APPRAISAL REPORT

PALMETTO STATE
APPRAISAL AND CONSULTING

APPRAISAL OF REAL PROPERTY

Stillwaters Ridge Multifamily Land: 15.89-Acre Parcel
9031 Asheville Highway
Boiling Springs, Spartanburg County, South Carolina 29316

PREPARED FOR:

Connelly Development

EFFECTIVE DATE OF THE APPRAISAL:

April 5, 2025

PREPARED BY:
Brantley R. Clark, MAI
Palmetto State Appraisal and Consulting
Job Number 2024-010
303 South Lake Drive
Lexington, SC 29072

Stillwaters Ridge Multifamily Land: 15.89-Acre Parcel
9031 Asheville Highway
Boiling Springs, Spartanburg County, South Carolina 29316

PALMETTO STATE
APPRAISAL AND CONSULTING

April 16, 2025

Connelly Development
125 Old Chapin Road
Lexington, SC 29072

SUBJECT: Stillwaters Ridge Multifamily Land: 15.89-Acre Parcel
9031 Asheville Highway
Boiling Springs, Spartanburg County, South Carolina 29316

To Whom It May Concern:

At your request I have prepared an appraisal for the above referenced property. Please reference page 3 of this report for important information regarding the scope of research and analysis for this appraisal, including property identification, inspection, highest and best use analysis and valuation methodology.

I certify that I have no present or contemplated future interest in the property beyond this opinion of value. Within the three years prior to the date of this report, no other appraisals of the subject property have been prepared by Palmetto State Appraisal and Consulting. This report is a stand-alone appraisal. The market value is reported herein with no bias to the subject property. The appraiser uses impartiality, independence and objectivity in reporting the market value.

The accompanying appraisal report is intended to comply with the Uniform Standards of Professional Appraisal Practice; the Financial Institutions Reform, Recovery, and Enforcement Act of 1989; the most recent version of the Interagency Appraisal and Evaluation Guidelines; and any specific requirements of the South Carolina State Housing Finance and Development Authority and/or Connelly Development.

The subject property is located at 9031 Asheville Highway, on the southwestern side of Asheville Highway (US Highway 176), approximately 1.2 miles southeast of its intersection with Interstate 26. The property is made up of three contiguous parcels, which contain a combined area of 15.89 acres, more or less. The property is generally level and at road grade, and is currently partially cleared and partially wooded. The property is identified as Spartanburg County tax numbers 2-50-00-094.15, 2-50-00-094.03 and 2-50-00-016.01.

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

MARKET VALUE OPINION			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value "As Is"	Fee Simple	April 5, 2025	$950,000

Respectfully submitted,+
Palmetto State Appraisal and Consulting

Brantley R. Clark

Brantley R. Clark, MAI
Certified General Real Estate Appraiser
SC Certificate #5073

TABLE OF CONTENTS

PAGE NO.

SUBJECT PHOTOGRAPHS **2**

SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS **3**

GENERAL INFORMATION **4**

Purpose of the Appraisal, Property Rights and Effective Date 4
Identification of the Subject Property 4
Current Ownership and Sales History 4
Definition of Market Value 5
Definition of Property Rights Appraised 5
Intended User and Intended Use 5
Applicable Requirements 6
Prior Services 6
Scope of Work 6

PROPERTY DESCRIPTION AND PRODUCTIVITY ANALYSIS **8**

Site Description and Analysis 8
Zoning 11
Real Estate Tax Analysis 12

ECONOMIC ANALYSIS **14**

Market Area Analysis 14
Highest and Best Use Analysis 23

VALUATION ANALYSIS **24**

Valuation Methodology 24
Sales Comparison Approach 26
Reconciliation and Conclusion of Value 32

CERTIFICATION STATEMENT **34**

ASSUMPTIONS AND LIMITING CONDITIONS **36**

SUBJECT PHOTOGRAPHS **1**

ADDENDA

Appraiser Qualifications ..... Addendum A
Definitions ..... Addendum B
Subject Photographs ..... Addendum C
Comparable Data ..... Addendum D
Financials and Property Information ..... Addendum E

SUBJECT PHOTOGRAPHS

View of subject property
(Photo Taken on April 5, 2025)

View of subject property
(Photo Taken on April 5, 2025)

View of subject property
(Photo Taken on April 5, 2025)

View of subject property
(Photo Taken on April 5, 2025)

Asheville Highway facing southeast
(Photo Taken on April 5, 2025)

Asheville Highway facing northwest
(Photo Taken on April 5, 2025)

SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

PART ONE	
Name of Property	Stillwaters Ridge Multifamily Land, 15.89 acres
Address	9031 Asheville Highway, Boiling Springs, Spartanburg County, South Carolina 29316
Property Type	Raw Land
Owners of Record	Wesley Farms LLC
Tax IDs	2-50-00-094.15 2-50-00-094.03 2-50-00-016.01
Land Area	692,168 SF; 15.89 acres
Zoning Designation	No zoning
Highest and Best Use	
As Vacant	Multi-family Residential
Exposure Time; Marketing Period	12 months; 12 months
Effective Date of the Appraisal	April 5, 2025
Date of the Report	April 16, 2025
Property Interest Appraised	Fee Simple
Sales Comparison Approach	
Number of Sales	3
Range of Sale Dates	February 2023 – March 2025
Range of Prices per Acre (Unadjusted)	$60,000 - $90,115
Market Value Conclusion	$950,000 ($60,000/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 Connelly Development and/or SC Housing may use or rely on the information, opinions, and conclusions contained in the report. The summary shown above is for the convenience of Connelly Development and/or SC Housing and therefore 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.

GENERAL INFORMATION

PURPOSE OF THE APPRAISAL, PROPERTY RIGHTS AND EFFECTIVE DATE

The purpose of this appraisal is to form an opinion of the current market value of the fee simple estate of the subject property, as of the effective date of the appraisal, April 5, 2025.

IDENTIFICATION OF THE SUBJECT PROPERTY

The subject property consists of 15.89 acres, more or less. It is located at 9031 Asheville Highway. The property is located in the northwestern portion of the Spartanburg area, in the southwestern portion of Boiling Springs.

PROPERTY IDENTIFICATION	
Property Name	Multifamily Land
Address	9031 Asheville Highway Boiling Springs, South Carolina 29316
Tax IDs	2-50-00-094.15 2-50-00-094.03 2-50-00-016.01

CURRENT OWNERSHIP AND SALES HISTORY

The owner of record is Wesley Farms, LLC. This party acquired the property in three separate transactions, detailed as follows:

- Parcel 2-50-00-094.15 was purchased from Gina S. Holcomb and Faye S. Mitchell, Trustees and V/A Gina S. Holcomb on April 15, 2004 for a price of $245,000, as recorded in Deed Book 80C, Page 611 of the Spartanburg County public records.

- Parcel 2-50-00-094.03 was purchased from W. E. Mitchell on April 15, 2004 for a price of $295,000, as recorded in Deed Book 80C, Page 609 of the Spartanburg County public records.

- Parcel 2-50-00-016.01 was purchased from Garland Hyder on April 30, 2004 for a price of $8,000, as recorded in Deed Book 80F, Page 570 of the Spartanburg County public records.

The sales occurred over 20 years ago. For this reason, the most recent purchase price is not reflective of the current market value as estimated in this report. It is beyond the scope of this appraisal to determine whether or not the most recent purchase price reflected market value at the time of transfer.

To the best of our knowledge, no arm's length sale or transfer of ownership has occurred within the past three years. As of the effective date of this appraisal, the property is under contract of sale to C&C Property Holdings, LLC for a price of $850,000.

DEFINITION OF MARKET VALUE

Market value is defined as:

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

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale." (Source: *The Dictionary of Real Estate Appraisal*, Fourth Edition, Appraisal Institute, Chicago, Illinois, 2002)

DEFINITION OF PROPERTY RIGHTS APPRAISED

Fee simple estate is defined as an: "Absolute ownership interest unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat." (Source: *The Dictionary of Real Estate Appraisal*, Fourth Edition, 2002.)

Leased fee interest is defined as: "An ownership interest held by a landlord with the rights of use and occupancy conveyed by lease to others. The rights of the lessor (the leased fee owner) and the lessee are specified by contract terms contained within the lease." (Source: *The Dictionary of Real Estate Appraisal*, Fourth Edition, 2002.)

In the case of the subject, the property rights are fee simple.

INTENDED USER AND INTENDED USE

The intended users are Connelly Development and SC Housing. The intended use is for loan underwriting purposes. The appraisal is not intended for any other use or users.

APPLICABLE REQUIREMENTS

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

- Uniform Standards of Professional Appraisal Practice (USPAP)
- Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute
- South Carolina Housing's 2025 Qualified Allocation Plan (QAP)

PRIOR SERVICES

Within the three years prior to the date of this report, no additional appraisals of the subject property have been prepared by Palmetto State Appraisal and Consulting.

SCOPE OF WORK

Brantley R. Clark, MAI, conducted a complete site inspection of the property on April 5, 2025. I have identified the subject through tax records, and assembled information about the characteristics of the property that are relevant to the value of the fee simple property rights being appraised and the intended use of the appraisal.

