

An Appraisal Report of An Office Warehouse

Prepared For:

**Victory Spirits Development
ATTENTION: Michael Shoer
3914 Main Hwy
Bamberg, SC 29003**

Located At:

**3914 Main Hwy
Bamberg, SC 29003
Tax Map Number 0072-08-03-001 &
0072-08-03-004
Bamberg County**



The Carolina Appraisal Group
Real Estate Appraisers and Consultants

CONFIDENTIAL

March 26, 2020

Victory Spirits Development
ATTENTION: Michael Shoer
3914 Main Hwy
Bamberg, SC 29003

RE: An appraisal report and appraisal of an office/warehouse located at 3914 Main Hwy, Bamberg, SC 29003.

TMS#0072-08-03-001
0072-08-03-004

Property Type: Office/Warehouse

Dear Mr. Shoer;

We have now completed the appraisal of the above referenced property. As you are aware, the scope of the assignment required us to estimate the market value “as is” of the fee simple interests in the subject property. The appraisal has been reported as per the scope of work requirements requested. Please pay attention to the scope of work beginning on page 1 of the report. The appraisal is intended to comply with the Uniform Standards of Professional Appraisal Practice. The Appraisal Institute has adopted these standards, and the appraisal is subject to the additional requirements of that professional association. It is also subject to the assumptions and limiting conditions and those assumptions and limiting conditions stated throughout the report. Please note there is an addenda at the end of this report.

The property being appraised in this report is located at 3914 Main Hwy, Bamberg, SC. The subject is a 19,391 square foot office facility. It has 3,207 square feet of office area, or 16%. The remaining area is warehouse space. It was originally a 7,744 square foot automobile dealership built around 1970. An additional 11,647 square feet was added in 2016. The land area is 7.03 acre as per a recent survey. There is 4.01 acres of underlying land and 3.02 acres of excess land that is unimproved.

Please also note that the global outbreak of a “novel corona virus” known as COVID-19 was officially declared a pandemic by the World Health Organization (WHO). The reader is cautioned, and reminded that the conclusions presented in this appraisal report apply only as of the effective date(s) indicated. The appraiser makes no representation as to the effect on the subject property of any unforeseen event, subsequent to the effective date of the appraisal. We highly suggest an update on the appraisal in the coming months ahead.

- The report is under the assumption that there are no hazardous materials on site. If this is found to be untrue, it could alter the results stated within this report.

Therefore, it is our opinion that the current market value ‘as is’ of the fee simple interest held in the improvements and underlying land on March 17, 2020 is:

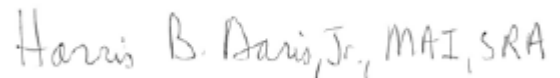
EIGHT HUNDRED SEVENTY-FIVE THOUSAND DOLLARS
(\$875,000)

Furthermore, it is our opinion that the current market value ‘as is’ of the fee simple interest held in the excess land on March 17, 2020 is:

SIXTY THOUSAND DOLLARS
(\$60,000)

Thank you for allowing us to provide you with appraisal services. Please contact us with any further assistance.

Sincerely,



Harris B. Davis, Jr., MAI, SRA
Reviewing Appraiser
State Certified General Real
Estate Appraiser 2920



Duey R. Acton
Inspecting Appraiser
State Certified General Real
Estate Appraiser CG 2290

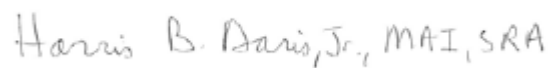
CERTIFICATE OF THE APPRAISERS

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- We previously appraised the property on April 10, 2017.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- Duey R. Acton **has** made a personal inspection of the property that is the subject of this report. Harris B. Davis, Jr., MAI, SRA **has not** made a personal inspection of the property that is the subject of this report
- No one provided significant real property appraisal assistance to the people signing this certification.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- 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, Harris B. Davis, Jr., MAI, SRA **has** completed the continuing education program for Designated Members of the Appraisal Institute.
- As of the date of this report, Duey R. Acton has completed the Standards and Ethics Education Requirements for **Practicing Affiliates** of the Appraisal Institute.



Duey R. Acton
Inspecting Appraiser
State Certified General
Real Estate Appraiser CG 2290



Harris B. Davis, Jr., MAI, SRA
Reviewing Appraiser
State Certified General
Real Estate Appraiser CG 2920

EXECUTIVE SUMMARY

Date of Appraisal: March 17, 2020

Date of Report: March 26, 2020

Location:
Address 3914 Main Hwy
City, State Bamberg, South Carolina
County Bamberg County
Zip Code 29003

County TMS #:
0072-08-03-001
0072-08-03-004

Acres 7.03 Acres

Land Area Appraised:
Square Feet
4.01 Acres (Underlying Land)
3.02 Acres (Excess Land)
306,227 Square Feet

174,676 Square Feet (Underlying Land)
131,551 Square Feet (Excess Land)

Improvements:
Type Office Warehouse
Square Feet 19,391

Utilities:
Year Built Approximate 1970 (11,647 SF – 2016)
All Available

Zoning: IND – Industrial

Neighborhood Trends: Present – Stability over the foreseeable future

Property Rights Appraised: Fee Simple

Land Valuation (Excess Land): \$60,000

Sales Comparison Approach: \$875,000

Income Capitalization Approach: \$875,000

Final Value Indication:
\$875,000 (Improvements & Underlying Land)
\$60,000 (Excess Land)

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PURPOSE/INTENDED USE/USER

Intended Purpose/Use	The intended use of this appraisal is for loan underwriting, loan renewal and-or credit decisions by Victory Spirits Development and-or affiliates.
Intended User/Client	The intended users of this report is Victory Spirits Development and-or affiliates. There are no other intended users.
Type of Value	Market Value As Is
Interest Appraised	Fee Simple

RELEVANT DATES

Report Date	March 26, 2020
Date of Inspection	March 17, 2020
Date of Value	March 17, 2020
Appraiser's Last Appraisal of this property	No previous appraisals of this property within the last three years.

SCOPE OF WORK

The appraisal assignment required the following:

Interior and exterior inspection of the subject property and neighborhood.
An identification and summarized description of the real estate being appraised
A statement of the real property interest being appraised
A definition of the value being estimated.
A summary of the extent of the process of collecting, confirming, and reporting the data. The collection of market data through an examination of our files, information supplied by other appraisers, and the primary market research. This information was confirmed to the greatest degree possible through discussions with market participants
A statement of all assumptions and limiting conditions that affect the analyses, opinions, and conclusions.
A summary of the appraisers' opinion of the highest and best use of the real estate.
We have completed the Sales Comparison and Income Capitalization Approaches to value. The Sales Comparison Approach is the best approach to value for similar owner-occupied properties. The Income Capitalization Approach has also been utilized. Although similar properties are primarily owner occupied, this approach is utilized in order to test the reasonableness of the Sales Comparison Approach. The Cost Approach was omitted due to the age of the property and substantial physical and external depreciation estimates. We estimated the excess land value via sales comparison.

*The scope or extent of this assignment is the extent of the process of collecting, confirming and reporting the market data required to determine the highest and best use and the market value of the subject property as of the effective appraisal date(s). The appraisal included the review and analysis of market information to provide a basis for the value estimate as defined in this report.

DEFINITIONS

***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, knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

The buyer and seller are typically motivated;
Both parties are well informed or well advised and each is acting in what they consider their own best interest;
A reasonable time is allowed for exposure in the open market;
Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto.
The price represents a normal consideration for the property sold unaffected by special financing amounts or creative financing or sales concessions granted by anyone associated with the sale.
The value estimate is in terms of cash and does not include any business equipment, lessee-owned improvements, personal equipment or chattels that may be part of the subject.

*This example definition is from regulations published by federal regulatory agencies pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989 between July 5, 1990 and August 24, 1990, by the Federal Reserve System (FRS), National Credit Union Administration (NCUA), Federal Deposit Insurance Corporation (FDIC), the Office of Thrift Supervision (OTS), and the Office of Comptroller of the Currency (OCC). This definition is also referenced in regulations jointly published by the OCC, OTS, FRS, and FDIC on June 7, 1994, and in the Interagency Appraisal and Evaluation Guidelines, dated October 27, 1994.

Liquidation Value - The price that a seller is compelled to accept when a property must be sold without reasonable market exposure.

Liquidation Price - A forced price obtained when a reasonable time is not allowed to find a purchaser.

Cost Approach - A set of procedures in which an appraiser derives a value indication by estimating the current cost to reproduce or replace the existing structure, deducting for all accrued depreciation in the property and adding the estimated land value.

Discounted Cash Flow (DCF) Analysis - A set of procedures in which an appraiser specifies the quantity, variability, timing and duration of periodic income, as well as the quantity and timing of reversions, and discounts each to its present value at a specified yield rate.

Discounting - The procedure used to convert periodic income and reversions into present value; based on the assumption that benefits received in the future are worth less than the same benefits received now.

Sales Comparison Approach - The approach in appraisal analysis which is based on the proposition that an informed purchaser would pay no more for a property than the cost to him of acquiring an existing property with the same utility. The approach is applicable when an active market provides sufficient quantities of reliable data, which can be verified from authoritative sources.

The direct sales comparison approach is relatively unreliable in an inactive market or in estimating the value of a property for which no real comparable sales data are available. It is also questionable when sales data cannot be verified with principals to the transaction, also referred to as the Market Comparison or Market Data Approach.

Fee Simple Interest - Absolute ownership unencumbered by any other interest or estate; subject only to the limitations of eminent domain, escheat, police power and taxation.

Leased Fee Interest - A property held in fee with the right of use and occupancy conveyed by lease to others. Leased Fee Interest property is also consisting of the right to receive ground rentals over a period of time, plus the right of ultimate repossession at the termination of the lease.

Leasehold Interest - A property held under tenure of lease and the right of use in occupancy of real property by virtue of a lease agreement. In addition, it is the right of lessee to use and enjoy real estate for a stated term and upon certain terms such as payment of rent.

Final Value Estimate - The appraiser's opinions or conclusions resulting from the application of appraisal analysis, including reconciliation of findings, to the appraisal problem at hand. This conclusion is derived from an analysis of the approaches to value as utilized in the appraisal process. This final value estimate will reflect the definition of value sought (i.e. market value, investment value, insurance value, etc.). For market value, the final estimate is that value which most nearly represents what the typical, informed, rational purchaser would pay for the subject property if it were available for sale on the open market as of the date of the appraisal given all the data utilized by the appraiser in his analysis.

Highest and Best Use - 1) The reasonable and probable use that supports the highest present land value of vacant land or improved property, as defined, as of the date of the appraisal. 2) The reasonably probable and legal use of land or sites as though vacant found to be physically possible, appropriately supported, financially feasible, and that results in the highest present land value. 3) The most profitable use.

Implied in these definitions is that the determination of highest and best use takes into account the contribution of a specific use to a community and community development goals as well as the benefits of that use to individual property owners. Hence, in certain situations, the highest and best use of land may be for parks, greenbelts, preservations, conservation, wildlife habitats and the like.

Income Capitalization Approach - A set of procedures in which an appraiser derives a value indication for an income producing property by converting anticipated benefits into property value. This conversion is accomplished either by 1) capitalizing a single year's income expectancy or an annual average of several years' income expectancies at a market derived capitalization rate or capitalization rate that reflects a specified income pattern, return on investment and change in the value of the investment; or 2) discounting the annual cash flows for the holding period and the reversion at a specified yield rate.

Legal Description - A description of a parcel of land that identifies the parcel according to a system established or approved by law; a description that enables the parcel to be located and identified.

Market Rent - The rental income that a property would most probably command on the open market as indicated by current rentals being paid for comparable. This is preferred terminology to the term "Economic Rent" which has traditionally been used in appraisal analysis, even though both are currently considered synonymous.

Contract Rent - The actual rental income specified in a lease.

Zoning - The public regulation of the character and intensity of real estate use through police power; accomplished by establishing districts or areas with uniform restrictions relating to improvements, structure heights, areas, bulk, density of population and other limitations of the use and development of private property.

EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS

General Assumptions - This appraisal has been completed and the appraisal report prepared with the following **general assumptions**:

1. No responsibility is assumed for the legal description or for matters including legal or title considerations. The titles to the property are assumed to be good and marketable unless otherwise stated. Any plats, maps or photographs in this appraisal are used merely to help the reader visualize the property and its surroundings and are not certified to be accurate.
2. Any liens or encumbrances (except for any lease encumbrance that might be referred to in the appraisal) which may exist have been disregarded, and the property has been appraised as though no delinquency in the payment of general taxes or special assessment exists and as though free of indebtedness.
3. It is assumed that the utilization of the land and improvements are within the boundaries of the lines of the property described and that there is no encroachment or trespass unless noted in the report. No survey of the subject property was made or caused to be made by us, and no responsibility is assumed for the occurrence of such matters.
4. A visual inspection of the subject site was made and all engineering is assumed to be correct. The plot plan and illustrative materials in this report are included only to as-

sist the reader in visualizing the property and to show the reader the relationship of its boundaries. The appraiser is not a construction engineer and is not responsible for structural or cosmetic inadequacies associated with any of the improvements unless otherwise noted in the report.

5. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them. The soil of the area under appraisal appears to be firm and solid, unless otherwise stated. Subsidence in the area is unknown, or uncommon, and the appraiser(s) does not warrant against this condition or occurrence.

6. Subsurface rights (minerals and oil) were not considered in this appraisal unless otherwise stated. In addition, no potential timber value was considered.

7. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report. Unless otherwise stated in this report, the appraiser did not observe the existence of hazardous materials or gases, which may or may not be present on the property. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there are no such materials on or in the property, which would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise, or engineering knowledge required discovering them. The client is urged to retain an expert in this field, if desired.

8. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity use has been stated, defined, and considered in the appraisal report.

9. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been, or can be obtained, or renewed for any use on which the value estimate contained in this report is based.

10. This appraisal assumes water and sewer services will always be provided for the subject.

11. Responsible ownership and competent property management are assumed.

12. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. I (we) have not made a specific compliance survey and an analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a neg-

ative impact on the value of the property. Since I (we) have no direct evidence relating to this issue, I (we) did not consider non-compliance with the requirements of ADA in estimating the value of the property.

13. There is currently a good deal of discussion regarding the potential hazards of Electro-Magnetic Fields and the possible health risk of being located near high voltage transmission lines. I (we) have not made a specific compliance survey and analysis of this property to determine whether or not there are potentially hazardous effects from EMF's. It is possible that a compliance survey of the property together with a detailed analysis could reveal that there is EMF levels, which are above a safe level. If so, this fact could have a negative impact on the value of the subject property. Since I (we) have no direct evidence relating to this issue, I (we) did not consider EMF levels in estimating the value for the property.

Specific Assumptions - This appraisal has been completed and the appraisal report has been prepared with the following **specific assumptions**:

- The report is under the assumption that there are no hazardous materials on site. If this is found to be untrue, it could alter the results stated within this report.

General Limiting Conditions - This appraisal has been completed and the appraisal report has been prepared with the following **general limiting conditions**:

1. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used. The value estimates provided in the report apply to the entire property, and any proration or division of the total into fractional interests will invalidate the value estimate, unless such proration or division of interests has been set forth in this report.
2. Neither possession of this appraisal, nor copy thereof, carries with it the right to publication, nor may it be used for any purpose by anyone but the applicant without previous written consent of the appraiser(s).
3. The appraiser, by reason of this appraisal, is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.
4. Neither all, nor part, of the contents of this report (especially as to value, the identity of the appraiser, or the firm with which the appraiser is associated) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraiser.
5. Information, estimates, and opinions contained in this report are obtained from sources considered reliable; however, the appraiser assumes no liability for such sources.

