be taken together as a single instrument.
- 6. Electronic Transmission.** Counterparts to this Amendment may be executed and delivered by electronic transmission, including Docusign or other electronic signature process.
- 8. Entire Agreement.** This Amendment represents the entirety of the parties’ agreement with respect to the subject matter hereof.
- 9. Governing Law.** This Amendment shall be governed by the laws of the State of South Carolina.
- 10. Controlling Agreement.** In the event of a conflict between the terms and provisions of this Amendment and the terms and provisions of the Agreement, the terms and provisions of this Amendment shall control.

[signature pages follow]

**IN WITNESS WHEREOF**, intending to be legally bound, the parties have caused this Amendment to be duly executed, under seal, to be effective as of the day and year first written above.

**SELLER:**

**CITY OF SPARTANBURG**

By:   
Chris Story, City Manager

[signatures continue on the following page]



**IN WITNESS WHEREOF**, intending to be legally bound, the parties have caused this Amendment to be duly executed, under seal, to be effective as of the day and year first written above.

**BUYER:**

**KENNEDY STREET PARTNERS, LP**

By: F. Bogue Wallin  
F. Bogue Wallin, Authorized Party

## Certificate Of Completion

Envelope Id: BE3E4740-C65C-4792-808E-30549C730E5C  
 Subject: Complete with Docusign: Third Amendment to PSA December 2024 10533936.1.pdf  
 Source Envelope:  
 Document Pages: 3  
 Certificate Pages: 5  
 AutoNav: Enabled  
 Envelopeld Stamping: Enabled  
 Time Zone: (UTC-05:00) Eastern Time (US & Canada)

Status: Completed  
 Envelope Originator:  
 Nancy Wilson  
 1201 Main St Ste 2200  
 Columbia, SC 29201-3226  
 nwilson@hsblawfirm.com  
 IP Address: 4.28.77.98

## Record Tracking

Status: Original  
 1/16/2025 3:08:51 PM  
 Holder: Nancy Wilson  
 nwilson@hsblawfirm.com  
 Location: DocuSign

## Signer Events

Chris Story  
 cstory@cityofspartanburg.org  
 City Manager  
 Security Level: Email, Account Authentication  
 (None)

## Signature

Signature Adoption: Drawn on Device  
 Using IP Address: 24.159.135.18

## Timestamp

Sent: 1/16/2025 3:11:00 PM  
 Viewed: 1/17/2025 8:39:36 AM  
 Signed: 1/17/2025 8:40:33 AM

**Electronic Record and Signature Disclosure:**  
 Accepted: 1/17/2025 8:39:36 AM  
 ID: 4108b37b-dad1-41cd-a729-dde1c7f88e96

F. Bogue Wallin  
 bogue.wallin@bluwallre.com  
 managing member  
 Security Level: Email, Account Authentication  
 (None)

Signature Adoption: Pre-selected Style  
 Using IP Address: 71.12.0.131

Sent: 1/16/2025 3:11:00 PM  
 Viewed: 1/16/2025 4:28:21 PM  
 Signed: 1/16/2025 4:28:52 PM

**Electronic Record and Signature Disclosure:**  
 Accepted: 1/16/2025 4:28:21 PM  
 ID: f68fc391-d450-406b-9529-f4a9d20b3062

## In Person Signer Events

## Signature

## Timestamp

## Editor Delivery Events

## Status

## Timestamp

## Agent Delivery Events

## Status

## Timestamp

## Intermediary Delivery Events

## Status

## Timestamp

## Certified Delivery Events

## Status

## Timestamp

## Carbon Copy Events

## Status

## Timestamp

Jamie Hall  
 jhall@hsblawfirm.com  
 Security Level: Email, Account Authentication  
 (None)

