

# **AN APPRAISAL REPORT**

**A COMMERCIAL RESTAURANT/OFFICE BUILDING  
247 W. KINGS HIGHWAY  
EDEN, NORTH CAROLINA 27288**



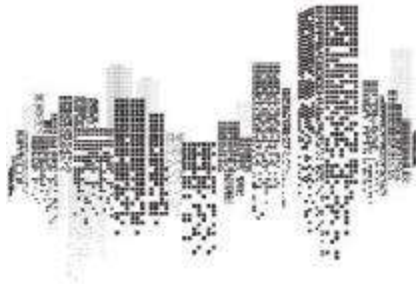
**PREPARED FOR**

**KEITH AND KEVIN LAYNE  
LAYNE BROTHERS REAL ESTATE INVESTMENTS, LLC  
509 S. VAN BUREN ROAD  
EDEN, NC 27288**

**REPORT DATE  
SEPTEMBER 22, 2021**

**EFFECTIVE DATE OF APPRAISAL  
AUGUST 20, 2021**

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



***McNairy Associates, LLC***  
**1616-B Battleground Avenue**  
**Greensboro, NC 27408**  
**336.378.1564**  
**[laura@mcnairyassociates.com](mailto:laura@mcnairyassociates.com)**

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September 22, 2021

Keith and Kevin Layne  
Layne Brothers Real Estate Investments, LLC  
509 S. Van Buren Road  
Eden, NC 27288  
336-627-4600

Dear Client:

As per your request, I am submitting an appraisal report on the property located at 247 W. Kings Highway in Eden, North Carolina 27288 in conformance with Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice (USPAP). The intended user is Layne Brothers Real Estate Investments, LLC.

Based on a reasonable exposure time of 12 months, the appraiser is of the opinion that the estimated market value of the subject property is as follows:

<b>Value Type</b>	<b>Estimated Value</b>	<b>Effective Date</b>
Fee Simple, As-Is	\$580,000	August 20, 2021

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

The estimated value is subject to the contingent and limiting conditions and the certification set out herein. It has been a pleasure working with you. Should you have any questions, please do not hesitate to call.

Respectfully



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

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## **CONTINGENT AND LIMITING CONDITIONS**

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

1. The Appraisers assume no responsibility for matters of legal nature affecting the property appraised or the title thereto, nor do the Appraisers 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 Appraisers have made no survey of the property.
3. The Appraisers are 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 Appraisers assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The Appraisers assume no responsibility for such conditions, or for engineering which might be required to discover such factors.
6. Information, estimates, and opinions furnished to the Appraisers, 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 Appraisers can be assumed by the Appraisers.
7. Disclosure of the contents of the appraisal report is governed by the Bylaws and Regulations of the professional appraisal organizations with which the Appraisers are affiliated.
8. Neither all nor any part of the contents of this report shall be conveyed to any person or entity, other than the Appraisers' 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 appraisers or firm with which the appraisers are connected, or any reference to the professional organizations with which the appraisers are affiliated or to the designation of the appraisers. Further, the appraisers 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 appraisers are 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 appraisers assume 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 Appraisers and/or officer of the firm. The Appraisers 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 Appraisers do not claim expertise in tax matters and advise the Client to seek competent tax advice.

15. The liability of Appraisers 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 Appraisers are 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 Appraisers completely harmless in any such action.

16. Any projections, forecasts, etc. regarding future patterns of income and/or expenses, prices/values, etc. represent the analysts' 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 appraisers 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 we have no direct evidence relating to this issue, we 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 appraisers have 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 appraisers are submitting an appraisal report on the subject property located at 247 W. Kings Highway in Eden, North Carolina 27288.

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 appraisers are not responsible for unauthorized use of this report.

20. Laura K. Mallory, MAI has provided 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 Assumption**

According to the Uniform Standards of Professional Appraisal Practice, 2020-2021 ed., extraordinary assumption is defined as:

*An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.*

The extraordinary assumption is as follows:

None.

Should the extraordinary assumptions prove false, the estimated values contained within this report may be affected.

**Hypothetical Conditions**

According to the Uniform Standards of Professional Appraisal Practice, 2020-2021 ed., hypothetical condition 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: A Commercial Restaurant/Office Building

Location: 247 W. Kings Highway  
Eden, North Carolina 27288

Owner of Record: Layne Brothers Real Estate Investments,  
LLC

Deed Reference: Deed Book 1173, Page 2024

Tax Parcel Identification Number: 167870

Utilities: Water, Sewer, Electricity, Natural Gas &  
Telephone

Zoning: BH - Business Highway District

Land Area: 0.914± Acres or 39,814 SF  
*(Per Public Record)*

Building Size: 5,260 SF – Gross Building Area  
*(Per Appraisers Measurements)*

Net Leasable Area: 5,248 SF  
*(Per rent roll/leases)*

Date of Report: September 22, 2021

Effective Date of Appraisal: August 20, 2021

Appraiser: Laura K. Mallory, MAI  
NC State 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	\$580,000

**Indicated Value by Income Approach**

<b>Value Type</b>	<b>Estimated Value</b>
Fee Simple, As-is	\$590,000

**FINAL VALUE ESTIMATE**

<b>Value Type</b>	<b>Estimated Value</b>	<b>Effective Date</b>
Fee Simple, As-Is	\$580,000	August 20, 2021

**No FF&E is included in the value estimates**

## **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 appraisers 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, Layne Brothers Real Estate Investments, LLC, has requested that the appraiser estimate the market value of the fee simple interest in the property located at 247 W. Kings Highway in Eden, North Carolina 27288 for use as an aid in making an investment decision relative to the sale/purchase of the property. The intended users are Layne Brothers Real Estate Investments, LLC.

The property is located on the north side of W. Kings Highway, just west of S. Van Buren Road, in Eden, North Carolina. According to public record, the site consists of 0.914 acres and is improved with a one-story commercial building having a total of 5,260 square feet of gross building area, per appraisers' measurements. The property is divided into two units and is currently occupied by New Hope Solutions and Wellness Center in suite B, with a lease term ending in September 2021. Suite A had been utilized as Red River Grill, however, the tenant recently abandoned the lease prior to the expiration set for 10/31/2025. The current owners plan to list the property for sale. The description of the site and improvements are based on public record, physical inspection by the appraiser as well as plans and information provided during the course of the appraisal process.

This appraisal report 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 appraisers are not responsible for unauthorized use of this report.

In preparing this appraisal report, the appraisers searched public records for tax, zoning, and ownership information. Tammy Robertson of Layne's Family Pharmacy provided pertinent information on the property and assisted setup of the site visit. The owner, Keith Layne of Layne Brothers Real Estate Investments, accompanied the appraisers on the site visit and provided more information on the subject property. Market participants contacted include local brokers, property owners, appraisers, and investors active in the area. Data sources used include, but are not limited to CoStar, Loopnet, Triad MLS, and RealtyRates.com. The appraisers also utilized appraisal files.

The appraisers are not licensed building inspectors or environmental specialists. Therefore, this appraisal makes the assumption that there is no contamination on the subject site or in the building

improvements. 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 improvements comply with local building and ADA standards, as well as the current zoning ordinance. An environmental study is recommended if required.

Information was gathered on improved sales, rentals, expense data, capitalization rates, and other applicable rates. The appraisers 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.

### *Covid-19 Statement*

**The appraisers are aware of a National crisis currently in play regarding the Covid-19 (Corona) Virus. The stock market initially took a historic downturn but has recently returned to similar levels as prior to the beginning of the crisis. Schools and universities were temporarily closed, but some are reopening, some are remaining closed, and some are utilizing on-line classes or home schooling. Some businesses initially closed, but many have reopened and have limited operations. This major disruption in the US economy is not considered a long-term financial crisis, but a relatively short-term disruption. Financial relief packages were enacted, and the Fed dramatically reduced the baseline interest rate.**

**As the information concerning the crisis is changing and developing rapidly, it is unknown, at this time, the effects of the crisis on the market value of the property after the effective date of the appraisal. Based on known information, the crisis is expected to be short term. The estimated values developed in this report are based on the best available information at this time and are considered reasonable given current facts and research. The appraisers caution reliance on the report should economic conditions deteriorate such that the feasibility of the project comes into question or the effects of the crisis are long term.**

## **PURPOSE OF APPRAISAL**

The purpose of this appraisal is to estimate the market value of the fee simple interest in the property located at 247 W. Kings Highway, Eden, North Carolina.

The Interagency Appraisal and Evaluation Guidelines (December 2, 2010), defines market value 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, 2020-2021 Edition, The Appraisal Foundation, exposure time is defined as: *an opinion, based on supporting market data, of the 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 appraisers' opinion, the two estimates of time are similar in that the market evidence available to determine the estimated times is the same.

The appraisers were 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 appraisers are 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, Layne Brothers Real Estate Investments, LLC, in establishing a value of the subject property for use as an aid in making an investment decision relative to the sale/purchase of the property. The intended user is Layne Brothers Real Estate Investments, LLC its successors and/or assigns. This appraisal has been requested by the client. The appraisers are not responsible for unauthorized use of this report.

**DATE OF VALUE ESTIMATE**

The date of the report is September 22, 2021. The appraisers inspected the property on August 20, 2021. The effective date of the appraisal report is as follows:

<b>Value Type</b>	<b>Effective Date</b>
Fee Simple, As-Is	August 20, 2021

### **IDENTIFICATION OF THE PROPERTY**

The subject property, 247 W. Kings Highway, Eden, North Carolina is shown on the Rockingham County Tax Records as being Parcel ID: 167870. The legal description for the subject is recorded in Deed Book 1173, Page 2024 as follows:

**EXHIBIT "A"**  
**TO LAYNE BROTHERS REAL ESTATE INVESTMENTS, LLC**

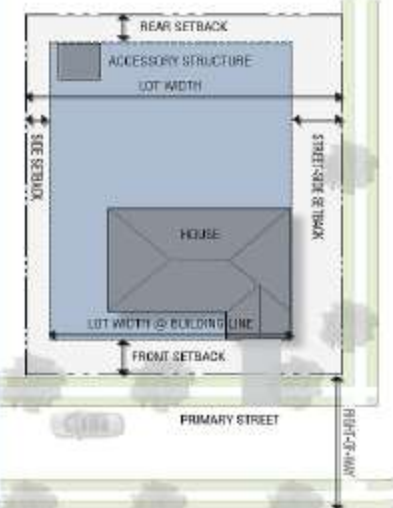
**BEGINNING** at an iron in the Northern margin of Kings Highway, corner with Knight (Deed Book 926, at Page 1405). Thence along the Northern margin of Kings Highway, South 78° 45' 00" West 99.73 feet to an iron, a common corner with Mizell (Deed Book 673, at Page 347). Thence leaving the Northern margin of Kings Highway, North 29° 14' 00" West 399.74 feet to an iron; thence North 78° 45' 00" East 99.73 feet to an iron. Thence South 14° 29' 00" East 399.74 feet to an iron in the Northern margin of Kings Highway, THE POINT OF BEGINNING, and containing 0.914 acres, more or less, as per Survey for Shar-Lyn Corporation in October, 2000, by Michael S. Nixon, PLS. This is the same property conveyed to the Grantor by Deeds recorded in Book 1057, Page 871 and Book 1085, Page 1558. For deed reference, see Deed Book 834, at Page 1900, Book 1021, Page 2118 and Book 1051, Page 565 in the Rockingham County Registry. (The Berger Law Firm PEB - 0300265)

### **HISTORY OF THE PROPERTY**

Layne Brothers Real Estate Investments, LLC acquired the property from Layne Real Estate Investments, LLC on October 7, 2003. This transaction is recorded in Deed Book 1173, Page 2024 in the Office of the Register of Deeds of Rockingham County, North Carolina

The current owner and client indicated they intend to sell the subject property in the near future. No listing or purchase contract was provided to the appraisers. There are no other known sales, listings, or transactions which occurred in the three years prior to this report. There are 2 active leases on property, however, one tenant had abandoned the subject and is no longer paying rent, and the second tenant will be leaving upon the end of their lease term on 9/30/2021.



<p><b>NOTES TO TABLE:</b></p> <ul style="list-style-type: none"><li>Ⓐ Minimum lot size without community/public water &amp; sewer is 25,000 sf. Minimum lot size for non-residential uses is 30,000 sf.</li><li>Ⓑ Minimum lot width for non-residential uses is 200 ft.</li><li>Ⓒ Minimum lot size services by private septic system is 20,000 sf. Min. lot size for non-residential uses is 30,000 sf.</li><li>Ⓓ Minimum side setback for non-residential uses is 20 ft.</li><li>Ⓔ See Article 6 - General Development Standards for specific building &amp; site design standards.</li><li>Ⓕ Lots in these districts that are situated between two (2) adjoining lots, each of which a principal building is located on the lot, then the front and side and rear yard requirements of the principal structure may be modified. The front, side or rear yards of the principal residential structure to be erected or remodeled shall be determined by either (i) averaging the front, side or rear yards of the adjoining lots, or (ii) making the front, side or rear setbacks the same as one of the adjoining lots. If one of the adjoining sides is vacant, then the setbacks will be averaged based upon all principal residential structures on the same side of the street of the block in which the proposed development is to take place.</li><li>Ⓖ See Section 4.06 - Industrial District Building Height Standards.</li><li>* See Article 5, Section 5.09 for accessory setback requirements.</li></ul>	 <p>The figure above should be used to visually illustrate setbacks and measurements as listed in 4.05 - Dimensional Standards Table.</p>
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The site and the existing improvements appear to be in compliance with the BH zoning ordinance dimensional requirements. There are no known moratoriums affecting the property at this time.



### TAX ANALYSIS



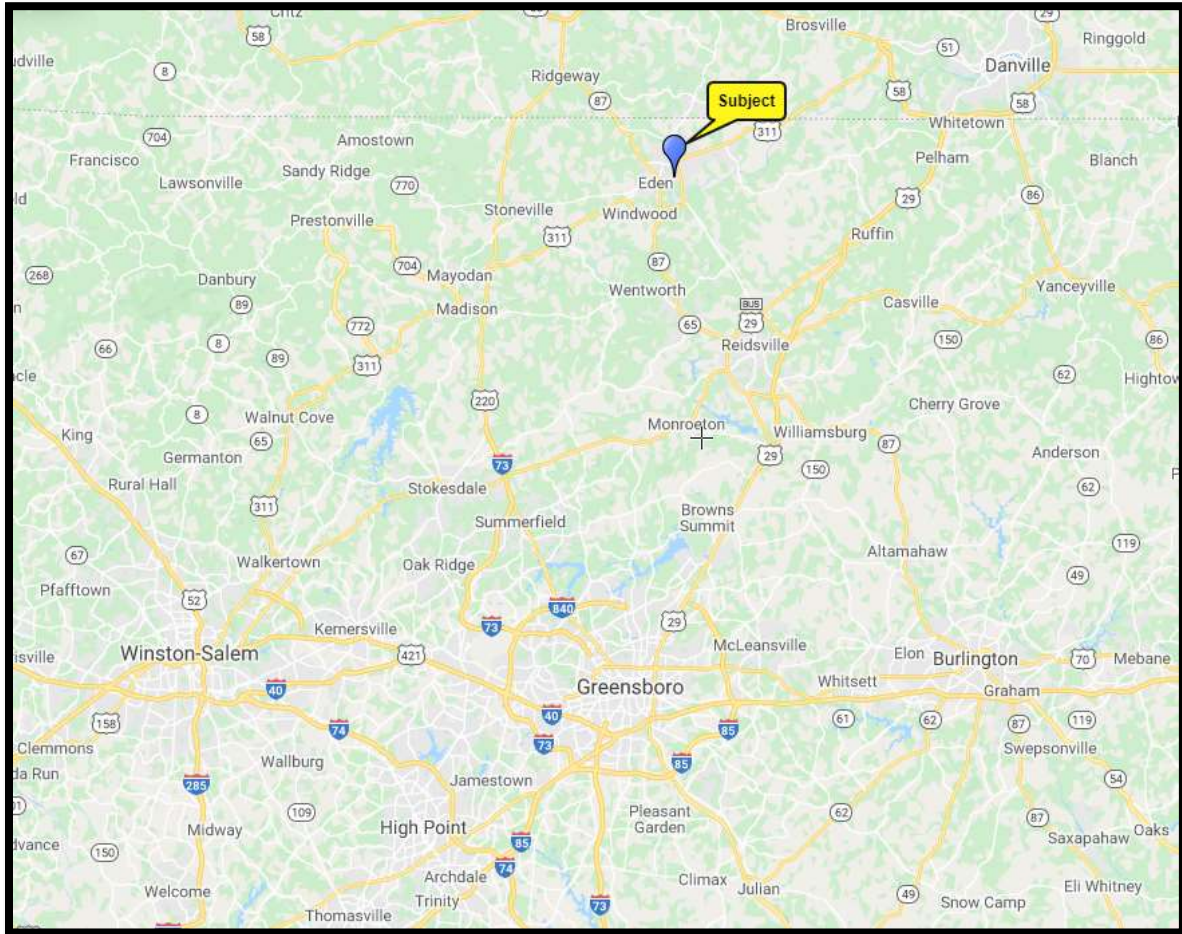
Aerial from Rockingham County Website

The subject is shown on the Rockingham County Tax Records as being Parcel ID: 167870. The following assessed tax value for the parcel is for 2021:

<b>Tax ID</b>	<b>167870</b>
Land Value	\$113,750
Building Value	\$276,059
Extra Features	\$0
Assessed Value	\$389,809
	/ 100 x \$1.3040
2021 Taxes	\$5,083.11

Based on the estimated value contained within this report, the assessed value appears favorable to the owner. The assessed value reflects the revaluation of all properties for Rockingham County for 2019. The next revaluation is anticipated by 2027. At the time of this report the tax rate for 2021 had been set and remained unchanged for Eden and Rockingham County. Taxes are anticipated to increase 2% per year based on past increases in tax rates.

## AREA ANALYSIS



### ***Location***

The subject is located in Rockingham County in Eden, North Carolina. Eden is located at the northern end of Rockingham County, just south of the Virginia state line. Rockingham County is located in the Piedmont Triad Region of North Carolina. Rockingham is made up of six municipalities: the cities of Eden and Reidsville and the towns of Madison, Mayodan, Stoneville and Wentworth.

