APPRAISAL REPORT OF:

Pretoria Fields Brewery

Client's ID: 790

LOCATION:

120 Pine Avenue
Albany, Dougherty County
Georgia 31701

AT THE REQUEST OF:

Southwest Georgia Farm Credit
305 Colquitt Highway
Bainbridge, Georgia 39817

DATE OF VALUATION:

January 24, 2024

PREPARED BY:

Hector Commercial Real Estate Services, LLC

HECTOR COMPANIES

February 7, 2024

Southwest Georgia Farm Credit
Mr. Lee W. Folsom
305 Colquitt Highway
Bainbridge, Georgia 39817

RE: An existing retail property located at 120 Pine Avenue, Albany, Dougherty County, Georgia, 31701

Client's ID: 790

To Whom It May Concern:

In accordance with the engagement letter dated January 10, 2024, we have prepared an appraisal report of the referenced property for the purposes of estimating the Market Value "As Is" of the subject property's legal interest as indicated on the following page. The intended use of this report is for loan underwriting purposes. The estimate of value contained herein reflects economic conditions prevailing as of January 24, 2024, the effective date of appraisal.

The subject of this report is located along the south side of Pine Avenue in Albany, Dougherty County, Georgia. Based on inspection of the subject property and information provided, the improvements provide 23,713± square feet of building area. As of the date of appraisal, the subject property was 100.0% owner occupied. The subject site comprises a total of 1.01± acres of land area. For real estate tax purposes, the property is identified as Parcel No(s). 0N101/00001/002. The borrower associated with this transaction is Pretoria Fields LLC.

A complete description of the subject property, together with the sources of information and the basis of our estimates, are stated in the accompanying sections of the following report.

Subject to the conditions and explanations contained in the following report, it is our opinion that the Market Value of the subject property may be summarized as follows:

Market Value Estimates

Market Conditions Prevailing as of: 01/24/24

	Date of Value	Property Interest	Value Estimate	Exposure Time
"As Is"	01/24/24	Fee Simple	$3,400,000	6.0 Months

Subject to the conditions and explanations contained in the following report, it is our opinion that the Market Value estimate(s) of the subject property may be allocated as follows:

Value Allocation

	"As Is"
Real Estate Value	$2,570,000
Surplus or Excess Land Value	$0
BEV/Intangible	$0
Personal Property Value	$830,000
Total Property Value	$3,400,000

Based on our market research, the foregoing market value estimate is believed to be obtainable within a marketing period of 6.0 months. This estimate is based on a combination of direct market evidence, as well as discussions with real estate brokers, investors, and owners active in the local commercial real estate market. The marketing period further presumes the property will be diligently marketed to knowledgeable prospective buyers by equally competent brokers or similar individuals or organizations at the estimated Market Value.

To the best of our ability, the analyses, opinions, and conclusions were developed, and the report was prepared in accordance with Uniform Standards of Professional Practice (USPAP), FIRREA, the Interagency Appraisal and Evaluation Guidelines and the requirements of Southwest Georgia Farm Credit, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency. The appraisal, analyses, opinions, and conclusions were developed, and the appraisal report was prepared, in conformance with all applicable reporting requirements and the use thereof is subject to all regulations issued by the applicable regulatory agencies regarding the enactment of Title XI of the Financial Institution Reform Recovery and Enforcement Act of 1989 (FIRREA).

This letter of transmittal precedes the appraisal report further describing the property and containing the reasoning and most pertinent data leading to the final value estimate. Your attention is directed to the “General Assumptions,” “General Limiting Conditions,” “Extraordinary and/or Hypothetical Assumptions,” and “Certificate of Appraisal,” which are considered typical for this type of assignment and have been included within the text of the following report.

Respectfully submitted,

HECTOR COMMERCIAL REAL ESTATE SERVICES, LLC

EGH/GLW;swo

File No. 24-007HEC

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PREFACE

GENERAL ASSUMPTIONS

1. The legal description used in this report is assumed to be correct.
2. No survey of the property has been made by the appraiser and no responsibility is assumed in connection with such matters. Sketches in this report are included only to assist the reader in visualizing the property.
3. No responsibility is assumed for matters of legal a nature affecting title to the property nor is an opinion of title rendered. The title is assumed to be good and merchantable.
4. Information and data furnished by others is usually assumed to be true, correct, and reliable. When such information and data appear to be dubious and when it is critical to the appraisal, a reasonable effort has been made to verify all such information; however, no responsibility for its accuracy is assumed by Hector Companies.
5. All mortgages, liens, encumbrances, leases, and servitudes have been disregarded unless so specified within the report. The property is appraised as though under responsible ownership and competent management.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil or structures which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover them.
7. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report.
8. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless non-conformity has been stated, defined, and considered in the appraisal report.
9. It is assumed that all required licenses, consents or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
10. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted within the report.

GENERAL LIMITING CONDITIONS

1. The consultant will not be required to give testimony or appear in court because of having made this analysis, with reference to the property in question, unless arrangements have been previously made thereof.
2. Possession of the report, or copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the consultant, and in any event only with properly written qualifications and only in its entirety.
3. The distribution of the total valuation in this report between land and improvements, if any, applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.
4. No environmental impact studies were provided in conjunction with this analysis, and the consultant hereby reserves the right to alter, amend, revise, or rescind any of the value opinions based upon any subsequent environmental impact studies, research, or investigation.
5. Neither all nor any part of the contents of this report, or copy thereof, shall be conveyed to the public through advertising, public relations, news, sales or any other media without written consent and approval of the consultant. Nor shall the consultant, firm, or professional organization of which the consultant is a member be identified without written consent of the consultant.
6. Neither the consultant's name nor the report may be used in connection with any financing plan which would be classified as a public offering under state or federal securities laws.
7. Acceptance of and/or use of this report constitutes acceptance of the foregoing General Assumptions and General Limiting Conditions, and the following Extraordinary and/or Hypothetical Assumptions and Certificate of Appraisal presented at the end of this report.

EXTRAORDINARY ASSUMPTIONS AND/OR HYPOTHETICAL CONDITIONS

The use of Extraordinary Assumptions and/or Hypothetical Conditions may affect assignment results. The Assumptions, Limiting Conditions, Extraordinary Assumptions and Hypothetical Conditions considered in this report should be carefully reviewed prior to reliance upon the value estimate reported herein.

Extraordinary Assumptions:

- It is not the intent of this appraisal to identify or evaluate deficiencies which could result from mismanagement.
- All operating licenses are assumed to be current and to remain current throughout our projection period.
- We have utilized a building size of 23,713± square feet and site size of 1.01± acres. If the information relied upon proves to be materially inaccurate, we reserve the right to modify the value estimates presented herein.
- Based on information obtained from public record, as of the date of this report, personal property taxes associated with the subject property are unpaid and overdue in the total amount of $44,686.57. For the 2023 tax year, the full balance of $30,346.63 is unpaid and overdue as of December 20, 2023. Tax liability for the 2022 tax year is partially paid with an outstanding balance of $14,339.94 and overdue as of December 20, 2022. For the purposes of this report, we have not considered this unpaid liability. We have appraised the unencumbered fee simple interest.
- At the request of the client, we have provided an estimate of the current value of the personal property. This value is based on the historical cost provided. If the information relied upon proves to be materially inaccurate, we reserve the right to modify the value estimates presented herein.
- We have based our estimate of real estate tax liability on our estimate of a potential assessment of the unencumbered fee simple interest, absent any agreements or potential tax abatements associated with the subject property.

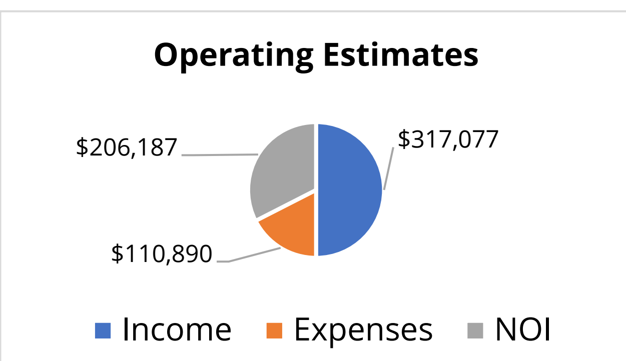
Hypothetical Conditions:

There are no hypothetical conditions associated with our analysis.

SUMMARY OF SALIENT FACTS

CLIENT INFORMATION		**PROPERTY INFORMATION**	
Client	Southwest Georgia Farm Credit	Property Name	Pretoria Fields Brewery
Client Civic Address	305 Colquitt Highway	Property Address	120 Pine Avenue
Client City	Bainbridge	Property City	Albany
Client State /Zip Code	Georgia 39817	County	Dougherty County
Client's Tracking No.	790	State	Georgia
Borrower/Source	Pretoria Fields LLC	Postal Code	31701
		Property Tax ID	0N101/00001/002
SITE DATA		**IMPROVEMENT DATA**	
Site Size	1.01±	Type of Property	retail
excess Land-Acres	0.00±	Year Built	1900-2017
excess Land-SF	0±	Units	1
Total Land Area - Acres	1.01±	Stories	1.00
Zoning	C-2	Gross SF	23,713
Flood Map	13095C0109E - X	Leasable SF	23,713
Density - SF/Acre	23,478 ±	LTB Ratio	1.86
Topography	flat	Coverage Ratio	53.90%
Access/Visibility	good	Status	existing
Configuration	irregular	Deferred Maintenance	$0
RELEVANT DATES		**HIGHEST AND BEST USE**	
Client's Engagement	01/10/24	As Vacant	commercial
Date of Report	02/07/24	As Improved	commercial
Date of Value	01/24/24 "As Is"	**MARKETING AND EXPOSURE PERIODS**	
		Marketing Period	6.0 Months
		Exposure Period	6.0 Months
OPERATING PERFORMANCE – Stabilized		**VALUE SUMMARY**	
Est. Rental Income	$237,130		"As Is"*
Reimbursable Revenue	$96,635	**Valuation Method:**	01/24/24
Expense Recovery Rate	87.14%	Land Value	N/A
Operating Expenses	$110,890	Cost Approach	N/A
Net Operating Income	$206,187	Sales Comp. Approach	$3,440,000
Capitalization Rate	8.50%	Income Cap. Approach	$3,260,000
		Reconciled Values	$3,400,000
			*Includes Personal Property

GRAPHICAL PRESENTATION



CONDITIONS: This appraisal is subject to the "General Assumptions," "General Limiting Conditions," "Extraordinary Assumptions and/or Hypothetical Conditions," and "Certificate of Appraisal."

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INTRODUCTION

PROPERTY IDENTIFICATION

The subject of this report is an existing retail property located along the south side of Pine Avenue in Albany, Dougherty County, Georgia. Based on inspection and information provided, the improvements comprising the subject of this report include 23,713± square feet of building area. The subject property is designed and partitioned for single tenant or owner occupancy and on the date of appraisal the improvements were 100.0% owner occupied. A view of the subject property is as follows:

~ 120 Pine Avenue - Albany, Georgia ~

The subject site comprises a total of 1.01± acres of gross land area identified by Dougherty County as Parcel No(s). 0N101/00001/002.

SCOPE

The scope of this appraisal is to correctly employ the most appropriate and recognizable techniques that are necessary to produce a credible appraisal; and to communicate each analysis, opinion, and conclusion in a manner that is not misleading. Market research and analyses necessary to reach value conclusions for the property being appraised consisted of inspecting the subject property, the general market area, and the neighborhood. The appropriate research was conducted including, but not limited to, interviewing competitive property owners and managers, collecting comparable sale information, and analyzing historical income and expense information of similar facilities. Assumptions and decisions regarding the subject's potential use and restrictions were made through interviews with town planners, engineers, brokers, management companies, and investors.

COMPETENCY PROVISION

Hector Companies and the signatories hereto have experience in the appraisal of properties like the subject and are deemed qualified by education, training, and experience in the preparation of such reports to comply with the competency provisions of USPAP. The professional qualifications of the individuals who prepared this report are included for specific reference.

INTENDED USE

The intended use of this report is for loan underwriting purposes.

INTENDED USER

The intended user of this report is Southwest Georgia Farm Credit.

EFFECTIVE DATE OF VALUE

The effective date of this appraisal is January 24, 2024. Mr. Erik G. Hector and Mr. Gilder L. Whitlock inspected the subject property. The appraisal is based upon market conditions prevailing as of January 24, 2024, the latest date of our market research.

PROPERTY RIGHTS APPRAISED

The fee simple estate of the subject property was appraised. Fee simple estate is defined as:

> "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."[1]

[1] *The Dictionary of Real Estate Appraisal*, The Appraisal Institute.

DEFINITION OF MARKET VALUE

Market Value, as defined by The Office of the Comptroller of the Currency, is:

> "The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:
>
> 1. Buyer and seller are typically motivated;
> 2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
> 3. A reasonable time is allowed for exposure in the open market;
> 4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
> 5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."[2]

MARKETING AND EXPOSURE PERIOD

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"[3].

Exposure Time is defined as:

> "The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal."[4]

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[2] Title XI of FIRREA as adopted by the OCC Regulation 12, CFR 34.

[3] *The Dictionary of Real Estate Appraisal*, The Appraisal Institute.

[4] *The Dictionary of Real Estate Appraisal*, The Appraisal Institute.

The value estimate contained in this report is premised upon a 6.0-month exposure period prior to the hypothetical consummation of a sale on the effective date of the appraisal. Additionally, if properly priced and marketed, the property would be expected to sell within a 6.0-month marketing period. To estimate the marketing period, we interviewed market participants to ascertain a reasonable estimate for the subject property. Additionally, we have reviewed the sales transactions of comparable properties in the region.

Based on information obtained from ***CoStar Group, Inc.***, a total of 15,881 sales of comparable properties occurred within the Georgia market since first quarter of 2019. These conveyances total $23.1 billion in transaction volume and result in an average sales price of approximately $1.9 million. When analyzed relative to the average size of 11,600± square feet, an average unit value of $161.00 per square foot is indicated. The following graph illustrates the historical market period (time on the market) of the selected comparable properties:

Months on Market

Source: CoStar Group, Inc.

The median marketing time has fluctuated from 5.0 months as to 8.0 months during the period of study. The median marketing time was approximately 6.0 months. Based on our review of the market area data, we believe an average marketing time for the subject property approximates 6.0 months.

PROPERTY HISTORY

Based on review of public records, the current owner of record is Pretoria Fields, LLC. Property rights were acquired via multiple transfers. Partial property rights were acquired from Downtown Development Authority of Albany via a Quitclaim Deed recorded March 14, 2017, in public record as Instrument No. 4414-35. Additional property rights were acquired from Gray Publishing LLC via a Quitclaim Deed recorded March 27, 2017, in public record as Instrument No. 4414-37. No transfer price was reported for either transaction.

We are not aware of any other agreements impacting on the transferability of the property. To our knowledge, as of the date of this report the subject property was not listed for sale or encumbered by contract or option agreement. Based on further research we have not identified any other arm's-length transfers of the subject property in the three-year time preceding the date of this appraisal.

This presentation has been provided as a summary and should not be taken as a complete narrative of all the easements and/or restrictions placed on the property by the cited document.

DESCRIPTIVE SECTION

REGIONAL ANALYSIS

Introduction

The economic vitality of the area surrounding the subject property is an important consideration in establishing historical trends in the regional real estate market, future demand/supply for selected types of real estate and cash flow potential of a particular property. The regional analysis generally focuses on the social, economic, governmental, and environmental forces that affect real estate. All general data are ultimately understood in terms of its effect on the economic climate in which property transactions occur.

Definition and Profile of the Market Area

The subject property is in Albany, Dougherty County, Georgia within the Albany MSA. The primary area of study considered herein includes Albany MSA.

Population

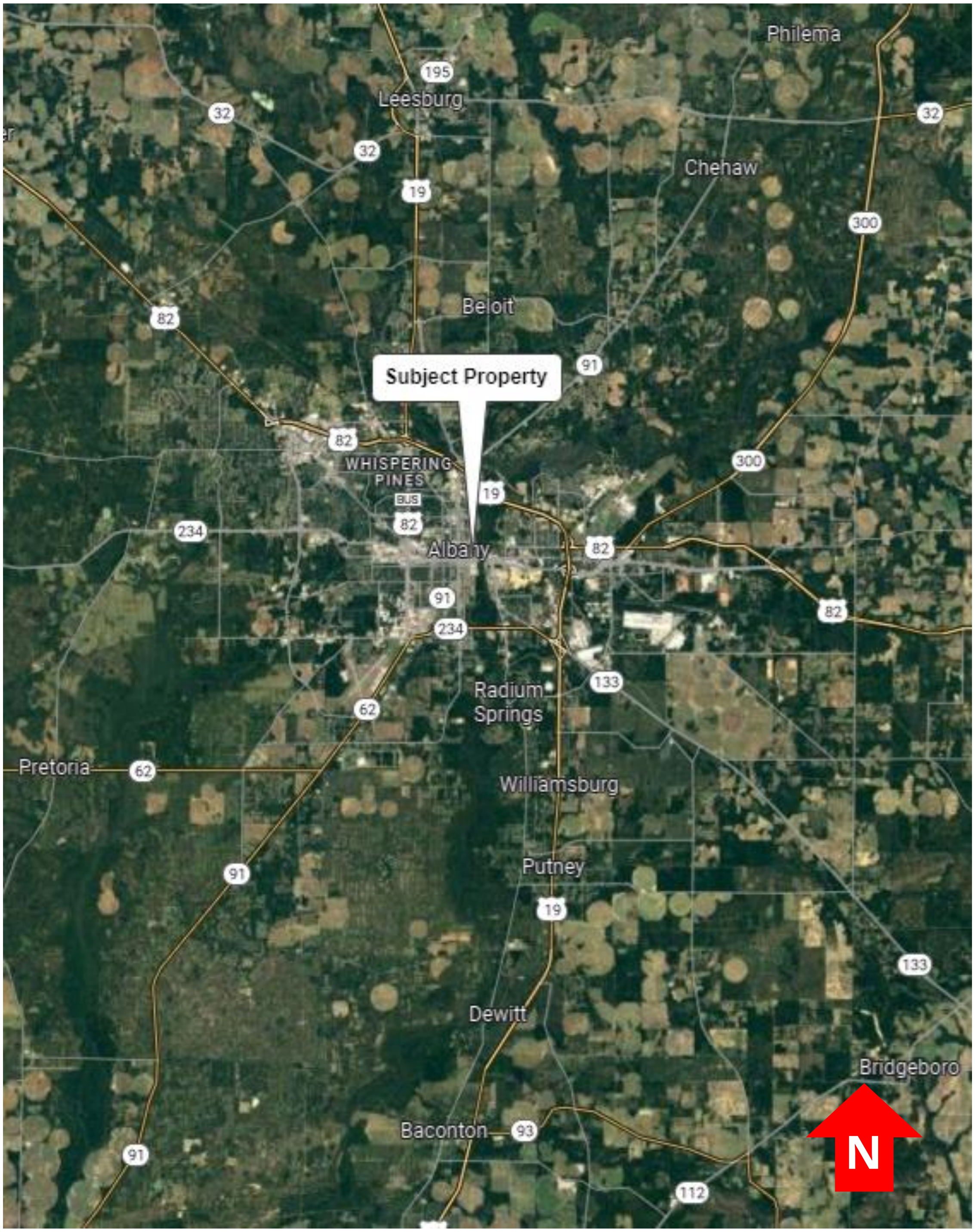
The following table summarizes relevant demographic data for the primary area of study:

Relevant Demographic Data

	Albany MSA	% Chg.	Georgia	% Chg.
Population:				
2010 Census	153,858	--	8,186,491	--
2020 Census	148,922	-3.21%	9,687,653	18.34%
2023 Estimate	149,700	0.52%	10,868,500	12.19%
2028 Projection	145,285	-2.95%	11,348,630	4.42%
Households:				
2010 Census	57,947	--	3,006,377	--
2020 Census	59,070	1.94%	3,585,584	19.27%
2023 Estimate	58,718	-0.60%	4,039,114	12.65%
2028 Projection	58,652	-0.11%	4,225,216	4.61%
Average Household Size:				
2023 Estimate	2.55		2.69	
Average Household Income:				
2023 Estimate	$67,060		$96,983	

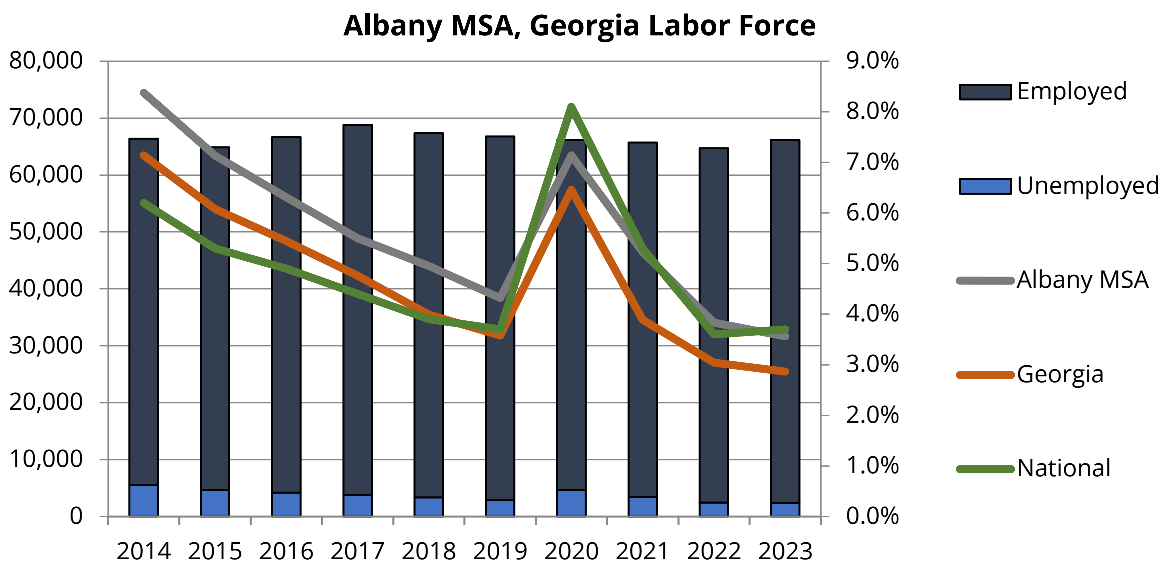
Source: Spotlight and/or related companies

Exhibit - Regional Map



Employment

Data relating to the major area employers and the make-up of the labor force are indicators of a region's economic dependence and related activities. Furthermore, the type of employment relative to international and domestic trade policies may provide insight into the sustainability of economic growth. The following graph depicts the current employment characteristics for the primary area of study:



*Fourth Quarter 2023, Preliminary Data

Source: Bureau of Labor Statistics

According to the ***U.S. Bureau of Labor Statistics***, the unemployment rate for the primary area of study was reported to be 3.56% as of Fourth Quarter 2023, which compares to the unemployment rate reported for the state of Georgia reported to approximate 2.86%, and 3.70% reported for United States. We note that Fourth Quarter 2023 data was the most recent available at the time of this report.

Income

One relative measure of affluence is the average household income used by ***Spotlight and/or related companies*** for regional areas throughout the nation. Average household income for the primary area of study approximates $67,060. This estimate is 69.15% of the average household income amount of $96,983 reported for the state of Georgia.

Retail Sales

Retail sales are an indicator of spending patterns associated with an area's employment base. In addition, retail sales consider both changes in population and the propensity of area inhabitants to buy retail goods. Retail sales in the Albany MSA totaled approximately $2.47 billion. Of the total retail sales in the Albany MSA, motor vehicle and parts dealers totaled $0.583± billion, furniture and home furnishing stores totaled $0.045± billion, electronics and appliance stores totaled $0.034± billion, building material and garden equipment and supplies dealers totaled $0.157± billion, food and beverage stores totaled $0.302± billion, health and personal care stores totaled $0.128± billion, and gasoline stations totaled $0.179± billion. These are the primary retail segments within the Albany MSA during the period ending 2023.

Conclusion

With a broad range of assets, the Albany, Georgia area comprises a geographic area located within 100.0 miles of Columbus, Tifton, Valdusta, and Tallahassee. Average incomes in the area approximates $67,060 which is 69.15% of the statewide average of $96,983.

Population totals relate to urban densities and the critical mass of an economic area. Population density allows a comparison of settlement intensity in certain geographic areas. To gauge the viability of the area's demographic profile, we obtained economic information from ***Spotlight and/or related companies.*** With regards to the primary area of study we note population indicated a -3.21% rate of change from 2010 to 2020. Since 2020, the population level changed 0.52% and is expected to result in a -2.95% rate of change over the next five years.

A study of the area's Economic Base is included in the following section, summarizing primary "basic" employment sectors of the regional economy.

ECONOMIC BASE ANALYSIS

When conducting an economic base analysis, a market's commercial and industrial employment base may be divided into two categories (i.e., basic and non-basic). Basic activities are those that sell or export a substantial portion of their products and services to non-local customers, thereby bringing new dollars into the local economy. Firms that sell primarily to local customers comprise the non-basic sector. The following table illustrates the economic base of the primary area of study as compared to the state of Georgia.

Employment Totals and Percentages - Albany MSA, Georgia

	Albany MSA		Georgia		Location
Industry	Employees*	Total A	Employees*	Total B	Quotient (A/B)
Farm Employment	1.420	1.64%	51.147	0.75%	2.19
Forestry, Fishing, & Other	0.889	1.03%	27.187	0.40%	2.58
Mining	0.004	0.00%	10.802	0.16%	0.03
Utilities	0.136	0.16%	20.758	0.30%	0.52
Construction	3.928	4.54%	343.499	5.03%	0.90
Manufacturing	4.415	5.11%	432.803	6.33%	0.81
Wholesale Trade	3.102	3.59%	254.935	3.73%	0.96
Retail Trade	9.424	10.90%	650.016	9.51%	1.15
Transportation & Warehousing	2.972	3.44%	397.508	5.82%	0.59
Information	1.059	1.22%	138.410	2.03%	0.60
Finance & Insurance	2.759	3.19%	348.064	5.09%	0.63
Real Estate & Rental & Lease	2.601	3.01%	311.046	4.55%	0.66
Professional & Tech Services	4.448	5.15%	488.623	7.15%	0.72
Management & Enterprises	0.325	0.38%	85.246	1.25%	0.30
Administrative & Waste Services	8.522	9.86%	565.351	8.27%	1.19
Educational Services	1.149	1.33%	150.321	2.20%	0.60
Health Care & Social Assistance	11.607	13.43%	655.275	9.59%	1.40
Arts, Entertainment, & Recreation	1.005	1.16%	141.915	2.08%	0.56
Accommodation & Food Services	6.931	8.02%	542.670	7.94%	1.01
Other Services	7.258	8.40%	423.498	6.20%	1.35
Federal Civilian Government	2.594	3.00%	102.546	1.50%	2.00
Federal Military Government	0.681	0.79%	90.308	1.32%	0.60
State & Local Government	9.223	10.67%	601.441	8.80%	1.21
Total	86.452	100.00%	6,833.369	100.00%	

**Number of employees (expressed in thousands)*

Source: Woods and Poole Economics

Basic employment generates growth in general employment and population, leading to growth in demand for the several types of real estate. Based on projections provided by ***Woods and Poole Economics***, future growth in basic employment can be calculated. The following table illustrates the projected growth in basic employment:

Basic Employment – Projected Growth
Albany MSA, Georgia

Industry	Current Basic Employment*	Projection – 2028*
Accommodation & Food Services	6.931	7.579
Administrative & Waste Services	8.522	9.523
Farm Employment	1.420	1.411
Federal Civilian Government	-	2.572
Forestry, Fishing, & Other	2.594	0.943
Health Care & Social Assistance	0.889	12.399
Other Services	11.607	7.753
Retail Trade	7.258	9.542
State & Local Government	9.424	9.006
Wholesale Trade	9.223	3.194
Total	**57.868**	**63.922**

**Number of employees (expressed in thousands)*
Source: Woods and Poole Economics

Assuming an increase in basic employment will cause an increase in total employment, with attending growth in total population and disposable income, forecasted growth in basic employment can be utilized in estimating total employment. The Economic Base Multiplier (EB) is the ratio of total employment to basic employment. This ratio is illustrated as follows:

86,452 ÷ 57,868 **=** 1.49

Applying the EB Multiplier to the projected growth in basic employment, the forecasted growth in total employment can be calculated. Based on the projected aggregate growth we have estimate growth in employment as follows:

Forecast Basic Employment x EB Multiplier = Forecast Total Employment

63,922 X 1.49 = 95,496

The preceding analysis indicates an increase in basic employees of 9,044 in Albany MSA between 2023 and 2028.

Summary and Conclusion

Locally oriented industrial activities will respond largely to local forces and will succeed or fail along with the economic health and vitality of the community. But industrial activity that depends on external markets will respond to its special set of external factors. A true understanding of the forces of demand requires an industry-by-industry analysis or, at least, a study of industry classifications comprising these activities.

Based on the preceding descriptive material and analysis as well as the above key indicators, we concluded that the Albany MSA market is currently stable and benefits from a reported EB multiplier of 1.49 . Sectors of the local market are experiencing favorable conditions for sustainable growth.

RETAIL MARKET ANALYSIS

The objective of this section of the report is to describe the specific features of the real estate market for retail property in the subject area. The analysis presented herein considers the supply of retail space within the primary area of study and relevant submarket describing individual salient characteristics and examining perceived trends. The demand for retail space is examined considering the current supply of space as well as the future development potential. This analysis is intended to provide an understanding of historical market behavior and to further provide a basis for forecasting future demand. The procedure is outlined as follows:

- Consider the supply of retail facilities believed to be most competitive;
- Analyze salient retail trends on a local level; and
- Estimate where demand will arise, recognizing that demand is generally based on demographic profile of the defined trade area.

The primary objective of this market analysis is to quantify historical and anticipated demand for retail development in the subject's market area. As a secondary analysis, we provide an overview of various economic trends and their possible effect on the subject's competitive market.

Hector Companies Southeast Regional Barometer ("HSERB")

Hector Companies' ***Southeast Regional Barometer*** newsletter contains key economic indicators associated with nine southeast regional states. The results of our study are utilized by our clients and partners when investing in commercial real estate. A copy of our most recent survey is included in the Addenda of this report and surveys associated with previous years can be downloaded from our web site (HectorCo.com).

Delineation of the Overall Market Area

On a macro level, the primary area of study considered herein includes Albany MSA. According to ***CoStar Group, Inc.***, the defined market area provides approximately 22,014,940 square feet of space. The subject property is in the Dougherty submarket. According to ***CoStar Group, Inc.***, the submarket provides approximately 536 buildings totaling 7,900,000± square feet of space. With regards to supply, this defined submarket comprises 35.88% of the total primary area of study.