**COPIED**

Sent: 1/16/2025 3:11:01 PM

**Electronic Record and Signature Disclosure:**  
 Not Offered via DocuSign

Carbon Copy Events	Status	Timestamp
Meg Scoopmire mscoopmire@hsblawfirm.com Security Level: Email, Account Authentication (None) <b>Electronic Record and Signature Disclosure:</b> Accepted: 8/23/2024 8:59:02 AM ID: 1872087f-6400-4e0c-9af4-51fbd37ad26a	COPIED	Sent: 1/16/2025 3:11:01 PM

Witness Events	Signature	Timestamp
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Notary Events	Signature	Timestamp
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Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	1/16/2025 3:11:01 PM
Certified Delivered	Security Checked	1/16/2025 4:28:21 PM
Signing Complete	Security Checked	1/16/2025 4:28:52 PM
Completed	Security Checked	1/17/2025 8:40:33 AM

Payment Events	Status	Timestamps
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Electronic Record and Signature Disclosure
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## **ELECTRONIC RECORD AND SIGNATURE DISCLOSURE**

From time to time, Haynsworth Sinkler Boyd, P.A. (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

### **Getting paper copies**

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

### **Withdrawing your consent**

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

### **Consequences of changing your mind**

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

### **All notices and disclosures will be sent to you electronically**

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

#### **How to contact Haynsworth Sinkler Boyd, P.A.:**

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: [docusignadmin@hsblawfirm.com](mailto:docusignadmin@hsblawfirm.com)

#### **To advise Haynsworth Sinkler Boyd, P.A. of your new email address**

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at [docusignadmin@hsblawfirm.com](mailto:docusignadmin@hsblawfirm.com) and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

#### **To request paper copies from Haynsworth Sinkler Boyd, P.A.**

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to [docusignadmin@hsblawfirm.com](mailto:docusignadmin@hsblawfirm.com) and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

#### **To withdraw your consent with Haynsworth Sinkler Boyd, P.A.**

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

- i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an email to [docusignadmin@hsblawfirm.com](mailto:docusignadmin@hsblawfirm.com) and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

### **Required hardware and software**

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

### **Acknowledging your access and consent to receive and sign documents electronically**

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

By selecting the check-box next to 'I agree to use electronic records and signatures', you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify Haynsworth Sinkler Boyd, P.A. as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by Haynsworth Sinkler Boyd, P.A. during the course of your relationship with Haynsworth Sinkler Boyd, P.A..

## **Addendum D**

### **Comparable Data**

## Location & Property Identification

Property Name: Commercial Land  
 Sub-Property Type: Commercial, Other  
 Address: 300 N. Church St.  
 City/State/Zip: Spartanburg, SC 29301  
 County: Spartanburg  
 Submarket: Spartanburg County  
 Market Orientation: CBD



IRR Event ID: 3353630

## Sale Information

Sale Price: \$150,000  
 Effective Sale Price: \$150,000  
 Sale Date: 09/06/2024  
 Sale Status: Closed  
 \$/Acre(Gross): \$629,723  
 \$/Land SF(Gross): \$14.46  
 \$/Acre(Usable): \$629,723  
 \$/Land SF(Usable): \$14.46  
 Grantor/Seller: Helena P. Johnson and William L. Vaseliades  
 Grantee/Buyer: MD Capital Investments, LLC  
 Property Rights: Fee Simple  
 % of Interest Conveyed: 100.00  
 Financing: Cash to seller  
 Conditions of Sale: Arm's-length  
 Document Type: Deed  
 Recording No.: 148-G/726  
 Verified By: Kenneth R. Hollister  
 Verification Date: 04/24/2025  
 Verification Type: Secondary Verification

Shape: Rectangular  
 Topography: Level  
 Corner Lot: Yes  
 Frontage Feet: 200  
 Frontage Desc.: 125' E. Daniel Morgan Ave; 75' N. Church St.  
 Zoning Code: DT-5  
 Zoning Desc.: Downtown  
 Flood Plain: No  
 Flood Zone Designation: X  
 Utilities: Electricity, Water Public, Sewer, Gas  
 Utilities Desc.: All public and available  
 Source of Land Info.: Public Records

## Comments

Unknown development plans at this time.