Major traffic arteries serving the area include: Interstate I-73, US Highway 220 Business, Interstate 29, US Highway 311, NC Highway 704, and NC Highway 135. Interstate 29 runs north to south through Reidsville in the eastern portion of Rockingham County. The thoroughfares move traffic efficiently through the area. Interstate I-73 provides four lanes from Rockingham County to Greensboro and the Piedmont Triad International Airport providing improved travel through this section of the county. The current construction on the eastern leg of the Greensboro Urban Loop will also better connect eastern Rockingham County to Greensboro, I-40 and I-85 via US 220 (Future I-785). The area is also served by the Norfolk Southern Railways and numerous trucking companies.

Rockingham County encompasses 566 square miles and includes six municipalities: Eden, Madison, Mayodan, Reidsville, Eden, and Wentworth. The county seat of Rockingham County is Wentworth. Rockingham County is bordered to the west by Stokes County, to the east by Caswell County, to the south by Guilford County, and to the north by the Virginia state line. It is conveniently located to population centers in the Piedmont of North Carolina such as Greensboro, Winston-Salem, and High Point.

The Piedmont Triad International Airport is located approximately 25 miles to the south from the center of Rockingham County and is a major business and private center. Air transportation is provided by numerous airlines (jet and regional carriers). Federal Express has constructed a \$230 million air cargo hub for the airport. It is located adjacent to the northeast of the PTIA with an additional 9,000-foot runway.

The Dan River is a main attraction in Rockingham County. The Dan River flows 214 miles in the U.S. states of North Carolina and Virginia. It originates in Patrick County, Virginia, and crosses the state border into Stokes County, North Carolina. It then flows into Rockingham County. There are several campgrounds located along the Dan River. These campgrounds are the Piedmont campground, which is located in Stoneville, and the Madison campground. The Piedmont campground is located directly on the Dan River, allowing easy access to a full range of water activities; guests can enjoy swimming, fishing, tubing, canoeing, and kayaking in the peaceful river. The Madison Campground is conveniently located to some of North Carolina's finest attractions and outdoor activities; the surrounding area receives thousands of visitors a year. The Piedmont campground is in close proximity to Winston-Salem, Madison, Eden, Reidsville, and Greensboro, as well as Martinsville, Virginia.

The following demographic profile for Rockingham County from Commerce Economic Development is as follows:





**County Profile**

**Rockingham County (NC)**

**June 2021**

**Demographics**

**Population & Growth**

	<b>Population</b>	<b>% Annual Growth</b>
2019 Est Population	91,077	( 0.2%)
2010 Census Total Population	93,643	0.2%
Jul2019 NC Certified Population Estimate	91,868	0.1%

**Urban/Rural Representation**

		<b>Urban/Rural Percent</b>
2010 Census Total Population: Urban	35,636	38.1%
2010 Census Total Population: Rural	58,007	61.9%

**Estimated Population by Age**

		<b>% Pop by Age</b>
2019 Est Median Age	45	
2019 Est Total Pop 0-19	20,542	22.5%
2019 Est Total Pop 20-24	5,064	5.6%
2019 Est Total Pop 25-34	9,787	10.7%
2019 Est Total Pop 35-44	10,533	11.6%
2019 Est Total Pop 45-54	12,894	14.2%
2019 Est Total Pop 55-64	14,144	15.6%
2019 Est Total Pop 65+	18,113	19.9%

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

**Percent of Workers, By Travel Time**

Avg Travel Time, Minutes	26.4
Workers Not Working at Home	37,105
Travel Time to Work: < 10 minutes	15.4%
Travel Time to Work: 10-14 minutes	13.6%
Travel Time to Work: 15-19 minutes	13.8%
Travel Time to Work: 20-24 minutes	11.3%
Travel Time to Work: 25-29 minutes	6.5%
Travel Time to Work: 30-34 minutes	12.9%
Travel Time to Work: 35-44 minutes	9.3%
Travel Time to Work: 45-59 minutes	10.6%
Travel Time to Work: 60+ minutes	6.6%

**Workers, By Transportation**

Worker Transp. Base	38,494
Work at Home	3.6%
Drove Car/Truck/Van Alone	84.5%
Carpooled Car/Truck/Van	10.0%
Public Transportation	0.2%
Walked	1.0%
Bicycle	0.0%
Taxi, Motorcycle, Other	0.7%

**Place of Work**

	<b>Commuters</b>	<b>Residents</b>
Worked in State/County of Residence	22,519	58.5%
Worked in State/Outside County of Residence	13,819	35.9%
Worked Outside State of Residence	2,194	5.7%

**Education**

		<b>Pop Age 25+</b>
2019-20 Kindergarten-12th Enrollment	12,317	
2020 Average SAT score (1600 scale)	1,006	
2020 Percent of Graduates taking SAT	30.2%	
2018-19 (Provisional) Higher Education Completions	428	
2018-19 (Provisional) Higher Education Enrollment	2,205	
2019 Est Education Attainment age 25+, At Least High School Graduate	54,127	82.7%
2019 Est Education Attainment age 25+, At Least Bachelor's Degree	9,864	15.1%



**Housing** **% Ann Growth or % Total**

2010 Census Total Housing	38,693	
2010 Census Total Households	43,696	
2019 Est Total Housing Units, % annual growth	44,113	0.3%
2019 Est Occupied Housing, % of total	37,388	84.8%
2019 Est Vacant Housing, % of total	6,725	15.2%
2019 Est Median Value of Owner Occupied Housing	\$112,800	
2019 Est Median Gross Rent	\$672	
2019 Est Owner Occupied Housing, % of total	26,008	69.6%
2019 Est Renter Occupied Housing, % of total	11,380	30.4%
2019 Est % Owner Occupied Vacancy Rate	2.1%	
2019 Est % Renter Occupied Vacancy Rate	5.7%	

**Income** **% Ann Growth or % Pov**

2019 Est Median Family Income	\$54,720	
2019 Median Household Income (SAIPE)	\$44,686	6.7%
2019 Est Median Worker Earnings	\$29,925	
2019 Per Capita Income (BEA)	\$38,419	
2019 Est Pop, Income Below Poverty (SAIPE)	16,504	18.4%

**Employment / Unemployment**

	<b>Currently</b>	<b>2020 Annual</b>
May2021 Prelim., 2020 Employment	36,715	35,723
May2021 Prelim., 2020 Unemployment	1,997	3,260
May2021 Prelim., 2020 Unemployment Rate	5.2%	8.4%
2021Q1YTD, 2020 Announced Job Creation	-	214
2021Q1YTD, 2020 Total Announced Investments (\$mil)	-	\$26.0

<b>Employment / Wages by Industry</b>	<b>2020Q4 Employment</b>	<b>2020 Employment</b>	<b>2020Q4 Avg Weekly Wage</b>	<b>2020 Avg Weekly Wage</b>
Total All Industries	23,157	23,577	\$731	\$735
Total Government	3,231	3,561	\$816	\$818
Total Private Industry	19,926	20,016	\$717	\$720
Agriculture Forestry Fishing & Hunting	55	-	\$744	-
Mining	-	-	-	-
Utilities	121	-	\$1,891	-
Construction	1,198	1,193	\$889	\$893
Manufacturing	4,936	5,080	\$880	\$888
Wholesale Trade	1,233	1,213	\$844	\$854
Retail Trade	3,989	3,902	\$502	\$509
Transportation and Warehousing	764	771	\$832	\$860
Information	101	101	\$1,352	\$1,309
Finance and Insurance	383	384	\$957	\$1,036
Real Estate and Rental and Leasing	174	173	\$705	\$738
Professional and Technical Services	374	382	\$820	\$825
Mgt of Companies, Enterprises	-	93	-	\$1,322
Administrative and Waste Services	1,046	1,046	\$610	\$600
Educational Services	1,605	1,875	\$843	\$816
Health Care and Social Assistance	2,851	2,894	\$829	\$791
Arts, Entertainment and Recreation	178	145	\$317	\$347
Accommodation and Food Services	2,005	2,018	\$304	\$295
Other Services Ex. Public Admin	497	517	\$553	\$547
Public Administration	1,530	1,522	\$774	\$804
Unclassified	0	0	\$0	\$0



**Commercial/Retail/Industrial**

**Local Business**

2020Q4 Available Industrial Buildings	13
2020Q4 Establishments: Total Private Industry	1,600
2020Q4 Establishments: Manufacturing	87
2019 Est Self Employed	2,464

**Local Retail Business**

2020 Total Retail Sales (With Food/Drink) (\$mil)	\$929.2
2020 Total Retail Businesses (With Food/Drink)	632
2020 Avg Sales/Business Total (with Food/Drink)	\$1,470,235
2020Q4 Available Commercial Buildings (if County reports)	10

**Quality of Life**

**Taxes**

FY2020-21 Property Tax Rate per \$100 Value	\$0.6950
FY2019-20 Annual Taxable Retail Sales (\$mil)	\$780.8
2021 Tier designation	1

**Childcare**

2021Q1 Licensed Child Care Facilities	48
2021Q1 Licensed Child Care Enrollment	1,792

**Healthcare Providers**

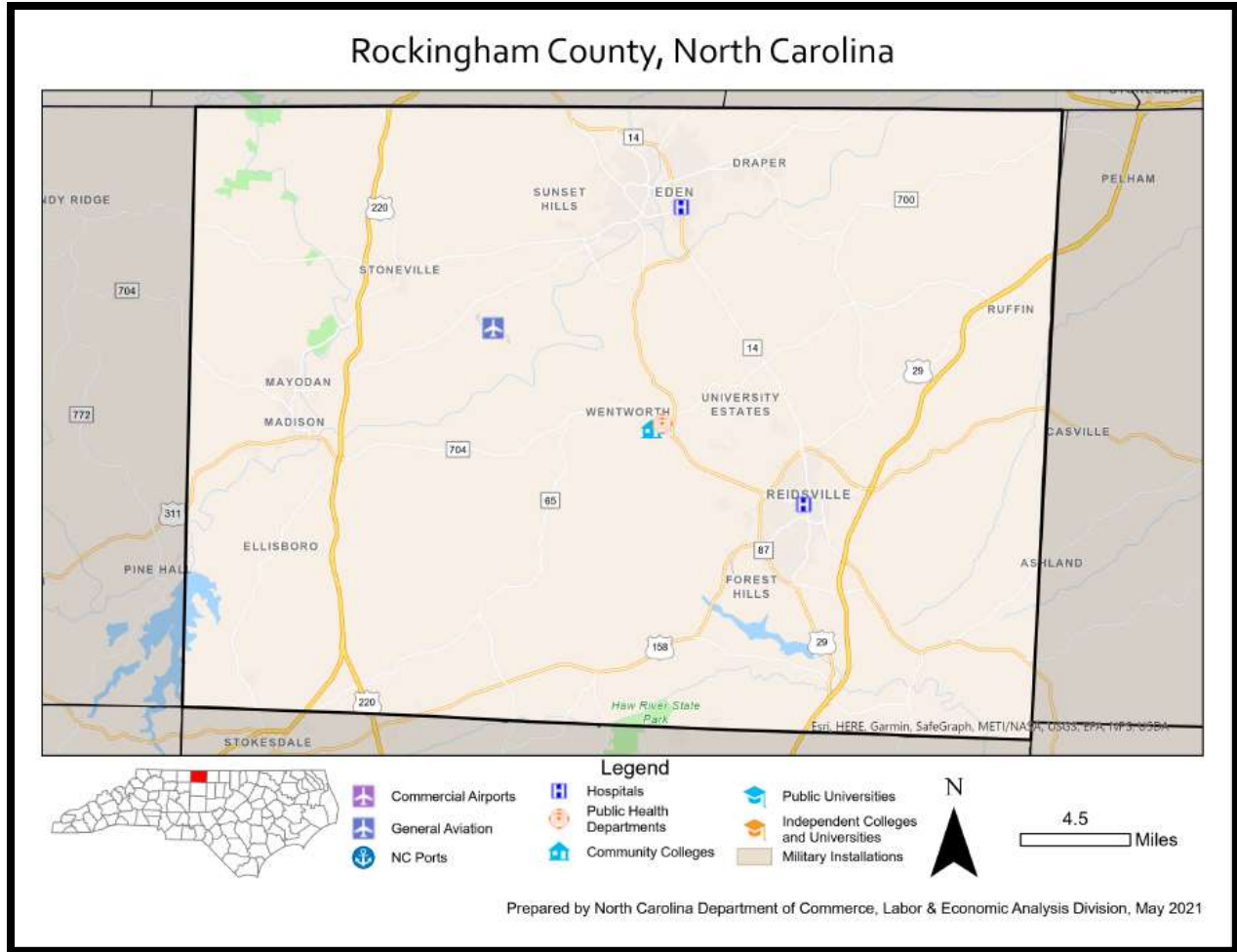
2019 Number of Physicians	93
2019 Physicians/10,000 population	10.1
2019 RNs/10,000 population	44.2
2019 Dentists/10,000 population	2.7
2017 Pharmacists/10,000 population	8.4

**Sources:**

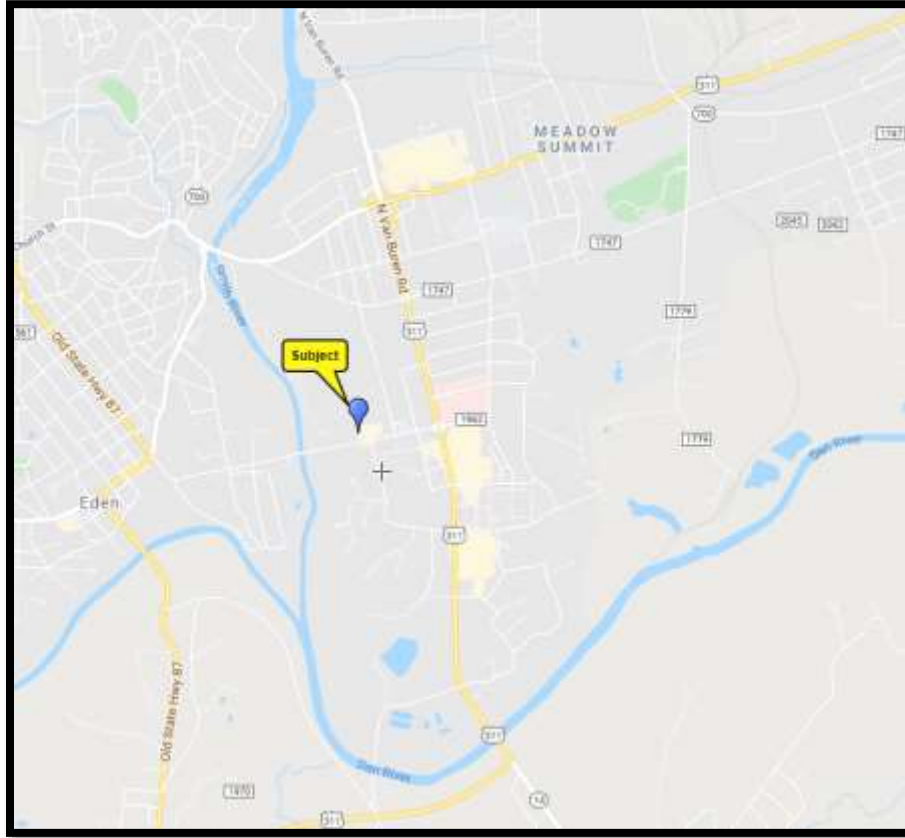
Census (2010, ACS 2015-19) for income, commuters, place of work, population, housing, and educational attainment at <https://data.census.gov>. AGS for retail data at [www.AppliedGeographic.com](http://www.AppliedGeographic.com). NC Dept. of Education for SAT data by NC county system at <http://www.ncpublicschools.org>. US Dept. of Education, National Center for Education Statistics for higher education data at <https://nces.ed.gov/ipeds/datacenter>. NC Commerce, Labor and Economic Analysis Division for NC tiers, occupational data, employment and unemployment, and wages and establishments by industry at <http://accessnc.nccommerce.com/>. EDPNC for announced new jobs and investment and available buildings at <https://edpnc.com>. NC Dept. of Health & Human Services for childcare data at <http://www.ncdhhs.gov/>. UNC Sheps Center for healthcare professions at <https://nchealthworkforce.unc.edu/>. For more data resources, see <http://accessnc.nccommerce.com/index.html>.

**Notes:**

Data are the latest available at the date the profile was prepared. 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: <http://accessnc.nccommerce.com/index.html>.



## NEIGHBORHOOD ANALYSIS



For the purpose of this report, the definition of the term "neighborhood" as found in The Dictionary of Real Estate Appraisal, Sixth Edition, published by the 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 property is located on the north side of W. Kings Highway, just west of S. Van Buren Road, in Eden, North Carolina. According to public record, the site consists of 0.914 acres and is improved with a one-story commercial building having a total of 5,260 square feet of gross building area, per appraisers' measurements. The property is divided into two units and is currently occupied by New Hope Solutions and Wellness Center in suite B, with a lease term ending in September 2021. Suite A had been utilized as Red River Grill, however, the tenant recently abandoned the lease prior to the expiration set for 10/31/2025. The current owners plan to list the property for sale.

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

- U.S. Route 311 to the north
- State Road 1779 to the east
- Dan River to the south
- Smith River to the west

### ***Neighborhood Access***

Access to the neighborhood is convenient via Route 311 from the north and south, Old State Highway 87, and State Highway 14. The minor thoroughfares intersect with the major arteries providing access to the area. The neighborhood is served by numerous secondary roads.

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

The neighborhood is a mix of predominantly commercial and residential uses. The subject shares parking lot entrances with four other buildings found adjacent to the south and west including a dental/orthodontics office, eye care office, and a former children's clinic. Adjacent uses include:

- *To the north*– To the north finds vacant, wooded land, the Smith River Greenway, Eden Family YMCA, and single-family dwellings.
- *To the east* – Commercial uses along W. Kings Highway and S. Van Buren Road/Route 311 include Chaney's restaurant, Powell Auto Sales, Riverside Pawn NC, Biscuitville, the Meadow Greens Shopping Center, Dollar Tree, Shayona Inn Eden, Laynes Family Pharmacy, UNC Rockingham Health Care complex, and Premier Pediatrics of Eden, among others. Numerous single-family homes can be found on the east and west side of S. Van Buren Road approaching Route 311 in the north along with patches of vacant land throughout.
- *To the south* – To the south finds more commercial features along S. Van Buren Road, residential uses predominantly to the east of S. Van Buren, vacant land with low-density residential homes, and the Lynrock Golf Club to the west of S. Van Buren, and the Water Filtration Plant near the Dan River.
- *To the west* – The western portion of the neighborhood is comprised of mostly commercial uses on either side of W. Kings highway including Mike Long State Farm Insurance next door to the west, DaVita Dialysis Care, Brookdale Eden assisted living center, The Salvation Army Eden Family Store, UPS, and finally the Smith River at the western boundary.