6. The client company and its representatives warranted to the appraiser that the information supplied to the appraiser was complete and accurate to the best of the client's knowledge. Information supplied by management has been accepted without further verification as correctly reflecting the company's past results and current condition in accordance with generally accepted accounting principles, unless otherwise noted.

7. The various estimates of value presented in this report apply to this appraisal only and may not be used out of the context presented herein. This appraisal is valid only for the appraisal date or dates specified herein and only for the appraisal purpose or purposes specified herein.

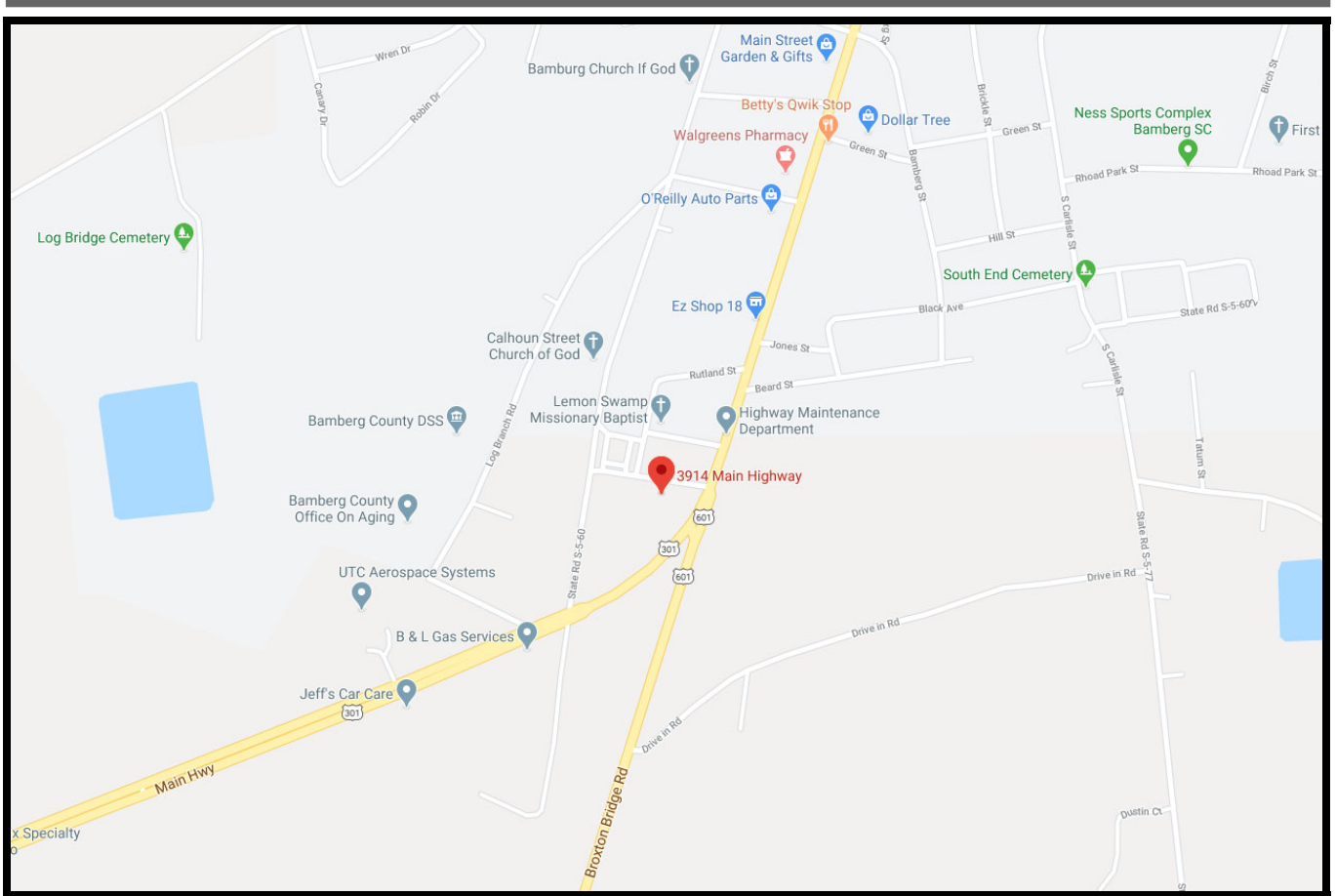
Specific Conditions - This appraisal has been completed and the appraisal report has been prepared with the following **specific conditions: None applicable**

PROPERTY IDENTIFICATION

The property being appraised in this report is located at 3914 Main Hwy, Bamberg, SC. The subject is a 19,391 square foot office facility. It has 3,207 square feet of office area, or 16%. The remaining area is warehouse space. It was originally a 7,744 square foot automobile dealership built around 1970. An additional 11,647 square feet was added in 2016. The land area is 7.03 acre as per a recent survey. There is 4.01 acres of underlying land and 3.02 acres of excess land that is unimproved.

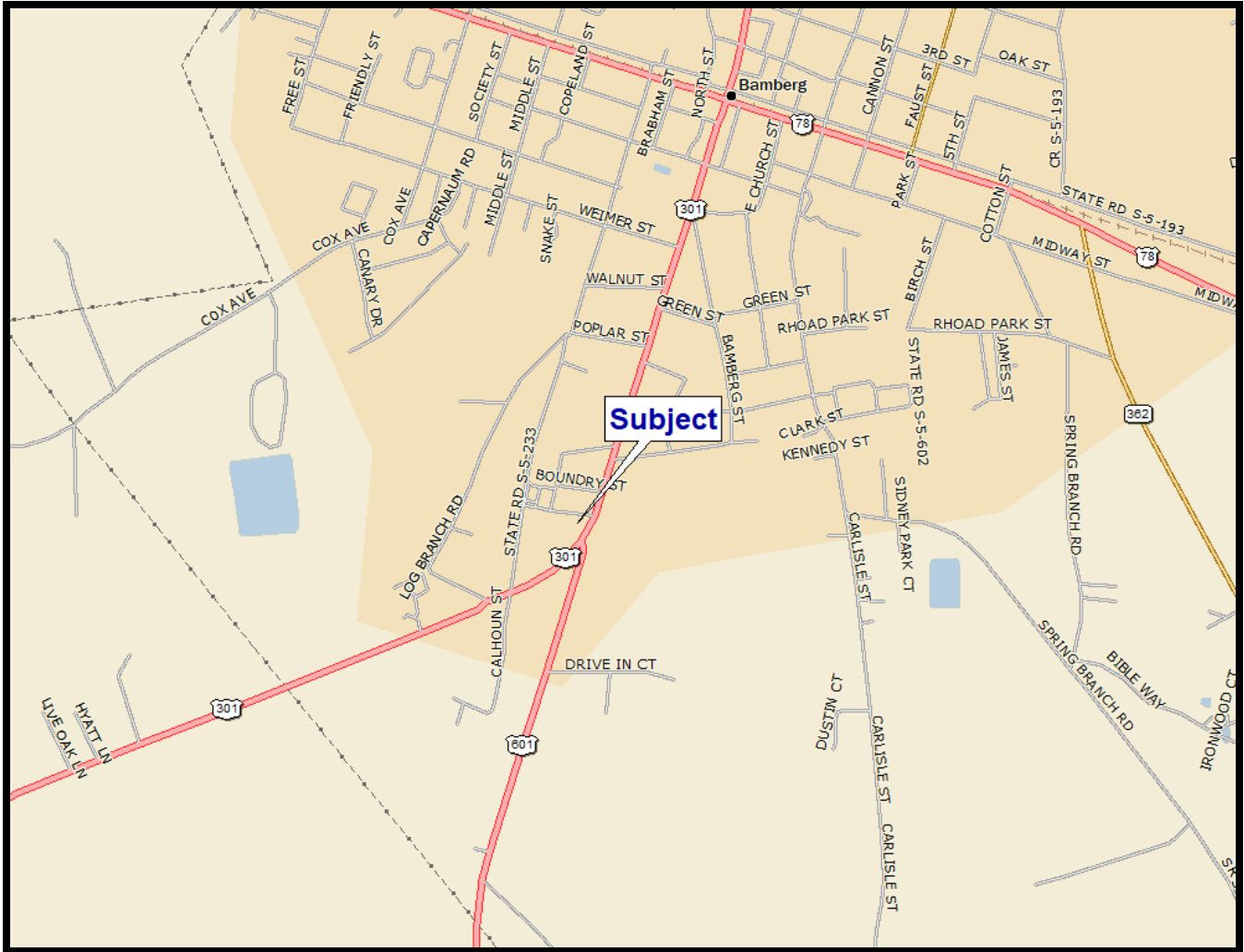
Market Overview –

It is important to study the current market as it relates to an understanding of the property, market, and highest and best use. The subject is located within a commercial area along Main Hwy. This is at the split of US Hwy 301 and 601. It is an established area with most homes and businesses being over 30 years old. Commercial uses are primarily along the primary thoroughfares to the north with other commercial users on the fringe of these corridors.



The map provides a visual of the commercial businesses along US Hwy 601 and surrounding corridors. The subject is within a viable location for an office/warehouse-oriented use.

PROPERTY LOCATION MAP



LEGAL DESCRIPTION

The legal description is recorded in Deed Book 402 at page 92 in the Bamberg County Courthouse.

All that certain piece, parcel or tract of land delineated as Parcel "A" on a plat prepared by Edisto Surveyors & Engineers, Inc. containing 4.01 acres, more or less, situate, lying and being partially in the Town of Bamberg, County of Bamberg, State of South Carolina, and having the following boundaries; to wit: On the North by right-of-way of Chevrolet Street (Road S-5-209); on the East by right-of-way of US Highway 301; on the South by land, now or formerly, of Larry Thomas Zeigler, Sr. and Marvin A. Zeigler; and on the West by right-of-way of Calhoun Street, by land, now or formerly, of Bamberg County Farm Bureau, and by land now of Edisto Electric Cooperative, Inc., formerly Edisto Production Credit Association.

This being the same property conveyed to Larry Thomas Zeigler, Sr. by deed of Larry Thomas Zeigler, Jr., dated April 8, 2002, and recorded in the office of the Clerk of Court for Bamberg County in Deed Book 120, at Page 174, and being the same property conveyed to Marvin A. Zeigler by deed of Clayton T. Zeigler, dated May 20, 2002 and recorded in the office of the Clerk of Court for Bamberg County in Deed Book 120, at Page 124.

Tax Map No.: 0072-08-03-001

ALSO

All that certain piece, parcel or tract of land delineated as Parcel "B" on a plat prepared by Edisto Surveyors & Engineers, Inc. containing 3.02 acres, more or less, lying and being in the County of Bamberg, State of South Carolina, and having the following boundaries; to wit: On the Northeast by the above described parcel, triangular in shape, now or formerly, of Larry Thomas Zeigler, Sr. and Marvin A. Zeigler; on the Southeast by right-of-way of US Highway 301; and on the West by right-of-way of Calhoun Street.

This being the same property conveyed to Larry Thomas Zeigler, Sr. by deed of Larry Thomas Zeigler, Jr., dated April 8, 2002 and recorded in the office of the Clerk of Court for Bamberg County in Deed Book 120, at Page 174, and being the same property conveyed to Marvin A. Zeigler by deed of Clayton T. Zeigler, dated May 20, 2002 and recorded in the office of the Clerk of Court for Bamberg County in Deed Book 120, at Page 124.

Tax Map No.: 0072-08-03-004

The above referenced plat, dated December 18, 2015, of Parcels "A" and "B" prepared for Black Water Barrels, LLC by Edisto Engineers & Surveyors Inc. is recorded in the office of the Clerk of Court for Bamberg County in Plat Book 37, at Page 131; and, is hereby incorporated in and made a part and parcel of this description by reference.

SUBJECT AERIAL/GIS IMAGE

TMS 0072-08-03-001



TMS 0072-08-03-004



SUBJECT PLAT



CURRENT RECORDED TRANSACTIONS

The following is a summary of the most current recorded transactions available from the Bamberg County Register of Deeds office.

Most Current Transaction	
Current Owner	Black Water Barrels, LLC
Previous Owner	Larry T. Zeigler, Sr. & Marvin A. Zeigler
Type of Transaction	Arms-Length – Market transaction at the time of sale.
Consideration	\$250,000
Date of Transaction	12/30/2015
Deed Book/Page	402/92
Current Occupancy	Owner Occupied
Previous Transaction	No other relevant transactions within the last three years.

The transaction in 2015 included the original building that was 7,744 SF. In 2016 an 11,647 SF addition was completed at a reported cost of approximately \$650,000. This included a renovation of the existing building.

CURRENT LISTINGS/HISTORY

The subject is not currently for sale or under contract of sale.

REAL ESTATE TAXES

In South Carolina tax liability for commercial property is assessed in the following manner. The parcel is appraised by a tax assessor, this is then multiplied by a 6% assessment rate, this number is then multiplied by a millage rate. Some counties have local option sales tax credits (LOST) that are then deducted. There may also be other add on fees that are added for services such as storm water, fire services, and other similar add on fees. This varies from county to county.

The primary parcel is identified in the Bamberg County tax map system as 0072-08-03-001 & 004. The Assessor's current taxable market value assigned is \$358,300 for both properties. The 6% assessment is \$21,498, which is rounded to \$21,500. The millage is 418.76 (0.41876). The base tax is \$9,003.34. The 2019 taxes for the parcel are \$9,003.34. The 2019 property taxes have been paid. Based on our value conclusion a tax appeal is not warranted. A summary chart of both tax calculations is as follows.

Subject Tax Liability Calculation		
Tax Value	Assessment %	Assessment
\$358,300	6%	\$21,498
	Rounded	\$21,500
Assesment	Millage Rate	Tax Subtotal
\$21,500	0.4187600	\$9,003.34
	Less: Tax Credit	Add: Fees
	\$0.00	\$0.00
		Tax Amount
		\$9,003.34

0072-08-03-001 & 004

REMITTANCE TO:
ALICE P. JOHNSON
COUNTY TREASURER
P.O. BOX 240
BAMBERG, S.C. 29003

BAMBERG COUNTY, S.C.
PROPERTY TAX NOTICE
TAX YEAR 2019



Scan this code with your mobile phone to view or pay this bill

013088-19-3
BLACK WATER BARRELS LLC

RECORD NUMBER		PERSONAL ASSESSMENT		REAL ASSESSMENT	TAX LEVY	PROPERTY TAX	
013088-19-3				21500	418.76	9,003.34	
BAMBERG COUNTY				21500	0.00	0.00	
CITY OF				21500	0.00	0.00	
DISTRICT	NO ACRES	NO LOTS	LAND APPRAISAL	LAND ASSESSMENT	NO BLDGS	BLDG APPRAISAL	BLDG ASSESSMENT
114FX	0	0		0	0	204762	21500
BREAKDOWN OF HOW YOUR TAX DOLLARS ARE DISTRIBUTED							
.3818	SCHOOL TAX	8208.7		.1240	COUNTY TAX	2666	
.0000	FIRE TAX	.00		.0038	HOSPITAL BOND	0.00	
.0185	EMS/RESCUE	0.00		.0068	CAPITAL RESERVE	0.00	
.0036	IFRB BOND	0		.0000		.00	
.11255	MUNICIPAL TAX	0		.0000		.00	

TAX YEAR	2019	TAX MAP NUMBER	0072-08-03-001,004
PRIOR YEAR TAX ON THIS PROERTY			
PROPERTY DESC	3914 MAIN HWY BAMBERG		
APPRAISED VALUE (TAXABLE)	0		
PROPERTY TAX AMOUNT (COUNTY)	9003.34		
SOLID WASTE FEE	0		
PROPERTY TAX AMOUNT (CITY)	0		
LESS STATE HOMESTEAD (COUNTY)	0		
LESS STATE HOMESTEAD (CITY)	0		
SCHOOL TAX CREDIT SAVINGS	0-		
LESS SALES TAX CREDIT (COUNTY)	0-		
LESS SALES TAX CREDIT (CITY)	0-		
PAY THIS AMOUNT		\$0.00	
		PAY THIS AMOUNT	
PENALTY			
1/17 THRU 2/1/2020	PAY	9273.44	
2/2 THRU 3/16/2020	PAY	9903.67	
AFTER 3/16/2020	PAY	10353.84	

DESCRIPTION OF REAL OR PERSONAL PROPERTY
3914 MAIN HWY BAMBERG
NAME AND ADDRESS OF PROPERTY OWNER(S)
BLACK WATER BARRELS LLC PO BOX 329 BAMBERG SC 290030329

10.5% APPRAISED VALUE 0

No personal checks accepted after 3/16/2019 for delinquent taxes.

