

# **AN APPRAISAL REPORT**

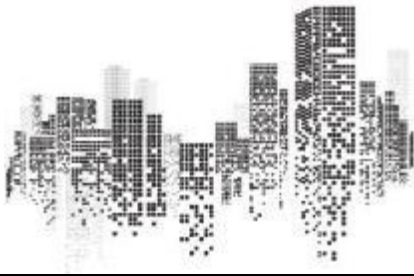
**FARM BUREAU  
A FREESTANDING OFFICE BUILDING  
201 W. FOURTH STREET  
WALNUT COVE, NC 27052**



**PREPARED FOR  
STOKES COUNTY FARM BUREAU, INC.  
201 W. FOURTH STREET  
WALNUT COVE, NC 27052**

**DATE OF REPORT  
AUGUST 1, 2022**

**LAURA K. MALLORY, MAI  
MCNAIRY & ASSOCIATES, LLC  
1616-B BATTLEGROUND AVENUE  
GREENSBORO, NC 27408**



***McNairy Associates, LLC***

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August 1, 2022

Stokes County Farm Bureau, Inc.  
201 W. Fourth Street  
Walnut Cove, NC 27052

Dear Client,

As per your request, I am submitting an appraisal report on the property located at 201 W. Fourth Street in Walnut Cove, NC 27052 in conformance with Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice (USPAP).

Based on a reasonable exposure time of 12 months, the appraiser is of the opinion that the estimated market value in the subject property subject to the certification and limiting conditions set out herein is as follows:

**VALUE ESTIMATE**

Value Type	Estimated Value	Effective Date
Fee Simple, As-is	\$305,000	July 26, 2022

**No FF&E is included in the value estimate.**

It has been a pleasure working with you. Should you have any questions, please do not hesitate to call.

Respectfully,



Laura K. Mallory, MAI  
Certified General  
Real Estate Appraiser A3711

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## **CONTINGENT AND LIMITING CONDITIONS**

The certification of the Appraiser appearing in the appraisal report is subject to the following conditions and to such specific and limiting conditions as are set forth by the Appraiser in the report.

1. The Appraiser assumes no responsibility for matters of legal nature affecting the property appraised or the title thereto, nor does the Appraiser render any opinion as to the title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership.
2. Any sketch in the report may show approximate dimensions and is included to assist the reader in visualizing the property. The Appraiser has made no survey of the property.
3. The Appraiser is not required to give testimony or appear in court because of having made the appraisal with reference to the property in question, unless arrangements have been previously made, therefore.
4. Any distribution of the valuation in the report between land and improvements applies only under the existing program of utilization. The separate valuations for land and building must not be used in conjunction with any other appraisal and are invalid if so used.
5. The Appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The Appraiser assumes no responsibility for such conditions, or for engineering which might be required to discover such factors.
6. Information, estimates, and opinions furnished to the Appraiser, and contained in this report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished the Appraiser can be assumed by the Appraiser.
7. Disclosure of the contents of the appraisal report is governed by the Bylaws and Regulations of the professional appraisal organizations with which the Appraiser is affiliated.
8. Neither all nor any part of the contents of this report shall be conveyed to any person or entity, other than the Appraiser's or firm's client, through advertising, solicitation materials, public relations, news, sales, or other media without written consent and approval of the authors, particularly as to valuation conclusions, the identity of the appraiser or firm with which the appraiser is connected, or any reference to the professional organizations with which the appraiser is affiliated or to the designation of the appraiser. Further, the appraiser or firm assumes no obligation, liability, or accountability to any third party. If this report is placed in the hands of anyone but the client indicated in this report, the client shall make such party aware of all assumptions and limiting conditions of this assignment.

9. On all appraisals, subject to satisfactory completion, repairs, or alterations, the appraisal report and value conclusions are contingent upon completion of the improvements in a workmanlike manner.

10. In this appraisal assignment, the existence of potentially hazardous material used in the construction or maintenance of the building or in the site, such as the presence of urea formaldehyde foam insulation, and/or existence of toxic waste, which may or may not be present on the property, has not been considered. The appraiser is not qualified to detect such substances. It is urged that the client retain an expert in this field.

11. A legal description was not provided to the appraiser by the client. The legal description in the report is assumed to be correct. The appraiser assumes no responsibility for matters legal in character nor do we render any opinion as to title, which is assumed to be good and marketable.

12. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws, and that all zoning, building, and use regulations and restrictions of all types have been complied with unless non-compliance is stated, defined, and considered in the appraisal report. It is further assumed that all licenses, consents, permits, or legislative or administrative authority required by any local, state, federal and/or private entity or organization have been or can be obtained or renewed for any use considered in the value estimate.

13. Possession of this report, or a copy thereof, does not carry with it the right of publication, nor may it be used for other than its intended use by anyone other than the Client without the prior written consent of the Appraiser or the Client, and then only with the proper identification and qualification and only in its entirety. No change of any item in the report shall be made by anyone other than the Appraiser and/or officer of the firm. The Appraiser and firm shall have no responsibility if any such change is made.

14. Any after-tax investment analysis and resulting measures of return on investment are intended to reflect only possible and general market considerations, whether used to estimate value or return on investment given a purchase price. Please note that the Appraiser does not claim expertise in tax matters and advises Client to seek competent tax advice.

15. The liability of Appraiser and the firm is limited to the Client only. Further, there is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than the Client, the Client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The Appraiser is in no way to be responsible for any costs incurred to discover or correct any deficiencies of any type present in the property; physically, financially, and/or legally. In the case of limited partnerships or syndication offerings or stock offerings in property, Client agrees that in case of lawsuit (brought by lender, partner or part owner in any form of ownership, tenant, or any other party), any and all awards, settlements of any type in such suit, regardless of outcome, Client will hold Appraiser completely harmless in any such action.

16. Any projections, forecasts, etc. regarding future patterns of income and/or expenses, prices/values, etc. represent the analyst's best estimates of investor anticipation with respect to

these items, based on information available at the date of appraisal or analysis. Such information includes forecasts/projections published by recognized sources such as economists, financial publications, investor surveys, etc. Economic trends can affect future behavior of income, expenses, values, etc. Changes in these items caused by future occurrences could result in values different from those established in this report. The appraiser cannot accept responsibility for economic variables in the future which could not have been known or anticipated at the date of analysis (inflation rates, economic upswings or downturns, fiscal policy changes, etc.).

17. The Americans with Disabilities Act (ADA) became effective January 26, 1992. The appraiser has not made a specific compliance survey and 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 negative effect upon the value of the property. Since I have no direct evidence relating to this issue, I did not consider possible non-compliance with the requirements of ADA in estimating the value of the property.

18. The value estimated contained within this report assumes no impact on value because of "Section 404 Wetlands" as defined by the U.S. Army Corps of Engineers. The appraiser has found no evidence of wetlands but are not experts in this field. It is recommended that the client seek the advice of an expert to determine any potential impact of wetlands on the property.

19. The appraiser is submitting an appraisal report on the subject property located at 201 W. Fourth Street in Walnut Cove, NC 27052.

The analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.

An appraisal reported is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Practice. The depth of discussion contained in this report is specific to the needs of the client and for the intended use. The appraiser is not responsible for unauthorized use of this report.

20. Laura K. Mallory, MAI has performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

21. Acceptance of, and/or use of, this appraisal report by the Client or any third party constitutes acceptance of the above conditions. APPRAISER LIABILITY EXTENDS ONLY TO STATED CLIENT, NOT SUBSEQUENT PARTIES OR USERS.

### **Extraordinary Assumptions**

According to the Uniform Standards of Professional Appraisal Practice, extraordinary assumption is defined as:

*An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions.*

The extraordinary assumptions are as follows:

None.

### **Hypothetical Conditions**

According to the Uniform Standards of Professional Appraisal Practice, extraordinary assumption is defined as:

*A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results but is used for the purpose of analysis.*

The hypothetical condition is as follows:

None.

**SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS**

Type of Property:	Office
Location:	201 W. Fourth Street Walnut Cove, NC 27052
Owner of Records:	Stokes County Farm Bureau, Inc.
Tax ID:	6962-38-2747
Deed Reference:	Deed Book 465, Page 1759
Utilities:	Electricity, Water, Sewer, & Telephone
Zoning:	B-1 - Downtown Business District
Land Area:	0.3440 Acres or 14,985 Square Feet <i>(Per Public Record)</i>
Building Size:	2,703 Square Feet Gross Building Area <i>(Per Appraiser Measurements)</i>
Date of Report:	August 1, 2022
Appraiser:	Laura K. Mallory, MAI Certified General, A3711
Appraiser Trainee:	Kaitlin J. Weber NC, Registered Trainee, T6279



**VALUE ESTIMATES**

***Indicated Value by Sales Comparison Approach***

<b>Value Type</b>	<b>Estimated Value</b>
Fee Simple, As-is	\$305,000

***Indicated Value by Income Approach***

<b>Value Type</b>	<b>Estimated Value</b>
Fee Simple, As-is	\$305,000

**FINAL VALUE ESTIMATE**

<b>Value Type</b>	<b>Estimated Value</b>	<b>Effective Date</b>
Fee Simple, As-is	\$305,000	July 26, 2022

**No FF&E is included in the value estimate.**

## **SCOPE OF WORK**

The scope of the appraisal involves a systematic process of identifying the problem to be solved; determining and performing the scope of work necessary to develop credible assignment results; and disclosing the scope of work. The appraiser must demonstrate that the scope of work is sufficient to produce credible assignment results.

The scope of work includes:

1. the extent to which the property is identified;
2. the extent to which tangible property is inspected;
3. the type and extent of data researched; and
4. the type and extent of analyses applied to arrive at opinions or conclusions.

The client, Stokes County Farm Bureau, Inc., has requested that the appraiser estimate the fee simple interest in the property located at 201 W. Fourth Street in Walnut Cove, NC 27052 as an aid in making a financial decision and potential sale of the property .

The property is located on the south side of W. Fourth Street, east of US-311/N. Main Street, in Walnut Cove, North Carolina. According to public record, the site consists of 0.344 acres of land. The property is improved with a one-story freestanding office building that is currently utilized as a Farm Bureau Insurance agency. Per appraiser's measurements, the building provides 2,703 SF of net leasable area. The subject is 100% owner-occupied. The description of the site and improvements is based on public record, physical inspection by the appraiser, and information from the client and property representative. The building size is based on appraiser measurements.

This appraisal report is an appraisal report in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP). It is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Practice. The depth of discussion contained in this report is specific to the needs of the client and for the intended use. The appraiser is not responsible for unauthorized use of this report.

In preparing this appraisal report, the appraiser searched public records for tax, zoning, and ownership information. The appraiser spoke with brokers active in the market area, utilized data sources such as CoStar, Loopnet, and Triad MLS, as well as reviewed appraisal files. The appraiser contacted the Mr. Hunter Langholz of NC Farm Bureau, who helped schedule the site visit. Miss Dana Marshall of NC Farm Bureau provided pertinent details on the property and accompanied the appraisers on the site visit.

The appraiser is not a licensed building inspector or environmental specialist. Therefore, this appraisal makes the assumption that there is no contamination on the subject site. It is assumed that there are no hazards such as ground contamination, asbestos or lead paint present in the site or building improvements. This appraisal report also assumes the existing improvements comply with local building and ADA standards, as well as the current zoning ordinance.

Information was gathered on improved sales, rentals, expense data, capitalization rates, and other applicable rates. The appraiser confirmed and analyzed the data and applied the sales comparison approach and income approach. The value estimates by the various approaches are then reconciled into final estimates of market value for the subject property.

### **PURPOSE OF APPRAISAL**

The purpose of this appraisal is to estimate the fee simple interest in the property located at 201 W. Fourth Street in Walnut Cove, NC.

Market value is defined as:

*"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus."*

Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated.
2. Both parties are well informed or well advised, and each acting in what he considers his own best interest.
3. A reasonable time is allowed for exposure in the open market.
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto.
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Source: Office of the Comptroller of the Currency, 12CFR, part 34

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

Source: The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, 2015.

## REASONABLE EXPOSURE TIME AND MARKETING TIME

According to Uniform Standards of Professional Appraisal Practice, 2020-2022 Edition, The Appraisal Foundation, exposure time is defined as: *"estimated length of time that 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 a retrospective opinion based on an analysis of past events assuming a competitive and open market.

According to The Dictionary of Real Estate Appraisal, Sixth Edition, 2015, marketing time is defined as: *An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is presumed to precede the effective date of an appraisal.*

To determine the reasonable exposure time prior to the effective date of the appraisal and the estimated marketing time immediately following the effective date of the appraisal, evidence from the market is reviewed and local brokers are consulted. In the appraiser's opinion, the two estimates of time are similar in that the market evidence available to determine the estimated times is the same.

The appraiser was unable to determine the length of time any of the other improved sales in the sales comparison approach were on the market. Many brokers are not keeping up with the length of time properties are listed for sale prior to a transaction. In talking with local commercial brokers, it is estimated to take approximately six months to two years to sell a property such as the subject assuming a property is listed at a reasonable price. Due to the current economic conditions, the appraiser is of the opinion that the reasonable exposure time for the subject property is six months to two years with a most probable exposure time of 12 months.

## INTENDED USE OF THE APPRAISAL

The intended use of this appraisal is for the sole purpose of assisting the client, Stokes County Farm Bureau, Inc., in establishing a value of the subject property as an aid in making a financial decision and potential sale of the property . The intended user is Stokes County Farm Bureau, Inc.. This appraisal has been requested by the client. The appraiser is not responsible for unauthorized use of this report.

## DATE OF VALUE ESTIMATE

The appraiser inspected the property on July 26, 2022. The date of the report is August 1, 2022. The effective date is as follows:

Value Type	Effective Date
Fee Simple, As-is	July 26, 2022

## IDENTIFICATION OF THE PROPERTY

The subject property, 201 W. Fourth Street, Walnut Cove, NC 27052 is shown on the Stokes County Tax Records as being Parcel ID: 6962-38-2747. The owners of record are Stokes County Farm Bureau, Inc.. The legal description is recorded in Deed Book 465, Page 1759 in the Office of the Register of Deeds of Stokes County, North Carolina as follows:

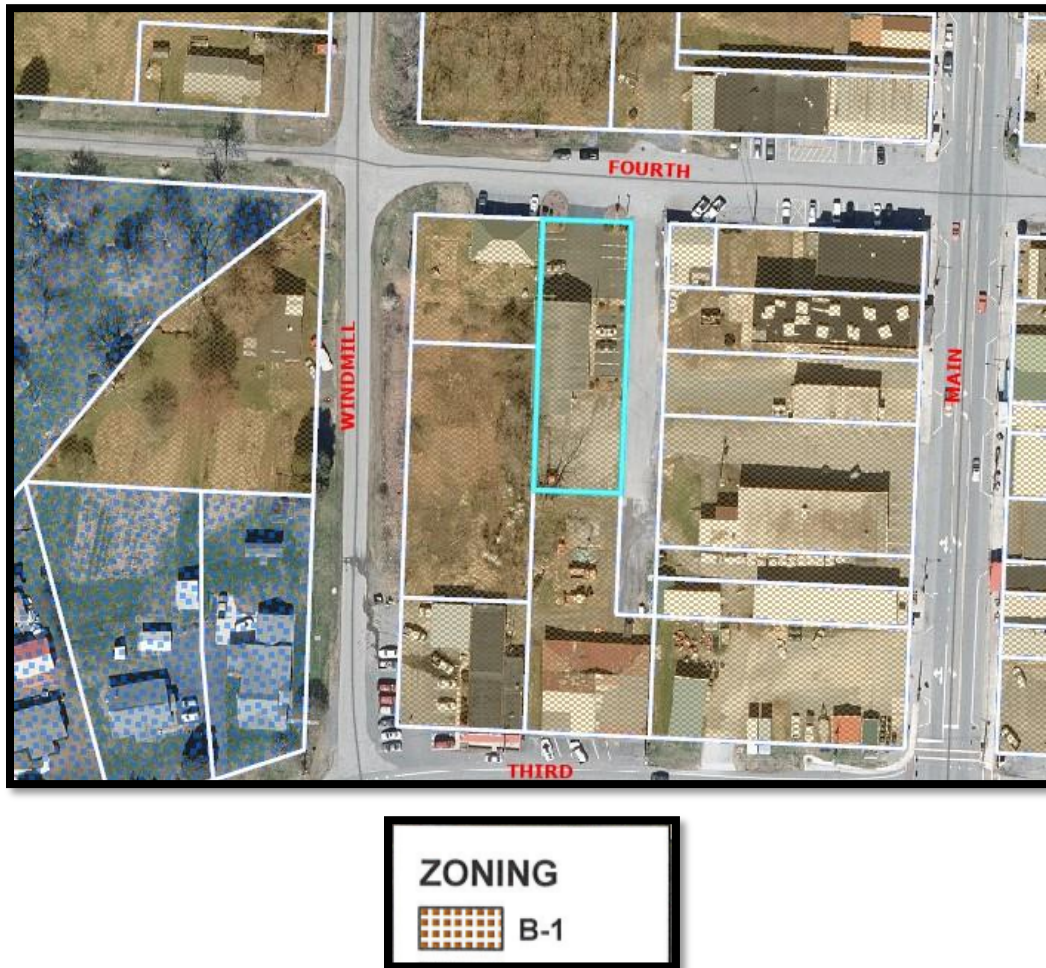
Beginning at an existing iron pipe, the southwestern intersection of 4th Street (having a 72 foot wide right of way) and Davis Street (having a 30 foot wide right of way) in the Town of Walnut Cove; thence from said point and place of Beginning and with the western right of way line of Davis Street, South 02 degrees 25 minutes 50 seconds West 214.0 feet to a new iron pipe, the northeast corner of John Fulton Tuttle (Book 371 page 58); thence with Tuttle's north line, North 87 degrees 34 minutes 10 seconds West 70.0 feet to a nail set in a root of a Sycamore tree, the northwest corner of Tuttle in the eastern line of John O. Shelton; thence with Shelton's east line North 02 degrees 25 minutes 50 seconds East 214.0 feet to railroad spike in the southern right of way line of 4th Street (said point being distance from the center line intersection of 4th Street and Windmill Street South 73 degrees 16 minutes 18 seconds East 147.94 feet); thence with the southern right of way line of 4th Street South 87 degrees 34 minutes 10 seconds East 69.53 feet to iron pipe, the southwest intersection of the right of way lines of 4th and Davis Streets, the Point and Place of Beginning. Containing **0.344 acres** in accordance with a survey made by Marvin Stephen Cavanaugh, PLS, dated March 1, 2002, bearing Drawing No. 02-25, and being presently **GPIN: 6962-06-38-2747**. For further reference see **Book 162 page 295** and **Book 232 page 526**, Stokes County Registry.