### ***Neighborhood Conclusion***

The subject is in an established neighborhood with vacant land in the area for future development. The streets in the neighborhood are asphalt-paved with primarily concrete curbs and gutters on the main thoroughfares. The site is served by the typical utilities, easements, and services available in the neighborhood. The City of Eden provides water and sewer service and police and fire protection. Duke Energy provides electrical service with AT&T providing telephone service. Piedmont Natural Gas provides gas service. The utilities appear to be adequate for the area. The neighborhood is convenient to major highways, schools, shopping, and transportation.

The life cycle of a neighborhood includes four stages: the growth stage, a period during which the neighborhood gains public favor and acceptance; stability, a period of stability without much change; decline, a period of diminishing demand; and revitalization, a period of renewal, modernization, and increasing demand. In the life cycle of neighborhoods, the subject appears relatively stable.



## SITE ANALYSIS



**Aerial from Rockingham County Website**

The property is located on the north side of W. Kings Highway, just west of S. Van Buren Road, in Eden, North Carolina. According to public record, the site consists of 0.914 acres and is improved with a one-story commercial building having a total of 5,260 square feet of gross building area, per appraisers' measurements. The property is divided into two units and is currently occupied by New Hope Solutions and Wellness Center in suite B, with a lease term ending in September 2021. Suite A had been utilized as Red River Grill, however, the tenant recently abandoned the lease prior to the expiration set for 10/31/2025. The current owners plan to list the property for sale.

The description of the site is based on physical inspection by the appraiser as well as public record. The subject site is described as follows:

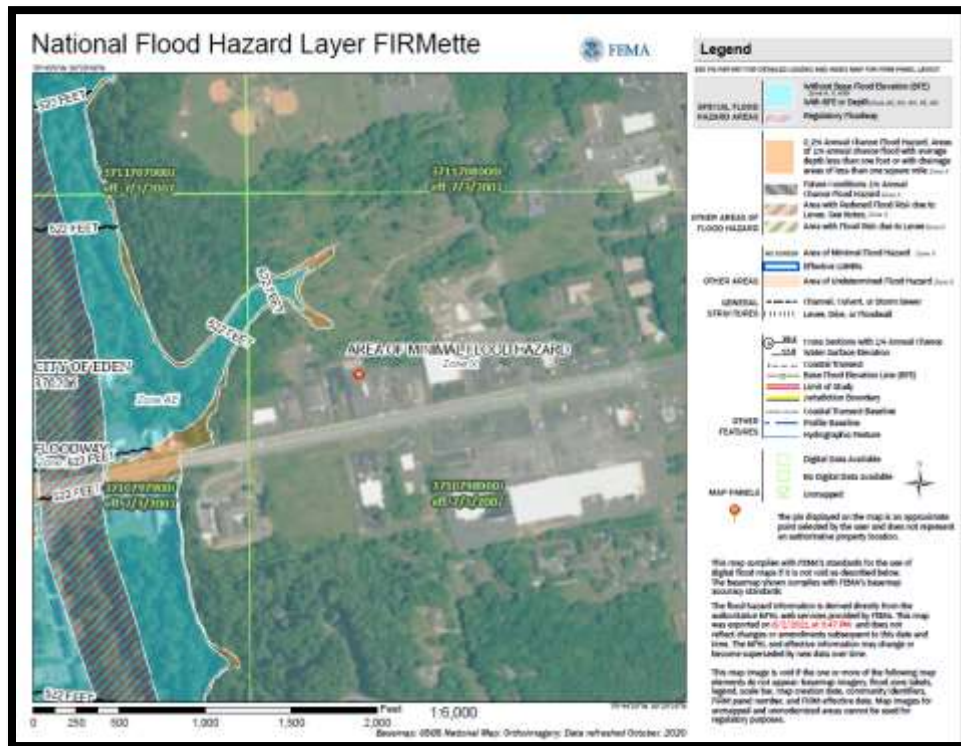
Address: 247 W. Kings Highway  
Eden, North Carolina 27288

Size: 0.914 Acres or 39,814 Square Feet  
(Per Public Record)

Shape: Rectangular

Frontage/Access: via one concrete curb cut from W. Kings Highway

- Topography:** Upward sloping topography from street level and level at grade.
- 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 Maps 3710798900J dated July 3, 2007, the property is not located in a flood plain.
- Utilities:** Water, Sewer, Electricity, Natural Gas & Telephone
- Zoning:** BH- Business Highway District
- Easements and Encroachments:** Typical utility easements exist.
- Site Improvements:** Asphalt paved parking lot, signage, and minimal landscaping.
- Comments:** The site improvements are considered to be average in condition. It appears that the site can be utilized to its highest and best use.



**Flood Map**

**PHOTOGRAPHS**

**Street Views**



**W. Kings Highway, East**



**W. Kings Highway, West**



**W. Kings Highway, South**



**Adjacent Properties**

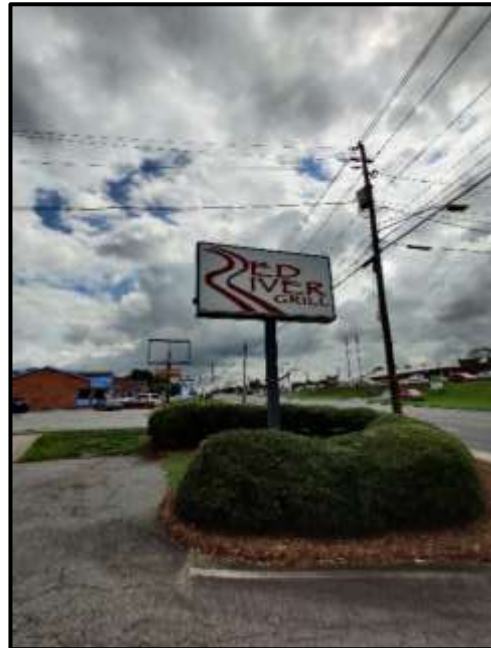


**Adjacent office, South**



**Adjacent buildings, West**

**Exterior Photographs**



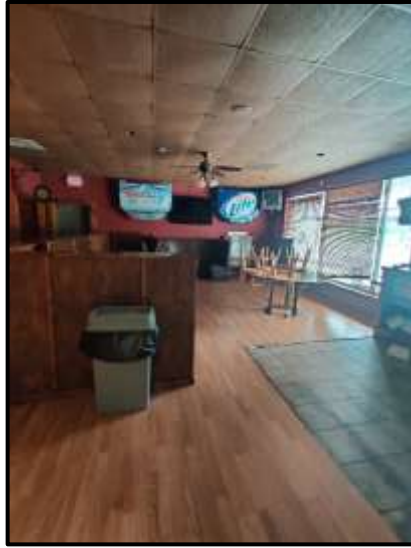








**Interior Photographs**





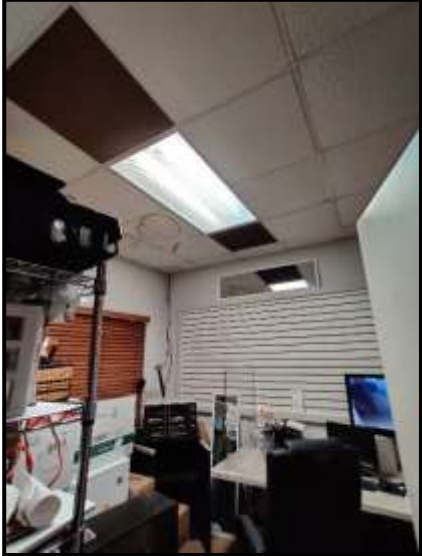
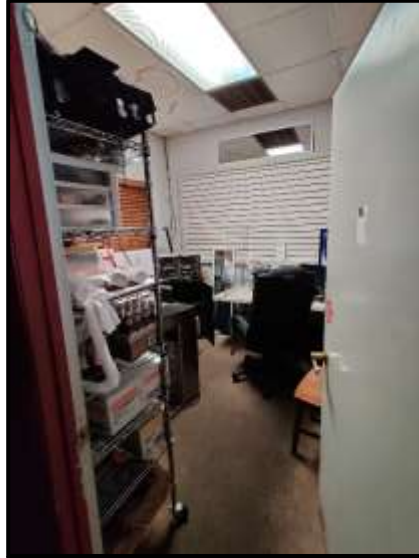








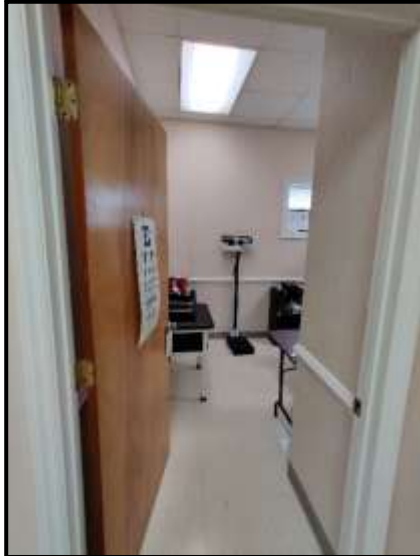
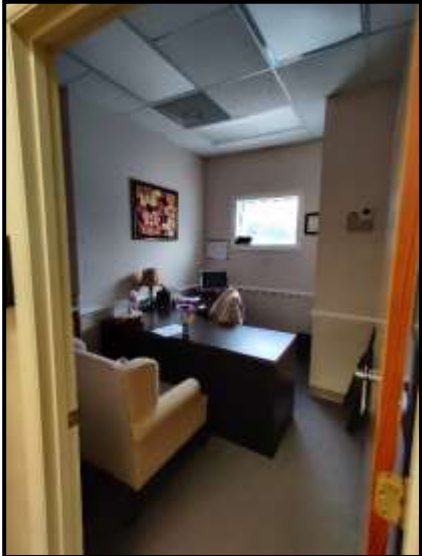


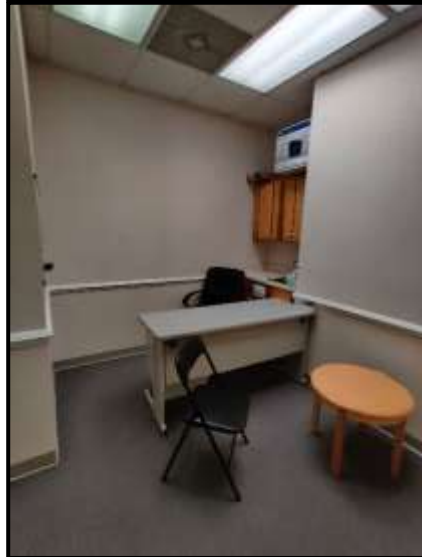
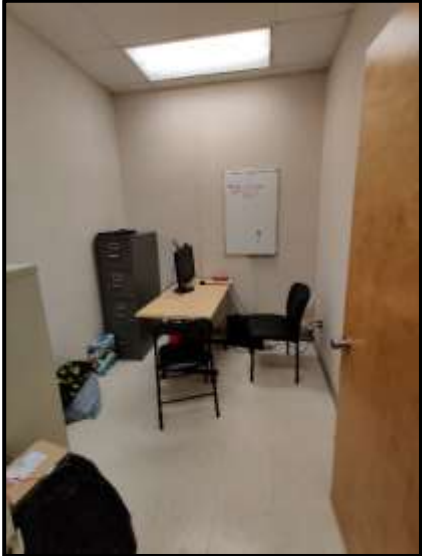






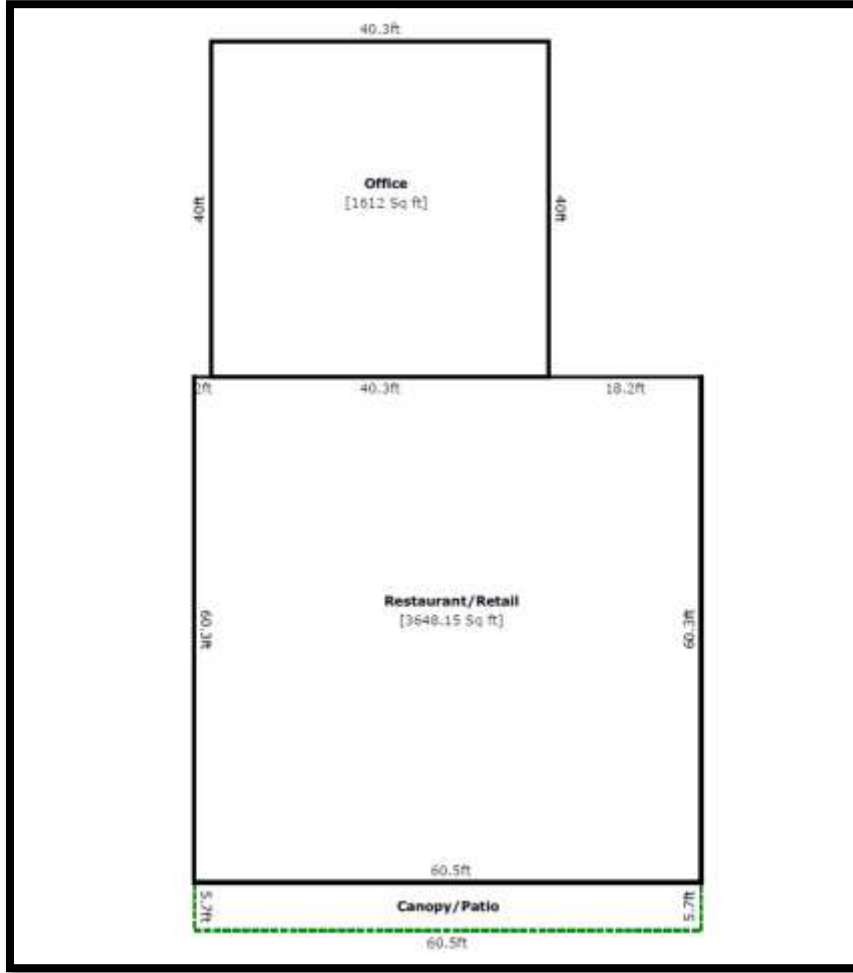








**DESCRIPTION OF IMPROVEMENTS**



**Sketch from Appraisers' Measurements**

TOTAL Sketch by a la mode, inc.		Area Calculations Summary
<b>Living Area</b>		
Restaurant/Retail		3648.1 Sq ft
Office		1612 Sq ft
<b>Total Living Area (Rounded):</b>		<b>5260 Sq ft</b>
<b>Non-living Area</b>		
Canopy/Patio		344.9 Sq ft

According to public record, the site consists of 0.914 acres and is improved with a one-story commercial building having a total of 5,260 square feet of gross building area, per appraisers' measurements. The property is divided into two units and is currently occupied by New Hope Solutions and Wellness Center in suite B, with a lease term ending in September 2021. Suite A had been utilized as Red River Grill, however, the tenant recently abandoned the lease prior to the expiration set for 10/31/2025. The current owners plan to list the property for sale.

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

<u>Year Built:</u>	1970, Renovation 2017
<u>Number of Stories:</u>	1.00
<u>Foundation:</u>	Concrete
<u>Framing:</u>	Masonry on Wood Frame
<u>Sub-Flooring:</u>	Concrete
<u>Exterior Walls:</u>	Brick, Vinyl
<u>Roof Structure:</u>	Arched/Gable
<u>Roof Cover:</u>	Asphalt/Composite shingles
<u>HVAC:</u>	FWA/Central
<u>Flooring:</u>	Carpet, Vinyl/Linoleum, VCT
<u>Interior Walls:</u>	Painted wood/drywall
<u>Windows:</u>	Insulated Glass in Metal Frame
<u>Ceilings Cover:</u>	Suspended Acoustic Tiles
<u>Electrical:</u>	Adequate for Use
<u>Lighting:</u>	A mix of fluorescent and incandescent
<u>Restrooms:</u>	4; 2 per unit
<u>Overall Condition:</u>	Average

Some minor deferred maintenance was observed primarily in the abandoned unit. Standing water was observed around the ice and soda dispenser, which may be the result of the units being unplugged but not purged correctly. Flooring material had bowed at an area near front of the restaurant, with some minor wear-and-tear. The appraisers noted cracks and previously patched potholes on the concrete portion of the parking lot at the back of the subject. The building improvements are in average condition. The owners stated that the interior is clear spanned with an engineered roof truss and there are no interior load-bearing walls. A tornado damaged the subject in May 2017 and the roof was replaced for a cost of \$19,860, along with front glass, gutters, and certain sections of vinyl siding.

## 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.

- **LEGALLY 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).
- **MAXIMALLY PRODUCTIVE**: 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 BH - Business Highway District. The site and the existing improvements appear to be in compliance with the BH zoning ordinance dimensional requirements. There are no known moratoriums affecting the property at this time. Typical utility easements 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 characteristics of the subject site are not considered to be a restrictive constraint on the development 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.

Retail vacancies in Rockingham County were roughly in line with the five-year average during the third quarter, and they were essentially unchanged from this time last year. The rate also sits above the overall market's average. Meanwhile, retail rents have risen by 2.0% in the past 12 months. In terms of the construction pipeline, development has been relatively steady over the past few years in Rockingham County, and that trend has continued in the third quarter. Retail properties trade with regularity in the submarket and this past year maintained that trend with investors continuing to be engaged in the area. At \$87/SF, market pricing is considerably lower than the region's average pricing.



The immediate area of the subject appears relatively stable given the economic environment. In the appraiser's opinion, the use of this site for retail/office use is feasible within some price limit.

### **MAXIMALLY PRODUCTIVE**

The long-term land uses that are expected to remain with the site 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 retail/office use provides the highest rates of return to the property.