Historical Statistics

The following table summarizes historical rental, occupancy, and absorption rates for Albany MSA during the quarters leading up to the effective date of appraisal:

Market Statistics

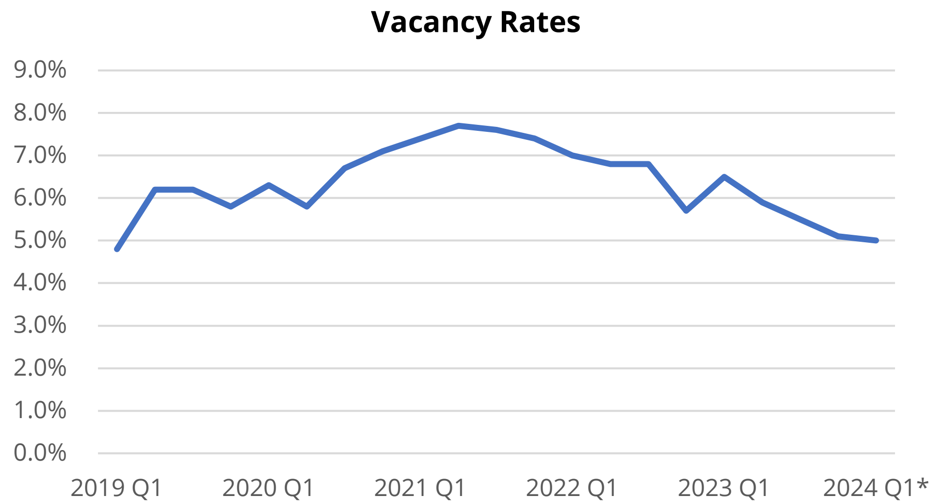
	Existing Inventory		Vacancy					
Period	# Bldgs	Total GLA - SF	Total SF	Vacancy	YTD Net Absorb. - SF	YTD Deliveries - SF	Under Const. - SF	Quoted Rates
2024 Q1*	707	9,940,989	499,256	5.0%	3,253	0	0	$11.79
2023 Q4	707	9,940,989	502,509	5.1%	46,593	0	0	$11.95
2023 Q3	708	9,943,577	551,690	5.5%	33,335	0	0	$11.56
2023 Q2	708	9,943,577	585,025	5.9%	61,301	0	0	$12.00
2023 Q1	708	9,943,577	646,326	6.5%	(69,645)	10,640	0	$12.04
2022 Q4	707	9,932,937	566,041	5.7%	140,694	31,082	10,640	$12.03
2022 Q3	705	9,901,855	675,653	6.8%	(360)	3,672	41,722	$11.89
2022 Q2	704	9,898,183	671,621	6.8%	20,713	0	34,754	$14.35
2022 Q1	704	9,898,183	692,334	7.0%	43,836	0	14,312	$19.29
2021 Q4	704	9,898,183	736,170	7.4%	20,197	3,000	3,672	$16.01
2021 Q3	703	9,895,183	753,367	7.6%	12,021	0	6,672	$15.57
2021 Q2	703	9,895,183	765,388	7.7%	(36,283)	0	3,000	$14.89
2021 Q1	703	9,895,183	729,105	7.4%	(25,774)	0	0	$12.99
2020 Q4	703	9,895,183	703,331	7.1%	(33,235)	9,100	0	$9.19
2020 Q3	702	9,886,083	660,996	6.7%	(90,877)	0	9,100	$9.05
2020 Q2	702	9,886,083	570,119	5.8%	59,240	9,100	9,100	$9.24
2020 Q1	701	9,876,983	620,259	6.3%	(40,965)	9,100	9,100	$9.17
2019 Q4	701	9,873,883	576,194	5.8%	37,525	0	9,100	$9.03
2019 Q3	701	9,873,883	613,719	6.2%	452	5,000	9,100	$8.54
2019 Q2	700	9,868,883	609,171	6.2%	(139,307)	0	5,000	$8.62
2019 Q1	700	9,868,883	469,864	4.8%	40,762	15,040	5,000	$7.29

**Most recent quarter not yet finalized*

Source: CoStar Group, Inc.

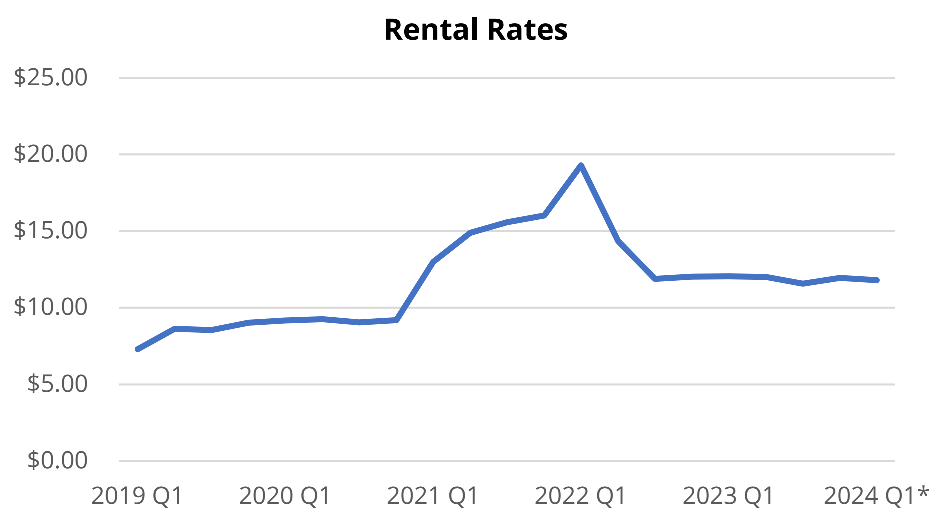
<u>Vacancy and Rental Rates</u>

According to ***CoStar Group, Inc.***, the vacancy rate in the Albany MSA area approximated 3.90% (actual) as of the effective date of value, January 24, 2024. This amount compares to the Dougherty market which achieved a 5.70% vacancy rate as of January 24, 2024. Direct market evidence of local rent comparable properties supports these indications. The following graph depicts historical vacancy rates (estimated, not yet finalized) within the subject market in recent periods prior to the effective date of appraisal:



**Most recent quarter not yet finalized*
Source: CoStar Group, Inc.

Rental rates have fluctuated in recent years and were reported to average $16.74 per square foot (actual) within the primary area of study as of the effective date of value, January 24, 2024. This compares to the submarket average rental rate of $13.26 per square foot for the same period. The following graph depicts historical rental rates within the subject market (estimated, not yet finalized) within the subject market in recent periods prior to the effective date of appraisal:



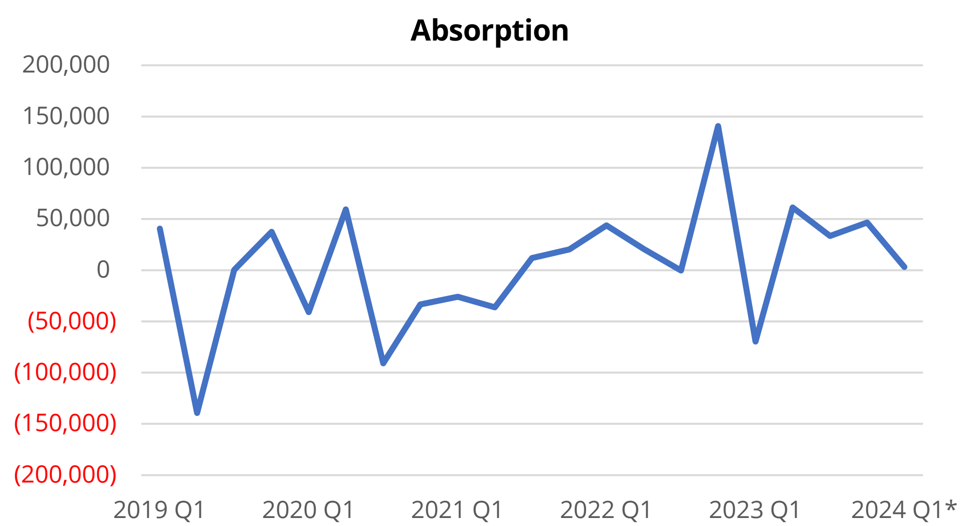
**Most recent quarter not yet finalized*
Source: CoStar Group, Inc.

Contractual rental rate increases are often tied to the CPI or based on a specified step-increase historically accounting for annual increases from 2.0% and 5.0%. However, due to current economic conditions, most landlords are accepting annual increases of 2.5%. The trend within the local marketplace is to sign leases for terms of three-to-five years.

With regards to lease structures prevalent in Albany MSA we note leases associated with single tenant buildings are mostly structured on a triple net basis with base rental rates ranging from $7.50 to $13.50 per square foot. Multi-tenant buildings often include leases structured on a gross lease basis with tenants responsible for increases over base-year expense stops, or full-service basis with expenses paid by the landlord.

Deliveries and Absorption

As of January 24, 2024, the Albany MSA market contained 2,120± properties totaling 22,014,940± square feet of Class A, B, and C space. Space under construction totaled 1,545± square feet, and 22,700± square feet had been delivered year-to-date as of January 24, 2024. As of January 24, 2024, the Dougherty submarket contained 536± properties totaling 7,900,000± square feet of Class A, B, and C retail space. Retail space under construction within the submarket totaled 0± square feet, and 6,900± square feet had been delivered year-to-date as of January 24, 2024. The following graph depicts absorption (estimated, not yet finalized) within the subject market in recent periods prior to the effective date of appraisal:



**Most recent quarter not yet finalized*
Source: CoStar Group, Inc.

Trade Area Analysis

Trade area analysis relates to the geographic area from which the major portion of the continuing patronage necessary for support of the retail businesses is obtained. Retail building do not create buying power; rather, they attract customers from various districts and often effectively compete in order to capture a portion of purchasing power from growing, nearby areas. Therefore, it is necessary to determine the extent of the geographic area from which are retail property can be expected to draw customers.

Most families tend to buy food and other staple houseware items within their immediate neighborhoods. They will, however, often travel considerable distance to purchase “big ticket” items such as furniture or major appliances at less expensive national merchandisers. For the purposes of this report, the number of households within the study area has been multiplied by the average household income to obtain the total effective income for the study area. We then multiplied this amount at a factor typical of the surrounding trade area to estimate the amount of dollars spent on retail purchases. This amount was divided by a reasonable sales volume per square foot to arrive at the total space supportable square feet as follows:

Saturation Analysis

	3-Mile	5-Mile
Households in Study Area *	14,964	29,495
Average Household Income *	$42,080	$53,868
Total Dollars Available	$629,685,120	$1,588,890,528
Times Percentage Spent on Retail Goods	79.11%	69.15%
Dollars Available for Retail Goods	$498,165,833	$1,098,771,953
Potential Sales Volume/SF	$325	$325
Indicated Retail Demand (SF)	1,532,818	3,380,837

*Source: *Spotlight and/or related companies*

Demand Analysis

Demand for retail space is unlike other user properties. The amount of sales dollars generated by the retail property determines the feasibility of the business itself, not just the feasibility to an investor. Therefore, the sales dollar potential and sales per square foot are the ultimate elements to be quantified in retail analysis. Types of market information used to quantify the sales potential include:

- Gross retail sales in the general market
- Retail sales volume by type of goods sold
- Total sales volume in a trade area
- Sales volume at a site
- Sales per square foot of Gross Leasable Area (GLA)

Market share with regards to retail properties refers to the percent of total sales in a retail category that each competing will capture. While individual market shares may not be used to determine initial feasibility of a project, once a retail establishment is in place, its market share will determine whether it will be able to sustain profitably.

Retail Gap Formula:

In calculating the difference between demand and supply, whether aggregated or disaggregated, the following general formula applies:

Demand		Supply		
Potential Sales				
Average sales/square foot	-	Proposed Square Feet	=	Gap

In this formula, the units of demand are square feet derived by dividing a potential sales figure in dollars by average sales per square foot figure which is either a market average or a "rule-of-thumb" for various types of retail businesses. The following method of calculating an aggregate gap in retail space combines demand and supply forecasting techniques:

Projected Aggregate Retail Gap
5-Mile Radius

		2023	2028
1	Population in trade area	71,327	69,778
2	Per capita income in trade area *	22,276	25,824
3	Total income in area (Step 1 x Step 2)	1,588,890,528	1,801,957,978
4	Percentage of income spent on retail goods	69.15%	69.15%
5	Potential retail sales in area (Step 3 x Step 4)	1,098,771,953	1,246,115,356
6	Identify leakage or displaced sales percentage from area	15.00%	15.00%
7	Adjusted potential sales (Step 5 x (1 + Step 6))	1,263,587,746	1,433,032,660
8	Market average retail sales/square foot	$325	$325
9	Supportable retail demand (Step 7 ¸ Step 8)	3,887,962	4,409,331
10	Add: Frictional Vacancy @ 2.00%	79,346	89,986
11	Total Supportable Retail Space (SF)	3,967,308	4,499,318

*Assumes annual inflationary rate of change

Source: Hector Companies, Spotlight and/or related companies, and ESRI

The foregoing table illustrates demand for 3,967,308 square feet with an additional 532,009 square feet being supportable during the next five years. However, the estimates do not include impact associated with e-commerce. The ***Department of Commerce*** announced U.S. retail e-commerce sales for the third quarter of 2023, adjusted for seasonal variation, but not for price changes, was $284.1 billion, an increase of 2.3% from the second quarter of 2023. Total retail sales for the third quarter of 2023 were estimated at $1,825.3 billion, an increase of 1.5% from the second quarter of 2023. The third quarter 2023 e-commerce estimate increased 7.6% from the third quarter of 2022 while total retail sales increased 2.3% in the same period. E-commerce sales in the third quarter of 2023 accounted for 15.6% of total sales.

Considering the proposed supply of retail space in the subject market area, together with the demographic trends, speculative retail development should be pursued with caution.

Summary and Conclusions

The Albany MSA retail market offers a myriad of businesses and services and provides a desirable environment for business and population growth. As of the January 24, 2024, the Albany MSA market provided a rental rate of $16.74± (actual) and a vacancy rate of 3.90%± (actual). These statistical data pertain to a total of 2,120 buildings. Space under construction totaled 1,545± square feet, and deliveries total 22,700± square feet. The Dougherty submarket achieved an average rental rate of $13.26± per square foot and a vacancy rate of 5.70%±. Space under construction in the submarket totaled 0± square feet, and deliveries totaled 6,900± square feet during the period ending January 24, 2024.

The Dougherty submarket achieved an average rental rate of $13.26± per square foot and a vacancy rate of 5.70%±. Space under construction in the submarket totaled 0± square feet, and deliveries totaled 6,900± square feet during the period ending January 24, 2024.

Current level of spending within a 5-Mile radius of the subject property supports demand of 3,380,837 ± square feet.

Based on estimate of population change reported by ***Spotlight and related companies***, future demand within a 5-Mile radius of the subject property supports 4,499,318± square feet of space; a difference of 532,009± square feet over the next five-year period.

NEIGHBORHOOD ANALYSIS

A neighborhood is a separately identifiable, cohesive area within a community with some interests typically shared by occupants. Most neighborhoods have recognizable nature or man-made boundaries. While physical boundaries are stipulated to define the neighborhood, they are often less significant than other boundaries of influence. A neighborhood may be further defined as a grouping of complimentary uses affected in a analogous manner by social, economic, governmental, and/or environmental factors. In addition to physical boundaries, a neighborhood may be delineated by perceptible changes in land use and the architectural style and condition of the area improvements. Finally, every neighborhood is subject to influence by the greater abutting or surrounding community, or metropolitan area.

Delineation of the Neighborhood

The initial step in any income property neighborhood analysis is to identify the boundaries of that neighborhood which may be accomplished in terms of one or more sets of characteristics. Both natural and man-made barriers frequently serve as boundaries for income property neighborhoods. Rivers, lakes, ravines, swamps, and the like are considered effective barriers. This also included major arterial highways, especially if they are well above or below grade, railroads, or other man-made dividers. The neighborhood boundaries delineate a developed residential and commercial market. The subject property is located along Pine Avenue in Albany, Dougherty County, Georgia.

Exhibit – Neighborhood Map

We have identified the subject neighborhood as being an approximate three- to five-mile radius surrounding the subject property, delineated by Lovers Lane Road to the north, Joshua Wastewater Treatment Plant to the south, Cordela Road to the east, and South Westover Boulevard to the west.

Demographic Profile

To gauge the viability of the area's demographic profile, we obtained economic information from ***Spotlight and/or related companies***. This provides further support for the stability of the local economy and the nature of its residents. The following table summarizes additional data utilized within this appraisal to gauge the strength of the local market:

Relevant Demographic Data

	1-Mile Radius		3-Mile Radius		5-Mile Radius	
	Amount	% Chg.	Amount	% Chg.	Amount	% Chg.
Population:						
2010 Census	6,392	--	42,893	--	78,273	--
2020 Census	4,551	-28.80%	38,269	-10.78%	73,046	-6.68%
2023 Estimate	4,324	-4.99%	37,149	-2.93%	71,327	-2.35%
2028 Projection	4,115	-4.83%	36,031	-3.01%	69,778	-2.17%
Households:						
2010 Census	1,597	--	15,905	--	30,297	--
2020 Census	1,334	-16.47%	15,247	-4.14%	29,914	-1.26%
2023 Estimate	1,283	-3.82%	14,964	-1.86%	29,496	-1.40%
2028 Projection	1,234	-3.82%	14,674	-1.94%	29,133	-1.23%
Average Household Size:						
2023 Estimate	3.37	--	2.48	--	2.42	--
Average Household Income:						
2023 Estimate	$31,621	--	$42,080	--	$53,868	--

Source: Spotlight Analytics

Housing Tenure

Another relative measure of the health of a neighborhood is the condition, age, and utilization of the housing stock. The following table depicts the existing tenure of occupied housing units in the neighborhood:

Housing Tenure - Occupied Units

	1-Mile Radius	% of Tot.	3-Mile Radius	% of Tot.	5-Mile Radius	% of Tot
Owner Occupied	309	24.08%	5,232	34.96%	12,867	43.62%
Renter Occupied	974	75.92%	9,732	65.04%	16,628	56.38%
Total	1,283	100.00%	14,964	100.00%	29,495	100.00%

Source: Spotlight Analytics

Residential housing, density of development, and favorable growth trends depend upon harmonious land uses, convenience and various other attributes enhancing sustainability. One convenience is distance to retail shopping options. Generally, and depending upon land costs, household income, and percentage spent on retail purchases, retail shopping centers require approximately 5,000 households to support viable operations. Another measure of the neighborhood is the source of this employment. This distribution can demonstrate the overall trends and provide an insight into the likelihood that the neighborhood is stable and reflective of the overall market or are there characteristics that would indicate that the neighborhood may be sensitive to economic trends and/or conditions.

The following table depicts the class of worker in the subject’s neighborhood:

Class of Worker

	1-Mile Radius		3-Mile Radius		5-Mile Radius	
	Amount	% of Tot.	Amount	% of Tot.	Amount	% of Tot.
For-Profit Private Workers	723	71.23%	9,588	69.85%	19,514	65.00%
Non-Profit Private Workers	52	5.12%	905	6.59%	2,376	7.91%
Local Government Workers	68	6.70%	1,098	8.00%	2,529	8.42%
State Government Workers	108	10.64%	666	4.85%	1,950	6.50%
Federal Government Workers	5	0.49%	403	2.94%	1,044	3.48%
Self-Employed Workers	49	4.83%	987	7.19%	2,461	8.20%
Unpaid Family Workers	10	0.99%	79	0.58%	148	0.49%
Total	1,015	100.00%	13,726	100.00%	30,022	100.00%

Source: Spotlight Analytics

Within a 1-Mile radius of the subject property ***Spotlight Analytics*** reports 57.91% of total population earns $25,000, or less. Within a 1-Mile radius of the subject property ***Spotlight Analytics*** reports 4.83% of total population earns $100,000, or more.

Transportation

Transportation is a key factor in the functionality of a neighborhood. A neighborhood with a higher density of residential and commercial developments will require a large network of corridors, inclusive of highways and interstates, to ensure ease of access to residences and businesses. However, in more rural neighborhoods with less development density, interstates may not be assessable for many miles and residents must rely on secondary corridors with limited highway access.

Summary

The area surrounding the subject property is moderately developed. Based on the data provided, population within a 3-Mile radius of the subject experienced a -2.93% change in population since 2020; with an anticipated change of -3.01% the next five years. This compares to the 5-Mile radius which experienced a -2.35% change in population since 2020; with an expected -2.17% change in population over the next five years. Average household income ranges from $31,621 to $53,868. Within a 3-Mile radius of the subject property, 65.04% of the housing consists of are renter-occupied units. Within the larger 5-Mile radius, the percentage of renter-occupied units is reported to be 56.38%. Household tenure within the neighborhood is typical of an retail market. Within a three-mile radius of the subject property, 69.85% of the workers are employed in the for-profit private work force. This compares to the five-mile radius which estimates 65.00% of workers to have employment within the for-profit private work force.

The subject property offers convenient access to primary transportation corridors and surrounding area. Overall, location, demographics, demand generators, and adjoining property uses are factors that bode well for the subject property.

SITE DESCRIPTION

The following descriptive material is largely based on personal inspections of the property, augmented by a review of information provided for this appraisal, pertinent public documents, and discussions with local planning, zoning, and public works officials.

Location

The subject site is located along the south side of Pine Avenue in Albany, Dougherty County, Georgia. Pine Avenue serves as a primary roadway, traversing the subject neighborhood in a easterly/westerly direction. For real estate tax purposes, the subject site is identified by Dougherty County as Parcel No(s). 0N101/00001/002. The following map illustrates primary cities as well as major interstate highways within a 150-mile radius surrounding the subject property:

150-Mile Radius from Subject Property

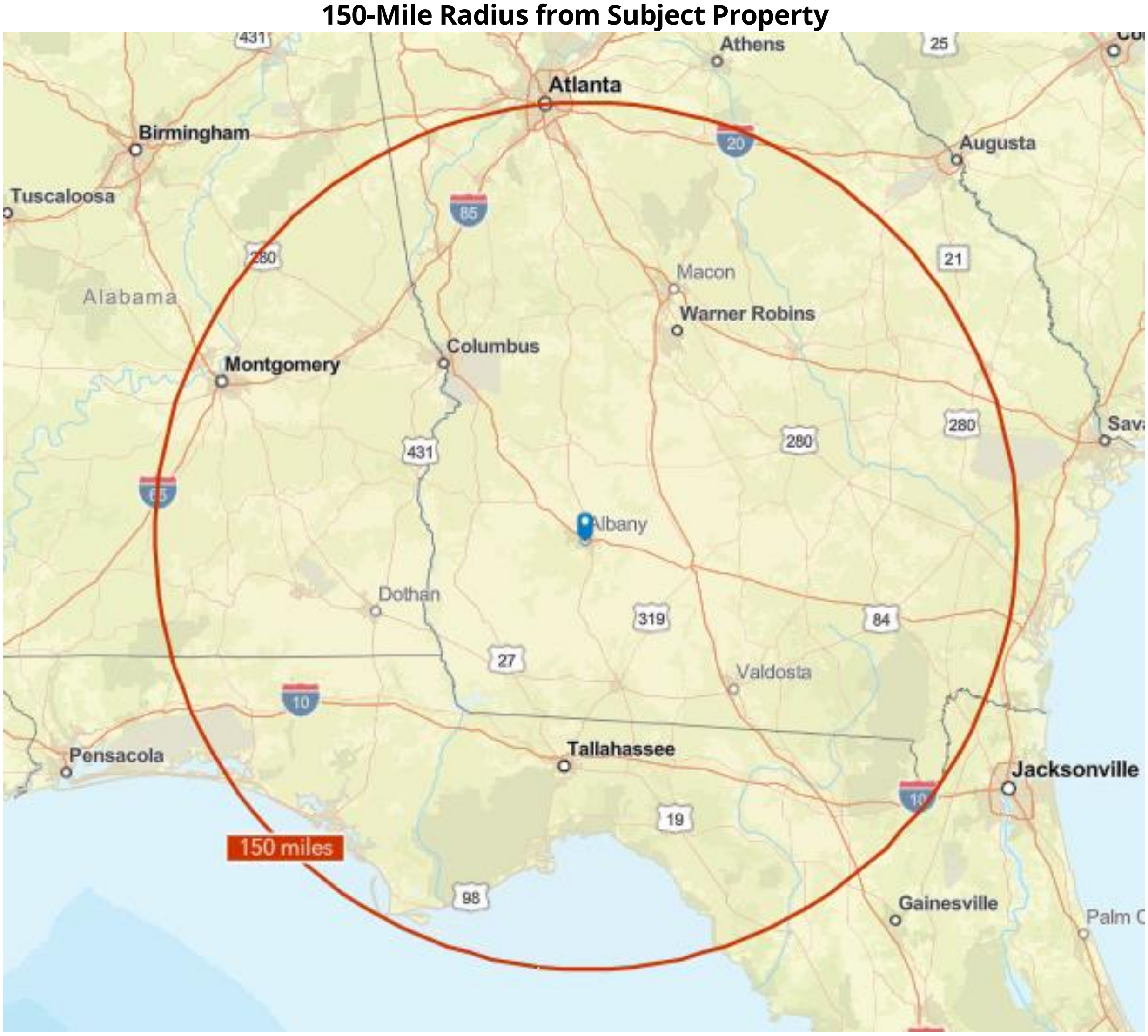


Exhibit - Tax Map

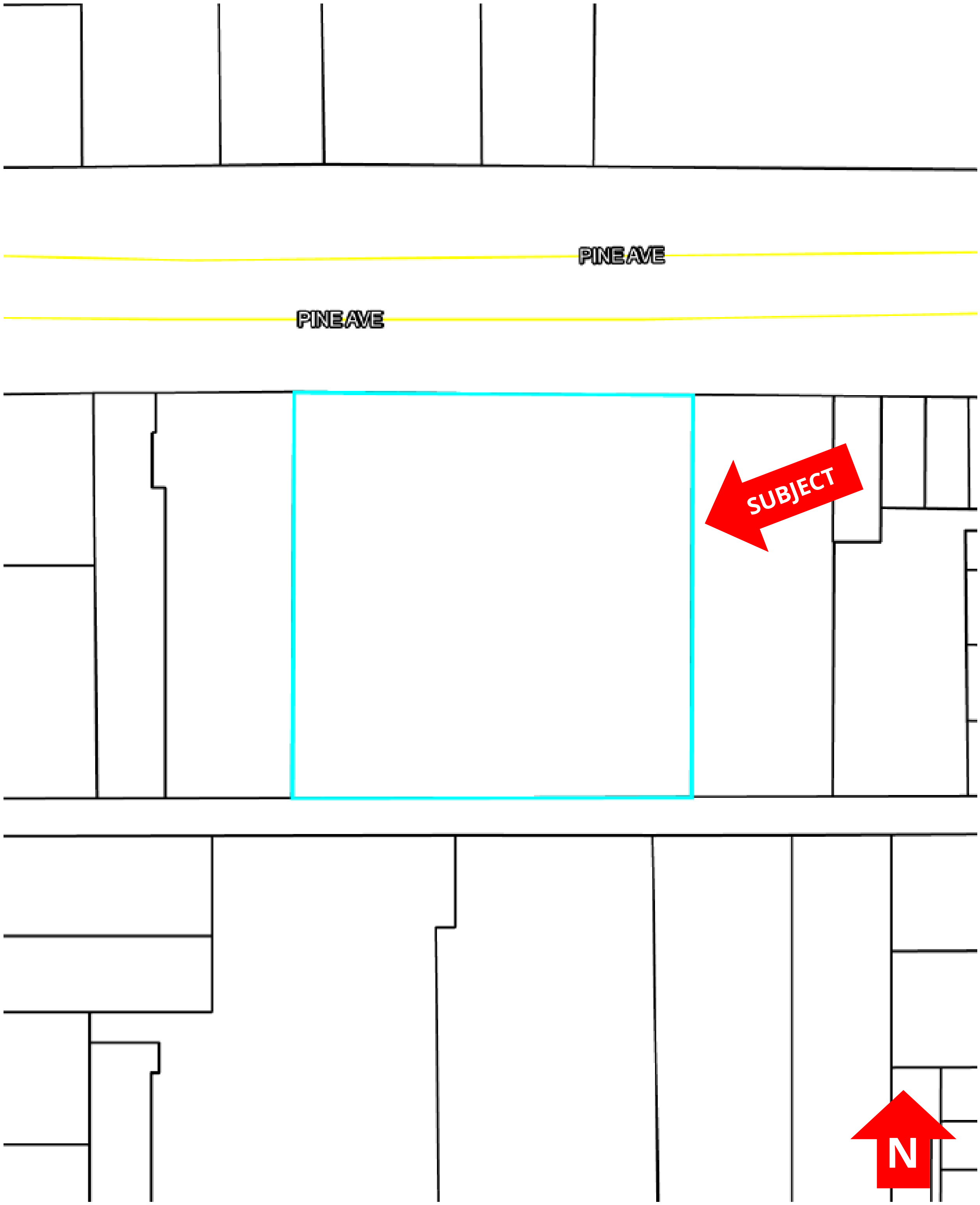


Exhibit - Aerial Map

Exhibit - Flood Map

Size and Configuration

The subject site comprises a total of 1.01± acres of gross land area. The tract is irregular in shape and features a generally flat topography. The subject site provides approximately 210 feet along the south side of Pine Avenue and an average depth of 213 feet.

Topography and Drainage

The topography of the subject site is flat and the site appears to be capable of supporting conventional construction and appears to drain adequately via storm water run-off drains located along the surrounding roadways as well as on site. The subject site is situated at street grade and is generally flat.

Soil and Subsoil

No responsibility for hidden or unapparent conditions beyond the area of expertise as appraisers is assumed (General Assumption No. 6). Only a visual surface inspection of the property was conducted. No soil or subsoil problems were apparent by the subject and surrounding developments.

Flood Hazard Statement

According to Flood Insurance Rate Map No(s). 13095C0109E, effective September 25, 2009, the subject property is situated in Flood Zone "X." Flood Zone "X" is an area determined to be outside 500-year floodplain determined to be outside the 1.0 percent and 0.2 percent annual chance floodplains.

Easements, Deed Restrictions, and Encroachments

We were not provided with a recent title report for the subject property or survey delineating specific deed restrictions or cross access, parking, or utility easements for the subject property. We note several utilities, drainage and access easements associated with the subject site. We are under the assumption that typical cross parking, access, and/or utility easements which may be in existence or any deed restrictions or easements which may be in place do not adversely affect the valuation herein or the transferability of the property.

Hazardous Substances

We are not experts in determining the presence of hazardous substances defined as all hazardous or toxic wastes, pollutants, or contaminants (including asbestos, PCB's, or raw materials) either used in construction or stored on property. We have not been provided with a site assessment report. Therefore, for the purposes of this analysis, we have assumed no hazardous substances are present which would adversely affect the value of the subject property. Therefore, the value estimate included herein reflects the assumption the subject property (soil and subsoil) does not contain hazardous substances.