VALUATION METHODOLOGY

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

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

We use only the sales comparison approach in developing an opinion of value for the subject. This approach is applicable to the subject because there is an active market for similar properties, and sufficient sales data is available for analysis.

The cost approach is not applicable because there are no improvements that contribute value to the property, and the income approach is not applicable because the subject is not likely to generate rental income in its current state.

DATA RESEARCH AND ANALYSIS

The process employed to collect, verify, and analyze relevant data is detailed in individual sections of the report. This includes the steps we took to verify comparable sales, which are disclosed in the comparable sale profile sheets in the addenda to the report. Although we make a concerted effort to confirm the arm's length nature of each sale with a party to the transaction, it is sometimes necessary to rely on secondary verification from sources deemed reliable.

PROPERTY INSPECTION

Brantley R. Clark, MAI, conducted an on-site inspection of the property on April 5, 2025.

PROPERTY DESCRIPTION AND PRODUCTIVITY ANALYSIS

SITE DESCRIPTION AND ANALYSIS

LOCATION

The subject property is located at 9031 Asheville Highway, on the southwestern side of Asheville Highway (US Highway 176), approximately 1.2 miles southeast of its intersection with Interstate 26. It is located in the northwest portion of Spartanburg area, in the southwest portion of Boiling Springs. The area has seen steady growth over time and in the past ten years, as more people have moved to the area, and as Spartanburg has grown outward from the downtown area.

LAND AREA

The following table summarizes the subject's land area.

Land Summary						
Parcel ID	**Gross Land Area (Acres)**	**Gross Land Area (Sq Ft)**	**Usable Land Area (Acres)**	**Usable Land Area (Sq Ft)**	**Topography**	**Shape**
2-50-00-094.15 2-50-00-094.03 2-50-00-016.01	15.89	692,168	15.89	692,168	Generally Level	Irregular
Totals	15.89	692,168	15.89	692,168		

TOPOGRAPHY

The topography of the site is generally level and at road grade. I assume that the topography does not result in any particular development limitations.

SOIL AND SUB-SOIL CONDITIONS

A soils report was not provided for my review. I assume that the subject's soil bearing capacity is sufficient to support the existing improvements.

DRAINAGE

No particular drainage problems were observed or disclosed at the time of field inspection. This appraisal assumes that surface water collection, both on-site and in public streets adjacent to the subject, is adequate.

UTILITIES AND SERVICES

The availability of utilities to the subject is summarized in the following table. The utilities available to the site are adequate.

UTILITIES	
Service	Provider
Water	Public
Sewer	Public
Electricity	Duke Energy
Natural Gas	Duke Energy
Local Phone	Spectrum

STREETS, ACCESS AND FRONTAGE

Details pertaining to street access and frontage for the subject property are provided in the following table. Actual frontage feet measurements are not available, because a survey was not provided.

STREETS, ACCESS AND FRONTAGE	
Street	Asheville Highway
Frontage Feet	223' +/-
Paving	Asphalt
Curbs	No
Sidewalks	No
Lanes	Four with median
Direction of Traffic	North/South
Condition	Good
Traffic Levels	Moderate
Signals/Traffic Control	None
Access/Curb Cuts	One
Visibility	Excellent

HAZARDS, NUISANCES AND DETRIMENTAL INFLUENCES

An environmental assessment report was not provided for review, and during the inspection, I did not observe any obvious signs of contamination on or near the subject. However, environmental issues are beyond my scope of expertise. It is assumed that the property is not adversely affected by environmental hazards.

No nuisances or detrimental influences were noted, and it is assumed that the property is not adversely affected by any nuisances or detrimental influences.

FLOOD HAZARD STATUS

The following table provides flood hazard information.

FLOOD HAZARD STATUS	
Community Panel Number	4501760144D
Date	January 6, 2011
Zone	X
Description	Outside of 500-year floodplain
Insurance Required?	No

The subject is not affected by any FEMA flood zone. During the inspection, no wetlands or environmentally sensitive areas were observed.

EASEMENTS, ENCROACHMENTS AND RESTRICTIONS

Other than normal utility easements, I am not aware of any adverse or augmenting easements, encumbrances, or restrictions that would affect value. This valuation assumes no adverse or augmenting easements, encroachments or restrictions and that the subject has a clear and marketable title.

It should be noted that a current survey was requested but was not provided.

ZONING

The subject is not zoned. According to the Spartanburg County planning department, there are no pending or prospective zoning changes. However, the property will need to be zoned for commercial development. Based on my research and discussions with the Spartanburg County zoning department, any change in use of the property will require a change in zoning.

OTHER LAND USE REGULATIONS

We are not aware of any other land use regulations that would affect the property.

REAL ESTATE TAX ANALYSIS

The real estate tax assessment of the subject is administered by Spartanburg County. In 2006, the State of South Carolina passed a real estate tax law which changes the way real estate taxes are assessed.

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.

Under the prior law, property tax values only changed during County-wide reassessments. Under the current law, property tax values are adjusted following a sale (ATI).

Real estate taxes in South Carolina are Ad Valorem, meaning a tax applied in proportion to value. Historically, Assessor's Market Values have generally been lower than true market value. Due to the current tax law, as properties sell at market value, the old Assessor's Market Value is replaced with true market value. Assessed values are based on a current conversion ratio of 6% of assessor's market value. The formula for calculating taxes is presented below.

Assessor's Market Value X 6% = Assessed Value

Assessed Value X Millage Rate = Gross Taxes

Gross Taxes – Tax Credits = Net Taxes

TAX HISTORY

The majority of the subject property is currently classified as "Agricultural." Agricultural properties receive significant tax discounts. The Assessor's Market Value currently equals $472,111, and the property qualifies for an Agricultural Credit of $348,746, which is deducted from the Assessor's Market Value. This equates to a taxable value of $123,365. Agricultural properties are based on a conversion ratio of 4% (instead of the commercial property conversion ratio of 6%), which equates to an assessed value of $7,370.

MILLAGE RATE

The millage rate for the property for the 2024 tax year was 364.20 mills.

"AS IS" TAX ESTIMATE

2024 tax bills were mailed to the current property owners in the fall of 2024, and were paid in full in January. 2025 tax bills will be distributed in the fall.

The property tax identification number and assessed value of the property for tax year 2024 are as follows:

Real Estate Assessment and Taxes					
Tax ID	Land Appraisal	Improvement Appraisal	Total Appraisal	Equalization Ratio	Assessed Value
2-50-00-094.15	$121,535	$0	$121,535	6%	$7,280
2-50-00-094.03	$956	$0	$956	4%	$40
2-50-00-016.01	$874	$0	$874	6%	$50
Totals	$123,365	$0	$123,365		$7,370

Real Estate Assessment Analysis			
Tax ID	Assessed Value	Total Tax Rate	Taxes
2-50-00-094.15	$7,280	364.2	$2,659
2-50-00-094.03	$40	364.2	$15
2-50-00-016.01	$50	364.2	$18
Totals	$7,370		$2,692

Application of the 2024 millage rate to the total assessed value of $7,370 results in a real estate tax liability of $2,692.

CONCLUSION

All prior city and county property taxes have been paid, and the current year's taxes are not due until January 2026. The tax estimates are based on the assessor's market value; however, any change in ownership or improvements to the property would likely result in a change to the Assessed Value. The taxes could potentially be higher or lower than the market value estimated in this report.

ECONOMIC ANALYSIS

MARKET AREA ANALYSIS

INTRODUCTION

The subject is located in Boiling Springs, in Spartanburg County. It is located at 9031 Asheville Highway, on the southwest side of Asheville Highway (US Highway 176), approximately 1.2 miles southeast of its intersection with Interstate 26. The subject site is planned for a multifamily housing development by the purchaser.

Spartanburg is located in the upstate of South Carolina, in the eastern portion of the greater Greenville/Spartanburg area. Interstate access within the submarket is very good.

This area of South Carolina is referred to as the "Upstate," which is generally defined as Greenville County, Spartanburg County, Anderson County and the surrounding counties in northwestern South Carolina.

The subject's submarket is defined as the Spartanburg submarket.