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

The site and the existing improvements appear to be in compliance with the zoning ordinance. The use of the site for retail/office use is permitted. The site appears to be of a size, shape and topography that development will be feasible. There is ample road frontage to allow access and visibility. The zoning appears to blend well with the neighborhood and is similar to the surrounding properties, which indicates conformity of uses. The appraisers' inspection of the area indicated that the overall economy of Rockingham County is average. The area in which the subject is located is a mix of commercial and residential uses.

If the land were vacant in the subject area, it could be developed within the restrictions of zoning. A probable use must be such that sufficient income be produced by a building or buildings to allow for a return to the land. In the Rockingham County economy, the development of the land would be feasible since the real estate market is relatively stable given the current economic climate. The shape, topography, and size of the site are such that development would be feasible. Soil characteristics appear to be adequate for building, however a soil report was not available. Utilities available to the site are adequate for development and the streets are paved with asphalt with concrete curb and gutter.

### **AS VACANT**

As vacant, the highest and best use of the site would be for commercial use. The appraisers are of the opinion that commercial 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 0.914 acres and is improved with a one-story commercial building having a total of 5,260 square feet of gross building area, per appraisers' measurements. The property is divided into two units and is currently occupied by New Hope Solutions and Wellness Center in suite B, with a lease term ending in September 2021. Suite A had been utilized as Red River Grill, however, the tenant recently abandoned the lease prior to the expiration set for 10/31/2025. The current owners plan to list the property for sale. In the appraiser's opinion, the highest and best use of this site is for continued retail/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 to value would not result in a meaningful indicator of value.

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 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. A discounted cash flow analysis is also utilized with appropriate income projections and capitalization and yield rates.

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.

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The appraisers have located the following comparable sales that are felt to be reasonably similar to the subject in at completion condition. Following the information on the comparable sales is a grid comparing the sales to the subject property followed by an analysis.

**Improved Sale No. 1**



**Property Identification**

**Record ID** 6832  
**Property Type** Office, Office  
**Address** 502 South Scales Street, Reidsville, Rockingham County, North Carolina 27320  
**Tax ID** 150046

**Sale Data**

**Grantor** John Z. Hall and Rachel Rhodes Hall  
**Grantee** Shahzad Khan, PLLC  
**Sale Date** April 19, 2021  
**Deed Book/Page** 1599/2066  
**Property Rights** Fee Simple  
**Conditions of Sale** Arm's Length  
**Financing** Conventional  
**Verification** Michael McCollum (Keller-Williams); 336-432-2222, Other sources: Triad MLS #954459, Public Record, Other

**Sale Price** \$275,000 Asking \$269,900  
**Cash Equivalent** \$275,000  
**Adjusted Price** \$275,000

**Land Data**

**Land Size** 0.362 Acres or 15,750 SF



<b>Zoning</b>	GB, General Business & Residential
<b>Topography</b>	Basically Level
<b>Utilities</b>	All Public
<b>Shape</b>	Rectangular
<b>Landscaping</b>	Asphalt Paving
<b>Flood Info</b>	Not in a flood Zone

**General Physical Data**

<b>Building Type</b>	Single Tenant
<b>Gross SF</b>	1,986

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

**Indicators**

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

**Remarks**

This sale 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>Record ID</b>	6982
<b>Property Type</b>	Commercial, Restaurant
<b>Address</b>	2501 West Gate City Boulevard, Greensboro, Guilford County, North Carolina 27403
<b>Tax ID</b>	16354

**Sale Data**

<b>Grantor</b>	Khaled Fleihan and May K. Fleihan
<b>Grantee</b>	Sajjad Investments, Inc.
<b>Sale Date</b>	August 14, 2020
<b>Deed Book/Page</b>	8319/188
<b>Recorded Plat</b>	10/1
<b>Property Rights</b>	Fee Simple
<b>Conditions of Sale</b>	Arm's Length
<b>Financing</b>	Conventional
<b>Verification</b>	Nick Gonzalez; Linville Team Partners; 305-979-3440, Cole Carns; Linville Team Partners, 804-878-1258, Other sources: Public record, Costar, other

<b>Sale Price</b>	\$355,000 asking \$395,000
<b>Cash Equivalent</b>	\$355,000

**Land Data**

<b>Land Size</b>	0.440 Acres or 19,166 SF
<b>Zoning</b>	NS, Neighborhood Support
<b>Topography</b>	Mostly Level
<b>Utilities</b>	All Public
<b>Shape</b>	Mostly rectangular
<b>Landscaping</b>	Minimal, parking lot
<b>Flood Info</b>	Not in a flood zone

**General Physical Data**

<b>Building Type</b>	Single Tenant
<b>Gross Leasable SF</b>	2,288
<b>Construction Type</b>	Wood frame
<b>Roof Type</b>	Arched
<b>Foundation</b>	Concrete
<b>Electrical</b>	Adequate
<b>HVAC</b>	FWA/Central
<b>Stories</b>	2
<b>Year Built</b>	1969 Remodeled
<b>Condition</b>	Average

**Indicators**

<b>Sale Price/Gross SF</b>	\$155.16
<b>Floor Area Ratio</b>	0.12
<b>Land to Building Ratio</b>	8.38:1

**Remarks**

Property is on the south east corner of W. Gate City Blvd. and Ellington St. in Greensboro, NC. Property was sold as a "turn key" fully equipped restaurant (formerly Ghassan's) that included most equipment and fixtures, but did not include the business name. Asphalt paved parking lot provides 32 spaces. Location is on a signalized corner.

**Improved Sale No. 3**



**Property Identification**

**Record ID** 7154  
**Property Type** Commercial, Freestanding  
**Address** 245 West Kings Highway, Eden, Rockingham County, North Carolina 27288  
**Tax ID** 141294 (PIN 7989-05-09-6131-00)

**Sale Data**

**Grantor** Carmine Graziani  
**Grantee** G Salim Properties, LLC  
**Sale Date** June 24, 2020  
**Deed Book/Page** 1580/921  
**Property Rights** Fee Simple  
**Conditions of Sale** Arm's Length  
**Financing** Conventional  
**Verification** Eddie Price; Price and Associates; 336-613-7720, September 21, 2021; Other sources: MLS #927301, Public Record, other

**Sale Price** \$135,000  
**Cash Equivalent** \$135,000  
**Adjusted Price** \$135,000



**Land Data**

<b>Land Size</b>	0.454 Acres or 19,759 SF
<b>Front Footage</b>	W. Kings Highway;
<b>Zoning</b>	BH, Business Highway
<b>Topography</b>	Gently Rolling, Level site
<b>Utilities</b>	Public
<b>Shape</b>	Rectangular
<b>Landscaping</b>	Minimal, Paved Lot
<b>Flood Info</b>	Not in a flood zone

**General Physical Data**

<b>Building Name</b>	245 W. Kings Highway
<b>Building Type</b>	Single Tenant
<b>Gross SF</b>	1,100

<b>Construction Type</b>	Masonry
<b>Roof Type</b>	Arched, Comp. Shingles
<b>Foundation</b>	Concrete
<b>Electrical</b>	Adequate
<b>HVAC</b>	FWA/Central
<b>Sprinklers</b>	No
<b>Stories</b>	1
<b>Year Built</b>	1978
<b>Condition</b>	Fair-Average
<b>FF&amp;E</b>	None

**Indicators**

<b>Sale Price/Gross SF</b>	\$122.73
<b>Floor Area Ratio</b>	0.06
<b>Land to Building Ratio</b>	17.96:1

**Remarks**

Property is located on the north side of West Kings Highway, just west of S. Van Buren Road, in Eden, NC. This 1,100 SF freestanding retail building was previously a pizza shop and was vacant at the time of sale. Per listing broker, no FF&E was included in the sale and all restaurant equipment was removed prior to the transaction. Fresh paint and carpet were installed prior to sale, there were no special conditions affecting price. The building was deemed "fair-average" condition due to needing some updates and minor repairs.

**Improved Sale No. 4**



**Property Identification**

**Record ID** 6983  
**Property Type** Commercial, Retail  
**Address** 608 Battleground Avenue, Greensboro, Guilford County, North Carolina 27401  
**Tax ID** 1889

**Sale Data**

**Grantor** St. Leo's Limited Partnership  
**Grantee** B-Side Properties, LLC  
**Sale Date** December 19, 2018  
**Deed Book/Page** 8113/526  
**Property Rights** Fee Simple  
**Conditions of Sale** Arm's Length  
**Financing** Conventional  
**Verification** Other sources: Costar, Public Record, Appraiser files, other

**Sale Price** \$694,000  
**Cash Equivalent** \$694,000

**Land Data**

**Land Size** 0.392 Acres or 17,076 SF  
**Front Footage** 170 ft Battleground Ave;  
**Zoning** CB, Central Business  
**Topography** Mostly Level  
**Utilities** All Public

**Shape** Irregular  
**Landscaping** Minimal  
**Flood Info** Not in a flood zone

**General Physical Data**

**Building Type** Single Tenant  
**Gross SF** 5,000

**Roof Type** Flat  
**Foundation** Concrete  
**Electrical** Adequate  
**HVAC** FWA/Central  
**Stories** 1  
**Year Built** 1957 Remodeled 2018/2019  
**Condition** Average

**Indicators**

**Sale Price/Gross SF** \$138.80  
**Floor Area Ratio** 0.29  
**Land to Building Ratio** 3.42:1

**Remarks**

Property is on the north side of Battleground Avenue, just west of N Eugene Street, in Greensboro, NC. Property was previously home to a daycare and renovated/upfit into restaurant/cafe use after the purchase. Property is currently home to The Sage Mule and is in the CBD of downtown Greensboro, just outside Fisher Park. Parking lot provides 23 spaces.

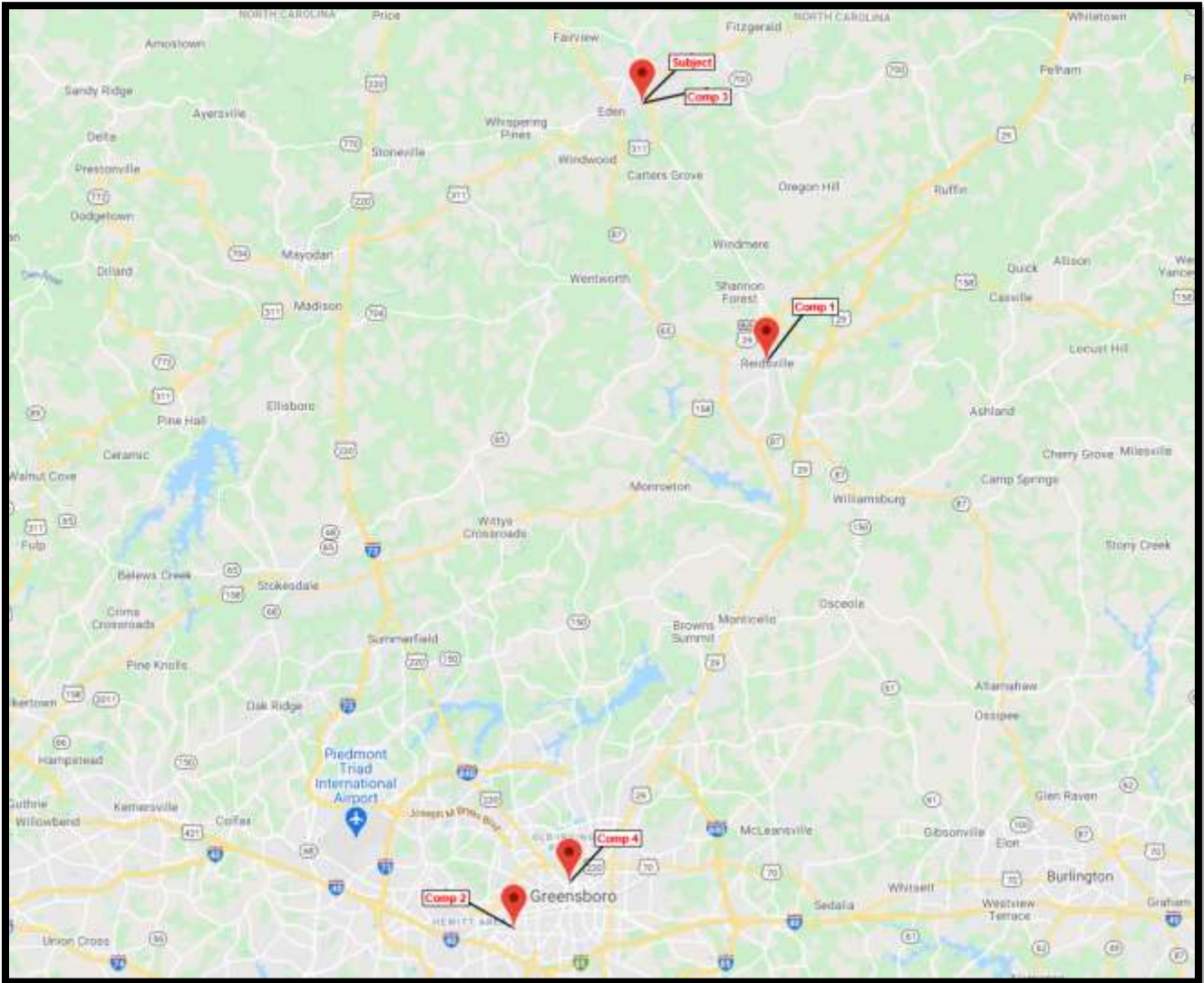
*A Commercial Retail/Office Building, 247 W. Kings Highway, Eden, North Carolina*

Improved Sales Grid					
	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4
	247 W. Kings Highway	502 S. Scales Street	2501 W. Gate City Boulevard	245 W. Kings Highway	608 Battleground Avenue
Location:	Eden, NC	Reidsville, NC	Greensboro, NC	Eden, NC	Greensboro, NC
City, State:					
Date of Sale:		Apr-21	Aug-20	Jun-20	Dec-18
Sale Price:		\$275,000	\$355,000	\$135,000	\$694,000
Building Size (SF):	5,260	1,986	2,288	1,100	5,000
Land Size (acre):	0.914	0.362	0.440	0.454	0.392
Land Size (SF):	39,814	15,750	19,166	19,759	17,076
% Building to Land:	13%	13%	12%	6%	29%
Sales Price Per SF:		\$138.47	\$155.16	\$122.73	\$138.80
<b>Adjustments</b>					
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	\$155.16	\$122.73	\$138.80
Financing Terms	Assumes Cash	Market	Market	Market	Market
Percentage Adjustment		0%	0%	0%	0%
Adjusted Price/Sq. Ft:		\$138.47	\$155.16	\$122.73	\$138.80
Conditions of Sale	Arm's Length	Arm's Length	Arm's Length FF&E Inc.	Arm's Length	Arm's Length
Percentage Adjustment		0%	-6%	0%	0%
Adjusted Price/Sq. Ft:		\$138.47	\$145.85	\$122.73	\$138.80
Expenditures After the Sale	None	None	None	None	None
Percentage Adjustment		0%	0%	0%	0%
Adjusted Price/Sq. Ft:		\$138.47	\$145.85	\$122.73	\$138.80
Market Conditions	Current	Apr-21	Aug-20	Jun-20	Dec-18
Percentage Adjustment:		0%	0%	0%	2%
Adjusted Price/Sq. Ft.:		\$138.47	\$145.85	\$122.73	\$141.58
Location:	Average	Similar/ Superior Exposure	Superior/ Superior Exposure	Similar/ Similar Exposure	Superior/ Superior Exposure
Percentage Adjustment:		-5%	-15%	0%	-20%
Building Size (SF):	5,260	1,986	2,288	1,100	5,000
Percentage Adjustment:		-10%	-7.5%	-15%	0%
Year Built/Quality/Condition:	1970/Renov 2017/ Average	1947/Renov/ Average	1969/Renov/ Superior	1978/Avg/ Inferior	1957/Renov/ Similar
Percentage Adjustment:		5%	-7.5%	5%	0%
% Building to Land:	13%	13%	12%	6%	29%
Percentage Adjustment:		0%	0%	0%	5%
Net Adjustments:		-10.00%	-30.00%	-10.00%	-15.00%
Adjusted Price/Sq. Ft.:		\$124.62	\$102.09	\$110.45	\$120.34

Statistical Analysis	Before Adj.	After Primary Adj.	After Physical Adj.
Minimum	\$122.73	\$122.73	\$102.09
Average	\$138.79	\$137.16	\$114.38
Median	\$138.63	\$140.02	\$115.40
Maximum	\$155.16	\$145.85	\$124.62



## IMPROVED SALES SUMMARY



The appraisers have located four 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 \$122.73 to \$155.16 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.

***Rights of Ownership Adjustments***

All sales were vacant at the time of sale, indicating Fee Simple transfer of ownership. No adjustments were necessary.

***Conditions of Sale***

All comparable sales were Arm's Length transactions, however, sale 2 included some of the restaurant fixtures and equipment. A downward adjustment was supported.

***Market Conditions Adjustments***

Comparable sale 4 occurred during inferior market conditions in 2018 when values were increasing. An upward adjustment was applied. No other adjustments for market conditions could be 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. Adjustments are based on paired sales analysis and the actions of typical market participants.

***Location Adjustments***

Sale 1 resides in an area with similar attributes to the subject with superior traffic exposure being located on the corner of a signalized intersection; a downward adjustment was made. Sales 2 and 4 both reside in Greensboro, NC in areas where values tend to be higher and benefiting from superior traffic exposure; downward adjustments were applied, to varying degrees. Sale 3 is located next-door to the subject on an adjacent parcel and no adjustment was supported.

***Size Adjustments***

Typically, within economies of scale, larger buildings sell for less per square than smaller buildings. Sales 1, 2, and 3 were smaller than the subject to a degree that warranted downward adjustments.

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

The subject was built in 1970 of average quality construction. Some minor deferred maintenance was noted at the time of inspection and is considered in the overall, as-is condition of the property when comparing to the sales. The building underwent renovations in 2017 to repair damage from a tornado. The current condition is considered to be average. Sale 1 is older than the subject, similar in current condition and received a slight upward adjustment for age. Sale 2 is similar in age to the subject and superior in condition; a downward adjustment was supported. Sale 3 received an upward adjustment for inferior condition to the subject. Sale 4 was overall similar to the subject at the time of sale and no adjustment was warranted.