Access

The site is provided pedestrian access along the south side of Pine Avenue. Vehicular access is provided to the rear of the site via an alleyway shared with adjacent properties. The closest signalized intersection is Pine Avenue and North Washington Street, located 0.05 miles from the subject property.

Utilities and Services

The subject property is serviced by the following departments, companies, and municipalities.

Utilities and Services

Water/Sewer	Municipal
Electric	Municipal
Telephone	Various Providers
Police /Fire Protection	Municipal
Public Transportation	Available

Zoning

The subject site is located within the C-2 “General Business” zoning district. The C-2 zoning classification is intended to provide for various commercial uses including retail, industrial, office, and mixed-use development. The following table summarizes development regulations of the subject zoning classification:

Zoning Requirements

	Requirement	Status
Front Yard Setback	30	Conforms
Side Setback	0	Conforms
Rear Setback	15	Conforms
Maximum Building Height	N/A	Conforms
Minimum Lot Area	N/A	Conforms

Source: City of Albany

Based on our review of the local zoning ordinances, we believe the subject property constitutes a legal, conforming use.

Summary

The subject is located along the south side of Pine Avenue, a primary roadway in Dougherty County, Georgia. General observations are as follows:

- As discussed in the Neighborhood Analysis and Market Analysis sections of this report, the frontage road is a moderately-traveled roadway serving the local community.
- The site benefits from retail use, day-time employment, and compatible neighboring uses in the immediate vicinity.
- The site benefits from density of residential population and acceptable levels of household income.
- The subject site is accessible via Pine Avenue.
- We are not aware of any easements or hazardous substances associated with the subject property that would impact the existing use.

With regards to specific observations, we note the subject site is zoned C-2 allowing retail use. The subject site provides approximately 210 feet of frontage and an average depth of 213 feet resulting in a frontage:depth ratio of 0.99 . Coverage ratio approximates 53.90% and density 23,478 square feet per acre. These conditions are believed to result in a legal, conforming use.
The closest signalized intersection is approximately 0.05 miles from the subject site at the intersection Pine Avenue and North Washington Street. The topography of the subject site is flat with no soil or subsoil problems noted during the inspection. The functionality of the site is considered adequate when considering the retail use of the subject improvements.

IMPROVEMENT DESCRIPTION

The subject improvements consist of a multiple-story structure designed for retail use, circa 1900-2017. Based on information provided and/or our inspection of the property, the subject improvements provide 23,713± square feet of building area. The façade is believed to be original c. 1900 with the entirety of the primary improvements recently completed c. 2017. The subject property is designed and partitioned for single tenant or owner occupancy and on the date of appraisal the improvements were 100.0% owner occupied.

Age and Condition

The following table summarizes our findings regarding age:

Economic Age and Life

	Years
Actual Age	7
Effective Age	7
MVS – Expected Life	50
Remaining Economic Life	43
Total Accrued Depreciation	21.61%

Source: Hector Companies and Marshal Valuation Service

The overall life expectancy is based upon our on-site observations and a comparative analysis of life expectancies reported for buildings of similar construction quality and condition. Capital expenditures meet market parameters resulting in increased remaining economic life.

Size, Use, Layout and Design

The building provides 23,713± square feet of gross building area. The following table provides an allocation of the improvement's square footage:

Allocation of Use

Space or Building	Square Feet
Production Area	13,898±
Tasting Area	5,411±
1st Floor Office	1,094±
2nd Floor Office	2,954±
Utility Storage	356±
Total	23,713±

Source: Pretoria Fields LLC

The following table depicts the distribution of the space associated within the subject property:

Distribution of Space*

Space or Building	Retail	Office	Production	Pct. Of Total
Production Area	0	0	13,898	58.61%
Tasting Area	5,411	0	0	22.82%
1st Floor Office	0	1,094	0	4.61%
2nd Floor Office	0	2,954	0	12.46%
Utility Storage	0	0	356	1.50%
Total	5,411	4,048	14,254	-
Percent of Total	22.82%	17.07%	60.11%	100.0%

**Estimate – AMT – Engineers Architects Planners*
Source: Pretoria Fields LLC

A building sketch for the subject improvements is provided at the end of this section.

<u>Construction Details and Conditions</u>

The following summary outlines pertinent details regarding the subject based on a visual inspection of the property, review of information provided by representative(s) of the subject property, and/or review of public record:

Foundation:	Concrete
Structural Framing:	Steel and masonry
Exterior Walls:	Masonry and steel
Floors:	Concrete
Stories:	1.00
Windows & Doors:	Entrance doors consist of Commercial glass in aluminum framing and windows are Fixed in aluminum framing.
Ceilings:	Open/unfinished/lay-in tiles
Roof:	Metal
Power:	Assumed adequate
Lighting:	Direct, incandescent, and fluorescent
Plumbing	Assumed adequate
Floor Coverings	Concrete and tile
HVAC:	Package units
Parking:	Surface parking is provided street-side and to the rear of the improvement.
Interior Finish:	Good
Other:	The Americans with Disabilities Act (ADA) became effective January 26, 1992. Notwithstanding any discussion of possible readily achievable barrier removal construction items in this report, we

	have not made a specific compliance survey and analysis of this property to determine whether 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. Because we have no direct evidence relating to this issue, we did not consider possible non-compliance with the requirements of the ADA in developing an opinion of the value of the property.
Functional Utility:	The structure is efficiently designed as an retail property. The subject property is considered functional for its use.

Ancillary Site Improvements

Ancillary site improvements include concrete curbing, raised concrete walkways, signage, and municipal services provided.

Personal Property

The subject property is operating as a microbrewery. As such there is a substantial investment in the production of spirits. Based on information provided for our review, the subject provides a total cost of equipment totaling $1,284,977, as new. A summary of the information provided for our review provided in the Addenda of this report:

Deferred Maintenance

Property owners often overlook capital investment required to maintain an retail property. Typically, the costliest items include repair of roof and parking lot. We were not provided with an engineer report demonstrating the condition of primary building elements. No deficiencies were noted during inspection, and none are assumed to exist

Summary

Based on our inspection, the improvements provide an adequate design that exhibits an average-quality retail property. Orientation of the improvements is toward Pine Avenue with primary access provided south side of Pine Avenue. A summary of general findings are as follows:

- The building is designed and partitioned for owner occupancy and on the date of appraisal the improvements were 100.0% owner occupied. The physical plant is suitable for retail use.

- The improvements provide an effective age of 7 and for the purposes of this report, we have estimated remaining life of 43 years.
- Subject improvements provide 23,713± square feet dispersed among multiple stories. Of leasable area, 60.1% will consist of production space.
- The subject property is well-positioned relative to the neighborhood's population and there are a few competitive disadvantages associated with the subject property's existing use. Namely, the limited food services provided.

Exhibit - Building Sketch - Production Area

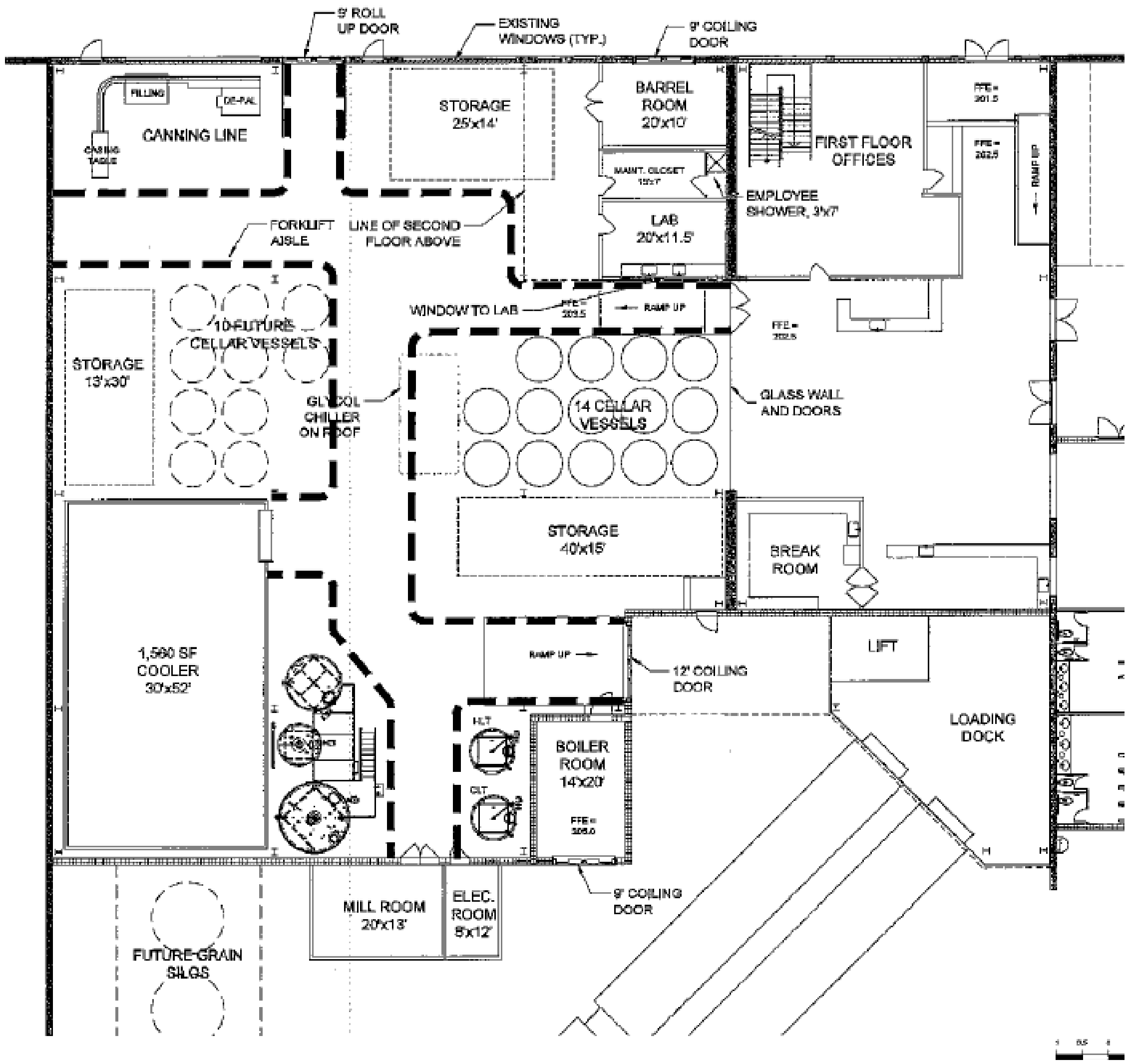


Exhibit - Building Sketch - Tasting Area

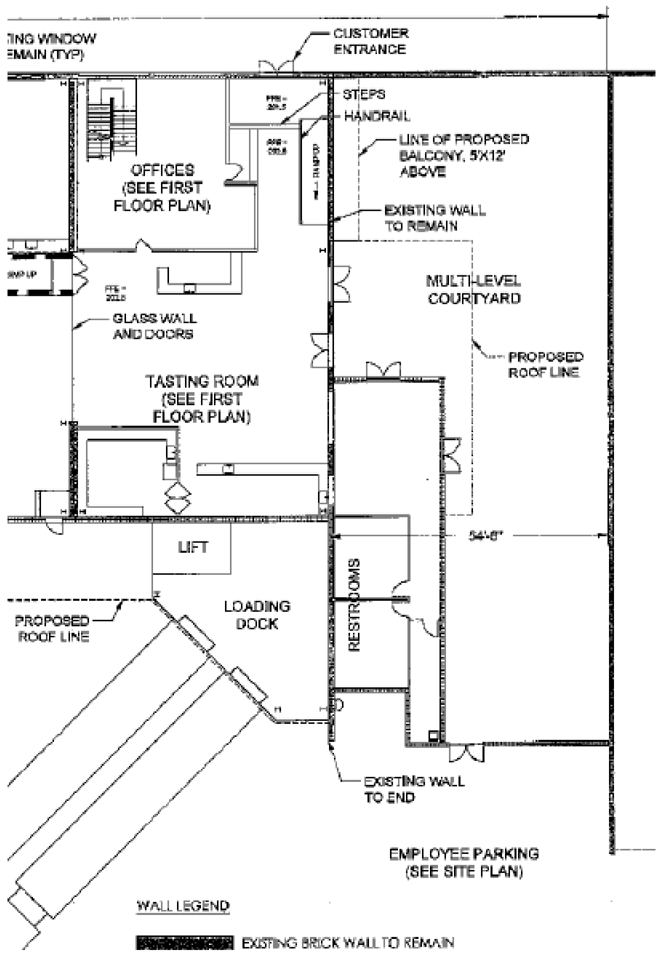
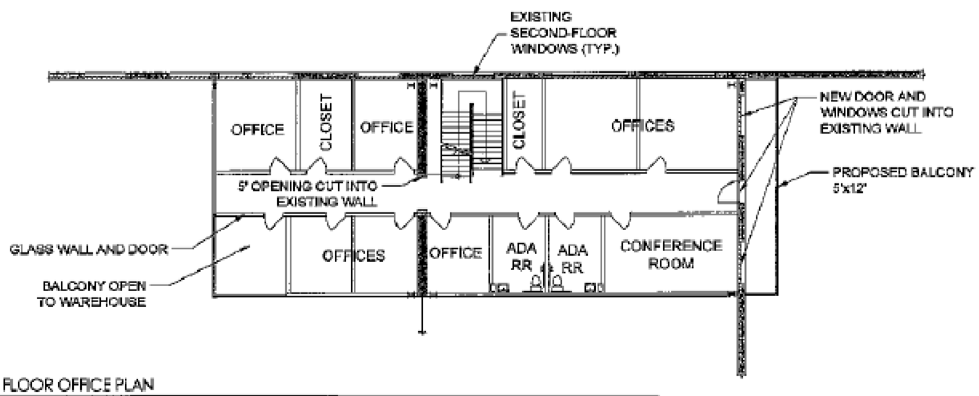
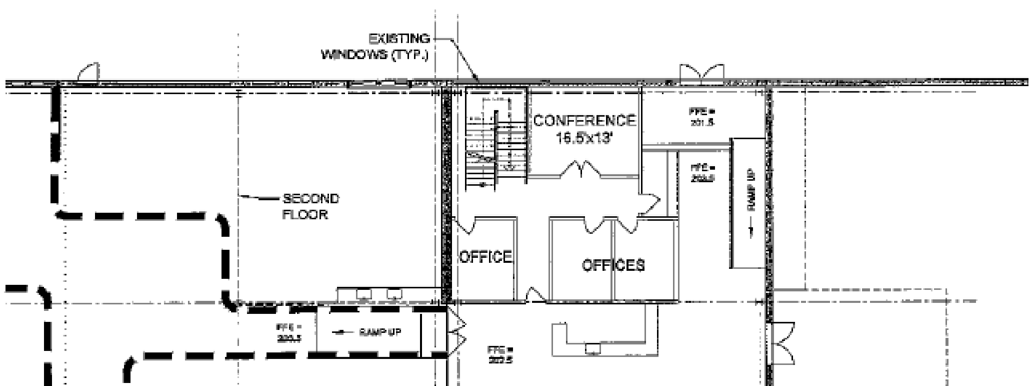


Exhibit - Building Sketch - Office Areas



SECOND FLOOR OFFICE PLAN



FIRST FLOOR OFFICE PLAN

REAL ESTATE ASSESSMENT AND TAXES

The following table summarizes assessments associated with the subject parcel(s):

Subject Property Assessment and Taxes

Parcel No./Property	Land Assessment	Improvement Assessment	Other Assessment	Total Assessment
0N101/00001/002 (Real)	$118,300	$1,295,000	$44,200	$1,457,500
Personal Property	$0	$0	$1,628,387	$1,628,387
Total	$118,300	$1,295,000	$1,672,587	$3,085,887

Source: Dougherty County

According to Dougherty County, real property associated with Parcel No. 0N101/00001/002 is considered “public property” in downtown Albany and is exempt from taxation. However, personal property associated with the subject ownership and 120 Pine Avenue is tax by the Dougherty County, the city of Albany, and related entities.

Based on review of public records, the subject property has the following property assessments and tax liability:

Subject Property Historical Assessment and Taxes

	Real Property	Personal Property	Total Assessment	Tax Rate	Tax Liability	% Chg.
2021	$1,457,500	$1,653,252	$3,100,752	43.3540	$27,367	N/A
2022	$1,457,500	$1,576,363	$3,033,863	46.7620	$26,245	-4.10%
2023	$1,457,500	$1,628,387	$3,085,887	46.5900	$30,467	15.63%

Source: Dougherty County

Based on information obtained from public record, as of the date of this report, personal property taxes associated with the subject property are unpaid and overdue in the total amount of $44,686.57. For the 2023 tax year, the full balance of $30,346.63 is unpaid and overdue as of December 20, 2023. Tax liability for the 2022 tax year is partially paid with an outstanding balance of $14,339.94 overdue as of December 20, 2022.

Based on our review of the comparable assessments, and value reported herein, we have estimated prospective tax liability as follows:

Prospective Real Estate Tax Liability

Component	Estimated Assessment	Estimated/SF
Totals	$1,896,775	$79.99
Equalization Factor	0.400	
Unit of Measure	1,000	
Tax Rate	46.5900	
Tax Liability	$35,348	$1.49

Source: Hector Companies

HIGHEST AND BEST USE

The determination of highest and best use is a critical element of every appraisal as it sets the stage for the entire valuation process. Highest and best use has been defined in a variety of ways, all similar; however, the thrust of the concept is that reasonable and probable use that will support the highest value, as defined, as of the effective date of the appraisal. For the purposes of this analysis, highest and best use is defined as:

> "...the reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value."[5]

In this instance, the purpose of the appraisal is to estimate the Market Value as of the date of valuation. To estimate market value, we considered those uses that are physically possible, legally permissible, economically feasible, and which would result in the highest return to the land, bearing in mind that the thrust of market value as defined is the most probable cash price the property should bring in a competitive open market under all conditions requisite to a fair sale.

Physically the subject site comprises a total of 1.01± acres of land area. The subject site is accessible from the south side of Pine Avenue and provides good visibility from the surrounding roads and may accommodate a variety of uses. Surrounding land uses are mixed, and there are no identifiable limiting development factors sufficient to isolate any given use.

Legality of Use is generally the second factor considered in highest and best use analysis. It is often a useful consideration because the distinction between uses which are legally permissible and those which are not, are typically well defined. The primary restrictions for the legal use relating to the subject property are set forth in the zoning ordinance such that any use must conform to the regulations embodied in the current zoning district. The C-2 zoning classifications provide for a variety of retail uses including the existing use. Due to the subject's location proximate to an established any alternative land use would be deemed inconsistent with sound land economic practices. Moreover, a change in the legality of use, which would constitute an episode of spot zoning involving a non-conforming lot within an otherwise homogeneous commercial district, would not likely be favorably received by local planning officials.

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[5] *The Dictionary of Real Estate Appraisal*, The Appraisal Institute.

Economic feasibility is the last step in determining the highest and best use of a given site. A project is economically feasible when a total project's costs to create adequate profit for development are sufficiently less than the indicated market value. One of the basic concepts in the determination of real estate value is the Principle of Conformity, which states:

> "....the real property value is created and sustained when the characteristics of a property conform to the demands of its market."[6]

In determining the feasibility of a given use, consideration is given to whomever the likely purchasers will be and when, over what time frame, the property could be expected to sell at market value. In this instance, the primary purpose of the appraisal is the estimation of the Market Value "As Is", and no specific alternative use has been stipulated. Moreover, since the subject constitutes a legal conforming use, the crux of the issue is the sustainability of retail use. In this regard, reference is made to the previously presented Market Analysis section of this report where we identified the competitive market. This market reports a vacancy rate of approximately 3.90% with rental rates approximating $16.74 per square foot.

With regards to the highest and best use of the subject property "as improved" we have considered market-derived operating parameters. From the perspective of a real estate investor the value conclusions presented herein may be tested relative to other market-derived variables via breakeven analysis included on the following page. Primary assumptions are as follows:

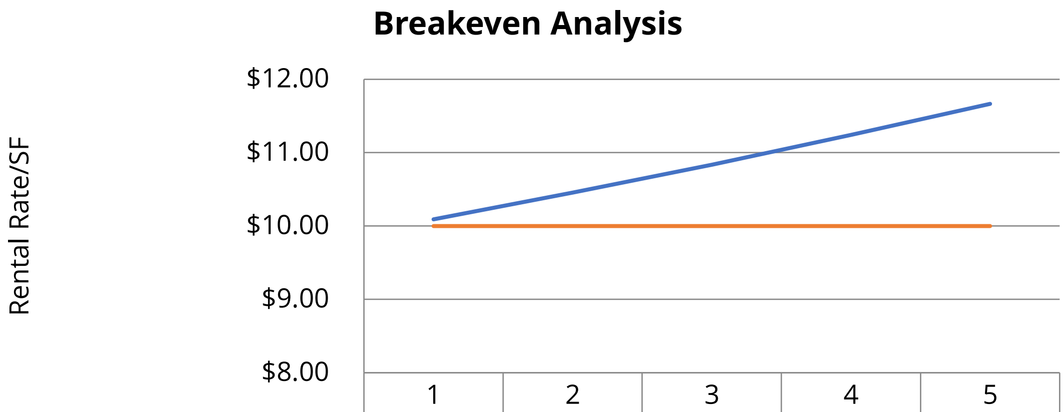
Property Assumptions:		Mortgage Assumptions:	
Size - SF	23,713	Term - Years	25
Value/SF- inclusive of land	$108.38	Rate	6.25%
Estimated value *	$2,570,000	Loan ratio	75.00%
**Excludes Personal Property*		Total amount	$2,570,000
Operating Assumptions:		Mortgage constant	0.07916
Stabilized operating costs	34.97%	Loan amount	$1,927,500
Stabilized occupancy	95.0%	Annual debt service	$152,582
Reimb. & Other Rev./SF	$4.08		
Capitalization rate	8.50%		

[6] *The Dictionary of Real Estate Appraisal*, The Appraisal Institute.

Breakeven/Debt Service Analysis
Pretoria Fields Brewery
120 Pine Avenue
Albany
Georgia

<u>Rental Rate Required to Equal Value (Breakeven)</u>					
Total Square Feet Available	23,713	23,713	23,713	23,713	23,713
Total revenue per SF	**$10.09**	**$10.45**	**$10.84**	**$11.24**	**$11.67**
Base rental revenue	$239,300	$247,914	$256,981	$266,538	$276,626
Other revenue	$96,635	$96,635	$96,635	$96,635	$96,635
Gross Potential Income	$335,935	$344,549	$353,616	$363,173	$373,261
Vacancy estimate	0.0%	2.5%	5.0%	7.5%	10.0%
Effective gross income	$335,935	$335,935	$335,935	$335,935	$335,935
Operating expenses ratio	34.97%	34.97%	34.97%	34.97%	34.97%
Operating expenses	$117,485	$117,485	$117,485	$117,485	$117,485
Net operating income	$218,450	$218,450	$218,450	$218,450	$218,450
Capitalization rate	8.50%	8.50%	8.50%	8.50%	8.50%
Indicated value	$2,570,000	$2,570,000	$2,570,000	$2,570,000	$2,570,000
<u>Rental Rate Differential</u>					
Rental rate for breakeven	$10.09	$10.45	$10.84	$11.24	$11.67
Market rental rate/SF	$10.00	$10.00	$10.00	$10.00	$10.00
Rental rate differential	$0.09	$0.45	$0.84	$1.24	$1.67
Differential percentage	**0.92%**	**4.55%**	**8.37%**	**12.40%**	**16.66%**
<u>Rental Rate to Meet Debt Service</u>					
Assumed occupancy	100.0%	97.5%	95.0%	92.5%	90.0%
Occupied space - SF	23,713	23,120	22,527	21,935	21,342
Rental rate/SF (net of reimb.rev.)	**$5.82**	**$6.07**	**$6.34**	**$6.62**	**$6.92**
Total revenue required	$234,642	$234,642	$234,642	$234,642	$234,642
Stabilized operating expenses	34.97%	34.97%	34.97%	34.97%	34.97%
Debt service	$152,582	$152,582	$152,582	$152,582	$152,582

As demonstrated, the rental rate per square foot necessary to equal value reported in the Valuation Section of this report ranges from $10.09 to $11.67 per square foot when operating at various levels of occupancy. Assuming a market-derived average rental rate of $10.00 per square foot, the differential may be graphically depicted as follows:



	1	2	3	4	5
Market Rental Rate	$10.00	$10.00	$10.00	$10.00	$10.00
Breakeven Rental Rate	$10.09	$10.45	$10.84	$11.24	$11.67

The breakeven analysis demonstrates rental rates needed to support the value estimate reported herein given varying levels of occupancy. Levels of risk are inferred and graphically presented.

SWOT Analysis

Strengths which bode well for the subject property include the size of the site, located on a major road with proximity to others in the neighborhood. Average incomes in the area approximates $67,060 which is 69.15% of the statewide average of $96,983. Population growth indicated a -3.21% rate of change from 2010 to 2020 and since 2020, the population is expected to result in a -2.95% rate of change over the next five years. Based on Economic Base Analysis, an additional 532,009 square feet of space are supportable during the next five years. Within a 3-Mile radius of the subject experienced a -2.93% change in population since 2020; with an anticipated change of -3.01% the next five years. This compares to the 5-Mile radius which experienced a -2.35% change in population since 2020; with an expected -2.17% change in population over the next five years. Average household income ranges from $31,621 to $53,868. As will be presented in the Valuation section of this report, the capitalization rate estimate considers the risks associated with our prospective levels of achievement and implies a capitalization rate of 7.3%, relative to gross rental receipts, or a -122.6 basis point spread relative to the “going-in” capitalization rate of 8.50% utilized herein. This is supported by market-derived data. Yields, spreads, and other metrics are within market parameters. With regards to the subject property, we note that the microbrewery industry has seen difficulty in obtaining overall market share. In general, customers are progressively less interested in locations with limited service and products. Microbreweries typically have smaller production capacities compared to larger breweries. This can limit their ability to meet increasing demand or supply to larger markets. Microbreweries may struggle with distribution, especially if they lack the resources or networks to reach a broader audience. Establishing efficient distribution channels can be a significant challenge.

Weaknesses for the property include the age of the subject property and use as a retail building. Market rental rates range from $7.50 to $13.50 per square foot which may limit viability of new construction, renovation, or expansion.

Opportunities often result from capitalizing on investment positions offering inelastic demand opportunities and secular tailwinds. With regards to the former, we note inelastic demand is an economic term referring to the static quantity of a good or service when its price changes. As applied to the current use of the subject property as retail property, inelastic demand means that when the price goes up due to structured finance, repositioning, inflation, etc., investors'/users' buying habits stay about the same, and when the price goes down, investors'/users' buying habits also remain unchanged. With regards to the latter, a secular tailwind is a social or economic trend that has an impact on the economy, as well as the companies and investors that participate in it. Awareness of these variables will benefit knowledgeable owners. Staying abreast of industry trends and adapting quickly can help microbreweries stay relevant. Whether it is experimenting with new flavors, following health-conscious trends, or incorporating emerging brewing technologies, being adaptable is key.

Threats includes, but are not limited to, fluctuations in the economy caused by governmental policies, which can significantly slow retail spending and other economies directly linked to retail tenants and associated business. Liquidity deflation will continue through 2024 giving rise to possible broader contagion emanating from the credit markets into the real estate market. The substantial number of refinancing events scheduled during 2024 could promote cross asset contagion. Building a strong brand and gaining recognition in a highly competitive market can be challenging for microbreweries. This is particularly true if they are in regions with established and well-known craft beer brands. Relying solely on a local customer base can limit growth opportunities. Diversifying and expanding into broader markets can be difficult without the right strategies and resources. The growing popularity of craft beer presents a significant opportunity for microbreweries. Consumers are increasingly interested in unique and locally brewed beers, providing a market for microbreweries to explore. Experimenting with unique and innovative beer styles, ingredients, and brewing techniques can set microbreweries apart from the competition. Limited edition or seasonal releases can generate excitement among customers.

Conclusion

Based on the preceding discussion, we conclude the highest and best use of the subject site “as vacant” is for commercial development. The highest and best use of the subject property “as improved” is its commercial use. We have based this conclusion on the fact that there are no identifiable legal alternative uses for the property that would provide a greater contribution to the land within the foreseeable future.

HECTOR
COMPANIES

VALUATION SECTION

APPRAISAL PROCESS

The appraisal process is an orderly investigative procedure wherein data is acquired, classified, analyzed, and then processed into value indications by various appraisal techniques. The most used appraisal techniques are the Cost, Sales Comparison, and Income Capitalization Approaches. Each technique or approach to value has its strengths and weaknesses, depending to a considerable extent on the type of property being appraised and the quality of available data. In most instances, one or more of these approaches will produce a more reliable value indication than the other approach, or approaches. Therefore, the last step in the appraisal process is the reconciliation and correlation of all the value indications into a final value estimate. This step usually begins with a discussion of the merits and demerits of each approach, and it concludes with a statement of the final value estimate.

The Cost Approach is most applicable when analyzing proposed, recently completed, or special-purpose properties. This approach often assists developers in gauging barriers to entry and is considered by some investors when evaluating return metrics associated with construction costs. The Sales Comparison Approach (Market Approach) includes a direct market comparison based upon an analysis of the characteristics of each comparable relative to the subject property. The Income Capitalization Approach is relevant for income-producing assets which are most often held for investment purposes; the prospective income stream being closely scrutinized by both buyers and sellers. The relevance of each approach to value is summarized in the Reconciliation section.

SALES COMPARISON APPROACH

The Sales Comparison Approach ("Market Approach") is an appraisal technique wherein the subject property is valued by comparison to comparable properties that have recently sold in the market. This approach to value is generally called the Sales Comparison Approach because the subject property and comparable sales are analyzed in relation to the subject on a one-to-one basis, or a total package basis, generally without the extraction of component parts, such as land or improvements. This approach to value assumes that an informed buyer would pay no more for a property than would be paid to acquire an equally desirable property of the same or similar utility.

Sectors having direct influence on the local market include, but are not necessarily limited to, the following:

Basic Employment – Projected Growth
Albany MSA, Georgia

Industry	Current Basic Employment*	Projection – 2028*
Accommodation & Food Services	6.931	7.579
Administrative & Waste Services	8.522	9.523
Farm Employment	1.420	1.411
Federal Civilian Government	-	2.572
Forestry, Fishing, & Other	2.594	0.943
Health Care & Social Assistance	0.889	12.399
Other Services	11.607	7.753
Retail Trade	7.258	9.542
State & Local Government	9.424	9.006
Wholesale Trade	9.223	3.194
Total	**57.868**	**63.922**

**Number of employees (expressed in thousands)*
Source: Woods and Poole Economics

A description of the comparable properties has been included on the following pages, followed by the analysis and conclusion of value as indicated by the Sales Comparison Approach.