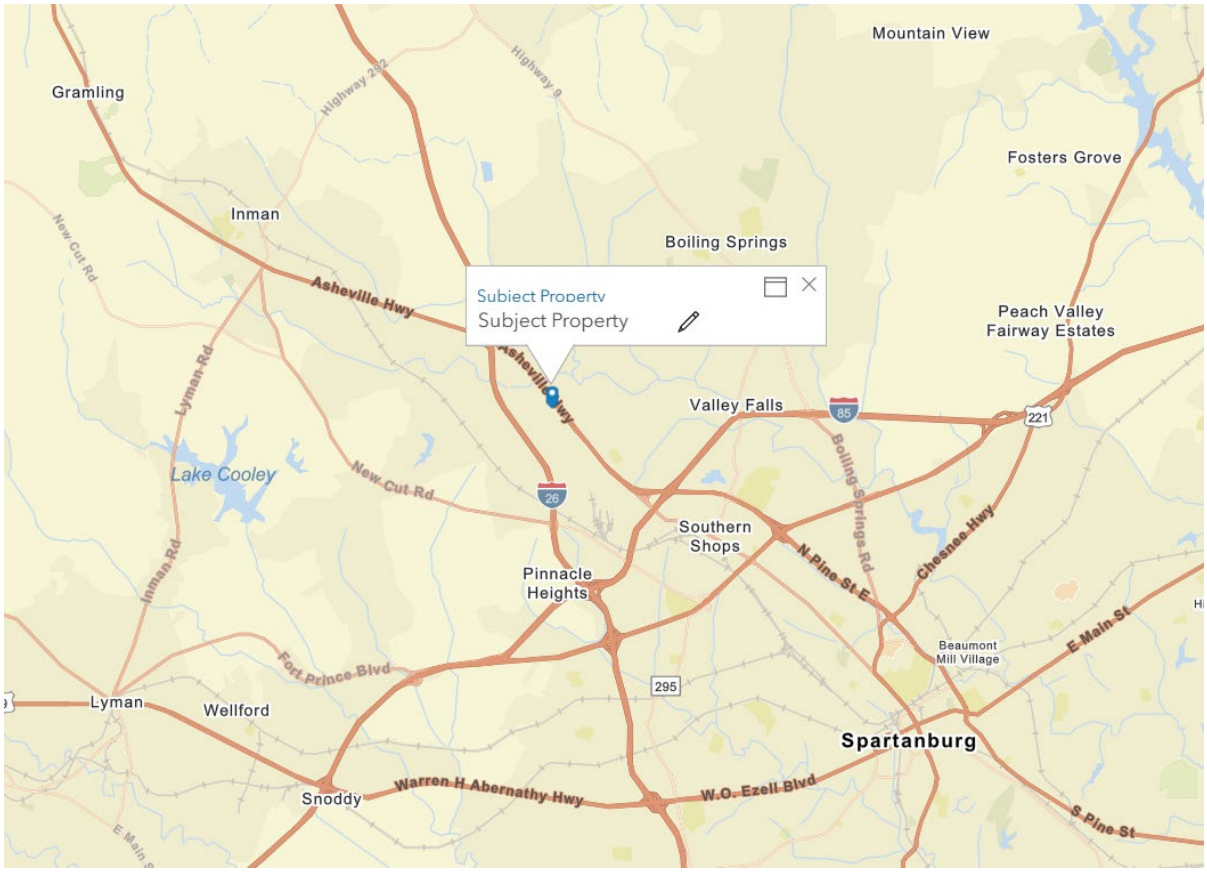
ACCESS AND LINKAGES

Primary access to the area is provided by Interstate 26, Interstate 85, Highway 29, Highway 221 and Highway 176. Interstate 85, accessible just to the south, provides access to Greenville west, and on to Atlanta; and to Charlotte to the east. Interstate 26 provides access to Columbia to the southeast, and to Asheville to the northwest.

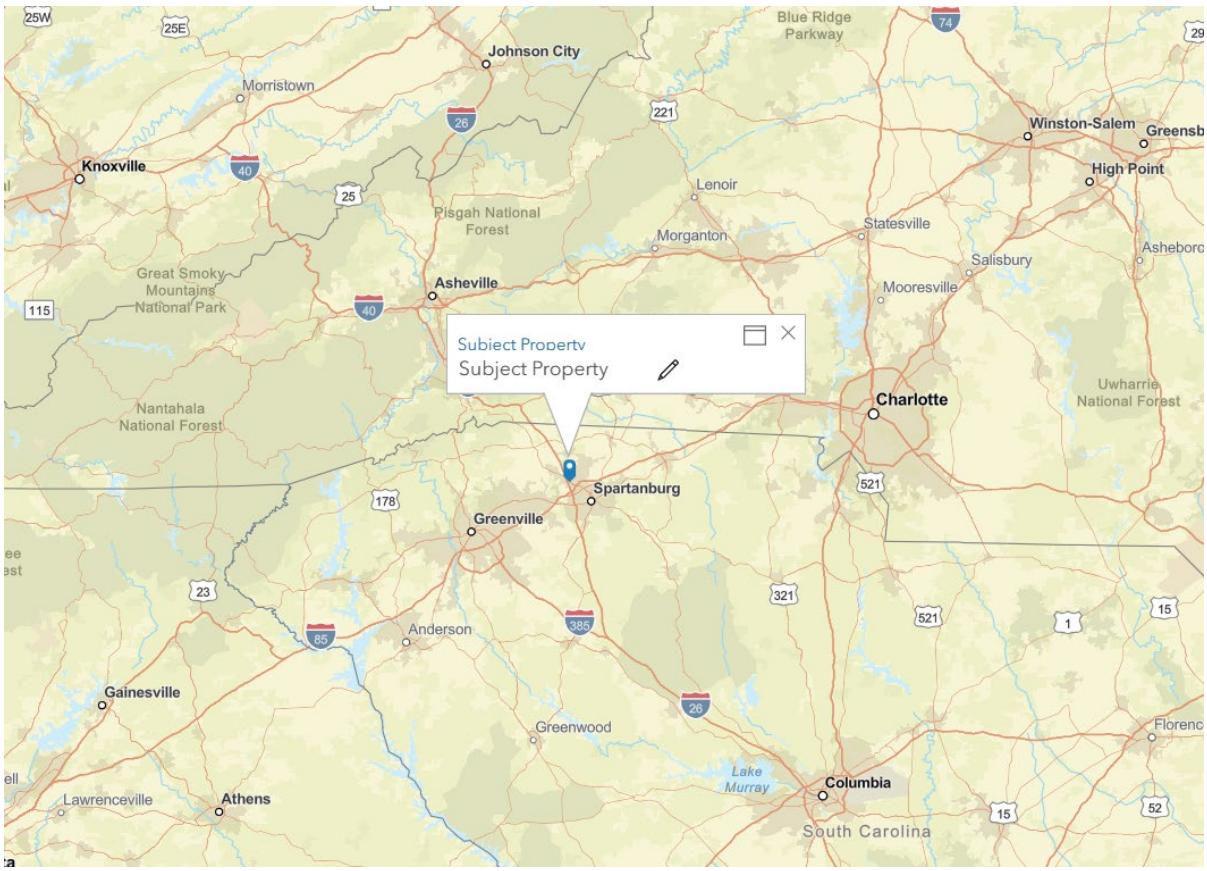
Public transportation is available in the area. The primary mode of transportation in this area is the automobile.

The Greenville-Spartanburg Airport is located about 19 miles southwest of the property; travel time is about 21 minutes, depending on traffic conditions.

NEIGHBORHOOD MAP



AREA MAP


Blue Ridge Parkway
Johnson City
Morristown
Knoxville
Winston-Salem
High Point
Lenoir
Pisgah National Forest
Morganton
Statesville
Salisbury
Mooresville
Great Smoky Mountains National Park
Asheville
Subject Property
Subject Property
Charlotte
Uwharrie National Forest
Nantahala National Forest
Spartanburg
Greenville
Anderson
Gainesville
Greenwood
Lake Murray
Columbia
Lawrenceville
Athens
South Carolina

RETAIL AND PUBLIC SERVICES

The nearest shopping facilities serving the area are located north and south of the subject along Asheville Highway (US Highway 176), and along SC Highway 9 to the east of the subject. Several retail facilities are located in this area, including the following:

- Wal-Mart Supercenter
- Ingles Market
- Walgreens
- Dollar General
- Lowe's Home Improvement
- Food Lion
- Tractor Supply Company
- Various Convenience Stores
- Various branch banks
- Various fast food restaurants, including Mc Donald's, Chick-Fil-A, Waffle House, KFC, Bojangles' , and others.

A large variety of restaurants, including fast food restaurants and full service restaurants, are within a 10-minute travel time of the property and are principally located along the major arterials.

LAND USE

Land uses in the subject's immediate neighborhood include convenience stores, small restaurants and small retail stores. The larger neighborhood includes a mixture of commercial properties, such as churches, schools, chain restaurants, automobile repair shops, banks, and small retail stores. The secondary roads contain single-family residential properties. Other land use characteristics are summarized below.

SURROUNDING AREA LAND USES	
Character of Area	Suburban
Predominant Housing Age (Both Ownership and Rental)	10+ years
Predominant Quality and Condition	Good
Approximate Percent Developed	50%
Percent Developed by Land Use	45% Single Family; 5% Apartments; 10% Commercial; 5% Industrial; 30% Agricultural; 5% Institutional
Infrastructure/Planning	Good
Prospective Change in Land Use	Not likely
Prevailing Direction of Growth	All directions