## HISTORY OF THE PROPERTY

Stokes County Farm Bureau, Inc. acquired the property from Christine C. Faison and Luther S. Faison on April 11, 2002. This transaction is recorded in Deed Book 465, Page 1759 in the Office of the Register of Deeds of Stokes County, NC.

Per a representative of the owner, the subject is in the process of negotiation with the Town of Walnut Cove for potential sale. There are no other known sales, listings, or pending sales within three years of the effective date of this report. The subject is currently owner-occupied, the details of which will be discussed in the Income Approach section of this report.

## ZONING



According to the Town of Walnut Cove Planning Department, the property is zoned B-1 - Downtown Business District. The zoning district is described as follows:

**§ 156.118 DOWNTOWN BUSINESS DISTRICT (B-1).**

The regulations for this district are designed to permit a concentrated development of permitted facilities within the central portion of the town.

(Ord. passed 9-3-1986; Ord. passed 5-1-2001; Ord. passed 10-12-2004; Ord. passed 5-6-2008)



<i>Dimensional Requirements Table</i>							
<i>District</i>	<i>Min. Lot Area (sq. ft.)<sup>1</sup></i>	<i>Max. Number of Dwelling Units per acre for Two-Family and Multi-Family Developments<sup>1</sup></i>	<i>Min. Lot Width at Building Line (ft.)</i>	<i>Min. Yard-Front (ft.)</i>	<i>Min. Yard-Side (ft.)<sup>4</sup></i>	<i>Min. Yard - Rear (ft.)<sup>5</sup></i>	<i>Max Height (ft.)<sup>6</sup></i>
NB-1	None	N/A	N/A	N/A	N/A	N/A	N/A
NB-2	None	N/A	N/A	45	127	N/A	N/A
B-1	None	N/A	N/A	None	0 <sup>6</sup>	None	35
I-1	1 acre	N/A	200	50	15	20	None
<sup>1</sup> The County Environmental Health Department may require a larger lot because of soil conditions							
<sup>2</sup> Class A manufactured homes on individual lots permitted							
<sup>3</sup> Computations begin anew for each building							
<sup>4</sup> Accessory building may be located in rear yard only							
<sup>5</sup> To be exceeded only when depth of the front and total width of side yards required is increased by 1 foot for each 2 feet or fraction thereof of building height in excess of 35 feet							
<sup>6</sup> On corner lots, the side yard adjacent to the street shall have not less than 50% on the front yard required the lot in rear of such corner lot							
<sup>7</sup> Not applicable within a planned unit development							
<sup>8</sup> When a business abuts a residential district, the structure shall be a minimum of ten feet from all exterior property lines abutting the residential district							

The site and the improvements appear to be in compliance with the zoning ordinance. There are no known moratoriums affecting the property at this time.

## TAX ANALYSIS



**Property shown outlined in light blue**

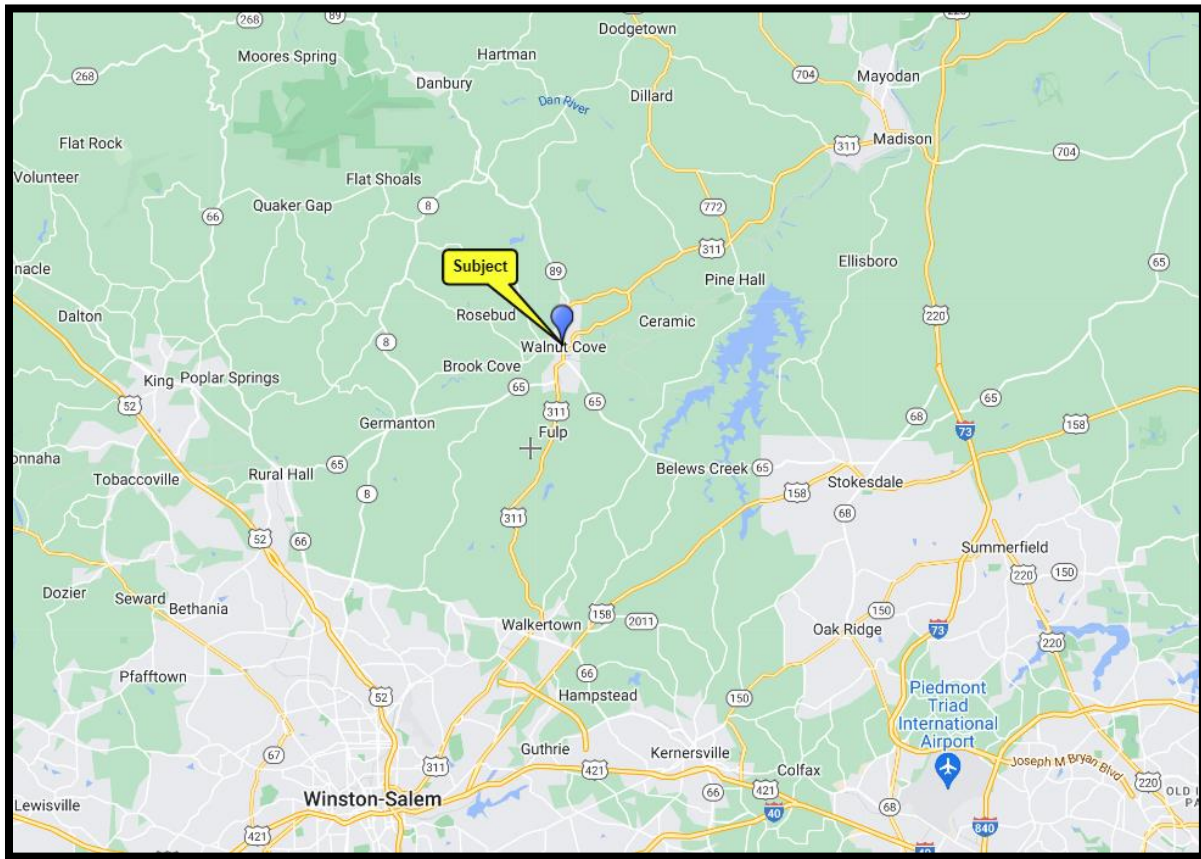
The property is shown on the Stokes County Tax Records as being Parcel ID: 6962-38-2747. The following assessed tax value for the subject is for 2021:

<b>Tax ID</b>	<b>6962-38-2747</b>
Land	\$37,500
Building	\$137,100
<u>Other Features</u>	<u>\$3,000</u>
<i>Total Assessed Value</i>	\$177,600
	<u>/ 100 x 1.060000</u>
<b>2021 Taxes</b>	<b>\$1,882.56</b>

Per the estimated values contained within this report, the assessed value appears favorable to the owner. The assessed value reflects the revaluation of all properties for Stokes County in 2021. Stokes County conducts revaluations every 4 years with the next revaluation anticipated for 2025. At the time of this report, the 2022 tax rates have not been made available, therefore, the 2021 tax rates are utilized, which were set in July, 2021. Taxes are anticipated to increase 2% per year based on past increases in tax rates. The subject is taxed based on the Stokes County General County rate of 0.31 per \$100 of assessed value, the Town of Walnut Cove rate of 0.40 per \$100 of assessed value, a School Operating Expense rate of 0.31 per \$100 of assessed value, and an Education Debt/Building Fund rate of 0.04 per \$100 of assessed value.



## AREA ANALYSIS



The subject property is located in the Town of Walnut Cove, North Carolina in Stokes County. Stokes County is included in the Winston-Salem, N.C. Metropolitan Statistical Area, which is also included in the Combined Statistical Area of Greensboro-Winston-Salem-High Point, N.C. Cities and towns in Stokes County include the city of King, the town of Danbury, and the town of Walnut Cove. Danbury is the county seat of Stokes County. Stokes County is surrounded by Patrick County, VA, Henry County, VA, and the NC counties of Rockingham County, Forsyth County, and Surry County

Major Highways in Stokes County include US 52, US 311, NC 8, NC 65, NC 66, NC 89, NC 268, NC 704, NC 770, and NC 772. US Highway 52 enters North Carolina at Mount Airy to South Carolina. The route joins Interstate 85 Business into Lexington, North Carolina. This section is being upgraded to interstate highway standards for the future Interstate 285 corridor through North Carolina. U.S. Route 311 is a United States highway that runs for 102 miles from Randleman, North Carolina to near Danville, Virginia. Along the route, it connects the cities of High Point, Winston-Salem, Madison, and Eden. The route can be considered an alternate route of US 220, which provides a more direct route. The highway connects the towns of Walkertown, Walnut Cove, and Madison. West of Madison, it shares a concurrency with Future Interstate 73/US 220 briefly to Mayodan, then going northeast, through Eden, into Virginia, where it ends at US 58, west of Danville.

Stokes County encompasses 456 square miles. According to the US Census Bureau the estimated population as of July 2018 was 45,467. In 2010 the population was 47,401 which indicates a 4.1% decline from 2010 to 2017. Although a slight decline, the Stokes County area appears to be stable in population as growth and development are slow but steady.

Hanging Rock State Park is a 7,869-acre North Carolina state park in Stokes County. The park is 30 miles north of Winston-Salem and 2 miles (3.2 km) from Danbury in Stokes County. The park has a 73-site tent and trailer campground, 10 vacation cabins, picnic grounds, stocked lake for swimming and canoe rentals and more than 20 miles of hiking trails. There is also access on the Dan River for paddling, 8.4 miles of mountain biking trails and rock-climbing opportunities.


The Stokes County School System has eleven elementary, three middle, and three high schools. In addition, there are numerous preschools, Meadowbrook Academy and Stokes Early College. The Stokes County Government Center, Arts Council, school board, county jail, a public library, a post office, and other public services are found in the town of Danbury. Pioneer Community Hospital of Stokes is located about a half mile northwest of Danbury.

Stokes County is a member of the regional Northwest Piedmont Council of Governments. Stokes County government is made up of 5 Elected County Commissioners with an Appointed County Manager and Appointed Tax Administrator. Other Elected Officials are the Sheriff, Clerk of Court, and Register of Deeds. School Board Members are Elected to a 5 Member Board who appoint a Superintendent and present the budget to County Commissioners for approval.

According to information from the NC Department of Commerce Labor & Economic Analysis website the top employers in Stokes County are as follows:

Rank	Company Name	Industry	Class	Employment Range
1	Stokes County Schools	Educational Services	Public Sector	500-999
2	County Of Stokes	Public Administration	Public Sector	250-499
3	Wieland Copper Products Llc	Manufacturing	Private Sector	250-499
4	Wal-Mart Associates Inc.	Retail Trade	Private Sector	250-499
5	Defender Services Inc	Administrative and Support and Waste Management and Remediation Services	Private Sector	250-499
6	Food Lion	Retail Trade	Private Sector	100-249
7	Lifebrite Hospital Group Of Stokes	Health Care and Social Assistance	Private Sector	100-249
8	M-6 Contracting Inc	Construction	Private Sector	100-249
9	Priddy Manor Assisted Living	Health Care and Social Assistance	Private Sector	100-249
10	Autumn Corporation	Health Care and Social Assistance	Private Sector	50-99
11	Universal Health Care/King Inc	Health Care and Social Assistance	Private Sector	50-99
12	Ymca Of Northwest North Carolina	Accommodation and Food Services	Private Sector	50-99
13	City Of King	Public Administration	Public Sector	50-99
14	Parkdale America Llc	Manufacturing	Private Sector	50-99
15	Lowes Foods Llc	Retail Trade	Private Sector	50-99
16	Mcdonalds Restaurant	Accommodation and Food Services	Private Sector	50-99
17	Dairi-O	Accommodation and Food Services	Private Sector	50-99
18	U S Postal Service	Transportation and Warehousing	Public Sector	50-99
19	Stewarts Grading And Hauling Inc	Construction	Private Sector	50-99
20	Shoreline Healthcare Management Llc	Health Care and Social Assistance	Private Sector	50-99
21	Walnut Ridge Assisted Living	Health Care and Social Assistance	Private Sector	50-99
22	East Coast Wings +grill	Accommodation and Food Services	Private Sector	50-99
23	Dolgencorp Llc	Retail Trade	Private Sector	50-99
24	Prn Inc Pc (A Corp)	Health Care and Social Assistance	Private Sector	50-99
25	Ingles Markets, Inc	Retail Trade	Private Sector	Below 50

The following demographic profile for Stokes County from the North Carolina Department of Commerce, Labor & Economic Analysis is as follows:



NC DEPARTMENT

of COMMERCE

LEADS & ECONOMIC ANALYTICS

County Profile

Stokes County (NC)

May 2022

Demographics

Population & Growth

2019 Est Population

2020 Census Total Population

Jul2020 NC Certified Population Estimate

Population

45,781

44,520

44,464

% Annual Growth

( 0.3%)

( 0.6%)

( 4.7%)