Improved Comparable No. 1

Property Identification		Transaction Summary	
Property Type	Retail	**Grantor**	Mark S. Donahue
Prop. Name	N/A	**Grantee**	Deep Roots Property Llc
Address	1246-1248 Broad St.	**Sale Date**	10/20/2023
City	Augusta	**Days on Market**	N/A
County	Richmond	**Property Rights**	Leased Fee
State	Georgia	**Document No.**	1904-2266
RE Tax ID	0364220000	**Price**	$1,595,000
		Price/SF	$91.14
Site Summary		**Price/Unit**	N/A
Size - Acres	0.29	**GIM**	N/A
Zoning	B-2	**Cap. Rate**	N/A
		Financing	Financing of this transaction was not recorded and is assumed to be at market levels not affecting cash equivalency.

Improvement Summary	
Building Size	17,500
Units	1
Year Built	1906
Effective Age	15
Floors	3
Condition	Average
Ceiling Height	12'-14'

Demographic Data/Traffic Count	5-Mile Radius	Percent Chg.
Population – Current	104,465	
Pop.– 5 Year Projected	105,354	0.9%
Households – Current	44,775	
Hhlds. – 5 Year Projected	45,173	0.9%
Avg. Household Size	2.33	
Avg. Household Income	$60,780	
Traffic Count		19,800

Verification

Public Record

Remarks

This comparable property is located along the southerly side of Broad Street, east of 13th Street in Augusta, Georgia. This three story downtown building on 0.29 acres of land was constructed circa 1906 and has been renovated on multiple occasions. The facility provides retail space on the first floor and office areas on the upper levels. The property was 100.0% occupied at the time of sale. There are 15 paved parking spaces.

Improved Comparable No. 2

Property Identification

Property Type	Retail
Prop. Name	Chafin Building
Address	15 Griffin St.
City	McDonough
County	Henry
State	Georgia
RE Tax ID	Multiple

Site Summary

Size - Acres	0.23
Zoning	I-2

Transaction Summary

Grantor	Southern Investment Group LLC
Grantee	15 Griffin, LLC
Sale Date	6/20/2022
Days on Market	N/A
Property Rights	Fee Simple
Document No.	19189-112
Price	$1,440,000
Price/SF	$121.93
Price/Unit	N/A
GIM	N/A
Cap. Rate	N/A
Financing	Financing of this transaction was not recorded and is assumed to be at market levels not affecting cash equivalency.

Improvement Summary

Building Size	11,810
Units	1
Year Built	1896
Effective Age	10
Floors	2
Condition	Average
Ceiling Height	18.0

Demographic Data/Traffic Count

	5-Mile Radius	Percent Chg.
Population – Current	87,242	
Pop.– 5 Year Projected	93,289	6.9%
Households – Current	30,281	
Hhlds. – 5 Year Projected	32,392	7.0%
Avg. Household Size	2.88	
Avg. Household Income	$96,093	
Traffic Count	3,070	

Verification

Steven Josovits, The Shumacher Group, Inc.
770-840-2121

Remarks

This comparable property is located on the westerly side of Griffin Street, north of Hampton Street in McDonough, Georgia. This sale was an owner-user transaction operating as Deep South Deli & Pub. The purchase included the business value in a separate transaction for a reported $510,000. The buyer will continue to operate the restaurant and bar. The building was constructed circa 1896, but has been substantially renovated (2017) to its current use as a restaurant. The restaurant has a large outdoor eating area.

Improved Comparable No. 3

Property Identification

Property Type	Retail
Prop. Name	N/A
Address	110 Technology Pkwy.
City	Norcross
County	Gwinette
State	Georgia
RE Tax ID	R6285-021

Site Summary

Size - Acres	3.53
Zoning	C-1

Transaction Summary

Grantor	Technology Partners Group, LLC
Grantee	Greenleaf Investments Partners L075, LLC
Sale Date	2/7/2022
Days on Market	N/A
Property Rights	Leased Fee
Document No.	59672-1
Price	$5,350,000
Price/SF	$149.86
Price/Unit	N/A
GIM	N/A
Cap. Rate	N/A
Financing	Financing of this transaction was not recorded and is assumed to be at market levels not affecting cash equivalency.

Improvement Summary

Building Size	35,700
Units	1
Year Built	1978
Effective Age	15
Floors	1
Condition	Average
Ceiling Height	18.0

Demographic Data/Traffic Count

	5-Mile Radius	Percent Chg.
Population – Current	235,337	
Pop.– 5 Year Projected	240,623	2.2%
Households – Current	84,281	
Hhlds. – 5 Year Projected	86,149	2.2%
Avg. Household Size	2.79	
Avg. Household Income	$101,811	
Traffic Count		17,754

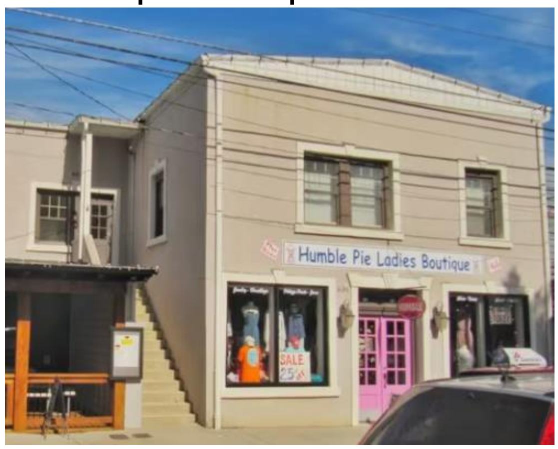
Verification

Wyn Jones, Grantor
404-577-7889

Remarks

This comparable property is located along the easterly side of Technology Parkway and South of Spalding Drive in Norcross, Georgia. This building was constructed circa 1978, and a large portion of the building is occupied by a Brewery known as Anderby Brewery which closed in July 2023. The property features a class C flex building providing 35,700 total square feet of which the brewery leased approximately 38. percent was occupied by the brewery. The property provides a total of 66 asphalt paved parking spaces.

Improved Comparable No. 4



Property Identification

Property Type	Retail
Prop. Name	N/A
Address	636 E. Main St.
City	Blue Ridge
County	Fannin
State	Georgia
RE Tax ID	Multiple

Site Summary

Size - Acres	0.11
Zoning	02

Improvement Summary

Building Size	12,011
Units	1
Year Built	1935
Effective Age	15
Floors	1
Condition	Average
Ceiling Height	10.0

Verification

Public Record

Transaction Summary

Grantor	Campbell Camp Investments LLC
Grantee	North Georgia Home Investment, LLC
Sale Date	8/30/2021
Days on Market	N/A
Property Rights	Leased Fee
Document No.	1449-748
Price	$1,382,500
Price/SF	$115.10
Price/Unit	N/A
GIM	N/A
Cap. Rate	N/A
Financing	Financing of this transaction was not recorded and is assumed to be at market levels not affecting cash equivalency.

Demographic Data/Traffic Count

	5-Mile Radius	Percent Chg.
Population – Current	10,756	
Pop.– 5 Year Projected	10,686	-0.7%
Households – Current	4,606	
Hhlds. – 5 Year Projected	4,579	-0.6%
Avg. Household Size	2.34	
Avg. Household Income	$71,464	
Traffic Count	3,220	

Remarks

This comparable property is located along the northerly side of East Main Street in Blue Ridge, Georgia. This downtown location provides multiple retail (store and restaurant) on the street level with 6 residential apartments on the second floor. The property was 100 percent occupied by multiple tenants at the time of sale. The area proximate this site has substantial foot traffic.

Improved Comparable No. 5

Property Identification		**Transaction Summary**	
Property Type	Retail	**Grantor**	Rome Pizza Co, LLC
Prop. Name	John Henry's Grill	**Grantee**	Michal Zelenak
Address	233 Broad St.	**Sale Date**	7/15/2021
City	Rome	**Days on Market**	N/A
County	Floyd	**Property Rights**	Leased Fee
State	Georgia	**Document No.**	2696-489
RE Tax ID	Multiple	**Price**	$1,410,000
		Price/SF	$87.81
Site Summary		**Price/Unit**	N/A
Size - Acres	0.27	**GIM**	N/A
Zoning	GR	**Cap. Rate**	N/A
		Financing	Financing of this transaction was not recorded and is assumed to be at market levels not affecting cash equivalency.

Improvement Summary	
Building Size	16,058
Units	1
Year Built	1901
Effective Age	15
Floors	2
Condition	Average
Ceiling Height	12.0

Demographic Data/Traffic Count

	5-Mile Radius	Percent Chg.
Population – Current	60,093	
Pop.– 5 Year Projected	60,876	1.3%
Households – Current	22,385	
Hhlds. – 5 Year Projected	22,688	1.4%
Avg. Household Size	2.68	
Avg. Household Income	$62,830	
Traffic Count	5,900	

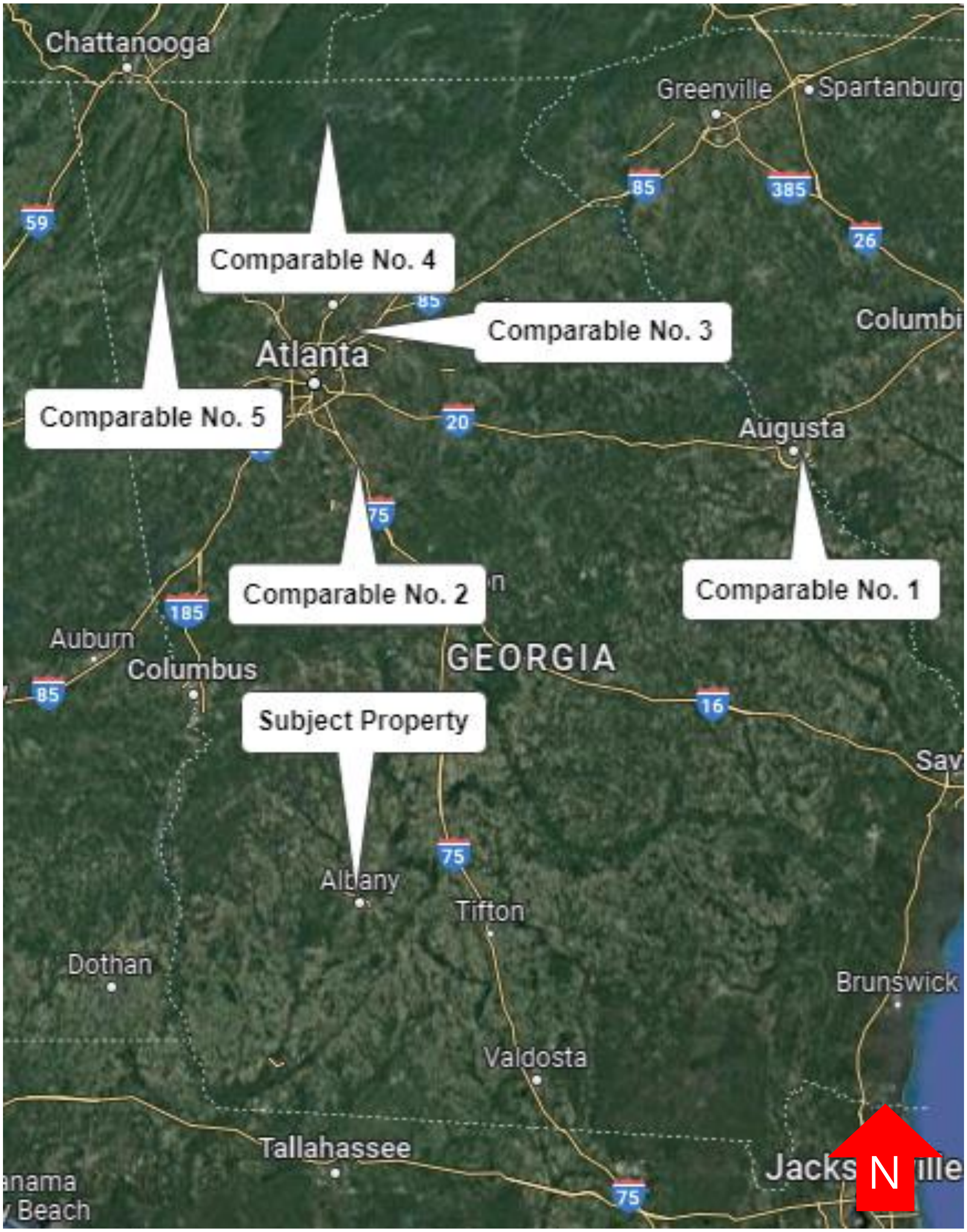
Verification

Robert Blumberg, Grantor
404-660-2966

Remarks

This comparable property is located along the westerly side of Broad Street, in Rome, Floyd County, Georgia. The building provides a total of 16,058 square feet of space within a 2-story structure. The first-floor retail is leased to John Henry's Grill which remains as a tenant for the space. The second floor was converted for residential use, which was reported by the buyer as a reason for the purchase of this investment.

Exhibit – Improved Comparables Map



Improved Comparables Summary and Adjustment Grid
Pretoria Fields Brewery

Property/Location:	**Subject Property**	**Comparable No. 1**	**Comparable No. 2**	**Comparable No. 3**	**Comparable No. 4**	**Comparable No. 5**
Use	Pretoria Fields Brewery	Retail	Retail	Retail	Retail	Retail
Address	120 Pine Avenue	1246-1248 Broad St.	15 Griffin St.	110 Technology Pkwy.	636 E. Main St.	233 Broad St.
City	Albany	Augusta	McDonough	Norcross	Blue Ridge	Rome
State	Georgia	Georgia	Georgia	Georgia	Georgia	Georgia
Tax ID No.	0N101/00001/002	0364220000	Multiple	R6285-021	Multiple	Multiple
Status		**Sale**	**Sale**	**Sale**	**Sale**	**Sale**
Transaction Data:						
Sale Price		$1,595,000	$1,440,000	$5,350,000	$1,382,500	$1,410,000
Date of Sale		10/20/23	06/20/22	02/07/22	08/30/21	07/15/21
Recording Data (OR Bk / Pg)		1904-2266	19189-112	59672-1	1449-748	2696-489
Property Data:						
Building Size (SF)	23,713	17,500	11,810	35,700	12,011	16,058
Year Built	Jan-17	1906	1896	1978	1935	1901
Effective Age - Years	7	15	10	15	15	15
Site Size (Acres)	1.01	0.29	0.23	3.53	0.11	0.27
Site Size (SF)	43,996	12,632	10,019	153,767	4,792	11,761
Land-to-building Ratio	1.86	0.72	0.85	4.31	0.40	0.73
Value Indications:						
Price / SF		**$91.14**	**$121.93**	**$149.86**	**$115.10**	**$87.81**
Cumulative Adjustments:						
Property Rights Conveyed		Leased Fee	Fee Simple	Leased Fee	Leased Fee	Leased Fee
Adjustment		0.0%	0.0%	0.0%	0.0%	0.0%
Financing		Cash Equivalent	Cash Equivalent	Cash Equivalent	Cash Equivalent	Cash Equivalent
Adjustment		0.0%	0.0%	0.0%	0.0%	0.0%
Conditions of Sale		Market	Market	Market	Market	Market
Adjustment		0.0%	0.0%	0.0%	0.0%	0.0%
Time (Months)		3	19	24	29	30
Adjustment		0.8%	4.8%	5.9%	7.2%	7.6%
Time Adjusted / SF		**$91.86**	**$127.76**	**$158.69**	**$123.39**	**$94.46**
Additive Adjustments:						
Quality of Construction		0.0%	0.0%	0.0%	0.0%	0.0%
Age/Condition		16.0%	5.0%	15.0%	10.0%	14.0%
Access/Location		0.0%	-10.0%	-10.0%	-10.0%	-10.0%
Land-to-Building Ratio		0.0%	0.0%	0.0%	0.0%	0.0%
Size		-5.0%	0.0%	5.0%	-10.0%	-5.0%
Build-out		0.0%	-10.0%	5.0%	-10.0%	-5.0%
Net Adjustments:		11.0%	-15.0%	15.0%	-20.0%	-6.0%
Adjusted Price / SF		**$101.96**	**$108.60**	**$182.49**	**$98.71**	**$88.79**

Notes: 1) Estimate - based on market parameters and/or discussions with property representatives.

Analysis of Improved Comparable Properties

There are two indices of comparison that are typically employed in the Sales Comparison Approach when analyzing competitive comparable properties: Effective Gross Income Multiplier (EGIM), or in some cases Gross Income Multiplier (GIM), and price paid per square foot. Both the EGIM and GIM indices are economic (financial) units of comparison that do not require adjustment, while the price square foot method of comparison is based on physical characteristics requiring adjustments for various attributes such as market conditions, location, quality of construction, etc. Due to the lack of financial information pertaining to the comparable properties only the physical unit of comparison has been relied upon.

Physical Unit of Comparison

The sales included in this section are believed to have varying degrees of comparability to the subject property. The sales provided the following value indications:

Comparable Summary and Value Indications

Comparable	Date of Sale	Year Built	Price	Building Size (SF)	Price Per SF*
1	10/20/2023	1906	$1,595,000	17,500	$91.14
2	6/20/2022	1896	$1,440,000	11,810	$121.93
3	2/7/2022	1978	$5,350,000	35,700	$149.86
4	8/30/2021	1935	$1,382,500	12,011	$115.10
5	7/15/2021	1901	$1,410,000	16,058	$87.81

**Prior to Adjustment*

When analyzing the sales, certain characteristics of each property are considered superior or inferior to the subject property. A discussion of the adjustment process follows.

Cumulative Adjustments

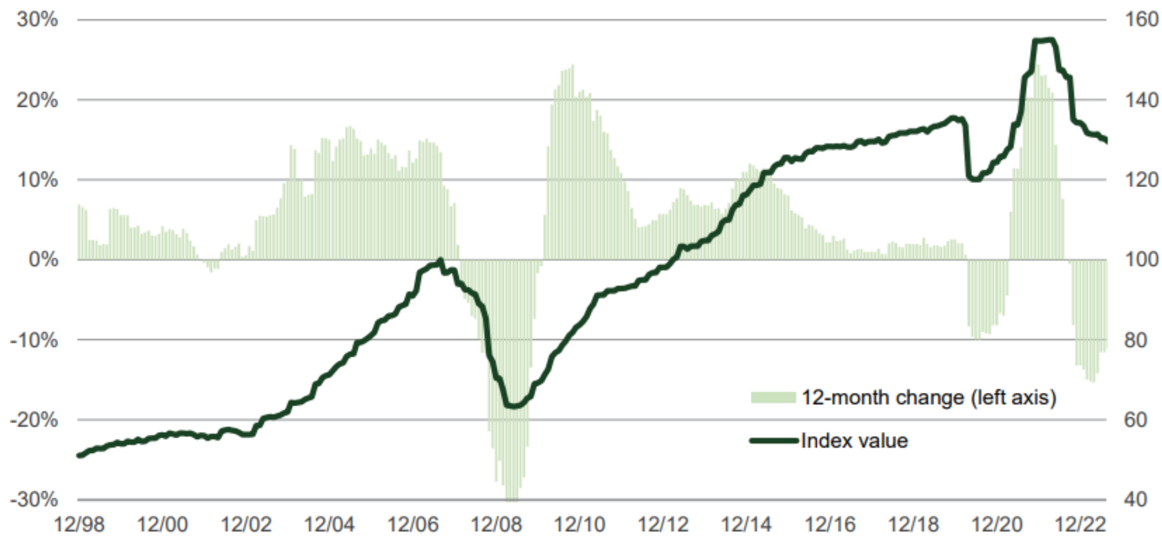
Cumulative adjustments are applied for differences in property rights conveyed, financing terms, conditions of sale, market conditions.

Property Rights Conveyed: This adjustment accounts for differences in the real property rights transferred. Based on our review, no adjustment was warranted.

Financing Terms: This adjustment accounts for financing terms not considered to be cash equivalent. Each of the sales utilized in this analysis involved either all cash transactions, or conventional financing at prevailing market rates and terms. Therefore, no adjustments for financing were required.

Conditions of Sale: Atypical motivations by either buyer or seller are considered to impact the final sales price of a property. We believe the transactions were marketed and sold within typical marketing periods and conditions of sale. In our verifications of each sale, we did not learn of atypical motivation by either the buyer or seller. Therefore, we have made no adjustments to the conditions of sale.

Market Conditions (Time): This adjustment is based on the premise that external economic factors affect the sales price of real estate. Based on available market information, and our conversations with leasing representatives and property managers in the local market, we are aware of the following trend:



Source: CPPI

For the purposes of this report, we have assumed an annual rate of change of 3.00%.

<u>Additive Adjustments</u>

With regards to additive adjustments, we believe there are primary areas of difference between the comparable properties and the subject improvements, summarized as follows:

Quality of Construction: adjustments are based on our opinion of building classification as defined in the ***Marshall & Swift Valuation Services, Inc.,*** cost manual and the base cost (including current cost and local multipliers) for the respective building classifications. The adjustment is positive for a base cost less than that of the subject, and negative for a base cost greater than that of the subject. The subject property is as an average-quality building. For the purposes of this report, we have not applied direct adjustment to the comparable properties.

Age and Condition: The comparable properties provided a range of effective ages from 10 to 15 years at their respective time of sale, with the subject property having an effective age of 7 years. We have utilized a loss in value of 2.00% per year, net of assessed land value, resulting in a range of adjustments from 16.0% to 16.0%.

Access/Location: This adjustment is primarily based on the overall location of the property with respect to surrounding property uses with consideration given to two primary categories of potential difference; specifically, demographic profiles and physical characteristics such as corner location, location relative to signalized intersection and median cuts, speed limit, adjoining uses, etc. A summary of certain demographic data for the property and comparable properties is summarized as follows:

Improved Comparable Properties – Demographics and Traffic Counts - 5-Mile

	Avg. Household Income	Population- Current Year	Population- 5-Year Proj.	Population- % Chg.	Traffic Counts
Subject Prop.	$53,868	71,327	69,778	-2.17%	3,560
Comp. No. 1	$60,780	104,465	105,354	0.9%	19,800
Comp. No. 2	$96,093	87,242	93,289	6.9%	3,070
Comp. No. 3	$101,811	235,337	240,623	2.2%	17,754
Comp. No. 4	$71,464	10,756	10,686	-0.7%	3,220
Comp. No. 5	$62,830	60,093	60,876	1.3%	5,900

Source: Hector Companies, Spotlight and related companies, CoStar

These data have been considered, together with barriers to entry, neighborhood life cycle trends, dollars available for retail purchases, and available supply of competing space. For the purposes of this report, we have applied adjustment ranging from -10.0% to 0.0%.

Land-to-Building Ratio: The subject provides a land-to-building ratio of 1.86 for the subject property. The comparable properties offer land-to-building ratios from 0.40 to 4.31 . Based on our review of the comparable sales and land values in each location we have not applied direct adjustment to the comparable properties.

Size: The subject property provides a total of 23,713± square feet of building area, with the comparable properties ranging in size from 11,810 ± to 35,700 ± square feet. For the purposes of this report, we have applied adjustment ranging from -10.0% to 5.0%. On occasion this adjustment may be supported via matched pair analysis, but in this case the adjustment could not be definitively determined. As such, we have relied upon our experience and training, conversations with market participants, and sound reason.

Build-Out considers the quality of the interior build-out of each comparable relative to the subject improvements. For the purposes of this report, we have we have applied adjustment ranging from -10.0% to 5.0%.

After the various adjustments for physical and location characteristics, net adjustment ranged from -20.0% to 15.0%. After adjustment, the comparable properties exhibited the following range of values:

Minimum			Maximum	
$88.79	/SF	To	$182.49	/SF

We considered multiple transaction but included only five in our final analysis. These transactions occurred between October 20, 2023 and July 15, 2021, or over an approximate 30-month period. The properties ranged in size from 11,810 to 35,700 square feet and were utilized for commercial purposes. Prices ranged from $1,382,500 to $5,350,000, or $87.81 to $149.86 per square foot. The comparable sales have been adjusted for all known differences. We have estimated the market value of the subject property as follows:

				"As Is"
23,713	SF X	$110.00	/SF =	$2,608,430
Add: Personal Property				$830,000
Indicated Value				$3,438,430
		Rounded to,		$3,440,000

Adjustment to Value: As the craft beer industry continues to grow, many entrepreneurs seek to venture into brewing, prompting an increased demand for brewery equipment. However, acquiring brand new equipment can be financially prohibitive. This has led to a burgeoning market for used brewery equipment, where buyers can find quality machinery at more affordable prices. The age and condition of brewery equipment play a crucial role in determining its value. Generally, newer equipment in excellent condition commands higher prices. In recent years, the market for used brewery equipment has experienced steady growth. This can be attributed to several factors, including the increasing number of brewery closures, expansions, and upgrades. The cost of new equipment has increased the potential for maintaining value of relatively newer equipment.

A complete list of the equipment is provided in the Addenda of this report. The original cost provided for the equipment totaled $1,284,977. ***Marshal Valuation Service*** provides depreciation levels generally ranging from 9.5 to 14.5 years. We believe the equipment was purchased circa 2017. We believe the average effective age of the equipment is five years. The FF&E items are of good quality. The value of the personal property associated with operations may be summarized as follows:

Personal Property – FF&E		
	"As Is"	
Cost New ($/Unit)	$1,284,977	$1,284,977
Effective Age (Years)	5	
Physical Life (Years)	14	
Percent Depreciated	35.7%	$458,920
Present Value		$826,057
Rounded		$830,000

Sales Comparison Approach Conclusion

The value of the subject property by Sales Comparison Approach may be summarized as follows:

Sales Comparison Approach Summary	
Method of Comparison	"As Is"
Economic Unit	N/A
Physical Unit	$3,440,000
Reconciled	$3,440,000

In addition to the primary data presented, we also considered information gleaned from review of reports obtained from ***Costar, Inc.*** A sample of current listings is summarized as follows:

Regional Listings

Property Address	City	State	Asking Price	Market Time	Yr. Blt.	Bldg.SF	$/SF
709 New Franklin Rd.	Lagrange	GA	$1,950,026	59	1966	15,788	$123.51
2829 Browns Bridge	Gainesville	GA	$3,500,000	709	1995	29,128	$120.16
3230 N Henry Blvd.	Stockbridge	GA	$2,275,000	124	1997	19,596	$116.10
907-909 S Park St.	Carrollton	GA	$2,265,000	295	1972	19,652	$115.26
5485 New Jesup Hwy.	Brunswick	GA	$2,000,000	73	2005	18,000	$111.11
3857 Saint Marys Rd.	Columbus	GA	$1,830,000	9	2014	17,020	$107.52
6-14 E 3rd Ave.	Rome	GA	$1,750,000	84	1910	16,500	$106.06
150 Pearl Dr.	La Fayette	GA	$2,100,000	728	2006	20,000	$105.00
7321 Tara Blvd.	Jonesboro	GA	$1,575,000	86	1980	15,000	$105.00
167 Greenville St.	Newnan	GA	$1,800,000	20	1960	17,200	$104.65
3706 Mercer Dr.	Macon	GA	$2,300,000	36	1989	22,474	$102.34
1115 Morrow Rd.	Morrow	GA	$2,150,000	129	1977	22,000	$97.73
3376 SE Cobb Dr.	Smyrna	GA	$2,325,000	155	1900	24,000	$96.88
474 N Main St.	Cornelia	GA	$1,995,000	6	1961	21,000	$95.00
1415-1439 N Broad.	Rome	GA	$2,500,000	65	1980	28,683	$87.16
365 Lakes Blvd	Lake Park	GA	$1,385,000	401	2004	16,625	$83.31
709 New Franklin Rd.	Lagrange	GA	$1,950,026	59	1966	15,788	$123.51
2829 Browns Bridge	Gainesville	GA	$3,500,000	709	1995	29,128	$120.16
	Minimum		**$1,385,000**	**6**		**15,000**	**$83.31**
	Average		**$2,106,252**	**186**		**20,167**	**$104.80**
	Maximum		**$3,500,000**	**728**		**29,128**	**$123.51**

Source: Costar Group, Inc., and Hector Companies

INCOME CAPITALIZATION APPROACH

The Income Capitalization Approach to value is based upon the premise that a prudent investor would not pay more for a property than he would pay for another investment with similar risk and return characteristics.

The Market Analysis section of this report contained our findings of the competitive position of the subject property. From this analysis, a conclusion concerning the typical user of a facility like the subject was identified. Net operating income of the property was developed based on market rates available in the market. In support of our operating estimates, income and expense data from comparable properties was analyzed.

After estimating the income potential for the subject and deducting appropriate operating expenses, the resulting net operating income was capitalized at a rate which reflects the risk to an investor and the amount of income necessary to support debt service for the mortgage requirement.

Historical Operating Performance

The following table summarizes the information provided for our review:

Historical/Budgeted Operating Indicators

Year	EGI	$/SF	Expenses	$/SF
2021	N/A	N/A	N/A	N/A
2022	N/A	N/A	N/A	N/A
2023	N/A	N/A	N/A	N/A
Budget – Year 1	N/A	N/A	N/A	N/A
Budget – Year 2	N/A	N/A	N/A	N/A
Budget – Year 3	N/A	N/A	N/A	N/A

Source: Pretoria Fields LLC

Income

To estimate the market rental rates for the subject property, we: 1) surveyed local properties, 2) considered the tenancy of the subject property, and 3) analyzed theoretical negotiated returns relative to costs. A summary of financial information pertaining to the subject property is included on the next page, followed by a summary of comparable properties.

~ Operating Budget Requested, but Not Provided ~

~ Operating History Requested, but Not Provided ~

Rent Comparable No. 1

Property Identification		Lease Information	
Property Type	Retail	**Anchor Tenants - SF**	N/A
Property Name	South Slappy Village	**In-Line Tenants - SF**	N/A
Address	1030 W. Gordon Ave.	**Total Tenant Spaces**	25
City	Albany	**Average Tenant Size - SF**	1,800
County	Dougherty	**Occupancy - %**	97.0%
State	Georgia	**Lease Basis**	triple net
Tax Identification	000DD/00029/001	**Exp. Recovery Estimate**	N/A
Owner	MDR/South Slappey LLC	**Ten. Imp. Allowance - $**	N/A
Management Co.	MDR/South Slappey LLC	**Leasing Commission - %**	N/A
		Typical Lease Term – Yrs.	3
		Rent/SF - $	$7.50

Physical Description	
Site Size – Acres	7.03
Imp. Size – SF	99,724
Construction Type	Masonry
Class (A, B, or C)	Class C
Stories	1
Year Built	1972
Condition	Average

Demographic Data/Traffic Count	5-Mile Radius	Percent Chg.
Population – Current	71,355	
Pop.– 5 Year Projected	69,175	-3.06%
Households – Current	27,458	
Hhlds. – 5 Year Project.	26,494	-3.51%
Avg. Household Size	2.60	
Avg. Household Income	$49,488	
Traffic Count	4,200	

Remarks

This comparable property is located along the southerly side of West Gordon Street in Albany, Georgia and east of Slappy Road. The property features a general neighborhood retail space and office building and 162 surface parking spaces. The center provides a diverse mixture of local retail tenants. This particular tenant leased 7,300 square feet in Augugst of 2023 for a three year term.