***Building to Land Adjustment***

The subject features a 13% building-to-land ratio, leaving room for utilization of the site. Sale 4 has an inferior building-to-land ratio and an upward adjustment was supported. All remaining sales had overall similar site utilization with no adjustments supported.

**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 \$102.09 to \$124.62 with an average of \$114.38 and a median of \$115.40. Each of the sales is considered a reasonable substitute and received consideration, however, most weight was placed on sale 3 for its proximity to the subject and similarities in age and utility.

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 \$110.00. The estimated value of the subject by the sales comparison approach is as follows:

***Fee Simple Value by the Sales Comparison Approach***

$$5,260 \text{ SF} \times \$110 \text{ per SF} = \$578,600$$

$$\text{Rounded} = \$580,000$$

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

## INCOME APPROACH

### Fee Simple Analysis

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 market rent 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 subject property is subdivided into two units with the unit A having served as a restaurant containing 3,636 SF and unit B serving as an office space providing 1,612 SF. Unit sizes are based on previous leases provided by the client. According to the client, the tenant leasing the restaurant space had a term that was set to expire in October 2025, however, they had recently abandoned the property and defaulted on rent payments. The office space is currently occupied with a lease term expiring September 30, 2021. The tenant plans to leave the property at the end of the lease. The details from the leases provided by the client are summarized as follows:

Tenant	Size (SF)	Monthly Rent	Annual Rent	Annual Rent/SF	Taxes	Ins.	CAM	Lease Commenced	Current Lease Start	Current Lease End	Renewal Options
Red River Grill	3,636	\$3,774.80	\$45,297.62	\$12.46	Y	Y	Y	11/2015	10 yrs	10/31/2025	Yes
New hope Solutions	1,612	\$1,714.82	\$20,577.87	\$12.77	Y	Y	Y	10/1/2018	3 yrs	9/30/2021	No

Leases were structured on a triple net (NNN) basis with the landlord paying for roof/structural repairs and the tenant responsible for utilities, common area maintenance, and reimbursing real estate taxes and insurance expenses. For purposes of analysis, the appraisers will utilize the square footage indicated in the lease documents for each unit, as stated above. We will present an analysis for the restaurant upfit unit followed by an analysis for the office space upfit unit.

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



**RESTAURANT/RETAIL SPACE - 3,636 Square Feet**

**Improved Lease LISTING No. 1**



**Property Name**  
**Address**

Former Fast-Food Building  
718 Highway Street, Madison, Rockingham County, North  
Carolina 27025

FOR SALE OR LEASE

# Fast Food Restaurant Property

718 N HIGHWAY ST, MADISON, NC 27025

RETAIL



## PROPERTY OVERVIEW

### FREESTANDING RETAIL BUILDING

Formerly a Taco Bell, 718 North Highway Street is located in Madison, NC near the intersection of Business 220 (Future I-73) and Highway 704.

- + **Total SF:** 2,375 SF
- + **Sale Price:** \$425,000
- + **Lease Rate:** \$13.00/SF
- + **Year Built:** 1993
- + **Zoning:** GCDMD
- + **Equipment:** Walk-in refrigerator, tankless water heaters, booths, tables and various other equipment
- + Drive-thru and outdoor dining in place



## CONTACT US

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**FOR SALE OR LEASE**  
**Fast Food Restaurant Property**  
718 N HIGHWAY ST, MADISON, NC 27025

**RETAIL**

**PROPERTY INFORMATION**

- + Located in the heart of Madison, NC
- + Good visibility and high traffic counts on North Highway Street, a large retail corridor
- + Rear access to shopping center
- + 30 miles from Greensboro, North Carolina
- + Many national retailers in area including fast food and restaurants close by



**Improved Lease No. 2**



**Property Identification**

<b>Record ID</b>	2980
<b>Property Type</b>	Commercial, Shopping Center
<b>Address</b>	5200 Freeway Drive, Reidsville, Rockingham County, North Carolina 27320
<b>Tax ID</b>	172922

**Physical Data**

<b>Land Size</b>	7.890 Acres or 343,688 SF
<b>Net Rentable SF</b>	41,825
<b>SF</b>	41,825

<b>Construction Type</b>	Brick/Block/EFIS
<b>Roof Type</b>	Rubber Membrane
<b>Foundation</b>	Concrete
<b>Electrical</b>	Assumed Adequate
<b>HVAC</b>	Gas FWA/Central
<b>Sprinklers</b>	Yes
<b>Stories</b>	1
<b>Year Built</b>	1997
<b>Condition</b>	Average



<b>Tenant Rent Roll</b>						
<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>
	Dollar General	8,625	\$6.50		6/1/2000	20 Years
	Liberty Tax	1,400	\$9.65		9/1/2014	5 Years
	Golden China	1,400	\$15.43	Net	8/1/2019	5 yrs
	KB Nails	1,400	\$12.43	Gross	4/1/2015	5 Years
	Green Zone Recycling				5/13/2013	6 Years
	SECU			Net	01/01/2009	10 Years
	Food Lion	29,000	\$9.20	Net	5/1/2018	5 Years

**General Tenant Summary**

**Owner** The Khoshbin Towner II, LP  
**Management Co.** MarketPlace Partners, LLC  
**Verification** Rent Roll; Laura Mallory, MAI, June 04, 2018; Other sources: Appraiser Files

**Rent Analysis**

**Rent** \$6.50 - \$14.70/SF  
**Occupancy** 100%

**Remarks**

This shopping center is located on the west side of NC 14 just north of Freeway Drive (US 29 Business) in Reidsville, North Carolina. The leases are on a net expense basis with the tenants reimbursing their pro-rata share of T,I, CAM. Food Lion reimburses \$1.80/SF, Dollar General \$2.38/SF, Liberty Tax \$2.76/SF, and Golden China (for term commencing 8/2019 - 7/2024) reimbursing \$2.85/SF each. KB Nails does not pay reimbursements.

**Lei Jin dba Golden China**

Lei Jin leases 1,400 square feet. The original lease was from 1/1/2003 to 12/31/07 a copy of the original lease was not provided, however the base rent was \$1,516.57 per month (\$18,198.84 per year = \$13.00 /SF). The rent from 1/1/08 to 6/30/14 is unknown. According to the first amendment to the lease, the base rent from 7/1/09 to 7/31/14 was \$1,633.33 per month. According to the second amendment, the base rent is as follows:

8/1/2014-7/31/2019 \$1,715 per month (\$20,580 per year = \$14.70 /SF)  
 8/1/2019-7/31/2024 \$1,800 per month (\$21,600 per year = \$15.43 /SF)

**Improved Lease No. 3**



**Property Identification**

<b>Record ID</b>	2979
<b>Property Type</b>	Commercial, Shopping Center
<b>Property Name</b>	Meadow Greens Shopping Center
<b>Address</b>	640 S. Van Buren Road, Eden, Rockingham County, North Carolina 27288

**Physical Data**

<b>Land Size</b>	15.290 Acres or 666,032 SF
<b>Net Rentable SF</b>	110,666

<b>Construction Type</b>	Concrete Block/Stucco
<b>Roof Type</b>	Rubber Membrane
<b>Foundation</b>	Spread Concrete
<b>Electrical</b>	Assumed Adequate
<b>HVAC</b>	FWA/Central
<b>Stories</b>	1
<b>Year Built</b>	1960
<b>Condition</b>	Average

**General Tenant Summary**

<b>Management Co.</b>	Neari & Associates
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**Verification**                      Phill Neari, Broker; 336-408-2370, Katrina Tennis, October 01, 2019; Other sources: Public Records

**Rent Analysis**

**Rent**                                      \$4.00 - \$12.00/SF  
**Occupancy**                              100%

**Remarks**

This is a Sav-a-lot anchored shopping center located on the east side of Van Buren Street, West of Kings Highway in Eden, NC. According to the broker, the smaller tenants lease from \$10-\$12 per square foot, the larger tenants lease for \$4-\$6 per square foot with each paying \$2.00 per square foot in CAM reimbursements. All leased are structured NNN. Elizabeth's Pizza renewed lease for a 5-year term from 12/1/2020 - 11/30/2025.

Tenants include:

Save-a-lot (22,826 SF), Schewel's Furniture, Aarons (15,400 SF), Hibbett Sports (10,757 SF), It's Fashion! (8,750 SF), Dollar General (7,200 SF), Randolph Deep River Rehab (4,800 SF), UNC Rockingham Rehab, Jackson Hewitt (2,500 SF), Chinawok (2,500 SF), Elizabeth's Pizza (2,500 SF), Sakura Japanese Restaurant (2,440 SF), GNC (2,000 SF), Great Clips (2,560 SF), Domino's (1,020 SF), Southeastern Orthopedic Specialists, and Di'lishi Yogurt (3,000 SF).

**Improved Lease No. 4**



**Property Identification**

<b>Record ID</b>	3063
<b>Property Type</b>	Commercial, Restaurant-Full Service
<b>Property Name</b>	Angelina European Cafe
<b>Address</b>	220 Huffman Mill Road, Burlington, Alamance County, North Carolina 27215

**Physical Data**

<b>Land Size</b>	1.200 Acres or 52,272 SF
<b>SF</b>	4,619
<b>SF</b>	4,619

<b>Construction Type</b>	Masonry
<b>Roof Type</b>	Built Up Tar & Gravel
<b>Foundation</b>	Spread Concrete
<b>Electrical</b>	Assumed Adequate
<b>HVAC</b>	FWA/Central
<b>Stories</b>	1
<b>Year Built</b>	1970
<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>
	Angelina European Cafe	4,619	\$12.99	Net	5/2018	5 Years

**General Tenant Summary**

**Management Co.**

Maple View, Inc.

**Verification**

John Talley, Broker; 336-229-9464, April 20, 2020; Katrina Tennis

**Rent Analysis**

**Rent**

\$12.99 - \$12.99/SF; \$12.99/SF Average

**Effective Rent**

\$12.99 - \$12.99/SF; \$12.99/SF Average

**Occupancy**

100%

**Remarks**

This restaurant is located on the southeast side of Huffman Mill Road, just southwest of South Mebane Street in Burlington, NC. Rent escalations are 2% annually. Tenant has Two(2) 3-year renewal options.

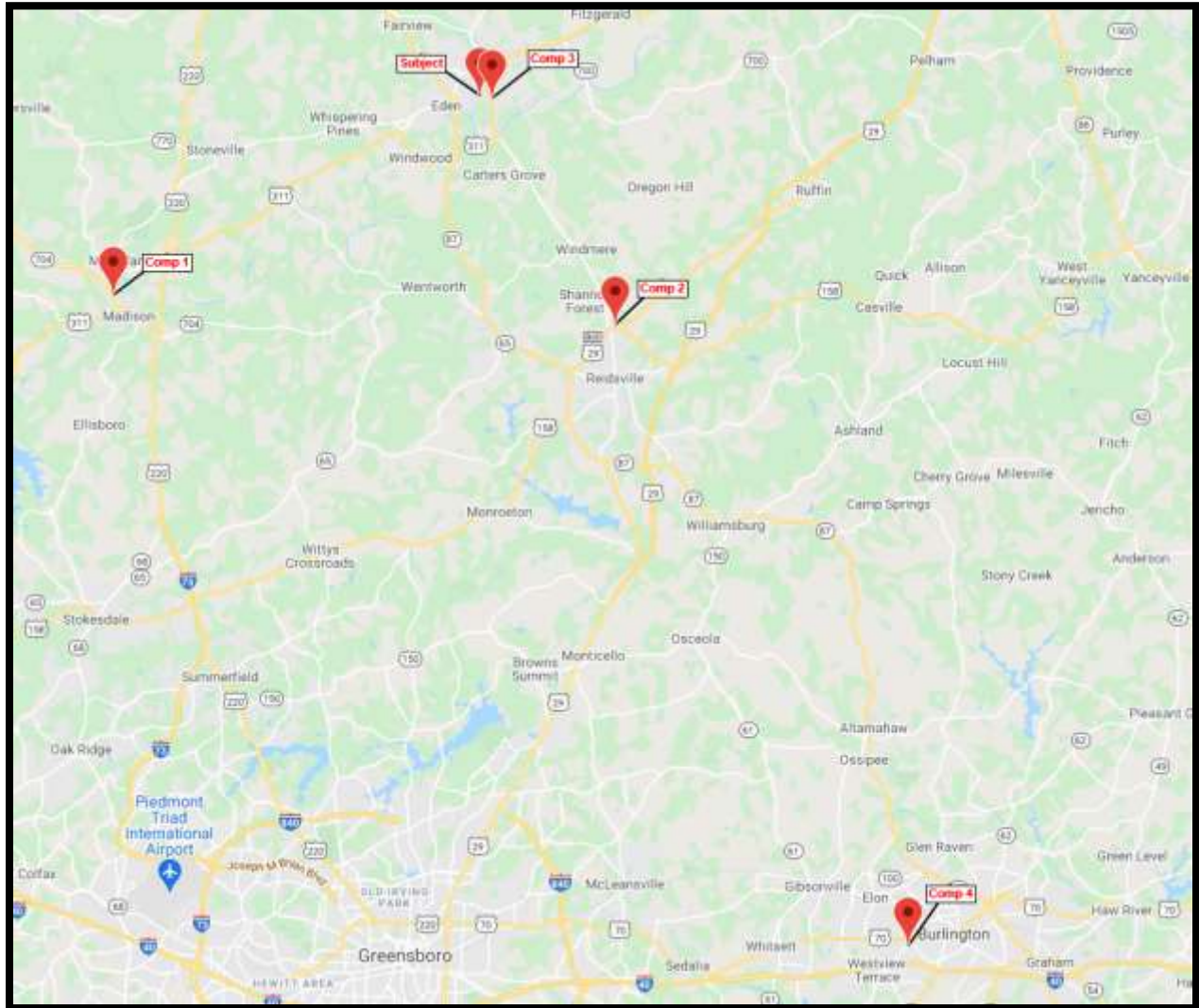
**\*As of September 2021, the current rent based on 2% annual escalations is \$13.79 /SF.**



Improved Rental Summary and Adjustment Grid					
	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4
		Restaurant	Restaurant	Restaurant	Restaurant
Location:	247 W. Kings Highway	718 Highway Street	5200 Freeway Drive	640 S. Van Buren Road	220 Huffman Mill Road
City, State:	Eden, NC	Madison, NC	Reidsville, NC	Eden, NC	Burlington, NC
Lease Dates:		LISTING	8/2019; 5 yrs	Various 2019; Current	5/2018; 5 yrs
Unit Size (SF):	3,636	2,375	1,400	2,440-3,000	4,619
Unadjusted Rent /SF:		\$13.00	\$15.43	\$12.00	\$13.79
<b>Primary Adjustments</b>					
Rental Terms	NNN	NNN	NNN	NNN	NNN
Lessor's Expenses	Structural/Roof	Structural/Roof	Structural/Roof	Structural/Roof	Structural/Roof
Lessee's Expenses	TICAM	TICAM	TICAM	TICAM	TICAM
Utilities	Utilities	Utilities	Utilities	Utilities	Utilities
% Adjustment		0%	0%	0%	0%
Adjusted Rent /SF		\$13.00	\$15.43	\$12.00	\$13.79
Market Conditions	Current	LISTING	Similar	Similar	Similar
% Adjustment		-5%	0%	0%	0%
Adjusted Rent /SF:		\$12.35	\$15.43	\$12.00	\$13.79
<b>Secondary Adjustments</b>					
Location	Average	Similar/Superior Exposure/Anchored	Superior/Anchored	Similar/Anchored	Superior/ Superior Exposure
% Adjustment		-10%	-10%	-5%	-15%
Unit Size (Sq. Ft.)	3,636	2,375	1,400	2,440-3,000	4,619
% Adjustment		0%	-5%	0%	0%
Year Built/Quality/Condition	1970/Renov 2017/ Average	1993/Avg/Similar	1997/Average/ Superior	1960/Renov/ Similar	1970/Renov/ Superior
% Adjustment		0%	-10%	0%	-5%
Net Adjustments:		-10.0%	-25.0%	-5.0%	-20.0%
Adjusted Rent/Sq. Ft.:		\$11.12	\$11.57	\$11.40	\$11.03

<u>Statistical Analysis</u>	<u>Before Adj.</u>	<u>After Primary Adj.</u>	<u>After Adj.</u>
Minimum	\$12.00	\$12.00	\$11.03
Average	\$13.56	\$13.39	\$11.28
Median	\$13.40	\$13.07	\$11.26
Maximum	\$15.43	\$15.43	\$11.57

## RENTAL SUMMARY



The appraisers located one active listing and three current rentals 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 range of rents for the comparable rentals is \$12.00 to \$15.43 per square foot prior to adjustments. The range can be narrowed by comparing the rentals to the subject property.

### ***Terms Adjustments***

The subject is leased on a triple net (NNN) basis with the tenant paying utility expenses and reimbursing for their pro-rata share of taxes, insurance, and CAM. All rentals are leased under similar terms and no adjustments were warranted.

### ***Market Conditions***

Rental 1 is an active listing and received a downward adjustment due to asking rents typically

being the high point to start negotiations. Rentals 2, 3, and 4 are executed and reflect current market conditions for the subject.

***Location Adjustments***

Rental listing 1 received a downward adjustment for having superior traffic exposure and residing on an out-parcel to an anchored shopping center. Rental 2 resides in a superior area in Reidsville, NC near the corner of US-29 and NC-14 within an anchored center; a downward adjustment was made. Rental 3 is within proximity to the subject and received a downward adjustment for being located in an anchored shopping center. Rental 4 is a freestanding building in a superior submarket in Burlington, NC on a street with superior traffic exposure; a downward adjustment was made.

***Size Adjustments***

In economies of scale, larger buildings tend to rent for less per square foot compared to smaller buildings and vice versa. The subject has 3,636 SF of net leasable area in the front unit. Differences in size did not appear great enough to warrant adjustments for rentals 1, 3, and 4. A downward adjustment was made for rental 2 having a considerably smaller space than the subject.

***Year Built/Quality/Condition Adjustments***

The subject is a free-standing retail/office building constructed in 1970 of average quality. Renovations were made in 2017 due to tornado damage and the subject is in average current condition with some minor repairs needed. Rentals 1 and 3 are considered overall similar in condition with no adjustments supported. Rentals 2 and 4 are both superior in current condition/upfit and received downward adjustments, to varying degrees.