Urban/Rural Representation

2010 Census Total Population: Urban

2010 Census Total Population: Rural

11,520

35,881

Urban/Rural Percent

24.3%

75.7%

Estimated Population by Age

2019 Est Median Age

2019 Est Total Pop 0-19

2019 Est Total Pop 20-24

2019 Est Total Pop 25-34

2019 Est Total Pop 35-44

2019 Est Total Pop 45-54

2019 Est Total Pop 55-64

2019 Est Total Pop 65+

46

9,791

2,365

4,851

5,144

6,977

7,354

9,299

% Pop by Age

21.4%

5.2%

10.6%

11.2%

15.2%

16.0%

20.3%

Commuters, Workers Age 16 and Over, 2019 Census ACS Est

Percent of Workers, By Travel Time

Avg Travel Time, Minutes

Workers Not Working at Home

Travel Time to Work: < 10 minutes

Travel Time to Work: 10-14 minutes

Travel Time to Work: 15-19 minutes

Travel Time to Work: 20-24 minutes

Travel Time to Work: 25-29 minutes

Travel Time to Work: 30-34 minutes

Travel Time to Work: 35-44 minutes

Travel Time to Work: 45-59 minutes

Travel Time to Work: 60+ minutes

29.3

20.080

8.7%

11.7%

11.1%

13.1%

8.6%

14.9%

11.8%

11.9%

8.2%

Workers, By Transportation

Worker Transp. Base

Work at Home

Drove Car/Truck/Van Alone

Carpooled Car/Truck/Van

Public Transportation

Walked

Bicycle

Taxi, Motorcycle, Other

20,804

3.5%

88.5%

7.3%

0.1%

0.2%

0.0%

0.3%

Place of Work

Worked in State/County of Residence

Worked in State/Outside County of Residence

Worked Outside State of Residence

6,616

13,793

395

Commuters

Residents

31.8%

66.3%

1.9%

Education

2020-21 Kindergarten-12th Enrollment

2020 Average SAT score (1600 scale)

2020 Percent of Graduates taking SAT

2019-20 (Provisional) Higher Education Completions

2019-20 (Provisional) Higher Education Enrollment

2019 Est Education Attainment age 25+, At Least High School Graduate

2019 Est Education Attainment age 25+, At Least Bachelor's Degree

5,362

1,043

26.0%

-

-

28,175


4,754


Pop Age 25+

83.8%

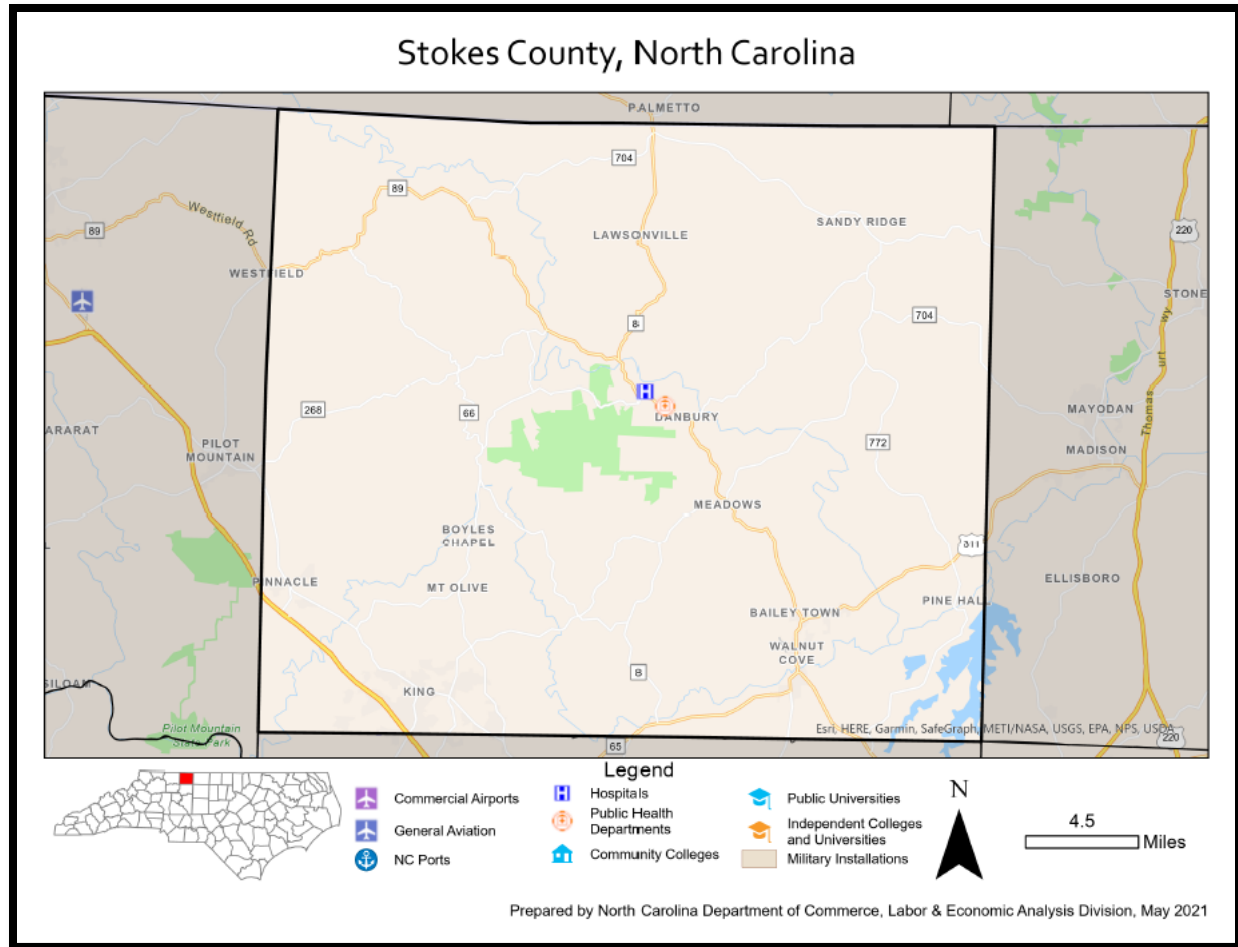
14.1%

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 <b>NC DEPARTMENT OF COMMERCE</b> <small>LABOR &amp; ECONOMIC ANALYSIS</small>				
<b>Housing</b>				
		<b>% Ann Growth or % Total</b>		
2020 Census Total Housing Units, % annual growth	21,160			( 0.4%)
2020 Census Occupied Housing, % of total	18,893			89.3%
2020 Census Vacant Housing, % of total	2,267			10.7%
2019 Est Median Value of Owner Occupied Housing	\$137,000			
2019 Est Median Gross Rent	\$687			
2019 Est Owner Occupied Housing, % of total	15,185			77.6%
2019 Est Renter Occupied Housing, % of total	4,393			22.4%
2019 Est % Owner Occupied Vacancy Rate	2.4%			
2019 Est % Renter Occupied Vacancy Rate	4.8%			
<b>Income</b>				
		<b>% Ann Growth or % Pov</b>		
2019 Est Median Family Income	\$59,026			
2020 Median Household Income (SAIPE)	\$59,068			12.8%
2019 Est Median Worker Earnings	\$31,484			
2020 Per Capita Income (BEA)	\$41,186			
2020 Est Pop. Income Below Poverty (SAIPE)	5,467			12.1%
<b>Employment / Unemployment</b>				
	<b>Currently</b>	<b>2021 Annual</b>		
Mar2022 Prelim., 2021 Employment	20,818			19,638
Mar2022 Prelim., 2021 Unemployment	646			1,353
Mar2022 Prelim., 2021 Unemployment Rate	3.0%			6.4%
2021Q4YTD, 2021 Announced Job Creation	-			-
2021Q4YTD, 2021 Total Announced Investments (\$mil)	-			-
<b>Employment / Wages by Industry</b>	<b>2021Q4 Employment</b>	<b>2021 Employment</b>	<b>2021Q4 Avg Weekly Wage</b>	<b>2021 Avg Weekly Wage</b>
Total All Industries	7,379	7,478	\$792	\$675
Total Government	1,766	1,709	\$960	\$783
Total Private Industry	5,613	5,769	\$739	\$642
Agriculture Forestry Fishing & Hunting	49	51	\$594	\$506
Mining	0	0	\$0	\$0
Utilities	-	-	-	-
Construction	580	628	\$1,057	\$890
Manufacturing	547	696	\$1,158	\$946
Wholesale Trade	61	64	\$1,593	\$979
Retail Trade	1,301	1,267	\$544	\$493
Transportation and Warehousing	116	110	\$1,068	\$940
Information	-	15	-	\$404
Finance and Insurance	135	138	\$1,037	\$1,020
Real Estate and Rental and Leasing	62	55	\$1,549	\$2,250
Professional and Technical Services	218	172	\$787	\$834
Mgt of Companies, Enterprises	0	0	\$0	\$0
Administrative and Waste Services	424	15	\$793	\$856
Educational Services	996	918	\$952	\$774
Health Care and Social Assistance	949	958	\$850	\$683
Arts, Entertainment and Recreation	62	-	\$252	-
Accommodation and Food Services	979	947	\$327	\$273
Other Services Ex. Public Admin	209	187	\$696	\$667
Public Administration	670	678	\$961	\$786
Unclassified	0	0	\$0	\$0
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 <b>NC DEPARTMENT of COMMERCE</b> LABOR & ECONOMIC ANALYSIS			
<b>Commercial/Retail/Industrial</b>			
<b>Local Business</b>		<b>Local Retail Business</b>	
2021Q4 Available Industrial Buildings	-	2021 Total Retail Sales (With Food/Drink) (\$mil)	\$191.9
2021Q4 Establishments: Total Private Industry	727	2021 Total Retail Businesses (With Food/Drink)	184
2021Q4 Establishments: Manufacturing	29	2021 Avg Sales/Business Total (with Food/Drink)	\$1,043,011
2019 Est Self Employed	1,320	2021Q4 Available Commercial Buildings (if County reports)	-
<b>Quality of Life</b>			
<b>Taxes</b>		<b>Childcare</b>	
FY2021-22 Property Tax Rate per \$100 Value	\$0.6600	2022Q1 Licensed Child Care Facilities	17
FY2020-21 Annual Taxable Retail Sales (\$mil)	\$340.2	2022Q1 Licensed Child Care Enrollment	633
2021 Tier designation	2		
<b>Healthcare Providers</b>			
2019 Number of Physicians	24		
2019 Physicians/10,000 population	5.2		
2020 RNs/10,000 population	41.4		
2020 Dentists/10,000 population	1.1		
2020 Pharmacists/10,000 population	6.9		
<b>Sources:</b> Census (2020, ACS 2015-19) for income, commuters, place of work, population, housing, and educational attainment at <a href="https://data.census.gov">https://data.census.gov</a> . AGS for retail data at <a href="http://www.AppliedGeographic.com">www.AppliedGeographic.com</a> . NC Dept. of Education for SAT data by NC county system at <a href="http://www.ncpublicschools.org">http://www.ncpublicschools.org</a> . US Dept. of Education, National Center for Education Statistics for higher education data at <a href="https://nces.ed.gov/ipeds/datacenter">https://nces.ed.gov/ipeds/datacenter</a> . NC Commerce, Labor and Economic Analysis Division for NC tiers, occupational data, employment and unemployment, and wages and establishments by industry at <a href="https://d4.nccommerce.com/">https://d4.nccommerce.com/</a> . EDPNC for announced new jobs and investment and available buildings at <a href="https://edpnc.com">https://edpnc.com</a> . NC Dept. of Health & Human Services for childcare data at <a href="http://www.ncdhhs.gov/">http://www.ncdhhs.gov/</a> . UNC Sheps Center for healthcare professions at <a href="https://inchealthworkforce.unc.edu/">https://inchealthworkforce.unc.edu/</a> . For more data resources, see <a href="https://d4.nccommerce.com/">https://d4.nccommerce.com/</a> .			
<b>Notes:</b> Data are the latest available at the date the profile was prepared. A period means the data is not available. SAT scores use the 1600 scoring system and represent county systems. Unemployment data is now the latest month which is preliminary and is subject to change. US Education IPEDs data for Completions and Enrollment is at least Provisional and updated when Final. Census' American Community Survey (ACS) data are estimates, noted 'Est' and are from the 5-year survey; data is as of final year with dollars inflated to final year. Per capita income is a broad measure of income spread over all residents. Worker earnings includes wage income for residents regardless of where they work. Private sector wages are paid by local employers to their employees regardless of where they live. Additional data resources are available at: <a href="https://d4.nccommerce.com/">https://d4.nccommerce.com/</a> .			
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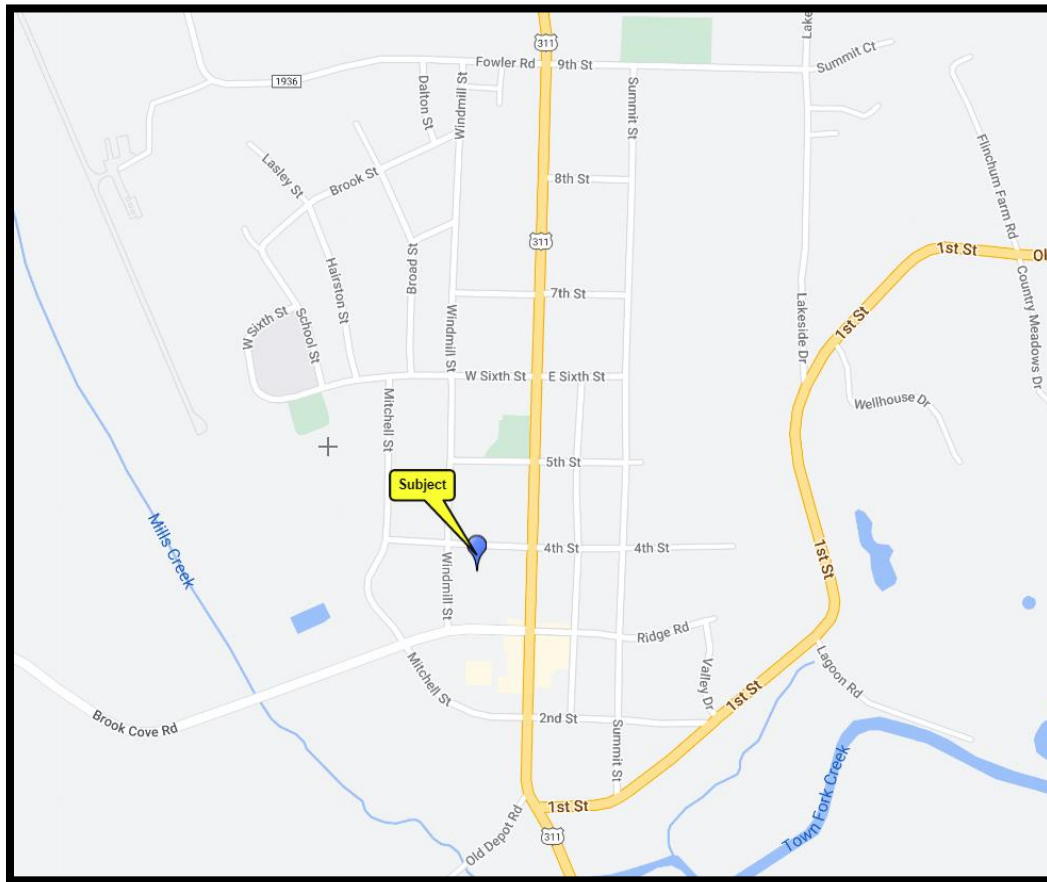




### ***Conclusion***

In conclusion, the future for the area appears to be average considering the current economic climate. Growth is expected to continue in and around Stokes County similar to other competing areas. Pleasant climate, adequate transportation, diversification of industry, and a stable economy contribute to the area's appeal as a favorable place. Based on the information collected, the positive interaction of social, economic, governmental and environmental forces should continue into the foreseeable future.

## NEIGHBORHOOD ANALYSIS



For the purpose of this report, the definition of the term "neighborhood" as found in Dictionary of Real Estate, Sixth Edition, Appraisal Institute, 2015, is used. This definition is as follows: "A group of complementary land uses; a congruous grouping of inhabitants, buildings, or business enterprises."

The subject property is located at 201 W. Fourth Street in Walnut Cove, NC. According to public record, the site consists of 0.344 acres of land. The property is improved with a one-story freestanding office building that is currently utilized as a Farm Bureau Insurance agency. Per appraiser's measurements, the building provides 2,703 SF of net leasable area. The subject is 100% owner-occupied.

Although the neighborhood boundaries are not clearly defined, they are generally felt to be:

- Fowler Road / 9<sup>th</sup> Street to the north
- 1<sup>st</sup> Street to the east
- Mitchell Street to the west
- 1<sup>st</sup> Street to the south



### ***Neighborhood Access***

Access to the neighborhood is via U.S. Highway 311 (Main Street) and Oldtown Road/1<sup>st</sup> Street. Numerous secondary roads also provide access to the neighborhood.

### ***Surrounding Land Uses***

The subject neighborhood is primarily commercial and residential in nature. Adjacent uses include:

- To the north – Childcare property adjacent to subject. Commercial uses and wooded land
- To the east – Vacant land being developed adjacent to subject. Residential uses.
- To the south – Walnut Cove License Plate Agency and Walnut Cove Town Hall.
- To the west – Oma's Coffee Shop and Palmetto Theatre.

West of the subject consists of residential and agricultural uses, with ML Mitchell and Son Meat Processing found along the western boundary of Mitchell Street along with wooded land and agricultural land. South of the subject finds public uses and commercial uses, some of which include Family Pharmacy, Tuttle Hardware, Double 00 Pawn, East Stokes Thrift Store, United States Postal Service, The Marion Law Firm, and The Milk Bar restaurant.

East of the subject finds mostly commercial and office uses along Main Street, with single-family residential dwellings intermixed and further east towards the eastern boundary of 1<sup>st</sup> Street. Vacant, wooded land is also available in the area. Some retail and office uses along Main Street include Dunlap's home improvement store, Nationwide Insurance, Just Plain Country Store, Main Street Diner & Dairy Bar, First Citizens Bank, Jan's Tax Service, Walnut Cove Public Library, ABC Store, Walnut Cove Volunteer Fire & Rescue, CVS drug store, and O'Reilly Auto Parts, to name a few. Commercial uses give way to residential dwellings near the northern boundary of 9<sup>th</sup> Street and Fowler Road.

### ***Neighborhood Conclusion***

The subject is in an established neighborhood with some vacant land available for development. The streets in the neighborhood are asphalt-paved with primarily concrete curbs and gutters along the main thoroughfares and drainage ditches along the secondary streets. Areas of the neighborhood are served by concrete sidewalks. The site is served by the typical utilities, easements, and services available in the neighborhood. They include public water and sewer, electricity, telephone service, and natural gas, where available. Walnut Cove provides Police and Fire protection. The future of the neighborhood appears stable with a continued trend towards commercial uses along the main thoroughfares and residential uses throughout.

## **SITE ANALYSIS**

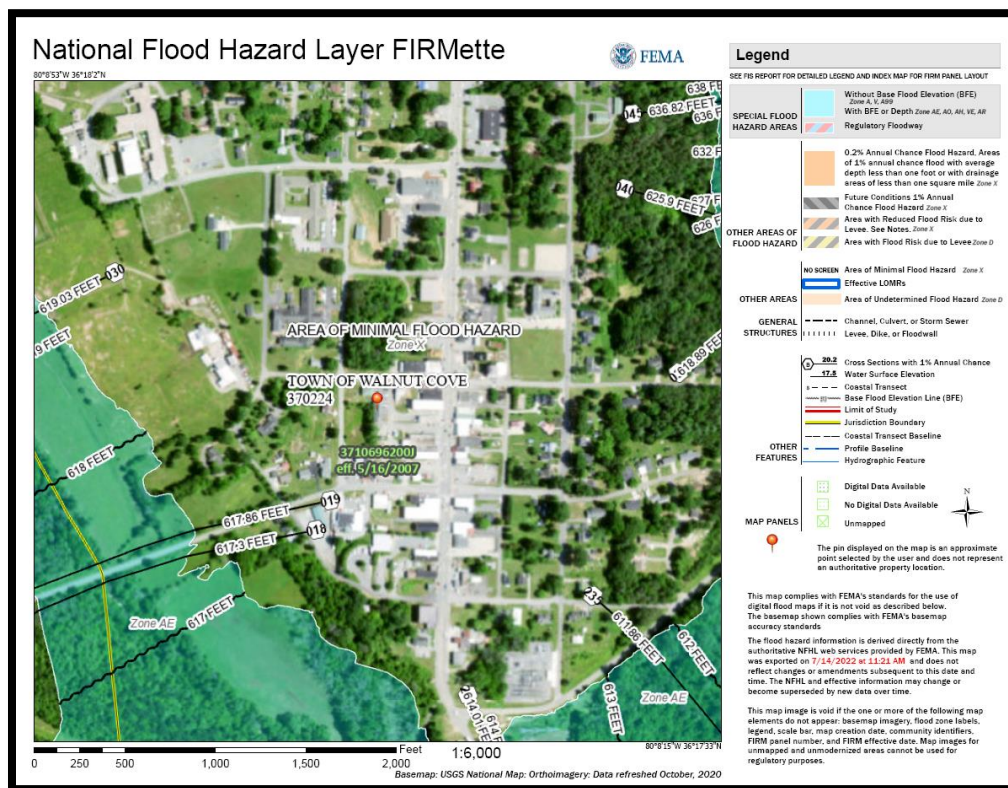


**Aerial from Stokes County Website**

The property is located on the south side of W. Fourth Street, east of US-311/N. Main Street, in Walnut Cove, North Carolina. According to public record, the site consists of 0.344 acres of land. The property is improved with a one-story freestanding office building that is currently utilized as a Farm Bureau Insurance agency. Per appraiser's measurements, the building provides 2,703 SF of net leasable area. The subject is 100% owner-occupied. The description of the site is based on physical inspection by the appraiser as well as public record as follows:

Address:	201 W. Fourth Street Walnut Cove, NC 27052
Land Area:	0.3440 Acres or 14,985 Square Feet (Per Public Record)
Shape:	Rectangular
Frontage/Access:	Via two paved entrances from W. Fourth Street
Topography:	Level at grade, downward sloping to west

Soil Conditions:	The soil conditions observed at the subject appear to be typical of the region and adequate to support development. A soil survey was not made available, however assumed adequate for highest and best use. There are no known or noted environmental issues affecting the site. The appraiser is not an environmental expert. An environmental study is recommended if required.
Flood Plain:	According to FEMA Flood Map 3710696200J dated May 16, 2007, the property is not located in a floodplain. The property does not appear to be within a flood zone area.
Utilities:	Electricity, Water, Sewer, & Telephone
Zoning:	B-1 - Downtown Business District
Easements and Encroachments:	Typical utility easements are assumed to exist.
Site Improvements:	Asphalt paved drive and parking lot, concrete walkways, signage, retaining wall, and typical landscaping.
Comments:	The site improvements are in overall average condition. The front parking lot is in average condition; the rear parking area is in fair condition.