DEVELOPMENT ACTIVITY AND TRENDS

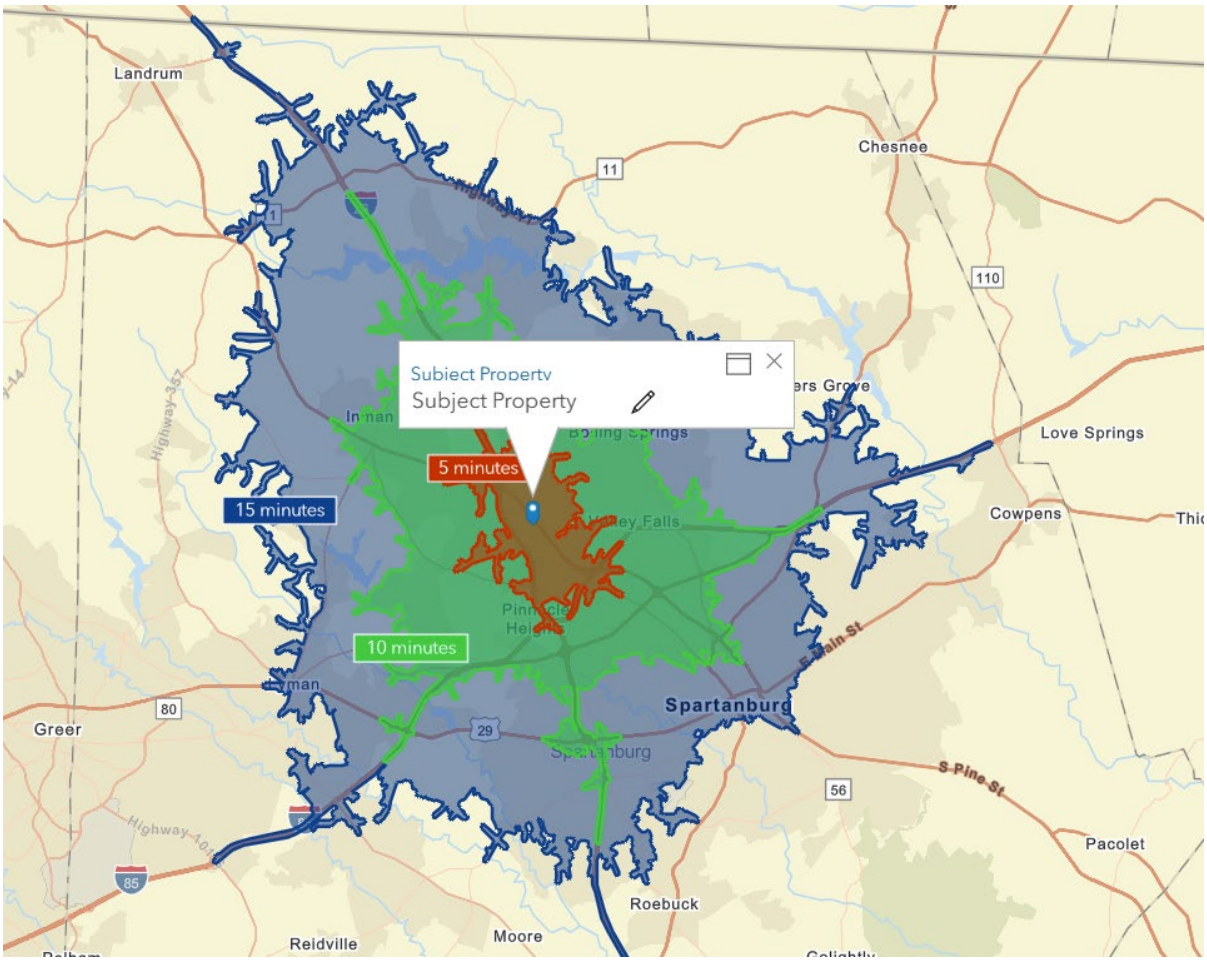
The Spartanburg submarket is historically an agricultural area, and now is primarily defined as a suburban area catering to families with housing and supporting uses. Spartanburg is home to Wofford College, Converse College, Spartanburg Methodist University, and USC Upstate. Many restaurants are located in the Spartanburg area, as well as small convenience and retail stores, boutiques, and other businesses that support the overall suburban area.

MOST PROBABLE BUYER

The most probable buyer or user of the subject property is a developer.

MARKET AREA LOCATION AND BOUNDARIES

The market area is a 10-minute drive-time from the subject property. The map below depicts the market area, with the 10-minute drive-time outlined in green. It is from this market area that the majority of the anticipated potential users for the subject would be drawn.



MARKET AREA AND PROPERTY CHARACTERISTICS

The market area is large enough such that it contains all of the major property types. The subject site would draw from this large market area.

Surrounding Area Demographics			
	10 Minute Drive Time	Greenville-Spartanburg, Asheville, Anderson	State of South Carolina
Population 2010 (Actual)	41,490	2,177,408	4,625,344
Population 2020 (Actual)	48,594	2,373,572	5,118,425
Population 2024 (Estimate)	52,690	2,475,634	5,391,458
Population 2029 (Projection)	56,530	2,561,305	5,626,237
Compound % Change 2000-2010	1.6%	0.9%	1.0%
Compound % Change 2010-2024	0.6%	0.3%	0.4%
Compound % Change 2024-2029	1.4%	0.7%	0.9%
Households 2010 (Actual)	15,037	872,421	1,801,170
Households 2024 (Estimate)	19,335	1,010,762	2,178,547
Households 2029 (Projection)	20,877	1,056,152	2,304,278
Compound % Change 2010-2024	1.8%	1.1%	1.4%
Compound % Change 2024-2029	1.5%	0.9%	1.1%
Average Household Size 2010 (Actual)	2.58	2.43	2.49
Average Household Size 2024 (Estimate)	2.59	2.39	2.41
Average Household Size 2029 (Projection)	2.59	2.37	2.38
Median Household Income 2024 (Estimate)	$56,052	$63,399	$66,981
Median Household Income 2029 (Projection)	$66,478	$75,804	$79,671
Compound % Change 2024-2029	3.5%	3.6%	3.5%
2024 Median Age (Estimate)	36.2	41.9	41
2024 Owner Occupied % (Estimate)	63.0%	62.1%	63.3%
2024 Renter Occupied % (Estimate)	29.2%	24.8%	24.3%
2024 Median Home Value (Estimate)	$249,339	$281,025	$280,920
Unemployment Rate as of February*		4.60%	4.20%
*Source: STDB/ESRI & *Bureau of Labor Statistics*			

POPULATION TRENDS

The population in this area is projected to increase at a slightly higher rate as compared to the Greenville-Spartanburg-Asheville-Anderson DMA and as compared to the State of South Carolina. The number of households is projected to increase at a slightly higher rate as compared to both the Greenville-Spartanburg-Asheville-Anderson DMA and the State of South Carolina. This indicates that it is reasonable to expect demand to grow at a slightly faster pace in this market area as compared to the Greenville-Spartanburg-Asheville-Anderson DMA and the State of South Carolina in the future.

HOUSING TRENDS

The market area has a similar percentage of owner-occupied housing as compared to the Greenville-Spartanburg-Asheville-Anderson DMA and the State of South Carolina. Also, the market area has a higher percentage of renter occupied housing as compared to the Greenville-Spartanburg-Asheville-Anderson DMA and the State of South Carolina. This indicates that there is a less stable population and more of a transitory population in the subject area as compared to the Greenville-Spartanburg-Asheville-Anderson DMA and the State of South Carolina. This could be due in part to the presence of several colleges and universities in Spartanburg.

INCOME TRENDS

The median household income is estimated to be lower than both the Greenville-Spartanburg-Asheville-Anderson DMA and the State of South Carolina. The median home value is estimated to be lower than that of both the Greenville-Spartanburg-Asheville-Anderson DMA and the State of South Carolina, which indicates an overall lower cost of living.

UNEMPLOYMENT TRENDS

Data available from the Bureau of Labor Statistics typically reflects two months prior. Therefore, as of the writing of this report, the most recent unemployment data available is for February 2025, as reflected in the table on the previous page.

MAJOR EMPLOYERS

The major employers for the area are shown below.

Major Employers

Company	# Employed
Prisma Health	5,000+
State of South Carolina	5,000+
BMW	5,000+
Greenville County Schools	5,000+
Spartanburg Regional Healthcare System	5,000+
United States Government	5,000+
Michelin North America	5,000+
Wal-Mart	5,000+
Clemson University	5,000+
Bon Secours St. Francis Hospital	2,500-5,000
Milliken & Company	2,500-5,000
AnMed Health	2,500-5,000
GE Power	2,500-5,000
Duke Energy Corporation	2,500-5,000
Bi-Lo	2,500-5,000
Greenville County	2,500-5,000
ZF Transmissions Gray Court	2,500-5,000

Source: Upstate SC Alliance

OUTLOOK AND CONCLUSIONS

The characteristics of the market area indicate a population that is growing at a slightly faster rate as compared to both the Greenville-Anderson MSA and the State of South Carolina. The population of the area, on average, has a lower income as compared to the Greenville-Anderson MSA and the State of South Carolina. This area has a similarly-aged demographic with similar education overall. These factors typically indicate that property values in the area should continue to increase steadily over the long-term.

The subject is a parcel of vacant land in Boiling Springs, South Carolina. The subject's neighborhood is primarily defined by various single-family residential subdivisions, with supporting neighborhood services like grocery stores, restaurants, banks, churches, and the like. Population in the area is expected to continue to increase steadily in the coming years. This indicates that demand will remain steady or increase over the long term.

HIGHEST AND BEST USE ANALYSIS

PROCESS

Before a property can be valued, an opinion of highest and best use must be developed for the subject site, both as if vacant, and as improved or proposed. By definition, the highest and best use of a property is "the reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity." (*The Dictionary of Real Estate Appraisal*, Fourth Edition, Appraisal Institute, Chicago, Illinois, 2002)

To summarize, the highest and best use must be:

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

HIGHEST AND BEST USE

The site is not zoned, which is typical for Spartanburg County. The size of the site allows for development of multi-family use. As discussed in the "Market Area Analysis" section of this report, the neighborhood is currently in a stage of growth. The planned use of the site is for a multifamily housing residential development. A multifamily housing residential development meets the four tests of highest and best use.