If paying in person, please bring all tax bills with you.
If paying by mail, please return all tax bills with your payment.
This action will help everyone's record keeping. Thank you!

South Carolina ATI Legislation Effect on the Subject Property:

Under current South Carolina law, counties must revalue real property every five years. The value of real property may not be increased more than 15% when revalued by the county, unless an assessable transfer of interest (“ATI”) occurs, which includes any sale or transfer of property to a third party. When an ATI occurs, the value of the property for tax purposes can be increased to its current market value (often the actual sale price), without regard to the 15% cap.

In 2011, The South Carolina Legislature passed important legislation which will limit or potentially eliminate property tax increases for certain property undergoing an ATI sale/transfer. The new law applies to all commercial real property and non-owner occupied residential property which undergoes an ATI sale/transfer after the 2010 tax year. The new law does not affect agricultural property, manufacturer and utility property, and, perhaps most importantly, owner-occupied residences which will all continue to be subject to the old ATI transfer and revaluation laws.

Under the 2011 law, electing owners of commercial real property and non-owner occupied residential property can have the value of their property reduced on the date of any ATI sale/transfer by up to 25%. If the 25% valuation discount results in a value lower than the property tax value at the time of the ATI, then the existing property tax value will continue to apply. If the market value of property is lower than the property tax value at the time of the ATI, such as where the property is sold for a loss, then this lower market value will be used for property tax purposes.

The 25% property tax exemption is not automatic for property owners. An owner of commercial real property or non-owner occupied residential property must apply to the county assessor **before** January 31st. Please note that this is subject to review by the county assessor and further legal advice should be provided by an attorney as these laws are subject to change subsequent to the date of this report. Moreover, we are still studying the effect on market transactions and subsequent market value and the situation is fluid. Based on the ATI estimate the value at 75% indicates a value/taxes below the current indication. We have utilized the ATI tax estimate (\$17,600 - Rounded) within the Income Capitalization Approach. The ATI would likely be triggered if sold.

Potential ATI Tax Assessment Summary		
Market Value		
\$935,000		
75% of Market Value	Assessment %	Assessment
\$701,250	6%	\$42,075
	Rounded	\$42,075
Assesment	Millage Rate	Tax Subtotal
\$42,075	0.41876	\$17,619.33
	Fees	Credit Amount
	\$0.00	\$0.00
Current Tax		Estimated Tax Liability
\$9,003.34		\$17,619.33
	Difference	
	\$8,615.99	

BAMBERG COUNTY AREA DATA

Bamberg County is centrally located in the state of South Carolina between Columbia and Charleston. Bamberg lies in the southwestern portion of South Carolina in the upper and middle Coastal Plain. Bamberg County consists of several small towns including Bamberg, Denmark, Olar, Govan, and Ehrhardt. The county contains 395 square miles. The Edisto River is the Northern boundary, the Salkehatchie River the Southern boundary, Colleton County the Eastern boundary, and Barnwell County the Western boundary. Bamberg is one of the smaller counties in the state. In fact, the county is the second smallest in the state.

The county was named for a local resident William Seaborn Bamberg. The area was part of Barnwell County until January of 1897 when the new county, Bamberg, was established. Most of the county is rural in nature with farming and farming related activities leading the economy. Bamberg has a temperate climate of around 65 degrees on an annual basis and an average rainfall of around 50 inches. The mean July temperature is around 80 degrees. Bamberg is one of forty-six counties in South Carolina.

Population

The population of Bamberg County has been stagnant to decreasing over the last ten to twenty years and future projections are no different. The sluggish growth in population is directly related to lack of employment opportunities within the county. During the next 15 years, the population for South Carolina is expected to grow at an annual rate of 1.12% while the county anticipated negative growth. The increases in state population are typical and consistent with recent trends for other geographic regions. Future trends in fact will mirror past growth.

Economic Indicators

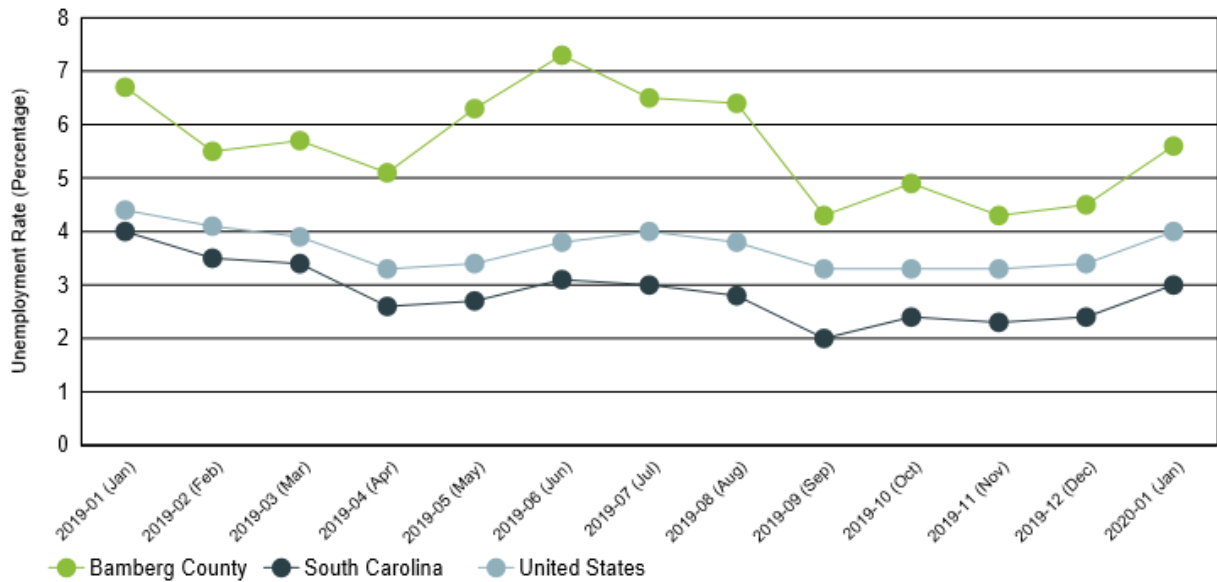
The local economy is sluggish with higher than expected unemployment rates as compared to other counties in the state, but similar to other counties that are not diversified. Bamberg County has a lack of a qualified workforce and a lack of major industry in the county. This is the key ingredient for the lack of employment in the area. The labor force of any county and its ability to meet the needs of employers and industry is vital. This is a major weakness in the county.

There is a large in-land port planned in the Santee area in Orangeburg County, which is located in the eastern section of the county. The developer is Jafza and the development is located in the Global Logistics Triangle (GLT). The GLT is a 1,300-acre site that Jafza will develop with a distribution and light manufacturing center. The capital investment is estimated to be \$700 million and 8,000 to 10,000 jobs are expected to be created. An additional \$1.2 billion in private investment is expected. The completion of this development will be a tremendous economic boom to the county. Due to the current economic situation globally, this planned development is just now in the beginning part of development and it may be several years until development is underway.

The employment base in the county is represented by three major groups; services, trade transportation-utilities, and manufacturing. There has been a decrease in the manufacturing employment and this decrease is typical of national patterns as many manufacturing jobs are shifting overseas. There is an increase in service-oriented jobs, health related jobs, and retail trade. These trends should continue. The unemployment rate for the county has typically been higher than state and national levels. The unemployment rate in the county is 5.6% per January 2020 unemployment figures. The state unemployment rate for January is 3.0%. The national unemployment rate fell to 4.0% in October January. The unemployment rate reflects the number of individuals who are actively seeking work. Below are several of the largest employers in the county.

Monthly Unemployment Rate (Unadjusted)

Past 13 Months



Period	Bamberg County	South Carolina	United States
Jan 2020	5.6%	3.0%	4.0%
Dec 2019	4.5%	2.4%	3.4%
Nov 2019	4.3%	2.3%	3.3%
Oct 2019	4.9%	2.4%	3.3%
Sep 2019	4.3%	2.0%	3.3%
Aug 2019	6.4%	2.8%	3.8%
Jul 2019	6.5%	3.0%	4.0%
Jun 2019	7.3%	3.1%	3.8%
May 2019	6.3%	2.7%	3.4%
Apr 2019	5.1%	2.6%	3.3%

Largest Employers in Bamberg County

- Bamberg County
- BiLo, LLC
- Boddie Notell Enterprises, LLC
- Brabham Oil Company, Inc.
- Delavan Spray, LLC
- Denmark Technical College
- Edisto Electric Cooperative, Inc.
- EMK, Inc.
- Kinsouth Corporation

Masonite Corporation
PruittHealth-Bamberg, LLC
Randstand US, LP
Rockland Industries, Inc.
Specialty Washer Company of South Carolina
The Enterprise Bank
Tobul Accumulator, Inc.
Voorhees College

Transportation

Bamberg County has a good highway system with the following highways servicing the city of Bamberg: Highways 301, 78, and 601. The primary roads are mainly paved, while the secondary roads are either graded or paved. The highways offer good access to Interstate 26 and Interstate 95. Interstate 26 launches in Charleston through Columbia and ending around Asheville, North Carolina. Interstate 95 is one of the most heavily traveled interstates in the nation. This interstate runs along the entire east coast from Florida to Maine. The nearest access is Highway 301 near Santee SC. Railroads also service the county with both the Seaboard Coastline and Southern Railroads serving the area. There is passenger service for the area in the city of Denmark, where Amtrak services are located. Some of the smaller towns in the county also have available railways. A local airport is just outside the city limits of Bamberg. This airport is small and only handles smaller planes. Bus service as well as freight operations are available in the county.

Income

Personal income is also a major ingredient in determining the retail demand in a given market. The per capita income of Bamberg County has historically achieved below the state level of per capita income growth. The main reason for the lag in income numbers is the lack of industry and opportunities in the county.

The median household income for 2016 was \$41,000 and the per capita income was \$23,038. There is roughly 25% of the population living below the poverty line. This data is supplied by the United States Census Bureau.

Community Services

The county is operated by a county council with one member elected as the county chairman. Fire and police protection is available as are county deputies for the areas outside the municipalities. Public education exists with all levels of public education located around the city of Bamberg. Bamberg has an ar-

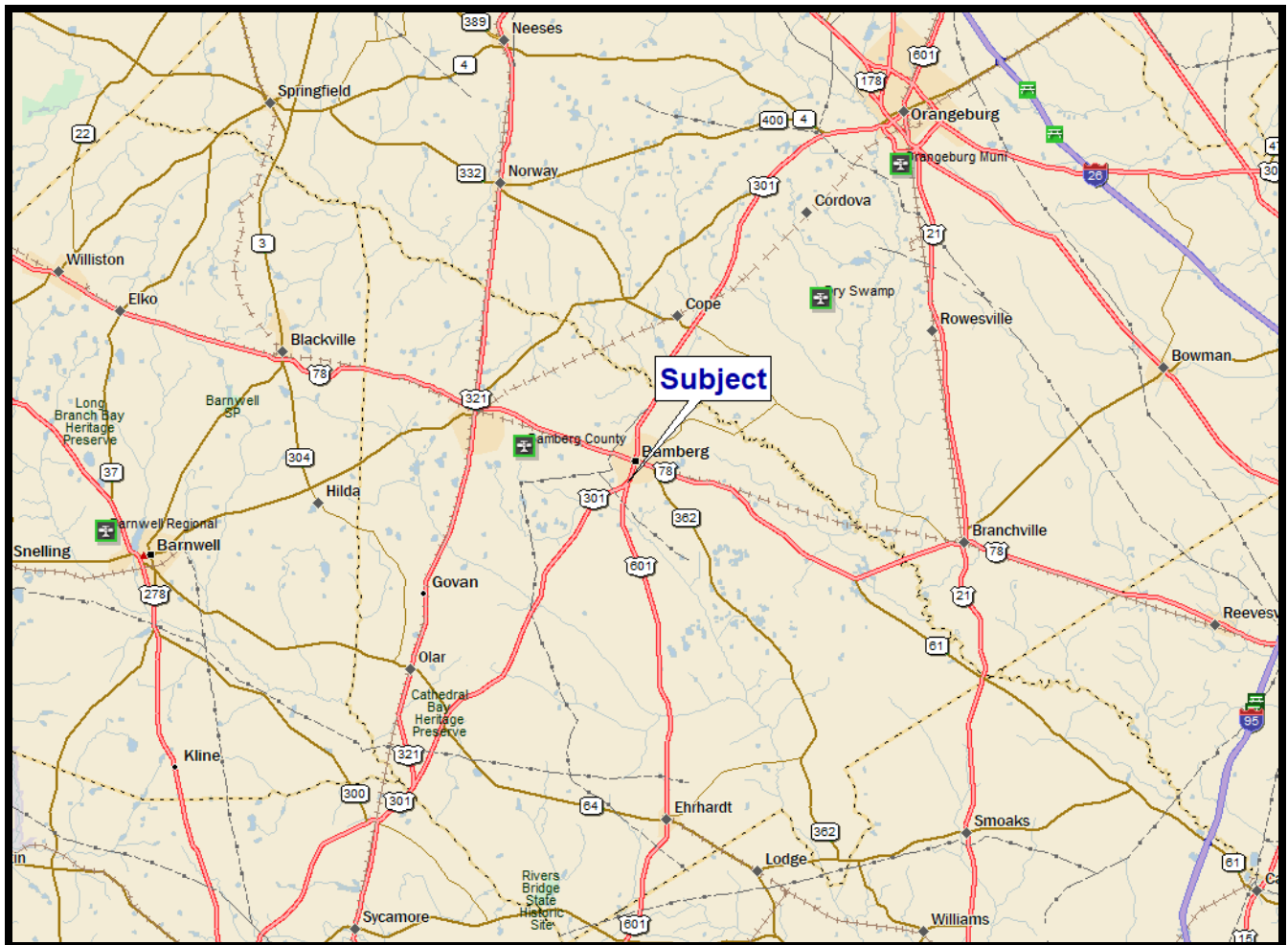
ea hospital, which services the entire county. Recreational activities are offered throughout the county. There are no post high school educational opportunities in the city of Bamberg; however, Denmark offers a technical college.

Utilities are offered through the local utility department and are adequate to meet demand. The present level of service is sufficient to meet current needs and the immediate future expansion. Upgrading is ongoing as needs arise.