## Improvement and Site Data

MSA: Spartanburg, SC  
 Legal/Tax/Parcel ID: 7-12-06-024.00  
 Acres(Usable/Gross): 0.24/0.24  
 Land-SF(Usable/Gross): 10,375/10,375  
 Usable/Gross Ratio: 1.00



## Location & Property Identification

Property Name: Vacant Land  
 Sub-Property Type: Commercial, Retail  
 Address: 1621 John B. White Sr. Blvd.  
 City/State/Zip: Spartanburg, SC 29301  
 County: Spartanburg  
 Submarket: Spartanburg County  
 Market Orientation: Suburban

IRR Event ID: 3353649



## Sale Information

Sale Price: \$750,000  
 Effective Sale Price: \$765,000  
 Sale Date: 05/17/2024  
 Sale Status: Closed  
 \$/Acre(Gross): \$583,969  
 \$/Land SF(Gross): \$13.41  
 \$/Acre(Usable): \$583,969  
 \$/Land SF(Usable): \$13.41  
 Grantor/Seller: Doris A. Bivings  
 Grantee/Buyer: HM Upstate, LLC  
 Assets Sold: Real estate only  
 Property Rights: Fee Simple  
 % of Interest Conveyed: 100.00  
 Financing: Cash to seller  
 Conditions of Sale: Arm's-length  
 Document Type: Deed  
 Recording No.: 146-N/712  
 Verified By: Kenneth R. Hollister  
 Verification Date: 04/24/2025  
 Verification Type: Secondary Verification

## Sale Analysis

Expenditures After Purchase: \$15,000  
 Expenditures Description: Demolition

## Improvement and Site Data

MSA: Spartanburg, SC  
 Legal/Tax/Parcel ID: 6-21-13-060.00  
 Acres(Usable/Gross): 1.31/1.31  
 Land-SF(Usable/Gross): 57,064/57,064  
 Usable/Gross Ratio: 1.00  
 Shape: Rectangular  
 Topography: Level  
 Corner Lot: No  
 Frontage Feet: 300  
 Frontage Desc.: 155' John B. White Sr. Blvd;  
 145' Knollwood Dr.  
 Zoning Code: Unzoned  
 Zoning Desc.: Unzoned  
 Flood Plain: No  
 Flood Zone Designation: X  
 Utilities: Electricity, Water Public,  
 Sewer, Gas  
 Utilities Desc.: All public and available.  
 Source of Land Info.: Public Records

## Comments

Former residence on-site to be demolished. Demo costs are estimated at \$15,000. Property will be re-developed with a Huey Magoo's Chicken Restaurant.

## Location & Property Identification

Property Name:	Vacant Land
Sub-Property Type:	Commercial, Retail
Address:	1025 Fernwood Glendale Rd.
City/State/Zip:	Spartanburg, SC 29307
County:	Spartanburg
Submarket:	Spartanburg County
Market Orientation:	Suburban
IRR Event ID:	3233693



## Sale Information

Sale Price:	\$425,000
Effective Sale Price:	\$425,000
Sale Date:	04/21/2023
Sale Status:	Closed
\$/Acre(Gross):	\$433,673
\$/Land SF(Gross):	\$9.96
\$/Acre(Usable):	\$433,673
\$/Land SF(Usable):	\$9.96
Grantor/Seller:	Crystal River Holding Company, LLC
Grantee/Buyer:	Radha Krishna Spirit, KKC
Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Financing:	Cash to seller
Conditions of Sale:	Arm's-length
Document Type:	Deed
Recording No.:	141-R/121
Verified By:	Kenneth R. Hollister
Verification Date:	05/14/2024
Confirmation Source:	Kevin Pogue - Broker
Verification Type:	Confirmed-Seller Broker