**Summary**

After adjusting the comparable rentals for differences when compared to the subject, the range of gross rents per square foot is \$11.03 to \$11.57 with an average of \$11.28 and a median of \$11.26. It is the appraisers' opinion that a rate of \$11.50 per square foot is reasonable and representative of a market rate for the subject as it falls within the established range of market rents. The market rent of \$11.50 per square foot will be utilized on the income statement later in this section.

The appraiser would like to note that Red River Grill's contract rent of \$12.46 /SF would be considered above market.

**OFFICE SPACE – 1,612 Square Feet**

**Improved Lease No. 1**



**Property Identification**

**Record ID** 2649  
**Property Type** Office, Office- Medical  
**Address** 207 E Meadow Rd, Eden, Rockingham County, North Carolina  
 27288  
**Tax ID** 177542

**Physical Data**

**Land Size** 1.840 Acres or 80,150 SF  
**SF** 1,840  
**SF** 1,840  
**Construction Type** Masonry  
**Foundation** Concrete  
**Stories** 1  
**Year Built** 2015  
**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>
	Physical Therapy & Hand Spec.	1,840	\$16.50	Modified Gross	10/2016	5 yrs

**General Tenant Summary**

**Owner** Strickland & Tate, LLC  
**Management Co.** JJ Joubran  
**Verification** Other sources: Public Records, Local Appraiser

**Rent Analysis**

<b>Rent</b>	\$16.50 - \$16.50/SF; \$16.50/SF Average
<b>Effective Rent</b>	\$16.50 - \$16.50/SF; \$16.50/SF Average

**Remarks**

The property is a 11,759 square foot professional and medical office building located on 1.84 acres located on East Meadow Rd in Eden, NC. Current tenants include Physical Therapy & Hand Specialists, Beavers Dermatology and Advanced Hearing & Audiology. Units were in unfinished raw shell condition and customized for user.



**Improved Lease No. 2**



**Property Identification**

<b>Record ID</b>	3245
<b>Property Type</b>	Commercial, Office/Retail
<b>Property Name</b>	Liberty Tax Service
<b>Address</b>	709 South Van Buren Road, Eden, Rockingham County, North Carolina 27288
<b>Tax ID</b>	141560

**Physical Data**

<b>Land Size</b>	0.145 Acres or 6,300 SF
<b>Gross SF</b>	1,257
<b>Leasable SF</b>	1,257

<b>Construction Type</b>	Masonry
<b>Roof Type</b>	Arched/Tiered, Asphalt shingle
<b>Foundation</b>	Concrete
<b>Electrical</b>	Adequate
<b>HVAC</b>	FWA(gas)/Central(electric)
<b>Stories</b>	1
<b>Year Built</b>	1968
<b>Condition</b>	Average

<b><u>Tenant Rent Roll</u></b>						
<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>
	Liberty Tax	1,257	\$14.32	Modified Gross	4/2017	5 yrs

**General Tenant Summary**

**Owner** Fowler Development, LLC  
**Verification** JR Cecil; Rent Roll; May 20, 2021; Other sources: Public Record, Appraiser files, other

**Rent Analysis**

**Rent** \$14.32 - \$14.32/SF; \$14.32/SF Average  
**Effective Rent** \$14.32 - \$14.32/SF; \$14.32/SF Average  
**Occupancy** 100

**Remarks**

The property is located on the southwest corner of S. Van Buren Road and W. Arbor Lane in Eden, North Carolina. The subject property is fully occupied with one tenant, who has been leasing the subject since 2012. The subject is leased on a modified gross basis for \$1,500/month (\$18,000/year) with the tenant responsible for utilities and minor repairs up to \$500. The landlord is responsible for property taxes, hazard insurance, common area maintenance, and roof/structural repairs. The space upfit is general office and recently had carpet replaced in 2020. The building will need a new HVAC and roof in the near future, however there is little deferred maintenance and the property is considered to be in average condition.

Current tenant plans to purchase property for owner-occupied use.

**Improved Lease No. 3**



**Property Identification**

<b>Record ID</b>	3246
<b>Property Type</b>	Commercial, Office/Retail
<b>Address</b>	1560 Freeway Drive, Reidsville, Rockingham County, North Carolina 27320
<b>Tax ID</b>	143076

**Physical Data**

<b>Land Size</b>	3.370 Acres or 146,797 SF
<b>Gross SF</b>	27,300
<b>Leasable SF</b>	3,500

<b>Construction Type</b>	Masonry
<b>Roof Type</b>	Flat
<b>Foundation</b>	Concrete
<b>Electrical</b>	Adequate
<b>HVAC</b>	FWA/Central
<b>Stories</b>	1
<b>Year Built</b>	1998
<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>
1560-F	Moses Cone Affiliate Physician	3,500	\$12.25	NNN	10/2018	5 yr

**General Tenant Summary**

**Owner** PGP Freeway, LLC; RJB Reidsville, LLC; et. Al...  
**Verification** Nancy Cox; NAI Piedmont Triad; 336-358-3223, Other sources: Public Record, Lease brochure, Costar, other

**Rent Analysis**

**Rent** \$12.25 - \$12.25/SF; \$12.25/SF Average  
**Effective Rent** \$12.25 - \$12.25/SF; \$12.25/SF Average

**Remarks**

Office rental is located in un-anchored retail strip center on the east side of Freeway Drive in western Reidsville, NC. Space up-fit is medical office providing 3,500 SF. Lease is \$12.25 /SF(\$42,875 /year) on a triple net (NNN) basis with the tenant responsible for pro-rata TICAM expenses and landlord paying for roof/structural repairs. Space is in good condition.

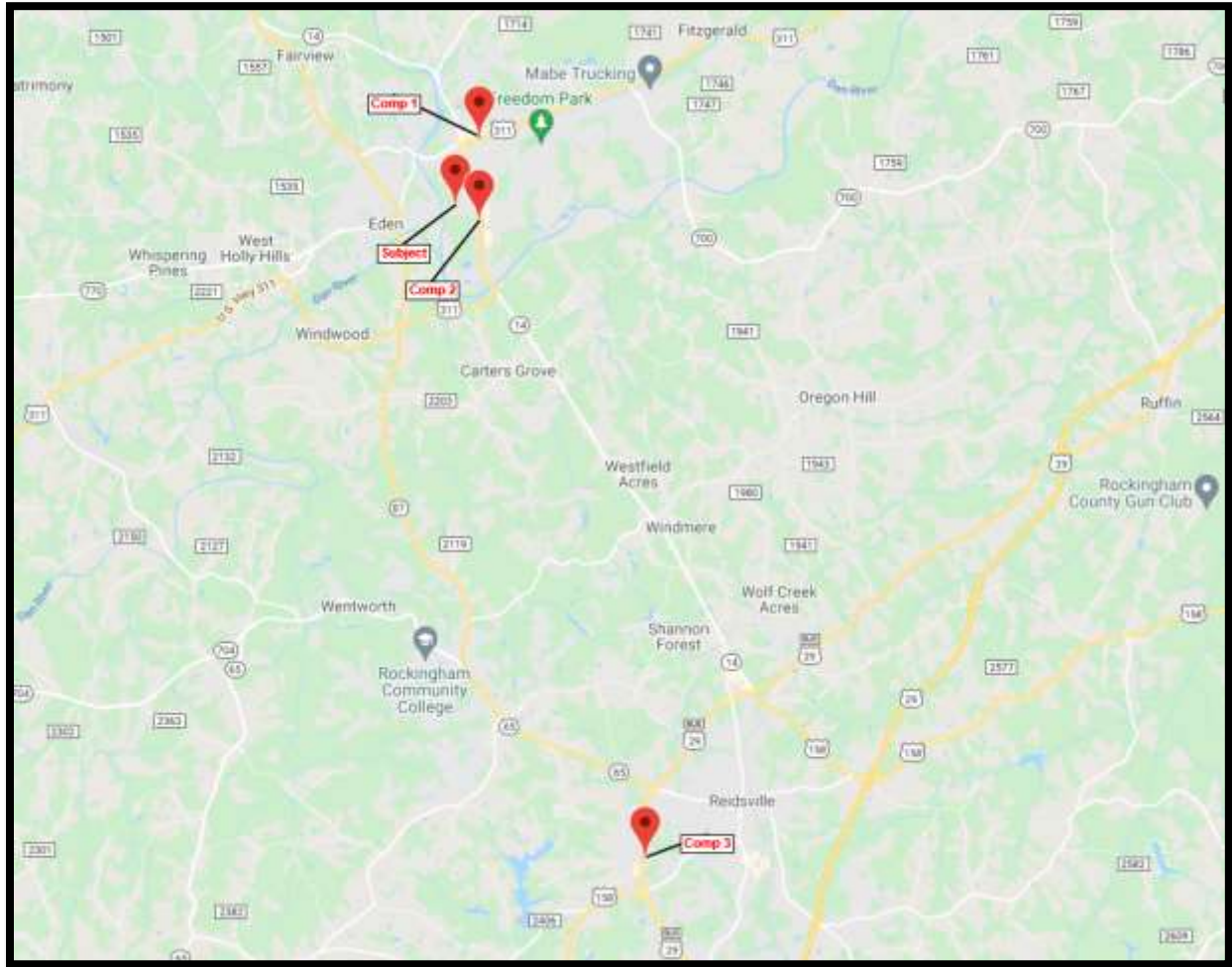
Units in center have average lease rate of \$12-13 /SF

Improved Rental Summary and Adjustment Grid				
	Subject	Comparable 1	Comparable 2	Comparable 3
		Med Office	Office	Med Office
Location:	247 W. Kings Highway	207 E. Meadow Road	709 S. Van Buren Road	1560 Freeway Drive
City, State:	Eden, NC	Eden, NC	Eden, NC	Reidsville, NC
Lease Dates:		10/2016, 5 yrs	4/2017; 5 yrs	10/2018; 5 yrs
Unit Size (SF):	1,612	1,840	1,257	3,500
Unadjusted Rent /SF:		\$16.50	\$14.32	\$12.25
Primary Adjustments				
Rental Terms	NNN	Modified	Modified	NNN
Lessor's Expenses	Structural/Roof	Structural/Roof TICAM	Structural/Roof TICAM	Structural/Roof
Lessee's Expenses	TICAM Utilities	Utilities Minor Repairs	Utilities Minor Repairs	TICAM Utilities
% Adjustment		-10%	-10%	0%
Adjusted Rent /SF		\$14.85	\$12.89	\$12.25
Market Conditions	Current	2016, Inferior	2017, Inferior	2018, Inferior
% Adjustment		5%	3%	0%
Adjusted Rent /SF:		\$15.59	\$13.27	\$12.25
Secondary Adjustments				
Location	Average	Superior/ Superior Frontage	Similar/ Superior Frontage	Inferior/ Superior Frontage
% Adjustment		-15%	-10%	0%
Unit Size (Sq. Ft.)	1,612	1,840	1,257	3,500
% Adjustment		0%	0%	5%
Year Built/Quality/ Condition	1970/Renov 2017/ Average	2015/Avg/Superior	1968/Avg/Similar	1998/Avg/Superior
% Adjustment		-10%	0%	-10%
Net Adjustments:		-25.0%	-10.0%	-5.0%
Adjusted Rent/Sq. Ft.:		\$11.69	\$11.95	\$11.64

Statistical Analysis	Before Adj.	After Primary Adj.	After Adj.
Minimum	\$12.25	\$12.25	\$11.64
Average	\$14.36	\$13.71	\$11.76
Median	\$14.32	\$13.27	\$11.69
Maximum	\$16.50	\$15.59	\$11.95



## RENTAL SUMMARY



The appraisers located three rentals 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 range of rents for the comparable rentals is \$12.25 to \$16.50 per square foot prior to adjustments. The range can be narrowed by comparing the rentals to the subject property.

### ***Terms Adjustments***

The subject is being treated as if leased on a triple net (NNN) basis with the tenant paying utility expenses along with reimbursing for taxes, insurance and CAM. The landlord is responsible for roof/structural repairs. Leases 1 and 2 are on modified gross terms with downward adjustments made. Lease 3 is leased on triple net terms similar to the subject with no adjustment warranted.

### ***Market Conditions***

Leases 1 and 2 were executed during inferior market conditions when rents were on the rise and do not have rental escalations built into the terms; upward adjustments were made, to varying degrees. No adjustment could be supported for rental 3.

***Location Adjustments***

The subject space is located in the back of the building with no frontage facing W. Kings Highway. Comparable lease 1 is in a similar area to the subject in Eden, NC but on an outparcel to a shopping center with superior frontage and traffic exposure; a downward adjustment was warranted. Rental 2 is a freestanding building in a similar area to the subject with superior frontage on S. Van Buren Road and superior traffic exposure; a downward adjustment was supported. Rental 3 is located in an inferior area of Reidsville, NC, west of central business. Similar to the other rentals, the comp has superior frontage exposure; these factors effectively cancelled each other out leading to a net-zero adjustment.

***Size Adjustments***

In economies of scale, larger buildings tend to rent for less per square foot compared to smaller buildings and vice versa. The subject's office unit has 1,612 SF of net leasable area. Rental 3 is larger than the subject to a degree that warranted an upward adjustment.

***Year Built/Quality/Condition Adjustments***

The subject is a free-standing retail/office building constructed in 1970 of average quality and average current condition, with renovations having occurred in 2017. Rentals 1 and 3 are younger than the subject and superior in condition with downward adjustments warranted. Rental 2 is overall similar to the subject and no adjustment was supported.

**Summary**

After adjusting the comparable rentals for differences when compared to the subject, the range of gross rents per square foot is \$11.64 to \$11.95 with an average of \$11.76 and a median of \$11.69. It is the appraisers' opinion that a rate of \$11.75 per square foot is reasonable and representative of a market rate for the subject as it falls within the established range of market rents. The market rent of \$11.75 per square foot will be utilized on the income statement in the following section.

The appraiser would like to note that New Hope Solutions' contract rent of \$12.77 /SF would be considered above market.

**VALUE BY INCOME APPROACH**

The income statement for the subject is presented as follows:

<b>INCOME STATEMENT</b>							
<b>RENTAL INCOME</b>							
Unit A Restaurant/Retail	3,636	SF	x	\$11.50	/SF	=	\$41,814
Unit B Office	1,612	SF	x	\$11.75	/SF	=	\$18,941
	<b>5,248</b>						<b>\$60,755</b>
<b>REIMBURSEMENTS</b>							<b>\$10,206</b>
<b>TOTAL INCOME</b>							<b>\$70,961</b>
<b>LESS VAC. &amp; CREDIT LOSS</b>			<b>6%</b>			-	<b>\$4,257.67</b>
<b>EFFECTIVE GROSS INCOME</b>							<b>\$66,703</b>
<b>EXPENSES</b>							
<b>FIXED</b>							
Taxes				\$5,083			
Insurance				\$1,623			
						\$6,706	
<b>VARIABLE</b>							
Management Fee			4%	\$2,668			
CAM				\$3,500			
						\$6,168	
<b>RESERVES</b>							
Replacements				\$1,050			
						\$1,050	
<b>TOTAL EXPENSES</b>							<b>\$13,924</b>
<b>NET OPERATING INCOME</b>							<b>\$52,780</b>
<b>OPERATING EXPENSE RATIO</b>				<b>21%</b>			

**Rental Income**

The rental income presented is based on the market rates previously discussed:

<b>RENTAL INCOME</b>							
Unit A Restaurant/Retail	3,636	SF	x	\$11.50	/SF	=	\$41,814
Unit B Office	1,612	SF	x	\$11.75	/SF	=	\$18,941
	<b>5,248</b>						<b>\$60,755</b>

**Reimbursements**

The rental spaces are being treated as if they will continue to be leased on triple net terms with the tenants responsible for reimbursing expenses for taxes, insurance, and common area maintenance. Expenses will be discussed in detail later in this section.

**Vacancy & Credit Loss**

According to the CoStar Retail Report for the Rockingham County Submarket, the vacancy rate is 7.7% overall and 5.2% for general retail. Office properties in the submarket reported a vacancy rate of 8.7% overall and 3.2% for office space similar to the subject (one and two-star rated offices).

The CoStar Retail Report for the Greensboro Market indicates a vacancy rate of 5.1% overall and 3.0% for general retail. Office properties in the Greensboro market reported an overall vacancy of 10.5% and 5.5% for one and two-star rated offices.

The appraisers believe a vacancy rate of 6% is reasonable.

**Effective Gross Income**

After adding tenant reimbursements and subtracting vacancy and credit loss from the total income, an effective gross income is as follows:

<b>RENTAL INCOME</b>							
Unit A Restaurant/Retail	3,636	SF	x	\$11.50	/SF	=	\$41,814
Unit B Office	1,612	SF	x	\$11.75	/SF	=	\$18,941
	<b>5,248</b>						<b>\$60,755</b>
<b>REIMBURSEMENTS</b>							<b>\$10,206</b>
<b>TOTAL INCOME</b>							<b>\$70,961</b>
<b>LESS VAC. &amp; CREDIT LOSS</b>			<b>6%</b>			-	<b>\$4,257.67</b>
<b>EFFECTIVE GROSS INCOME</b>							<b>\$66,703</b>

**Expenses**

The expenses for the subject are projected as follows:

<b><i>EXPENSES</i></b>			
<b><i>FIXED</i></b>			
Taxes		\$5,083	
Insurance		<u>\$1,623</u>	
			\$6,706
<b><i>VARIABLE</i></b>			
Management Fee	4%	\$2,668	
CAM		<u>\$3,500</u>	
			\$6,168
<b><i>RESERVES</i></b>			
Replacements		<u>\$1,050</u>	
			\$1,050
<b><i>TOTAL EXPENSES</i></b>			<u>\$13,924</u>

**Taxes**

An expense is incurred for property taxes. This amount is based on actual 2021 tax values shown earlier in this report.

**Insurance**

The client provided a hazard insurance expense estimated at \$1,623.01 or \$0.31 per square foot. This amount is considered reasonable based on similar properties.

**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 4% management fee is considered reasonable.

**Common Area Maintenance**

The common area maintenance expense was provided by the client and estimated at \$3,500 or \$0.67 per square foot. This amount is within a reasonable range based on similar properties.