Conclusion

Development of the site for multifamily housing residential use is the only use that meet the four tests of highest and best use. Therefore, a new multifamily housing residential property is concluded to be the highest and best use of the property as if vacant.

MOST PROBABLE BUYER

Based on the characteristics of the property, the most probable buyer is developer.

VALUATION ANALYSIS

VALUATION METHODOLOGY

The three traditional methods to estimating the market value of real property are the cost approach, the sales comparison approach and the income capitalization approach.

The cost approach is defined by *The Dictionary of Real Estate Appraisal, 4th Edition, 2002* as

> "A set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive, deducting depreciation from the total cost and adding the estimated land value. Adjustments may then be made to the indicated fee simple value of the subject property to reflect the value of the property interest being appraised."

The cost approach is especially 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 is defined by *The Dictionary of Real Estate Appraisal, 4th Edition, 2002* as

> "A set of procedures in which a value indication is derived by comparing the property being appraised to similar properties that have been sold recently, then applying appropriate units of comparison and making adjustments to the sale prices of the comparables based on the elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant; it is the most common and preferred method of land valuation when an adequate supply of comparable sales is available."

The sales comparison 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 raw land and/or for owner-user properties.

The income capitalization approach is defined by *The Dictionary of Real Estate Appraisal, 4th Edition, 2002* as

> "A set of procedures through which an appraiser derives a value indication for an income-producing property by converting its anticipated benefits (cash flows and reversion) into property value. This conversion can be accomplished in two ways. One year's income expectancy can be capitalized at a market-derived capitalization rate or at a capitalization rate that reflects a specified income pattern, return on investment, and change in the value of the investment. Alternatively, the annual cash flows for the holding period and the reversion can be discounted at a specified yield rate."

The income capitalization approach is relied on most heavily when appraising income-producing properties. It is less reliable with special purpose properties and properties that are not commonly leased.

The sales comparison approach is the only applicable approach for the valuation of the subject's raw land, and it therefore receives most emphasis in the Reconciliation of Value in this assignment, due to the non-applicability of the cost approach and income capitalization approach. The reconciliation discusses the relative strengths and weaknesses of each approach, and the applicability of each approach to the property type.

SALES COMPARISON APPROACH

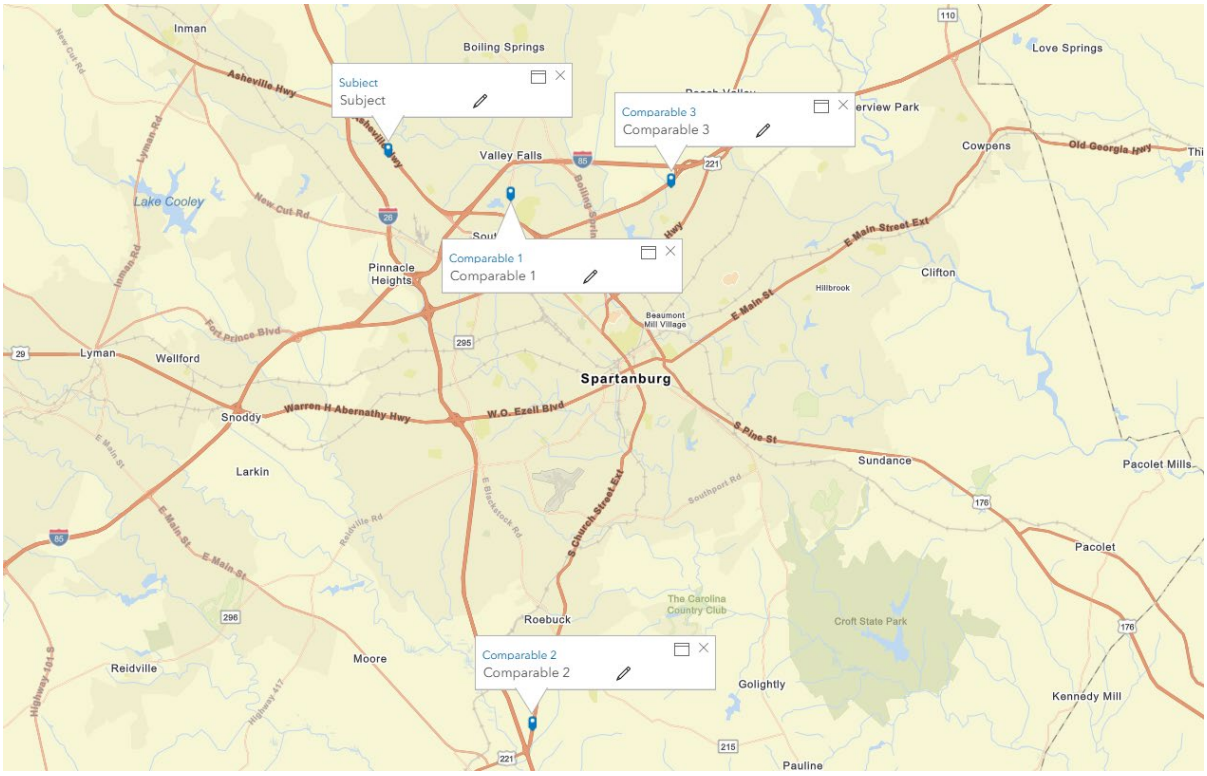
To develop an opinion of the subject's land value, as if vacant and available to be developed to its highest and best use, we utilize the sales comparison approach. Our search for comparable sales focused on transactions most relevant to the subject in terms of location, size, highest and best use, and transaction date.

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

SUMMARY OF COMPARABLE LAND SALES

No	Name/Address	Sale Date; Status	Effective Sale Price	Acres	Zoning	Price/Acre
1	Vacant Parcel 7771 Valley Falls Road Spartanburg Spartanburg County, SC	Mar 2025 Closed	$1,050,000	15.53	NA	$67,611
2	Vacant Parcel Hwy 221 @ Felt Dr. Roebuck Spartanburg County, SC	Feb 2023 Closed	$430,750	4.78	NA	$90,115
3	Vacant Parcel Herald Journal Blvd. Spartanburg Spartanburg County, SC	Sep 2024 Closed	$629,400	10.49	NA	$60,000
	Subject			15.89	NA	

COMPARABLE LAND SALES MAP



ANALYSIS AND ADJUSTMENT OF SALES

The sales are compared to the subject and adjusted to account for material differences that affect value. Adjustments are considered for the following factors, in the sequence shown below. The only adjustment category that differs in the three analyses is the adjustment for land size. All other adjustments are the same for the three analyses.

Adjustment Factor	Accounts For	Comments
Effective Sale Price	Atypical economics of a transaction, such as demolition cost or expenditures by buyer at time of purchase.	No adjustments required.
Real Property Rights	Fee simple, leased fee, leasehold, partial interest, etc.	No adjustments required.
Financing Terms	Seller financing, or assumption of existing financing, at non-market terms.	No adjustments required.
Conditions of Sale	Extraordinary motivation of buyer or seller, assemblage, forced sale.	No adjustments required.
Market Conditions	Changes in the economic environment over time that affect the appreciation and depreciation of real estate.	Market conditions have stabilized somewhat due to rising interest rates and uncertainty in the market, following a period of very favorable market conditions. Nonetheless, the market continues to see overall improvements. For this reason, we apply an annual upward adjustment of 1% to each comparable.
Location	Market or submarket area influences on sale price; surrounding land use influences.	Comparables 1 and 3 are located in superior areas as compared to the subject, and therefore require a downward adjustment of 10% each for location. Comparable 2 is located in a generally similar location as compared to the subject, and therefore does not require an adjustment for location.
Size	Inverse relationship that often exists between parcel size and unit value.	Comparable 1 is of similar size as compared to the subject, and does not require an adjustment. Comparables 2 and 3 are smaller than the subject, and require downward adjustments of 20% and 5%, respectively.

Adjustment Factor	Accounts For	Comments
Shape and Topography	Primary physical factors that affect the utility of a site for its highest and best use.	No adjustments required for topography; however, the subject is an irregularly-shaped parcel, and Comparables 1 and 2 are rectangular or generally rectangular, which is considered slightly superior. For this reason, we apply a downward adjustment of 5% to Comparables 1 and 2 for site shape. Comparable 3 is also irregularly shaped and does not require adjustment.
Utilities	The availability of utilities to a site affects the desirability to a purchaser and the expenditures following purchase to provide the site with utilities.	No adjustments required.
Frontage/Visibility	The amount of road frontage and the quality of the visibility from the road from passing drivers affect the value of commercial sites.	Comparables 1 and 2 have similar frontage/visibility as compared to the subject property, and do not require adjustment. Comparable 3 has frontage on Interstate 85, and therefore requires a downward adjustment of 5% to account for its superior frontage/visibility.
Zoning	Zoning has an effect on property value because it can limit the potential development uses of a site.	No adjustments required.