Conclusion

Overall, the economy for Bamberg County is stagnant and appears to be stabilizing after a period of decline. The national economy was in a recession with an overall lack of consumer confidence. After a bleak and long few years, there are signs of the economy stabilizing at the lower end. Unemployment numbers appears to be stabilizing and even decreasing in certain areas for certain employment types. The length of the downturn is obviously unknown, but the government has taking unprecedented measures to stabilize the economy and the housing crisis. Bamberg County will continue to lag behind the state in relationship to population and income figures until there is a supply within the county related to industry and business. There have been no recent large industries locating to the area. Without large industry, the area must rely on small business and agricultural means for supporting the economic base of the area. There is a shift in employment away from manufactured to other areas such as services. This shift is just beginning, but should continue during the beginning of this century. This shift should benefit in a more diversified economy with more stability. However, without large industry establishing in the area, the future of Bamberg County will remain unpromising.

REGIONAL MAP



NEIGHBORHOOD ANALYSIS

Neighborhood Description: The subject is located just south of the City of Bamberg. This area of town is primarily developed with office, institutional, and retail uses.

Boundaries:	North East South West	US Hwy 78 Carlisle Street Lemon Creek Road Govan Road
--------------------	--------------------------------	--

Land Use Characteristics: The immediate area surrounding the subject is primarily office and institutional with a surrounding residential population. Commercial properties are located along the primary corridors and the downtown district. The residential population is primarily from \$40,000 to over \$100,000 in prices.

Land Use Change: Slightly developing area with little change anticipated.

Immediate Land Uses:	North: Commercial	East: Commercial
	South: Commercial	West: Commercial

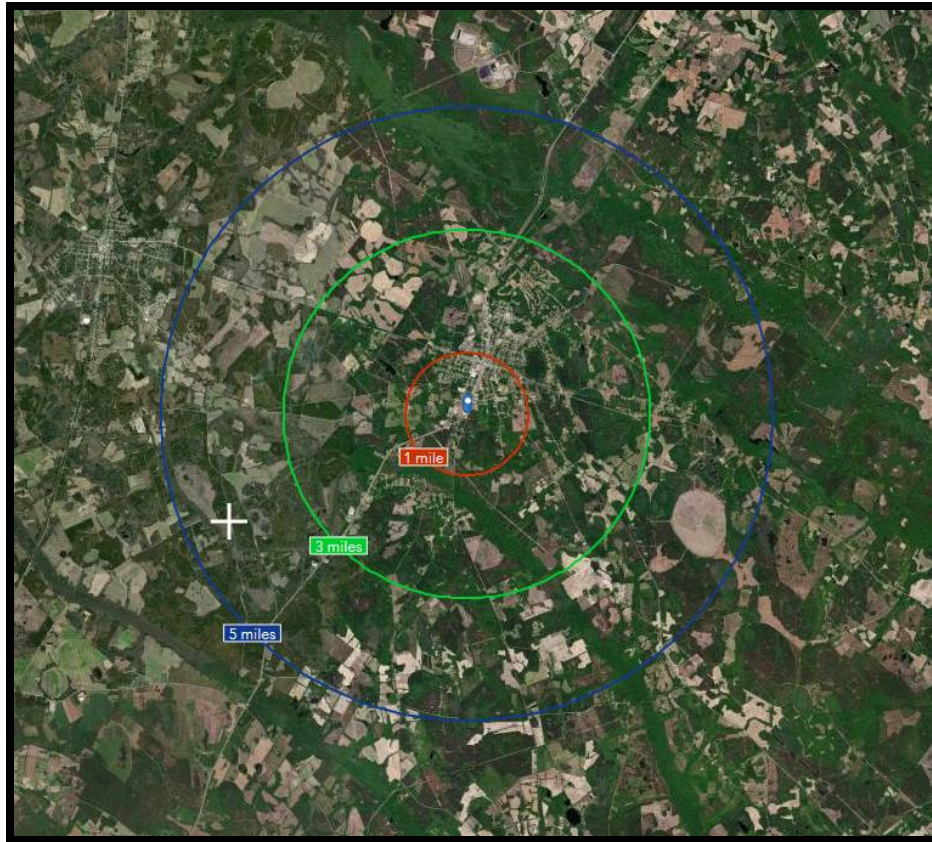
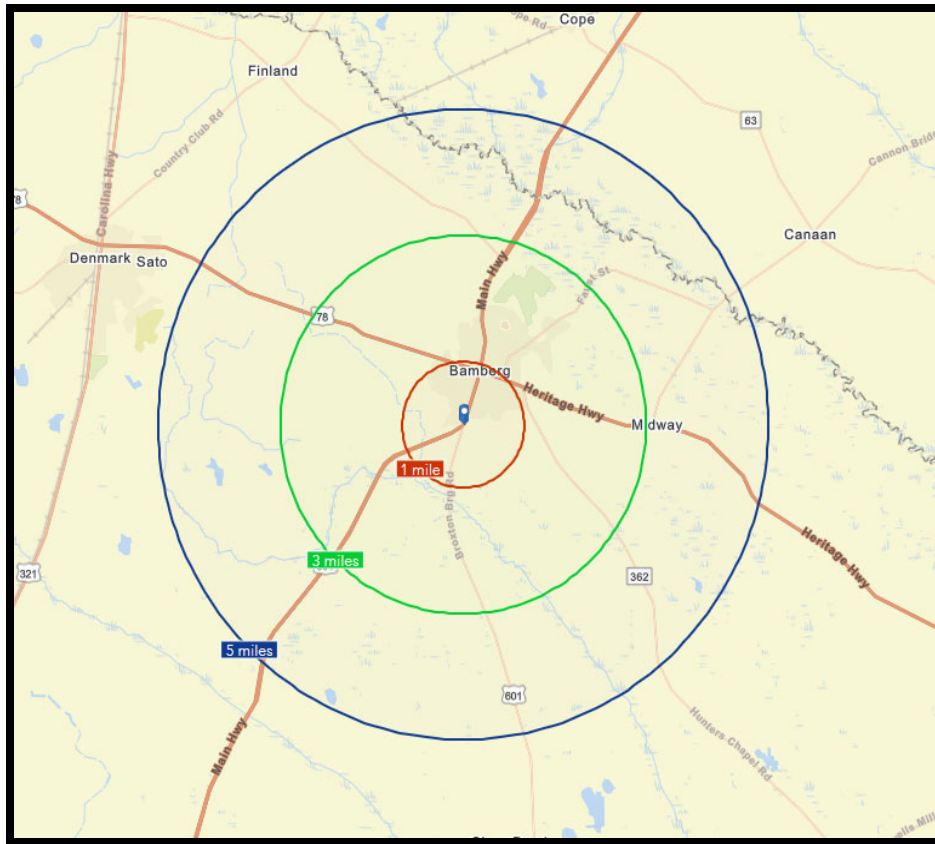
Access: The primary corridors within the neighborhood are US Highway 78. There is no close interstate access.

Neighborhood Life Cycle: Stability
(Four Cycles - growth, stability, decline, and renewal)

Utilities Available:	<table border="0"> <tr><td style="padding: 2px;">Electricity</td><td style="padding: 2px;">Yes</td></tr> <tr><td style="padding: 2px;">Sewer</td><td style="padding: 2px;">Yes</td></tr> <tr><td style="padding: 2px;">Water</td><td style="padding: 2px;">Yes</td></tr> <tr><td style="padding: 2px;">Natural Gas</td><td style="padding: 2px;">Yes</td></tr> </table>	Electricity	Yes	Sewer	Yes	Water	Yes	Natural Gas	Yes	Road Improvements: None known at this time
Electricity	Yes									
Sewer	Yes									
Water	Yes									
Natural Gas	Yes									
		Nuisances and External Obsolescence: The neighborhood properties have adequate levels of maintenance. Area of established growth. We are not aware of utility shortages.								

	Demographics		
	<u>Population:</u>	<u>Annual Growth Projection</u>	<u>Median Income: (\$54,555-SC)</u>
3-Mile	5,001	-0.516%	\$38,723

Analysis/Comments: Population projections indicates a decreasing population which is overall negative, however the future projections indicate positive population and income increases. This is somewhat deceiving as a large percentage of laborers live in other counties. The population increase is likely to change over the next several years. The median household income is below the South Carolina average.





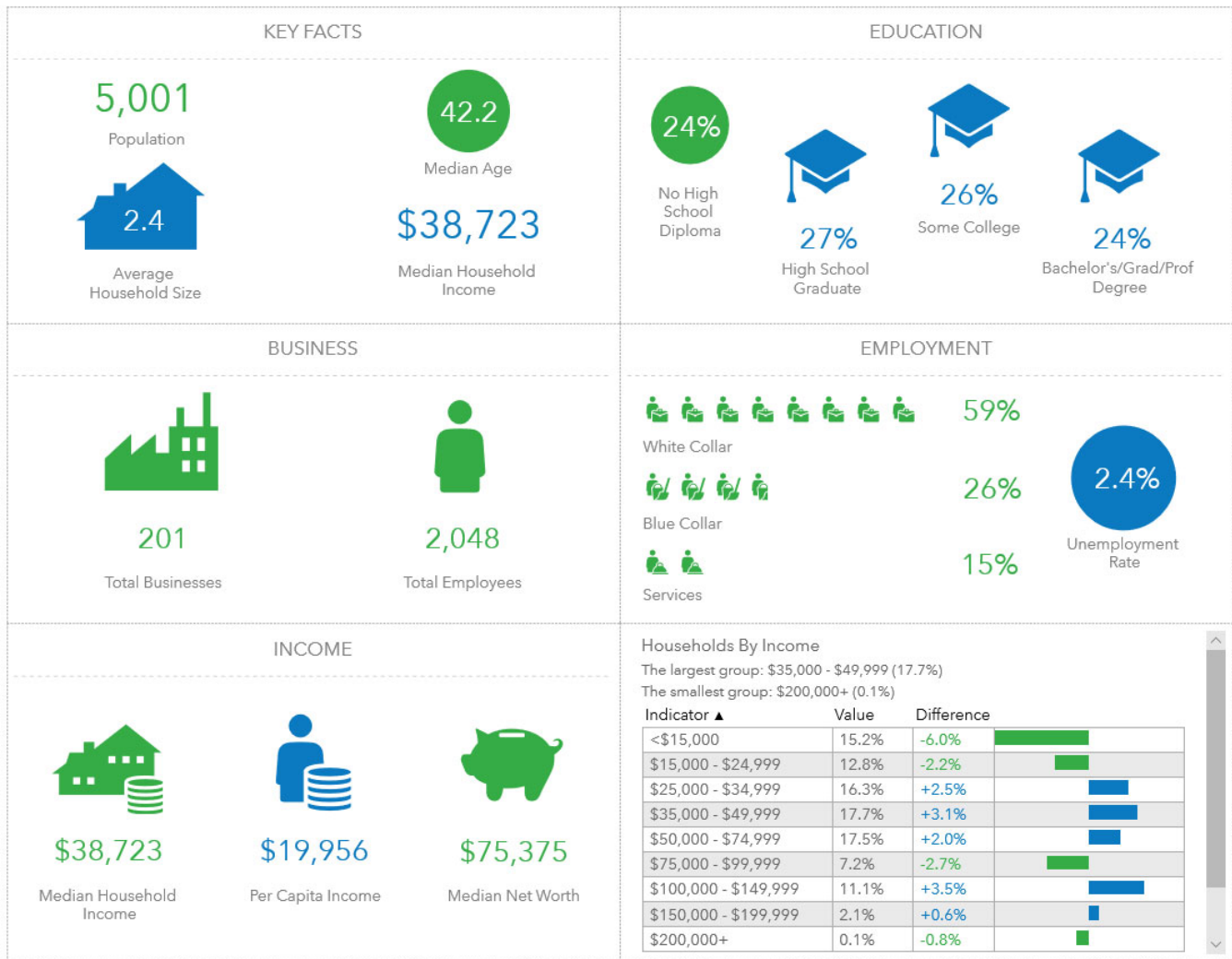
Demographic and Income Comparison Profile

3914 Main Hwy, Bamberg, South Carolina, 29003
Rings: 1, 3, 5 mile radii

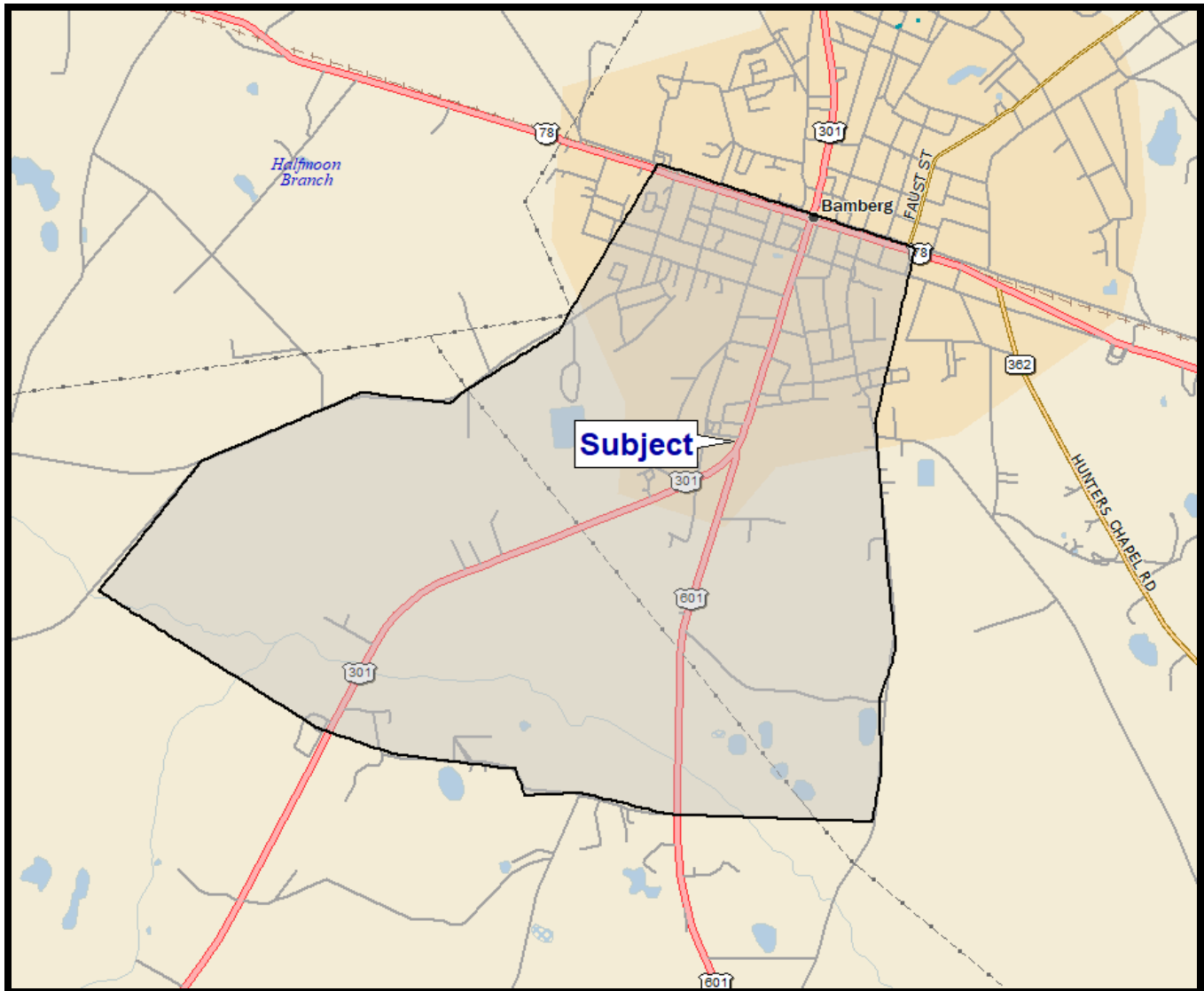
Prepared by Esri
Latitude: 33.28482
Longitude: -81.03975