Rent Comparable No. 2

Property Identification		Lease Information	
Property Type	Retail	**Anchor Tenants - SF**	N/A
Property Name	North Westover Shops	**In-Line Tenants - SF**	N/A
Address	1011 N. Westover Blvd.	**Total Tenant Spaces**	10
City	Albany	**Average Tenant Size - SF**	1,500
County	Dougherty	**Occupancy - %**	95.0%
State	Georgia	**Lease Basis**	triple net
Tax Identification	00300/00001/01B	**Exp. Recovery Estimate**	N/A
Owner	FLO-ROB Inc.	**Ten. Imp. Allowance - $**	N/A
Management Co.	FLO-ROB Inc.	**Leasing Commission - %**	N/A
		Typical Lease Term – Yrs.	5
		Rent/SF - $	$10.00

Physical Description		Demographic Data/Traffic Count		
			5-Mile Radius	Percent Chg.
Site Size – Acres	2.30	**Population – Current**	59,726	
Imp. Size – SF	19,888	**Pop.– 5 Year Projected**	59,618	-0.18%
Construction Type	Masonry	**Households – Current**	23,950	
Class (A, B, or C)	Class C	**Hhlds. – 5 Year Project.**	23,763	-0.78%
Stories	1	**Avg. Household Size**	2.49	
Year Built	1997	**Avg. Household Income**	$65,188	
Condition	Average	**Traffic Count**	20,600	

Remarks

This comparable property is located along the northerly side of Westover Boulevard n Albany, Georgia in the primary destination retail area for the Albany market. The property features a general neighborhood retail space and service related buisinesses and provdes 87 parking spaces. The center provides a diverse mixture of local retail tenants.

Rent Comparable No. 3

Property Identification

Property Type	Retail
Property Name	The Galleria
Address	1104 N. Westover Blvd
City	Albany
County	Dougherty
State	Georgia
Tax Identification	00300/00001/02B
Owner	Whitaker Property, LLC
Management Co.	Whitaker Property, LLC

Lease Information

Anchor Tenants - SF	N/A
In-Line Tenants - SF	N/A
Total Tenant Spaces	14
Average Tenant Size - SF	1,500
Occupancy - %	85.0%
Lease Basis	triple net
Exp. Recovery Estimate	N/A
Ten. Imp. Allowance - $	N/A
Leasing Commission - %	N/A
Typical Lease Term – Yrs.	3
Rent/SF - $	$11.00

Physical Description

Site Size – Acres	3.00
Imp. Size – SF	21,282
Construction Type	Masonry
Class (A, B, or C)	Class C
Stories	1
Year Built	1998
Condition	Average

Demographic Data/Traffic Count

	5-Mile Radius	Percent Chg.
Population – Current	59,726	
Pop.– 5 Year Projected	59,618	-0.18%
Households – Current	23,950	
Hhlds. – 5 Year Project.	23,763	-0.78%
Avg. Household Size	2.49	
Avg. Household Income	$65,188	
Traffic Count	20,600	

Remarks

This comparable property is located along Westover Boulevard n Albany, Georgia in the primary destination retail area for the Albany market. The property features a general neighborhood retail space and service related buisinesses and provdes 85 parking spaces. The center provides a diverse mixture of local retail tenants. This property has approximately 15.0% vacant space

Rent Comparable No. 4

Property Identification	
Property Type	Retail
Property Name	Albany Crossing
Address	244 Cordele Road
City	Albany
County	Dougherty
State	Georgia
Tax Identification	0000J/00001/01A
Owner	Albany Crossin LLC
Management Co.	The Shopping Center Group

Lease Information	
Anchor Tenants - SF	N/A
In-Line Tenants - SF	N/A
Total Tenant Spaces	11
Average Tenant Size - SF	3,273
Occupancy - %	73.2%
Lease Basis	Triple net
Exp. Recovery Estimate	N/A
Ten. Imp. Allowance - $	N/A
Leasing Commission - %	N/A
Typical Lease Term – Yrs.	5
Rent/SF - $	$12.00

Physical Description	
Site Size – Acres	2.67
Imp. Size – SF	36,000
Construction Type	Masonry
Class (A, B, or C)	Class C
Stories	1
Year Built	2010
Condition	Good

Demographic Data/Traffic Count	5-Mile Radius	Percent Chg.
Population – Current	42,511	
Pop.– 5 Year Projected	41,697	-1.91%
Households – Current	14,728	
Hhlds. – 5 Year Project.	14,396	-2.25%
Avg. Household Size	2.89	
Avg. Household Income	$37,677	
Traffic Count	4,210	

Remarks

This comparable property is located along the easterly side of Cordele Road, in Albany, Georgia, south of Clark Avenue. The property features a general neighborhood retail space and service related buisinesses and provdes 162 parking spaces. The center provides a diverse mixture of local retail tenants. This property has approximately 27.8% vacant space. This particular teants leases 10,000 square feet for a five year term.

Rent Comparable No. 5

Property Identification

Property Type	Retail
Property Name	Johns Creek Tech. Park
Address	110 Technology Pkwy
City	Norcross
County	Gwinette
State	Georgia
Tax Identification	6285-021
Owner	Greenleaf Investments
Management Co.	Greenleaf Investments

Lease Information

Anchor Tenants - SF	N/A
In-Line Tenants - SF	N/A
Total Tenant Spaces	2
Average Tenant Size - SF	17,850
Occupancy - %	63.0%
Lease Basis	triple net
Exp. Recovery Estimate	N/A
Ten. Imp. Allowance - $	N/A
Leasing Commission - %	N/A
Typical Lease Term – Yrs.	5
Rent/SF - $	$13.50

Physical Description

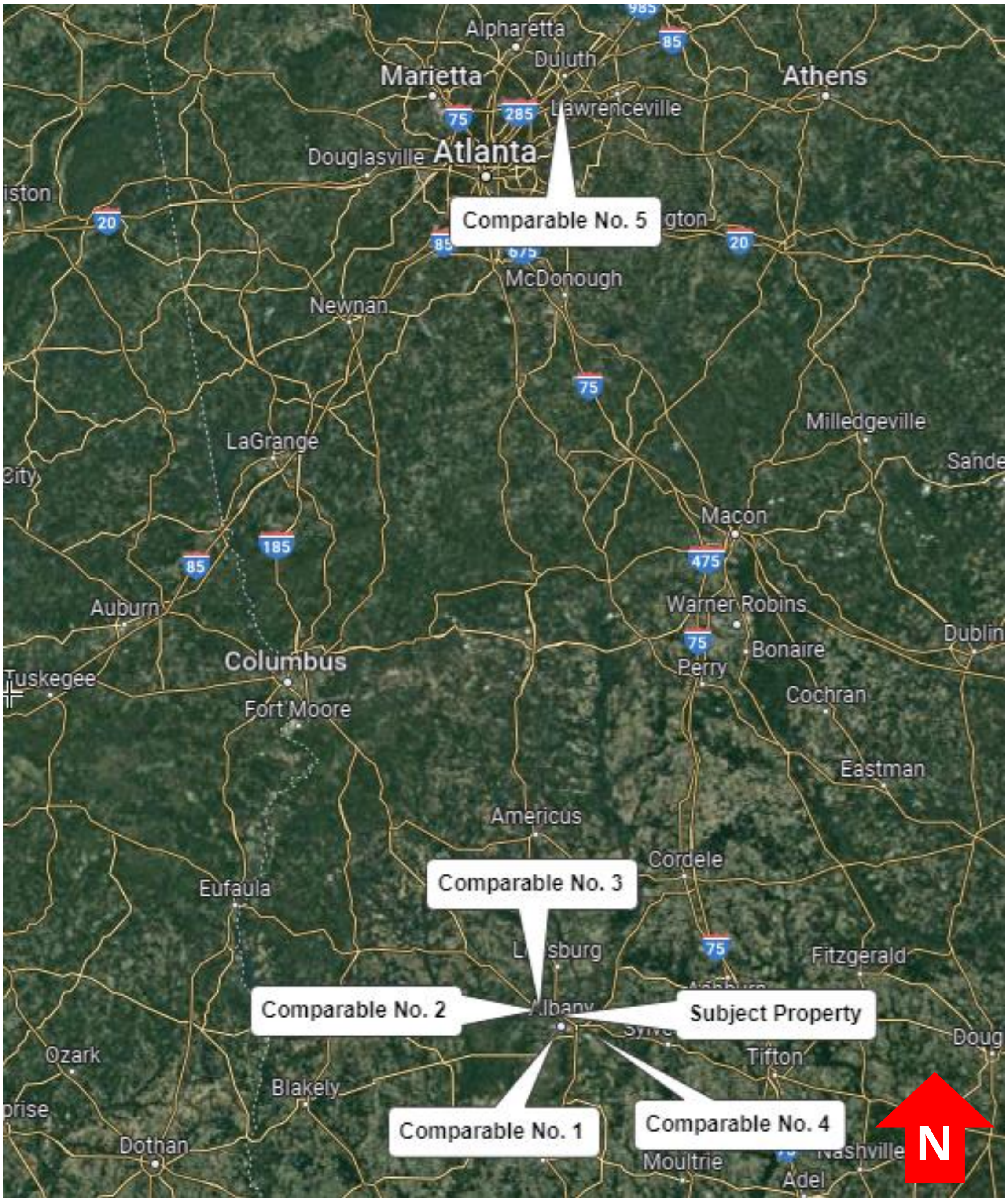
Site Size – Acres	3.53
Imp. Size – SF	35,700
Construction Type	Masonry
Class (A, B, or C)	Class C
Stories	1
Year Built	1978
Condition	Average

Demographic Data/Traffic Count

	5-Mile Radius	Percent Chg.
Population – Current	235,337	
Pop.– 5 Year Projected	240,623	2.25%
Households – Current	84,281	
Hhlds. – 5 Year Project.	86,149	2.22%
Avg. Household Size	2.79	
Avg. Household Income	$101,811	
Traffic Count	17,754	

This comparable property is located along the easterly side of Technology Parkway and South of Spalding Drive in Norcross, Georgia. This building was constructed circa 1978, and a large portion of the building is occupied by a Brewery known as Anderby Brewery which closed in July 2023. The property features a class C flex building providing 35,700 total square feet of which the brewery leased approximately 38. percent was occupied by the brewery. The property provides a total of 66 asphalt paved parking spaces.

Exhibit – Rent Comparables Map



Methodology:

Comparable properties presented in this section have been considered to estimate market-derived rental rates and terms associated with similar space. Type, quality, and location of each comparable was analyzed and compared to the subject to gauge the market positioning of the subject. Many factors were taken into consideration throughout this analysis, including, but not limited to, those described below.

- Quality and type of improvements
- General characteristics of the project design and building layout, and effects they may have on operations
- Performance level of the competitive properties during the past several years, and current strategies being employed to maintain or achieve increasing levels of performance
- Tenant profile
- Industry reports

Primary Rent Comparable Properties:

As part of the process of estimating a market-derived rental rate for the subject property, we surveyed the local market. We focused our effort on properties located proximate to primary thoroughfares, with similar age and/or design serving the same or a similar type market. The primary rental rates are summarized as follows:

Comparable Summary

Comparable	Building Size – SF	Year Built	Rent/SF	Basis
1030 W. Gordon Ave.	99,724	1972	$7.50	triple net
1011 N. Westover Blvd.	19,888	1997	$10.00	triple net
1104 N. Westover Blvd	21,282	1998	$11.00	triple net
244 Cordele Road	36,000	2010	$12.00	Triple net
110 Technology Pkwy	35,700	1978	$13.50	triple net

Source: Hector Companies, Costar Inc., and/or property representatives

The comparable properties presented are considered enough to provide information to estimate rental rates for similar facilities. The type, quality, and location of each comparable was analyzed and compared to the subject to gauge the market positioning of the subject property. The comparable properties provide a rental range from $7.50 to $13.50 per square foot.

I

In the real estate industry, leases are typically negotiated on a triple-net basis, with the tenant paying all operating expenses. Under the triple net lease scenario tenants are responsible for rent, all operating expenses including cleaning/janitorial, building maintenance and repair, equipment maintenance and repair, landscaping, real estate taxes, and insurance. A summary of certain demographic data pertaining to the subject property and primary local rent comparable properties is summarized as follows:

Rent Comparable Properties – Demographics and Traffic Counts - 5-Mile

	Avg. Household Income	Population-Current Year	Population-5 Year Proj.	Population-% Chg.	Traffic Counts
Subject Prop.	$53,868	71,327	69,778	-2.17%	3,560
Comp No. 1	$49,488	71,355	69,175	-3.06%	4,200
Comp No. 2	$65,188	59,726	59,618	-0.18%	20,600
Comp No. 3	$65,188	59,726	59,618	-0.18%	20,600
Comp No. 4	$37,677	42,511	41,697	-1.91%	4,210
Comp No. 5	$101,811	235,337	240,623	2.25%	17,754

Source: Hector Companies, Neilson Market Reports, ESRI, Costar

With regards to comparability of the rent comparable properties, we note Comparable No. 1 reports a rental rate of $7.50 on a triple net basis. This comparable provides a building size of 99,724 and as such this comparable is larger than the subject property. With regards to age/condition we note this comparable was constructed circa 1972 and is inferior to the subject property with regards to age/condition. With regards to locational characteristics to include, but not limited to, population density, household income, projected population increases, development activity and synergy, traffic count, etc., we believe this comparable is superior.

With regards to Comparable No. 2, we note the base rental rate approximate $10.00 on a triple net basis. This comparable provides a building size of 19,888 and as such this comparable is smaller than the subject property. With regards to age/condition we note this comparable was constructed circa 1997 and is inferior to the subject property with regards to age/condition. With regards to locational characteristics to include, but not limited to, population density, household income, projected population increases, development activity and synergy, traffic count, etc., we believe this comparable is inferior.

With regards to Comparable No. 3, we note the base rental rate approximate $11.00 on a triple net basis. This comparable provides a building size of 21,282 and as such this comparable is smaller than the subject property. With regards to age/condition we note this comparable was constructed circa 1998 and is inferior to the subject property with regards to age/condition. With regards to locational characteristics to include, but not limited to, population density, household income, projected population increases, development activity and synergy, traffic count, etc., we believe this comparable is inferior.

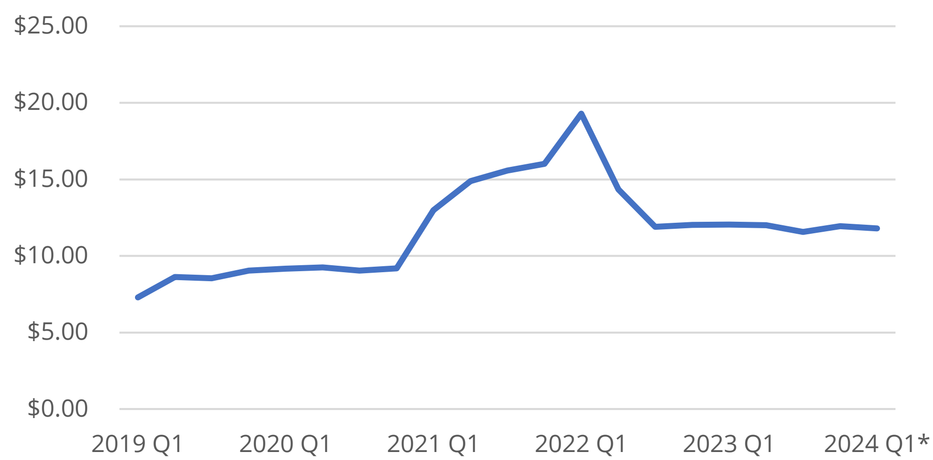
With regards to Comparable No. 4, we note the base rental rate approximate $12.00 on a Triple net basis. This comparable provides a building size of 36,000 and as such this comparable is larger than the subject property. With regards to age/condition we note this comparable was constructed circa 2010 and is inferior to the subject property with regards to age/condition. With regards to locational characteristics to include, but not limited to, population density, household income, projected population increases, development activity and synergy, traffic count, etc., we believe this comparable is inferior.

With regards to Comparable No. 5, we note the base rental rate approximate $13.50 on a triple net basis. This comparable provides a building size of 35,700 and as such this comparable is larger than the subject property. With regards to age/condition we note this comparable was constructed circa 1978 and is inferior to the subject property with regards to age/condition. With regards to locational characteristics to include, but not limited to, population density, household income, projected population increases, development activity and synergy, traffic count, etc., we believe this comparable is superior.

Market Area Asking Rents:

As previously stated, the primary area of study reported an average rental rate of approximately $16.74 per square foot. According to ***CoStar Group, Inc.,*** asking rental rates of a representative sample of properties are summarized by the following graph:

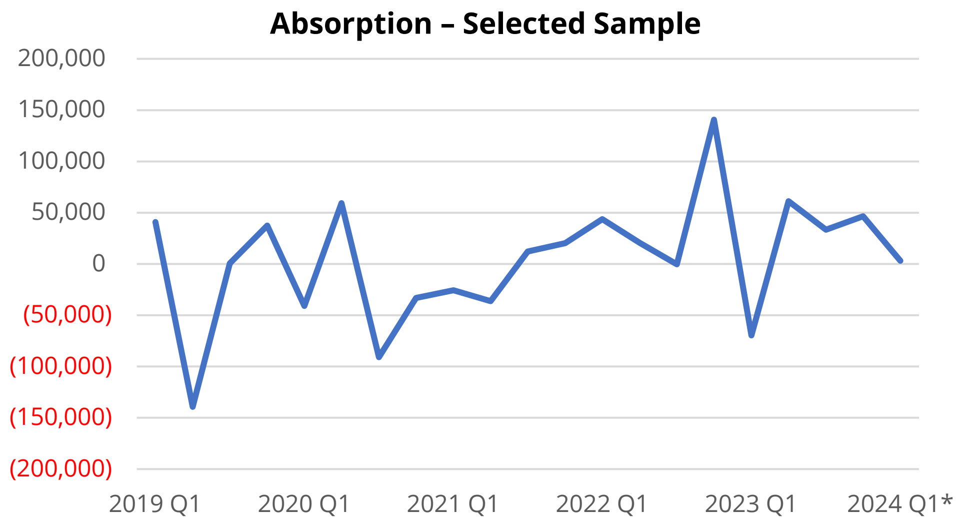
Market Area Rental Trends – Selected Sample



**Most recent quarter not yet finalized*
Source: CoStar Group, Inc.

Absorption:

According to ***CoStar Group, Inc.,*** absorption in the primary area of study totaled 32,312 square, with absorption of the submarket reported to approximate 111,000 square feet. Absorption totals of representative sample of properties is summarized as follows:



**Most recent quarter not yet finalized*
Source: CoStar Group, Inc.

The foregoing pace of absorption must be considered relative to available supply. According to information obtained from ***CoStar Group, Inc., c***onstruction starts space have totaled 0 square feet in the primary area of study and 0 square feet during the past 12 months.

Subject Tenancy/Use:

The subject property is owner occupied.

Retail Industry Performance:

The use of the subject property includes consideration of retail sales industry primarily related to beverage sales. The following table summarizes relevant metrics that could affect food sale and beverage sales and therefore risks associated with exposure to cost of occupancy:

OPPORTUNITY GAP/SURPLUS
(Radii from Subject, County, and State)

	Amount (1)	Amount (2)
2022 Demand ($) - 1 Mile	$3,578,627	$1,532,391
2022 Supply ($) - 1 Mile	$14,072,361	$4,515,098
Opportunity Gap/Surplus ($) - 1 Mile	($10,493,734)	($2,982,706)
2022 Demand ($) - 3 Mile	$46,868,748	$20,083,646
2022 Supply ($) - 3 Mile	$76,620,169	$40,808,063
Opportunity Gap/Surplus ($) - 3 Mile	($29,751,421)	($20,724,416)
2022 Demand ($) - 5 Mile	$103,219,667	$44,195,078
2022 Supply ($)- 5 Mile	$187,081,080	$111,281,726
Opportunity Gap/Surplus ($)- 5 Mile	($83,861,413)	($67,086,648)

Notes:
1) Sum of Restaurants and other eating places (NAICS 7225)
2) Sum of Limited-service restaurants (NAICS 722513)
Source: Spotlight and related companies

The data pertaining to the subject property retail for the targeted sector indicates limited opportunity on a county- and metro-wide basis.

Cost of Occupancy:

With regards to renewal probability, we requested, but did not receive historical levels of sales. As such we have estimated the overall cost of occupancy based on the assumption of annual sales per square foot. Average cost of occupancy for subject property may be presented as follows:

Estimated Cost of Occupancy *

Square Feet	23,713
Base Average Rental Rate	$10.00
Base Annual Rental Income	$237,130
Add: Expense Reimbursement Revenue	$4.08
Gross Annual Income	$333,765
Estimated Sales/SF	$100
Total Annual Sales	$2,371,300
Cost of Occupancy	14.08%

**Stabilized Amounts – Expressed in Constant Dollars*
Source: Hector Companies

Assuming average sales approximately equal to the amount included above, rollover risk and prospective levels of retention are within normal operating parameters indicating total cost of occupancy of 14.08%. It is reasonable to assume that any adjustment to the foregoing estimate could impact costs of occupancy estimate and therefore retention. The estimate compares to industry averages included in the following table. We note category descriptions include:

- Hair—Retailers that principally cut and/or blow-dry hair. Salon—Retailers that do massage, eyelashes, waxing and nails.
- Specialty Food—Inclusive of juices, ice cream, yogurt, and donuts. Fast Food—Quick serve and takeaway-focused meals.
- Restaurant—Principally sit-down dining focused. Specialty Restaurant—Dining with an integral experience component.
- Fitness—Gym, yoga and workout facilities. Services—A standalone category capturing all other service retailers including check cashing, insurance, dental, copy/print, weight loss, shipping and wireless.
- Craft—Retailers focused on arts, crafts and making.
- Specialty Retail—Specifically focused on a narrow vertical such as books, parties, backpacking or devices.

U.S. National Sales Productivity and Occupancy Costs by Category
(Rolling 12-Month December - November)

	Annualized Sales/SF					Occupancy %
	Rolling 12	YOY	Calendar Year 2020	Calendar Year 2021	Calendar Year 2022	Rolling 12-month
Apparel	$263	-2.7%	$206	$281	$268	10.2%
Beauty Supplies	$944	33.4%	$394	$561	$735	4.8%
Craft	$119	-19.2%	$138	$153	$148	14.0%
Dollar Store	$135	-9.2%	$143	$152	$149	8.5%
Fast Food	$776	7.8%	$558	$668	$724	6.3%
Fitness	$114	6.3%	$72	$87	$109	21.4%
Hair	$295	9.6%	$192	$232	$272	14.0%
Home Goods	$482	74.9%	$227	$314	$273	7.2%
Home Imp.	$356	-6.8%	$380	$290	$382	4.3%
Movie Theater	$107	13.8%	$35	$60	$92	23.6%
Pet Supplies	$282	-10.2%	$267	$305	$318	8.4%
Restaurant	$671	6.9%	$418	$581	$633	6.4%
Salon	$427	0.5%	$288	$402	$425	10.4%
Services	$436	-0.2%	$409	$442	$438	11.2%
Shoes	$289	3.1%	$181	$273	$281	9.6%
Specialty Food	$584	3.1%	$401	$533	$568	10.0%
Specialty Rest.	$207	2.4%	$90	$167	$204	13.8%
Specialty Retail	$448	-3.9%	$294	$422	$469	7.3%
Sporting Goods	$497	26.8%	$286	$401	$394	2.4%

Source: Datex Property Solutions

Market Leasing Assumptions:

Based on the foregoing information we have estimated prospective levels of rental income. The following table summarizes our base rental estimates upon tenant rollover:

Market Leasing Assumptions	
Current Property Average*	N/A
Market Rate – New	$10.00
Reimbursements	triple net
Rent Changes	Yes

Source: Hector Companies

Inflationary Assumptions (CPI & Other Adjustments)

For the purposes of this report, we have assumed a general rate of inflation based on third-party reports and national surveys. The ***Bureau of Labor Statistics*** compiles the data for All Urban Consumers (CPI-U) which is based upon a 1982 Base of 100. A Consumer Price Index of 150 indicates 50% inflation since 1982. The following estimates consider national averages and areas of the country and the machinations and incentives of federal government to report lower relative rates of inflations:

Consumer Price Index
Forecast National Average

Year	Type	Percent Change*
2021	Actual	6.70%
2022	Actual	7.10%
2023*	Forecast	3.00%
2024*	Forecast	2.30%
2025*	Forecast	2.30%

**Projected*

Source: Economic Report of the President – 2023

Considering third-party statistics and trends, we have estimated an annual rate of change of 3.00%. Our estimate considers regional variables associated with economic conditions impacting properties located in Albany, Georgia.

Base Rental Revenue

Based on lease rates and terms presented, the following table summarizes revenue associated with each tenant space:

Base Rental Revenue - Stabilized

Tenant	Size-SF	Rent/SF	Amount
Totals/Averages	23,713	$10.00	$237,130

Source: Hector Companies

Ancillary Income

We have not included income associated with annual escalations, miscellaneous reimbursement(s), percentage rent, and other.

Expense Reimbursement Revenue

We have modeled our reimbursement methods based on current leases and/or local market activity. We have assumed triple net structure.

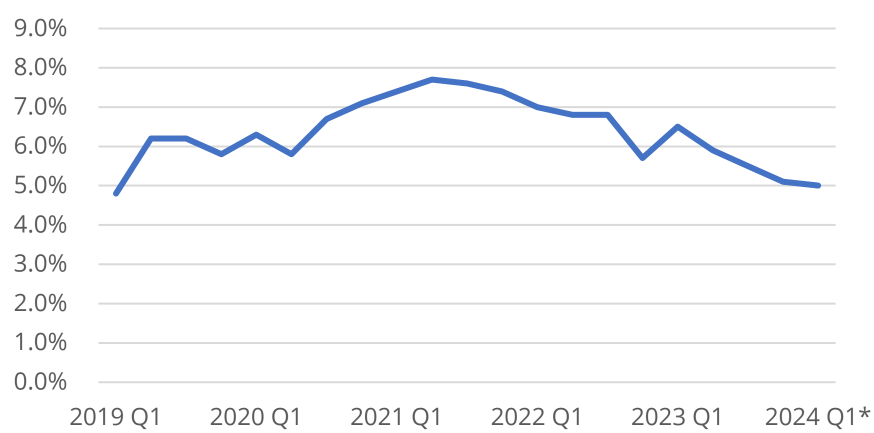
Expense Recovery Rate:

For the purposes of this report, we have estimated reimbursable income totaling $96,635 in the first stabilized year of the projection period indicating an Expense Recovery Rate of 87.14%.

General Vacancy and Collection Loss

As previously reported the primary area of study reported an average vacancy of approximately 3.90%. In this section of the report, we have culled the data to present a sample of retail properties deemed sufficiently like the subject property. The following graph depicts the historical market area vacancy for a representative sample of properties:

Market Area Vacancy – Selected Sample



**Most recent quarter not yet finalized*
Source: CoStar Group, Inc.

We have incorporated historical operations of comparable properties in the competitive market and estimated vacancy and collection loss at 5.0%.

Expenses

For the purposes of this report, we have considered information provided, third party reports, and information relating to comparable properties. In selecting comparative properties, we established the following general criteria:

Operating Expense Comparable Properties

Condition	Result	
Property Type	retail	
Geographic Location	Southeast	
Property Size – Range SF	21,404	30,400
Effective Age – Range Years	0	2,015

Source: Hector Companies

The table on the following page summarizes historical, budgeted, and estimated amounts relative to comparable data.