Land Analysis Grid		Comp 1	Comp 2	Comp 3
Address	9031 Asheville Highway	7771 Valley Falls Road	US Highway 221 and Felt Drive	Herald Journal Boulevard
City	Boiling Springs	Spartanburg	Roebuck	Spartanburg
State	SC	SC	SC	SC
Date	4/5/2025	3/31/2025	2/3/2023	9/25/2024
Price		$1,050,000	$430,750	$629,400
Acres	15.89	15.53	4.78	10.49
Acre Unit Price		$67,611	$90,115	$60,000
Transaction Adjustments				
Property Rights	Fee Simple	Fee Simple 0.0%	Fee Simple 0.0%	Fee Simple 0.0%
Financing	Conventional	Conventional 0.0%	Conventional 0.0%	Conventional 0.0%
Conditions of Sale	Arm's Length	Arm's length 0.0%	Arm's Length 0.0%	Arm's Length 0.0%
Expenditures After Sale		$0	$0	$0
Adjusted Acre Unit Price		**$67,611**	**$90,115**	**$60,000**
Market Trends Through	4/5/25 1.0%	0.0%	2.2%	0.5%
Adjusted Acre Unit Price		$67,620	$92,082	$60,315
Location	Good	Superior	Similar	Superior
% Adjustment		-10%	0%	-10%
$ Adjustment		-$6,762	$0	-$6,031
Acres	15.89	15.53	4.78	10.49
% Adjustment		0%	-20%	-5%
$ Adjustment		$0	$10	-$3,016
Topography	Gently Rolling	Similar	Similar	Similar
% Adjustment		0%	0%	0%
$ Adjustment		$0	$0	$0
Shape	Irregular	Rectangular	Rectangular	Irregular
% Adjustment		-5%	-5%	0%
$ Adjustment		-$3,381	-$4,604	$0
Utilities	Municipal utilities	Municipal utilities	Municipal utilities	Municipal utilities
% Adjustment		0%	0%	0%
$ Adjustment		$0	$0	$0
Frontage/Visibility	Average	Similar	Similar	Superior
% Adjustment		0%	0%	-5%
$ Adjustment		$0	$0	-$3,016
Zoning	NA	NA	NA	NA
% Adjustment		0%	0%	0%
$ Adjustment		$0	$0	$0
Adjusted Acre Unit Price		**$57,477**	**$87,488**	**$48,252**
Net Adjustments		-15.0%	-2.9%	-19.6%
Gross Adjustments		15.0%	7.3%	20.6%

LAND VALUE CONCLUSION

We place most emphasis on Comparable 1 due to its similar size, and recent sale date. We place equal secondary emphasis, more or less, on Comparables 2 and 3, and arrive at an overall indication of value as follows:

LAND VALUE CONCLUSION – OVERALL	
Indicated Value per acre	$60,000/acre
Subject Acres	15.89
Indicated Value	$953,400
Rounded	**$950,000**

RECONCILIATION AND CONCLUSION OF VALUE

Reconciliation involves the weighting of alternative value indications, based on the judged reliability and applicability of each approach to value, to arrive at a final value conclusion. Reconciliation is required because different value indications result from the use of multiple approaches and within the application of a single approach.

The values indicated by my analyses are as follows:

SUMMARY OF VALUE INDICATIONS	
	Overall Property
Cost Approach	Not Applicable
Sales Comparison Approach	$950,000
Income Capitalization Approach	Not Applicable

COST 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. In the case of the subject property, the approach is not applicable because there are no improvements that contribute to the overall property value.

SALES COMPARISON APPROACH

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, or for the valuation of raw land, such as the subject.

INCOME CAPITALIZATION APPROACH

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. Raw land in the subject market is rarely ever leased. It is not applicable in the valuation of the subject, because it is unlikely that the subject property would ever be leased.

FINAL VALUE ESTIMATE

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

MARKET VALUE OPINION			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value "As Is"	Fee Simple	April 5, 2025	$950,000

CERTIFICATION STATEMENT

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, unbiased professional analyses, opinions and conclusions.
- I 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.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation 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.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, and also in conformity with the appraisal regulations issued in connection with the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA).
- I have made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the person signing this certification.
- I certify sufficient competence to appraise this property through education and experience, in addition to the internal resources of the appraisal firm.
- Within the three years prior to the date of this report, additional appraisals of the subject property have been prepared by Palmetto State Appraisal and Consulting. This report is a stand-alone appraisal. The prior appraisal presents no conflicts of interest and the market value reported in this appraisal is not influenced by any prior appraisal of the subject property. The market value is reported herein with no bias to the subject property. The appraisers use impartiality, independence and objectivity in reporting the market value.
- The value conclusions and other opinions expressed herein are not based on a requested minimum value, a specific value or approval of a loan.

- Brantley Clark, MAI has made a personal inspection of the property that is the subject of this report.

- 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 & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.

- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

- As of the date of this report, Brantley Clark, MAI has completed the continuing education program of the Appraisal Institute.

Brantley R. Clark

Brantley R. Clark, MAI
Certified General Real Estate Appraiser
SC Certificate #5073

ASSUMPTIONS AND LIMITING CONDITIONS

Acceptance of and/or use of this report constitutes acceptance of the following limiting conditions and assumptions; these can only be modified by written documents executed by both parties.

This appraisal is to be used only for the purpose stated herein. While distribution of this appraisal in its entirety is at the discretion of the client, individual sections shall not be distributed; this report is intended to be used in whole and not in part.

No part of this appraisal, its value estimates or the identity of the firm or the appraiser(s) may be communicated to the public through advertising, public relations, media sales, or other media.

All files, work papers and documents developed in connection with this assignment are the property of Palmetto State Appraisal & Consulting. Information, estimates and opinions are verified where possible, but cannot be guaranteed. Plans provided are intended to assist the client in visualizing the property; no other use of these plans is intended or permitted.

No hidden or unapparent conditions of the property, subsoil or structure, which would make the property more or less valuable, were discovered by the appraiser(s) or made known to the appraiser(s). No responsibility is assumed for such conditions or engineering necessary to discover them. Unless otherwise stated, this appraisal assumes there is no existence of hazardous materials or conditions, in any form, on or near the subject property.

Unless otherwise state in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyl, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, was not called to the attention of the appraiser nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test for such substances. The presence of such hazardous substances may affect the value of the property. The value opinion developed herein is predicated on the assumption that no such hazardous substances exist on or in the property or in such proximity thereto, which would cause a loss in value. No responsibility is assumed for any such hazardous substances, nor for any expertise or knowledge required to discover them.

Unless stated herein, the property is assumed to be outside of areas where flood hazard insurance is mandatory. Maps used by public and private agencies to determine these areas are limited with respect to accuracy. Due diligence has been exercised in interpreting these maps, but no responsibility is assumed for misinterpretation.

Good title, free of liens, encumbrances and special assessments is assumed. No responsibility is assumed for matters of a legal nature.

Necessary licenses, permits, consents, legislative or administrative authority from any local, state or Federal government or private entity are assumed to be in place or reasonably obtainable.

It is assumed there are no zoning violations, encroachments, easements or other restrictions which would affect the subject property, unless otherwise stated.

The appraiser(s) are not required to give testimony in Court in connection with this appraisal. If the appraisers are subpoenaed pursuant to a court order, the client agrees to pay the appraiser(s) Palmetto State Appraisal & Consulting's regular per diem rate plus expenses.

Appraisals are based on the data available at the time the assignment is completed. Amendments/modifications to appraisals based on new information made available after the appraisal was completed will be made, as soon as reasonably possible, for an additional fee.

The value of the subject property excludes the value of the non-contributory structures. The value excludes any inherent timber value, as this would be negotiated separately.

Americans with Disabilities Act (ADA) of 1990A civil rights act passed by Congress guaranteeing individuals with disabilities equal opportunity in public accommodations, employment, transportation, government services, and telecommunications. Statutory deadlines become effective on various dates between 1990 and 1997. Palmetto State Appraisal & Consulting has not made a determination regarding the subject's ADA compliance or non-compliance**. Non-compliance could have a negative impact on value, however this has not been considered or analyzed in this appraisal**.

ADDENDUM A

APPRAISER QUALIFICATIONS

PALMETTO STATE
APPRAISAL AND CONSULTING

Professional Qualifications of Brantley R. Clark, MAI

Experience
Founded Palmetto State Appraisal and Consulting in September 2013. Currently providing high-quality appraisals and consultations of various types of commercial real estate in South Carolina, North Carolina and Georgia.

Past experience includes 11 years with Integra Realty Resources - South Carolina. Entered the real estate appraisal field in 2002 as a support assistant, and began appraising full time in 2003. Moved into the role of Senior Appraiser in 2008. Received the Appraisal Institute's MAI designation in September 2009.

Valuation and consulting assignments have been completed on the following property types:
Office buildings, convenience stores, multi-family developments, retail stores, shopping centers, hotels, branch banks, automobile dealerships, restaurants, vacant land, warehouses, distribution facilities, processing plants, self storage facilities, flex buildings, equestrian centers, churches, schools, golf courses, fraternity/sorority houses and subdivisions.

Professional Activities
Member of the Appraisal Institute (MAI designation was received 9/2009).
Served as a delegate to AI's Leadership Development and Advisory Council in Washington, DC in 2010 and 2011.
Served in the following capacities in the SC Appraisal Institute Chapter:
Public Relations Committee Chair (2012, 2009, 2008)
Public Relations Committee Vice Chair (2007)
Associate Council President (2007)
Associate Council Vice President (2006)

License
South Carolina Certified General Appraiser #5073
North Carolina Certified General Real Estate Appraiser #A7805
Georgia Certified General Real Property Apraiser #354870

Education
Bachelor of Arts Degree, University of South Carolina, May 2002
Currently certified by the Appraisal Institute's voluntary program of continuing education for its designated members.