Flood Map



## **PHOTOGRAPHS**

### **Street Views**



**W. Fourth Street, West**



**W. Fourth Street, East**



**Private Drive, North**



**Private Drive, South**



**Exterior Photographs**









**Interior Photographs**



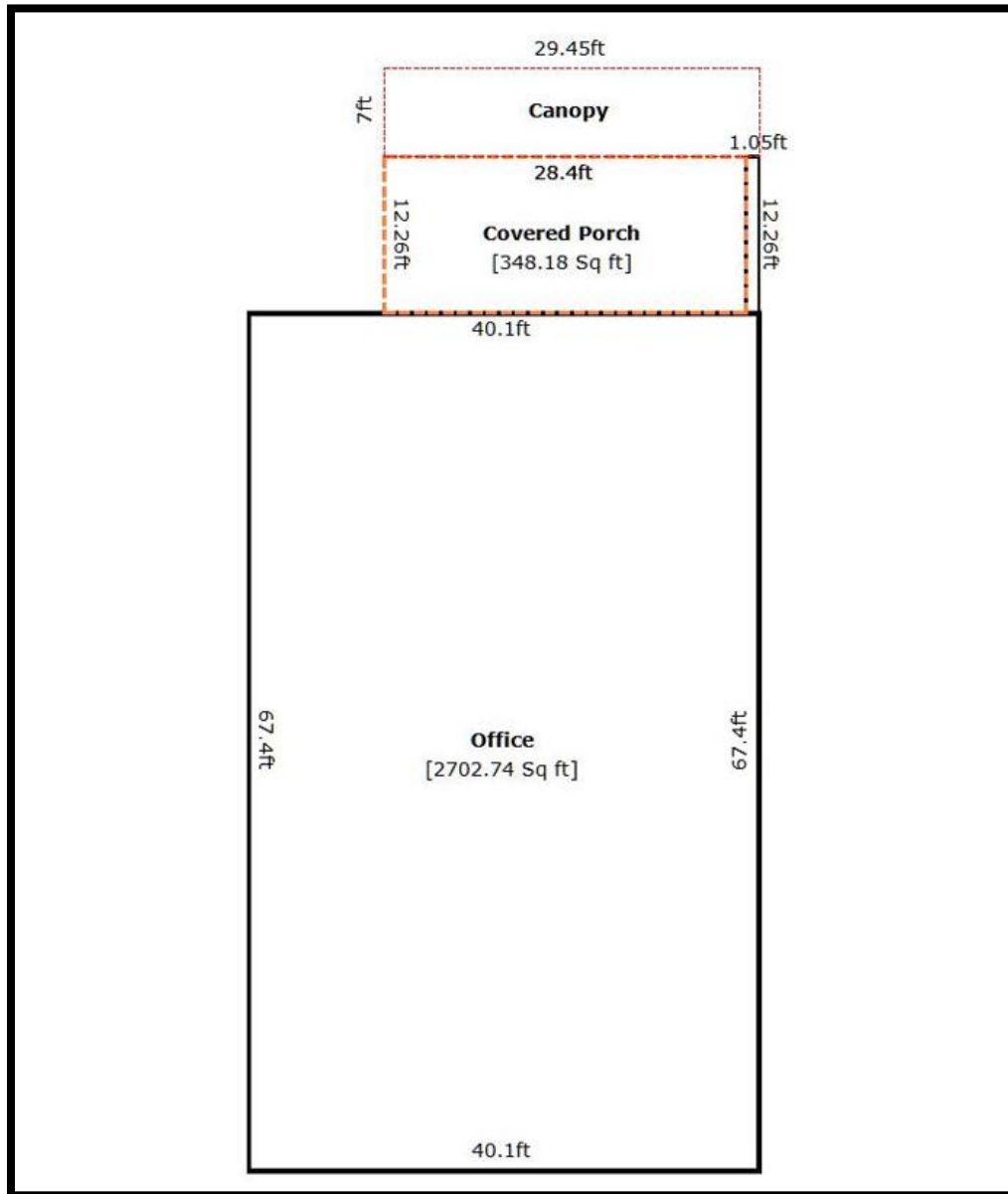








## DESCRIPTION OF IMPROVEMENTS



Building Sketch from Appraiser Measurements

TOTAL Sketch by a la mode, Inc.		Area Calculations Summary
<b>Living Area</b>		
Office		2702.74 Sq ft
<b>Total Living Area (Rounded):</b>		<b>2703 Sq ft</b>
<b>Non-living Area</b>		
Covered Porch		348.18 Sq ft
Canopy		206.15 Sq ft

Based on physical inspection, the construction of the building is generally described as follows:

<u>Foundation:</u>	Poured concrete slab
<u>Framing:</u>	Masonry/Block
<u>Exterior Walls:</u>	Masonry, Vinyl
<u>Roof Structure:</u>	Arched, Wood
<u>Roof Cover:</u>	Asphalt Shingles
<u>HVAC:</u>	FWA/Central
<u>Flooring:</u>	Ceramic Tile, Vinyl/Laminate, Carpet, Concrete
<u>Walls:</u>	Painted Drywall
<u>Windows:</u>	Insulated Glass in Metal Frame
<u>Ceilings:</u>	Acoustical ceiling tiles
<u>Electrical:</u>	Assumed adequate
<u>Lighting:</u>	Fluorescent or LED
<u>Restrooms:</u>	Adequate
<u>Year Built:</u>	1965; Renov. 1980 and 2002 (est.)
<u>Overall Condition:</u>	Average

The improvements are overall average in quality and condition. The appraisers noted no areas of major deferred maintenance during the site visit. Some minor areas include environmental wear and tear to the underside of the canopy of the covered dock/porch at the rear of the building. The front parking lot is in average condition, and the rear lot is in fair condition. A representative of the owners stated the lot will likely be resealed/stripped in the next year. The HVAC was replaced within the past 2 years for an estimated cost of \$8,000.

## **HIGHEST AND BEST USE**

The highest and best use is defined as:

The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.

**LEGAL PERMISSIBILITY:** A property use that is currently allowed or most probably allowable under zoning codes, building codes, environmental regulations, and other applicable laws and regulations that govern land use.

**PHYSICAL POSSIBILITY:** For a land use to be considered physically possible, the parcel of land must be able to accommodate the construction of any building that would be a candidate for ideal improvement.

**FINANCIAL FEASIBILITY:** For a land use to be considered financially feasible, the value of the land use must exceed its cost. Economic feasibility – A condition that exists when prospective earning power is sufficient to pay a requisite rate of return on the completion cost (including indirect costs).

**MAXIMUM PRODUCTIVITY:** The physically possible, legally permissible, and financially feasible use that results in the highest present value.

Source: The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, 2015.

Alternatively, it may be defined as that use, from among reasonably probable and legal alternative uses, found to be physically possible, appropriately supported, financially feasible, and which results in highest land value.

The definition immediately above applies specifically to the highest and best use of land. It is to be recognized that in cases where a site has existing improvements on it, the highest and best use may very well be determined to be different from the existing use. The existing use will continue, however, unless and until land value in its highest and best use exceeds the total value of the property in its existing use.

Implied within these definitions is recognition of the contribution of that specific use to community environment or to community development goals in addition to wealth maximization of individual property owners. Also implied is that the determination of highest and best use results from the appraiser's judgment and analytical skill, i.e., that the use determined from analysis represents an opinion, not a fact to be found. In appraisal practice, the concept of highest and best use represents the premise upon which value is based. In the context of most probable selling price (market value) another appropriate term to reflect highest and best use would be most probable use. In the context of investment value an alternative term would be most profitable use.

In considering the uses available for the land, the use which will return the highest net figure in terms of money is considered to be the highest and best use. These four criteria have been applied to the subject, analyzed as if vacant and available for development to determine its highest and best use.

### **LEGALLY PERMISSIBLE**

Legal restrictions as they apply to the subject are private or deed restrictions, and the public restrictions. There are no known private restrictions that would affect the use. The only public restrictions are the requirements of the zoning classification and utility easements.

The property is zoned B-1 - Downtown Business District. The site and the improvements appear to be in compliance with the zoning ordinance. There are no known moratoriums affecting the property at this time. Typical utility easements are assumed to exist.. Based on the available information; it appears that the subject site can be developed to its highest and best use.

### **PHYSICALLY POSSIBLE**

The physical characteristics of a site are one of the first constraints imposed on the possible uses. The location of the site within a given block along with the size are important determinants of value. Generally, the larger the site, the potential is greater to achieve economies of scale and flexibility in development.

The size of the parcel when considered with the zoning classification has considerable influence on the ultimate development. The main determinant in developing a site is the permitted size of the project. The total size of a building, that is the total number of square feet, tends to increase as the lot size increases. The size and shape of the lot often limits the number of possible uses.

The physical attributes of the site are as follows:

Land Area:	0.3440 Acres or 14,985 Square Feet
Shape:	Rectangular
Frontage/Access:	Via two paved entrances from W. Fourth Street
Topography:	Level at grade, downward sloping to west
Flood Plain:	According to FEMA Flood Map 3710696200J Dated May 16, 2007, the property is not located in a floodplain.
Utilities	Electricity, Water, Sewer, & Telephone
Easements and Encroachments:	Typical utility easements are assumed to exist.

The physical characteristics of the subject site are not considered to be restrictive on the development of the property to its highest and best use.

### **FINANCIALLY FEASIBLE**

In determining feasible uses of a property, the income from various physically possible and legally permissible uses are reviewed to determine which uses are feasible. If proposed net revenues generated are enough to satisfy required rates of return on investments and provide a rate of return on the land, then the use is feasible within some price limit.

According to Costar, the subject resides within the Stokes County Submarket in the Winston-Salem Market. Stokes County is a small office submarket that contains roughly 110,000 SF of office space. The submarket is at full capacity and has been for some time. Net absorption was flat over the past year, but that doesn't necessarily speak to poor fundamentals. The submarket is completely full and has been for some time. Rents increased by 2.6% over the past 12 months, a solid result and somewhat in excess of the 1.8% average annual gain over the past decade. There are no supply-side pressures on vacancy or rent in the near term, as nothing is under construction. This lack of construction extends a prolonged hiatus from new development in the submarket: It has been more than 10 years since an office project delivered. The Stokes County Submarket saw 2 sales over the past year, consistent with the handful of trades that typically close in a given year.

In the appraiser's opinion, the use of the site for office use is feasible within some price limit.

### **MAXIMALLY PRODUCTIVE**

The long-term land uses that are expected to remain with the sites for the useful life of the improvements is usually the highest and best use of the land. The use that provides the highest rate of return to the property is the highest and best use as improved. In analyzing the market, the appraiser is of the opinion that the use of the subject for office use provides the highest rates of return to the property.

## **CONCLUSION OF HIGHEST AND BEST USE**

### **AS VACANT**

As vacant, the highest and best use of the site would be for office use. The appraiser of the opinion that office use would conform to the zoning requirements and fully utilize the site and is the highest and best use of the site as vacant.

### **AS IMPROVED**

According to public record, the site consists of 0.344 acres of land. The property is improved with a one-story freestanding office building that is currently utilized as a Farm Bureau Insurance agency. Per appraiser's measurements, the building provides 2,703 SF of net leasable area. The subject is 100% owner-occupied. The improvements contribute value to the site as a whole. In the appraiser's opinion, the highest and best use of this site is for continued office use.

## **THE APPRAISAL PROCESS**

The estimation of a real property's market value involves a systematic process in which the problem is defined; the work necessary to solve the problem is planned; and the data required is acquired, classified, analyzed, and interpreted into an estimate of value. In this process, three basic approaches are used by the Appraiser: the Cost Approach, the Sales Comparison Approach, and the Income Approach. Due to the age of the improvements, the cost approach would not result in a meaningful indicator of value and has been omitted from this report.

The Sales Comparison Approach involves the comparison of similar properties that have recently sold or similar properties that are currently offered for sale, with the subject property. These properties are compared to the subject with regard to differences or similarities in time, age, location, physical characteristics, and the conditions influencing the sale. The notable differences in the comparable properties are then adjusted from the subject property to indicate a value range for the property being appraised. When sufficient sales data is available, these adjustments are best determined by the actions of typical buyers and sellers in the subject's market. This value range, as indicated by the adjusted comparable properties, is then reconciled into a final indicated value for the subject property by this approach. The sales comparison is utilized to estimate the value of the land as vacant and to estimate the value as improved.

The Income Approach is a process which converts the anticipated flow of future benefits (actual dollar income or amenities) into a value estimate through the capitalization process. The Appraiser is primarily concerned with future benefits resulting from net income. Net income is the remainder after deduction of expenses of operation from the effective gross income. The steps in this approach include estimating potential gross income by comparison with competing properties and estimating expenses (derived from historical and/or market experience) to determine a projected net income stream. This income stream is then capitalized into an indication of value by using capitalization rates extracted from competitive properties in the market or by using other techniques when applicable.

The value estimates, as indicated by the approaches, are then reconciled into a final estimate of the property's worth. In the final reconciliation the appraiser must weigh the relative significance, defensibility, and applicability of each approach as it pertains to the type of property being appraised and that best approximates the value being sought in the appraisal.

### **SALES COMPARISON APPROACH**

In the sales comparison approach, the appraiser compares the subject with other properties of similar nature that have sold. Adjustments are considered for items of dissimilarity that are considered to have an effect on value.

According to public record, the site consists of 0.344 acres of land. The property is improved with a one-story freestanding office building that is currently utilized as a Farm Bureau Insurance agency. Per appraiser's measurements, the building provides 2,703 SF of net leasable area. The subject is 100% owner-occupied.

The appraiser located sales of relatively similar properties to compare the subject. The sales are presented on the following pages. Following the sales is a grid summarizing the sales and an analysis.



**Improved Sale No. 1**



**Property Identification**

<b>Record ID</b>	6832
<b>Property Type</b>	Office, Office
<b>Address</b>	502 S. Scales Street, Reidsville, Rockingham County, North Carolina 27320
<b>Tax ID</b>	150046

**Sale Data**

<b>Grantor</b>	John Z Hall II and Rachel Rhodes Hal
<b>Grantee</b>	Shahzad Khan, PLLC
<b>Sale Date</b>	April 19, 2021
<b>Property Rights</b>	Fee Simple
<b>Verification</b>	Michael McCollum (Keller-Williams); 336-432-2222; Other sources: Triad MLS #954459, Public Record, Other

<b>Listing Price</b>	\$275,000
<b>Cash Equivalent</b>	\$275,000

**Land Data**

<b>Land Size</b>	0.362 Acres or 15,750 SF
<b>Zoning</b>	GB, General Business & Residential
<b>Topography</b>	Level
<b>Utilities</b>	All Public
<b>Shape</b>	Rectangular
<b>Landscaping</b>	Asphalt Paving

**Flood Info** Not in a flood Zone

**General Physical Data**

**Building Type** Single Tenant  
**Gross SF** 1,986

**Construction Type** Wood Frame/Masonry Veneer  
**Roof Type** Asphalt Shingle  
**Foundation** Concrete  
**Electrical** Adequate  
**HVAC** FWA/Central  
**Sprinklers** None  
**Stories** 1  
**Year Built** 1947; renovated  
**Condition** Average

**Indicators**

**Sale Price/Gross SF** \$138.47  
**Floor Area Ratio** 0.13  
**Land to Building Ratio** 7.93:1

**Remarks**

This listing is for a 1,986 square foot, single-tenant, office building situated on a 15,750 square foot lot located at 502 S Scales Street in Reidsville. The lot is a corner lot at the intersection of S Scales Street and Piedmont Street. The property was formerly used as a medical office. It has new carpet in the waiting room, reception area and one office.