Pretoria Fields Brewery
120 Pine Avenue
Albany, Georgia

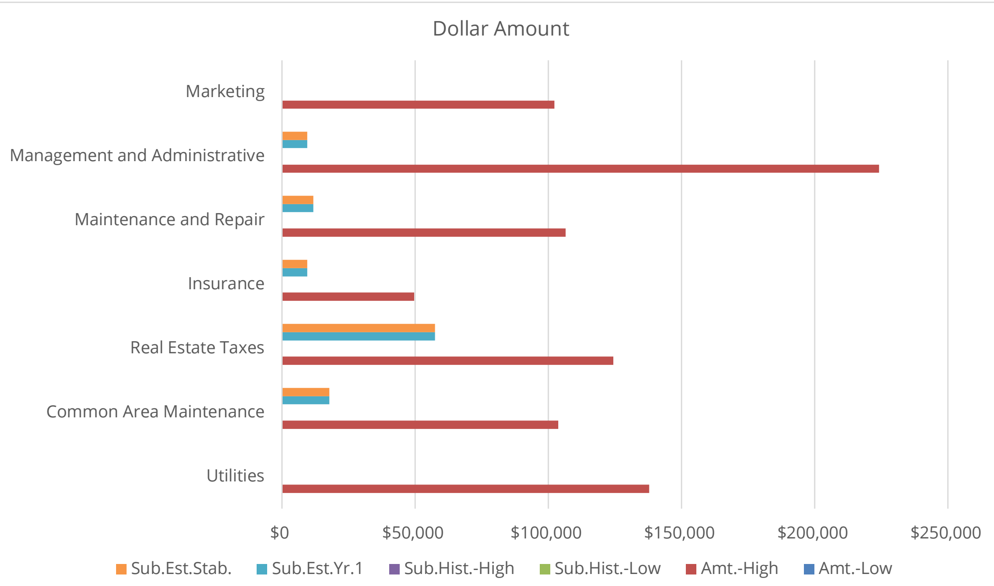
	Comparable Database - Dollar Amount									
Operating Expenses	**Comparable Amount**		**Subject Historical**			**Subject Budget**			**Subject Estimated**	
Item	Amount-Low	Amount-High	Amount-Low	Amount-High	*	Amount-Low	Amount-High	**	Subject-Yr.1	Subject-Stabilized
Utilities	$0	$137,900	N/A	N/A	--	N/A	N/A		$0	$0
Common Area Maintenance	$0	$103,702	N/A	N/A	--	N/A	N/A		$17,785	$17,785
Real Estate Taxes	$0	$124,480	N/A	N/A	--	N/A	N/A		$57,509	$57,509
Insurance	$0	$49,700	N/A	N/A	--	N/A	N/A		$9,485	$9,485
Maintenance and Repair	$0	$106,555	N/A	N/A	--	N/A	N/A		$11,857	$11,857
Management and Administrative	$0	$224,115	N/A	N/A	--	N/A	N/A		$9,512	$9,512
Marketing	$0	$102,340	N/A	N/A	--	N/A	N/A		$0	$0

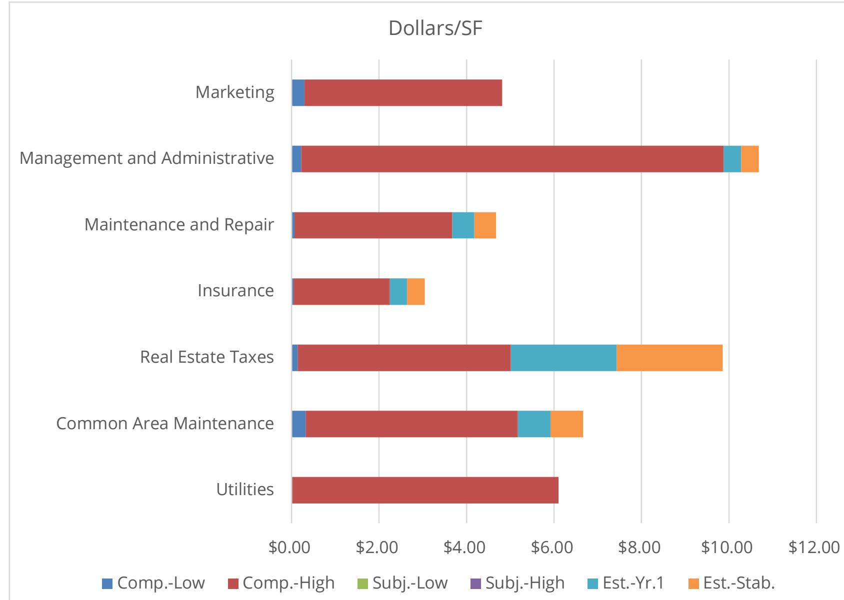
	Comparable Database - % of EGI									
Operating Expenses	**Comparable Amount**		**Subject Historical**			**Subject Budget**			**Subject Estimated**	
Item	% of EGI-Low	% of EGI-High	% of EGI-Low	% of EGI-High	*	% of EGI-Low	% of EGI-High	**	Subject-Yr.1	Subject-Stabilized
Utilities	0.01%	11.69%	N/A	N/A	--	N/A	N/A		0.00%	0.00%
Common Area Maintenance	2.38%	15.12%	N/A	N/A	--	N/A	N/A		5.61%	5.61%
Real Estate Taxes	3.94%	13.11%	N/A	N/A	--	N/A	N/A		18.14%	18.14%
Insurance	0.20%	3.32%	N/A	N/A	--	N/A	N/A		2.99%	2.99%
Maintenance and Repair	0.25%	35.07%	N/A	N/A	--	N/A	N/A		3.74%	3.74%
Management and Administrative	1.48%	45.80%	N/A	N/A	--	N/A	N/A		3.00%	3.00%
Marketing	4.00%	4.00%	N/A	N/A	--	N/A	N/A		0.00%	0.00%

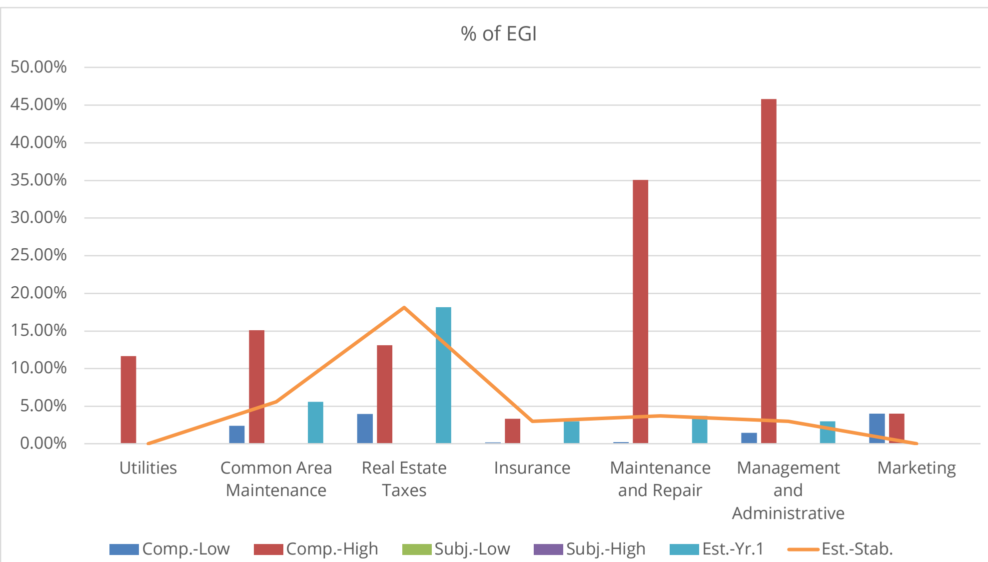
	Comparable Database - $/SF									
Operating Expenses	**Comparable Amount**		**Subject Historical**			**Subject Budget**			**Subject Estimated**	
Item	$/SF-Low	$/SF-High	$/SF-Low	$/SF-High	*	$/SF-Low	$/SF-High	**	Subject-Yr.1	Subject-Stabilized
Utilities	$0.00	$6.10	N/A	N/A	--	N/A	N/A		$0.00	$0.00
Common Area Maintenance	$0.33	$4.84	N/A	N/A	--	N/A	N/A		$0.75	$0.75
Real Estate Taxes	$0.15	$4.86	N/A	N/A	--	N/A	N/A		$2.43	$2.43
Insurance	$0.05	$2.20	N/A	N/A	--	N/A	N/A		$0.40	$0.40
Maintenance and Repair	$0.07	$3.60	N/A	N/A	--	N/A	N/A		$0.50	$0.50
Management and Administrative	$0.22	$9.66	N/A	N/A	--	N/A	N/A		$0.40	$0.40
Marketing	$0.29	$4.53	N/A	N/A	--	N/A	N/A		$0.00	$0.00

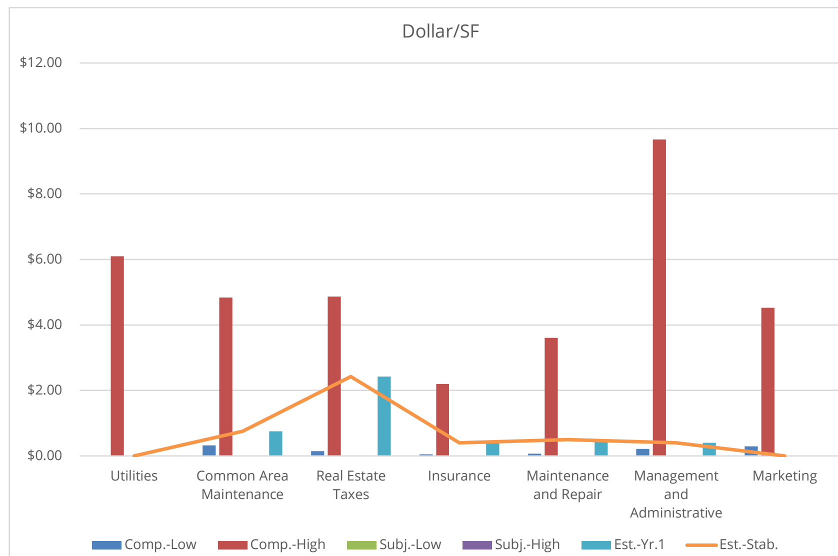
Sources: Hector Companies

Pretoria Fields Brewery
120 Pine Avenue
Albany, Georgia









A discussion of each expense line-item follows:

Utilities expense accounts for those utility related costs that are not individually passed through to the tenants. For the purposes of this report, we have assumed this charge would be directly billed to and paid by the owner.

Common Area Maintenance expenses include landscaping contracts and supplies, parking lot repairs, grounds maintenance, security, and miscellaneous common expenses. For the purposes of this analysis, we have estimated this expense at $0.75 per square foot which is competitive with performances of comparable properties. The following table compares our estimate to historical achievement, budgeted amounts, and comparable properties:

Common Area Maintenance

	Amount		% of EGI		$/SF	
	Low	High	Low	High	Low	High
Subject Hist.	N/A	N/A	N/A	N/A	N/A	N/A
Subject Budget	N/A	N/A	N/A	N/A	N/A	N/A
Comp. Prop.	N/A	$103,702	2.38%	15.12%	$0.33	$4.84
Est. - Year 1	$17,785		5.61%		$0.75	
Est. - Stabilized	$17,785		5.61%		$0.75	

Real Estate Taxes based on the estimated real estate tax liability the subject will incur over the holding period. Real estate tax comparable properties were presented in the Real Estate Tax section of this report. Based on information in the Assessment and Taxes section of this report, we have estimated a tax liability of $2.43 per square foot.

Insurance includes extended coverage endorsements for insurance policies in the amount equal to 100% replacement of the improvements. Insurance costs have been increasing in recent years due in part to increases in property values, natural disasters, construction costs, inflation, and reinsurance. With regards to the latter, property insurance is experiencing largest increases, and the shortfall in available capacity is reinforcing reinsurers' underwriting and pricing. For the purposes of this analysis, we have estimated this expense at $0.40 per square foot for the first year of the projection period. The following table compares our estimate to historical achievement, budgeted amounts, and comparable properties:

Insurance

	Amount		% of EGI		$/SF	
	Low	High	Low	High	Low	High
Subject Hist.	N/A	N/A	N/A	N/A	N/A	N/A
Subject Budget	N/A	N/A	N/A	N/A	N/A	N/A
Comp. Prop.	N/A	$49,700	0.20%	3.32%	$0.05	$2.20
Est. - Year 1	$9,485		2.99%		$0.40	
Est. - Stabilized	$9,485		2.99%		$0.40	

Maintenance and Repairs include a provision for HVAC contracts, exterminating, security contracts, funding for repairs of structural, roof, ceiling, carpet, flooring, window covering, and carpentry. Additional items covered include painting and decorating, signage installation and repair, interior plant maintenance, fire prevention, and miscellaneous general building repairs. We have estimated this expense at $0.50 per square foot in the first year of our projection. The following table compares our estimate to historical achievement, budgeted amounts, and comparable properties:

Maintenance and Repair

	Amount		% of EGI		$/SF	
	Low	High	Low	High	Low	High
Subject Hist.	N/A	N/A	N/A	N/A	N/A	N/A
Subject Budget	N/A	N/A	N/A	N/A	N/A	N/A
Comp. Prop.	N/A	$106,555	0.25%	35.07%	$0.07	$3.60
Est. - Year 1	$11,857		3.74%		$0.50	
Est. - Stabilized	$11,857		3.74%		$0.50	

Management and Administrative expenses include an allowance for the contractual management charges. For the purposes of this analysis, we have estimated a base management fee at 3.0% of effective gross income.

Reserves for Replacement is a category where the landlord theoretically escrows an amount of net income each year to defray non-recurring structural and mechanical repairs and/or replacements. These expenses are usually incurred on a “pay-as-you-go” basis and can vary widely over the term of ownership. Nevertheless, the prudent investor should provide some amount for these costs over the term of ownership. It is common for building owners, or properties like the subject, to account for reserves with an allowance. We have estimated the reserves for replacement category at $0.20 per square foot.

Projected Cash Flow

Based on the preceding discussions of each income and expense item, the prospective financial projections reflecting the estimate of net operating income for the projection period are shown on the following page.

STABILIZED INCOME AND EXPENSE STATEMENT
Pretoria Fields Brewery
120 Pine Avenue
Albany, Georgia

Gross Income						
Base Rental Revenue:						
Totals/Averages	23,713 S.F. @		$10.00 /SF =			$237,130
CPI and Other Adjustment Revenue						$0
Percentage Rent and Misc. Revenue						$0
Expense Reimbursement Revenue						$96,635
Potential Gross Income						$333,765
Less: Absorption, Vacancy & Collection Loss		@	5.0%			$16,688
Effective Gross Income						**$317,077**
Expenses	% EGI	Per S.F.	Total Expense			
Utilities	0.0%	$0.00	$0			
Common Area Maintenance	5.6%	$0.75	$17,785			
Real Estate Taxes	18.1%	$2.43	$57,509			
Insurance	3.0%	$0.40	$9,485			
Maintenance and Repair	3.7%	$0.50	$11,857			
Management and Administrativ	3.0%	$0.40	$9,512			
Reserves for Replacement	1.5%	$0.20	$4,743			
Total Expenses:	**35.0%**	**$4.68**	**/ Square Foot**			**$110,890**
NET OPERATING INCOME	**65.0%**	**$8.70**	**/ Square Foot**			**$206,187**
Stabilized Value with Capitalization Rate @					8.50%	$2,425,728
Add: Present Value of Personal Property						$830,000
						$3,255,728
Rounded,						**$3,260,000**
Implied elements of return/risk:						
Equity Dividend Rate (cash on cash return)						1.6%
Debt Coverage Ratio assuming market-derived variables						1.07
Annual Return on Costs (net of entrepreneurial profit)						N/A

Capitalization Analysis

To value the ownership interest of an income producing property, valuation models have been developed to quantify the projected benefits from ownership. The capitalization rate (Ro) and the discount rates (Y) are primary components of these models. The capitalization rate is commonly referred to as an expression of the ratio between one year's net operating income and value. The discount rate considers the ratio between a series of cash flows including a presumed resale at the end of the holding period, and value. Both rates typically consider an investor's expectations from all sources relating to the investment and are influenced by the anticipated net income as well as the reversion at the end of the holding period.

The capitalization rate may be applied in several specific ways. When applied to the first year's income stream it is referred to as the “going-in rate.” When the capitalization rate is applied to a stabilized year's income, it is referred to as the “stabilized rate.” And finally, when the capitalization rate is applied to the income stream derived in the year of sale, it is referred to as the “terminal rate.”

The overall rate utilized for evaluation of the subject property was obtained by three methods: a) abstraction and industry survey; b) band of investment; and c) debt coverage formula. The discount rate was developed by review of an industry survey. The methods of deriving the appropriate capitalization rates are as follows.

Abstraction of Overall Rate

The equation utilized to abstract overall rates directly from market sales is as follows:

Ro = I/V
Where;
Ro = Overall Rate
I = Net Operating Income
V = Value (Purchase Price)

The comparable properties included in the Sales Comparison Approach consist of comparable properties to that of the subject property. We have utilized actual or estimated income and expense figures to derive appropriate multipliers and overall rates.

The following table illustrates the overall rate projections:

Abstracted Overall Rates – Primary Comparables

Comparable No.	Sale Price	Cap. Rate	Notes	Date of Sale
1	$1,595,000	N/A	*	10/20/2023
2	$1,440,000	N/A	*	6/20/2022
3	$5,350,000	N/A	*	2/7/2022
4	$1,382,500	N/A	*	8/30/2021
5	$1,410,000	N/A	*	7/15/2021
6	$4,103,559	N/A	*	1/1/2016

**Estimates based on market parameters and/or discussion with property representatives*

The following tables summarize regional information:

Abstracted Overall Rates – Regional Comparable Data

Address	City	State	Sale Price	Date	Cap. Rate - %
Veterans Memorial Hwy	Lithia Springs	GA	1,050,000	12/22/2023	8.08
2526 Dawson Rd	Albany	GA	1,330,000	12/1/2023	7.75
115 Margie Dr	Warner Robins	GA	3,340,000	11/28/2023	8.65
6443 Zebulon Rd	Macon	GA	2,720,000	3/24/2023	8.50
4679 Buena Vista Rd	Columbus	GA	930,000	12/4/2022	9.00
2517 Milledgeville Rd	Augusta	GA	600,000	9/29/2022	9.00
2942 Riverside	Macon	GA	2,350,000	4/27/2022	9.00
Veterans Memorial Hwy	Lithia Springs	GA	1,050,000	3/17/2022	9.00

Source: CoStar Group, Inc.

RealtyRates.com was utilized to support abstracted rates of return. Respondents to the surveys included numerous financial institutions, developers and others involved in the commercial real estate market and the respondents operated on a regional and/or national basis. The following table summarizes the capitalization rates reported.

Capitalization Rates

Property Type	Low	High
Retail	6.20%	15.03%

Source: RealtyRates.com 4th Quarter 2023

Band of Investment - Overall Rate

This method of "building" an overall rate is based on the basic components of a capitalization rate. These are the return "of" and "on" the investment (payback of financing) as well as the return "of" and "on" the equity (equity dividend rate). The formula for deriving an overall rate by this method is as shown below:

Ro = M x Rm + (1 - M) x Re
Where;
Ro = overall rate
M = mortgage rate
1-M = equity ratio
Re = equity dividend ratio

To support the lending assumptions, we have referred to the survey conducted by ***RealtyRates.com***. The following table summarizes commercial lending criteria currently being reported for comparable properties:

Real Estate Lending Criteria

Property Type	Interest Rate		Loan-to-Value Ratio		Amort. Period - Years		Loan Term - Years		Debt Coverage Ratio	
	Low	High	Low	High	Low	High	Low	High	Low	High
Retail	5.09%	10.05%	50.00%	80.00%	15	40	3	10	1.05	2.15

Source: RealtyRates.com 4th Quarter 2023

Industry surveys were also reviewed for additional support pertaining to an appropriate equity dividend rate. These studies indicated equity dividend rates on a before-tax basis and based on first-year cash flows summarized as follows:

Median Projected Equity Dividend Rates

Property Type	Low	High	Average
Retail	7.58%	17.13%	12.80%

Source: RealtyRates.com 4th Quarter 2023

Typical mortgage terms for an investment such as the subject property, as shown in the referenced survey and as of the date of this analysis, are as follows:

Payment Periods	300
Interest Rate or Cost of Funds	6.25%
Mortgage Constant	0.07916
Loan-to-Value Ratio	75.00%
Equity Ratio	25.00%
Equity Dividend Rate	10.00%

Based on the indications above the overall rate utilizing the band of investment may be calculated as follows:

75.00%	X	0.07916	=	0.0594
25.00%	X	0.1000	=	0.0250
				0.0844

Debt Coverage Formula - Overall Rate

In recent years, traditional lending practices have been further refined by real estate lenders. As a result, another constraining factor, the debt coverage ratio (DCR), has been introduced. This is the ratio of net operating income to annual debt service. This measure of constraint is used particularly by institutional lenders, who generally are fiduciaries. Because of this position, many lenders are particularly sensitive to the safety of their loan investments. As a result, many institutional lenders in underwriting income property loans attempt to provide a cushion, which, in the event of a decline in property income, will enable the borrower to continue to meet the debt service obligations of the loan. The formula devised to determine an overall rate through the utilization of a debt coverage ratio is as follows:

Ro = DCR x Rm x M
Where:
Ro = overall rate
DCR = debt coverage ratio
Rm = mortgage constant (annualized)
M = mortgage ratio

Inserting the various mortgage terms described previously, from the above referenced survey, results in an overall rate by the Debt Coverage Formula calculated as follows:

1.30	X	0.07916	X	75.00%	=	0.0772
1.50	X	0.07916	X	75.00%	=	0.0891

Capitalization Rate Conclusion

Typically, in an active market an overall rate as abstracted from comparable sales is generally given most weight to arriving at an appropriate capitalization rate. However, due to the lack of financial data regarding comparable sales and since adequate data is available concerning financing conditions, primary weight was ascribed to the calculated overall rates. Based upon this analysis, and discussions with market participants, an overall rate of 8.50% is believed to be market oriented as of the date of appraisal. The estimate considers the risks associated with our prospective levels of achievement and implies a capitalization rate of 7.3%, relative to gross rental receipts, or a -122.6 basis point spread relative to the "going-in" capitalization rate of 8.50% utilized herein.

Direct Capitalization

Direct capitalization of net operating income by an overall capitalization rate extracted from the market provides an excellent indication of market value. This method is easily understood, closely related to the market, and convincing if the overall rates abstracted from recent sales are from comparable sale properties and accurate income data are available. The previous techniques and investment surveys indicated a reasonable range of capitalization rates. This rate range is consistent with those quoted by market participants.

Based on the condition and construction quality of the subject property, market position, history, and the locational characteristics of the site, the direct capitalization technique may be summarized as follows:

V = I/R
Where, V = Value, I = Income, and R = Rate

Direct Capitalization

		"As Is"
Stabilized Year Cash Flow *		$206,187
Capitalized @	÷	8.50%
Indicated Value		$2,425,728
Add: Personal Property		$830,000
Total		$3,255,728
Rounded to,		$3,260,000
Implied Cap. Rate to Rental Income		*7.3%*

**Stabilized NOI*

Income Capitalization Approach Conclusion

The values by the applicable methods are as follows:

Income Capitalization Approach Conclusions	
	"As Is"
Direct Capitalization	$3,260,000
Discounted Cash Flow	N/A
Equity Yield Analysis	N/A
Reconciled	$3,260,000

Stress Test

Investors and lending institutions often create simulations to test the resilience of individual and portfolio investments. A proper analysis helps to gauge investment risk and the adequacy of the processes and controls. As stated throughout this report, we have presented an array of risks associated with operations of the subject property. With regards to fluctuations in interest rate, decline in net operating income, and the cumulative effect of declining income and fluctuating capitalization rates, we present the following:

Stress Test - Base Year Assumptions

Asset Name	Pretoria Fields Brewery	Annual P&I	$144,270
Value	$2,430,000	Original DSCR	1.43
Capitalization Rate	8.50%	Equity Dividend	10.19%
LTV Ratio	75.00%	Holding Period - years	10
Interest Rate	6.25%	Loan Balance Outstanding	$1,402,164
Net Operating Inc.	$206,187		

Source: Hector Companies

Interest Rate: The first test involves fluctuations in interest rates. For the purposes of this presentation, we have assumed increases from 1.00% to 3.00% as follows:

Stress Test – Interest Rate

	Amt. of Increase	New Int. Rate	New P&I	New DSC
Mild Increase	1.00%	7.25%	$158,078	1.30
Moderate Increase	2.00%	8.25%	$172,434	1.20
Severe Increase	3.00%	9.25%	$187,291	1.10

Source: Hector Companies

Decline in NOI: The next test involves decline in net operating income. For the purposes of this presentation, we have assumed decreases in net operating income from 5.00% to 15.00%, as follows:

Stress Test – Decline in NOI

	NOI Less x%	NOI	New DSC	Implied Cap. Rate
Mild Shock	5.00%	$195,878	1.36	8.06%
Moderate Shock	10.00%	$185,568	1.29	7.64%
Severe Shock	15.00%	$175,259	1.21	7.21%

Source: Hector Companies

Changes in Collateral Value (decline in NOI and increase in Capitalization Rate)**:** The final test involves fluctuations in interest rate. For the purposes of this presentation, we have assumed decreases from 5.00% to 15.00%, and increase in capitalization rate range from 0 to 200 basis points, as follows:

Stress Test – Decline in NOI and Increase in Capitalization Rate

	Hist. Cap. Rate	Cap. Rate Inc.-BP	New Cap. Rate	NOI	Collateral Val.	New LTV
Mild Stress	8.50%	0	8.50%	$195,878	$2,304,441	79.09%
Moderate Stress	8.50%	100	9.50%	$185,568	$1,953,349	93.30%
Severe Stress	8.50%	200	10.50%	$175,259	$1,669,132	109.19%

Source: Hector Companies

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RECONCILIATION

RECONCILIATION AND FINAL VALUE ESTIMATE

The purpose of this appraisal was to estimate the Market Value of the subject property. Relevant approaches to value were developed to provide the following value indications.

Market Value Indications

	"As Is"
Cost Approach	N/A
Sales Comparison Approach	$3,440,000
Income Capitalization Approach	$3,260,000

The purpose of the reconciliation is to evaluate the inherent strengths and weaknesses of the three individual approaches and reconcile a final value estimate for the subject. When considering the merits of each value indication, the approaches were evaluated based on the following criteria:

1. Ability to reflect the motives of a prospective buyer or seller;
2. Type quality and depth of data upon which the conclusions were based;
3. Ability to reflect economic changes resulting from reductions in the availability of capital, and the cost of funds;
4. Ability to reflect the unique character of real estate, its location, operational characteristics, condition, and income growth potential.

It is important to note that knowledge underlies investment decisions. This knowledge is imperfect partly because the understanding of market fundamentals in the minds of investment participants consists of unknown suppositions about future actions. Over the past 30± years we have observed many suppositions espoused by regulators, law makers, and active market participants that were devoid of certainty, some of which resulted in profitable investment while others resulted in catastrophe. We have therefore attempted to consider historic observations with an appropriate level of relevance to market conditions and perception as of the date of appraisal.

To estimate the replacement cost new of the improvements, data provided by the ***Marshall & Swift Valuation Services, Inc.***, a national cost estimating service updated with local and current cost multipliers is typically relied upon. For the past several years, ***Marshall & Swift Valuation Services, Inc.,*** has been found to be reliable. Construction costs, whether estimated or actual, have little bearing on investment decisions when buyers' primary concern is potential return on equity. Considering the lack of recently conveyed land sales in the immediate vicinity of the subject property acquired for similar use, the Cost Approach was not utilized.

The Sales Comparison Approach is based upon the assumption that an informed purchaser would pay no more for a property than the cost of acquiring an equally desirable substitute property with similar utility. The Sales Comparison Approach provides a supportable estimate of market value when adequate data is available to evaluate market trends and is easily applied and understood by investors, and appears to be relied upon, at least during the initial stages of the investment decision making process. We considered multiple transaction These transactions occurred between October 20, 2023 and July 15, 2021, or over an approximate 30-month period. The properties ranged from $1,382,500 to $5,350,000, or $87.81 to $149.86 per square foot. We utilized an estimate of $110.00 per square foot. In this instance, the Sales Comparison Approach was accorded consideration in estimating the value of the subject property.

The Income Capitalization Approach involved utilizing direct capitalization method(s) of valuation. This approach involved estimating the appropriate rental rate and other income and operating expenses for the subject property over a typical holding period. Net operating income was estimated and capitalized in a manner believed to be appropriate for valuation of the subject property. The Income Capitalization Approach reflected financial market conditions and yield requirements consistent with investor perceptions as of the date of appraisal. The Income Capitalization Approach was given consideration in estimating the market value of the subject property as it reflects economic conditions, including supply and demand characteristics and absorption projections in relationship with similar competitive properties.

Considering all factors affecting value and placing primary emphasis on the Sales Comparison Approach and Income Capitalization Approach, it is our opinion that the Market Value of the subject property may be summarized as follows:

Market Value Estimates

Market Conditions Prevailing as of:		01/24/24		
	Date of Value	Property Interest	Value Estimate	Exposure Time
"As Is"	01/24/24	Fee Simple	$3,400,000	6.0 Months

The Market Value estimate(s) of the subject property may be allocated as follows:

Value Allocation

	"As Is"
Real Estate Value	$2,570,000
Surplus or Excess Land Value	$0
BEV/Intangible	$0
Personal Property Value	$830,000
Total Property Value	$3,400,000

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CERTIFICATE OF APPRAISAL

CERTIFICATION

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- We have not previously performed services, as an appraiser regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- The undersigned is in good standing and has not been reprimanded or sanctioned by the licensing or regulatory authorities and are not currently involved in any process that may result in sanctions or reprimands.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- We have made a personal inspection of the property that is the subject of this report.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the ***Uniform Standards of Professional Appraisal Practice*** (USPAP), and the *Georgia Real Estate Appraiser Classification and Regulation Act*, and the *Rules and Regulations* of the *Georgia Real Estate Appraisers Board*.'
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, we have completed the continuing education program for Designated Members of the Appraisal Institute.
- To the best of our ability, the analyses, opinions, and conclusions were developed, and the report was prepared, in accordance with the standards and reporting requirements of the

Client and/or intended users, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency. The appraisal, analyses, opinions, and conclusions were developed, and the appraisal report was prepared, in conformance with all applicable reporting requirements, and the use thereof is subject to all regulations issued by the applicable regulatory agencies regarding the enactment of Title XI of the Financial Institution Reform Recovery and Enforcement Act of 1989 (FIRREA).

- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Georgia Real Estate Appraiser Classification and Regulation Act and the Rules and Regulations of the Georgia Real Estate Appraisers Board.

Erik G. Hector, CRE, MAI, CCIM
Principal
Certified General Real Estate Appraiser
Georgia License # 2808

Gilder L. Whitlock, MAI
Director
Certified General Appraiser
Georgia #247249

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ADDENDA

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ENGAGEMENT LETTER

APPRAISAL REQUEST

Borrower Name (As it Should Appear in System): Pretoria Fields LLC

Contact Name: David Warr	Contact #: (229) 254-2564
Relationship Manager Name: David Warr	Branch: SAM
Appraisal Date Needed: 2/1/24	Loan Amount: NA
State: Georgia	County: Dougherty
RR: 12 LGD: A	FSA: Yes ☐ No ☑ Farmer Mac: Yes ☐ No ☑
☐ Loan to Existing Member ☐ New Loan ☐ Appraisal Finalization- Construction Completed	Loan Servicing: ☑ Non-Accrual Loan ☐ Substandard Loan ☐ OAEM Loan ☐ Viable Loan ☐ Other Property Owned
☐ New Collateral ☐ New Purchase *If new purchase, attach sales contract ☑ Updated Appraisal Purchase Price:	Tax Card Acres: 1 Tax Card Date: 1/3/24 Tax Card Value: 583,000
☐ Pre-Closing Appraisal ☑ Post-Closing Appraisal	Does the subject to be appraised include the borrower's primary residence? ☐ Yes ☑ No

Property Tract (Physical Address, LL, and LD): 120 Pine Avenue, Lots 10 & 12 Block I, City of Albany

Describe existing improvements:
Commercial property - restaurant, brewery & office

Will property improvements be constructed?(please include plans and specs)

Do all tax cards, deeds and/or plats add up to the acres requested to be appraised?
Total # of acres per tax card: 1.01 Total # of acres per deed: 1.01

Does the legal description depend on a referenced plat or survey? *If so, survey and/or plat must be attached
Plat Book # & Page #:

Is the latest deed included in the request? Does it accurately identify the correct owner of the property?
Date of attached deed:

RPV Request or a Full Appraisal? (loans ≥ $1,000,000 or outside our territory require a full appraisal)
*See *Appraisal Process Guidelines-Current* for clarification Full appraisal

Is any portion of the property irrigated? ☐ Yes ☑ No *If yes, attach water permit

If yes, is the water source on the property? ☐ Yes ☑ No *If no, a perpetual water use agreement is needed to value as irrigated land

List any additional information that needs to be elaborated for the appraiser to successfully complete this task?

Reminders:
-Make sure ALL supporting documents match this collateral!
-See Agrigate association documents-*Appraisal Process Guidelines-Current*

Please fully complete, and submit the Appraisal Request Checklist for every request. Requests will be returned if the checklist is incomplete or absent from the request.