## Occupancy

Occupancy Type Before Sale:	Owner Occupied
Occupancy Type After Sale:	Owner Occupied

## Improvement and Site Data

MSA:	Spartanburg, SC
Legal/Tax/Parcel ID:	7-09-14-102.01
Acres(Usable/Gross):	0.98/0.98
Land-SF(Usable/Gross):	42,689/42,689
Usable/Gross Ratio:	1.00
Shape:	Rectangular
Topography:	Level
Corner Lot:	No
Frontage Feet:	150
Frontage Desc.:	Fernwood Glendale
Zoning Code:	PDD
Zoning Desc.:	Planned Development District
Flood Plain:	No
Flood Zone Designation:	X
Utilities:	Electricity, Water Public, Sewer, Gas
Utilities Desc.:	All public and available
Source of Land Info.:	Public Records

## Comments

An adjacent property owner purchased this vacant lot for potential parking expansion.  
Vacant Retail Lot.

Location & Property Identification

Property Name:	0.747 Acre
Sub-Property Type:	Commercial
Address:	307 Union St.
City/State/Zip:	Spartanburg, SC 29306
County:	Spartanburg
Submarket:	Spartanburg County
Market Orientation:	Suburban
IRR Event ID:	3233560



Sale Information

Sale Price:	\$330,000
Effective Sale Price:	\$330,000
Sale Date:	05/16/2022
Sale Status:	Closed
\$/Acre(Gross):	\$448,187
\$/Land SF(Gross):	\$10.29
\$/Acre(Usable):	\$448,187
\$/Land SF(Usable):	\$10.29
Grantor/Seller:	Lamar Holdings, LLC
Grantee/Buyer:	South Phiher Properties, LLC
Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Financing:	Cash to seller
Conditions of Sale:	Arm's-length
Document Type:	Deed
Recording No.:	137-D/487
Verified By:	Kenneth R. Hollister
Verification Date:	05/14/2024
Confirmation Source:	Tim Satterfield - Broker
Verification Type:	Confirmed-Seller Broker

Legal/Tax/Parcel ID:	7-12-15-391.00
Acres(Usable/Gross):	0.74/0.74
Land-SF(Usable/Gross):	32,073/32,073
Usable/Gross Ratio:	1.00
Shape:	Rectangular
Topography:	Gently Sloping
Corner Lot:	Yes
Frontage Feet:	423
Frontage Desc.:	60' E. Henry St., 363' Hwy 56
Zoning Code:	B-4
Zoning Desc.:	Heavy Commercial District
Utilities:	Electricity, Water Public, Sewer
Source of Land Info.:	Other

Comments

Former fast food restaurant site. The improvements had been demolished at the time of sale. The property is along the Mary Black Rail Trail. Unknown development plans but the site would be good for mixed-use development.

Listing Brokers : Steve Hammett & Evon Hammett, Coldwell Banker Caine, 864.585.8713. Per MLS, existing building on site not included in the sale.

Occupancy

Occupancy Type Before Sale:	Owner Occupied
Occupancy Type After Sale:	Owner Occupied

Improvement and Site Data



## **Addendum E**

### **Engagement Letter**

Integra Realty Resources  
Atlanta | Charlotte | Raleigh | Richmond  
Birmingham | Columbia | Greensboro | Charleston

11-C Isabella Street  
Charleston, SC 29403

T 843.718.2125  
F 843.718.2058  
174-production@irr.com  
www.irr.com



April 1, 2025

Kennedy Street Apartments  
c/o Jon J. Enos  
Assistant Vice President  
SCG Development  
8245 Boone Boulevard, Suite 640  
Tysons Corner, VA 22182  
(202) 527-8414  
jje@scgdevelopment.com

**SUBJECT:** Proposal and Authorization for Valuation and Consulting Services  
Kennedy Street Apartments  
169 East Kennedy Street, Spartanburg, SC 29306 (the "Subject Property")

Dear Mr. Enos:

Upon your acceptance of this letter agreement, Integra Realty Resources – Charleston ("IRR – Charleston"), will prepare an appraisal of the Subject Property.