**Improved Sale No. 2**



**Property Identification**

<b>Property Type</b>	Office, Office
<b>Address</b>	805 Merita St, Mount Airy, Surry County, North Carolina 27030
<b>Tax ID</b>	5020-09-27-1117

**Sale Data**

<b>Grantor</b>	Lou Urmos & Joanne M. Urmos
<b>Grantee</b>	AKM HOLDING, LLC
<b>Sale Date</b>	January 15, 2021
<b>Deed Book/Page</b>	1743/867
<b>Property Rights</b>	Fee Simple
<b>Conditions of Sale</b>	Arm's Length
<b>Financing</b>	Conventional
<b>Verification</b>	Broker – Bryant Brantley; 336-325-7102 ; Other sources: Costar; Pubic Records
<b>Sale Price</b>	\$375,000
<b>Cash Equivalent</b>	\$375,000

**Land Data**

<b>Land Size</b>	0.39 Acres or 16,988 SF
<b>Front Footage</b>	261 ft Merita Street
<b>Zoning</b>	B4, Highway Business District
<b>Topography</b>	Mostly Level
<b>Utilities</b>	All Public
<b>Shape</b>	Approx triangular
<b>Landscaping</b>	Typical
<b>Flood Info</b>	Not located in a 100-year flood zone

**General Physical Data**

<b>Building Type</b>	Single-tenant
<b>Gross SF</b>	2,992
<b>Construction Type</b>	Masonry; face brick veneer
<b>Roof Type</b>	Built up & membrane
<b>Foundation</b>	Concrete
<b>Electrical</b>	Adequate
<b>HVAC</b>	Heat Pump/ Central
<b>Stories</b>	1
<b>Year Built</b>	1984
<b>Condition</b>	Average

**Indicators**

<b>Sale Price/Gross SF</b>	\$125.33
<b>Floor Area Ratio</b>	0.18

**Remarks**

This comparable is located on the south side of Merita Street, just west of US 52 east of US Highway 52 in northeast Mount Airy. The former Urgent Care center was purchased for owner occupancy as a general office property.



**Improved Sale No. 3**



**Property Identification**

<b>Property Type</b>	Office, Office
<b>Address</b>	3950 Clemmons Rd, Clemmons, Forsyth County, North Carolina 27012
<b>Tax ID</b>	5882-78-3859

**Sale Data**

<b>Grantor</b>	Salem Presbytery Corporation, a NC corporation
<b>Grantee</b>	BCPS Properties, LLC, a NC LLC
<b>Sale Date</b>	July 31, 2020
<b>Deed Book/Page</b>	3541/2784
<b>Property Rights</b>	Fee Simple
<b>Conditions of Sale</b>	Arm's Length
<b>Financing</b>	Conventional
<b>Verification</b>	Broker – Kevin Hatcher; 336-761-1130; Other sources: Costar; Pubic Records
<b>Sale Price</b>	\$600,000
<b>Cash Equivalent</b>	\$600,000

**Land Data**

<b>Land Size</b>	1.71 Acres or 74,488 SF
<b>Front Footage</b>	Clemmons Rd
<b>Zoning</b>	LO-S, Limited Office, Special
<b>Topography</b>	Mostly Level
<b>Utilities</b>	All Public
<b>Shape</b>	Approx triangular
<b>Landscaping</b>	Typical
<b>Flood Info</b>	Not located in a 100-year flood zone

**General Physical Data**

<b>Building Type</b>	Single-tenant
<b>Gross SF</b>	4,400
<b>Construction Type</b>	Masonry; face brick veneer
<b>Roof Type</b>	Asphalt shingle
<b>Foundation</b>	Concrete
<b>Electrical</b>	Adequate
<b>HVAC</b>	Heat Pump/ Central
<b>Stories</b>	1
<b>Year Built</b>	1984
<b>Condition</b>	Average

**Indicators**

<b>Sale Price/Gross SF</b>	\$136.36
<b>Floor Area Ratio</b>	0.06

**Remarks**

This comparable is located on the north side of Clemmons Rd / US 158, just south of Interstate 40 Bypass in Clemmons, NC. The property was purchased for owner occupancy as a general office property.

**Improved Sale No. 4**



**Property Identification**

<b>Record ID</b>	6884
<b>Property Type</b>	Commercial, Retail
<b>Address</b>	522 Main Street, Walnut Cove, Stokes County, North Carolina 25052
<b>Tax ID</b>	696206-39-7618

**Sale Data**

<b>Grantor</b>	Emily's Closet
<b>Grantee</b>	Charles L. Byron and wife, Lauren Byron
<b>Sale Date</b>	October 21, 2019
<b>Deed Book/Page</b>	712/665
<b>Property Rights</b>	Fee Simple
<b>Conditions of Sale</b>	Arm's Length
<b>Verification</b>	Wayne Smart - Broker - Carolina Triad Choice Realty; 336-593- 8383, March 30, 2020; Other sources: Public Record, MLS, Other

<b>Sale Price</b>	\$160,000
<b>Cash Equivalent</b>	\$160,000
<b>Adjusted Price</b>	\$160,000

**Land Data**



<b>Land Size</b>	0.440 Acres or 19,166 SF
<b>Front Footage</b>	Main Street;
<b>Zoning</b>	B-1
<b>Topography</b>	Basically level with street grade
<b>Utilities</b>	Public
<b>Shape</b>	Rectangular
<b>Landscaping</b>	Typical
<b>Flood Info</b>	Not in a flood zone

**General Physical Data**

<b>Building Type</b>	Single Tenant
<b>SF</b>	1,911

<b>Construction Type</b>	Masonry/Corr Metal
<b>Roof Type</b>	Membrane
<b>Foundation</b>	Concrete
<b>Electrical</b>	Adequate
<b>HVAC</b>	FWA Ducted
<b>Stories</b>	1
<b>Year Built</b>	1971
<b>Condition</b>	Average

**Indicators**

<b>Sale Price/Gross SF</b>	\$83.73
<b>Floor Area Ratio</b>	0.11
<b>Land to Building Ratio</b>	9.09:1

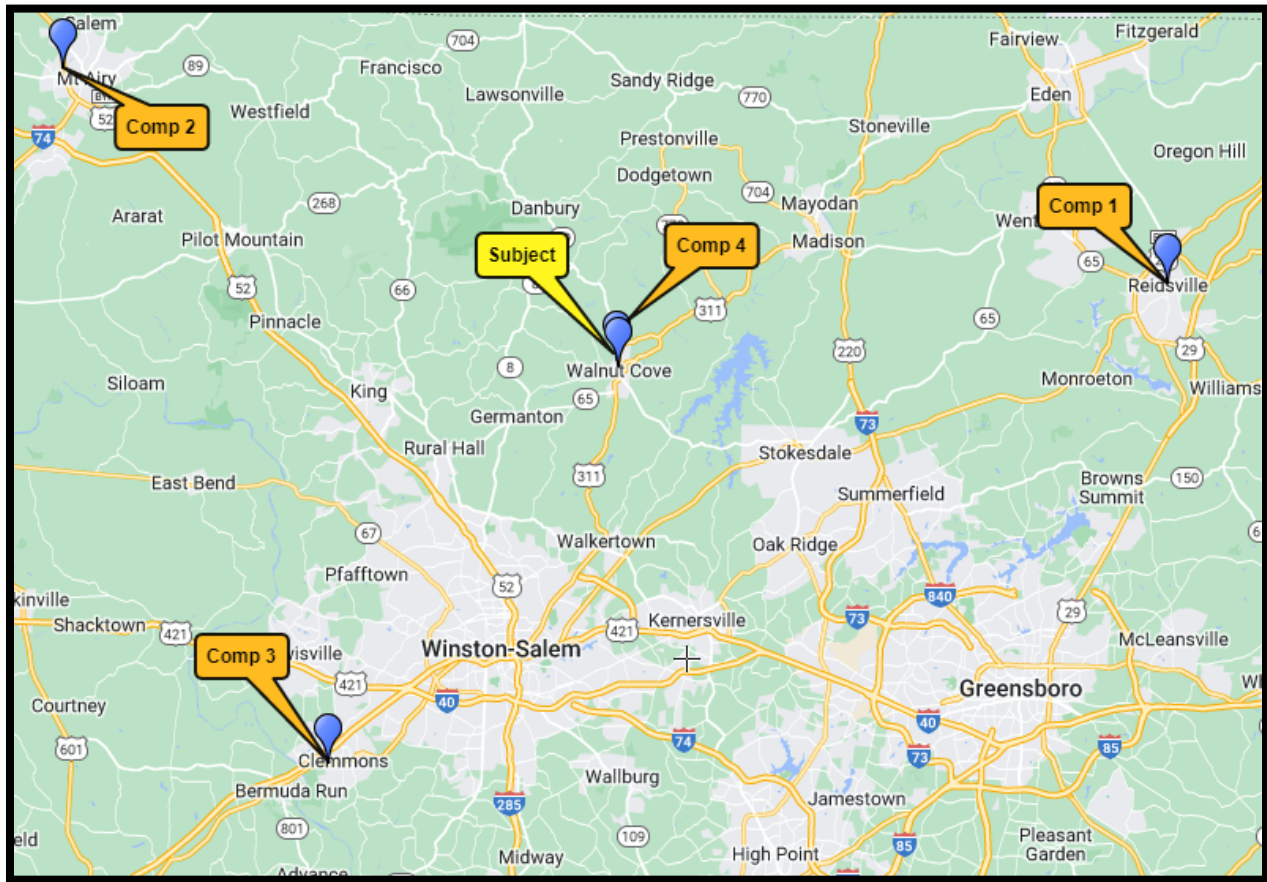
**Remarks**

The property is a 1,911 square foot retail building situated on 0.44 acres of land north of East Fifth Street, and south of East Sixth Street at 522 Main Street in Walnut Cove, NC. The property was in use as a retail clothing store prior to sale. The property sold on 10/21/2019 at a confirmed price of \$160,000.

Comparable Sales Grid					
	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Location:	201 W. Fourth Street	502 S. Scales Street	805 Merita Street	3950 Clemmons Road	522 N. Main Street
City, State	Walnut Cove, NC	Reidsville, NC	Mount Airy, NC	Clemmons, NC	Walnut Cove, NC
Date of Sale		Apr-21	Jan-21	Jul-20	Oct-19
Sale Price		\$275,000	\$375,000	\$600,000	\$160,000
Building Size (NLA):	2,703	1,986	2,992	4,400	1,911
Land Size (Acres):	0.34	0.36	0.39	1.71	0.44
Land Size (SF):	14,985	15,769	16,988	74,488	19,166
% of Building Coverage to Land:	18%	13%	18%	6%	10%
Price Per SF:	\$0.00	\$138.47	\$125.33	\$136.36	\$83.73
<i>Primary Adjustments</i>					
Property Rights Conveyed	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Percentage Adjustment		0%	0%	0%	0%
Adjusted Price/Sq. Ft:		\$138.47	\$125.33	\$136.36	\$83.73
Financing Terms	Assumes Cash	Market	Market	Market	Market
Percentage Adjustment		0%	0%	0%	0%
Adjusted Price/Sq. Ft:		\$138.47	\$125.33	\$136.36	\$83.73
Conditions of Sale	Arm's Length	Arm's Length	Arm's Length	Arm's Length	Arm's Length
Percentage Adjustment		0%	0%	0%	0%
Adjusted Price/Sq. Ft:		\$138.47	\$125.33	\$136.36	\$83.73
Expenditures After the Sale	None	None	None	None	None
Percentage Adjustment		0%	0%	0%	0%
Adjusted Price/Sq. Ft:		\$138.47	\$125.33	\$136.36	\$83.73
Market Conditions	Current	Apr-21	Jan-21	Jul-20	Oct-19
Percentage Adjustment:		0%	0%	2%	4%
Adjusted Price/Unit		\$138.47	\$125.33	\$139.09	\$87.07
Location/Visibility	Average	Superior	Average	Superior	Superior Exposure
Percentage Adjustment:		-5%	0%	-5%	-5%
Building Size (Sq. Ft.)	2,703	1,986	2,992	4,400	1,911
Percentage Adjustment:		0%	0%	0%	0%
Year Built/Condition/Quality	1965/1980/Renov/ Average	1947/Renov/ Superior	1984/Average/ Superior	1984/Average/ Superior	1971/Average/ Inferior
Percentage Adjustment:		-5%	-10%	-10%	15%
% Building to Land:	18%	13%	18%	6%	10%
Percentage Adjustment:		0%	0%	0%	0%
Net Adjustments:		-10.0%	-10.0%	-15.0%	10.0%
Adjusted Price/Unit		\$124.62	\$112.80	\$118.23	\$95.78

Statistical Analysis	Before Adj.	After Primary Adj.	After Physical Adj.
Minimum	\$83.73	\$87.07	\$95.78
Average	\$120.97	\$122.49	\$112.86
Median	\$130.85	\$131.90	\$115.51
Maximum	\$138.47	\$139.09	\$124.62

## **IMPROVED SALES SUMMARY**



The subject property is improved with a free-standing office building having 2,703 square feet of NLA. The appraiser located comparable sales that are felt to be reasonably similar to the subject and are considered to be representative of the actions of typical buyers and sellers in the market. The unit of comparison frequently used in the analysis of buildings such as the subject is the sales price per square foot. The sales price per square foot is a physical unit of comparison to which adjustments for differences between the subject and the comparable sales are typically made. The comparable sales indicate a range of values from \$83.73 to \$138.47 per square foot. This range can be further narrowed down by comparing each to the subject property.

### **Primary Adjustments**

The primary items of consideration are rights of ownership, terms of financing, conditions of sale, buyer expenditures after the sale, and market conditions. If applicable, percentage adjustments for these items are applied individually, in the order listed.

### ***Market Conditions Adjustments***

Sales 3 and 4 were sold during inferior market conditions when values were on the rise for office properties. Varying upward adjustments are supported.

### **Physical Adjustments**

After consideration of the primary items, secondary adjustments for physical differences such as location, size, age/quality/condition, and percentage of building to land are considered. Adjustments are based on paired sales analysis and the actions of typical market participants.

### ***Location Adjustments***

Sales 1, 3, and 4 are considered to be superior in location, with sales 1 and 4 having superior exposure from their respective streets, and sale 3 for residing in an area where values tend to be higher. Downward adjustments were made.

### ***Size Adjustments***

Often within economies of scale, larger buildings typically sell for less per square foot than smaller buildings and vice-versa. All sales are overall similar in size to the subject and no adjustments are warranted.

### ***Age/Quality/Condition Adjustments***

The subject was constructed in 1965 of average quality, has been renovate over the years and is currently in average condition. Sales 1, 2, and 3 are all considered to be superior in condition and/or upfit with varying downward adjustments applied. Sale 4 received an upward adjustment for inferior quality/condition and inferior upfit at the time of sale.

### ***Building to Land Ratio Adjustments***

The subject has a 18% building coverage to its site. No adjustments could be supported for the comparable sales.

## **Summary**

The appraiser considered the market and physical differences in the subject when adjusting the sales to the subject. The indicated range of adjusted prices per square foot is \$95.78 to \$124.62 with an average of \$112.86 and a median of \$115.51. Each of the sales is considered a reasonable substitute and received consideration. Based on analysis, the appraiser is of the opinion that the price per square foot most representative of the subject falls along the average at \$113.00. The subject has 2,703 square feet of NLA. The indicated value of the subject by the sales comparison approach in as-is condition is as follows:

$$2,703 \text{ SF} \times \$113.00 \text{ per SF} = \$305,439$$

**Rounded to \$305,000**

## **INCOME APPROACH**

In the Income Approach, the appraiser searches the market for similar properties that are rented. After locating a reasonable quantity and quality of similar rentals, then a market rent is estimated. The expenses from the comparable rentals are analyzed and the subject expenses, if available, are reviewed. The operating expenses are then deducted from the gross income to arrive at the net operating income. An overall capitalization rate is then derived from the various methods available. The net operating income is then divided by the overall capitalization rate to arrive at the value indicated by the Income Approach.

The income approach begins with a reliable estimate of rental income to be generated by the subject property. Such an estimate is made by a survey of market conditions, both historical and forecasted.

The property is currently 100% owner-occupied with one tenant, therefore, a market rent will be established for the subject. Due to the lack of available comparable rentals in the subject area, the appraiser has extended the search to include properties in the subject's market of Winston Salem as well as similar use-properties in comparable, nearby markets.

The following rentals were located in the market that are felt to be reasonably similar to the subject property.