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SUBJECT EXHIBITS

2022 Property Tax Statement

DOUGHERTY COUNTY TAX DEPT.
240 PINE AVE STE 100, PO BOX 1827
ALBANY, GA 31702-1827
(229) 431-3208

Bill No.	Due Date	Current Due	Prior Payment	Back Taxes	*Total Due*
2022-6503717	12/20/2022	$14,339.94	$16305.87	$0.00	**$14,339.94**

Map: 9765 02

Payment Good through: 02/20/2024
Printed: 01/30/2024

Location: 120 PINE AVE

PRETORIA FIELDS LLC
120 PINE AVE
ALBANY, GA 31701

RETURN THIS PORTION WITH PAYMENT
(Interest will be added per month if not paid by due date)

IMPORTANT NOTICES:
* All Homestead Exemptions and Tax Return Filings must be filed no later than April 1st of the following taxable year to receive the exemption or value adjustment in future years.
* Homeowners age 62 and older may qualify for an additional exemption. To determine your eligibility, you must apply in our office and meet certain criteria.
* If you feel your property value is incorrect, you may file a tax return by April 1st with the Board of Tax Assessors requesting a reduction in value for the following year.
* For more information, call the Dougherty County Tax Assessors at (229) 431-2130

DOUGHERTY COUNTY TAX DEPT.
240 PINE AVE STE 100, PO BOX 1827
ALBANY, GA 31702-1827
(229) 431-3208

Tax Payer: PRETORIA FIELDS LLC
Map Code: 9765 02 Personal
Description: MEFF/INVENT/
Location: 120 PINE AVE
Bill No: 2022-6503717
District: 001

Building Value	Land Value	Acres	Fair Market Value	Due Date	Billing Date	Payment Good through	Exemptions
0.00	0.00	0.0000	$1,576,363.00	12/20/2022		02/20/2024	SF SN

Entity	Adjusted FMV	Net Assessment	Exemptions	Taxable Value	Millage Rate	Gross Tax	Credit	Net Tax
ALBANY STRB	$1,576,363	$630,546	$69,294	$561,252	-7.548000	$0.00	-$4,236.33	$-4,236.33
CITY OF ALBANY	$1,576,363	$630,546	$69,294	$561,252	17.145000	$9,622.67	$0.00	$9,622.67
DOUGHERTY COUNTY	$1,576,363	$630,546	$69,294	$561,252	22.652000	$12,713.48	$0.00	$12,713.48
SALES TAX ROLLBACK	$1,576,363	$630,546	$69,294	$561,252	-3.583000	$0.00	-$2,010.97	$-2,010.97
SCHOOL M&O	$1,576,363	$630,546	$69,294	$561,252	18.096000	$10,156.42	$0.00	$10,156.42
STATE TAX	$1,576,363	$630,546	$69,294	$561,252	0.000000	$0.00	$0.00	$0.00
TOTALS					**46.762000**	**$32,492.57**	**-$6,247.30**	**$26,245.27**

This gradual reduction and elimination of the state property tax and the reduction in your tax bill this year is the result of property tax relief passed by the Governor and the House of Representatives and the Georgia State Senate.

Notify our office immediately upon any change of address: Mon - Fri 8:30-5:00, **(229) 431-3208**

State law requires all bills be sent to the January 1 owner. If this property has been sold, please forward this bill to the new owner and contact this office. If you have an escrow account, you should contact your mortgage company to ensure this bill is paid by the due date.

PAYMENT INSTRUCTIONS
* Interest will begin after the due date at the prime rate plus 3% as prescribed by law. The interest rate is subject to change in January of each year.
* After 120 days, a penalty of 5% shall be imposed on all property other than homesteaded property with a bill under $500.00. If any tax amount remains unpaid, there will be an additional 5% penalty added each 120 days, together with interest. The aggregate amount of penalties imposed shall not exceed 20% of the principal amount of the tax originally due.
* We encourage you to pay your bill by mail or on our website at www.dougherty.ga.us and select “Search and Pay Taxes”. If a receipt is desired, please include a stamped self –addressed envelope. If your bill is to be paid by a mortgage company, you may send the top portion of this statement to them.

Current Due	$26,245.27
Penalty	$2,223.00
Interest	$2,090.04
Other Fees	$87.50
Previous Payments	$16,305.87
Back Taxes	$0.00
Total Due	**$14,339.94**

2023 Property Tax Statement

Bill No.	Due Date	Current Due	Prior Payment	Back Taxes	*Total Due*
2023-6503601	12/20/2023	$30,902.97	$0.00	$14,339.94	**$45,242.91**

DOUGHERTY COUNTY TAX DEPT.
240 PINE AVE STE 100, PO BOX 1827
ALBANY, GA 31702-1827
(229) 431-3208

Map: 9765 02

Payment Good through: 02/20/2024
Printed: 01/30/2024

Location: 120 PINE AVE

PRETORIA FIELDS LLC
120 PINE AVE
ALBANY, GA 31701

RETURN THIS PORTION WITH PAYMENT
(Interest will be added per month if not paid by due date)

IMPORTANT NOTICES:
* All Homestead Exemptions and Tax Return Filings must be filed no later than April 1st of the following taxable year to receive the exemption or value adjustment in future years.
* Homeowners age 62 and older may qualify for an additional exemption. To determine your eligibility, you must apply in our office and meet certain criteria.
* If you feel your property value is incorrect, you may file a tax return by April 1st with the Board of Tax Assessors requesting a reduction in value for the following year.
* For more information, call the Dougherty County Tax Assessors at (229) 431-2130

DOUGHERTY COUNTY TAX DEPT.
240 PINE AVE STE 100, PO BOX 1827
ALBANY, GA 31702-1827
(229) 431-3208

Tax Payer: PRETORIA FIELDS LLC
Map Code: 9765 02 Personal
Description: MEFF/INVENT/
Location: 120 PINE AVE
Bill No: 2023-6503601
District: 001

Building Value	Land Value	Acres	Fair Market Value	Due Date	Billing Date	Payment Good through	Exemptions
0.00	0.00	0.0000	$1,628,387.00	12/20/2023		02/20/2024	SN

Entity	Adjusted FMV	Net Assessment	Exemptions	Taxable Value	Millage Rate	Gross Tax	Credit	Net Tax
ALBANY STRB	$1,628,387	$651,355	$0	$651,355	-7.644000	$0.00	-$4,978.96	$-4,978.96
CITY OF ALBANY	$1,628,387	$651,355	$0	$651,355	17.172000	$11,185.07	$0.00	$11,185.07
DOUGHERTY COUNTY	$1,628,387	$651,355	$0	$651,355	22.702000	$14,787.06	$0.00	$14,787.06
SALES TAX ROLLBACK	$1,628,387	$651,355	$0	$651,355	-3.633000	$0.00	-$2,366.37	$-2,366.37
SCHOOL M&O	$1,628,387	$651,355	$0	$651,355	17.993000	$11,719.83	$0.00	$11,719.83
STATE TAX	$1,628,387	$651,355	$0	$651,355	0.000000	$0.00	$0.00	$0.00
TOTALS					**46.590000**	**$37,691.96**	**-$7,345.33**	**$30,346.63**

This gradual reduction and elimination of the state property tax and the reduction in your tax bill this year is the result of property tax relief passed by the Governor and the House of Representatives and the Georgia State Senate.

Notify our office immediately upon any change of address: Mon - Fri 8:30-5:00, **(229) 431-3208**

State law requires all bills be sent to the January 1 owner. If this property has been sold, please forward this bill to the new owner and contact this office. If you have an escrow account, you should contact your mortgage company to ensure this bill is paid by the due date.

PAYMENT INSTRUCTIONS
* Interest will begin after the due date at the prime rate plus 3% as prescribed by law. The interest rate is subject to change in January of each year.
* After 120 days, a penalty of 5% shall be imposed on all property other than homesteaded property with a bill under $500.00. If any tax amount remains unpaid, there will be an additional 5% penalty added each 120 days, together with interest. The aggregate amount of penalties imposed shall not exceed 20% of the principal amount of the tax originally due.
* We encourage you to pay your bill by mail or on our website at www.dougherty.ga.us and select “Search and Pay Taxes”. If a receipt is desired, please include a stamped self –addressed envelope. If your bill is to be paid by a mortgage company, you may send the top portion of this statement to them.

Current Due	$30,346.63
Penalty	$0.00
Interest	$556.34
Other Fees	$0.00
Previous Payments	$0.00
Back Taxes	$14,339.94
Total Due	**$45,242.91**

Item	Price	Deposit Req.	Source		QTY
Brewhouse MM/LT/BKW	$ 160,429		**W.M. Sprinkman**		
Brewhouse Mat and Inst	$ 92,994		**W.M. Sprinkman**		
Brewhouse Labor (see terms)	$ 24,538		**W.M. Sprinkman**		
Brewhouse Platform	$ 32,468		**W.M. Sprinkman**		
HLT and CLT	$ 94,286		**W.M. Sprinkman**		
Automation	$ 48,118		**W.M. Sprinkman**		
FV 30bbl	$ 25,591			$25,591	1
FV 60bbl	$ 33,691			$33,691	1
FV 120bbl	$ 92,692			$46,346	2
BBT 30bbl	$ -			$20,507	0
BBT 60bbl	$ 26,267			$26,267	1
BBT 120bbl	$ 42,519			$42,519	1
FV Accessories - Valves, Gauges	$ 6,932			$1,733	4
BBT Accessories - Valves, Gauges	$ 4,800			$2,400	2
Misc Tools/Clamps/Hose	$ 3,941				
Grain Mill/Chain Disk	$ 36,556		**Malt Handling - Mill, Chain Disk**		
Glycol Chiller	$ 42,500		**G&D 30H-2C Complete**		
Glycol - 550 gallons	$ 3,499		**Chemworld - Roswell, GA 275 Gallon tote**		
Glycol Piping	$ 19,645		**Aquatherm, insulated by Fruition Const**		
Drive in cooler	$ 56,432		**Bush Refrigeration - Richard Rosenfeld**		
Water Filter	$ 13,000		**Craft Brewing Water - Kim Klatt**		
Air Compressor	$ 11,644		**Atlas Copco minimum 15hp 80 Gallon 460v 3 phase 125psi (w/ Piping)**		
Boiler	$ 72,000		**Allied Boiler - complete, w/ valves, installed by Fruition Const**		
Keg Washer/Filler	$ 28,185		**IDD Squire 2 w/ fill by weight**		
Canning Line	$ 215,000		**Palmer - Automatic, Counter Pressure Monobloc 40 CPM 12oz**		
Fork Lift	$ 22,500		**Yale Lift One - George Hutchinson**		
Install Allowance	$ 53,000				
Freight Allowance	$ 16,900				
Office Tech/Networking	$ 4,850				
Office Furniture	$ 5,700				
POS Equipment	$ 1,638				
Break Room	$ 3,500				
Total Equipment	**$ 1,284,977**				

LIFE EXPECTANCY GUIDELINES

FURNITURE, FIXTURES AND EQUIPMENT

Most of the following useful lives for depreciable assets other than buildings, by industry groups, are extracted from U.S. Treasury Department Internal Revenue Service Publication 946 titled "How To Depreciate Property". The midpoints of these ranges are listed under the Class Life system outlined in the "Table of Class Lives and Recovery Periods" Publication 946. They are presented here in alphabetical order for your convenience. For more complete descriptions or definitions, see Publication 534. See top of Page 12 and Pages 2 and 3 for further life expectancy and life range discussions.

Lives marked with an asterisk (*) are not from the Internal Revenue Service publication, but are a composite of studies of equipment, bookkeeping practices and appraisers' opinions as compiled from a consensus of recognized trade groups, suppliers and other interested parties.

INDUSTRY GROUP	ASSET RANGE LIFE IN YEARS		
Aerospace industry	8	10	12
Agriculture, machinery and equipment	8	10	12
Animals, cattle, breeding or dairy	5.5	7	8.5
hogs, breeding	2.5	3	3.5
horses, breeding or work	8	10	12
sheep and goats, breeding	4	5	6
Cotton ginning	9.5	12	14.5
Trees and vines, almonds, pecans, and walnuts*	-----	40	-----
apples, figs, and olives*	-----	50	-----
apricots, peaches, and nectarines*	-----	20	-----
cherries, pears, and citrus*	-----	40	-----
grapes, plums, and prunes*	-----	35	-----
Aircraft and all helicopters, except commercial aircraft	5	6	7
commercial aircraft	9.5	12	14.5
Amusement and theme parks	10	12.5	15
Apparel and fabricated textile manufacturing	7	9	11
Automobile repair shops	8	10	12
Bakeries and confectionery production	9.5	12	14.5
Barber and beauty shops	-----	10	-----
Billboards	16	20	24
Brewery equipment	9.5	12	14.5
Cable television, headend facilities	9	11	13
microwave systems	7.5	9.5	11.5
program origination	7	9	11
service and test	7	8.5	10
subscriber connection and distribution	8	10	12
Canneries and frozen food production	9.5	12	14.5
Cement manufacture	16	20	24
Chemical and allied production	7.5	9.5	11.5
Clay products manufacturing	12	15	18
Clocks and watches, manufacturing	8	10	12
electronic instrumentation	5	6	7
Cold storage and ice-making equipment*	-----	18	-----
Cold storage warehouse equipment*	-----	10	-----
Condiments, manufacturing and processing*	-----	10	-----
Construction equipment, general construction	5	6	7
marine construction	5	6	7

INDUSTRY GROUP	ASSET RANGE LIFE IN YEARS		
Dairy products manufacturing	9.5	12	14.5
Data handling equipment, except computers	5	6	7
computers and terminals*	3	5	7
Distilling	9.5	12	14.5
Electrical equipment manufacturing	8	10	12
Electric utilities, hydraulic production	40	50	60
nuclear or combustion turbine production	16	20	24
nuclear fuel assemblies	4	5	6
steam production	22.5	28	33.5
transmission and distribution facilities	24	30	36
Electronic equipment manufacturing	5	6	7
semiconductor manufacturing equipment	-----	5	-----
Fabricated metal products	9.5	12	14.5
special tools	2.5	3	3.5
Fishing equipment, excluding boats and barges*	-----	4	-----
Food and beverage production	9.5	12	14.5
special-handling devices	3	4	5
Fur processing	7	9	11
Gas utilities, distribution	28	35	42
liquified natural gas production	17.5	22	26.5
manufactured gas production	24	30	36
natural gas production	11	14	17
natural gas-coal gasification production	14.5	18	21.5
pipelines and related storage	17.5	22	26.5
Glass and glass products	11	14	17
special tools	2	2.5	3
Grain and grain mill products manufacture	13.5	17	20.5
Gypsum products	12	15	18
Hand tools*	-----	5	-----
Hospital furnishings and equipment*	7	10	15
magnetic resonance imaging	-----	5	-----
Hotel and motel furnishings and equipment	8	10	12
Industrial steam and electric generation	17.5	22	26.5
Information systems, computers and peripheral equipment	5	6	7
Jewelry products and pens	9.5	12	14.5
Knitwear and knit products	6	7.5	9
Land improvements, sidewalks, roads, etc.	-----	20	-----
Laundry equipment	8	10	12
Leather and leather products	9	11	13

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DEED(S)

DOC# 002867
FILED IN OFFICE
5/9/2017 04:53 PM
BK:4414 PG:35-36
EVONNE S. MULL
CLERK OF COURT
DOUGHERTY COUNTY

REAL ESTATE TRANSFER TAX
PAID: $0.00

After recording return to:
Jeffrey N. Gaba, Esq.
Gregory Doyle Calhoun & Rogers, LLC
49 Atlanta Street
Marietta, GA 30060
PRETO 150734

STATE OF GEORGIA

COUNTY OF DOUGHERTY

PT-61 047-2017-000824

QUITCLAIM DEED

THIS INDENTURE is made as of this 14th day of ~~February,~~ March 2017, by and between **DOWNTOWN DEVELOPMENT AUTHORITY OF ALBANY** (hereinafter called "Grantor"), and **PRETORIA FIELDS, LLC** (hereinafter referred to as a "Grantee"). The words "Grantor" and "Grantee" to include their respective successors, heirs, legal representatives and assigns where the context requires or permits.

WITNESSETH:

FOR AND IN CONSIDERATION of the sum of Ten Dollars ($10.00) in hand paid to Grantor by Grantee at and before the execution, sealing and delivery hereof, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor has bargained, sold, remised, released, conveyed and forever quitclaimed, and by these presents does bargain, sell, remise, release, convey and forever quitclaim unto Grantee, and the heirs, legal representatives and assigns of Grantee, all rights, title and interest in and to the following property IN FEE SIMPLE:

ALL THAT CERTAIN TRACT OR PARCEL OF LAND SITUATE LYING AND BEING ALL OF CITY OF ALBANY LOTS 10 AND 12, BLOCK 1, CITY OF ALBANY, DOUGHERTY COUNTY, GEORGIA AND BEING MORE PARTICULARLY DESCRIBED IN THE ATTACHED EXHIBIT "A".

TO HAVE AND TO HOLD said tract or parcel of land, together with said rights, members, easements and appurtenances, so that Grantor shall not at any time by any means or ways have, claim or demand any right, title or interest in or to said land or any of the rights, members, easements and appurtenances thereof.

IN WITNESS WHEREOF, Grantor has caused this deed to be executed and sealed as of the day and year first above written.

Signed, sealed and delivered in presence of:

Unofficial Witness

Stacie H. Mote
Notary Public
Commission Expiration:

STACIE H. MOTE
NOTARY
EXPIRES
November 2, 2018
PUBLIC
RANDOLPH COUNTY GEORGIA

DOWNTOWN DEVELOPMENT AUTHORITY OF ALBANY

By: ____________ (Seal)

Its: Chair
CHAIRPERSON

2204375_1.doc

EXHIBIT "A"

LEGAL DESCRIPTION

SURVEY LEGAL DESCRIPTION

PRETORIA FIELDS, LLC TRACT:

ALL THAT CERTAIN TRACT OR PARCEL OF LAND SITUATE LYING AND BEING ALL OF CITY OF ALBANY LOTS 10 AND 12, BLOCK 1, CITY OF ALBANY, DOUGHERTY COUNTY, GEORGIA AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGIN AT THE NORTHEAST CORNER OF CITY LOT NUMBER 10, BLOCK 1 AND GO SOUTH 00 DEGREES 02 MINUTES 48 SECONDS EAST A DISTANCE OF 210.80 FEET TO THE NORTH RIGHT-OF-WAY OF AN ALLEY (20' R/W); GO THENCE SOUTH 89 DEGREES 46 MINUTES 10 SECONDS WEST ALONG THE NORTH RIGHT-OF-WAY OF AN ALLEY A DISTANCE OF 105.00 FEET; GO THENCE NORTH 00 DEGREES 02 MINUTES 48 SECONDS WEST A DISTANCE OF 210.80 FEET TO THE SOUTH RIGHT-OF-WAY OF PINE AVENUE (120' R/W); GO THENCE NORTH 89 DEGREES 46 MINUTES 10 SECONDS EAST ALONG THE SOUTH RIGHT-OF-WAY OF PINE AVENUE A DISTANCE OF 105.00 FEET TO THE POINT OF BEGINNING.

SAID TRACT OR PARCEL OF LAND CONTAINS 0.508 ACRES

DOC# 002868
FILED IN OFFICE
05/09/2017 04:53 PM
BK:4414 PG:37-38
EVONNE S. MULL
CLERK OF COURT
DOUGHERTY COUNTY

REAL ESTATE TRANSFER TAX
PAID: $0.00

Please return to:
Gregory Doyle Calhoun & Rogers, LLC
Attn: Jeffrey Gaba
49 Atlanta Street
Marietta, GA 30060 PRE70150734

PT-61 047-2017-000825

STATE OF GEORGIA)
) **QUITCLAIM DEED**
COUNTY OF DOUGHERTY)

THIS INDENTURE, made this 27th day of March, 2017, between **GRAY PUBLISHING, LLC, A DELAWARE LIMITED LIABILITY COMPANY FKA ALBANY HERALD PUBLISHING COMPANY, INC., A GEORGIA CORPORATION,** as party of the first part, and **PRETORIA FIELDS, LLC, A GEORGIA LIMITED LIABILITY COMPANY,** as party of the second part;

WITNESSETH:

That the said party of the first part for and in consideration of the sum of $1.00, cash in hand paid, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, has bargained, sold and does by these presents bargain, sell, remise, release and forever quitclaims a full interest to the said party of the second part, its successors and assigns, all the right, title, interest, claim or demand which the said parties of the first part has or may have had in and to:

ALL THAT CERTAIN TRACT OR PARCEL OF LAND SITUATE LYING AND BEING ALL OF CITY OF ALBANY LOTS 10 AND 12, BLOCK 1, CITY OF ALBANY, DOUGHERTY COUNTY, GEORGIA AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGIN AT THE NORTHEAST CORNER OF CITY LOT NUMBER 10, BLOCK 1 AND GO SOUTH 00 DEGREES 02 MINUTES 48 SECONDS EAST A DISTANCE OF 210.80 FEET TO THE NORTH RIGHT—OF—WAY OF AN ALLEY (20' R/W); GO THENCE SOUTH 89 DEGREES 46 MINUTES 10 SECONDS WEST ALONG THE NORTH RIGHT—OF—WAY OF AN ALLEY A DISTANCE OF 105.00 FEET; GO THENCE NORTH 00 DEGREES 02 MINUTES 48 SECONDS WEST A DISTANCE OF 210.80 FEET TO THE SOUTH RIGHT—OF—WAY OF PINE AVENUE (120' R/W); GO THENCE NORTH 89 DEGREES 46 MINUTES 10

SECONDS EAST ALONG THE SOUTH RIGHT—OF—WAY OF PINE AVENUE A DISTANCE OF 105.00 FEET TO THE POINT OF BEGINNING.

SAID TRACT OR PARCEL OF LAND CONTAINS 0.508 ACRES

MAP AND PARCEL NO.: 0N101-00001-002

TO HAVE AND TO HOLD the said described premises unto the said party of the second part, its successors and assigns, so that neither the said parties of the first part nor its heirs, successors and assigns nor any other person or persons claiming under them shall at any time claim or demand any right, title or interest to the aforesaid described premises or its appurtenances.

IN WITNESS WHEREOF, the said parties of the first part has hereunto caused these presents to be executed the day and year above written.

Signed, sealed and delivered in the presence of:

Unofficial Witness

Notary Public

My Commissions Expires: March 21, 2018

GRAY PUBLISHING, LLC, A DELAWARE LIMITED LIABILITY COMPANY FKA THE ALBANY HERALD PUBLISHING COMPANY, INC., A GEORGIA CORPORATION

BY:

AS ITS: EVP & CFO

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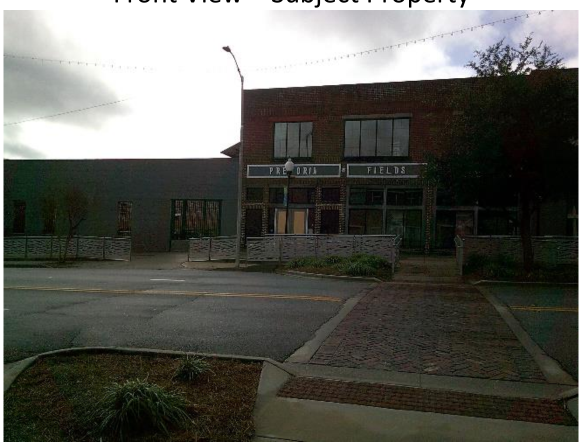
SUBJECT PHOTOGRAPHS

Front View – Subject Property

Interior View – Production Area



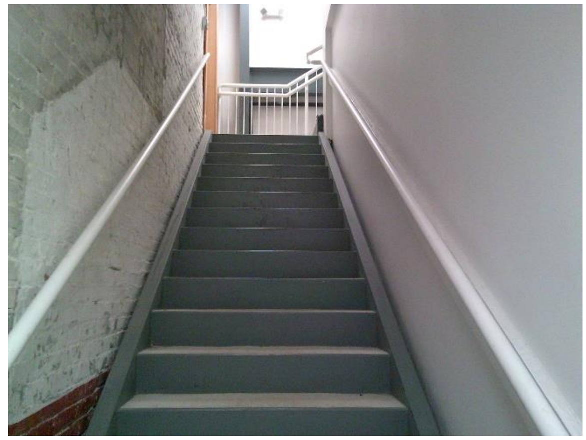
Front View - Subject Property

Interior View – Production Area

Interior View – Production Area

Interior View – Cooler


Production Lab Area

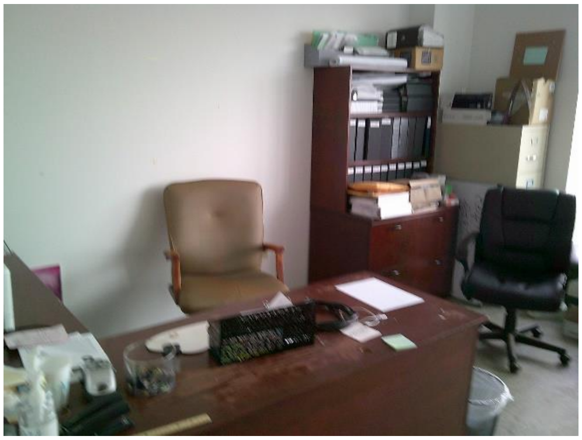

2nd Floor Access Stairs


Production Area – Subject Property

2nd Floor Office Area

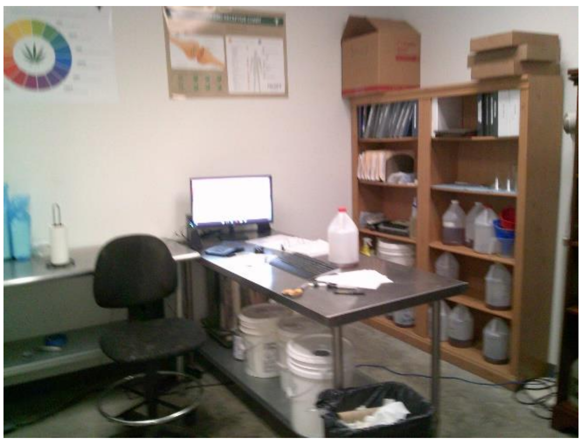

Production Area – Subject Property


2nd Floor Office Area

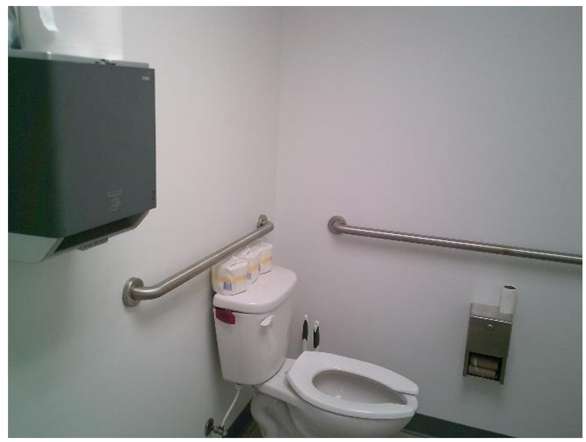


2nd Floor Office Area

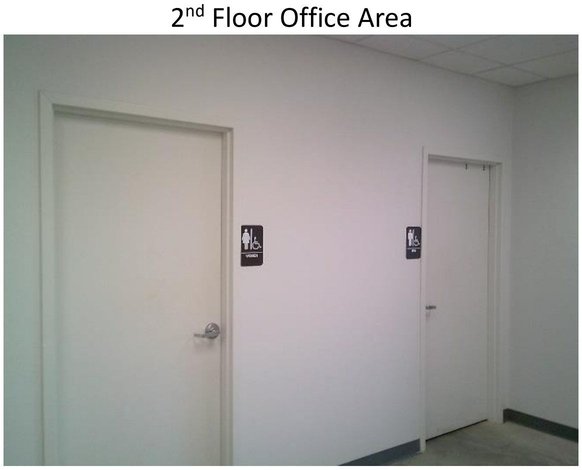
2nd Floor Conference Area



2nd Floor Office Area



Typical Restroom



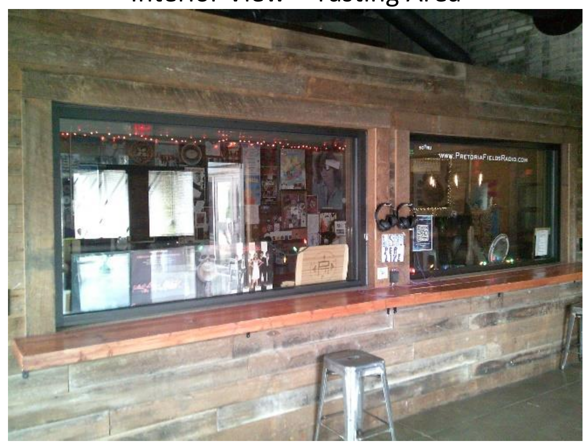
2nd Floor Bathroom Area

Interior View - Cooler

Outdoor Patio

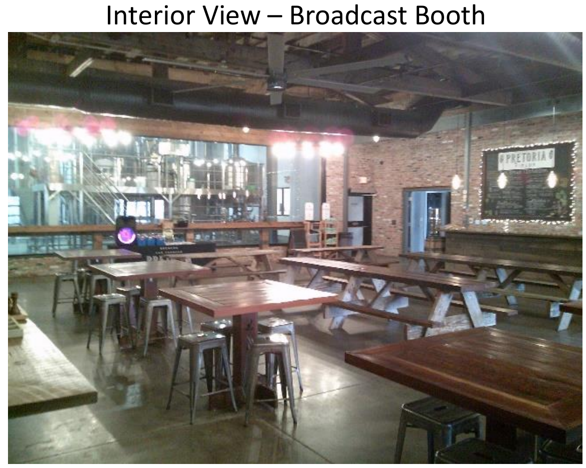
Interior View – Tasting Area

Interior View – Tasting Area



Interior View – Broadcast Booth

Interior View – Tasting Area

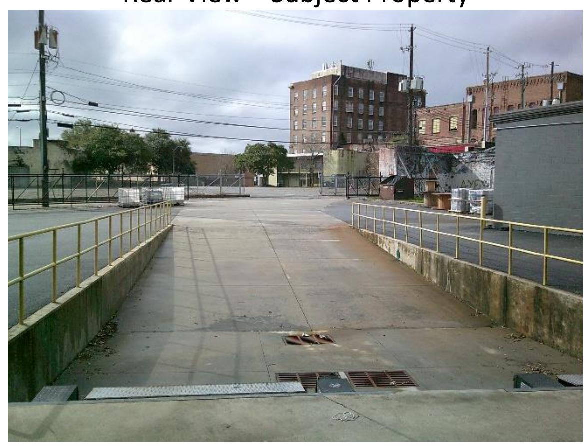


Interior View – Tasting Area

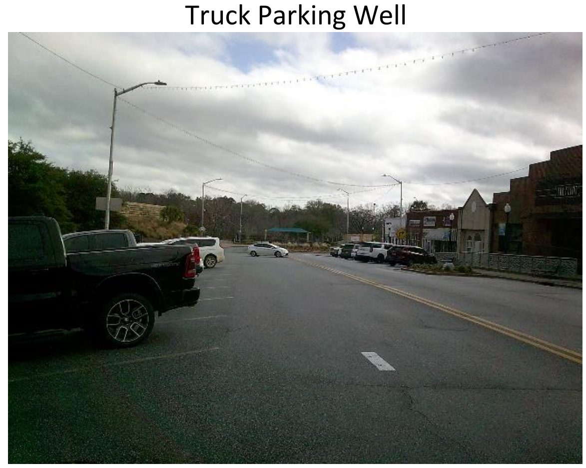

Typical Bathroom


Rear View – Subject Property


Rear View – Subject Property


Truck Parking Well


Rear View – Subject Property


Street Scene – Pine Avenue Easterly View


Street Scene – Alley (rear access)