**Replacements**

The replacements are estimates for the roof, heat/AC systems, and other replacements. 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. The replacements are based on \$0.15 to \$0.30 per square foot, based on similar properties. An amount of \$0.20 /SF is reasonable.



The following information is provided as support to test the reasonableness of expenses, without reserves, included for the subject:

SUBJECT			#1		#2		#3		#4	
W. Kings Highway Eden, NC			S. Market Street Madison, NC		Battleground Ave. Greensboro, NC		NC Highway 42 N. Asheboro, NC		W. Dixie Drive Asheboro, NC	
Size			5,248		5,168		5,654		3,000	
Expense	Annual	\$/Sf	Annual	\$/Sf	Annual	\$/Sf	Annual	\$/Sf	Annual	\$/Sf
Taxes	\$ 5,083	\$ 0.97	\$ 1,792	\$ 0.35	\$ 17,436	\$ 3.08	\$ 3,030	\$ 1.01	\$ 3,150	\$ 1.05
Insurance	\$ 1,623	\$ 0.31	\$ 1,900	\$ 0.37	\$ 1,349	\$ 0.24	\$ 989	\$ 0.33	\$ 360	\$ 0.12
Management	\$ 2,668	\$ 0.51	\$ 758	\$ 0.15	\$ 5,999	\$ 1.06	\$ 1,115	\$ 0.37	\$ 1,170	\$ 0.39
CAM	\$ 3,500	\$ 0.67	\$ 1,034	\$ 0.20	\$ 2,050	\$ 0.36	\$ 1,480	\$ 0.49	\$ 2,760	\$ 0.92
Total	\$ 12,874	\$ 2.45	\$ 5,484	\$ 1.06	\$ 26,834	\$ 4.75	\$ 6,614	\$ 2.20	\$ 7,440	\$ 2.48

The projected expenses are in line with comparable properties and considered reasonable.

**Net Operating Income**

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

<b>NET OPERATING INCOME</b>										\$52,780
<b>OPERATING EXPENSE RATIO</b>						21%				

The indicated operating expense ratio is 21%, which appears to be 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 in this type of property. The preferred method of extracting an overall rate is from sales in the market. The appraiser was able to derive an overall rate from retail/office sales in the market. A summary of the sales follows.

<b>Address</b>	<b>Sale Date</b>	<b>Price</b>	<b>OAR</b>
1156 NC Highway 66 S Kernersville, NC	2/2021	\$475,000	10%
1214 Battleground Avenue Greensboro, NC	7/2020	\$750,000	8.0%
8420 NC Highway 87 Reidsville, NC	3/2020	\$1,035,000	9.98%
4110 N. Main Street High Point, NC	1/2020	\$180,000	8.5%
709 W. Main Street Jamestown, NC	3/2019	\$113,835	8.59%
2607 E Wendover Avenue Greensboro, NC	2/2018	\$415,000	8.73%

The above sales indicate a range of OAR from a low of 8.0% to a high of 10% with an average of 8.97%.

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 2021 issue of the RealtyRates.com Investor Survey reported the national range for overall capitalization rates of all cash-surveyed Retail properties (all types) ranges from 4.55% to 13.98% with an average of 9.28%. Free-Standing Retail properties reported overall cap rates ranging from 5.00% to 13.23% with an average of 9.82%

In analyzing the available data, the appraiser is of the opinion that an appropriate overall rate for the property would be 9.0% with emphasis placed on recent, local sales and the national averages lending support for an acceptable range. The estimated value of the subject based on market rent by direct capitalization is as follows:

***Fee Simple Value by the Income Approach Method***

**NOI \$52,780 divided by OAR of 9.0% = \$586,444**

**Rounded = \$590,000**

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

## **RECONCILIATION AND FINAL VALUE ESTIMATE**

Indications of value have been developed in the foregoing report by use of the recognized methods of estimating value. The estimated values are set forth as follows:

### **VALUE ESTIMATES**

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

<b>Value Type</b>	<b>Estimated Value</b>
Fee Simple, As-is	\$580,000

#### **Indicated Value by Income Approach**

<b>Value Type</b>	<b>Estimated Value</b>
Fee Simple, As-is	\$590,000

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 value estimates indicated by the sales comparison approach were given consideration in the final reconciliation of value.

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 rate.

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 rate was extracted from the market. The value indicated by this method is considered to be a reliable indicator of value for the typical investor who would purchase the property for investment purposes. The value estimate indicated by the income approach was given consideration in the final reconciliation of value.

In final reconciliation, consideration is given to the sales comparison and income approach, with most weight placed on the sales comparison approach due to the property potentially being sold in the near future with the current and only tenant vacating at the end of September. Based on the results of the investigation and analysis and a reasonable exposure time of 12 months, the appraiser is of the opinion that the market value is as follows:

**FINAL VALUE ESTIMATE**

<b>Value Type</b>	<b>Estimated Value</b>	<b>Effective Date</b>
Fee Simple, As-Is	\$580,000	August 20, 2021

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

The estimated value is subject to the contingent and limiting conditions and the certification set out herein.

## **CERTIFICATION**

The Appraisers certify and agree that:

1. Appraisers have 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 Appraisers have 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 appraisers, however, are 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 K. Mallory has personally inspected the property for this report. To the best of the Appraiser's knowledge and belief, all statements and information in this report are true and correct, and the Appraisers have not knowingly withheld any significant information.
- Laura K. Mallory, MAI has provided 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 Appraisers are affiliated.
  7. All conclusions and opinions concerning the real estate that are set forth in the appraisal report were prepared by the Appraisers whose signatures appear 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 Appraisers, and the Appraisers 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 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 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 appraisers, however, are not qualified to detect such substances. The existence of 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, MAI  
NC State Certified General, #A3711

September 22, 2021

## **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

#### **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

**ADDENDA**



Appraisal Order Form

N130107

Client: Tammy Robertson  
Laynes Family Pharmacy Order Date:

Client Address: \_\_\_\_\_ Due Date: \_\_\_\_\_  
Property ID: 167870

Client Phone Number: \_\_\_\_\_  
Property Owner: Laynes Real Estate Inc.  
Property Contact: \_\_\_\_\_  
Phone Number: 336-623-0516

Appraisal Type:  
Single Family \_\_\_\_\_ Multi-family (2-4 units) \_\_\_\_\_  
Condo \_\_\_\_\_ Shopping Center \_\_\_\_\_  
Industrial \_\_\_\_\_ Comdemnation \_\_\_\_\_  
Land \_\_\_\_\_ Subdivision \_\_\_\_\_  
Apartments \_\_\_\_\_ Car Wash \_\_\_\_\_  
Restaurant \_\_\_\_\_ Other (Specify) \_\_\_\_\_

Subject Property Address: 247 W. Kings Hwy  
City, State, Zip Code: Greene NC 27838  
County: Rockingham

Purpose of Appraisal:  
Divorce: \_\_\_\_\_ Estate (D.O.D.) as of \_\_\_\_\_  
Purchase \_\_\_\_\_ Sale X

Building Size: 5,200  
Land Size: \_\_\_\_\_  
Bedrooms: \_\_\_\_\_  
Bathrooms: Full \_\_\_\_\_ Half \_\_\_\_\_

Fee Quoted: \_\_\_\_\_  
Hard Copies: \_\_\_\_\_  
Email Completed report to: trobertson@laynespharmacy.com

Order Completed By: Chris Nott

2013 - Jayne did for HomeTrust Bank  
One of the lessees have abandoned  
Property.

# MCNAIRY & ASSOCIATES, LLC

www.mcnairyassociates.com

1616-B Battleground Avenue  
Greensboro, NC 27408  
p. 336-378-1564  
f. 336-230-1506

E-mail: appraisal@mcnairyassociates.com

July 30, 2021

Keith Layne & Kevin Layne  
Layne Brothers Real Estate Investments LLC  
509 S Van Buren Road  
Eden, NC 27288  
336.627.4600  
trobertson@laynespharmacy.com

Re: Commercial Appraisal  
247 W. Kings Highway  
Eden, NC 27288

Dear Mr. Keith & Kevin Layne,

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.

  7-30-21

Keith Layne & Kevin Layne  
Layne Brothers Real Estate Investments LLC

Date Signed



7/30/2021

Laura K. Mallory

Date Signed



# Rockingham County

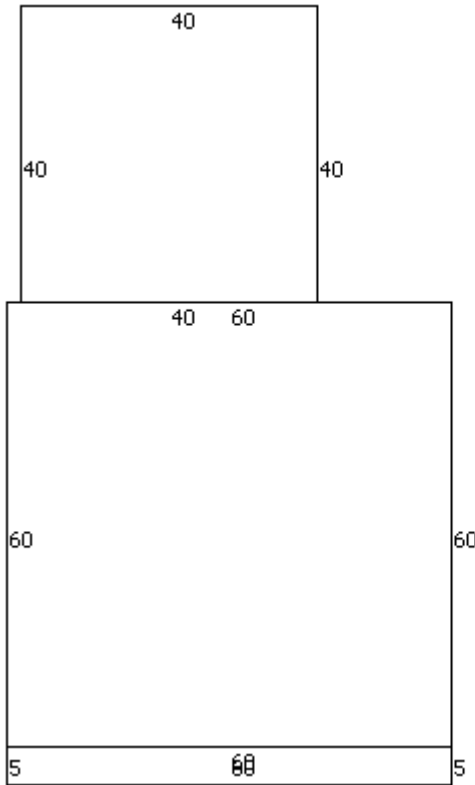
PROPERTY REPORT - PRINT

<b>Property Owner</b> LAYNE BROTHERS REAL ESTATE INVESTMENTS LLC	<b>Owner's Mailing Address</b> 509 S VAN BUREN RD EDEN, NC 27288-5018	<b>Property Location Address</b> 247 W KINGS HW
--	---	--

<b>Administrative Data</b> Parcel ID No. <b>167870</b> PIN <b>7989 05 09 5113 00</b> Owner ID <b>1232349</b> Tax District <b>102 - EDEN</b>  Land Use Code <b>421</b> Land Use Desc <b>RESTAURANT</b> Other Use Code Other Use Desc Neighborhood <b>C700L</b>	<b>Administrative Data</b> Legal Desc <b>LOT KING HWY</b>  Deed Year Bk/Pg <b>2003 - 1173 / 2024</b> Plat Bk/Pg <b>/</b>  <b>Sales Information</b> Grantor <b>LAYNE REAL ESTATE INV LLC</b>  Sold Date <b>2003-10-07</b> Sold Amount \$ <b>472,000</b>	<b>Valuation Information</b>  Market Value \$ <b>389,809</b>  Market Value - Land and all permanent improvements, if any, effective January 1, 2019, date of County's most recent General Reappraisal  Assessed Value \$ <b>389,809</b>  If Assessed Value not equal Market Value then subject parcel designated as a special class -agricultural, horticultural, or forestland and thereby eligible for taxation on basis of Present-Use.
---	--	--

<b>Improvement Detail</b> (1st Major Improvement on Subject Parcel)	
Year Built	<b>1970</b>
Built Use/Style	<b>RETAIL BLDG</b>
Current Use	<b>D /</b>
* Percent Complete	<b>100</b>
Heated Area (S/F)	<b>5,200</b>
Fireplace (Y/N)	<b>N</b>
Basement (Y/N)	<b>N</b>
Attached Garage (Y/N)	<b>N</b>
*** Multiple Improvements	<b>0</b>
* Note - As of January 1 ** Note - Bathroom(s), Bedroom(s), shown for description only *** Note - If multiple improvements equal "MLT" then parcel includes additional major improvements	

**Building Sketch**



**Land Supplemental**

Map Acres	<b>0.91</b>
Tax District Note	<b>102 - EDEN</b>
Present-Use Info	<b>RESTAURANT</b>

**Improvement Valuation (1st Major Improvement on Subject Parcel)**

\* Improvement Market Value \$

**276,059**

\*\* Improvement Assessed Value \$

**276,059**

\* Note - Market Value effective Date equal January 1, 2019, date of County's most recent General Reappraisal  
 \*\* Note - If Assessed Value not equal Market Value then variance resulting from formal appeal procedure

**Land Value Detail (Effective Date January 1, 2019, date of County's most recent General Reappraisal)**

Land Full Value (LFV) \$	Land Present-Use Value (PUV) \$ **	Land Total Assessed Value \$
<b>113,750</b>	<b>113,750</b>	<b>113,750</b>

\*\* Note: If PUV equal LMV then parcel **has not** qualified for present use program

DATE 5/11/21  
TIME 17:09:45  
USER RKKWALLACE

ROCKINGHAM COUNTY  
PROPERTY CARD  
FOR YEAR 2020

PAGE 1  
PROG# AS2006

LAYNE BROTHERS REAL  
ESTATE INVESTMENTS LLC

PARCEL ID.. 167870  
LOCATION... 247 W KINGS HW  
DEED YEAR/BOOK/PAGE.. 2003 1173 2024  
PLAT BOOK/PAGE..  
LEGAL DESC:LOT KING HWY

PIN... 7989 05 09 5113 00

509 S VAN BUREN RD

ASSESSMENT NONE .00 .00 .00  
OWNER ID.. 1232349  
DISTRICT.. 102 EDEN  
Area/Fire: 902 EDEN

EDEN  
DESCRIPTION RESTAURANT  
DESCRIPTION

TOWNSHIP... 2 LEAKSVILLE  
NC 27288-5018

NBRHOOD... C700L KINGS HIGHWAY  
NH CLASS..  
COMMERCIAL IN MORE THAN TWO ZONES

MAINTAINED.. 9/06/2019 BY RKPGRIGGS VALUED.. 9/06/2019 BY RKPGRIGGS  
VISITED..... 8/21/2017 BY GW PREV PARCEL 163714  
PARCEL STATUS... ACTIVE

ROUTING#.. 4100  
CATEGORY.. REAL & PERSONAL

DISCLAIMER-OWNERSHIP, ZONING AND OTHER INFORMATION SHOULD BE VERIFIED. INFORMATION AND VALUE SUBJECT TO CHANGE.  
\*\*\*\*\*

\* LAND VALUED BY NEIGHBORHOOD BASE RATE METHOD \*

SALES HISTORY						
DEED BK/PAGE	SALE DATE	SALES INSTRUMENT	DISQUALIFIED	SALE AMOUNT	STAMP AMOUNT	DEED NAME
1173 2024	10/07/2003	DEED		472,000		LAYNE BROTHERS REAL ESTATE INV
1057 0871	10/07/2003	COMBINE				LAYNE REAL EST INV LLC

LAND SEGMENTS													
LND #	ZONE	STRAT CODE	LAND TYPE/CODE	LAND QTY	AVERAGE LAND RATE	DPT%	SHP%	LOC%	SIZ%	OTH%	TOP%	TOT ADJ	CURRENT FMV
1	MIXED	100	AC CP	.910	125,000.00	.00	.00	.00	.00	100.00	100.00	.00	113,750
TOTAL ACRES..				.910								TOTAL LAND FMV..	113,750

----- IMPROVEMENT # 1 MAJOR IMPR-M -----

MAIN FIN AREA.. 5,200.00 ACT/EFF YR/AGE.. 1970 1970 49 VISITED.. 8/21/2017 BY GW  
 STRAT..... 100 DESCRIPT.... RETAIL BLDG MAINTAINED.. 7/11/2019 BY RKMARMC  
 MAIN GROUND SF.... 5,200.000

BUILT USE..... 40 RETAIL BLDG CURRENT USE.... CC CURRENT USE COMMERCIAL  
 LOCATION #..... 247 W KINGS HWY

COMPONENT	TYPE/CODE/DESC	PCT	UNITS	RATE	STR#	STR%	SIZ%	HGT%	PER%	CDS%	COST	%CMPL
AC CN/A	CAN/AVG	100	300.00	13.75	1.00						4,125	
MA A07	MEDICAL/DENTAL OFFIC	100	1600.00	117.50	1.00	100.00	102.00				191,760	
EW 16	BRICK	100	160.00	.00							0	
- AR 220	FORCED HOT AIR&AC	100	1600.00	4.80							7,680	
- PD CL01	DRYWALL	100	1.00	.00							0	
- PD EL03	AVERAGE ELECTRIC	100	1.00	.00							0	
- PD EX04	VINYL SIDING	100	1.00	.00							0	
- PD FL72	CARPET & ASPHALT TIL	100	1.00	.00							0	
- PD FN01	SLAB	100	1.00	.00							0	
- PD IF01	INT FINISH DRYWALL	100	1.00	.00							0	
- PD PL03	PLUMBING AVERAGE	100	1.00	.00							0	
- PD RF01	GABLE ROOF	100	1.00	.00							0	
- PD RM01	RF MATERIAL ASPHALT	100	1.00	.00							0	
MA C30	RESTAURANT MASONRY	100	3600.00	101.00	1.00	100.00	102.00				370,872	
EW 99	MULTIPLE TYPES	100	240.00	.00							0	
- AR 220	FORCED HOT AIR&AC	100	3600.00	4.80							17,280	
- PD CL09	SUSP CEILING	100	1.00	.00							0	
- PD EL03	AVERAGE ELECTRIC	100	1.00	.00							0	
- PD EX04	VINYL SIDING	90	1.00	.00							0	
- PD EX16	BRICK ON WOOD FRAME	10	1.00	.00							0	
- PD FL06	ASPHALT TILE OR LINO	100	1.00	.00							0	
- PD FN01	SLAB	100	1.00	.00							0	
- PD IF01	INT FINISH DRYWALL	100	1.00	.00							0	
- PD PL03	PLUMBING AVERAGE	100	1.00	.00							0	
- PD RF01	GABLE ROOF	100	1.00	.00							0	
- PD RM01	RF MATERIAL ASPHALT	100	1.00	.00							0	

RCN... PCT COMPLETE 100 x 591,717  
 RCN... COUNTY RCN ADJ 100.00 x 591,717  
 QUAL.. QG D AVERAGE QUALITY 100.00 x 591,717