South Carolina Department of Labor, Licensing and Regulation

Real Estate Appraisers Board

CERTIFIES THAT:

BRANTLEY R CLARK

IS AUTHORIZED TO PRACTICE

Certified General Appraiser

LICENSE NO.

AB .5073 CG

EXPIRATION DATE: 06/30/2026

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

ADDENDUM B

DEFINITIONS

DEFINITIONS

These definitions have been extracted, solely or in combination, from definitions and descriptions printed in:

- *The Dictionary of Real Estate Appraisal*, Fourth Edition, Appraisal Institute, Chicago, Illinois, 2002 *(Dictionary)*.
- *The Appraisal of Real Estate*, Twelfth Edition, Appraisal Institute, Chicago, Illinois, 2001 *(Twelfth Edition)*.
- *Income/Expense Analysis,* 2006 Edition – Conventional Apartments, Institute of Real Estate Management, Chicago, Illinois *(IREM)*
- *Marshall Valuation Service*, Marshall & Swift, Los Angeles, California, *(MVS)*.

Accrued Depreciation

The difference between the reproduction or replacement cost of the improvements on the effective date of the appraisal and the market value of the improvements on the same date. (*Dictionary*)

Amenity

A tangible or intangible benefit of real property that enhances its attractiveness or increases the satisfaction of the user, but is not essential to its use. Natural amenities may include a pleasant location near water or a scenic view of the surrounding area; man-made amenities include swimming pools, tennis courts, community buildings, and other recreational facilities. *(Dictionary)*

Class of Apartment Property

(The following definitions have been adapted from "Class of Office Building" in the Dictionary of Real Estate Appraisal, Fourth Edition.)

For the purposes of comparison, apartment properties are grouped into three classes. These classes represent a subjective quality rating of buildings, which indicates the competitive ability of each building to attract similar types of tenants. Combinations of factors such as rent, building finishes, system standards and efficiency, building amenities, location/accessibility, and market perception are used as relative measures. (Note that national cost estimating services may classify office buildings differently than local markets.)

Class A apartment properties are the most prestigious properties competing for the premier apartment tenants, with rents above average for the area. Buildings have high-quality standard finishes, state-of-the-art systems, exceptional accessibility, and a definite market presence.

Class B apartment properties compete for a wide range of users, with rents in the average range for the area. Building finishes are fair to good for the area and systems are adequate, but the buildings do not compete with Class A buildings at the same price.

Class C apartment properties compete for tenants requiring functional space at rents below the average for the area.

Deferred Maintenance

Curable, physical deterioration that should be corrected immediately, although work has not commenced; denotes the need for immediate expenditures, but does not necessarily suggest inadequate maintenance in the past. (*Dictionary*)

Discounted Cash Flow (DCF) Analysis

The procedure in which a discount rate is applied to a set of projected income streams and a reversion. The analyst specifies the quantity, variability, timing, and duration of the income streams as well as the quantity and timing of the reversion and discounts each to its present value at a specified yield rate. DCF analysis can be applied with any yield capitalization technique and may be performed on either a lease-by-lease or aggregate basis. (*Dictionary*)

Effective Date

The date at which the analyses, opinions, and advice in an appraisal, review, or consulting service apply. *(Dictionary)*

Entrepreneurial Incentive

A market-derived figure that represents the amount an entrepreneur expects to receive as compensation for providing coordination and expertise and assuming the risks associated with the development of a project. (*Twelfth Edition*)

Entrepreneurial Profit

A market-derived figure that represents the amount an entrepreneur receives for his or her contribution to a project and risk; the difference between the development cost of a property and its market value upon completion and stabilization, which represents the entrepreneur's compensation for the risk and expertise associated with development. Entrepreneurial profit is an amount earned, estimated after completion, while entrepreneurial incentive is an amount anticipated, prior to development. (*Twelfth Edition*)

Exposure Time

The time a property remains on the market. The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market. Exposure time is always presumed to occur prior to the effective date of the appraisal. The overall concept of reasonable exposure encompasses not only adequate, sufficient and reasonable time but also adequate, sufficient and reasonable effort. Exposure time is different for various types of real estate and value ranges and under various market conditions. *(Dictionary)*

Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat. (*Dictionary*)

Floor Area Ratio (FAR)

The relationship between the above-ground floor area of a building, as described by the building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a

decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area. *(Dictionary)*

Garden Apartments
An apartment development of two- or three-story, walk-up structures built in a garden-like setting; customarily a suburban or rural-urban fringe development. *(Dictionary)*

Gross Building Area (GBA)
The total floor area of a building, including below-grade space but excluding unenclosed areas, measured from the exterior of the walls. Gross building area for office buildings is computed by measuring to the outside finished surface of permanent outer building walls without any deductions. All enclosed floors of the building including basements, mechanical equipment floors, penthouses, and the like are included in the measurement. Parking spaces and parking garages are excluded. *(Dictionary)*

Highest and Best Use
The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. (*Dictionary*)

High-Rise Apartment Building
An imprecise term used since World War II to distinguish a modern elevator apartment building from its prewar counterpart; usually a tall building, but this standard varies in different areas. *(Dictionary)*

Insurable Value
Value used by insurance companies as the basis for insurance. Often considered to be replacement or reproduction cost plus allowances for debris removal or demolition less deterioration and noninsurable items. Sometimes cash value or market value, but often entirely a cost concept. (*MVS*)

Leased Fee Interest
An ownership interest held by a landlord with the rights of use and occupancy conveyed by lease to others. The rights of the lessor (the leased fee owner) and the lessee are specified by contract terms contained within the lease. (*Dictionary*)

Leasehold Interest
The interest held by the lessee (the tenant or renter) through a lease transferring the rights of use and occupancy for a stated term under certain conditions. (*Dictionary*)

Market Rent
The rental income a property would probably command in the open market; indicated by the current rents that are either paid or asked for comparable space as of the date of the appraisal. *(Twelfth Edition)*

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:

- buyer and seller are typically motivated;
- both parties are well informed or well advised, and acting in what they consider their best interests;
- a reasonable time is allowed for exposure in the open market;
- payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
- the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. *(Dictionary; 12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994)*

Marketing Time

The time it takes an interest in real property to sell on the market subsequent to the date of an appraisal. Reasonable marketing time is an estimate of the amount of time it might take to sell an interest in real property at its estimated market value during the period immediately after the effective date of the appraisal; the anticipated time required to expose the property to a pool of prospective purchasers and to allow appropriate time for negotiation, the exercise of due diligence, and the consummation of a sale at a price supportable by concurrent market conditions. *(Dictionary)*

Prospective Value Opinion

A forecast of the value expected at a specified future date. A prospective value opinion is most frequently sought in connection with real estate projects that are proposed, under construction, or under conversion to a new use, or those that have not achieved sellout or a stabilized level of long-term occupancy at the time the appraisal report is written. *(Dictionary)*

Rentable Floor Area (RFA)

An area computed by measuring the inside finish of permanent outer building walls or from the glass line where at least 50% of the outer building wall is glass. Rentable floor area also includes all areas within outside walls less stairs, elevator shafts, flues, pipe shafts, vertical ducts, air conditioning rooms, fan rooms, janitor closets, electrical closets, balconies and such other rooms not actually available to the tenant for his furnishings and personnel and their enclosing walls. No deductions are made for columns and projections necessary to the building. *(IREM)*

Replacement Cost

The estimated cost to construct, at current prices as of the effective appraisal date, a building with utility equivalent to the building being appraised, using modern materials and current standards, design and layout. (*Dictionary*)

Reproduction Cost

The estimated cost to construct, at current prices as of the effective date of the appraisal, an exact duplicate or replica of the building being appraised, using the same materials, construction

standards, design, layout, and quality of workmanship and embodying all the deficiencies, superadequacies, and obsolescence of the subject building. (*Dictionary*)

Room Count

The number of rooms in a building; a unit of comparison used primarily in residential appraisal. No national standard exists on what constitutes a room. The Federal Housing Administration counts an alcove opening off the living room as one-half room, but does not count dining space within a kitchen. The generally accepted method is to consider as separate rooms only those rooms that are effectively divided and to exclude bathrooms. *(Dictionary)*

Stabilized Occupancy

Occupancy at that point in time when abnormalities in supply and demand or any additional transitory conditions cease to exist and the existing conditions are those expected to continue over the economic life of the property; the optimum range of long-term occupancy which an income-producing real estate project is expected to achieve under competent management, after exposure for leasing in the open market for a reasonable period of time at terms and conditions comparable to competitive offerings. (*Dictionary*)

Townhouse

A single-family, attached dwelling unit with party walls; usually an individual unit in a series of five to 10 houses, with common walls between the units and side yards on the end units only; may have one to three stories and all necessary facilities and amenities. *(Dictionary)*

Value As Is

The value of specific ownership rights to an identified parcel of real estate as of the effective date of the appraisal; relates to what physically exists and is legally permissible and excludes all assumptions concerning hypothetical market conditions or possible rezoning. *(Dictionary)*

ADDENDUM C

SUBJECT PHOTOGRAPHS

SUBJECT PHOTOGRAPHS

View of subject property
(Photo Taken on April 5, 2025)

View of subject property
(Photo Taken on April 5, 2025)

View of subject property
(Photo Taken on April 5, 2025)

View of subject property
(Photo Taken on April 5, 2025)

Asheville Highway facing southeast
(Photo Taken on April 5, 2025)

Asheville Highway facing northwest
(Photo Taken on April 5, 2025)

ADDENDUM D

COMPARABLE DATA

LAND SALE PROFILE NO. 1

Property Identification

Property Type	Raw Land (former SFR)
Address	7771 Valley Falls Road, Spartanburg, Spartanburg County, SC
Tax ID	2-56-00-010.01 and 2-56-00-011.00

Sale Data

Grantor	Betty Cantrell Johnson
Grantee	TMC Smithwater, LLC
Sale Date	March 31, 2025
Deed Book/Page	151C/237
Recorded Plat	186/981
Property Rights	Fee simple
Financing	Typical
Verification	Other sources: Appraisal Files, Grantee, Public records; Confirmed by Brantley Clark
Sale Price	$1,050,000

LAND SALE PROFILE NO. 1 (Cont.)