	1 mile	3 miles	5 miles
Census 2010 Summary			
Population	1,618	5,214	6,559
Households	570	1,993	2,425
Families	372	1,315	1,604
Average Household Size	2.54	2.43	2.47
Owner Occupied Housing Units	406	1,397	1,712
Renter Occupied Housing Units	164	596	713
Median Age	35.2	40.0	38.8
2019 Summary			
Population	1,419	5,001	6,250
Households	520	1,952	2,372
Families	333	1,266	1,544
Average Household Size	2.48	2.42	2.45
Owner Occupied Housing Units	384	1,417	1,734
Renter Occupied Housing Units	136	534	638
Median Age	38.5	42.2	41.2
Median Household Income	\$35,602	\$38,723	\$38,584
Average Household Income	\$39,966	\$50,839	\$50,690
2024 Summary			
Population	1,357	4,872	6,087
Households	497	1,902	2,311
Families	316	1,226	1,494
Average Household Size	2.48	2.41	2.44
Owner Occupied Housing Units	363	1,378	1,686
Renter Occupied Housing Units	134	524	625
Median Age	40.9	43.4	42.5
Median Household Income	\$36,804	\$40,762	\$40,433
Average Household Income	\$43,324	\$55,594	\$55,337
Trends: 2019-2024 Annual Rate			
Population	-0.89%	-0.52%	-0.53%
Households	-0.90%	-0.52%	-0.52%
Families	-1.04%	-0.64%	-0.66%
Owner Households	-1.12%	-0.56%	-0.56%
Median Household Income	0.67%	1.03%	0.94%

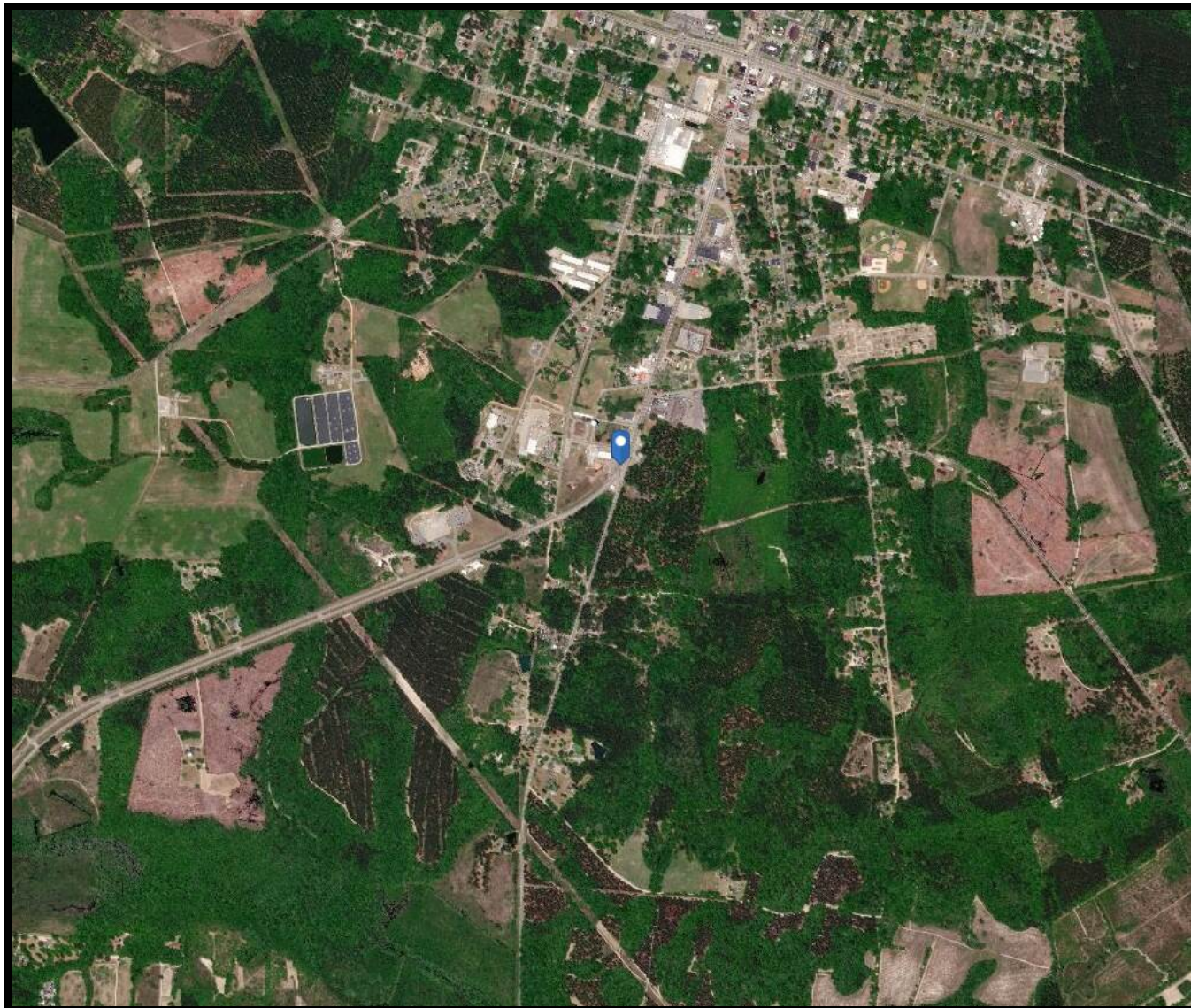
3-Mile Radius



NEIGHBORHOOD MAP



AERIAL MAPS



IMMEDIATE NEIGHBORHOOD MAP



SITE DATA

Location	The subject is located at 3914 Main Hwy, Bamberg, SC.
Size	7.03 Acres or 306,227 SF 4.01 Acres or 174,676 SF (Underlying Land) 3.02 Acres or 131,551 SF (Excess Land)
Shape	The subject is irregular shaped.
Access	The site is accessed via Main Hwy and Chevrolet Street.
Visibility/Exposure	The subject is considered to have good visibility from Main Hwy and Chevrolet Street.
Topography	The subject site is at road grade.
Flood Plain	
Map Number	450090091D
Date	09/29/2010
Zone	X
Utilities	
Water	Bamberg Public Works
Sewer	Bamberg Public Works
Electricity	Edisto Electric Coop
Natural Gas	Bamberg Public Works
Zoning	
Designation	IND – Industrial
Uses Allowed	Allows for industrial and similar commercial uses.
Easements/ Encroachments	Typical utility easements for water, sewer, electricity and telephone are available at the subject site. These easements do not appear to adversely affect the utility, value or marketability of the subject property and are typical utility easements.
Utility	The shape of the site is irregular. There do not appear to be any physical characteristics which would limit development.
Environmental	Environmental aspects of the subject property are beyond our expertise. We recommend a professional in environmental expertise be retained.

Conclusion	The overall quality of the subject site is considered average. According to our research, it has adequate utilities and is appropriately zoned for the current use. It has good access and visibility that adds to the value of this property. The subject site is considered to be functional with respect to the physical characteristics previously discussed.
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SITE PHOTOGRAPHS



Main Hwy looking north



Main Hwy looking south



Northern portion



Eastern portion



Southern portion



Western portion

SITE PHOTOGRAPHS



Excess Land



Excess Land – Western Portion



Excess Land – Eastern Portion



Excess Land – Northern Portion

FLOOD PLAIN MAP



RiskMeter

3914 MAIN HWY BAMBERG, SC 29003-1800

LOCATION ACCURACY: Excellent

Flood Zone Determination Report

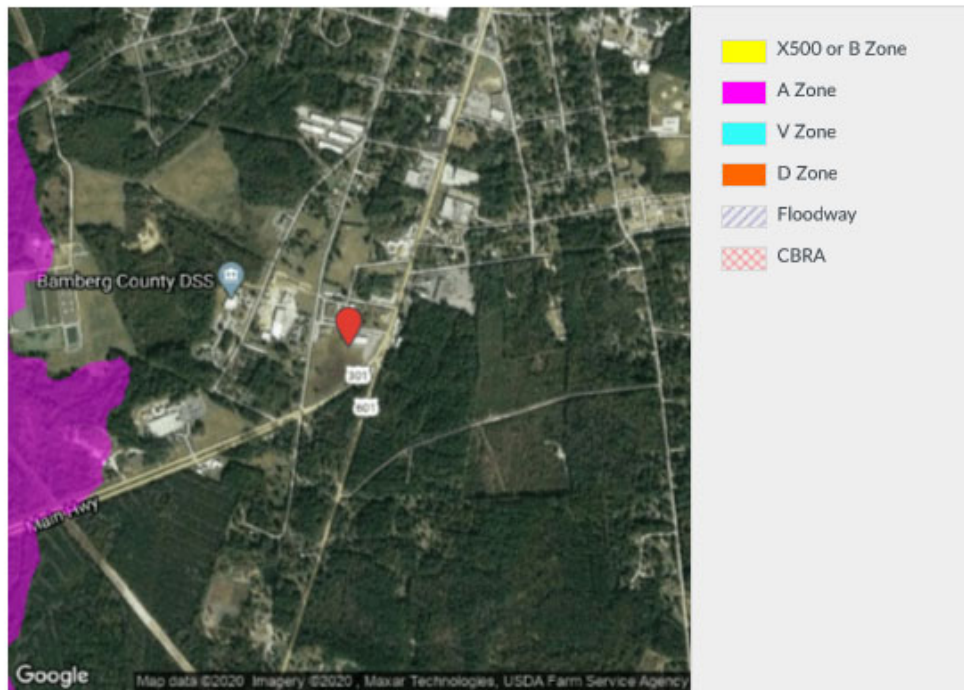
Flood Zone Determination: **OUT**

PANEL DATE

September 29, 2010

MAP NUMBER

450090091D



DESCRIPTION OF IMPROVEMENTS

Foundation	Concrete Slab
Size	19,391 SF 3,207 SF Office (16%) 16,184 SF Warehouse (84%)
Structural System	Metal
Condition	Average
Deferred Maintenance	None noted
Year Built	7,744 SF (1970) 11,647 SF (2016)
Effective Age	10 Years
Economic Life	45 Years
Remaining Economic Life	35 Years
Exterior Walls	Metal
Interior Walls	Sheetrock/Paneling/Wood/Insulated Metal
Roof	Metal
Ceilings	Acoustical Tile/Insulated Metal
Flooring	LVT/Concrete Slab
Lighting/Electrical	Fluorescent
Plumbing	There are 4 restrooms, a toilet and sink each.
Heating and Cooling	Office area only. Warehouse heated with gas space heaters.
Site Improvements	There is asphalt paving around most of the building with 30 lined parking spaces. Landscaping is considered average.

The subject is an office/warehouse that was built around 1970 (40%) and 2016 (60%). The total GBA is 19,391 square feet. The office has four bathrooms with a toilet and sink each. It has a break room and display area. The warehouse is open and has gas space heat.

SUBJECT SKETCH



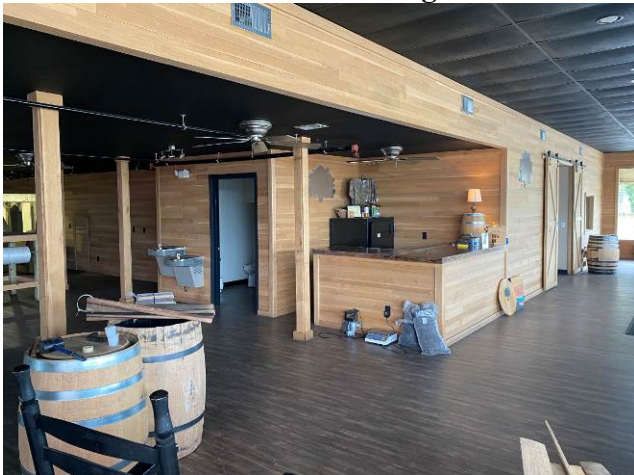
SUBJECT PHOTOGRAPHS



Front of building



Rear of building



Display Area



Breakroom



Front Warehouse



Rear Warehouse

HIGHEST AND BEST USE/MARKET ANALYSIS

Defined as the reasonably probable and legal use for vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability.

Consideration must be given to the definition of market value, which implies that knowledgeable buyers and sellers are informed as to "all the uses" which a property is adapted and for which it is capable of being developed. However, the highest and best use determined from factual data is an opinion. Part of the highest and best use analysis is the identification of the motivations of probable purchasers, on which their decisions are based, and on their perception of the benefits that accrue to the ownership of the property.

The underlying appraisal principle affecting values is the principle of anticipation. This principle also affects the supply and demand forces at work in the local market. Likewise, the supply and demand forces affect the subject's property value.

Highest and Best Use as Vacant

Legally Permissible- Zoning regulations and deed restrictions limit potential uses of a vacant site. This is typical of the market and allows for conformity within a defined area. There is formal zoning for the subject. The zoning is IND – Industrial District. The other three public restrictions are eminent domain, escheat, and taxation. There are no restrictions and covenants for the subject property. Industrial development is allowed.

Physically Possible- The size and shape of the subject provides limitations to the overall property. The size at 7.03 acres allows for a number of uses. The shape is irregular and the topography is overall moderately sloping and at road grade. The shape does not inhibit development. There is access via Main Hwy and Chevrolet Street. It is a good size for an industrial or service building. The location is considered good as it has access to good linkage and is within a desirable area of the market. The property is surrounded by commercial and residential uses. Industrial uses are in demand and this would be the most likely use as vacant.

Financially Feasible- The feasibility of a potential use depends on the demand for the use and the criteria of a particular investor. Residential development does not have a primary motivation of income, but typically more of owner occupancy. An industrial development would be based in part on the income producing ability of the improvements. An adequate positive return of net income or an acceptable rate of return would indicate the financial feasibility of a project. Currently, the market development is in the stability stage with primarily older buildings present. Development is present in the area and the subject would be best utilized for industrial development.

Maximally Productive- Which possible and permissible use will create the greatest and longest net return to the site is the most important question to ask and answer. Commercial development, when the market supports development. The site is suitable for an industrial use.

Ultimately the highest and best use, as vacant, would be an industrial use. The most likely user would be owner user.

Highest and Best Use as Improved

Legally Permissible- Zoning regulations and deed restrictions limit potential uses of a vacant site. This is typical of the market and allows for conformity within a defined area. There is formal zoning for the subject. The zoning is IND – Industrial District. Zoning restrictions are one of the most obvious limitations of police power, which is one of the four public restrictions. The other three public restrictions are eminent domain, escheat, and taxation. There are no restrictions and covenants for the subject property. Industrial oriented development is allowed.

Physically Possible- The building is 19,391 SF in size. It has offices, reception, storage, and adequate bathrooms. The physical design is fairly generic for similar buildings within the market. Linkage is considered good. It is within an area of service users. It is set-up for an industrial use and this use would be most likely from a physical standpoint. Many religious facilities are purchasing similar properties for their purposes. This would be the best alternate use for the property.

The subject has a land to building ratio of 15.79:1. This is at the higher end for similar users within this market and indicated excess land. The excess land is denoted as 3.02 acres and has an

individual tax map number. This portion of the property would likely be utilized as a retail or industrial oriented use.

Financially Feasible- The feasibility of a potential use depends on the demand for the use and the criteria of a particular investor. Residential development does not have a primary motivation of income, but typically more of owner occupancy. The subject is within an established retail area. There is overall low vacancy with similar buildings and no similar properties being developed within the neighborhood. The current use is financially feasible as an industrial use.