**Improved Lease No. 1**



**Property Identification**

**Record ID** 3212  
**Property Type** Commercial, Storefront Retail/Office  
**Address** 8210-8402 US Highway 158, Stokesdale, Guilford County, North Carolina 27357

**Physical Data**

**Land Size** 0.260 Acres or 11,326 SF  
**Gross Leasable SF** 7,920  
**Leasable SF** 2,600

**Construction Type** Wood Frame, Masonry  
**Roof Type** Flat  
**Foundation** Concrete  
**Electrical** Adequate for use  
**HVAC** FWA/Central  
**Stories** 1  
**Year Built** 1958 Renov  
**Condition** Average

**Tenant Rent Roll**

<u>Suite No.</u>	<u>Tenant Name</u>	<u>Size</u>	<u>Rent/SF</u>	<u>Lease Type</u>	<u>Beg. Date</u>	<u>Term</u>
8402	Withheld	800	\$13.50	Modified Gross	4/2019	3 yrs
	Withheld	1,800	\$11.25	NNN	2/2021	2 yrs



**General Tenant Summary**

**Owner** Stokesdale Management Properti  
**Verification** Brian Burnham; RE/MAX; 336-362-5612, Tonya Brady;  
RE/MAX, 336-707-4986, Other sources: Costar, Public Record,  
other

**Rent Analysis**

**Rent** \$11.25 - \$13.50/SF; \$12.38/SF Average  
**Effective Rent** \$11.25 - \$13.50/SF; \$12.38/SF Average  
**Occupancy** 100%

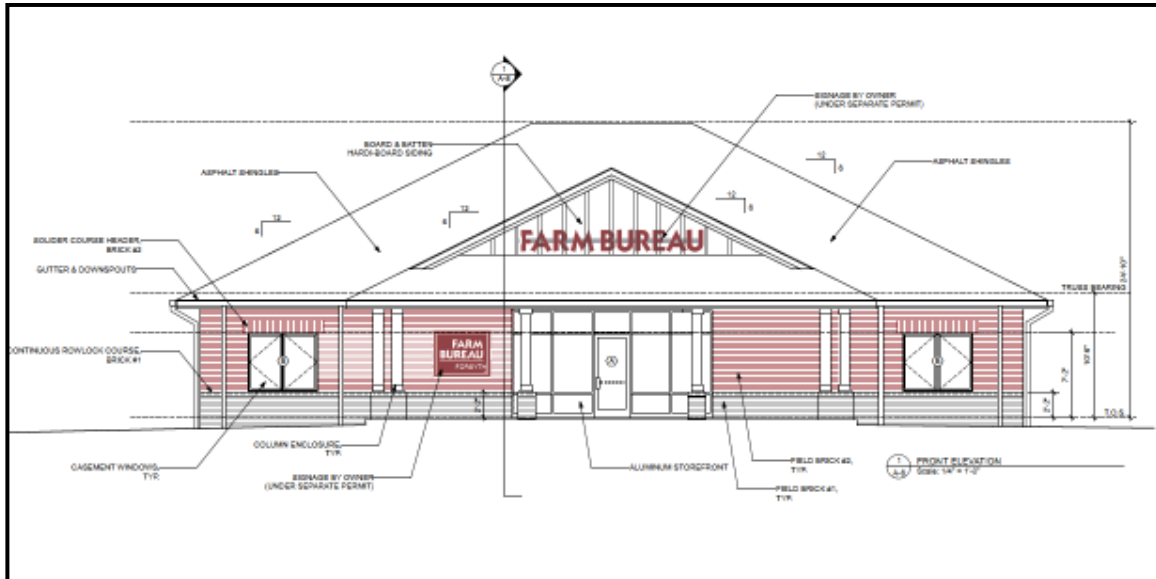
**Remarks**

This rental is located on the northeast side of US Highway 158, just north of NC-68 in Stokesdale, NC. The retail unit was leased in April 2019 for a 3 year term set to expire in March 2022. Lease rate is \$13.50 /SF Modified Gross with tenant responsible for Janitorial, Utilities, and pro-rata share of CAM expenses (estimated at approximately \$1.25 psf). Landlord pays for roof/structural repairs, taxes, and insurance. Building was constructed in 1958, has been renovated, and is in average condition.

1,800 SF unit is leased at \$11.25 /SF NNN with the tenant responsible for pro-rata taxes, insurance, and CAM (est at \$1.25 psf). Landlord pays for roof/structural and major repairs.



**Improved Lease No. 2**



**Property Identification**

<b>Record ID</b>	3069
<b>Property Type</b>	Office, Office
<b>Address</b>	110 Cedar Knoll Drive, Kernersville, Forsyth County, North Carolina 27284
<b>Tax ID</b>	6885-50-3415
<b>MSA</b>	Winston-Salem MSA

**Physical Data**

<b>Land Size</b>	0.750 Acres or 32,670 SF
<b>Gross SF</b>	4,136
<b>Leasable SF</b>	4,136

<b>Construction Type</b>	Masonry
<b>Roof Type</b>	Asphalt Shingles
<b>Foundation</b>	Concrete
<b>Electrical</b>	Adequate
<b>HVAC</b>	Heat Pumps
<b>Sprinklers</b>	None
<b>Stories</b>	1
<b>Floor Height</b>	9'
<b>Year Built</b>	2019
<b>Condition</b>	Good

**General Lease Data**

<b>Tenant</b>	Forsyth County Farm Bureau, Inc.
<b>Typical Lease Term</b>	10 Years, begin 2019

<b>Lease Type</b>	Modified
<b>Tenant Size</b>	1,799 to 1,799

**General Tenant Summary**

<b>Owner</b>	KV66 Partners, LLC
<b>Management Co.</b>	Hunter Commercial Properties,
<b>Verification</b>	Jeff Hunter, Developer; 336-970-3709, Other sources: Marcus Orr, Appraiser, Public Record
<b>Escalations</b>	\$17.99/SF (Years 1-5) to \$20.27/SF (Years 6-10)
<b>Renewals</b>	Two options for renewals of 5 year terms
<b>Office Area</b>	4,136
<b>Percent Finished</b>	100%

**Rent Analysis**

<b>Rent</b>	\$17.99 - \$17.99/SF; \$17.99/SF Average
<b>Effective Rent</b>	\$17.99 - \$17.99/SF; \$17.99/SF Average
<b>Occupancy</b>	100%

**Remarks**

The property is located on the west side of Cedar Knoll Road in Kernersville, North Carolina. The lease is on a modified gross basis with the lessor responsible for: structural repairs; roof repairs; HVAC repairs exceeding \$1,000, Exterior maintenance including the parking lot and landscaping, property taxes; and insurance. The lessee is responsible for: utilities; janitorial expenses; and HVAC repairs under \$1,000.

**Improved Lease No. 3**



**Property Identification**

<b>Record ID</b>	3208
<b>Property Type</b>	Office, Single Tenant
<b>Address</b>	923 Brookstown Avenue, Winston-Salem, Forsyth County, North Carolina 27101
<b>Tax ID</b>	6825-95-2948

**Physical Data**

<b>Gross SF</b>	4,752
<b>Leasable SF</b>	4,752

<b>Parking</b>	Surface	13
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<b>Construction Type</b>	Masonry
<b>Roof Type</b>	Flat, Membrane
<b>Foundation</b>	Concrete
<b>Electrical</b>	Adequate for use
<b>HVAC</b>	FWA/Central
<b>Year Built</b>	1965 Renov. 2007
<b>Condition</b>	Average

**Tenant Rent Roll**

<b><u>Suite No.</u></b>	<b><u>Tenant Name</u></b>	<b><u>Size</u></b>	<b><u>Rent/SF</u></b>	<b><u>Lease Type</u></b>	<b><u>Beg. Date</u></b>	<b><u>Term</u></b>
	Vispa	4,752	\$11.42	Modified Gross	9/2020	5 yr. 1 mo.

**General Tenant Summary**

<b>Owner</b>	Juventus Investments, LLC
<b>Verification</b>	Ben Bloodworth; Linville Team Partners; 336-724-1715, May 28, 2021; Other sources: Public Record, Loopnet, Costar, other
<b>Office Area</b>	4,752
<b>Percent Finished</b>	100%

**Rent Analysis**

<b>Rent</b>	\$11.42 - \$11.42/SF; \$11.42/SF Average
<b>Effective Rent</b>	\$11.42 - \$11.42/SF; \$11.42/SF Average
<b>Occupancy</b>	100%

**Remarks**

Freestanding two-story office building is located on the northeast side of Brookstown Avenue, west of N. Broad Street, in Winston-Salem NC. The property is in close proximity to the downtown CBD and, according to the listing agency, has been renovated into a well-appointed and functional space, including a private executive suite and newly striped and sealed parking lot. The building could be sub-divided to accommodate two tenants.

Current lease was executed at \$11.42 /SF Modified Gross (asking \$15) for the entire 4,752 SF space. Lease term is September 2020 - October 2025 (5 years + 1 month). Interior condition is considered average office and average layout. Tenants are responsible for Utilities and Janitorial. Owner is responsible for Roof/Structural repairs, Taxes, Insurance, and CAM expense.

**Improved Lease No. 4**



**Property Identification**

**Record ID** 3238  
**Property Type** Office, Converted Residence  
**Address** 1100 W. First Street, Winston Salem, Forsyth County, North Carolina 27101  
**Tax ID** 6825-85-5353

**Physical Data**

**Land Size** 0.660 Acres or 28,750 SF  
**Leasable SF** 3,348

**Construction Type** Concrete  
**Roof Type** Asphalt/ Shingle  
**Foundation** Concrete  
**Year Built** 1940  
**Condition** Average

**Tenant Rent Roll**

<b><u>Suite No.</u></b>	<b><u>Tenant Name</u></b>	<b><u>Size</u></b>	<b><u>Rent/SF</u></b>	<b><u>Lease Type</u></b>	<b><u>Beg. Date</u></b>	<b><u>Term</u></b>
	Morgan Support Services	3,348	\$9.75	NNN	August 2020	5 years

**General Tenant Summary**

**Owner** Glabex Consortium, LLC  
**Management Co.** Linville Team Partners

**Verification**

Aubrey Linville, (Broker); 336-724-1715, Other sources: Public Records, CoStar, MLS, Other

**Rent Analysis**

**Rent**

\$9.75 - \$9.75/SF; \$9.75/SF Average

**Effective Rent**

\$9.75 - \$9.75/SF; \$9.75/SF Average

**Remarks**

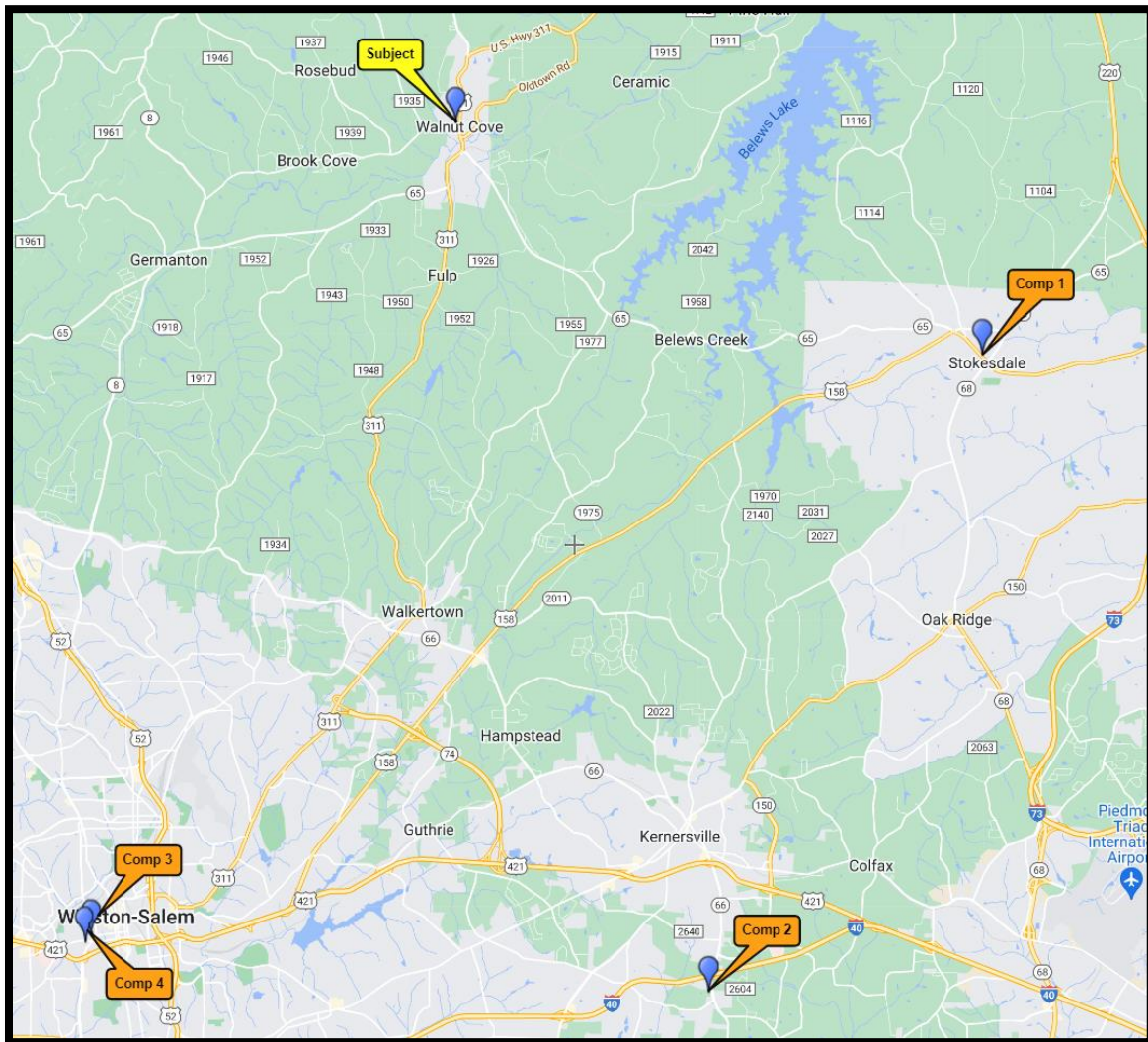
Property is located on the south side of W. 1st Street to the west of central Winston Salem. Office is a converted residence with general office upfit and was leased for a term of 5 years in August 2020 for a flat rate of \$9.75 /SF on a NNN basis with tenant reimbursing for Taxes, Insurance, and CAM; tenant pays for their own utilities and janitorial.

<i>Rental Comparison Grid</i>					
	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Location	201 W. Fourth Street	8210-8402 US Highway 158	110 Cedar Knoll Drive	923 Brookstown Avenue	1100 W. First Street
City, State	Walnut Cove, NC	Stokesdale, NC	Kernersville, NC	Winston Salem, NC	Winston Salem, NC
Lease Dates		2/2021; 2 yrs	2019; 10 yrs	9/2020; 5 yrs	8/2020; 5 yrs
Building Size (Sq. Ft.):	2,703	1,800	4,136	4,752	3,348
Unadjusted Rent/Sq. Ft.:		\$11.25	\$17.99	\$11.42	\$9.75
<b>Primary Adjustments</b>					
Rental Terms:	NNN	NNN	Modified	Modified	NNN
Lessor's Expenses:	Roof/Structural	Roof/Structural	Roof/Structural TICAM	Roof/Structural TICAM	Roof/Structural
Lessee's Expenses:	TICAM Utilities Janitorial	TICAM Utilities Janitorial	Utilities Janitorial	Utilities Janitorial	TICAM Utilities Janitorial
\$ Adjustment		\$0.00	-\$3.50	-\$2.75	\$0.00
Adjusted Rent/SF		\$11.25	\$14.49	\$8.67	\$9.75
Market Conditions	Current	Similar	Similar	Similar	Similar
% Adjustment		0%	0%	0%	0%
Adjusted Rent/Sq. Ft.:		\$11.25	\$14.49	\$8.67	\$9.75
<b>Secondary Adjustments</b>					
Location/Visibility:	Average	Superior Exposure	Superior	Superior	Superior
% Adjustment		-5%	-10%	-15%	-15%
Size:	2,703	1,800	4,136	4,752	3,348
% Adjustment		0%	0%	5%	0%
Year Built/Quality/Condition:	1965/Renov/Avg/ Average	1958/Renov/ Average	2019/Average/ Superior	1965/Renov2007/ Inferior	1940/Renov/ Inferior
% Adjustment		0%	-15%	5%	10%
Net Adjustments:		-5.0%	-25.0%	-5.0%	-5.0%
Adjusted Rent/Sq. Ft.:		\$10.69	\$10.87	\$8.24	\$9.26

<i>Statistical Analysis</i>	Before Adj.	After Terms	After Adj.
Minimum	\$9.75	\$8.67	\$8.24
Average	\$12.60	\$11.04	\$9.76
Median	\$11.34	\$10.50	\$9.98
Maximum	\$17.99	\$14.49	\$10.87



## RENTAL SUMMARY



The appraiser located four comparable rentals which are felt to be reasonably similar to the subject property. The range of rents for these comparable rentals is \$9.75 to \$17.99 per square foot. The range can be narrowed by comparing the rentals to the subject property.

### ***Terms Adjustments***

The subject is being analyzed as if it were leased on a triple net (NNN) basis with the tenant responsible for taxes, insurance, CAM, utilities, and janitorial. Rentals 1 and 4 are leased NNN similar to the subject with no adjustment warranted. Rentals 2 and 3 are leased modified gross with downward adjustments applied; adjustments are based on actual property taxes for the comparables and estimated average expenses reported from similar property types.

### ***Market Conditions***

No adjustments for market conditions could be supported.

***Location Adjustments***

All rentals are considered to be superior in location; rental 1 is located in a similar area with superior exposure, rentals 2, 3, and 4 are located in superior areas where rents tend to be higher while also having superior frontage and traffic exposure. Downward adjustments are made, to varying degrees.

***Size Adjustments***

Often within economies of scale, larger buildings typically rent for less per square foot than smaller buildings and vice-versa. Rental 3 is larger in size to a degree that warranted a slight upward adjustment. No adjustments are supported for the remaining rentals.

***Age/Quality/Condition Adjustments***

The subject is a freestanding office building constructed in 1965 and has been upfit for its current use as a Farm Bureau agency. Rental 1 is overall similar to the subject with no adjustment supported. Rental 2 is younger than the subject and superior in condition and upfit; a downward adjustment is made. Rental 3 is inferior in upfit quality and rental 4 is older than the subject and inferior in condition/upfit; varying upward adjustments are supported.

**Summary**

After adjusting the comparable rentals for differences when compared to the subject, the range of rents per square foot is \$8.24 to \$10.87 with an average of \$9.76 and a median of \$9.98 . Each of the rentals received consideration and would be a reasonable substitute. The appraiser is of the opinion that a reasonable market rent for the subject is \$10.00 per square foot. This rate falls within the established range and would be considered market derived.