## Terms of Engagement

<b>Parties to the Agreement:</b>	Integra Realty Resources – Charleston and SCG Development
<b>Intended User(s):</b>	The appraisal will be prepared for SCG Development and is intended only for the use specified below. We are not responsible for unauthorized use of the report.
<b>Intended Use:</b>	To estimate the market value as is of the property for asset planning purposes.
<b>Subject of the Assignment:</b>	Kennedy Street Apartments - 169 East Kennedy Street, Spartanburg, SC 29306.

Kennedy Street Apartments  
c/o Jon J. Enos  
SCG Development  
April 1, 2025  
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<b>Type of Opinion:</b>	Market Value As Is
<b>Property Rights:</b>	Fee Simple
<b>Date of Appraisal:</b>	Current
<b>Assignment Conditions:</b>	The assignment may include extraordinary assumptions or hypothetical conditions only if necessary to produce credible appraisal results.
<b>USPAP Compliance:</b>	The appraisal will be prepared in conformance with and subject to, the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute and the <i>Uniform Standards of Professional Appraisal Practice</i> (USPAP) developed by the Appraisal Standards Board of the Appraisal Foundation.
<b>Prior Services:</b>	The Ethics Rule of USPAP requires us to disclose to you any prior services we have performed regarding the Subject Property within a three-year period immediately preceding the acceptance of this assignment, either as an appraiser or in any other capacity. We represent that we have performed an appraisal of the subject in the past three years.
<b>Approaches to Value Used:</b>	All Applicable
<b>Reporting Option:</b>	Appraisal Report - Standard Format
<b>Report Copies:</b>	Electronic format only (PDF)
<b>Assignment Start Date:</b>	Upon return of complete and signed engagement letter. It is not sufficient to only return the signature page.
<b>Report Delivery:</b>	3 weeks. The delivery date is contingent upon the absence of events outside our control, timely access for inspection of the Subject Property, as well as our receipt of all requested information necessary to complete the assignment.
<b>Fee:</b>	\$2,100
<b>Retainer:</b>	No retainer is required for this assignment. The fees will be due and payable within 30 days of the delivery of the reports. It is understood that simple interest of 15% per annum will accrue on any unpaid balance for compensation

Kennedy Street Apartments  
c/o Jon J. Enos  
SCG Development  
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due, subject to reduction pursuant to any applicable usury law. We shall also be entitled to recover our costs (including attorneys' fees), associated with collecting any amounts owed or otherwise incurred in connection with this assignment.

**Additional Conditions of  
Engagement:**

All work will be performed under the direct supervision of the undersigned, together with other staff members. The appraisal and this letter agreement will be subject to our standard assumptions and limiting conditions a copy of which is attached as Attachment I.

Please be advised that we are not experts in the areas of building inspection (including mold), environmental hazards, ADA compliance or wetlands. Therefore, unless we have been provided with appropriate third-party expert reports, the appraisals will assume that there are no environmental, wetlands, or ADA compliance problems. The agreed upon fees for our services assume the absence of such issues inasmuch as additional research and analysis may be required. If an expert is required, you are responsible for their selection, payment, and actions.

If we receive a subpoena or are called to testify in any litigation, arbitration, or administrative hearing of any nature whatsoever or because of this engagement or the related report, to which we are not a party, you agree to pay our then current hourly rates for such preparation and presentation of testimony. You agree that: (i) the data collected by us in this assignment will remain our property; and (ii) with respect to any data provided by you, IRR – Charleston and its partner companies may utilize, sell and include such data (either in the aggregate or individually), in the Integra database and for use in derivative products. You agree that all data already in the public domain may be utilized on an unrestricted basis. Finally, you agree that we may use commercially available as well as proprietary software programs to perform your assignment (web based and others).