Maximally Productive- In summary, the highest and best use as improved is defined by the design of the building and the demand and exposure provided by the location. The three previous tests of highest and best use help to explain the most productive use of the site and ultimately, the highest and best use as improved. We believe the present industrial use is the best use.

Ultimately the highest and best use, as improved, would be an industrial use. The most likely user would be owner user.

Marketing Period/Exposure Time

Marketing Period/Exposure Time – Exposure time is the time that a property would have been offered for sale prior to the effective date of the appraisal. Marketing period is the time that it would take to sell a property subsequent to the effective date of the appraisal. The following is generally accurate relative to the market.

- When the market is stable before and after the effective date, the exposure and marketing times are generally equal.
- When it is increasing before and after the effective date, then exposure time is generally longer than marketing period.
- When it is decreasing before and after the effective date, then exposure time is generally shorter than marketing period.
- When it is increasing before but decreasing or stable after the effective date, then exposure time is generally shorter than marketing period.
- When it is decreasing before the effective date of the appraisal but increasing or stable afterwards, then exposure time is generally longer than marketing period.

We have examined the market through our research and discussions with market participants. PwC (Pricewaterhouse Cooper's Investors Survey 1st Quarter, 2020) indicates a marketing period of 1 to 9 months for similar properties with an average of 3.6 months. One year ago, this was 3.8 months. We surveyed recent sales in the market sold within 0 to 18 months with an average of 10 months. Due to the current market, we have estimated the **marketing period** for the subject to be within **12 months**. The location, building design, and relationship with other users is highly considered in the case of the subject.

The *Dictionary of Real Estate Appraisal, Sixth Edition* by the Appraisal Institute, defines exposure time as “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.” Exposure time is based on past actions and the investigation of these events assuming an active and open real estate market. Historical sales in the area indicate that the **exposure time** is within **12 months**.

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
MARKETING TIME^o					
Range	1 – 9	1 – 9	1 – 9	1 – 9	2 – 12
Average	3.6	3.9	3.8	3.8	4.8
Change (▼, ▲, =)		▼	▼	▼	▼

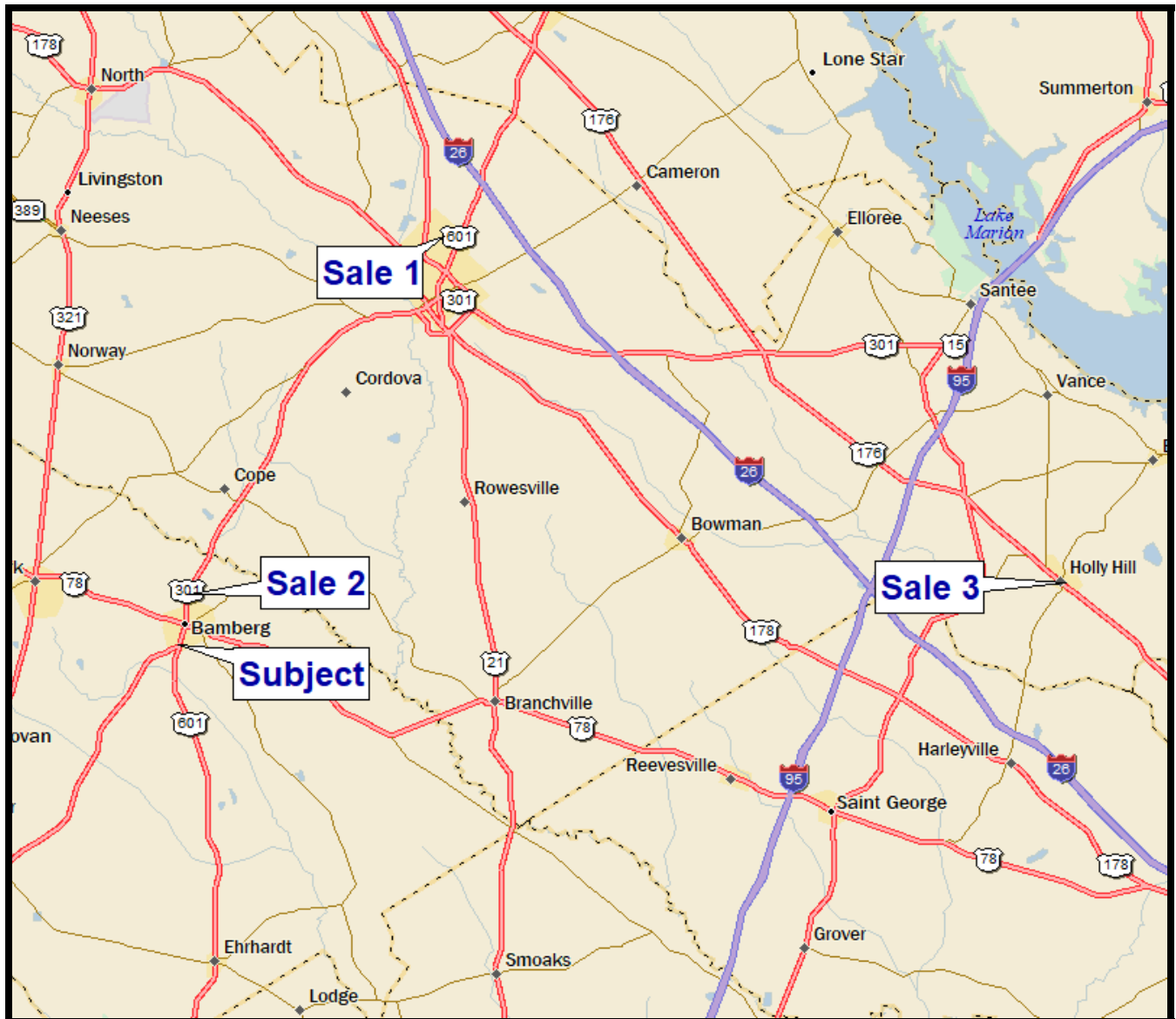
Land Valuation (Excess Land)

3.02 Acres

The six basic procedures for land valuation are: sales comparison, allocation, extraction, subdivision development, land residual and ground rent capitalization. The sales comparison method is preferred and considered the most accurate when data is available. We have used this procedure for estimating land value for the subject property.

The subject is within a small market with a lack of significant land sales activity. We searched the most similar parcels that have sold within Bamberg or similar areas. We have found land sales with similar potential to the subject to determine an estimate for the land value.

Land Sales Location Map



Land Sales Adjustment Chart

Underlying Land 3.02 Acres "AS IS"

Sale Number	1	2	3
Use	Office	Office	Institutional
TMS #	0174-14-01-006	0086-03-06-025	0338-06-01-017
Location	W/S of St. Matthews Rd Orangeburg, SC	E/S of Main Hwy Bamberg, SC	N/S Old State Road Holly Hill, SC
Sale Date	11/9/2015	7/18/2017	1/28/2015
Deed Book/Page	1650/286	435/22	1604/76
Size (Acre)	4.48	2.610	3.80
Sale Price	\$137,500	\$49,000	\$55,000
Price/Acre	\$30,692	\$18,774	\$14,474
Transactional Adjustments	<u>0%</u>	<u>0%</u>	<u>0%</u>
Adjusted Price/AC	\$30,692	\$18,774	\$14,474

<u>Physical Adjustments (%)</u>			
Location	-30%	0	35%
Size	0	0	0
Access/Frontage	0	0	0
Visibility	0	0	0
Utility	0	0	0
Topography	0	0	0
Other	0	0	0
Net Physical Adjustments	-30%	0%	35%
Indicated Value/Acre	\$21,484	\$18,774	\$19,540

Underlying 3.02 Ac	X		\$20,000	\$60,400
		Rounded		\$60,000

Explanation of Adjustments

Location

We have adjusted Sale 1 downward as it is within a superior overall location. Sale 3 is within an inferior market and was adjusted upward.

Size

The sales have an overall size similarity and no adjustment was necessary.

Value Indication/ Summary “As Is”

All of the sales help to establish the range for the subject. We believe that the value indication is within the range of the comparables and reconciled among the three sales. We have reconciled at \$20,000/Acre.

“As Is” UNDERLYING LAND VALUE				
3.02 Acres	X	\$20,000 per Acre	=	\$60,400
Rounded				\$60,000

SALES COMPARISON APPROACH

This approach is generally known as the Market Approach and is a method of estimating market value whereby the subject is compared with comparable properties that have recently sold. This method can be used to estimate value in several ways. The data can be analyzed to establish a relationship between sales price and physical features or it can be analyzed to establish a relationship between the sales price and the level of income.

Comparing physical features often requires many subjective adjustments for dissimilarities between the subject and the comparables. Some of these variables include location, age, size and quality of income. The unit of comparison for properties like the subject is on a price per square foot basis and is the analysis we have used within the sales comparison approach.

Explanation of Data

We researched sales from a primary and secondary search. Our research revealed no sales within the general market. There are no sales within the immediate area. We had to expand our search to the small similar market areas. We researched the market and were able to analyze four similar sales.

IMPROVED SALE NO. 1

Property Identification

Property Type	Office/Warehouse
Address	122 Industrial Drive, Orangeburg, SC
Tax ID	0207-09-01-004

Sale Data

Grantor	Anita S. Nivens
Grantee	Labon Technical Fiber, Inc.
Sale Date	January 8, 2017
Deed Book/Page	1718/287
Property Rights	Fee Simple
Verification	Broker/Deed
 Sale Price	 \$455,000

Land Data

Land Size	2.13 Acres or 92,783 SF
------------------	-------------------------

General Physical Data

Building Type	Office/Warehouse
Gross SF	15,385
 No. of Units	 1
Construction Type	Metal
Year Built	1992
Stories	1

Indicators

Sale Price/SF	\$29.57
Land to Building Ratio	6.03:1

Remarks

This is an office/warehouse located along Industrial Drive within Orangeburg. It is located along a secondary road. The building has two separately designed office areas with adjacent warehouse/storage. It has approximately 30% office area. It was in overall average condition at the time of sale.

IMPROVED SALE NO. 2

Property Identification

Property Type	Retail/Warehouse
Address	607 Broughton Street, Orangeburg, SC
Tax ID	0173-18-29-004

Sale Data

Grantor	R&S Property Investments
Grantee	Chasan Investments
Sale Date	January 29, 2015
Deed Book/Page	1604/181
Property Rights	Fee Simple
Verification	Broker/Deed

Sale Price	\$385,000
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Land Data

Land Size	1.41 Acres or 61,420 SF
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General Physical Data

Building Type	Retail/Warehouse
Gross SF	8,990

No. of Units	1
Construction Type	Metal
Year Built	1973
Stories	1

Indicators

Sale Price/SF	\$42.83
Land to Building Ratio	6.83:1

Remarks

This is a retail/warehouse along Broughton Street in Orangeburg. It is around similar commercial uses along a primary corridor. The building has good finished office/showroom area in the front with storage and service area in the rear of the building. It has approximately 30% office area. It was in overall average condition at the time of sale.

IMPROVED SALE NO. 3

Property Identification

Property Type	Retail/Warehouse
Address	2100 Five Chop Road, Orangeburg, SC
Tax ID	0206-00-06-053

Sale Data

Grantor	George E. & Susan M. Stroman
Grantee	Baxter Properties, LLC
Sale Date	February 18, 2019
Deed Book/Page	1857/56
Property Rights	Fee Simple
Verification	Broker/Deed

Sale Price	\$400,000
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Land Data

Land Size	4.47 Acres or 194,713 SF
------------------	--------------------------

General Physical Data

Building Type	Retail/Warehouse
Gross SF	7,100

No. of Units	1
Construction Type	Metal
Year Built	1989
Stories	1

Indicators

Sale Price/SF	\$56.34
Land to Building Ratio	27.42:1

Remarks

This is a retail/warehouse along Five Chop Road in Orangeburg. Although this is a primary corridor, it is located east of the higher concentrated development. It is located at the entrance to an industrial park. The sale included 3.76 acres of excess land that affected the sales price as compared to similar buildings. It has approximately 25% office area. It was in overall average condition at the time of sale.

IMPROVED SALE NO. 4

Property Identification

Property Type	Retail/Warehouse
Address	1852 Joe S. Jeffords Highway, Orangeburg, SC
Tax ID	0172-11-02-006

Sale Data

Grantor	Unity Fellowship Community Church
Grantee	New Vision Fellowship Church
Sale Date	September 10, 2019
Deed Book/Page	1893/183
Property Rights	Fee Simple
Verification	Broker/Deed/Seller Representative
Sale Price	\$412,000

Land Data

Land Size	2.0 Acres or 87,120 SF
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General Physical Data

Building Type	Retail/Warehouse
Gross SF	5,000
No. of Units	1
Construction Type	Metal
Year Built	1985 (Subsequent Renovations)
Stories	1

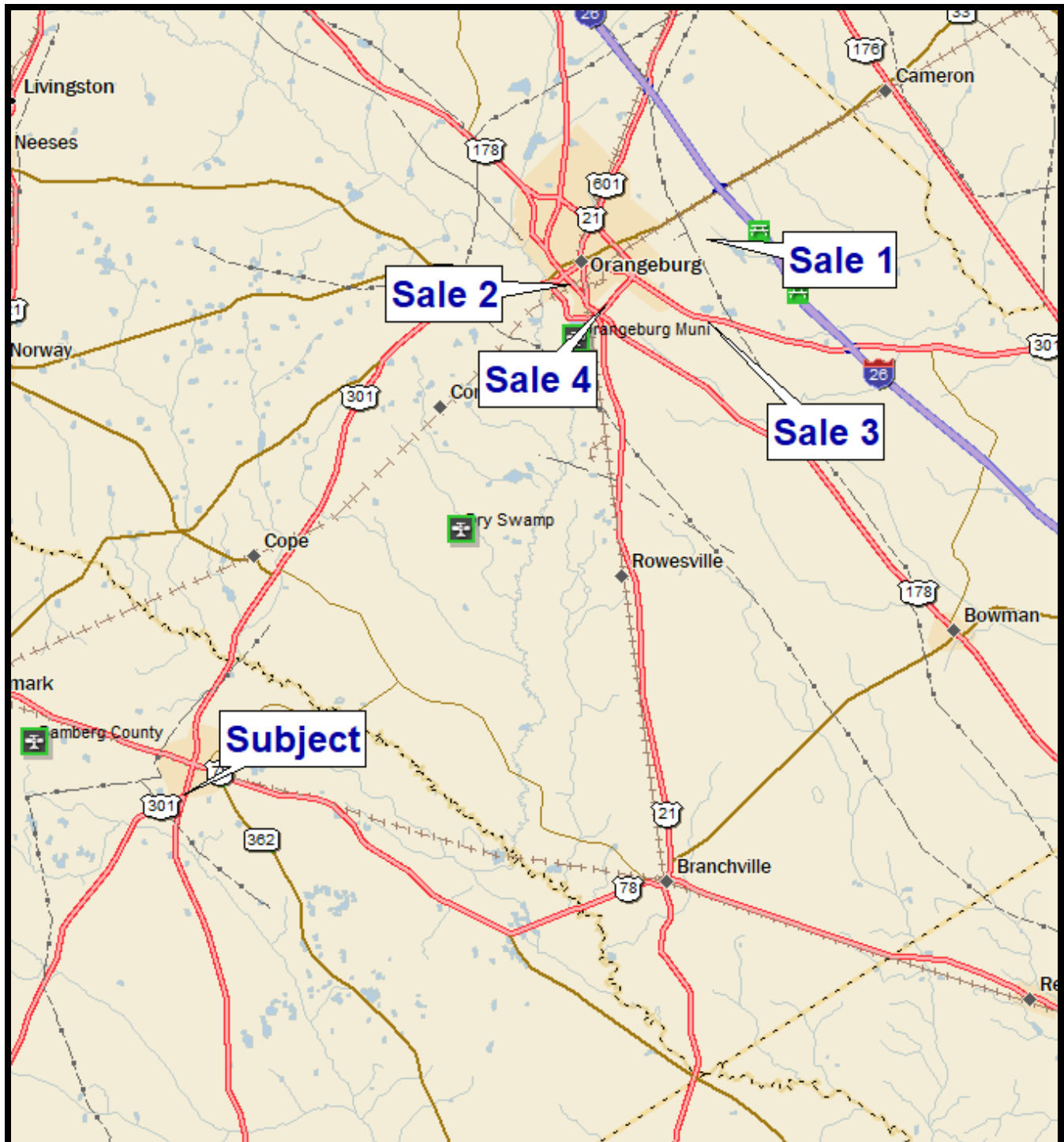
Indicators

Sale Price/SF	\$82.40
Land to Building Ratio	17.42:1

Remarks

This building is located along a primary corridor. This building was originally constructed as an office/warehouse with approximately 40% office and good finishes. The building was purchased in March of 2015 by a church. The church renovated the property and subsequently sold it to another church. The sale in 2015 was \$290,000, or \$58.00/SF with the current sale reflecting the renovated property.