DATE 5/11/21  
TIME 17:09:45  
USER RKKWALLACE

ROCKINGHAM COUNTY  
PROPERTY CARD  
FOR YEAR 2020

PAGE 2  
PROG# AS2006

LAYNE BROTHERS REAL

PARCEL ID.. 167870

PIN... 7989 05 09 5113 00

----- IMPROVEMENT # 1 MAJOR IMPR-M -----

COMPONENT	TYPE/CODE/DESC	PCT	UNITS	RATE	STR#	STR%	SIZ%	HGT%	PER%	CDS%	COST	%CPL
	DEPR.. CEW		EX WOOD FRAME				40.00	-		236,686		
	ECON.. ECO		ECONOMIC OBSOLESCENC				25.00	-		88,757	325,443	T
	--FMV...										266,274	



DATE 5/11/21  
 TIME 17:09:45  
 USER RKKWALLACE

ROCKINGHAM COUNTY  
 PROPERTY CARD  
 FOR YEAR 2020

PAGE 4  
 PROG# AS2006

LAYNE BROTHERS REAL

PARCEL ID.. 167870

PIN... 7989 05 09 5113 00

----- IMPROVEMENT # 4 MISC IMPR-X -----

BUILT USE..... 58 CONCRETE PAVING CURRENT USE.... CC CURRENT USE COMMERCIAL  
 LOCATION #..... 247 W KINGS HWY

COMPONENT	TYPE/CODE/DESC	PCT	UNITS	RATE	STR#	STR%	SIZ%	HGT%	PER%	CDS%	COST	%CPL
MS PC1	CONCRETE PAVING 3"/A	100	3920.00	3.50							13,720	
	RCN...		PCT COMPLETE		100		x				13,720	
	QUAL.. QG	000	000		100.00		x				13,720	
	DEPR.. 10A		10 YR LIFE AVERAGE		80.00		-		10,976			
	ECON.. ECO		ECONOMIC OBSOLESCENC		25.00		-		686		11,662	T
	--FMV...										2,058	

----- IMPROVEMENT # 5 MISC IMPR-X -----

MAIN FIN AREA.. ACT/EFF YR/AGE.. 2002 2002 17 VISITED.. 8/21/2017 BY GW  
 STRAT..... 100 DESCRIPT.... STORAGE BLDG MAINTAINED.. 7/11/2019 BY RKMARMC  
 BUILT USE..... 10 STORAGE BLDG CURRENT USE.... CC CURRENT USE COMMERCIAL  
 LOCATION #..... 247 W KINGS HWY

COMPONENT	TYPE/CODE/DESC	PCT	UNITS	RATE	STR#	STR%	SIZ%	HGT%	PER%	CDS%	COST	%CPL
MS UT2	UT BLDG AVG COST FRA	100	288.00	20.00							5,760	
	RCN...		PCT COMPLETE		100		x				5,760	
	QUAL.. QG	000	000		100.00		x				5,760	
	DEPR.. 25A		25 YR LIFE AVERAGE		65.00		-		3,744			
	ECON.. ECO		ECONOMIC OBSOLESCENC		25.00		-		504		4,248	T
	--FMV...										1,512	

TOTAL PARCEL VALUES----	LAND /	OVR	IMPROVEMENTS /	OVR	TOTAL LAND/IMPROVE	2019 VALUE
FMV.....	113,750		276,059		389,809	389,809
APV.....	113,750		276,059		389,809	389,809

2024

FILED  
ROCKINGHAM COUNTY  
REBECCA B. CIPRIANI  
REGISTER OF DEEDS

Oct 07, 2003 11:03:20 am

RECORDING \$18.00

PROBATE \$2.00

EXCISE TAX \$944.00

NONSTAND  
BOOK 01173

PAGES 2024-2026

INSTRUMENT # 18990

**NORTH CAROLINA GENERAL WARRANTY DEED**

Tax Lot No. \_\_\_\_\_ Parcel Identifier No. \_\_\_\_\_  
Verified by \_\_\_\_\_ County on the \_\_\_\_\_ day of \_\_\_\_\_  
by \_\_\_\_\_

Return after recording to **THE BERGER LAW FIRM, Post Office Box 1309, Eden, NC 27289-1309**

This instrument was prepared by **Philip E. Berger** Rec. Fee \$20.00  
Rev. Stamps \$944.00

Brief Description for the index

[Empty rectangular box for index description]

THIS DEED made this 3 day of October, 2003, by and between

**GRANTOR**

**LAYNE REAL ESTATE  
INVESTMENTS, LLC**

**GRANTEE**

**LAYNE BROTHERS REAL ESTATE  
INVESTMENTS, LLC  
247 W. Kings Highway  
Eden, NC 27288**

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 Eden, Leaksville Township, Rockingham County, North Carolina, and more particularly described as follows:

**See attached Exhibit "A."**

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:

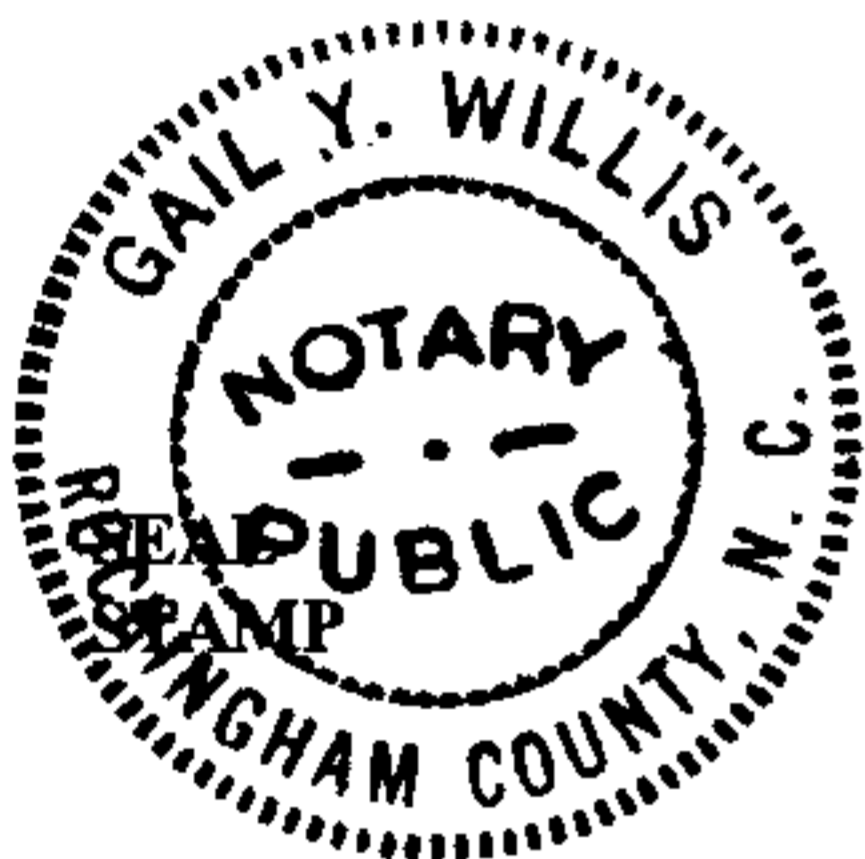
**Taxes for the current year, rights-of-way of public highways and roads and public utilities, easements and restrictions of public record, and noncompliance, if any, with local, county, state or federal government laws, ordinances, or regulations relative to zoning, environment, subdivision, occupancy, use, construction or the development of the subject property.**

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.

LAYNE REAL ESTATE INVESTMENTS, LLC

By: Ollis E. Green (SEAL)  
Ollis E. Green, Manager

\_\_\_\_\_ (SEAL)



STATE OF NORTH CAROLINA, Rockingham County.

I, the undersigned, a Notary Public for said County and State, certify that Ollis E. Green, Manager of Layne Real Estate Investments, LLC, a limited liability company, personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of the company.

Witness my hand and official seal, this the 3 day of October, 2003

My commission expires: 08/10/07 [Signature] Notary Public

NORTH CAROLINA - ROCKINGHAM COUNTY

The foregoing certificate(s) of

GAIL Y WILLIS

Notary Public is (are) certified to be correct.  
Duly registered this date and hour shown herein.

REBECCA B. CIPRIANI  
Register of Deeds

By Wanda O. McKeen  
Assistant / Deputy

\_\_\_\_\_ and this certificate are duly registered at the date and time and in the Book and Page

\_\_\_\_\_ REGISTER OF DEEDS FOR \_\_\_\_\_ COUNTY

\_\_\_\_\_ Deputy/Assistant-Register of Deeds.



**2026**

**EXHIBIT "A"**  
**TO LAYNE BROTHERS REAL ESTATE INVESTMENTS, LLC**

**BEGINNING** at an iron in the Northern margin of Kings Highway, corner with Knight (Deed Book 926, at Page 1405). Thence along the Northern margin of Kings Highway, South 78° 45' 00" West 99.73 feet to an iron, a common corner with Mizell (Deed Book 673, at Page 347). Thence leaving the Northern margin of Kings Highway, North 29° 14' 00" West 399.74 feet to an iron; thence North 78° 45' 00" East 99.73 feet to an iron. Thence South 14° 29' 00" East 399.74 feet to an iron in the Northern margin of Kings Highway, **THE POINT OF BEGINNING**, and containing 0.914 acres, more or less, as per Survey for Shar-Lyn Corporation in October, 2000, by Michael S. Nixon, PLS. This is the same property conveyed to the Grantor by Deeds recorded in Book 1057, Page 871 and Book 1085, Page 1558. For deed reference, see Deed Book 834, at Page 1900, Book 1021, Page 2118 and Book 1051, Page 565 in the Rockingham County Registry. (The Berger Law Firm PEB - 0300265)



Date: 10-3-03

**NAMED INSURED**  
LAYNE BROTHERS REAL

**ACCOUNT NO.**  
700001042879

**AGENT**  
**0320095**

**NAMED INSURED**  
LAYNE BROTHERS REAL ESTATE INVESTMENTS LLC  
509 S Van Buren Rd  
Eden, NC 27288-5082

*Renewal*  
**Declaration**

**ISSUE DATE**  
11/23/2020 at 10:19 AM

**AGENT**  
Rakestraw Insurance Center, Inc.  
PO Box 155  
Wentworth, NC 27375  
**Phone:** (336) 427-5181 Agent: 0320095/0320095

**LEGAL ENTITY**  
Limited Liability Company

**Insurer:** Frankenmuth Mutual Insurance Company  
**Affinity Group:** Chamber of Commerce - NC

**Summary of Coverages and Premiums**

*This policy consists of the following coverage parts for which a premium is indicated. This premium may be subject to adjustment. In return for the payment of the premium, and subject to all the terms of this policy, we agree to provide the insurance as stated in this policy.*

COVERAGE PARTS	PREVIOUS POLICY NO.	POLICY NO.	POLICY TERM	PREMIUM
Commercial Property		6647881	01/12/2021 to 01/12/2022 12:01 AM	\$6,523
General Liability		6647881	01/12/2021 to 01/12/2022 12:01 AM	\$520
Commercial Umbrella		6647881	01/12/2021 to 01/12/2022 12:01 AM	\$3,000
Premium for Terrorism Coverage		6647881	01/12/2021 to 01/12/2022 12:01 AM	Waived
<b>Total Annual Premium</b>				<b>\$10,043</b>

**Policy Locations**

<b>1</b> 509 S Van Buren Rd Eden, NC Rockingham 27288-5082	<b>2</b> 247 W Kings Hwy Eden, NC Rockingham 27288-5009	<b>3</b> 203 Bryant St Eden, NC Rockingham 27288-3099
<b>4</b> 129 Farrell St Eden, NC Rockingham 27288-3307	<b>5</b> 129A Farrell St Eden, NC Rockingham 27288-3307	

**Additional Named Insureds**

LOCATION	FEIN	NAME	DBA	LEGAL ENTITY
All	***-**-3443	KEITH E LAYNE		Individual
All	***-**-3443	KEVIN R LAYNE		Individual

NAMED INSURED  
LAYNE BROTHERS REAL

ACCOUNT NO.  
700001042879

AGENT  
**0320095**

## Billing Information

**PAYMENT PLAN** 12-Pay  
**BILLING METHOD** Direct Bill - A Statement of Account or Payment Schedule will be mailed to you.

**Payments and credits may be applied to all policies on the same billing account and may be applied from one policy term to another. Payment received for less than the billed amount may be pro-rated to each policy and may result in cancellation of all policies for nonpayment of premium.**

## Forms and Endorsements

*The following is a list of the forms and endorsements that make up your policy. Refer to these as needed for detailed information concerning your coverage. Some of these forms were provided when you first purchased your insurance. If you have added new coverages or if the form describing a coverage has changed since you purchased or last renewed your policy, a new copy of the form may be found in this package. An asterisk (\*) indicates a new or updated version is included in this package.*

TITLE	FORM NUMBER	EDITION DATE
<b>Commercial Property Coverage Part</b>		
Common Policy Conditions	IL0017	11-98
Effective Time Changes - Replacement Of 12 Noon	IL0022	05-87
Commercial Property Conditions	CP0090	07-88
Building And Personal Property Coverage Form	CP0010	10-12
North Carolina Changes	CP0118	02-14
North Carolina Changes - Cancellation And Nonrenewal	IL0269	09-08
Business Income (And Extra Expense) Coverage Form	CP0030	10-12
Calculation Of Premium	IL0003	09-08
Cap On Losses From Certified Acts Of Terrorism	IL0952	01-15
Disclosure Pursuant To Terrorism Risk Insurance Act	IL0985	12-20*
Amendment Of Limited Coverage For Fungus And Bacteria	02536	07-02
Commercial Protection Plus	96212	02-13
Building Limit -- Automatic Increase	97264	04-20*
Causes Of Loss - Special Form	CP1030	10-12
Equipment Breakdown Coverage	06722	02-09
Commercial Property Coverage Part Equipment Breakdown Coverage Schedule	06725	01-07*
Exclusion Of Loss Due To Virus Or Bacteria	CP0140	07-06
Payroll Limitation Or Exclusion	CP1510	10-12*
Exclusion Of Certain Computer-Related Losses	IL0935	07-02
<b>Commercial General Liability Coverage Part</b>		
Common Policy Conditions	IL0017	11-98
Commercial General Liability Coverage Form	CG0001	04-13
North Carolina Changes - Cancellation And Nonrenewal	IL0269	09-08
Calculation Of Premium	IL0003	09-08
Cap On Losses From Certified Acts Of Terrorism	CG2170	01-15
Disclosure Pursuant To Terrorism Risk Insurance Act	IL0985	12-20*
Commercial Liability Plus	95187	03-09
Limited Fungi Or Bacteria Coverage	CG2425	12-04
Absolute Asbestos Exclusion	93068	01-17
Lead Contamination Exclusion	96210	01-17
Exclusion - Access Or Disclosure Of Confidential Or Personal Information And Data-Related Liability - With Limited Bodily Injury Exception	CG2106	05-14
Communicable Disease Exclusion	CG2132	05-09*

**NAMED INSURED**  
LAYNE BROTHERS REAL

**ACCOUNT NO.**  
700001042879

**AGENT**  
**0320095**

<b>TITLE</b>	<b>FORM NUMBER</b>	<b>EDITION DATE</b>
Employment - Related Practices Exclusion	CG2147	12-07
Silica Or Silica - Related Dust Exclusion	CG2196	03-05
Nuclear Energy Liability Exclusion Endorsement	IL0021	09-08
<b><i>Commercial Umbrella Coverage Part</i></b>		
Common Policy Conditions	IL0017	11-98
Commercial Liability Umbrella Coverage Form	CU0001	04-13
North Carolina Changes - Cancellation And Nonrenewal	IL0269	09-08
Cap On Losses From Certified Acts Of Terrorism	CU2130	01-15
Disclosure Pursuant To Terrorism Risk Insurance Act	IL0985	12-20*
General Liability Limitation	05681	04-07
Exclusion of Broadened Primary Coverages	19248	01-21*
Absolute Asbestos Exclusion	94093	09-05
Lead Contamination Exclusion	96210	01-17
Amendment Of Liquor Liability Exclusion	CU2113	04-13
Nuclear Energy Liability Exclusion Endorsement	CU2123	02-02*
Fungi Or Bacteria Exclusion	CU2127	12-04
Silica Or Silica-Related Dust Exclusion	CU2150	03-05
Communicable Disease Exclusion	CU2158	05-09*
Exclusion- Access Or Disclosure Of Confidential Or Personal Information And Data- Related Liability- With Limited Bodily Injury Exception	CU2186	05-14



NORTH CAROLINA APPRAISAL BOARD

Certificate No. A3711

APPRAISER QUALIFICATION CARD

REGISTRATION / LICENSE / CERTIFICATE HOLDER

21

LAURA K MALLORY

22

A3711

G

Y

APPRAISER NUMBER

TYPE

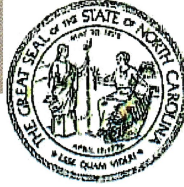
NATIONAL REGISTRY

*Laura K Mallory*  
Appraiser's Signature

*Donald T. Rodgers*  
Executive Director

EXPIRES JUNE 30, 2022

North Carolina



North Carolina Appraisal Board

LAURA K. MALLORY

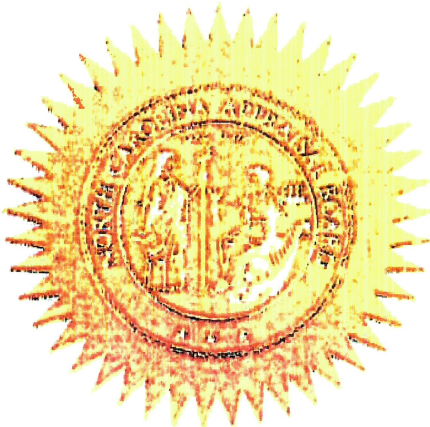
having satisfied the North Carolina Appraisal Board regarding the qualifications to practice as a General Real Estate Appraiser in this State and having complied with the requirements prescribed by law, is hereby certified as a

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

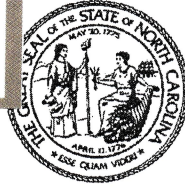
REGISTRATION / LICENSE / CERTIFICATE HOLDER

21 KAITLIN J WEBER 22  
T6279 T N  
APPRAISER NUMBER TYPE NATIONAL REGISTRY

*Kaitlin J. Weber*  
Appraiser's Signature

*Donald T. Rodgers*  
Executive Director

EXPIRES JUNE 30, 2022



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