IRR – Charleston is an independently owned and operated company. The parties hereto agree that Integra Realty Resources, Inc. ("Integra") shall not be liable for any claim arising out of or relating to any appraisal report or any information or opinions contained therein as such appraisal



Kennedy Street Apartments  
c/o Jon J. Enos  
SCG Development  
April 1, 2025  
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report is the sole and exclusive responsibility of IRR – Charleston. In addition, it is expressly agreed that in any action which may be brought against IRR – Charleston and/or any of its officers, owners, managers, directors, agents, subcontractors or employees (the “Integra Parties”), arising out of, relating to, or in any way pertaining to this engagement letter, the appraisal reports or any related work product, the Integra Parties shall not be responsible or liable for any incidental or consequential damages or losses, unless the appraisal was fraudulent or prepared with intentional misconduct. It is further expressly agreed that the collective liability of the Integra Parties in any such action shall not exceed the fees paid for the preparation of the assignment (unless the appraisal was fraudulent or prepared with intentional misconduct). It is expressly agreed that the fees charged herein are in reliance upon the foregoing limitations of liability.

If you agree with the terms set forth in this letter and wish us to proceed with the engagement, please sign below and return one copy to us. Thank you for this opportunity to be of service and we look forward to working with you.

Sincerely,

**INTEGRA REALTY RESOURCES – CHARLESTON**



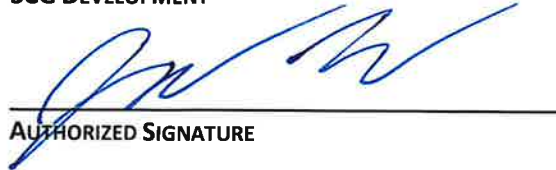
Bud Wright  
Senior Managing Director

Attachments

Kennedy Street Apartments  
c/o Jon J. Enos  
SCG Development  
April 1, 2025  
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AGREED & ACCEPTED THIS 3rd DAY OF April, 2025.

BY: SCG DEVELOPMENT

  
\_\_\_\_\_  
AUTHORIZED SIGNATURE

Jon Enos  
\_\_\_\_\_  
NAME (PRINT)

## **ATTACHMENT I**

### **STANDARD ASSUMPTIONS & LIMITING CONDITIONS**

The appraisal report and any work product related to the engagement will be limited by the following standard assumptions:

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

The appraisal report and any work product related to the engagement will be subject to the following limiting conditions, except as otherwise noted in the report:

1. An appraisal is inherently subjective and represents our opinion as to the value of the Subject Property appraised.
2. The conclusions stated in our appraisal apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events.
3. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.
4. No environmental impact studies were either requested or made in conjunction with this appraisal, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the appraisal assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
5. Unless otherwise agreed to in writing, we are not required to give testimony, respond to any subpoena or attend any court, governmental or other hearing with reference to the Subject Property without compensation relative to such additional employment.
6. We have made no survey of the Subject Property and assume no responsibility in connection with such matters. Any sketch or survey of the Subject Property included in this report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal covers the Subject Property as described in this report, and the areas and dimensions set forth are assumed to be correct.
7. No opinion is expressed as to the value of subsurface oil, gas or mineral rights, if any, and we have assumed that the Subject Property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in our appraisal.
8. We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic

considerations, such as soils and seismic stability, and civil, mechanical, electrical, structural and other engineering and environmental matters. Such considerations may also include determinations of compliance with zoning and other federal, state, and local laws, regulations and codes.