Improved Sales Location Map



Improved Sales Photographs



Improved Sale 1



Improved Sale 2



Improved Sale 3



Improved Sale 4

Improved Sales Summary and Adjustment Chart					
	Subject	Sale 1	Sale 2	Sale 3	Sale 4
Location	3914 Main Hwy	122 Industrial Drive	607 Broughton Street	2100 Five Chop Road	1852 Joe S Jeffords Hwy
Date	Current	01/08/17	01/29/15	02/18/19	09/10/19
Effective Age	10 Years	25 Years	25 Years	20 Years	10 Years
Sale Price		\$455,000	\$385,000	\$400,000	\$412,000
Size/SF	19,391	15,385	8,990	7,100	5,000
Price/SF		\$29.57	\$42.83	\$56.34	\$82.40
Adjustments:					
Market Conditions (Time)		1.00	1.00	1.00	1.00
Adjusted Price		\$29.57	\$42.83	\$56.34	\$82.40
Conditions of Sale		1.00	1.00	1.00	1.00
Adjusted Price		\$29.57	\$42.83	\$56.34	\$82.40
Location		0.20	-0.10	0.00	-0.10
Age/Condition		0.30	0.30	0.20	0.00
Quality/Const.		0.00	0.00	-0.35	-0.20
Size		0.00	-0.10	-0.15	-0.15
Other		0.00	0.00	0.15	0.00
Adjusted Price		\$44.36	\$47.11	\$47.89	\$45.32
Physical Adjustments:		50%	10%	-15%	-45%
Net Change:		0.50	0.10	-0.15	-0.45
Indicated Value/SF		\$44.36	\$47.11	\$47.89	\$45.32
Range	\$3.53				
Mean	\$46.17				
Median	\$46.21				
Indicated Value	\$45.00				

Explanation of Adjustments

Location

This adjustment is based on knowledge of the specific locations, land values, and locations to the improvements. Sale 1 is located within an inferior area and was adjusted upward. Sales 2 and 4 are within superior locations and were adjusted downward.

Age/Condition

The sales were adjusted for age at 2% per year based on their effective age as compared to the subject and rounded to the nearest 5%.

Quality

This adjustment was the primary difference between the subject and the sales. Sale 3 has high quality finishes and is overall superior in quality. We adjusted Sale 4 sale downward based on its interior and overall quality as compared to the subject. This adjustment is based on finishes and overall quality of the sales as compared to the subject.

Size

Larger properties generally sell for a lower price per square foot in comparison to smaller properties. Sales 1, 2, and 3 are significantly smaller and were adjusted downward.

Other

Sale 3 had 3.76 acres in excess land that was included in the sale. Based on pairing the sales, we adjusted this sale downward 15%.

VALUE INDICATION SUMMARY

Each of the comparables establishes the range for the value indication. The mean of the comparables is \$46.17/SF and the median is \$46.21/SF. We have considered all of the sales in the final reconciliation. We have rounded to a per square foot value for the subject of \$45.00 reconciling between this data.

The value indication is summarized as follows:

Sales Comparison Approach Value Indication			
19,391 square feet	X	\$45.00 per square foot =	\$872,595
Rounded			\$875,000



INCOME CAPITALIZATION APPROACH

This approach measures the present dollars traded for the right to receive future dollars. Several value principles apply. The principles of change and anticipation apply in that changes in the anticipation of income and expense levels cause increases and decreases in property values. The principles of supply and demand are related to the concept of competition as they determine the market level of income and expenses.

Based upon the scope of the assignment, we have completed an Income Capitalization Approach and have relied on the Direct Capitalization Method. The subject is within an active developing area with little vacancy. This is the most common method of analyzing properties like the subject. We have researched the market for similar buildings. Within Bamberg the market is primarily owner occupied for similar buildings. Based on an extensive search with the Assessor's Office, Courthouse Officials, Planning Department, Real Estate Professionals, and Appraisers we were unable to obtain any rentals within Bamberg. We researched the most similar markets for data that was considered the most similar to the subject. The rent comparables are summarized as follows.

Comparable Rental Data

In order to establish and support market rents for the subject, comparable properties are analyzed. The subject is currently vacant and was utilized as an appliance retail sales and service warehouse. We have analyzed similar properties within the market. We have surveyed the market and the most similar market rents are summarized as follows.

	<p><u>Rental #1-351 John C. Calhoun Drive, Orangeburg, SC</u></p> <p>This is a 13,280 SF single tenant building located along John C. Calhoun Drive in Orangeburg. It is an average service/warehouse. The lease has a 5 year term and the building is in average condition. It was built in 1987.</p>	<p>\$2.71 NNN</p>
	<p><u>Rental #2- Building A-Carolina Industrial Park, Orangeburg, SC</u></p> <p>This is a 20,000 SF building located along in an industrial park just off of Interstate 26. The leases vary and the building is in average condition (2000).</p>	<p>\$6.35 NNN</p>



Rental #3– 178 Regional Pkwy, Orangeburg, SC

This is a 11,930 SF single tenant building located along an area of mixed uses in Orangeburg and the building is in average condition (2006). The building has a clear height of 19’.

\$4.93
Mod
Gross

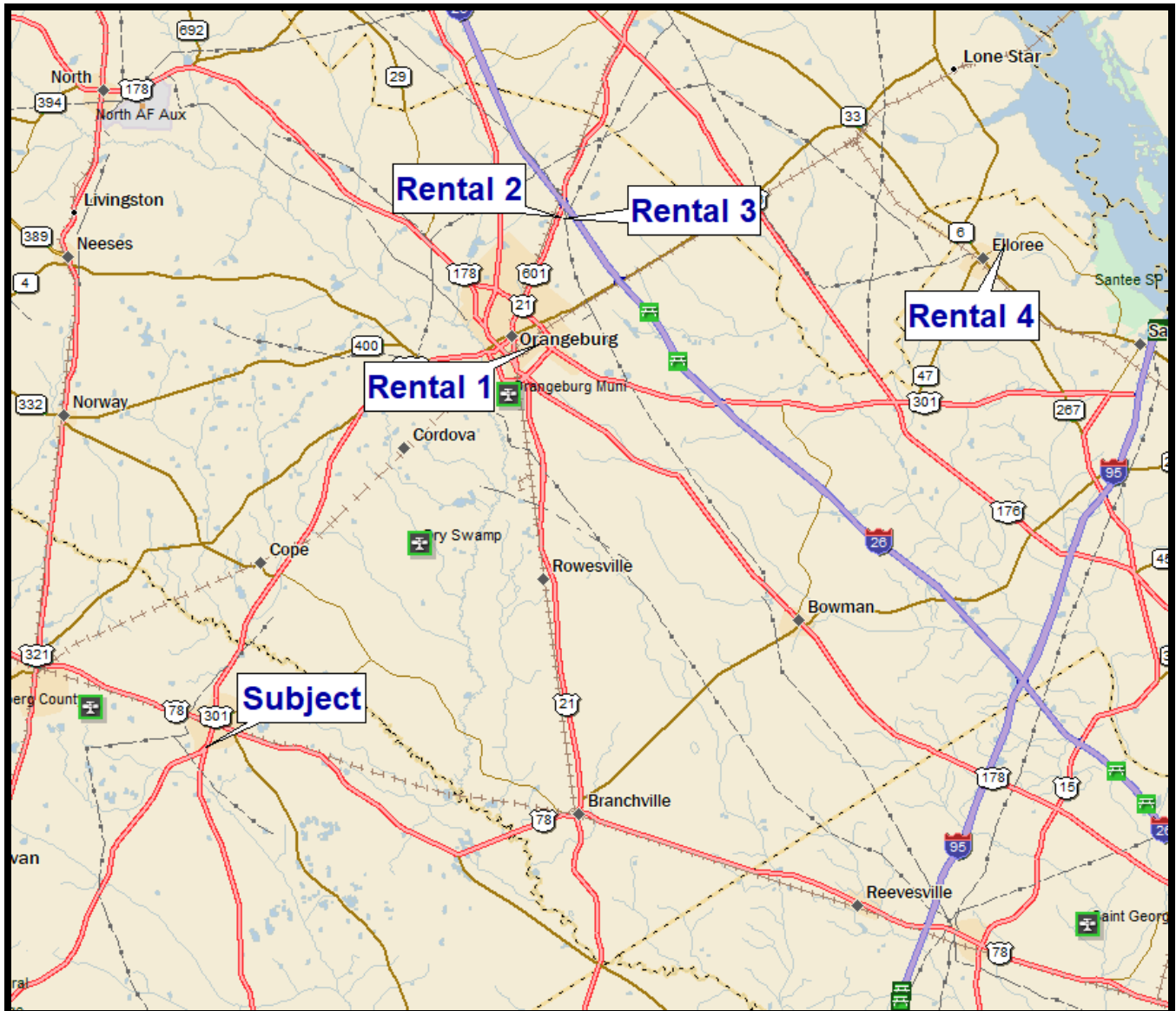


Rental #4– 287 Snider Street, Ellore, SC

This is a 31,500 SF building located along Snider Street just east of Ellore. The lease is 5 years and the building is in average condition (1997).

\$5.68
NNN

Market Rent Comparables Location Map



Market Rent Analysis

The rentals indicate a range from \$2.71/SF to \$6.35/SF with a mean of \$4.92/SF. We have analyzed these buildings and their comparability to the subject. The subject would be near the middle of the range due to the lower end finishes and overall quality. The indicated reasonable rent per square foot for the subject is \$4.75/SF or \$92,107. Based on the rent comparables, we believe the indication to be reasonable.

Reimbursements

The subject is analyzed based on a modified net basis where the tenant pays for the taxes, insurance, utilities and maintenance. An educated investor would account for this in their realistic expectation of income over the holding period. We will deduct the added reimbursements by subtracting the yearly expense estimate below vacancy. The difference is the effective difference in NOI. We have detailed these expenses in the expense section below.

Vacancy and Credit Loss

We have based the vacancy on the market analysis and an analysis of the immediate neighborhood. Vacancy for similar properties like the subject is minimal. Similar properties have a 5% to 10% vacancy overall. We have estimated vacancy at 8% over the holding period.

Expenses

We have analyzed the subject's expenses as well as those of similar buildings within the surrounding market and the surrounding market. The expenses are summarized as follows:

Taxes – The taxes are estimated based on the ATI estimate or \$17,600®.

Insurance – This expense includes all charges for liability, fire, theft, and insurance premiums. Most data we have observed recently ranges from \$0.10/SF to \$0.50/SF. Insurance costs have been increasing over the last three years. Due to the low-risk location the insurance would be toward the lower end of this range. We have used \$0.20/SF in our analysis. This is the estimate stated within the lease and appears reasonable.

General Maintenance – This expense includes exterior/interior repairs and service contracts. This is an expense for maintenance. The comparable data is from \$0.35 to \$1.21. We have used the market indication of \$1.00/SF.

Management – Management is paid as a percentage of the effective gross income with total percentage averaging near 3% of the EGI. This is consistent with current management within the market. PWC Real Estate Investor Survey indicates a management range from 2% to 4% for leased, multi-tenant properties. We believe 2% of EGI to be reasonable for the subject property.

Reserves/tenant upfitting – This expense is the amount set aside for the eventual replacement of items that have shorter physical lives than the building. Examples include the roof and HVAC systems. While this is not an expense recognized in the operational data, according to our research of from RealtyRates.com this is currently \$0.15 to \$0.60 per square foot and the average is \$0.30 for the most similar buildings. We have only allocated \$0.25/SF for the subject.

Capitalization Rate (Ro)

The final step in the direct capitalization process is to determine an overall capitalization rate from the market and to capitalize the net income with this rate. As is indicated in the data chart, the OAR's range from 7.63% to 8.98% with a mean of 8.29% for five sales. We believe that an appropriate OAR of 8.50% is appropriate for the subject.

<u>Location</u>	<u>Sales Price</u>	<u>Sale Date</u>	<u>NOI</u>	<u>Cap Rate</u>
681 Clemson Road, Columbia, SC	\$1,890,000	07/15/19	\$169,700	8.98%
2550 Hwy 52, Moncks Corner, SC	\$9,000,000	01/25/18	\$720,000	8.00%
40 Park Street Ext, Little River, SC	\$327,500	4/26/16	\$25,000	7.63%
138 Commerce Circle, Greenville, SC	\$829,000	11/29/16	\$73,117	8.82%
2001 Perimeter Road, Greenville, SC	\$475,000	12/14/16	\$38,000	8.00%

We have further tested these direct rates by using the debt coverage formula. This technique is summarized as follows:

R_o	=	DCR	X	R_m	X	M
Where:						
R_o	=	Overall capitalization rate				
DCR	=	Debt Coverage Ratio				
R_m	=	Mortgage Constant				
M	=	Loan to Value Ratio				

Our research indicates that the following terms and rates are available for commercial debt positions.

DCR	=	1.20
R_m	=	0.0914 (4.5% rate, 15 year term)
M	=	80%
The overall rate is computed as follows:		
1.20	X	0.0914
	X	.80
		= 0.0877

The R_o by the debt coverage ratio technique tends to be near the upper end of the range of similar properties. Overall Capitalization Rates have been trending slightly downward over the last several years. Based on this analysis, we have settled on an overall rate of 8.50%. Please see the summary of the direct capitalization technique immediately following:

Direct Capitalization Summary			
	SF	Rent/SF	PGI
Tenant	19,391	\$4.75	\$92,107
Potential Gross Income	19,391		\$92,107
Reimbursable Operating Expenses			\$40,869
Other Income			\$0
Total Gross Income - All Revenue			\$132,976
Less: Vacancy & Collection Loss @	8%		\$10,638
Effective Gross Income			\$122,338
Operating Expenses - Reimbursable			
Real Estate Taxes	\$ 0.91		\$17,600
Insurance	\$ 0.20		\$3,878
Regime Fee	\$ -		\$0
CAM	\$ 1.00		<u>\$19,391</u>
Subtotal	\$ 2.11		\$40,869
Operating Expenses - Non- Reimbursable			
Management @	2%		\$2,447
Subtotal			\$2,447
Subtotal Operating Expenses			\$43,316
Replacement Allowance (\$/SF) @	\$0.25		\$4,848
Total Operating Expenses With Reserves			\$48,164
<i>Operating Expense Ratio =</i>			39.37%
Net Operating Income			\$74,175
Capitalization Rate =	8.50%		
Value Estimate			\$872,643
Value Estimate (Rounded)			\$875,000
Concluded Mkt. Value Per SF			\$45.12

Income Capitalization Approach Value Indication

\$875,000

RECONCILIATION AND FINAL VALUE ESTIMATE

The appraisal has been completed by using the Sales Comparison and Income Capitalization Approaches. The value estimates are within the scope of the appraisal and they include the value of the fee simple interest held in the subject property. The value estimates are as follows.