Street Scene – Pine Avenue Westerly View

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BAROMETER

HECTOR COMPANIES

GLOSSARY OF TERMS

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QUALIFICATIONS OF THE APPRAISER

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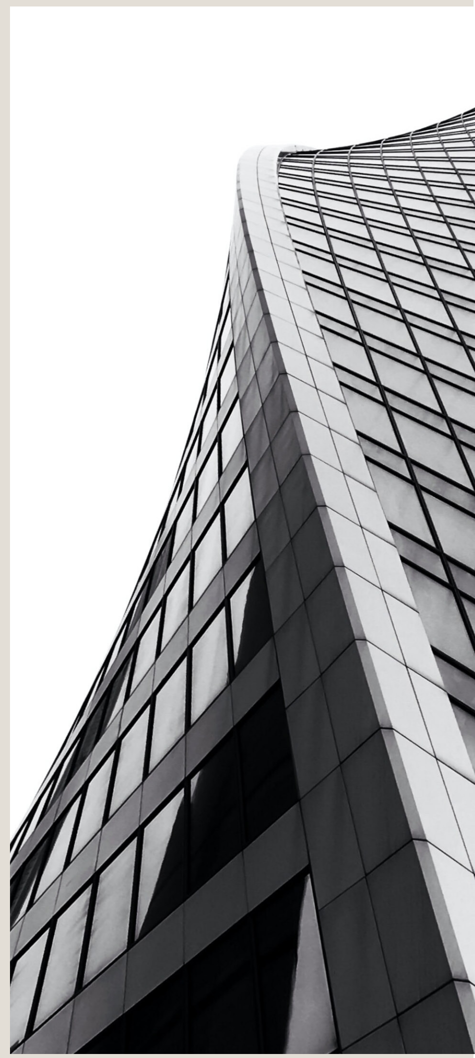
BAROMETER

Southeast Regional Barometer

STATES EDITION - VOLUME 4, NO. 1 - 1Q 2023



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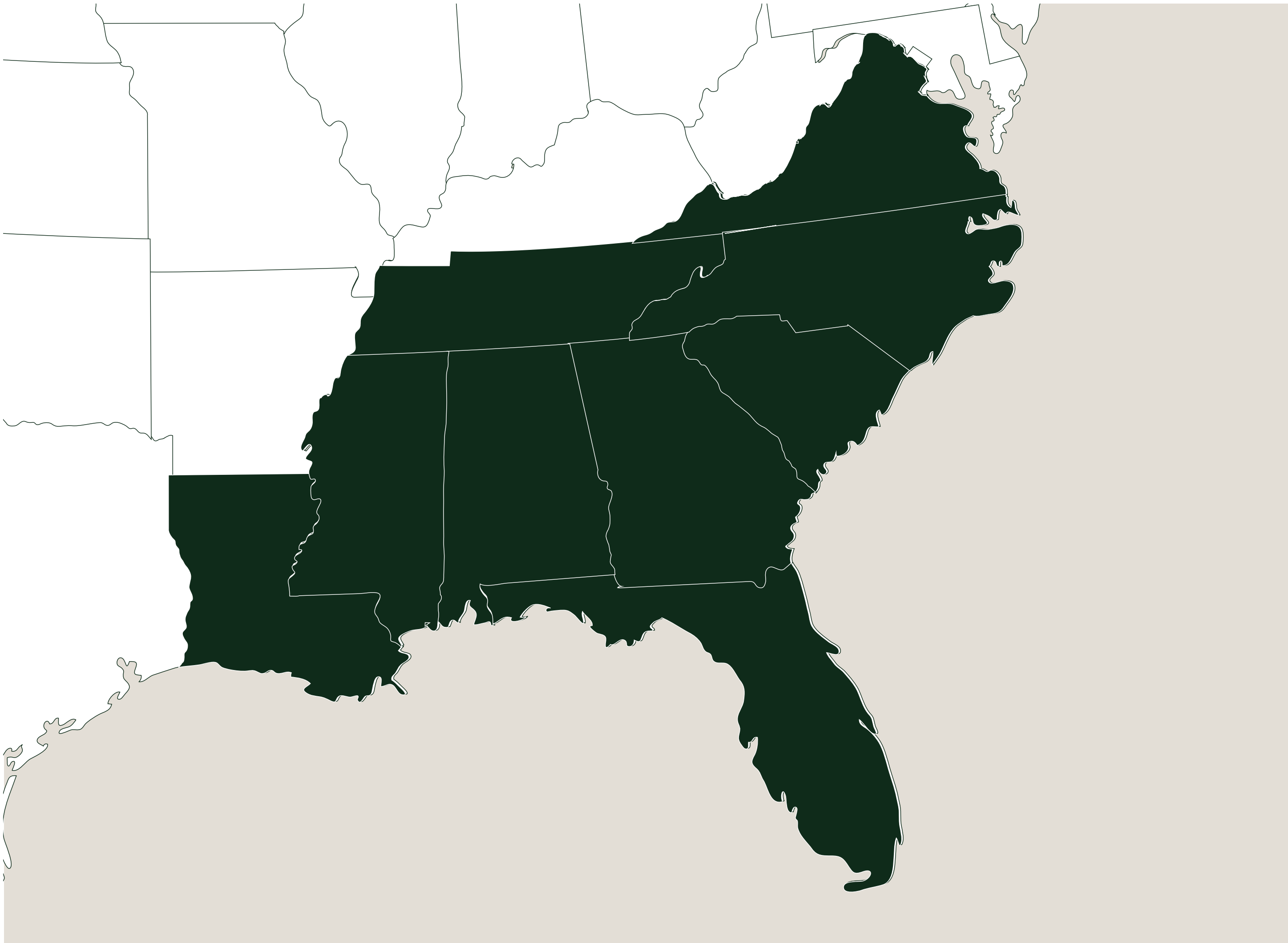
Introduction

This newsletter provides a summary of economic conditions pertaining to commercial real estate activity in the Southeast region of the United States. Hector Commercial Real Estate Services, LLC (“Hector Companies”) provides an analytical interpretation of market activity as it relates to commercial real estate investment. Following issues of the Southeast Regional Barometer (“Barometer”) will include rankings of the five largest Metropolitan Statistical Areas (“MSA”) in the nine Southeast regional states included in the Area of Study (“AOS”).

Areas of Study



This document and all the statements, opinions, contents, and all attachments are privileged to the email recipient and are not intended to be disclosed to or relied upon by any third party without the express written consent of a duly-authorized principal of Hector Commercial Real Estate Services, LLC.

Property Types Considered

The current volume of the Barometer considers the following property types:
** available to subscribers only*

- ✓ SINGLE FAMILY
- ✓ RETAIL
- ✓ APARTMENT
- ✓ INDUSTRIAL
- ✓ OFFICE
- * LODGING
- * SELF-STORAGE

Opportunity Rankings

The following pages include a summary of data considered in establishing "opportunity rankings" associated with areas of study. Hector Companies employs a weighting system that ascribes priority to the primary drivers of demand such as economic base, affordability, income, costs, threats/ opportunities posed by AI, shifts in labor and production, and others. We do not illuminate issues of causation within this publication. These observations are reserved for our clients and partners, and is often tailored to product, market, and risk profile.

RELATIVE OPPORTUNITY RANKING

	SINGLE FAMILY	APARTMENT	INDUSTRIAL	OFFICE	RETAIL
ALABAMA	7	8	7	7	7
FLORIDA	1	1	1	1	1
GEORGIA	2	2	2	2	2
LOUISIANA	7	7	8	8	8
MISSISSIPPI	9	9	9	9	9
NORTH CAROLINA	3	3	3	3	3
SOUTH CAROLINA	4	5	4	5	6
TENNESSEE	6	6	6	6	5
VIRGINIA	5	4	5	4	4

1 = Greatest Opportunity *9 = Least Opportunity*

Data – Single Family, Apartment, and Industrial

SINGLE FAMILY

	Opportunity Ranking	Increase in Total Employment-2028	Population Growth Amount-2028	Average HH Income	Total Units - Single Family	Median Home Value	Average Monthly Payment	Affordability	Housing Tenure - Owner	Average Annual SF Permits	Prospective Demand/Yr.-Units
Alabama	7	4.73%	97,384	$82,543	1,407,094	$191,574	$993	78.21%	69.2%	14,052	6,010
Florida	1	10.71%	1,106,290	$93,195	5,810,771	$319,277	$1,632	74.12%	66.2%	90,539	64,510
Georgia	2	7.89%	407,817	$99,383	2,633,053	$268,170	$1,382	75.15%	64.0%	42,564	21,830
Louisiana	7	4.78%	6,192	$81,846	1,219,679	$207,383	$1,071	75.98%	66.6%	13,954	362
Mississippi	9	4.59%	-10,595	$73,669	796,925	$159,872	$832	86.43%	68.8%	6,524	(2,345)
North Carolina	3	7.70%	395,295	$91,540	2,801,742	$252,538	$1,300	73.27%	65.7%	53,202	23,069
South Carolina	4	7.23%	228,154	$88,791	1,483,069	$232,197	$1,198	81.39%	70.1%	32,020	14,303
Tennessee	6	6.33%	265,296	$87,975	1,864,046	$253,855	$1,305	72.73%	66.6%	29,148	15,593
Virginia	5	6.69%	223,589	$123,675	2,239,959	$368,599	$1,893	71.15%	66.7%	21,970	12,770

APARTMENT

	Opportunity Ranking	Increase In Total Employment-2026	Population Growth Amount-2026	Average HH Income	Total Units - MF	Average Vacancy	Average Effective Rent/Mo.	Average Effective Rent/SF	Housing Tenure - Renter	Average Annual MF Permits	Prospective Demand/Yr.-Units
Alabama	8	4.73%	97,384	$82,543	626,796	7.90%	$1,018	$1.07	30.8%	3,067	2,677
Florida	1	10.71%	1,106,290	$93,195	2,966,205	5.80%	$1,705	$1.81	33.8%	44,759	32,930
Georgia	2	7.89%	407,817	$99,383	1,478,042	8.40%	$1,447	$1.46	36.0%	14,506	12,254
Louisiana	7	4.78%	6,192	$81,846	610,351	9.80%	$1,033	$1.15	33.4%	1,943	181
Mississippi	9	4.59%	-10,595	$73,669	361,819	6.90%	$934	$0.97	31.2%	793	(1,065)
North Carolina	3	7.70%	395,295	$91,540	1,460,918	7.20%	$1,347	$1.43	34.3%	20,217	12,029
South Carolina	5	7.23%	228,154	$88,791	631,980	7.70%	$1,319	$1.36	29.9%	6,162	6,095
Tennessee	6	6.33%	265,296	$87,975	936,907	7.40%	$1,275	$1.38	33.4%	12,535	7,837
Virginia	4	6.69%	233,589	$123,675	1,118,344	5.90%	$1,591	$1.76	33.3%	11,512	6,376

INDUSTRIAL

	Opportunity Ranking	Increase In Total Employment-2026	Population Growth Amount-2026	Median HH Income	Total Space - SF	Average Rent/Sf	Under Construction	Available Space - SF	Average Vacancy	SF/Capita	12 Mo. Deliveries - SF
Alabama	7	4.73%	97,384	$58,624	400,000,000	$6.12	5,900,000	18,600,000	4.65%	78.95	5,400,000
Florida	1	10.71%	1,106,290	$64,983	1,300,000,000	$12.34	61,200,000	37,900,000	2.92%	58.71	24,700,000
Georgia	2	7.89%	407,817	$69,900	1,200,000,000	$7.02	79,800,000	47,200,000	3.93%	109.78	43,500,000
Louisiana	8	4.78%	6,192	$56,027	224,000,000	$8.05	5,100,000	7,500,000	3.35%	48.38	2,900,000
Mississippi	9	4.59%	-10,595	$52,133	274,000,000	$5.38	4,800,000	14,900,000	5.44%	93.10	8,700,000
North Carolina	3	7.70%	395,295	$64,266	1,000,000,000	$6.46	37,600,000	34,700,000	3.47%	93.73	15,500,000
South Carolina	4	7.23%	228,154	$63,370	584,000,000	$6.27	40,800,000	24,400,000	4.18%	111.09	19,500,000
Tennessee	6	6.33%	265,296	$62,829	770,000,000	$6.86	22,000,000	22,700,000	2.95%	109.26	11,200,000
Virginia	5	6.69%	233,589	$86,635	524,000,000	$8.50	17,700,000	17,600,000	3.36%	60.12	17,100,000

1 = Greatest Opportunity *9 = Least Opportunity*

Source: Costar Group, Inc., Woods & Poole, Spotlight, HUD.gov, and Hector Companies

Data – Office and Retail

OFFICE

	Opportunity Ranking	Increase in Total Employment-2026	Population Growth Amount-2026	Median HH Income	Total Space - SF	Average Rent/SF	Under Construction	Available Space - SF	Average Vacancy	SF/Capita	12 Mo. Deliveries - SF
Alabama	7	4.73%	97,384	$58,624	140,000,000	$19.82	1,100,000	10,600,000	7.57%	27.63	737,000
Florida	1	10.71%	1,106,290	$64,983	760,000,000	$30.24	10,600,000	59,500,000	7.83%	34.32	4,800,000
Georgia	2	7.89%	407,817	$69,900	416,000,000	$25.99	4,800,000	52,000,000	12.50%	38.06	3,600,000
Louisiana	8	4.78%	6,192	$56,027	121,000,000	$19.31	119,000	7,100,000	5.87%	26.13	363,000
Mississippi	9	4.59%	-10,595	$52,133	50,700,000	$18.78	12,000	2,700,000	5.33%	17.23	259,000
North Carolina	3	7.70%	395,295	$64,266	378,000,000	$25.72	7,900,000	32,700,000	8.65%	35.43	2,900,000
South Carolina	5	7.23%	228,154	$63,370	157,000,000	$23.05	1,900,000	10,200,000	6.50%	29.87	1,200,000
Tennessee	6	6.33%	265,296	$62,829	248,000,000	$24.34	4,600,000	21,200,000	8.55%	35.19	1,500,000
Virginia	4	6.69%	233,589	$86,635	409,000,000	$27.51	4,600,000	51,100,000	12.49%	46.93	2,500,000

RETAIL

	Opportunity Ranking	Increase in Total Employment-2026	Population Growth Amount-2026	Median HH Income	Total Space - SF	Average Rent/SF	Under Construction	Available Space - SF	Average Vacancy	SF/Capita	Future Demand
Alabama	7	4.73%	97,384	$58,624	298,000,000	$14.58	2,000,000	96,000,000	32.21%	58.82	4,495,195
Florida	1	10.71%	1,106,290	$64,983	1,200,000,000	$25.87	11,100,000	42,500,000	3.54%	54.19	8,354,614
Georgia	2	7.89%	407,817	$69,900	624,000,000	$18.08	2,300,000	23,400,000	3.75%	57.09	2,974,041
Louisiana	8	4.78%	6,192	$56,027	259,000,000	$17.27	810,000	6,600,000	2.55%	55.94	42,636
Mississippi	9	4.59%	-10,595	$52,133	160,000,000	$14.16	352,000	4,500,000	2.81%	54.37	(65,999)
North Carolina	3	7.70%	395,295	$64,266	603,000,000	$18.22	3,600,000	18,300,000	3.03%	56.52	2,944,593
South Carolina	6	7.23%	228,154	$63,370	334,000,000	$16.57	1,200,000	11,200,000	3.35%	63.53	1,693,354
Tennessee	5	6.33%	265,296	$62,829	416,000,000	$18.77	2,300,000	11,100,000	2.67%	59.03	1,924,450
Virginia	4	6.69%	233,589	$86,635	463,000,000	$20.59	1,400,000	21,000,000	4.54%	53.12	1,913,632

1 = Greatest Opportunity *9 = Least Opportunity*

Source: Costar Group, Inc., Woods & Poole, Spotlight, HUD.gov, and Hector Companies

Contact

To learn more about Hector Companies, or to access additional reports, please visit HectorCo.com or reach out to one of our regional offices.

ERIK G. HECTOR
Principal
EHector@HectorCo.com

FLORIDA
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F. 904-337-4353

NORTH CAROLINA
P. 919-918-7760
F. 904-337-4353

HECTORCO.COM

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GLOSSARY OF TERMS

Absolute Owner One who holds all the real property interests in a parcel of real estate. [1]

Absolute Net Lease A lease in which the tenant pays all expenses including structural maintenance, building reserves, and management; often a long-term lease to a credit tenant. [1]

Absorption The process whereby any specific commodity is occupied, leased, and/or sold to an end user. [1]

Abut To share a common boundary with another property. [1]

Active Market A market characterized by numerous transactions. [1]

Adaptive Reuse A new use of a building or site which is usually modified to meet contemporary demand. [1]

Adjacent Describes Property that borders or adjoins another property. [1]

Alienation A transfer of title from one person to another. [1]

Amenity A tangible or intangible benefit of real property that enhances its attractiveness or increases the satisfaction of the user. [1]

Appurtenance Something added or appended to a property that then becomes an inherent part of the property; usually passes with the property when title is transferred. [1]

"As Is" Market Value The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date. [1]

Assessed Value The value of the property according to the tax rolls in ad valorem taxation. [1]

Broker A person who acts as an intermediary, bringing together two or more participants in a market transaction. [1]

Bulk Sale The sale of two or more parcels of real estate to one buyer in one transaction. [1]

Capitalization Rate Any rate used to convert income into value. [1]

Closing Costs The settlement costs incurred in the transferring of property ownership. [1]

Closing Date The date on which ownership of a property is formally transferred from the seller to the buyer. [1]

Common Area The total area within a property that is not designed for sale or rental but available for common use by all owners, tenants, or their invitees. [1]

Comparables Similar property sales, rentals, or operating expenses used for comparison in the valuation process. [1]

Contributory Value (Deprival Value) The change in the value of a property as a whole, whether positive or negative, resulting from the addition or deletion of a property component. [1]

Corner Influence The effect on value produced by a property's location at or near the intersection of two streets. [1]

Decentralization Dispersion from the center; movement of people, industry, and business away from the city and to suburbs, rural-urban fringe areas, or smaller cities. [1]

Deed Restriction A provision written into a deed that limits the use of land. [1]

Down Payment Cash a buyer pays at the time of purchase. [1]

Easement The right to use another's land for a stated purpose. [1]

Economic Base Economic activity of a community that enables it to attract income from outside its borders. [1]

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[1] The Dictionary of Real Estate Appraisal; Fifth Edition; Page 1-63

Effective Date 1) The date on which the analyses, opinions, and advice in an appraisal review or consulting service apply. 2) In a lease document, the date upon which the lease goes into effect. [2]

Exposure Time The time a property remains on the market. [2]

Fee Simple Estate Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed b the government powers of taxation, eminent domain, and police power. [2]

Foreclosure The legal process in which a mortgagee forces the sale of a property to recover all or part of a loan on which the mortgagor has defaulted. [2]

Frontage The measured footage of a site that abuts a street, stream, railroad, or other facility. [2]

Grantee A person to whom property is transferred. [2]

Grantor A person who transfers property. [2]

Gross Building Area Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements. [2]

Highest & Best Use (HBU, HABU) The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. [2]

Improvements Buildings or other relatively permanent structures or developments located on, or attached to land. [2]

Intended Use The manner in which the intended users expect to employ the information contained in a report. [2]

Leased Fee Interest (Estate) A freehold where the possessory interest has been granted to another party by creation of a contractual land-lord-tenant relationship. [2]

Lessee One who has the right to occupy and use the property of another for a period of time according to a lease agreement. [2]

Lessor One who conveys the rights of occupancy and use to others under a lease agreement. [2]

Liquid Assets Assets that can be immediately converted into cash and are immediately available to pay debts. [2]

Market Area The area associated with a subject property that contains its direct competition. [2]

Market Rent The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the lease agreement. [2]

Market Value The most probably price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. [2]

Marketing Time An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value during the period immediately after the effective date of an appraisal. [2]

Mixed Use A combination of land uses in an area or in a single building. [2]

Multifamily Dwelling A building containing two or more dwelling units. [2]

Operating Expenses The periodic expenditures necessary to maintain the real property and continue production of the effective gross income, assuming prudent and competent management. [2]

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[2] The Dictionary of Real Estate Appraisal; Fifth Edition: Page 63-142

Parcel A piece of land of any size in one ownership. [2]

Personal Property Consists of every kind of property that is not real property; movable without damage to itself or the real estate.[3]

Real property The interests, benefits, and rights inherent in the ownership of real estate. [3]

Rentable Area Computed by measuring to the inside finished surface of the dominant portion of the permanent building walls, excluding any major vertical penetrations of the floor. [3]

Rent Roll A report that is prepared regularly, usually each month, and indicates the rent-paying status of each tenant. [3]

Replacement Cost The estimated cost to construct, at current prices as of the effective appraisal date, a substitute for the building being appraised, using modern materials and current standards, design, and layout. [3]

Reproduction Cost The estimated cost to construct, at current prices as of the effective appraisal date, an exact duplicate or replica of the building being appraised, using the same materials, construction standards, design, layout, and quality of workmanship and embodying all the deficiencies, superadequacies, and obsolesces of the subject building. [3]

Signature (Signage) Personalized evidence indicating authentication of the work performed by the appraiser and the acceptance of the responsibility for content, analyses, and the conclusions in the report. [3]

Situs The physical location of a property. [3]

Subject Property The property that is appraised. [3]

Sublease An agreement in which the lessee leases part or all of the property to another party and thereby become the lessor. [3]

Surplus Land Land that is not currently needed to support the existing improvement but cannot be separated from the property and sold off. [3]

Tax Map A map, drawn to scale, that shows the boundaries and locations of individual lots and parcels in an assessment jurisdiction. [3]

Tax Parcel (Parcel Number) A variation of the lot and block system of land description used by assessors; tax parcels are numbered and referenced to coded map books by section, block, and lot. [3]

Tenant One who holds or possesses real property. [3]

Topography The relief features of surface configurations of an area. [3]

Triple Net (Net Net Net) Lease (NNN) A lease in which the tenant assumes all expenses of operating a property except that the landlord is responsible for structural maintenance. Building reserves, and management. [3]

Unimproved Land (Raw Land) Vacant land or land that lacks the essential, appurtenant improvements required to make it useful. [3]

Zoning Public regulation of the use of private land through application of police power, accomplished by establishing districts or areas with uniform requirements relating to lot coverage, setbacks, type of improvement, permitted activities, signage, structure, height, minimum lot area, density, landscaping, and other aspects of land use and development. Zoning regulations are established by enactment of a local zoning ordinance. [3]

Zoning Ordinance A statute enacted by a legislative body, under the police power of government, to regulate and control the use of real estate for the health, morals, safety, and general welfare of the public. [3]

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[3] The Dictionary of Real Estate Appraisal; Fifth Edition, Page 142-212

HECTOR
COMPANIES

QUALIFICATIONS OF THE APPRAISER

ERIK G. HECTOR
Managing Member

EDUCATION
Florida State University, Bachelor of Science - Real Estate

REAL ESTATE COURSES
American Institute of Real Estate Appraisers
All required courses for MAI designation
Commercial Investment Real Estate Institute
All required courses for CCIM designation
Urban Land Institute
Multifamily Housing Development
Shopping Centers: How to Build, Buy, and Redevelop
Construction Fundamentals for Development Professionals

SEMINARS
Easement Valuation, Appraisal Institute
Credit Policy, Bank of New England
Anatomy of a Bankruptcy, Bank of New England
Rates, Ratios, and Reasonableness, Appraisal Institute
Golf Course Development & Design, Harvard University
Golf Course Operations, Harvard University
Professional Standards USPAP Update Core Law
Commercial Mortgage Securitization, Institute for International Research
Florida Unified Code Core Course; Safety/Business/Worker's Compensation
Low Income Housing Tax Credit, Course 101
Commercial Construction - Appraisal Institute
Artificial Intelligence: Implications for Business Strategy
MIT Sloan School of Management Executive Education

LICENSES
State-Certified General Appraiser - AL - #G00791
State-Certified General Appraiser - FL - #RZ808
State-Certified General Appraiser - GA - #2808
State-Certified General Appraiser - LA - #G3664
State-Certified General Appraiser – MD - #32510
State-Certified General Appraiser - MS - #GA-877
State-Certified General Appraiser - NY - #46000049228
State-Certified General Appraiser - NC - #A3383
State-Certified General Appraiser - SC - #CG 2539
State-Certified General Appraiser - TN - #00004608
State-Certified General Appraiser - VA - #4001 006946
State-Certified General Appraiser - WV - #CG385
Certified Building Contractor - FL - #CB C060536
Licensed Real Estate Broker - FL - #BK 0458650
Licensed Real Estate Broker - NC - #153078

MEMBERSHIPS

Royal Institution of Chartered Surveyors, Fellowship Member (FRICS)
Counselors of Real Estate (CRE)
Appraisal Institute (MAI) #9120
Commercial Investment Real Estate Institute (CCIM) #7185

APPOINTMENTS

First Union/Wachovia Real Estate Advisory Board 2000, 2001, 2002
Chairman - Rolesville Parks and Recreation Board
Board of Adjustments - Town of Rolesville 2002
Parish Council - St. Catherine's - Wake Forest, NC 2002, 2003
School Board - San Juan Del Rio - St. Johns County, FL 2005, 2006

WORK HISTORY

2015 - Present:	Managing Member; Hector Commercial Real Estate Services, LLC
2004 - Present:	Managing Member; Hector Holding Company, LLC
2002 - Present:	Managing Member; Aegis Commercial Real Estate, LLC
1991 - 2015:	Founder and Managing Member; Keystone Consulting Group, Jacksonville, Florida
2003 - 2005:	Development Officer; DeBartolo Development
1989 - 1991:	Portfolio Manager; Bank of New England, Boston, Massachusetts
1988 - 1989:	Senior Consultant; Pardue, Heid, Church, Smith and Waller of Tampa, Inc., Tampa, Florida
1987 - 1988:	Senior Consultant; Pierson/Dohring, Inc., Tampa, Florida
1986 - 1987:	Consultant; Laventhol & Horwath; Tampa, Florida

EXPERIENCE

Consulting: Assignments undertaken have included appraisals, market studies, land utilization and project planning of virtually all types of commercial and residential real estate. Primary area of specialty, in order of preference, includes: lodging facilities, golf courses, subdivisions, office uses, retail uses, health care uses, and apartments.

Development: Experienced as primary contractor, primary developer, development officer, and/or managing member of development efforts involving residential subdivisions, office condominiums, shopping centers, and mixed-use communities.

STATE OF GEORGIA
REAL ESTATE APPRAISERS BOARD

ERIK GAWAIN HECTOR

2808

IS AUTHORIZED TO TRANSACT BUSINESS IN GEORGIA AS A

CERTIFIED GENERAL REAL PROPERTY APPRAISER

THE PRIVILEGE AND RESPONSIBILITIES OF THIS APPRAISER CLASSIFICATION SHALL CONTINUE IN EFFECT AS LONG AS THE APPRAISER PAYS REQUIRED APPRAISER FEES AND COMPLIES WITH ALL OTHER REQUIREMENTS OF THE OFFICIAL CODE OF GEORGIA ANNOTATED, CHAPTER 43-39-A. THE APPRAISER IS SOLELY RESPONSIBLE FOR THE PAYMENT OF ALL FEES ON A TIMELY BASIS.

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ERIK GAWAIN HECTOR

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CERTIFIED GENERAL REAL PROPERTY APPRAISER

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

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LYNN DEMPSEY
Real Estate Commissioner

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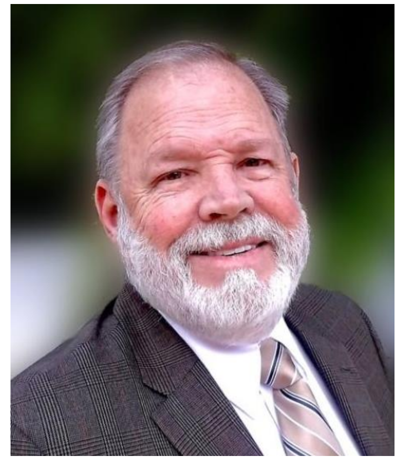

GILDER L. WHITLOCK, MAI
Director

EDUCATION

University of Nebraska at Omaha, Bachelor of Science - Real Estate
Stetson University, Masters of Business Administration – Economics and Finance

REAL ESTATE COURSES - Appraisal Institute
Real Estate Appraisal Principles
Advanced Residential Principles
Market & Marketability Analysis
Capitalization Theory and Techniques - Part 1
Capitalization Theory and Techniques - Part 2
Standards of Professional Practice - Parts A & Report Writing and Valuation Analysis
Market Analysis and Highest and Best Use
Advanced Sales Comparison and Cost Approaches
Demonstration Appraisal Report Workshop

SEMINARS
Anatomy of a Bankruptcy, Bank of New England
Rates, Ratios, and Reasonableness, Appraisal Institute
Golf Course Development & Design, Harvard University
Golf Course Operations, Harvard University
Professional Standards USPAP
USPAP Instructors Certification Course

LICENSES
State-Certified General Appraiser - FL - #RZ 002676
State-Certified General Appraiser – GA - #CG347249

MEMBERSHIPS
Appraisal Institute MAI, SRA #50846
Certified USPAP Instructor # 10558 from 5/16/2003-3/31/2010

WORK HISTORY
2007 - 2020: Director - Senior Consultant; Hector Companies
2002 - 2007: District Manager - Valuation Services, Bank of America
1993 - 2002: Senior Consultant - Keystone Consulting Group - North Carolina
1989 - 1993: Portfolio Manager, Recoll Management, Boston, Massachusetts

EXPERIENCE
As the district manager for Bank of America my responsibilities included management of the NE Florida, Orlando and South Florida districts including the supervision of 30 staff appraisers, and management of independent fee appraises (approximately 300) who provided independent valuation services for the Bank. Additional responsibilities included supervision of administrative staff, regulatory compliance and resolution of appraisal issues.

Fee assignments undertaken have included appraisals, market studies, land utilization and project planning of virtually all types of commercial and residential real estate. Primary area of specialty, includes: Manufacturing facilities, public and private utilities, environmentally sensitive lands, lodging facilities, golf courses, subdivisions, office uses, retail uses, health care uses, marinas, airports and apartments. Additional facilities include historic buildings, lumber mills, timber lands, brick plants, and mining operations. Qualified as an expert witness testimony in both State and Federal Courts.

STATE OF GEORGIA
REAL ESTATE APPRAISERS BOARD

GILDER LUDWIG WHITLOCK

347249

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GILDER LUDWIG WHITLOCK

#	**347249**	**END OF RENEWAL**
Status	**ACTIVE**	**07/31/2023**

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GILDER LUDWIG WHITLOCK

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