Land Data

Land Size	15.53 Acres or 676,487 SF
Front Footage	Valley Falls Road
Zoning	NA
Topography	Gently Rolling
Shape	Generally Rectangular

Indicators

Sale Price/Acre	$67,611

Remarks

This is the sale of a parcel of land that was purchased for potential multi family development. The property was previously improved with a single family residence which had reached the end of its economic life.

LAND SALE PROFILE NO. 2

Property Identification

Property Type	Raw Land
Address	US Highway 221 and Felt Drive, Roebuck, Spartanburg County, SC
Tax ID	Portion of 6-40-00-014.05

Sale Data

Grantor	R & R Enterprises, Inc.
Grantee	MNK Investments LLC
Sale Date	February 3, 2023
Deed Book/Page	141F/152
Recorded Plat	183/229
Property Rights	Fee simple
Financing	Typical
Verification	Other sources: Grantee, Public records; Confirmed by Brantley Clark
Sale Price	$430,750

LAND SALE PROFILE NO. 2 (Cont.)

Land Data

Land Size	4.78 Acres or 208,217 SF
Front Footage	US Highway 221 and Felt Drive
Zoning	NA
Topography	Gently Rolling
Shape	Rectangular

Indicators

Sale Price/Acre	$90,115

Remarks

This is the sale of 4.78 acres at the corner of US Highway 221 and Felt Drive in Roebuck. It was purchased for potential future multifamily development.

LAND SALE PROFILE NO. 3

Property Identification

Property Type	Raw Land
Address	North Side of Herald Journal Boulevard, Spartanburg, Spartanburg County, SC
Tax ID	7-04-00-058.00

Sale Data

Grantor	HJ Park LLC
Grantee	Ice Air Property Holding LLC
Sale Date	September 25, 2024
Deed Book/Page	148K/781
Recorded Plat	170/792
Property Rights	Fee simple
Financing	Typical
Verification	Other sources: Grantee, Public records; Confirmed by Brantley Clark
Sale Price	$629,400

LAND SALE PROFILE NO. 3 (Cont.)

Land Data

Land Size	10.49 Acres or 456,944 SF
Front Footage	Herald Journal Boulevard and Interstate 85
Zoning	NA
Topography	Generally level
Shape	Irregular

Indicators

Sale Price/Acre	$60,000

Remarks

This is the sale of a parcel of raw land on the southern side of Interstate 85 and the northern side of Herald Journal Boulevard.

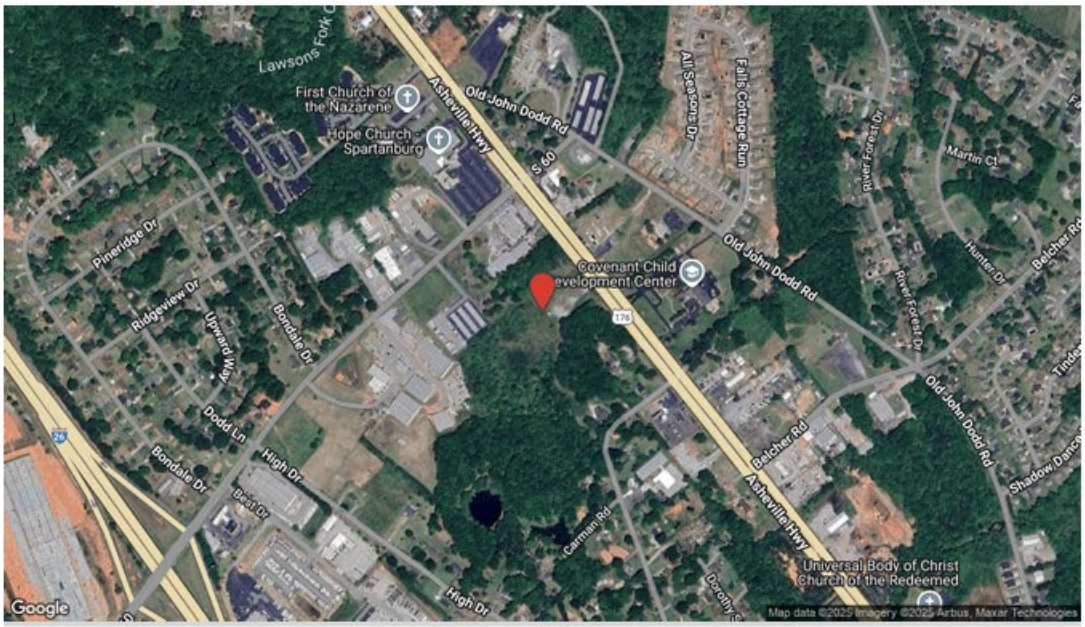
ADDENDUM E

FINANCIALS AND PROPERTY INFORMATION

Flood Map

CoreLogic | RiskMeter

Overview Map



CoreLogic | RiskMeter

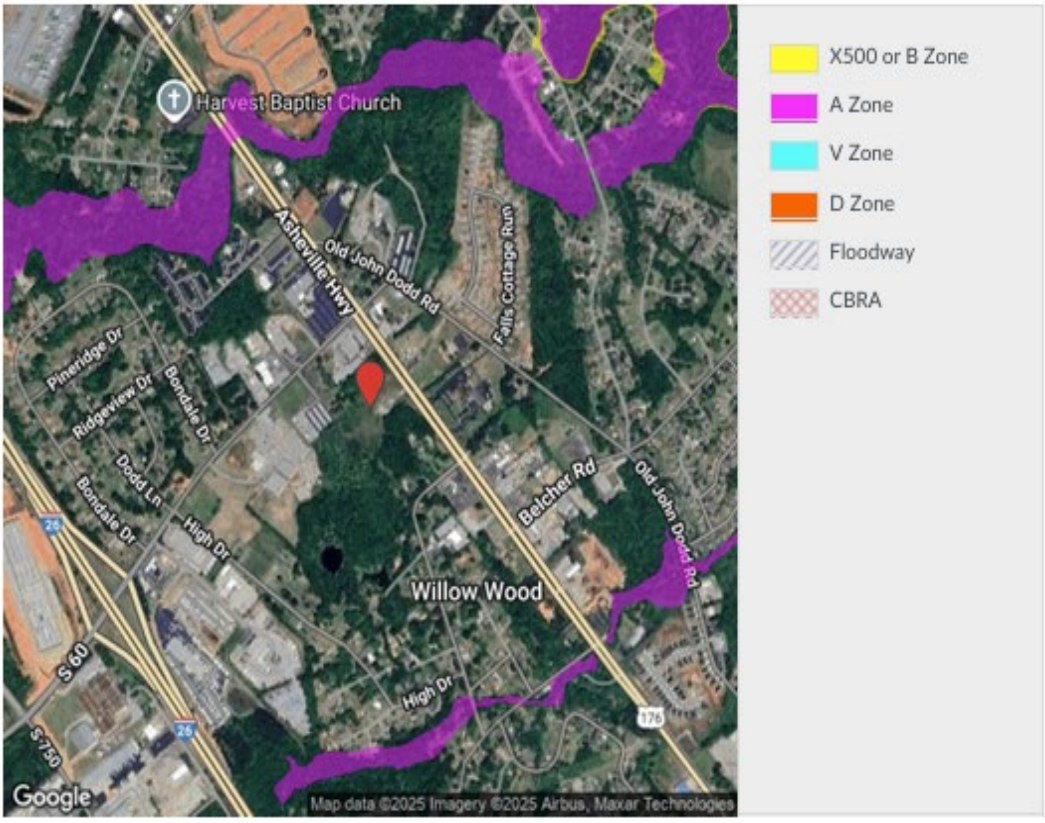
9031 ASHEVILLE HWY BOILING SPRINGS, SC 29316-4615

LOCATION ACCURACY: Excellent

Flood Zone Determination Report

Flood Zone Determination: **OUT**

COMMUNITY	450176	PANEL	0144D
PANEL DATE	January 06, 2011	MAP NUMBER	45083C0144D



Tax Map