The income statement for the property is shown as follows:

INCOME STATEMENT							
<b>RENTAL INCOME</b>							
	2,703	SF	x	\$10.00	/SF	=	\$27,030
<b>TOTALS</b>	2,703	SF					\$27,030
<b>REIMBURSEMENTS</b>						+	\$18,734
<b>LESS VAC. &amp; CREDIT LOSS</b>			4%			-	<u>\$1,081</u>
<b>EFFECTIVE GROSS INCOME</b>							\$44,682
<b>EXPENSES</b>							
<b>FIXED</b>							
Real Estate Taxes				\$1,883			
Hazard Insurance				<u>\$736</u>			
					\$2,619		
<b>VARIABLE</b>							
Management Fee/Leasing			3%	\$1,340			
Repairs / CAM				\$4,285			
Utilities + Telephone				\$8,160			
Janitorial				<u>\$3,670</u>			
					\$17,455		
<b>RESERVES</b>							
Replacements				<u>\$405</u>			
					\$405		
<b>TOTAL EXPENSES</b>						-	<u>\$20,479</u>
<b>NET OPERATING INCOME</b>							\$24,203
<b>OPERATING EXPENSE RATIO</b>				46%			

### Rental Income

The rental income is based on market rent, shown as follows:

<b>RENTAL INCOME</b>								
	2,703	SF	x	\$10.00	/SF	=	\$27,030	
<b>TOTALS</b>	2,703	SF					\$27,030	

### Reimbursements

The subject is treated as if leased on a NNN basis with the tenant reimbursing the owner for taxes, insurance, CAM, and utilities/janitorial.

### Vacancy & Credit Loss

According to Costar, the subject property is located in the Stokes County office submarket. A July 2022 Office Submarket Report shows an overall vacancy rate for all office properties of 0.0%, as the submarket has reported full occupancy for the property types with little supply-side pressure in the form of new construction. The Costar Market Report for the Winston Salem office market indicates an overall market vacancy of 9.3% with a vacancy of 4.6% for 1 and 2-Star rated office properties similar to the subject.

Based on available data, the appraiser has utilized a 4% vacancy and credit loss for the subject as being reasonable.

### Effective Gross Income

After adding reimbursements and subtracting for vacancy and credit loss, an effective gross income is as follows:

<b>RENTAL INCOME</b>								
	2,703	SF	x	\$10.00	/SF	=	\$27,030	
<b>TOTALS</b>	2,703	SF					\$27,030	
<b>REIMBURSEMENTS</b>						+	\$18,734	
<b>LESS VAC. &amp; CREDIT LOSS</b>			4%			-	\$1,081	
<b>EFFECTIVE GROSS INCOME</b>							\$44,682	

### Expenses

The expenses are projected as follows based on information from the owners as well as similar competing properties:



<b>EXPENSES</b>								
<b>FIXED</b>								
Real Estate Taxes				\$1,883				
Hazard Insurance				<u>\$736</u>				
						\$2,619		
<b>VARIABLE</b>								
Management Fee/Leasing		3%		\$1,340				
Repairs / CAM				\$4,285				
Utilities + Telephone				\$8,160				
Janitorial				<u>\$3,670</u>				
						\$17,455		
<b>RESERVES</b>								
Replacements				<u>\$405</u>				
						\$405		
<b>TOTAL EXPENSES</b>							-	<u>\$20,479</u>

### Taxes

The actual 2021 taxes are shown earlier in this report to be \$1,882.56.

### Insurance

The insurance amount of \$736 or \$0.27 per square foot is based on the actual expense reported from the property. This amount is in-line with similar properties and considered reasonable.

### Management Fee

Typical management fees for similar properties range from 3% to 8% depending on the size of the facility and number of tenants. Based on similar properties, a 3% management fee is considered reasonable.

### Repairs and Common Area Maintenance

The actual expense amount for CAM and repairs and maintenance of \$4,285 or \$1.59 per square foot is utilized and considered reasonable.

### Utilities and Janitorial

The reported expense for utilities, telephone, and janitorial is utilized for the income statement and considered reasonable.

### Replacements

The reserves for replacements are estimates for the short-lived building components, mechanical systems, and site improvements. Replacements are based on \$0.10 to \$0.30 per square foot. The replacements are not actually cash spent; however, the appraiser is unable to predict the actual year the various expenses will occur. The typical owner does not set up reserves, however the typical buyer is taking the amount of the reserves off in their actions. Based on similar properties and

considering the age and attributes of the subject, an estimated amount of \$0.15 per square foot is considered reasonable.

### Total Expenses

The total expenses for the subject are shown as \$20,479.

### Net Operating Income

After deducting the total expenses from the total effective gross income, the net operating income is as follows:

<b>NET OPERATING INCOME</b>									<b>\$24,203</b>
<b>OPERATING EXPENSE RATIO</b>				46%					

The operating expense ratio is shown as 46%, which is similar to other properties in the market structured like the subject.

## ESTIMATING THE CAPITALIZATION RATE

In reviewing the various methods of developing a capitalization rate, the appraiser selects methods with the most information available and that is felt to be representative of the typical buyer and seller of this type of property.

The preferred method of extracting an overall rate is from sales in the market. Overall rates on similar properties are difficult to locate in the market. Several sales with information available are as follows:

LOCAL OFFICE SALES				
ADDRESS	SALE DATE	SALE PRICE	NOI	OAR
509 E. Cornwallis Drive Greensboro, NC	April 2021	\$580,000	\$39,150	6.75%
1100 W. First Street Winston Salem, NC	March 2021	\$405,000	\$32,400	8.00%
801 Summit Avenue Greensboro, NC	February 2021	\$900,000	\$78,300	8.70%
3804 Vest Mill Road Winston Salem, NC	December 2020	\$800,000	\$56,000	7.00%
4140 Cherry Street Winston Salem, NC	August 2020	\$1,215,000	\$91,125	7.50%
8420 NC Highway 87 Reidsville, NC	March 2020	\$1,035,000	\$103,293	9.98%
939 Burke Street Winston Salem, NC	February 2020	\$2,145,000	\$182,325	8.50%

MINIMUM	6.75%
AVERAGE	8.06%
MEDIAN	8.00%
MAXIMUM	9.98%

The above sales indicate a range of OAR from a low of 6.75% to a high of 9.98% with an average of 8.06%.

RealtyRates.com publishes a survey concerning a polling of 312 appraisal and brokerage firms, developers, investors, and lenders nationwide. The 2<sup>nd</sup> Quarter 2022 issue of RealtyRates.com Investor Survey reported that the national range of all-cash surveyed overall capitalization rates for office properties of all types ranges from 4.59% to 12.64% with an average of 9.07%. Capitalization rates for suburban office properties ranges from 4.59% to 11.32% with an average of 8.36%.

Market	Low	High	Average
Office (all types)	4.59%	12.64%	9.07%
Office (suburban)	4.59%	11.32%	8.36%

In analyzing the available data, the appraiser is of the opinion that an appropriate overall rate for the property would be 8.0%. Most emphasis was placed on recent local sales with the national rates lending support for an acceptable range. The estimated value of the subject based on market rent by the income approach through direct capitalization in as-is condition is as follows:

**NOI of \$24,203 Divided by OAR of 8.0% = \$302,538**

**Rounded to \$305,000**

## RECONCILIATION AND FINAL VALUE ESTIMATE

Indications of value have been developed in the foregoing report by use of the recognized methods of estimating value.

### VALUE ESTIMATES

#### *Indicated Value by Sales Comparison Approach*

Value Type	Estimated Value
Fee Simple, As-is	\$305,000

#### *Indicated Value by Income Approach*

Value Type	Estimated Value
Fee Simple, As-is	\$305,000

**No FF&E is included in the value estimate.**

The Sales Comparison Approach is predicated on comparison of the subject to similar properties recently purchased. It is the method of estimating value much used and most understood by the market. The primary difficulty of this approach is obtaining a sufficient number of bona fide arm's length sales of reasonably similar properties that have sold within a recent time frame.

Recent sales of similar properties were used to derive an estimate of value. It is believed that the significant and relevant facts regarding each sale have been given proper consideration and the results of comparison have resulted in a value by the sales comparison approach. These sales are felt to be representative of the typical buyers and sellers in today's market.

The Income Approach is based on the consideration of future benefits to be derived from ownership of a given property. The two obvious difficulties in this approach are the estimation of market rent and the proper capitalization and yield rates.

The available data was the best the appraiser could find. The data available on comparable properties is felt to be representative of the subject. The income stream is based on market rent. The capitalization rates were extracted from the market. The value indicated by this method is considered to be the most reliable indicator of value for the typical investor who would purchase the property for investment purposes. The sales comparison approach lends good support. Consideration was placed on both the sales comparison and income approach methods.

Based on a reasonable exposure time of one year, the appraiser is of the opinion that the estimated market values in the subject property subject to the certification and limiting conditions set out herein are as follows:

**FINAL VALUE ESTIMATE**

<b>Value Type</b>	<b>Estimated Value</b>	<b>Effective Date</b>
Fee Simple, As-is	\$305,000	July 26, 2022

**No FF&E is included in the value estimate.**



## **CERTIFICATION**

The Appraiser certifies and agrees that:

1. Appraiser has no present or contemplated future interest in the property appraised; and neither the employment to make the appraisal, nor the compensation for it, is contingent upon the appraised value of the property.
  2. The Appraiser has no personal interest in or bias with respect to the subject matter of the appraisal report or the participants to the sale. The "Estimate of Market Value" in the appraisal report is not based in whole or in part upon the race, color, or national origin of the prospective owners or occupants of the property appraised, or upon the race, color or national origin of the present owners or occupants of the properties in the vicinity of the property appraised.
  3. In this appraisal assignment, the existence of potentially hazardous material used in the construction or maintenance of the building, such as the presence of urea formaldehyde foam insulation, and or existence of toxic waste, which may or may not be present on the property, was not observed by us; nor do we have any knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The existence of urea formaldehyde insulation or other potentially hazardous waste material may have an effect on the value of the property. The client is urged to retain an expert in this field.
  4. Laura Mallory, MAI has personally inspected the property. To the best of the Appraiser's knowledge and belief, all statements and information in this report are true and correct, and the Appraiser has not knowingly withheld any significant information.
- Laura K. Mallory, MAI has performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. All contingent and limiting conditions are contained herein (imposed by the terms of assignment or by the undersigned affecting the analyses, opinions, and conclusions contained in the report).
  6. This appraisal report has been made in conformity with and is subject to the requirements of the Code of Professional Ethics and Standards of Professional Conduct of the appraisal organizations with which the Appraiser is affiliated.
  7. All conclusions and opinions concerning the real estate that are set forth in the appraisal report were prepared by the Appraiser whose signature appears on the appraisal report, unless indicated as "Review Appraiser." No change of any item in the appraisal report shall be made by anyone other than the Appraiser, and the Appraiser shall have no responsibility for any such unauthorized change.
  8. The Appraisal Institute of Real Estate Appraisers conducts a voluntary program of continuing education for its designated members. As of the date of this report, Laura K. Mallory, MAI has

completed the requirements of the continuing education program of the Appraisal Institute of Real Estate Appraisers.

9. In this appraisal assignment, the existence of potentially hazardous material used in the construction or maintenance of the building, such as the presence of urea formaldehyde foam insulation, and or existence of toxic waste, which may or may not be present on the property, was not observed by us; nor do we have any knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The existence of urea formaldehyde insulation or other potentially hazardous waste material may have an effect on the value of the property. The client is urged to retain an expert in this field.

10. This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or approval of a loan.

11. The analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.

12. Kaitlin J. Weber (license #T6279) provided real property appraisal assistance in the preparation of this report by assisting in: inspecting the subject property; collecting comparable sales, tax and zoning data; analyzing said data; making associated adjustments; performing sales comparison, cost and income approaches as applicable; drafting the appraisal report; and assisting in the final reconciliation.

*Laura K. Mallory*

The seal is circular with a double-lined border. The outer ring contains the text "LAURA K. MALLORY" at the top and "GENERAL APPRAISER" at the bottom. The inner ring contains "CERTIFIED NORTH CAROLINA" and the license number "A3711" in the center.

Laura K. Mallory, MAI  
Certified General, #A3711

August 1, 2022

## **QUALIFICATIONS OF APPRAISER**

**LAURA K. MALLORY, MAI**

### **PROFESSIONAL EXPERIENCE**

2008 to Present:	McNairy & Associates
2007 to 2008:	Commercial Triad Appraisals, Inc.
2001 to 2007:	Foster Rich and Company, Inc.
1999 to 2001:	Foster Rich & Novak, Inc.
1986 to 1999:	McNairy & Associates

### **PROFESSIONAL DESIGNATIONS & AFFILIATIONS**

1998:	MAI, Member of the Appraisal Institute
1995:	North Carolina State Certified General Appraiser, A3711
2020:	Virginia State Certified Appraiser, 4001018005
2015:	Member, NAIOP, Commercial Real Estate Development Association

### **EDUCATIONAL BACKGROUND**

1991:	University of North Carolina at Greensboro, Bachelor of Arts
1992:	Course 1A1, Real Estate Appraisal Principles, Appraisal Institute
1992:	Course 1A2, Basic Valuation Procedures, Appraisal Institute
1992:	Standards of Professional Practice, Part A & B, Appraisal Institute
1993:	Course 310, Basic Income Capitalization, Appraisal Institute
1993:	Course 510, Advanced Income Capitalization, Appraisal Institute
1994:	Discounted Cash Flow Analysis Seminar, Appraisal Institute
1994:	Course 540, Report Writing and Valuation, Appraisal Institute
1994:	Course 550, Advanced Applications, Appraisal Institute
1994:	Understanding Limited Appraisals Seminar, Appraisal Institute
1995:	Estimating Operating Expenses Seminar, Appraisal Institute
1995:	Dynamics of Office Building Valuation Seminar, Appraisal Institute
1996:	The Future of Appraising Seminar, Appraisal Institute
1997:	The Internet and Appraising
1997:	Course 430, Standards of Professional Practice, Part C, Appraisal Institute
1998:	The Comprehensive Appraisal Workshop Seminar Series, Ted R. Whitmer
1998:	General Comprehensive Examination
1998:	Fundamentals of Real Estate, Dan Mohr
1999:	The Internet and Appraising, Appraisal Institute
1999:	Guidance & Experience Review Training Workshop, Appraisal Institute
1999:	The Appraisal of Local Retail Properties, Appraisal Institute
1999:	Small Hotel/Motel Valuation, Appraisal Institute
2000:	Conservation Easements Seminar, Appraisal Institute
2001:	GIS in Real Estate Appraising, Appraisal Institute
2001:	Course 520: Highest and Best Use and Market Analysis, Appraisal Institute
2002:	Feasibility Analysis, Market Value, and Investment Timing, Appraisal Institute
2002:	Analyzing Commercial Lease Clauses, Appraisal Institute
2002:	Introduction to Environmental Issues for RE Appraisers, Appraisal Institute
2003:	Scope of Work, Appraisal Institute
2003:	Business Practice and Ethics, Appraisal Institute
2003:	USPAP Update 2003, Appraisal Institute
2004:	Supporting Capitalization Rates, Appraisal Institute
2004:	Condemnation Appraising: Advanced Topics and Applications, Appraisal Institute
2005:	Litigation Appraising: Specialized Topics and Application, Appraisal Institute
2005:	Evaluating Commercial Construction, Appraisal Institute
2006:	The Appraiser as an Expert Witness: Preparation and Testimony, Appraisal Institute
2007:	USPAP Update Course, Appraisal Institute
2007:	Condemnation Appraising: Basic Principles & Applications, Appraisal Institute

- 2007: Business Practices and Ethics, Appraisal Institute
- 2008: Supervisory Appraiser Course, NC Appraisal Board
- 2009: USPAP Update Course, Appraisal Institute
- 2009: Forum on Appraisal Issues from the Reviewers' Perspective, NC Chapter of the Appraisal Institute
- 2009: Appraising Historic Preservation Easements, Appraisal Institute
- 2010: The Discounted Cash Flow Model: Concepts, Issues, and Applications, Appraisal Institute
- 2010: 2010 Real Estate Valuation Conference: Where do we go from here?  
NC Chapter of the Appraisal Institute
- 2010: Advanced Spreadsheet Modeling for Valuation Applications
- 2010: USPAP Update Course, Private Sponsor
- 2011: 2011 Real Estate Valuation Conference: Local, National, and Global Issues  
NC Chapter of the Appraisal Institute
- 2011: Chapter Leadership Program, Appraisal Institute, Chicago, IL
- 2011: Rates Ratios: Understanding GIMS, OARs, and DCF, NC Chapter of the Appraisal Institute
- 2012: USPAP Update Course, NC Chapter of the Appraisal Institute
- 2012: Appraising the Appraisal: Appraisal Review – General, NC Chapter of the Appraisal Institute
- 2012: Fundamentals of Separating Real Property, Personal Property, and Intangible Business Assets, NC Chapter of the Appraisal Institute
- 2012: Chapter Leadership Program, Appraisal Institute, San Diego, CA
- 2013: 2013 Real Estate Valuation Conference: National, Regional, and Local Real Estate Markets, NC Chapter of the Appraisal Institute
- 2014: USPAP Update Course, NC Chapter of the Appraisal Institute
- 2014: Forecasting Revenue, Appraisal Institute
- 2014: 2014 Real Estate Valuation Conference: Economic Insights for 2014 and Beyond, and National, Regional, and Local Economy and Real Estate Markets, NC Chapter of the Appraisal Institute
- 2015: Quantitative Analysis, Appraisal Institute, Class Completion
- 2016: USPAP Update Course, NC Chapter of the Appraisal Institute
- 2017: North Carolina Supervisory Appraiser/Trainee Appraiser, McKissock
- 2018: USPAP Update Course, NC Chapter of the Appraisal Institute
- 2018: Business Practices and Ethics, Appraisal Institute
- 2019: Case Law 7, Bright Path
- 2019: Uniform Standards for Federal Land Acquisitions, Appraisal Institute
- 2020: USPAP Update Course, NC Chapter of the Appraisal Institute
- 2020: REVC, Real Estate Valuation Conference Seminar, NC Chapter of the Appraisal Institute
- 2021: Rapid Response: Market Analysis in Volatile Markets
- 2021: Evaluating Commercial Leases: The Tenant and the Terms Both Matter
- 2021: USPAP Update Course, NC Chapter of the Appraisal Institute
- 2022: Getting It Right from the Start: A Workout Plan for Your Scope of Work, Ohio Chapter of the Appraisal Institute

#### **CERTIFICATE PROGRAMS COMPLETED**

- 2008: Litigation Certificate Program, Appraisal Institute
- 2009: Appraising Historic Preservation Easements Certificate Program, Appraisal Institute

#### **OFFICES AND COMMITTEES**

- 1999 - 2004: Experience Review Committee for the NC Chapter of the Appraisal Institute
- 2002 - 2005: General Associate Guidance Chairman for the NC Chapter of the Appraisal Institute
- 2009: Secretary, Board of Directors of the NC Chapter of the Appraisal Institute
- 2010: Treasurer, Board of Directors of the NC Chapter of the Appraisal Institute
- 2011: Vice President, Board of Directors of the NC Chapter of the Appraisal Institute
- 2012: President Elect, Board of Directors of the NC Chapter of the Appraisal Institute
- 2013: President, Board of Directors of the NC Chapter of the Appraisal Institute
- 2014-2015: Regional Representative, NC Chapter of the Appraisal Institute
- 2015-2016: Personal Relations Chairman, NC Chapter of the Appraisal Institute

The Appraisal Institute conducts a voluntary program of continuing education for its designated members. Currently, Laura K. Mallory has completed the requirements of the continuing education program of The Appraisal Institute as of the date of the appraisal.