9. The distribution of the total valuation in the report between land and improvements applies only under the reported highest and best use of the Subject Property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. The appraisal report shall be considered only in its entirety. No part of the appraisal report shall be utilized separately or out of context.
10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the persons signing the report.
11. Information, estimates and opinions contained in the report and obtained from third-party sources are assumed to be reliable and have not been independently verified.
12. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute predictions of future operating results.
13. If the Subject Property is subject to one or more leases, any estimate of residual value contained in the appraisal may be particularly affected by significant changes in the condition of the economy, of the real estate industry, or of the Subject Property at the time these leases expire or otherwise terminate.
14. Unless otherwise stated in the report, no consideration has been given to personal property located on the Subject Property or to the cost of moving or relocating such personal property; only the real property has been considered.
15. The current purchasing power of the dollar is the basis for the value stated in the appraisal; we have assumed that no extreme fluctuations in economic cycles will occur.
16. The values found herein are subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.
17. The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.
18. The *Americans with Disabilities Act (ADA)* became effective January 26, 1992. We have not made a specific survey or analysis of the Subject Property to determine whether the physical aspects of the improvements meet the *ADA* accessibility guidelines. We claim no expertise in *ADA* issues, and render no opinion regarding compliance of the Subject Property with *ADA* regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.
19. The appraisal report is prepared for the exclusive benefit of you, your subsidiaries and/or affiliates. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.

20. No studies have been provided to us indicating the presence or absence of hazardous materials on the Subject Property or in the improvements, and our valuation is predicated upon the assumption that the Subject Property is free and clear of any environment hazards including, without limitation, hazardous wastes, toxic substances, and mold. No representations or warranties are made regarding the environmental condition of the Subject Property. IRR – Charleston and/or any of its officers, owners, managers, directors, agents, subcontractors or employees (the “Integra Parties”) shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the Subject Property.
21. The persons signing the report may have reviewed available flood maps and may have noted in the appraisal report whether the Subject Property is in an identified Special Flood Hazard Area. However, we are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the Subject Property, and the value conclusion is predicated on the assumption that wetlands are non-existent or minimal.
22. We are not a building or environmental inspector. The Integra Parties do not guarantee that the Subject Property is free of defects or environmental problems. Mold may be present in the Subject Property and a professional inspection is recommended.
23. The appraisal report and value conclusions for an appraisal assumes the satisfactory completion of construction, repairs, or alterations in a workmanlike manner.
24. **IRR – Charleston is an independently owned and operated company. The parties hereto agree that Integra Realty Resources, Inc. (“Integra”) shall not be liable for any claim arising out of or relating to any appraisal report or any information or opinions contained therein as such appraisal report is the sole and exclusive responsibility of IRR – Charleston. In addition, it is expressly agreed that in any action which may be brought against the Integra Parties arising out of, relating to, or in any way pertaining to the engagement letter, the appraisal reports or any related work product, the Integra Parties shall not be responsible or liable for any incidental or consequential damages or losses, unless the appraisal was fraudulent or prepared with intentional misconduct. It is further expressly agreed that the collective liability of the Integra Parties in any such action shall not exceed the fees paid for the preparation of the assignment (unless the appraisal was fraudulent or prepared with intentional misconduct). It is expressly agreed that the fees charged herein are in reliance upon the foregoing limitations of liability.**
25. IRR – Charleston is an independently owned and operated company, which has prepared the appraisal for the specific intended use stated elsewhere in the report. The use of the appraisal report by anyone other than the Client is prohibited except as otherwise provided. Accordingly, the appraisal report is addressed to and shall be solely for the Client’s use and benefit unless we provide our prior written consent. We expressly reserve the unrestricted right to withhold our consent to your disclosure of the appraisal report or any other work product related to the engagement (or any part thereof including, without limitation, conclusions of value and our identity), to any third parties. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the appraisal report (even if their reliance was foreseeable).
26. The conclusions of this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public records, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. The Integra Parties are not responsible for these and other future occurrences that could not have

reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we assume competent and effective management and marketing for the duration of the projected holding period of the Subject Property.

27. All prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraph, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to changes in the economy, interest rates, capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.

As will be determined during the assignment, additional extraordinary or hypothetical conditions may be required to complete the assignment. The appraisal shall also be subject to those assumptions.