Land Valuation (Excess Land)

Fee Simple Interest -	\$60,000
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Sales Comparison Approach

Fee Simple Interest -	\$875,000
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Income Capitalization Approach

Fee Simple Interest -	\$875,000
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The excess land valuation is considered average. There have been few sales within the market. We concentrated on similar areas. The sales data for this property type is average. The Sales Comparison Approach was analyzed with four sales that indicated the subject within the range of these sales and provide a good overall value indication. There were few recent sales near the subject, however, based on the primary and secondary analysis of both rural and urban sales they provide a good overall indication of value. We believe the indicated value via the Sales Comparison Approach is reasonable.

The Income Capitalization Approach also includes rentals within small markets. It also provides a similar indication and provides a good test to the Sales Comparison Approach. The weakness for both approaches is the lack of data within the immediate market. Buildings like the subject are primarily owner occupied and the Income Capitalization provides a good test of reasonableness for the Sales Comparison approach to value.

- The report is under the assumption that there are no hazardous materials on site. If this is found to be untrue, it could alter the results stated within this report.

Therefore, it is our opinion that the current market value ‘as is’ of the fee simple interest held in the improvements & underlying land on March 17, 2020 is:

EIGHT HUNDRED SEVENTY-FIVE THOUSAND DOLLARS
(\$875,000)

Furthermore, it is our opinion that the current market value ‘as is’ of the fee simple interest held in the excess land on March 17, 2020 is:

SIXTY THOUSAND DOLLARS
(\$60,000)

EXHIBIT A-QUALIFICATIONS OF**HARRIS BENJAMIN DAVIS, JR., MAI, SRA****(803) 534-5554****Email: bdavis@carolinaappraisalgroup.com****PROFESSIONAL PROFILE:**

Harris Benjamin Davis, Jr., MAI, SRA has 19 years experience in real estate valuation. He began his appraisal career in 1997 in Myrtle Beach, South Carolina. After his apprenticeship, he relocated to Orangeburg, South Carolina, and established The Carolina Appraisal Group. He obtained his MAI designation in 2015 and his SRA designation in 2009. A commercial appraiser since 2005, Ben appraises various property types throughout South Carolina including office and retail buildings, single and multi tenant buildings, medical offices, land, recreational and agricultural warehouses, light industrial, convenience-stores and houses of worship. Ben attended the University of South Carolina earning a Bachelor of Science in Real Estate and Finance in 1989. He earned Certified General Appraisal License in 2002 and is a member of the Appraisal Institute.

OCCUPATIONAL EXPERIENCE:

1999-Present

Principal/Owner, Commercial Appraiser

The Carolina Appraisal Group, Inc.

Responsible for the growth, direction and oversight of both the commercial and residential sectors of The Carolina Appraisal Group.

Prepares commercial valuations for clients of properties including office, retail, medical office, multi family, light industrial, houses of worship, agricultural land and commercial land.

1997-1999

Appraiser Trainee

Hedgepath and Associates

A fee appraiser responsible for single family, multi family and land valuations under the direction of Bill Hedgepath and John Potter, SRA.

MEMBERSHIPS | PROFESSIONAL LICENSES:

Designated Member, Appraisal Institute (MAI), #226399, Current on Continuing Education

Designated Member, Appraisal Institute (SRA)

State Certified General Real Estate Appraiser – South Carolina (No. 2920 exp 06/30/2018)

FORMAL EDUCATION:

University of South Carolina, Columbia, South Carolina, May 1989

Degree: Bachelor of Science, Real Estate and Finance

EXHIBIT A-QUALIFICATIONS OF

HARRIS BENJAMIN DAVIS, JR., MAI, SRA

(803) 534-5554

Email: bdavis@carolinaappraisalgroup.com

PROFESSIONAL PROFILE:

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Designated Member, Appraisal Institute (MAI), #226399, Current on Continuing Education

Designated Member, Appraisal Institute (SRA)

State Certified General Real Estate Appraiser – South Carolina (No. 2920 exp 06/30/2018)

FORMAL EDUCATION:

University of South Carolina, Columbia, South Carolina, May 1989

Degree: Bachelor of Science, Real Estate and Finance

EXHIBIT B-QUALIFICATIONS OF

DUEY R. ACTON

Professional Experience:

- Parker Associates, established in 1990, is a multi-disciplined valuation and counseling firm specializing in real estate counseling, investment analysis, business valuation and litigation support. The firm is structured to provide specialized services to corporate clients, conduits, government agencies, commercial banks, life insurance companies and trusts. Private investment services include both transactional analysis and specialized debt and equity placements. Specific emphasis over the last several years has been placed on condemnation and litigation support.
- In 1992, I associated with Parker Associates, Inc. I currently help coordinate and manage all appraisal related services for clients in South Carolina, North Carolina and Georgia. My experience involves almost all property types in appraisal and consulting services for various clients. *I have appraised numerous eminent domain properties and have been a qualified expert witness in a number of courts in South Carolina. I have specialized in eminent domain since 1997 and have written thousands of appraisals and provided consulting and litigation services. My expertise has resulted in great success for my clients and I do not just provide an appraisal, but think outside the box and help with any real estate related issues with any property.*

Education and Technical Courses:

110 – Appraisal Principles
120 – Appraisal Procedures
310 – Basic Income Capitalization
320 – General Applications
410 – Standards of Professional Practice (Part A)
420 – Standards of Professional Practice (Part B)
430 – Report Writing
510 – Advanced Income Capitalization
520 – Highest & Best Use & Market Analysis
530 – Advanced Sales Comparison and Cost Approaches
550 – Advanced Applications

Current Continuing Education and Seminars:

Land & Site Valuation, 2014
Standards of Professional Practice, USPAP Update, 2016
Appraisal of Self-Storage Facilities, 2014
Staying Out Of Trouble, 2014
Various other seminars and courses within and prior to this period.

Membership and Business Affiliations:

Affiliate of the Appraisal Institute
South Carolina State Certified General Real Estate Appraiser CG 2290
Georgia State Certified General Real Estate Appraiser #301058
North Carolina State Certified General Real Estate Appraiser #A7089

Qualifications Continued

Appraisal and Consulting Engagements:

Professional/Service:

CBD Office Towers	Mid Rise Office
Office – Flex	Technology Centers
Banking Centers	Branch Banks
Office Parks	High Rise - Medical

Industrial:

Heavy Industrial Manufacturing	Technology Parks
Distribution Centers	Truck Terminals
Industrial Parks	Cut and Sew Operations
Special Purpose Industrial	

Retail:

Big Box Centers	Neighborhood Centers
Specialty Centers	Single Tenant Credit Anchored Centers
Restaurants	Convenience Stores
Specialty Retail	CBD Retail

Hospitality/Resort:

Golf Courses	Motels
Resort Sub Divisions	Lake-Front Developments

Special Purpose Properties:

South Carolina State Museum	Assisted Living Facilities
Highest and Best Use	Nursing Homes
Federal Office Buildings	Federal Courthouses

Rural:

Residual Timberland Tracts	Cellular/Digital Tower Tracts
Residual Agricultural Properties	Rural Lake-Front Properties

Residential:

Apartments	Apartments/Condominium Conversions
Traditional Single Family	Resort Single Family
Student Housing	Mixed-Use Residential

Professional Activities:

Appraisal Institute:

1998-00 – Chair – Associate Guidance
1998-01 – Town of Lexington Advisory Committee
2002 – Regional Representative AI
2006-08 - Leadership Development Advisory Counsel
2006-Present - Government Relations Committee
2006-2010 - Government Relations Committee

The Carolina Appraisal Group
Commercial Real Estate Appraisers and Consultants
Appraisal Assignment

DATE OF AGREEMENT: 3/13/2020

PARTIES TO AGREEMENT:

Client:

Client Company: Victory Spirits Development

Client name: Michael Shoer

Address: 3914 Main Hwy

City, State, Zip: Bamberg, SC 29003

Phone: 770-329-2487

E-mail: Michael@victoryspirits.com

Appraiser:

Appraiser Company: The Carolina Appraisal Group

Appraiser name: Harris B. Davis, MAI, SRA; Duey R. Acton

Address: PO Box 2053

City, State, Zip: Orangeburg, South Carolina 29116

Phone: 803-534-5554

Fax: 803-533-1119

E-mail: orders@carolinaappraisalgroup.com

Client hereby engages Appraiser to complete an appraisal assignment as follows:

PROPERTY IDENTIFICATION

3914 Main Hwy, Bamberg, SC 29003

PROPERTY TYPE

Office Warehouse with Excess Land

CONTACT FOR PROPERTY ACCESS, IF APPLICABLE

Greg Pierce: 803-465-3865

DELIVERY DATE OF REPORT FROM TIME OF ENGAGEMENT

2 Weeks

DELIVERY METHOD

E-mail

NUMBER OF COPIES

1

PAYMENT TO APPRAISER

\$2,900.00-COD

INTEREST VALUED

Fee simple

INTENDED USERS

Client

INTENDED USE

To assist Client in establishing a market value of the subject property for internal financial reasons for the client.

TYPE OF VALUE

Market value as defined by Fannie Mae and Freddie Mac

DATE OF VALUE

Current

HYPOTHETICAL CONDITIONS, EXTRAORDINARY ASSUMPTIONS

None anticipated

APPLICABLE REQUIREMENTS OTHER THAN THE UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE (USPAP)

The Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute

ANTICIPATED SCOPE OF WORK**Site visit**

Interior and exterior observation

Valuation approaches

Sales Approach Only for excess land and land and buildings

Note: Appraiser shall use all approaches necessary to develop a credible opinion of value.

APPRAISAL REPORT**Report option**

Appraisal Report

Form or format:

Narrative

PROPOSED IMPROVEMENTS

If the property appraised consists of proposed improvements, Client shall provide to Appraiser plans, specifications, or other documentation sufficient to identify the extent and character of the proposed improvements.

PROPERTIES UNDER CONTRACT FOR SALE

If the property appraised is currently under contract for sale, Client shall provide to Appraiser a copy of said contract including all addenda.

CONFIDENTIALITY

Appraiser shall not provide a copy of the written Appraisal Report to, or disclose the results of the appraisal prepared in accordance with this Agreement with, any party other than Client, unless Client authorizes, except as stipulated in the Confidentiality Section of the ETHICS RULE of the Uniform Standards of Professional Appraisal Practice (USPAP).

CHANGES TO AGREEMENT

Any changes to the assignment as outlined in this Agreement shall necessitate a new Agreement. The identity of the client, intended users, or intended use; the date of value; type of value; or property appraised cannot be changed without a new Agreement.

CANCELLATION

Client may cancel this Agreement at any time prior to the Appraiser's delivery of the Appraisal Report upon written notification to the Appraiser. Client shall pay Appraiser for work completed on assignment prior to Appraiser's receipt of written cancellation notice, unless otherwise agreed upon by Appraiser and Client in writing.

NO THIRD PARTY BENEFICIARIES

Nothing in this Agreement shall create a contractual relationship between the Appraiser or the Client and any third party, or any cause of action in favor of any third party. This Agreement shall not be construed to render any person or entity a third party beneficiary of this Agreement, including, but not limited to, any third parties identified herein.

USE OF EMPLOYEES OR INDEPENDENT CONTRACTORS

Appraiser may use employees or independent contractors at Appraiser's discretion to complete the assignment, unless otherwise agreed by the parties. Notwithstanding, Appraiser shall sign the written Appraisal Report and take full responsibility for the services provided as a result of this Agreement.

TESTIMONY AT COURT OR OTHER PROCEEDINGS

Unless otherwise stated in this Agreement, Client agrees that Appraiser's assignment pursuant to this Agreement shall not include the Appraiser's participation in or preparation for, whether voluntarily or pursuant to subpoena, any oral or written discovery, sworn testimony in a judicial, arbitration or administrative proceeding, or attendance at any judicial, arbitration, or administrative proceeding relating to this assignment.

APPRAISER INDEPENDENCE

Appraiser cannot agree to provide a value opinion that is contingent on a predetermined amount. Appraiser cannot guarantee the outcome of the assignment in advance. Appraiser cannot insure that the opinion of value developed as a result of this Assignment will serve to facilitate any

specific objective by Client or others or advance any particular cause. Appraiser's opinion of value will be developed competently and with independence, impartiality and objectivity.

EXPIRATION OF AGREEMENT

This Agreement is valid only if signed by both Appraiser and Client within days of the Date of Agreement specified.

GOVERNING LAW & JURISDICTION

The interpretation and enforcement of this Agreement shall be governed by the laws of the state in which the Appraiser's principal place of business is located, exclusive of any choice of law rules.

By Appraiser:

Harris B. Davis Jr. MAI, SRA
(Signature)

Harris B. Davis Jr., MAI, SRA
(Printed name)

3/13/2020
(Date)

By Client:


(Signature)

Michael S. Shoer, Managing Partner
(Printed name)

3/13/20
(Date)

NAVIGATORS INSURANCE COMPANY

THIS IS A CLAIMS MADE INSURANCE POLICY.

THIS POLICY APPLIES ONLY TO THOSE CLAIMS THAT ARE FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD. ALL CLAIMS MUST BE REPORTED IN WRITING TO THE COMPANY DURING THE POLICY PERIOD OR WITHIN 60 DAYS AFTER THE END OF THE POLICY PERIOD.

PLEASE READ THIS POLICY CAREFULLY.

**REAL ESTATE PROFESSIONAL ERRORS AND OMISSIONS INSURANCE POLICY
DECLARATIONS**

POLICY NUMBER: PH19RELM01526IV RENEWAL OF: PH18RELM01526IV

1. **NAMED INSURED:**
The Carolina Appraisal Group

 2. **ADDRESS:**
PO Box 2053
Orangeburg, SC 29116

 3. **POLICY PERIOD: FROM:** 06/30/2019 **TO:** 06/30/2020
12:01 A.M. Standard Time at the address of the **Named Insured** as stated in Number 2 above.

 4. **LIMITS OF LIABILITY:**
\$ 1,000,000 Per Claim
\$ 1,000,000 Annual Aggregate

 5. **DEDUCTIBLE:** \$ 5,000

 6. **PREMIUM:** \$ 1,616.00
TAXES: \$ \$

 7. **RETROACTIVE DATE:** 06/30/2011
-

BCD1227080

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

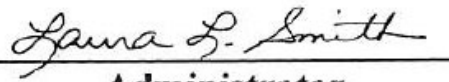
HARRIS B DAVIS JR

Is hereby entitled in practice as a:
Certified General Appraiser

License Number: **2920**

Expiration Date: 06/30/2020

OFFICE COPY



Laura L. Smith

Administrator

BCD1254278

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

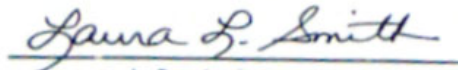
DUEY R ACTON

Is hereby entitled in practice as a:
Certified General Appraiser

License Number: **2290**

Expiration Date: 06/30/2020

OFFICE COPY



Laura L. Smith

Administrator