## **QUALIFICATIONS OF APPRAISER TRAINEE**

**KAITLIN J. WEBER**

### **PROFESSIONAL EXPERIENCE**

2020 to Present:	McNairy & Associates
2015 to 2020:	Easy Peasy Decadent Desserts
2010 to 2015:	Best Buy Geek Squad

### **PROFESSIONAL DESIGNATIONS & AFFILIATIONS**

2019: North Carolina State Registered Trainee, T6279

### **EDUCATIONAL BACKGROUND**

2011:	Penn State Erie, The Behrend College, Biology and Management Information Systems
2019:	Basic Appraisal Principles, Brightpath Education Services
2019:	Basic Appraisal Procedures, Brightpath Education Services
2019:	Residential Market Analysis & Highest & Best Use, Brightpath Education Services
2019:	North Carolina Supervisory Appraiser/Trainee Appraiser, Brightpath Education Services
2019:	15-Hour National USPAP Course, Brightpath Education Services
2020:	2020-2021 7-Hour Equivalent USPAP Update Course, Hondros College of Business
2021:	Basic Construction Review, Hondros College of Business
2021:	Defensible Appraising, Hondros College of Business
2021:	Sales Comparison: A Fresh Approach, Hondros College of Business
2022:	2022-2023 7-Hour USPAP Update Course, McKissock Learning



**ADDENDA**

# MCNAIRY & ASSOCIATES, LLC

www.mcnairyassociates.com

1616-B Battleground Avenue  
Greensboro, NC 27408  
p. 336-378-1564

E-mail: appraisal@mcnairyassociates.com

July 14, 2022

Stokes County Farm Bureau Inc.  
RE: 201 W Fourth Street  
Walnut Cove, NC 27052  
336.707.8070  
Hunter.langholz@ncfbins.com

Re: Office Appraisal  
201 W Fourth Street  
Walnut Cove, NC 27052

Stokes County Farm Bureau Inc.,

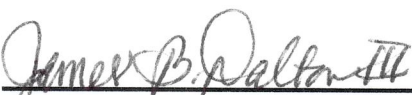
Per your correspondence the fee for the above referenced property will be \$2,500.00. The fee is for the appraisal report only. Should hearing/court preparation and-or testimony be required, an hourly fee of \$225.00 will be charged.

The fee for the appraisal report is to be paid by the party above, prior to or at the time of inspection. Please make funds payable to McNairy & Associates, LLC by check. If necessary, other forms of payment can be arranged.


The above named parties will pay a late fee of 1.5% per month after 30 days or the highest rate allowed under the law, whichever is lower, on any overdue amounts. The named parties also agree to pay McNairy & Associates, LLC all reasonable costs and expenses of collection, including but not limited to collection agency, court costs, and attorneys' fees.

At any time during the course of the appraisal process prior to final valuation rendering should the client decide to cancel the assignment, the client shall be held responsible for the cost and effort incurred by the appraisal firm. If a final valuation is conveyed to the client, an appraisal report has been made and the client is responsible for full payment for the appraisal report.

The named parties agree to the contract by signing below. Laura K. Mallory is an authorized agent of McNairy & Associates, LLC and is authorized to sign on behalf of the firm.

  
Stokes County Farm Bureau Inc.

  
Date Signed

  
Laura K. Mallory

7/14/2022  
Date Signed

Property Summary

Tax Year: 2022

REID	6062	PIN	6962-38-2747	Property Owner	STOKES COUNTY FARM BUREAU
Location Address	201 W FOURTH ST	Property Description		Owner's Mailing Address	PO BOX 482 WALNUT COVE NC 27052

Administrative Data		Transfer Information		Property Value	
Plat Book & Page		Deed Date	4/11/2002	Total Appraised Land Value	\$37,500
Old Map #	NONE	Deed Book	000465	Total Appraised Building Value	\$137,100
Market Area	79302	Deed Page	01759	Total Appraised Misc Improvements Value	\$3,000
Township	SAURATOWN	Revenue Stamps		Total Cost Value	\$177,600
Planning Jurisdiction	WALNUT COVE	Package Sale Date	4/11/2002	Total Appraised Value - Valued By Cost	\$177,600
City	WALNUT COVE	Package Sale Price	\$130,000	Other Exemptions	
Fire District		Land Sale Date		Exemption Desc	
Spec District	EDU DEBT/BLDG FUND,SCHOOL OPERATING EXP	Land Sale Price		Use Value Deferred	
Land Class	COMMERCIAL	Improvement Summary		Historic Value Deferred	
History REID 1		Total Buildings	1	Total Deferred Value	
History REID 2		Total Units	0	Total Taxable Value	\$177,600
Acreage	0.34	Total Living Area	0		
Permit Date		Total Gross Leasable Area	2,680		
Permit #					

Building Summary

Card 0

Building Details		Building Description		Building Total & Improvement Details	
Bldg Type		Year Built	0	Grade	
Units	0	Additions	Remodeled	Percent Complete	
Living Area (SQFT)	0	Interior Adj		Total Adjusted Replacement Cost New	
Number of Stories		Other Features		Physical Depreciation (% Bad)	
Style				Depreciated Value	
Foundation				Economic Depreciation (% Bad)	0
Frame				Functional Depreciation (% Bad)	0
Exterior				Total Depreciated Value	
Const Type				Market Area Factor	0
Heating				Building Value	

Air Cond	
Baths (Full)	0
Baths (Half)	0
Extra Fixtures	0
Total Plumbing Fixtures	0
Bedrooms	0
Floor	
Roof Cover	
Roof Type	
Main Body (SQFT)	0

Misc Improvements Value	
Total Improvement Value	
Assessed Land Value	
Assessed Total Value	

Addition Summary			
Story	Type	Code	Area

Building Sketch
No Sketch Found

Photograph
No Photo Found

Misc Improvements Summary

Card #	Unit Quantity	Measure	Type	Base Price	Eff Year	Phys Depr (% Bad)	Econ Depr (% Bad)	Funct Depr (% Bad)	Common Interest (% Good)	Value
1	8500	UNITS	ASPAVING	\$1.75	2000	80	0	0		\$3,000
Total Misc Improvements Value Assessed: \$3,000										

Land Summary

Land Class: COMMERCIAL			Deeded Acres: 0.34		Calculated Acres: 0.34		
Zoning	Soil Class	Description	Size	Rate	Size Adj. Factor	Land Adjustment	Land Value
B-1		COMMERCIAL SQ FT	14980.00 SQUARE FOOT PRICED	\$2.5			\$37,500
Total Land Value Assessed: \$37,500							

Ownership History

	Owner Name	Deed Type	% Ownership	Stamps	Sale Price	Book	Page	Deed Date
Current	STOKES COUNTY FARM BUREAU	DEED	100	0	\$130,000	000465	01759	4/11/2002

	Owner Name	Deed Type	% Ownership	Stamps	Sale Price	Book	Page	Deed Date
1 Back	Faison, Christine C.	DEED	100	0		000232	00526	12/1/1976
2 Back	Faison, Luther S.	DEED	100	0		000162	00295	1/1/1964

## Notes Summary

Building Card	Date	Line	Notes
P	10/19/2015	1	TMAP [283A-29]



Book Page  
0465 1759

FILED  
STOKES COUNTY NC  
04/11/2002 4:07 PM  
KATHY YOUNG  
Register Of Deeds

Document #  
0003210

STOKES COUNTY NC 04/11/2002  
\$260.00



Real Estate  
Excise Tax

Excise Tax

Recording Time, Book and Page

Tax Lot No. .... Parcel Identifier No. GPIN 6962-06-38-2747  
Verified by ..... County on the ..... day of ....., 19.....  
by .....

Mail after recording to Grantee, P.O. Box 116, *Danbury, NC 27016*

This instrument was prepared by Samuel M. Booth

Brief description for the Index Lot SW corner of 4th and Davis Sts.

## NORTH CAROLINA GENERAL WARRANTY DEED

THIS DEED made this 3rd day of APRIL, 2002, ~~18~~, by and between

GRANTOR

GRANTEE

CHRISTINE C. FAISON and husband,  
LUTHER S. FAISON

STOKES COUNTY FARM BUREAU, INC.

Enter in appropriate block for each party: name, address, and, if appropriate, character of entity, e.g. corporation or partnership.

The designation Grantor and Grantee as used herein shall include said parties, their heirs, successors, and assigns, and shall include singular, plural, masculine, feminine or neuter as required by context.

WITNESSETH, that the Grantor, for a valuable consideration paid by the Grantee, the receipt of which is hereby acknowledged, has and by these presents does grant, bargain, sell and convey unto the Grantee in fee simple, all that certain lot or parcel of land situated in the City of Walnut Cove, ..... Township,

STOKES County, North Carolina and more particularly described as follows:

Beginning at an existing iron pipe, the southwestern intersection of 4th Street ( having a 72 foot wide right of way) and Davis Street (having a 30 foot wide right of way) in the Town of Walnut Cove; thence from said point and place of Beginning and with the western right of way line of Davis Street, South 02 degrees 25 minutes 50 seconds West 214.0 feet to a new iron pipe, the northeast corner of John Fulton Tuttle (Book 371 page 58); thence with Tuttle's north line, North 87 degrees 34 minutes 10 seconds West 70.0 feet to a nail set in a root of a Sycamore tree, the northwest corner of Tuttle in the eastern line of John O. Shelton; thence with Shelton's east line North 02 degrees 25 minutes 50 seconds East 214.0 feet to railroad spike in the southern right of way line of 4th Street (said point being distance from the center line intersection of 4th Street and Windmill Street South 73 degrees 16 minutes 18 seconds East 147.94 feet); thence with the southern right of way line of 4th Street South 87 degrees 34 minutes 10 seconds East 69.53 feet to iron pipe, the southwester intersection of the right of way lines of 4th and Davis Streets, the Point and Place of Beginning. Containing **0.344 acres** in accordance with a survey made by Marvin Stephen Cavanaugh, PLS, dated March 1, 2002, bearing Drawing No. 02-25, and being presently GPIN: 6962-06-38-2747. For further reference see **Book 162 page 295** and **Book 232 page 526**, Stokes County Registry.

FARM.BU

The property hereinabove described was acquired by Grantor by instrument recorded in \_\_\_\_\_

A map showing the above described property is recorded in Plat Book \_\_\_\_\_ page \_\_\_\_\_

TO HAVE AND TO HOLD the aforesaid lot or parcel of land and all privileges and appurtenances thereto belonging to the Grantee in fee simple.

And the Grantor covenants with the Grantee, that Grantor is seized of the premises in fee simple, has the right to convey the same in fee simple, that title is marketable and free and clear of all encumbrances, and that Grantor will warrant and defend the title against the lawful claims of all persons whomsoever except for the exceptions hereinafter stated. Title to the property hereinabove described is subject to the following exceptions:

easements of record, if any, and 2002 ad valorem taxes.

IN WITNESS WHEREOF, the Grantor has hereunto set his hand and seal, or if corporate, has caused this instrument to be signed in its corporate name by its duly authorized officers and its seal to be hereunto affixed by authority of its Board of Directors, the day and year first above written.

\_\_\_\_\_  
(Corporate Name)

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

\_\_\_\_\_  
President

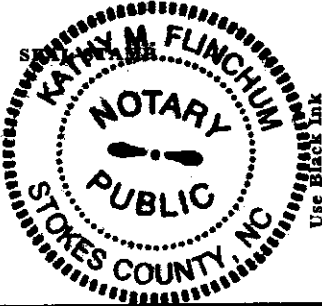
ATTEST: \_\_\_\_\_

\_\_\_\_\_  
Secretary (Corporate Seal)

USE BLACK INK ONLY

*Christine C. Faison* (SEAL)  
Christine C. Faison

*Luther S. Faison* (SEAL)  
Luther S. Faison



NORTH CAROLINA, ~~Wake~~ Stokes County.

I, a Notary Public of the County and State aforesaid, certify that \_\_\_\_\_  
Christine C. Faison and husband, Luther S. Faison \_\_\_\_\_ Grantor,

personally appeared before me this day and acknowledged the execution of the foregoing instrument. Witness my hand and official stamp or seal, this 11 day of APRIL, 2002, ~~19~~\_\_\_\_\_

My commission expires: 3-10-2007 *Kathy M. Flinchum* Notary Public

SEAL-STAMP

NORTH CAROLINA, \_\_\_\_\_ County.

I, a Notary Public of the County and State aforesaid, certify that \_\_\_\_\_  
personally came before me this day and acknowledged that \_\_\_\_\_ he is \_\_\_\_\_ Secretary of  
\_\_\_\_\_ a North Carolina corporation, and that by authority duly  
given and as the act of the corporation, the foregoing instrument was signed in its name by its \_\_\_\_\_  
President, sealed with its corporate seal and attested by \_\_\_\_\_ as its \_\_\_\_\_ Secretary.  
Witness my hand and official stamp or seal, this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

My commission expires: \_\_\_\_\_ Notary Public

The foregoing Certificate(s) of Kathy M. Flinchum, NP of Stokes Co., NC

is/are certified to be correct. This instrument and this certificate are duly registered at the date and time and in the Book and Page shown on the first page hereof.

By *Rhonda Shelton* KATHY YOUNG REGISTER OF DEEDS FOR STOKES COUNTY  
Deputy/Assistant-Register of Deeds



NORTH CAROLINA  
APPRAISAL BOARD

Certificate No. A3711

APPRAISER QUALIFICATION CARD

REGISTRATION / LICENSE / CERTIFICATE HOLDER

22

LAURA K MALLORY

23

A3711

G

Y

APPRAISER NUMBER

TYPE

NATIONAL REGISTRY

*Laura K Mallory*  
Appraiser's Signature

*Donald T. Rodgers*  
Executive Director

EXPIRES JUNE 30, 2023

North Carolina



North Carolina  
Appraisal Board  
LAURA K. MALLORY

having satisfied the North Carolina Appraisal Board regarding the qualifications to practice as a General Real Estate Appraiser in this State and having complied with the requirements prescribed by law, is hereby certified as a

Certified General  
Real Estate Appraiser

Given under and by virtue of the provisions of Article 1 Chapter 93E of the General Statutes of North Carolina, I hereunto set my hand and seal of the North Carolina Appraisal Board at Raleigh on the date below shown:

This certificate shall expire on the 30th day of June following the date shown below unless renewed prior to expiration.

OCT 01, 2012



*Donald T. Rodgers*  
Donald T. Rodgers  
Executive Director



NORTH CAROLINA  
APPRAISAL BOARD

Registration No. T6279

APPRAISER QUALIFICATION CARD

REGISTRATION / LICENSE / CERTIFICATE HOLDER

22

T6279

APPRAISER NUMBER

KAITLIN J WEBER

T

TYPE

N

NATIONAL REGISTRY

23

*Kaitlin J. Weber*  
Appraiser's Signature

*Donald T. Rodgers*  
Executive Director

EXPIRES JUNE 30, 2023



North Carolina

North Carolina  
Appraisal Board  
KAITLIN J. WEBER

having satisfied the North Carolina Appraisal Board regarding the qualifications to practice as a Registered Trainee in this State and having complied with the requirements prescribed by law, is hereby registered as a

Trainee Real Estate Appraiser

Given under and by virtue of the provisions of Article 1 Chapter 93E of the General Statutes of North Carolina, I hereunto set my hand and seal of the North Carolina Appraisal Board at Raleigh on the date below shown:

This certificate shall expire on the 30th day of June following the date shown below unless renewed prior to expiration.

AUGUST 28, 2019



*Donald T. Rodgers*  
Donald T. Rodgers  
Executive Director